MONEY MAKING IN FREE AMERICA

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MONEY MAKING IN FREE AMERICA

Short Chapters on Prosperity

By

BOLTON HALL

Author of

"THE GAME OF LIFE," "A LITTLE LAND AND A LIVING," ETC.

Introduction by

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DEDICATION

To all those who are poor, and wish to become rich; or who are rich, and wish to become richer, this book is dedicated.

CONTENTS

INTRODUCTION

Great as is the struggle for privilege and power in our strenuous American life, there are probably few who would not prefer an assured living and a fair competence to the chance of an overgrown fortune.

The author of "Money Making in Free America" as a business man, lawyer, speculator, landlord and reformer, has had large opportunities of observation, and believes that monopoly is the main obstacle to such enlarged and contented living for the multitudinous millions of America. He submits a sort of agreed statement of facts to the American people for judgment.

On the ethical side, it is true that unenlightened selfishness is the father of monopoly, but selfishness is also the child of oppression; both should be attacked by education. Whether we may agree with all of the author's conclusions and approve his remedy or not, whether we stop short, or go further than he does, all will admit that monopoly is an important factor in our social problem and that its consideration is one of our most important and most pressing duties.

It is to be wished that all those who offer us facts and figures on which to test their conclusions or to base our own would be as careful as Mr. Hall is in giving us the source and authority from which they are taken and by which they may be verified.

I have known Mr. Hall for many years and regard him as absolutely reliable in all his statements. He is not only pointing out the far-reaching effects of privilege and monopoly on our social institutions, but he suggests, in my opinion, the only remedy.

I bespeak for his works the consideration that a man should receive who has made heroic sacrifices for the cause he holds dear.

TOM L. JOHNSON.

CLEVELAND, OHIO.

THE PURPOSE OF THIS BOOK

THIS book is not an appeal merely to thoughtful people, for the great majority of men do not think. It does not urge serious study of the great problems for which a solution is given, for the average man never seriously studies any question. It is not an address to the sympathetic and unselfish, for people as a rule are selfish, and somewhat indifferent to the condition of their fellow men. It is not a plea for human rights now denied by our laws: those abstractions have too little weight in the practical affairs of life. It does not present existing conditions as resulting from a conspiracy of the few against the many. The evils of the present social system are due to the ignorance of the many and of the few. It does not assume that mankind is divided into good people and rogues. There are two classes; but they are the reflecting people and the unreflecting.

This book aims to convince the unminding millions that injustice is never to their interest. It has no theory to prove, nor does it advocate any social reform hobby. It shows just why a great many work hard, in order that one may live without working. It does not attack wealth or property: it shows that we ought to have far more property than we have now, and how understanding its economics will help each one to get it. It appeals to no lofty sentiment, but bases its arguments on the sure ground of plain, ordinary selfishness. It indulges in no rhetorical fancies. It does not denounce existing institutions as monuments of wickedness. It points to them as marvels of thoughtlessness. It does not say: "Do this and you will establish an ideal civilization," but: "Do this and all may become rich." In short, it recognizes the fact, admitted by all except dreamers, enthusiasts and impracticable idealists, that people have one aim in common, which is, to get wealth. It maintains that this aim is not a mean one, but the necessary foundation for progress, in education, the arts, sciences, and all else that distinguishes the man of culture and refinement from the primitive barbarian. It exalts the wise production and distribution of wealth as the chief social good.

The reception accorded to the first draft of this book indicates that Americans will welcome this attempt to set forth as simply as possible the causes which prevent them from enjoying the wealth to which their industry and skill entitle them.

The man who dreams of attaining a Utopia by attempts to conform to an abstract moral law, will find little of interest in these pages. The practical man of common sense, who knows that riches are not to be had through dreams of righteousness, will find here much that will profit him in his affairs. If he will keep in mind the facts of this book, he will certainly become more prosperous. If he ignores them, he will continue to suffer from the evils of which he complains; but he will at least have the satisfaction of knowing that the ignorance of himself and his fellows is responsible for his condition. He can no longer blame the decrees of Providence, or the heartlessness and greed of those who profit by his neglect.

I do not mean that self-interest is the greatest motive to which men desirous of reform can appeal. On the contrary, every improvement in the condition of mankind has been promoted by the sympathy of the rich, or at least of the well-to-do, with their less fortunate fellow men suffering from the miseries due to involuntary poverty. It is to the pitying self-sacrifice of thousands of high-minded men and women that we owe the sentiment in favor of radical reforms, which is manifest everywhere to-day.

Yet as the purpose of this book is to hasten the removal of the artificial barriers with which men in their ignorance have shut themselves out of opportunities for happiness, I use such arguments as appeal to the largest number.

With those who choose to work for the same end by appealing to righteousness and justice I have no quarrel. I shall be satisfied if this book leads even a few to believe that as a matter of expediency our social system should be changed on the general lines laid down in the following pages.

BOLTON HALL.

33 East 61st St., New York.

MONEY MAKING IN FREE AMERICA

CHAPTER I

THE PROMISE OF THE CENTURY

WHEN the thirteen colonies along the Atlantic coast became the United States of America, they gave brighter promise for the development of a great and prosperous nation than any country in the world, at any period in history. All the conditions were favorable for rapid growth in population, wealth and intelligence. The men who had fought against foreign oppression which prevented their prosperity, looked forward to a grander Commonwealth than the world had ever seen. Not only did they believe that their country would become greatest in numbers and wealth, but that the principles on which its government was founded would make it also the freest of nations. The despotism of nobility and thrones which ruled the peoples of Europe was left behind, and in free America all men were to have equal rights. There were to be no privileged classes subsisting on the labor of the masses, but each man was to enjoy the fruits of his own exertion. The laws were to be made by representatives of the people instead of by hereditary rulers, and were to be alike for rich and poor. Men were not to be divided into castes, as in the Old World, but were to prosper according to their character, ability and efforts, and the highest position was to be open to men of the humblest rank. Here in a virgin continent was to be the fullest expression of perfected humanity, with literature, art and science crowning the structure of material greatness.

Nor were these expectations merely the fond hopes of theorists who fancied that a change in the form of government would create an ideal society. They were based on the facts of all human experiences, from which alone predictions for the future could be made. The fathers of the Republic knew that the scattered colonists had prospered and grown strong because their condition was freer than in the countries of their birth. They knew that the poverty and degradation of Europe were due to the tyranny of kings and nobles and privileged classes. They knew that the great nations of the past had fallen because they were founded on inequity among men. They knew that only in a government proceeding directly from the people could be found a safeguard for popular rights. And having, as they believed, provided against all the bad institutions of other countries, they were confident that they had assured to their posterity the blessings of liberty and equality.

Equally well founded were their expectations of material prosperity. Although but partly explored, the new republic was known to possess the natural resources necessary for carrying on every branch of industry. With immense areas of fertile soil, extending from the rich cotton and rice bottoms of the South to the wheat and grazing prairies of the North; with vast forests of the finest timber; inexhaustible deposits of coal, iron, copper and other minerals; and with great rivers and lakes forming natural waterways for transportation, every requisite appeared for the support of unlimited numbers of people. With a temperate and healthful climate which made exertion agreeable, there was no obstacle to the development of the whole area controlled by the federated States.

Not less important than natural resources as a factor in the future of the country, was the character of the four millions of people already within its borders. Mainly of Anglo-Saxon stock, they were either the more adventurous spirits of the Old World, or their descendants. Strong, hardy, and energetic, they had battled with savages, and with the primeval wilderness, and had come out victorious. Their first successes encouraged them to greater efforts, and each year saw the outposts of the pioneer pushed farther and farther. In the new settlements sprang up the public school and the newspaper, evidences of the popular desire for knowledge as well as for wealth. Education kept pace with each step in material progress.

With such a country, and such a people, there was abundant reason for the general confidence that the United States would at no distant period be the wonder of the world.

These expectations of material prosperity have been realized. The thirteen States have grown to forty-six, embracing the territory from the Atlantic to the Pacific and from the Great Lakes to the Gulf of Mexico. Our population has increased from four millions to eighty-six millions. The total wealth is now estimated at $110,000,000,000. There were 5,737,372 farms, in 1900, valued, with improvements, machinery and live stock, at twenty billion dollars.* The total value of farm products was $3,742,000,000. This is the census estimate, and is undoubtedly too low.

In everything for the most efficient production and distribution of wealth, the United States is easily first of nations. The total horsepower of the steam and other machinery used in manufacturing and transportation is three times as large as that of any other country. The 512,276 manufacturing establishments, with a capital, as stated by themselves, of over $9,800,000,000, produced goods valued at $8,370,000,000 (net); they reproduced in a single year the

* Moody's Magazine for May, 1908, estimates the farm property at twenty-seven billion dollars.

whole amount of their actual capital. The product of fisheries was probably $50,000,000. The product of mineral industries was over $1,-200,000,000.* The railroad mileage has grown from nothing one hundred years ago to more than two hundred thousand (225,584) miles, equal to seventy-five lines across the continent, carrying annually 800,000,000 passengers, equal to about half the population of the world, and 1,600,000,000 tons of freight.

All other departments of trade and industry have shown equally remarkable growth, the general use of improved machinery making the output of wealth far greater per capita than at any time in history.

Similar examples of development, though to a much lesser extent than in the United States, might be shown in Australia, New Zealand and in the Argentine Republic, which have rapidly increased in population and wealth during the

* For an analysis of the census figures of production, see appendix.

The statistics used throughout this book are for the "continental" United States only; including Alaska, but excluding our island possessions. The figures for 1900 are therefore comparable with those of previous censuses.

past fifty years, and are becoming great commonwealths. Those countries and this country have prospered just in proportion as there were free opportunities for increasing numbers of people to work for themselves. They have prospered because the people have not been burdened with a privileged aristocracy, state-established churches or "divinely-appointed" rulers. But chiefly they have prospered because of immense areas of fertile soil which were open to all who would settle on them.

It is no wonder that so many of the workers of Europe, restricted by tyrannical laws, degraded by class oppression, forced to sell their labor at the lowest wages that will sustain life, are justly described as "pauper labor." Yet when these paupers are transplanted to freer conditions they quickly develop into intelligent, independent, self-respecting men and women. As the press dispatches quote President Roosevelt at Oyster Bay, July, 1908: "We have this country what it is because we have measurably succeeded in securing, in the past, equality of opportunity here." There is no magic in soil or climate: the difference is in the change from the strangling influence of restrictive laws to the natural opportunity for growth. The proposition that greater freedom means greater prosperity, and therefore greater intelligence and higher civilization, cannot be disputed. We know it is so, because we have seen it for ourselves.

CHAPTER II

OUR PRESENT DRIFT

PROFESSOR HUXLEY, in an article, "Government: Anarchy or Regimentation," published in *Nineteenth Century* for May, 1890, expressed himself as follows:

> "Even the best of modern civilizations appears to me to exhibit a condition of mankind which neither embodies any worthy ideal nor even possesses the merit of stability. I do not hesitate to express the opinion that if there is no hope of a large improvement in the condition of the greater part of the human family; if it is true that the increase of knowledge, the winning of a greater domain over nature which is its consequence, and the wealth which follows upon that domain are to make no difference in the extent and intensity of want, with its concomitant physical and moral degradation among the masses of the people, I should hail the advent of some kindly comet which would sweep the whole affair away as a desirable consummation."

Magnificent as are the results we have reviewed, they nevertheless fall far behind what they ought to have been. There is a darker side to the picture, one which the founders of the

Union would not have believed could exist along with such tremendous increase of wealth. While the standard of living of the people as a whole has been raised far above the standard of Revolutionary times and higher than that of any other country, wide inequalities have grown up which threaten the Republic. For although the production of wealth has rapidly increased, its distribution is unequal and unreasonable. Even fifteen years ago 9 per cent. of the people owned over 71 per cent. of the total property of the country, while 52 per cent. of the people owned only 5 per cent. of the property. (George K. Holmes; *Political Science Quarterly,* 1893.)

This shows to the eye the disproportion:

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POOR	own	PROPERTY
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Or again:

PROPERTY OF RICH	NUMBER OF RICH
PROPERTY OF POOR	NUMBER OF POOR

Instead of an equitable division of wealth according to each man's part in its production, we see that a small number of persons who do little or no productive work receive a large share of the things that are made by work. The evils of privileged classes as they existed in Europe a hundred years ago have been transplanted here, and are increasing upon the soil from which it was thought they had been forever shut out.

The results of this departure from the equality which the statesmen of a century ago thought they had established, are to be found throughout the nation. Millions of farmers, after years of hard labor, are barely able to get a living. The last census that gives the facts shows that in 1890 there were more than two million (2,303,-061) mortgages on farm lands, representing two thousand million dollars ($2,209,148,431) of debts. (You can send for the Report on Mortgaged Farms, to the Census Bureau at Washington.) At the same time there were more than one million and a quarter (1,294,913) tenant farmers who paid either money or a share of their crops for the use of the land which was once public land. This was 28 per cent. of the farmers. Ten years later farm tenants had increased to over two million (2,024,964), increasing the percentage to 35 per cent., in spite of all improvements in agricultural methods, and new inventions in farm implements and machinery which save labor. The independent farmers of early times are becoming the tenants of powerful landowners and corporations. In some of the older States thousands of deserted farms bear witness to the failure of their former owners.

Even from the West and Northwest come stories of poverty and destitution which would be incredible if they were not vouched for by reliable authorities. Each year sees thousands of farmers driven by the threat of starvation to leave the land they have tilled. From Minnesota to Canada and back again, from Iowa to the Dakotas and back again—they drift in the hope of an independent living, and at last they join the crowds who seek work in the towns and cities.

Nor are the workers in the cities and towns, in the mining regions or in the lumbering districts, any better off. Those farmers who abandon this struggle against poverty and migrate to the manufacturing centers find there that the fight for existence is intensified. On every hand there is a great surplus of labor, eager to find a "job." Everyone knows that were it not for the support of other unions and the interference of the strikers, any strike could be broken at once by filling the places of the strikers.

Statistics compiled from the reports of over one-fourth of the trades unions in the State of New York show that, excluding those idle because of sickness, accident or strikes, the average number of their members unemployed was 11,100, or ten per cent.*

This means that because chances of employment are limited, one-tenth of the working days of these men must be spent in enforced idleness. And yet in that year of 1903 the proportion of the unemployed unionists (excluding those affected by labor troubles) in New York was "much below the normal."

But this is not a matter that needs elaboration. The proof is found in the throngs of men and women who even in good times answer every advertisement of "Help Wanted"; who besiege factories, stores and other places where they hope to find work, and in the daily experience of everyone who comes in contact with the work-

* The average number of those on strike was 5,500; highest in any month, 15,983. Average number sick, 1,200. Average membership considered, 110,100. These figures are for the year ending February, 1904, and are computed from the New York Department of Labor Bulletin, March, 1904.

ing people. In city, town and country the testimony is the same. Far more men and women are searching for work than can possibly find it.*

Nor is it only among farmers and mechanics that this complaint of recurring harder "hard times" is heard. Manufacturers, merchants, bankers, owners of railroads and steamships, providers of amusements, publishers of newspapers, writers of books and men engaged in all other businesses, join in declaring that trade is periodically depressed, and that their particular industry suffers because of the poverty of those who consume their products or patronize their business. That the great industrial and financial interests are periodically depressed is well known, although partisan politicians usually claim that "the country is prosperous."†

* FIGHTING FOR WORK

Special to The New York Times.

CAMDEN, N. J., Aug. 10, 1908.—A riot, in which one man was badly stabbed and a dozen beaten with clubs and stones, occurred here this morning outside the works of the Joseph Campbell Preserving Company, when 1,500 unemployed laborers gathered in answer to an advertisement which the company inserted in last Saturday's papers.

† In the New York *Times* of June 27, 1908, we find an inter-

In the presidential campaign of 1896 appeared, for the first time, the spectacle of two great political parties, and a third smaller party, joined in declaring that trade and industry were languishing because of bad laws. The Republican orators and the press united in asserting that times were hard, wages low, employment scarce, markets for farm products and manufactured goods limited, and business and professional men unable to make a fair livelihood. There was no pretense by any Republican, from the presidential candidate to the rural editor, that the country was as prosperous as it ought to be.

The Democrats and the Populists outdid the most pessimistic of the Republican "blue ruin" wailers as preachers of calamity. The miseries

view with R. Fulton Cutting as president of the Association for Improving the Condition of the Poor.

"We look anxiously each week for some let-up in the tremendous demands that are being made upon us, but there is none. Unless there is immediate help from our contributors we shall outrun our appropriations by $40,000 by the end of the year." Asked what he attributed the necessity to, Mr. Cutting replied: "To the prevalence of unemployment. I cannot remember such a condition existing before. Not even in 1893 or 1894 did the depression persist for so long."

of the millions of over-taxed and oppressed farmers were the texts of much of the campaign oratory, while the low wages and involuntary idleness among the workingmen was urged as a reason for free silver. Both Democrats and Populists claimed that they were fighting for the people's cause against the trusts and monopolies.

Here, then, was the testimony of practically all the people, that business conditions were very bad.

That in the year 1896 the admitted poverty of the farmers and workers and the depression affecting all kinds of business and industry should have been the one great issue in a bitterly contested presidential campaign, shows how imperfectly the hopes of the Republic's founders have been realized. A country in which all political parties unite in asserting that the people are not prosperous is not the country which the patriots of 1776 believed they were preparing for their posterity.

In the presidential campaign which followed in 1900 the boldest claims of the Republican statisticians were that the average workingman was receiving what proved on examination to be but a trifling increase over the wages previous to 1896.* Yet slight as it was, the people voted for a maintenance of the existing order on the principle that it was better "to bear the ills they have than fly to others that they know not of."

And the winning campaign cry was the "Full Dinner Pail." The millions who vote for what they think will give them an extra piece of pie for the pail do not realize the sarcasm of that slogan. Do the party leaders or the men who put up the campaign funds, or the men who utilize the party, carry their meals in tin pails? Do they dine on sandwiches, soggy pie and cold coffee?

* Pennsylvania Labor Bureau statistics show that in 710 establishments the average wage rose from $1.43 a day in 1896 to $1.52 a day in 1900; annual earnings in 1896 averaged $382, and in 1900 were $438. In New Jersey, New York and Michigan the data, while incomplete, indicate about the same increase.

But that this was due simply to the recovery from a panic is shown by the census reports, which give the average wages in 1900 as 1½ per cent. less than in 1890.

In New Jersey average earnings declined 5 per cent. in the ten years, and were only $4 more in 1905 than in 1890, despite the great increase in prices and rents.

Says ex-Congressman "Anti-pass" Baker:

"But what has happened to the masses? With a total estimated wealth of some one hundred and ten billions the per capita tables work out all right, there should be enough to go round, for that's equal to more than $6,000 per family. But who has it? How many of the millions of toilers have a tenth of that sum free and clear? How comes it that the bulk of the people are shy their proportion of this enormous wealth? Have they been lazy, thriftless, or improvident, during these twelve years? If lazy, then who created the wealth? Has the average farmer, mechanic, salesman, clerk, teacher, or laborer squandered their portion in riotous living? Did they spend it for automobiles, steam yachts, or even for diamonds? If not, what has become of it? Why haven't they got it, how did they lose it? What has been the unseen, subtle, but apparently all-powerful, force that has taken it from them? Why have matters become so appalling in America that the so-called effete countries of Europe have felt impelled to take official cognizance of the deplorable conditions in which so many of our toilers are compelled to live? The Italian Government (as a result of the shocking reports that reached it) has sent a commission to investigate. Most revolting conditions were shown to exist. Whole families were found crowded into one and two-room apartments, while not only the women, but little children not much more than babies, were found working in filthy, unhygienic quarters, helping to eke out a scanty living for the family. Overcrowding was shown to be the rule, not the exception."

CHAPTER III

OVER-PRODUCTION

NINE out of ten of the professors of political economy and other "orthodox" writers on the causes of hard times, when asked why mills and factories close and willing workers become idle, reply "over-production." Pressed for a further explanation they say: "The great increase in productive power of our manufacturing industries has enabled the people to make far more things of all kinds than they can use. Thus the shoe factories of the country can in six months make all the shoes used in a year. So also with our iron furnaces and steel works, our woolen mills, cotton factories and clothing shops. The invention of improved machinery has so greatly increased the output of the workers that they produce far more goods than can find a market. Yes, it is 'over-production' that is to blame for the business depressions which cause so much loss to employers and wage earners."

Do not blame the professors; they have to hold down their jobs; and probably believe what they say.

President Roosevelt has expressed this popular theory in these words: "Single tax won't do any good; socialism won't do any good; none of these things will do any good so long as our factories produce more goods than the people can buy. There are bound to be idle mills and factories, and idle workers, whenever there's a general over-production such as we've been having lately."

Mr. Roosevelt is regarded as a statesman, and it is true that nothing will help unless it enables the people to buy what the people make.

If you have been taken in by this parrot phrase of "over-production," just stop and think what it means. Is it a fact that the people now produce more things of all kinds than they can use? Have the eighty-six million Americans all the good shoes and clothes they could wear? Have they all the wholesome food they could eat? Have they all the furniture they need? Have they all got as good houses as they would like to live in? Has even each family a house? Have they all the books, paintings and other things which make up the enjoyment of civilized life? The only answer to all these questions is No! What nonsense, then, to talk of "over-production" so long as millions of people not only want more of all kinds of things made by labor, but are actually suffering for lack of them.

With millions of men and women lacking comfortable clothing, how can there be an "over-production" of clothes? With millions living on a scanty diet of coarse food, how can there be an "over-production" of farm products? With millions living in small and dingy shacks, or cramped into ill-lighted tenements, who can say that there is an "over-production" of houses? So with all the other things of which it is said we have too much. In every case there is positive need of far more of all kinds of wealth than can at present be produced.

Professor Richard T. Ely, of Wisconsin University, says: "Yet the statement that the cause of hard times is prosperity, paradoxical as it seems, has a large element of truth in it, and suggests one line of fruitful thought."

To which E. M. Burchard replies: "What a contemptible juggling with words is this, 'prosperity the cause of hard times.' And yet there is a sense in which it is true, although the professor forbears the illustration: the prosperity of robbers is undoubtedly the cause of the hard times of the victims. One of the finest examples of hard times caused by prosperity is the case of the man who went down from Jerusalem to Jericho and fell among thieves. The thieves upon this occasion had a very prosperous time of it; the hard times fell to the lot of the traveler.

"Never before in the history of the race was so much of all earthly good within easy reach of humanity. Times are hard when there is a scarcity of the good things of life; but we are troubled with a superabundance.

"If times were hard, they would be hard for all alike. It is not the possession of immense crops that causes the poverty of the husbandman, his 'hard times,' but the fact that he is forced to part from them without just recompense for his toil—this is the 'hardness,' and it has nothing to do with the times, while it has everything to do with our political economy."

No, it is not because the people can make more things than they can use that we have hard times. It is because, as President Roosevelt said, they make more things than they can buy. It is because our present system takes from the people so much of their products that they cannot buy back the goods they produce. It is because of under-consumption that mills and factories get overstocked every few years and have to shut down, throwing their employees out of work. Crowds are kept idle, so that they cannot buy the things they need, and there is an apparent over-supply.

When we give every man and woman a fair chance to work and to retain the full fruits of their labor, they will always be able to buy as much goods as they produce, and there can never be seen the strange contradiction of millions suffering for lack of things which other millions are willing and anxious to make for them.

For, after all, buying is only exchanging: I write and sell my writings; you grow potatoes and sell them. I buy the potatoes and you buy the books and each has what the other made—my writings even help you to grow potatoes and your potatoes help me to write books.

We may not agree as to the best way out of the quagmire in which society finds itself to-day. But in any case, don't ever allow yourself to be humbugged by the foolish talk of "over-production." There's no such thing in the world—unfortunately.

In one respect only this is hardly true. There is an "over-production" of laws. State and national legislatures have been busy for fifty years grinding out class legislation, until we have now far more foolish laws of all kinds than the people can find use for. We have also an over-production of thieves, paupers, parasites, and tramps.

Taking it for granted that you do not believe that our business and industrial troubles are due to too much wealth, there remains the question whether we can produce enough for our needs. This is a very important point, because the same class of writers and teachers who preach "over-production" contradict themselves by saying that the people are poor because they produce too little. And the advice given by such friends of labor as Henry Clews and Mr. William Rockefeller is that the producers should work harder or more intelligently so as to create a larger amount of wealth.

Men get everything they need from the land. Think of any article that you use—shoes, fuel, food, a bed or shelter. All these things come from Mother Earth, and her products—from the Earth, which was the only thing the first settlers found in America when they landed here, few, weak, unskilled, and began to grow great and wealthy and strong.

Those who are now "out of work" are neither few nor weak nor unskilled. Unemployed men can be found in plenty who can do every kind of work known to men. They lack clothing and fuel and shelter, only because they can nowhere obtain the natural materials to produce what they lack. Someone owns all the land, to which they could get, and demands a fee or a rent or a royalty before he will let others make goods out of it.

"Oh, well," answers the Monopolist, "there is plenty of land to be had cheap enough in Arizona or Tennessee or somewhere else that I can't exactly name, but I know they would be glad to give it to you for nothing. Look at the abandoned farms all over the country." But there is no free land that is good for anything. If there were, don't you know some speculator would take it up? If there were, do you think smart American men would "farm on shares" as they do now? That is, give a man who does nothing, a third or the half of the crop that they raise for the mere privilege of using a bit of land which he owns? *

No; as the Special Committee of the N. Y.

* A stranger addressed the farmer's boy across the fence: "Young man, your corn looks kind o' yellow." "Yes, that's the kind we planted." "Don't look as you would get more than half a crop." "We don't expect to. The landlord gets the other half."

The jest would be pointless, were not that the usual thing.

Association for Improving the Condition of the Poor says: "The phrase, 'abandoned farms,' means only abandoned to the mortgagee." (See their report upon Congestion of Population in Cities and Desertion of Agricultural Districts in New York State.)

It seems incredible when one looks at the miles of vacant lots and unused tracts round New York City, in the Bronx, in Queens County, on Staten Island, along the Palisades, even on Manhattan Island; but I have gone over Greater New York again and again with a fine tooth comb to find even one acre that the owners would let poor people use, only until the lots were sold or needed, to raise vegetables or even to pitch tents and save rent. None is to be had.

But if there were such cheap land "over there," what good would it be to a man who cannot get at it? To a laborer or a clerk with a family, such land might as well be in the Kingdom of Heaven. He cannot get there. If he could, however cheap it might be, he could not buy it. A pioneer once said: "I could have bought the whole site of Chicago for a pair of boots." "Why didn't you buy it?" said his astonished listener. "Because," he answered, "I didn't have the boots."

Why, if it is over-production that is the trouble, and these people did get to the land, as the Apostles-of-Things-as-They-Are tell us they ought to do, then there would be still more production. "Over-production" is like the theory of Malthus that men tend to increase faster than their food increases, a convenient lie to shift upon the Creator the responsibility for the sins of men.

As Henry D. Lloyd says: "Holding back the riches of earth, sea and sky from their fellows who famish and freeze in the dark, they declare to them that there is too much light and warmth and food. . . . The majority of men have never been able to buy enough of anything; but this minority have too much of everything to sell."—(Wealth Against Commonwealth, Chap. I.)

Of course, if hard times are caused by overproduction, the remedy would plainly be for the producers to stop working and consume more. Instead of advocating this, the men who assume to do the thinking for the people advise them to work still harder and to practice economy. "Hustle and save" is the golden rule of the orthodox economists.

James P. Kohler says:

"Others say that the panics come from extravagance, that the people buy too much, spend their money too freely, live too high, etc. I was coming up from Florida in a Mann boudoir car. Only two passengers were aboard. We soon found ourselves together in the smoking apartment, and we began discussing the business depression, a subject on every tongue from Maine to Florida. My fellow traveler claimed that 'extravagance' was the cause. 'Our people spend too much money,' he said. 'Why, the farmers insist on having things far beyond their means. Some of their wives will have carpets on their front room floors and pictures on their walls, and they want pianos or organs too, and some even go so far as to send their children off to school. Now this thing will not do,' said my friend, 'the nation cannot stand it.' I asked him what his business was. He said: 'I am a manufacturer of cigars. I have just been down to Cuba looking at my plantation.' Well, I said, if the American people should accept your views about extravagance and stop smoking cigars what would become of your business? He saw it at once, and before we had reached Atlanta he was willing to admit that it was this very extravagance, of which he and other business men complained, that kept the wheels of industry revolving and made it possible for him and them to carry on the particular businesses in which they were engaged."

Leaving these gentlemen to settle among themselves their inconsistent doctrines, let us next look at the facts in reference to the production and ownership of wealth in the United States.

Some of the Difficulties They Have to Settle as to The Complicated Causes of Hard Times.

It is clear, to the conservative mind, that business depression is the result of many causes working together, and not, as some agitators claim, mainly to that rise in rents which drains the resources of the great body of producers and causes the speculative advance in the price of land which stops production.

The following, gleaned from leading financial articles and authorities, agree so closely and commend themselves as so evidently true that we may certainly consider the problem solved:

Capital is idle because business is bad.—*Wall Street Daily News.*

Business is dull because capital is scarce.—*St. Louis Republican.*

The country needs capital.—*Atlanta Constitution.*

Extravagance in expenditure is at the root of the trouble.—*Matthew Marshall.*

The people are hoarding money.—*Baltimore American.*

The people at large are poor.—*Baltimore Sun.*

Panics are the inevitable result of the protective tariff system.—*W. C. Whitney.*

A contracted currency is the cause.—*Springfield Republican.*

The uncertainty about currency legislation has unsettled business.—*National Bank Reporter.*

The balance of trade is against us because we have been importing too much.—*Philadelphia North American.*

The English have been selling our securities.—*Boston Journal.*

The interest sent out of the country has sapped our prosperity.—*St. Louis Globe-Democrat.*

Railroad building and development of the resources of the country have come to a standstill.—*Chicago Record.*

Over-building of railroads and over-speculation are the real trouble.—*New York Post.*

Confidence is all that is lacking.—*Real Estate Record and Guide.*

Credits are too much extended.—*Financial Chronicle.*

Capital is locked up in undeveloped enterprises.—*Boston Herald.*

We are feeling the effects of over-trading in all branches.—*New York Sun.*

An army of middlemen who consume wealth, but produce nothing, prey upon the workers.—*Farmers' Alliance.*

The *Maxwell's Talisman* says the cause of hard times is "too many people in the city," while the *Chicago Inter Ocean* tells us that "too many men till the soil."

Nothing cranky in these views.

CHAPTER IV

WAGES INSTEAD OF PRODUCT

OF all the nations of the earth America has the greatest wealth-producing power in proportion to population.*

We lead the world in the arts of raising crops and making things. The American farmers and wage-workers, with superior intelligence and using their labor and skill upon unequaled natural resources, can and do produce more wealth than the workers of any other nation. But do

* In the *Engineering Magazine* for May, 1904, Mr. Wm. G. Clark compares the value of manufactures per wage earner in different countries:

United States	$2,450
Canada	1,455
Australia	900
France	690
United Kingdom	556
Germany	460

This table is computed from gross value of products and the figures are not comparable with others in this chapter. But they illustrate the superior productivity of American labor.

Mr. Clark calculates that the share of labor and power (for machinery) in the cost of production is 21.4 per cent. in European countries, and in the United States is 17.4 per cent. Power is estimated to cost the same on both continents. So that our better paid labor is cheaper, because so much more productive, than is the "cheap" labor to European manufacturers.

they themselves, do you, for instance, reap the material advantages of superior skill and natural bounties?

That Americans are better off than European farmers and laborers is not an answer. Natural resources should benefit all who, directly or indirectly, labor upon them; and the profit of the superior skill and more effective labor should all go to those who have the skill and do the labor. We should not be satisfied with less. Do not be content with being better off than the Hottentot, or even than the Hun.

Horace Traubel has condensed the Wages Question into a phrase:

"The world is tired of hearing that the laborer is worthy of his hire. The laborer is worthy of his product."

What is this product, and how much of it does the laborer now get?

Look around you.

You find the farmer tilling a rugged farm—which he may or may not own—working 14 to 16 hours a day, and having only a pittance at the end of the year.

You see the bricklayer living in a little house—which probably is not his—or perhaps living in rooms or a dingy flat. And you see him constructing fine dwellings for those who have done no labor.

You look at the cobbler at his bench (or the shoe factory hand turning out hundreds of pairs of shoes)—his children proverbially go barefoot.

You notice the clerk, the bookkeeper, the small storekeeper, the ordinary doctor or lawyer, the clergyman; and you know that most of these have a hard time to "get along"; that they are continually worrying over how to "make both ends meet." And you know also that there are other people who have neither the skill nor the intelligence nor the honesty of these, who have no need to take thought for the morrow.

And yet despite these contrasts which you see every day, you may be one of those who believe that people are really prosperous; that wealth is rightly distributed; that wages are high, even though yours and those of people whom you know are not. And because you have been told that we are all prosperous you want statistical proof that the conditions with which you are familiar are the usual conditions everywhere.

Well, here are the statistics. Remember, though, that the only use of statistics is to reinforce matters of every-day observation.

The census does not give the aggregate wealth annually produced. The figures for the items it does give, and calculations based on them, are given in the Appendix to this book. These show that at the lowest estimate, the value of the tangible wealth produced every year is more than $19,000,000,000; nineteen billions of dollars.

This is equal to $650 for each of the twenty-nine million persons (men, women and children) then "engaged in gainful occupation." It is equal to an annual production of material things to the value of $1,260, for every family of five persons in the United States, whether they work or not. But the great majority of working families do not get half that. And the real annual production of wealth is much larger than indicated by the calculations from official figures.

But figures are not needed to show the enormous production of wealth. Everywhere one looks, there is abundance. The stores are full of all sorts of food and merchandise, the mills are turning out everywhere ever so much more than the "hands" in them get; the cities are filled with fine buildings, where but a few years ago there was nothing save the bare land.

There are, regrettably, no complete returns as to the income of families, showing how the wealth annually produced is divided. But we have some data in the reports on manufactures. The 1900 census shows that the average yearly earnings of each of the 5,308,406 persons employed in manufacturing was $437.96. This was $6.97 less than the average annual wage shown by the 1890 census, which was $444.83 per worker.*

The census bureau says this reduction was only an apparent one, due to the exclusion of

* The "average number of wage-earners" in the present census means the number that would be required to do the work actually performed had all the factories run for 52 weeks. The "average annual earnings" is what a man *would* average if continuously employed. This method of calculation makes no allowance for unemployment and the average wages shown are

high-salaried foremen and managers from the 1900 returns; partly also because of more complete returns of the wretched labor in the South. It is apparent enough to the men who suffered the cut; but even if there was no reduction the average for the five millions above reported is low enough.

This average is a little over eight dollars a week for each worker, which isn't much, though it means more in rural districts than in New York City. But where living is cheap, wages are lower than this. The following table further subdivides the census compilation for 164 principal cities:

1900.	Average No. Wage-Earners.	Average Yearly Wages.
The 10 largest cities	1,412,831	$489
154 next largest	1,599,033	445
Outside these cities	2,294,279	400
	* 5,306,143	

therefore too high. Had the same method of averaging employment been used in 1900 as in 1890 the decrease in average wages shown would have been greater. The change of method, say the Census authorities, "undoubtedly invalidates in a marked degree, any comparison that may be attempted between the returns of the two censuses." (*Census*, 1900, vol. *VII.*, p. cvi.)

* This is the total of this census classification.

In the largest cities the workers have to live at a distance from their employment and pay carfare daily; provisions are higher; rents are a great deal higher—enough to take away whatever the other increased expenses have left of the higher wages. These figures are for all workers.

The New Jersey Labor Bureau reports show that in 1906, which was a "prosperous" year, 58 per cent. of the men employed in manufacturing, at specified wages, were working for less than $12 a week, and 75 per cent. of the women and girls for less than $8.*

In bulletin No. 93 on Earnings of Wage-earners, 1905, the Census Bureau gives the actual weekly earnings in manufacturing, *when employed.* For the 3,297,819 workers the averages are:

Men, 16 and over	$11.16
Women, 16 and over	6.17
Children	3.46

* These figures are for 2,120 establishments, employing from 236,466 to 277,564 hands, according to the condition of business. One-quarter of the employees are women and children.

One-half the men were getting from $9 to $15 a week, and one-half the women from $5 to $7.

The census of manufactures for 1904 (bulletin 57) is not quite comparable with 1900. It showed, however, that "average" yearly earnings had increased to about $480.

But meanwhile rents and prices were going up. The Federal Bureau of Labor (bulletin 77, July, 1908) gives a series of tables showing the changes from 1890 to 1907 in hourly wages in selected industries, and the changes in retail prices of food. The report shows that while the full-time weekly earnings (if employed) have increased 20 per cent. in the last ten years, food prices also have gone up, and while there have been variations from year to year, the weekly earnings will buy only a trifle more food than in 1890 and less than in 1896 or 1899.

The bulletin shows from the retail prices of food in this country from 1890 to 1907 the increase in the cost of living. The report is based on statistics gathered through information furnished by 2,567 workingmen's families. The tables show that the average cost of food per family was lowest in 1896 and that it has steadily increased since then, the per cent. of increase being over one-fourth (26.3), or an annual average for the family of $77.99. This is in food alone.

From 1897 to 1906 prices have risen an average of 46 per cent., according to Dun's tables. These are the most scientifically constructed of any tables to show the relative cost of living. Bradstreet's figures say that prices in 1906 were 42 per cent. higher than in 1897.*

If you sometimes find it difficult to get help at what seems high wages, that only shows, in view of these figures, how precious employment is, when the employed will not give up their

* On this same point the New Jersey Bureau of Labor report (1907) says:

"During the ten years (1896-1906) the cost of almost every commodity required for family, personal and business purposes has been slowly but steadily advancing. A distressing circumstance connected with the matter is that the advances in cost bear with rather unequal weight on various classes and conditions of persons. The increase in land values naturally following the growth of population has contributed largely toward sending rents up. The building trades workmen are probably the only class of wage-earners who have secured during recent years any very large advances in the matter of wages and working hours. With but little if any increase in wages and salaries, the largest poorly paid places to take advantage of local or temporary demands at better prices.

The 1900 census shows that the net value of manufactured articles after deducting cost of raw materials and of goods purchased in partly manufactured form, was $1,066 per worker engaged in manufacturing. The average wage was under $438. Of course there are expenses of various kinds to come out of the difference; and the employer has to pay rent and taxes and is taxed, too, by various monopolies. But the proportion of wages to value of net product is shown to be decreasing.

	1880	1890	1900
Value of net product per worker.....	$720	$990	$1066
Average wages......................	346	444	438
Percentage of wages to product......	.48	.44	.41

part of the home renting class, find themselves called on to pay rents that range as high as 50 per cent. in excess of the figures of former years."

Where some of the increased cost of living has gone is indicated in another part of this report in an investigation of an increase in building cost. The bureau says that reliable estimates have been secured placing the advance in cost of material during the past ten years at 20 to 30 per cent. This material being either brick, stone, lumber or steel, indicates that the owners of the ground from which that material is taken are getting a share of the increased land rent just as are the owners of building sites.

The Pennsylvania Bureau of Industrial Statistics (Report 1905) gives the comparative figures of 710 establishments annually from 1896 to 1905 inclusive. This report shows that the average yearly earnings increased from $382 in 1896 to $481 in 1905, which was due more to the increase in the number of days worked than to raises in wages, as the average daily wage had risen only from $1.43 to $1.63. But the most interesting fact revealed is that the per cent. of wages received compared to the value added to the material by labor declined from 53 per cent. to 51 per cent. in the nine years.* New Jersey statistics (census bulletin) also show a decline. As the percentage of wages to product continues to decrease, the ability of the workers to purchase what they produce will also decrease, producing another panic, which the unthinking will be taught to attribute to "over-production."

The amount of wealth in the country affects

* Where some of this difference in value goes is indicated by the fact that while the market value of the finished products increased 135 per cent. the total wages paid increased only 108 per cent., and the cost of "basic material" used increased 154 per cent. Apparently the owners of the iron mines and other sources of raw material are getting the prosperity.

very little the proportion of it that labor gets as wages. Labor will get the lion's share of whatever there is when there are more jobs than hands; it will get the jackal's share when there are more hands than jobs.

There are no statistics which give the average earnings of salaried employees in sufficient detail and quantity to be of value. But we know that clerical work is more dignified, cleaner, and less dangerous than manufacturing. A mechanic's pay of $5 per day is still "wages," but $10 a week is a "salary." The earnings of most salaried workers must be as low as the average earnings of those employed in manufacturing, else the hands would leave the factories until clerks' wages had come down to the level.

If you are not a "wage-earner" but get say $1,000 a year as clerk or manager, it is fair to presume that you also get just as little of what you earn. You, like the employer, are helping to produce, just as much as the farmer or the mechanic. Your labor is needed to get the goods from them to their customers. Your employer does not usually get what you lose. Even if he did, to demand more pay from him would be of little use, because your wages are fixed by the competition for your job.

The census does not report the wages paid to the four million agricultural laborers. The Department of Agriculture report for 1890 gave the average wages of farm hands with board for the whole country as $12.45 a month; this of course varies with the locality and season. We read of offers of $4 and $5 a day "out West" in the busiest harvest season. But those who are deluded into making the trip find that those wages are largely ghost stories or advertisements, that the work offered lasts only a few weeks, and that afterwards there is absolutely no opportunity to labor within hundreds of miles.

We can only conjecture the share of the annual production of wealth which goes to the farmers, whether tenants or owners, who number one-fifth of those engaged in gainful occupation. But the pitiful share which they own of the "permanent wealth" shows that they, too, fail to receive their share of the annual product.

CHAPTER V

WHO GETS THE WEALTH PRODUCED?

THE prosperity of a nation is indicated by its material wealth. The more general the distribution of this wealth the greater the comfort, happiness and prosperity of each of us. We have seen that the workers get but a small share of the annual production of wealth. How is the permanent wealth in the United States distributed?

The total wealth of the nation in 1900 was estimated by the Bureau of Statistics at ninety-four billion, three hundred million dollars ($94,-300,000,000). Of this sum by far the greater portion is land values. Properly speaking, land is not wealth, but merely the opportunity for the creation of wealth. However, under present conditions it is wealth to the individual owner, and it is always estimated as wealth in statistical work. About 60 per cent. of the whole is made up of these land values (excluding mines, quarries, railroad rights of way and franchises in streets).

Land being the first and greatest necessity of man, the greatest prosperity, even under the present system of land-holding, would require a general distribution of this fundamental necessity. Let us see our actual condition. The data as to home ownership show on June 1st, 1900, about 16,187,715 families, or a total of that many homes, owned or rented. The census "home" often means rooms; there are only 14,430,145 dwellings.

The number of families occupying homes owned free of incumbrance was 4,761,211, or 31 per cent.

Owning and occupying mortgaged homes.....	2,196,375 or 15%
Paying rent *..................................	8,365,739 or 54%

* These figures are conservative, as they include only the tenures definitely stated. There are 300,000 families owning homes not reported as to incumbrance, of which the majority are probably mortgaged. There are 562,000 reported of unknown tenure, doubtless mostly tenants. The free and clear home is most likely to be reported definitely to the enumerator, but the percentages given out by the census bureau count unreported and unclassified homes as being owned, or as being free and clear, in the same proportion as those reported.

Drawn from the Census.

In those ten years the ownership of homes has changed thus: Out of every hundred homes, 2 less are owned free and clear, 1 more is mortgaged, and 1 more is rented than in 1890.

Rent is always the first demand to be met out of the earnings of labor. Estimating the average rent of homes of all classes at $200 a year, and estimating the annual payments of interest on mortgaged homes at the same amount, we have over $2,000,000,000, less the amount paid in taxes, annually transferred into the pockets of ten per cent. of the population through rent paid to them for property used only as homes. Rent or royalty is paid also for real estate used for business purposes, mines, cattle ranges, ranches, and various other uses, and for farm land above the $200 just estimated as payment for homes. Suppose the rent for all these other classes of property combined to be equal only to the amount paid for homes, it makes an annual rent bill of four billion dollars; more than the total value of farm products.

More than half of the families are actually tenants, and consequently have no share in real estate values; on the contrary, advances in land prices put added burdens on them in the form of increased rent. Besides, fifteen per cent. of the families occupy mortgaged homes and farms. While these may get some of the benefit of increased land values, most of them have building sites or farms that increase in value slowly, if at all; many are trying to clear a little home and will find the improvement losing more value than the land gains; and most of these mortgagors are in reality tenants (as they are in theory of law, holding under the superior right of the mortgagee), paying an annual tribute equal to rent. If we estimate that two-thirds of the mortgagors are really tenants, we have only 35 in each hundred of the population owning any land values whatever.

But included in this class of "owners" are those who own no more than the home they occupy, and these must be deducted to find the landlord class. Professor J. G. Collins, a statistician who had charge of some of the 1890 census inquiries, estimated that only about ten per cent. of the population were landlords, and these owned and controlled somewhere near 90 per cent. of the total land values of the nation.

In New York City 88 in every hundred families are tenants, in Boston 81, and Philadelphia, the "City of Homes," 77 in every hundred. In the 160 cities of at least 25,000 inhabitants each, the average number of tenants is 74 in a hundred.*

Nor is it only in the large cities that the proportion of tenants is disquieting. There is not one State or territory (except Alaska) where less than 40 per cent. of the families are tenants.

* "In his special message to the Legislature, Governor Murphy of New Jersey seems to prove that a high death rate from tuberculosis, as well as the noticeably rapid development among our youth of criminal inclinations, are both due to most unsatisfactory and threatening tenement conditions in this State.

"There are in this State, or rather in the seven largest cities thereof, no less than 10,000 tenement houses, occupied by over 50,000 families, or, in all, about 300,000 persons. The Tenement House Commission has ascertained that many tens of thousands of these live in utter squalor and wretchedness, while the majority of the remainder hardly more than exist, such are the highly unfavorable conditions under which they are compelled by force of circumstances, to seek to maintain life. . . . New Jersey is noted for its well-appointed, prosperous, happy homes, and the knowledge of the existence, within its boundaries, of so many thousand disease-breeding, crime-producing places of habitation is most disconcerting, to say the least."—Elizabeth, N. J., *Times*, Feb. 4, 1904.

And in only seven (Idaho, Iowa, Nevada, North Dakota, Oklahoma, Utah and Wisconsin) are less than half the families tenants.

The large and increasing percentage of tenants is often attributed to the "shiftlessness" of the negro, or "pauper" immigration, though pauper immigration has been nearly cut off and though, as Booker T. Washington shows in his report for 1908, the number of negro land holders has greatly increased in the last ten years. But the native white American is but little better off. Of farm homes occupied by native whites, 32 per cent. are hired, and of other than farm homes, 61 per cent. Nearly half (49 per cent.) of native white Americans are tenants.

It is not a question of race or nationality, or location or occupation. These affect the condition but slightly. Nor is it a mere question of percentages: the important fact is that the inhabitants of the United States are losing possession of the soil of their country.*

* To facilitate comparisons, the census percentages for various classes alluded to in the text are assembled in one table (see bottom page 69).

In 1850 De Tocqueville said truly enough:

"In America there are, properly speaking, no farming tenants; everyone owns the ground he tills."—("Democracy in America," Chap. vi., vol. ii. p. 226).

Agriculture is the primary industry, upon the prosperity of which all other industries depend, and it employs the greatest number of people, so those engaged in that industry naturally ought to acquire a large share of the total wealth. But this is not the case.

The total number of farms in the United

Tenure of families in United States: in percentages:

	Free and Clear.	Mortgaged.	Hired.
All homes in United States	31.8	14.7	53.5
Farm homes	44.4	20.0	35.6
Other than farm homes	23.4	12.9	63.7
Other than farm homes, subdivided:			
160 cities of at least 25,000 population	14.5	11.2	74.3
* Outside of these cities	36.0	13.0	51.0
Tenure of native white families:			
All homes	35.7	15.4	48.9
Farm homes	48.1	20.1	31.8
Other than farm homes	27.0	12.1	60.9

* Computed from census figures. The other percentages are those of the census.

States according to the census is 5,737,372. These support a farm population of about 28,-000,000 people. The value of these farms, including buildings, improvements, farm implements, and live stock, is over twenty thousand millions ($2,439,000,000), or a little over one-fifth of the total wealth, while the agricultural population is about 35 per cent. (over a third) of the total population. So that one-third of the people farm, but have in their hands only about one-fifth of the wealth.

And of these farm families about 35 per cent. are tenants and 20 per cent. occupy mortgaged homes, only 45 per cent. owning free and clear farms. So that, not only is there less wealth among the agriculturists than among an equal number of the rest of the people, but a large part of this wealth does not belong to the agriculturists.

Nor does the possession of "wealth" enable the farmer to make a much better living than is made by the penniless wage-earner; else so many farmers would not abandon their farms. There are not many statistics on the earnings of farmers, but once in a while something throws a sidelight upon rural conditions.

The Wisconsin Tax Commission sent out in 1899 a series of questions to 6,000 farmers scattered throughout the State. They estimated the average value of their farms at $5,000. There were only 656 who reported in detail the gross income of their farms, the farm expenses, and net income. This net income averaged $310 for the year, and out of this $40 direct tax had to be paid. Of course these farmers got housing and much of their food in addition to that net value. But after buying clothes and groceries, and paying about one-eighth of his income for direct taxes, how long would it take one of them to save even twenty thousand dollars from his earnings?

You are told that the people have their money in the savings banks, which reported more than eight million deposit accounts last year, averaging $400 each. But each of these does not represent a separate depositor; and they are largely the savings of those who are not poor. Stand before the savings banks in New York and

Philadelphia and other large cities, and you will see depositors driving up in carriages. The Massachusetts Labor Bureau investigated this question in 1873, and reported that in that State persons not wage-earners were depositors to at least one-half the total amount on deposit; that wealthy people used savings banks to escape taxation and the care of other investments; that they deposit for themselves to the legal limit, open accounts for members of their family, and accounts as trustee. (The writer is not a rich man, but he has seven savings bank accounts in his own family).*

But who then has the wealth?

The total estimated wealth is more than one hundred billion dollars ($107,000,000,000) in 1908.

If equally distributed the family average would be, in round numbers, $6,000.

It is not at all equally distributed. In the *Political Science Quarterly,* 1893, George K.

* The New York *Times* of June 27, 1904, says that the probate of the will of Mrs. Martha Moeller, one of the victims of the *Slocum* disaster, showed her to be worth over $100,000, the greater part of which was "money on deposit in many savings banks."

Holmes, an expert statistician employed on the census, calculated the probable distribution of wealth in 1890. (The census of 1900 omits data upon which to base a similar calculation.) He estimated that of the total families in the United States

52	per cent. owned	5	per cent. of the wealth
39	per cent. owned	24	per cent. of the wealth
9	per cent. owned	71	per cent. of the wealth

This small wealthy class can be further subdivided. The New York *Tribune* published a list of 4,047 families sixteen years ago, estimating their total wealth at twelve billion dollars. But other estimates placed it at fifteen billion dollars, and it certainly has increased to much more than that amount by this time.

This group of millionaire families represents about 20,000 individuals and controls at least one-sixth of the aggregate wealth of the country. Otherwise stated, one person in each 4,000 has an average of $750,000, while the remaining 3,999 in each 4,000 have an average of $1,000 to each person.

But this does not prove that most of these remaining persons have a thousand dollars. The man who tried to wade across a stream whose "average" depth was two feet, was drowned.

Taking Mr. Holmes' calculation as a basis (though the concentration of wealth has increased since 1890), the distribution in 1900 was about as follows:

Families.	Owned.	Family Average.
8,417,612	$4,715,000,000	$560

In his careful essay on "The Distribution of Wealth in the United States," Charles B. Spahr estimated that in 1890 the poorer classes were 41 per cent. of the total, or 5,500,000 families, with an average wealth of $150; and that "seven-eighths of the families held but one-eighth of the national wealth," while one per cent. of the population owned more than half the wealth.*

Rockefeller alone is generally believed to own more than one-hundredth part of it himself.

Enough statistics have been given to show (if anyone has ever really doubted it) that even

* Mr. Spahr's calculations are derived from census returns checked by probate records and other data, and are conservative, as will be seen by reading his book. For other computations, see *Currency and Wealth*, by George S. Waldron.

with all the restrictions placed on industry there is enough wealth produced annually to give every person employed in productive industry a comfortable living for himself and family. That so many have only a bare existence is due neither to niggardliness of nature nor to lack of productive power and skill of men. It is because the few have been able to get more than their share. How they have obtained it will be considered further on.

I do not advocate dividing this up. That would be neither just nor practical. I show only how all may get equal opportunities of acquiring wealth and be no longer deprived of it.

But remember, that large as is the sum of which labor is despoiled, it is small compared to the sum which is lost to the nation because natural resources are kept idle, land being poorly used, or kept entirely out of use. Because labor cannot be used with the highest efficiency by getting at the best land, and with the best tools, and because recurring depressions bring about increased idleness, the total product of the nation and of each of us, is but a fraction of what it might be.

CHAPTER VI

MONOPOLIZED AMERICA

"The land question means hunger, thirst, nakedness, notice to quit, labor spent in vain, the toil of years seized upon, the breaking up of homes, the misery, sickness, deaths of parents, children, wives, the despair and wildness which spring up in the hearts of the poor, when legal force, like a sharp harrow, goes over the most sensitive and vital rights of mankind. All this is contained in the land question."—Cardinal Manning.

YOU see the cause of hard times does not lie in any lack of natural resources, or of skilled and industrious men to work, and that the talk of "over-production" is only a phrase used by "economists" to hide their ignorance or to impose on ours. With areas of fertile soil capable of feeding a thousand million people, with forests and quarries and brick-clay deposits enough to make houses for a thousand million people; with iron and coal enough to make and run machinery for a thousand million people; with cotton-growing land enough to make clothing for a thousand million people; this country finds itself unable to support in comfort eighty-six millions. Why? Is there a scarcity of capital; that is, of labor products which can be used in aiding to make more things? By no means. In the complex diversification of modern industry, capital is an important factor, but there is plenty of it now eager to find borrowers. Capital is over-abundant, so that it cannot find opportunities for investment.* Besides, if intelligent and energetic men are allowed to utilize the resources of the earth, they will quickly produce their own capital in the only way capital is ever produced; that is, by human efforts applied in using natural forces.

To create wealth, whether for capital or for consumption, all that is necessary is labor and land. You can see that we have an abundance of natural resources, an abundance of skilled labor, and an abundance of capital. Yet there is involuntary poverty, idleness and widespread business depression.

The real reason for this deplorable condition of affairs, must be found elsewhere than in the current explanations. This reason can be

* Says the N. Y. *Times* of Aug. 10, 1908: In money markets the event of the week was easily the decline of call money rates to the year's low quotation of three-quarters of 1 per cent."

summed up in one word—"Monopoly." It is because free America has become Monopolized America, that great facilities for producing wealth, a great volume of labor products, and great riches in the hands of a few, confront armies of under-paid, underfed and ill-clothed workmen. Men and women who seek in vain for work are kept in idleness by Monopoly. Those who find work have their earnings filched by Monopoly. The farmer pays high prices for freight and passenger rates to Monopoly, and has the price of his products reduced by Monopoly, which handles them. Monopoly controls employment and levies toll upon laborers, manufacturers, merchants and professional men. The vast stores of iron, coal and other minerals are controlled by Monopoly. The forests are fenced in against the men who want to cut lumber or fuel. The fertile land is held unused. On every side the application of strong arms and quick hands to the earth, or to materials drawn from it, is forbidden by some Monopoly. It stands in the way of national development, and out of the promise of a commonwealth of freedom and equality, has created plutocracy and the widest inequality.

Born of the ignorance of the masses, mated to the cunning of the few who profit by it, monopoly has grown until it overshadows the country from Maine to Florida, and from Texas to Washington.

Monopoly invades every department of industry, and unless tribute is paid, it closes factories and shuts down mills. By the magic of franchises and special privileges fenced by law, it stretches out its long arms and draws into its capacious strong-boxes the earnings of the people.

But the chief injury inflicted by monopoly is not in what it takes from the producers; it is in its power to check production by holding out of use, or out of full use, that without which men cannot create wealth. Many men cannot get work because a few men control the opportunities for work. In spite of the enormously increased facilities for producing wealth, the number of the poor is steadily increasing,* because

* See chapter on The Charity Problem.

more and yet more tribute is exacted in return for allowing men to live and work; and vast opportunities are withheld so as to squeeze the last penny of tribute for the use of the rest.

Perhaps you have never thought of the extent to which this "our country" belongs to a few of us. Here are facts and figures. Of course statistics are always puzzling; maybe you have a shrewd idea that they can be used to prove almost anything, but if you want to consider why more wealth is not produced, and how so much of that which is produced is drained away from those who make it, it will pay to read carefully the rest of this chapter.

Look first at the control of natural resources:—land fit for cultivation, mineral lands and forests. On this point the facts are well known. Through reckless gifts of our public lands, all the great domain of prairie, forest and mines is now owned by individuals or corporations. The national policy of granting homesteads was wise and just, in so far as the land was given to men who use it. But the government did not stop with grants to settlers. Immense areas of most fertile soil were given to railway companies and other great corporations; vast tracts of forest land were sold for a trifle or granted away, and the mineral deposits, coal, iron, oil, and so on, were handed over to a few individuals. The grants to railroads have exceeded the amount acquired by individuals under the Homestead Act. (Report Public Lands Commission, Sen. Rec. 189, 58th Congress, 3rd session).

As a sample of the manner in which America has been disposed of, take the grants to railways. To record all the wholesale throwing away of the people's land would take a book of this size. Here are a few items. To the Northern Pacific Railway 42 million acres were given; to the Union Pacific 16 million; to the Central Pacific 15 million; and to the Southern Pacific 14 million. The Texas Pacific Railway got 13 million acres. The Oregon Central, a comparatively short road, got 4,700,000. The Burlington & Missouri Railway was presented with 3,373,000 acres. And the list might be continued until a total was reached of over 200 million acres given to railroads alone.*

* The total area of land granted by Congress for building

Do you realize what this means? It means that a few corporations, which received also franchises of enormous value, have been given a greater acreage of fertile lands than the entire land area now included in the thirteen original States. Suppose the proposition had been made in 1789 to give all the States won from the British at the cost of so many lives, to a few companies. What would Washington or Jefferson have said?

Then turn to private land owners and syndicates. During the past fifty years almost the entire area of the fertile lands west of the Mississippi has been gobbled up, part of it being subsequently sold to actual settlers, and the rest held as a speculation until increasing population should force the public to yield to extortionate terms.

Frederic Weyerhaeuser is called the "timber land king," and owns or controls all the valuable

railways was 215,000,000 acres; though not all railways were built. The land office estimated that the area taken was 178,000,000 acres. (Ex. Doc. 42. Forty-sixth Congress.) But some railways fenced in much more land than was granted to them. And in addition to the national grants, the State of Texas gave 38,000,000 acres to railways.

timber lands from the Wisconsin Lakes to the Pacific Coast. He began seeking timber tracts about 1857, buying Chippewa lands. An idea of the increase in value may be gained from the reports about two instances; one piece in West Virginia worth five years ago $12,000, is said to be worth to-day $500,000. He has probably 30,000,000 acres, nearly 50,000 square miles, under his control—an area equal to about six times the State of New Jersey.

The methods of acquisition of timber land were frequently dishonest. Much of the land was acquired by "homesteading" and cheating the government. But the biggest steal was accomplished in 1897 when Congress passed the lieu-selection bill, allowing the exchange of lands which fell within the proposed forest reservation tracts, for other government land in tracts of same size. Having almost denuded the forest lands then in the control of the Weyerhaeuser interests, this syndicate exchanged its exhausted lands for new timber tracts in Montana and other Western States, thus making tremendous profit out of a law.

Burton J. Hendrick says that the Astor fortune amounted in 1905 to $450,000,000. The late rise in New York City values, due to annexing the mainland by tunnels at the expense of the people, must make it over half a billion by this time.

Mr. R. F. Powell of Fairhope, Alabama, reports that "The Capital Freehold Investment Company (principal office in Chicago) owns 3,000,000 acres in the Panhandle at Texas bordering on New Mexico. John Pierce Trespilaches, Metagarda Co., Texas, owns 85,000 acres in that county. The Duke of Sutherland and other Englishmen are heavy investors in that Company."

Nor is the ownership of America confined to the aristocracy. Plain William Scully, an Irishman, managed a number of years ago to secure possession of large tracts of land in Illinois, Iowa and Nebraska. The income from these lands, as fast as they found tenants, was used to buy more land, so that Mr. Scully owned at his death over 300,000 acres. Whether it is any easier for a tenant farmer to pay rent to a

"Mr." than to a "Sir" or a "Duke," is a question which awaits an answer. In fact Scully is often spoken of as "Lord" Scully.

There is, however, a growing sentiment in America against alien ownership of land, and it has been urged by many reformers that Congress should pass a law forbidding aliens to own land in this country. This suggests the further question, whether it is any easier to pay rent to a citizen of Boston or Baltimore than to a citizen of London or Berlin.

What has been done by the syndicates and by Mr. Scully has been done on a smaller scale by thousands of other corporations and landlords, until now there remains, in all the great territory of the United States, practically no land of any present or probable value which can be used without paying someone for its use. East, West, North or South, wherever wheat or cotton, corn or sugar or anything can be profitably raised, everywhere there is the sign "No Trespassing Allowed." The man who wants to work on the soil finds that in every direction someone has been ahead of him and has obtained the exclusive title to the use of all the land that is worth anything. To-day a baby has no right to be born on the land, or even to be buried in it, unless someone will pay for its grave.

And as with farm lands, so also with timber and mineral lands. The pines of Michigan, Wisconsin and Minnesota, the gigantic redwoods and other timber on the Pacific slope, the dense forests of Florida and Mississippi, and the spruce woods of Maine, all have owners who demand "stumpage" for each tree cut. It is true that some of these forests are owned by companies which cut the lumber from them, but in these cases the charge for permission to work on timber lands is just as certainly paid by those who use the lumber. No tree is so remote from civilization as not to have an owner, who takes care that no idle workman shall employ his time in converting it into a useful article.

The representative of the Long Island Railroad writes in 1908: "In our work, we have had a very great number of applications for small plots, not big farms, yet it has been impossible to find anybody willing to divide up and sell say 5 and 10 acres. The Railroad was able to get 18 acres at Wading River, simply because it was a part of 2,000 acres isolated by the Railroad from the rest of the 2,000. At Medford, we had to buy 80 acres to get 10 for our agricultural experiment."

These places are some fifty miles from New York.

As Marx writes in his annotations to the program of the German Labor party (*International Socialist Review,* vol. viii., pp. 643, 646): "In the society of to-day the means of labor are monopolized by the landed proprietors; monopoly of landed property is even the basis of monopoly of capital and by capitalists."

The control of mineral lands is still closer than that of farm or timber land. The great anthracite coal deposits of Pennsylvania are in the firm grip of a few persons and railway corporations who well know the enormous value of their exclusive privilege.* Having control of

* The Anthracite Strike Commission accepted as accurate the statement that 91 per cent. of the anthracite lands are owned by the six railroads and their subsidiary companies, and 5 per cent. more are controlled by them. (Report Dept. Labor,

the only anthracite coal mines in the country, these men and companies have combined to limit the production of coal and to raise its price. So effectively has this combination worked that the price of coal is now, on an average, one dollar and a half per ton more than it was five years ago, and the increasing demand for coal enables the combine to give the screw other turns and force the price higher and higher.

They force the price up notwithstanding the superabundance of coal. President Fowler, of the New York, Ontario & Western R. R., testified in 1900 that "without some restriction," by which he meant railroad control, "coal would be a drug in the (New York) market at $2 a ton." You can read all about the anthracite coal monopoly at the end of Dan Beard's "Moon-blight."

The fields in which bituminous coal is found being nearly one hundred times larger than the anthracite fields, it has not been so easy to control its production. Yet every known coal seam,

May, 1903, page 448.) There are only about 150 individual owners.

even in the remote mountains of Tennessee, Colorado or Montana, is "owned" by someone. You can see on the Pennsylvania coal roads four thousand cars as big as houses all marked Berwind-White Coal Company. But most of the fields are owned by people who do not intend to mine coal, but who expect to charge others royalties for the privilege of mining. Every ton of coal which goes to furnish power for hauling freight or turning mill wheels must pay a tax or royalty to the lord of the land out of which it is dug.*

The same is true of iron ore, one of Nature's most important gifts to mankind. In the mountains of Pennsylvania, of West Virginia, of Tennessee and Alabama, and in the "ranges" of Northwest Michigan and Minnesota there are immense bodies of the raw material for the various products of the iron and steel industries.

* The following press dispatch shows how the coal lands have been gobbled up by syndicates:

Columbus, O., March 23, 1897.—The entire Jackson County coal field passed into the hands of the Krueger syndicate of London yesterday. The deal was negotiated by Charles Fisk Beach, of London, formerly of New York.

The purchase price of the Jackson field is in the neighbor-

The Mesaba ore lands were acquired by James J. Hill as part of a railway concession. A year or so ago they were sold at a price reported at $400,000,000.

Although these ore deposits have been but partly developed there is evidence of more than enough to supply all demands for centuries to come. Through their ownership of the land in which the ore is found, a shrewd or lucky few have made great fortunes, and in recent years the tax on industry in the shape of iron mining royalties has been increased by the combination of all the principal producers of ore suitable for Bessemer steel into a trust which raised the price of ore from one to three dollars per ton. As the United States Steel Corporation has a practical monopoly of the iron lands in the Northwest, and has through the tariff a monopoly of the domestic market, it has been able to make

hood of $4,000,000 and the following companies are in the consolidation: Superior Coal Company, owned by C., H. and D. Railroad; Fluhart Coal and Mining Company, and sixteen others.

This is among the best bituminous coal fields in the West. The field mines 1,600,000 tons annually, and the aggregate business is $2,500,000 per year, with a net profit of $500,000. Mr. Beach says that this was the first investment of the Krueger syndicate in this continent, but to be followed up with others.

the consumers of iron and steel pay at least 20 million dollars more per year than a fair price for those products.*

It would only waste time to detail how other natural resources are grabbed. You know how the Standard Oil Trust owns the pipe lines by which oil is pumped across States: it can therefore dictate what freight rates it will pay. In addition it controls the valuable oil fields and it has its agents continually on the watch for the new wells. Just as soon as a prospector "strikes oil" along comes an agent and leases the tract of land in which the oil has been found. Not in order to produce oil—there is as much oil already being produced as can be sold at present prices—but to keep the land under its own control so that there will be no new competition.

On this question of the ownership of land and

* Chicago *Record-Herald* (ind. Rep.), July 13, 1908.—Charles M. Schwab, who has just returned from Europe, talks in a very confident way about a working agreement that includes the the United States Steel Corporation and the steel companies of Belgium, Germany and Russia. He says that the men interested in the agreement "control practically all the vanadium in the world, and are thus able to hold the steel situation in their own hands. . . . It would not be surprising if Mr. Schwab were talking in part at least for business reasons of his own rather than from a desire to enlighten the world on a subject of great scientific and economic interest."

the burden it lays on the people, the Hon. Henry A. Robinson, formerly statistician of the United States Department of Agriculture, says that in 1890:

"The total royalty of the mines worked, stumpage of timber paid, the rent of the water power and ground rent of building sites amounted to at least $935,000,000."

Mr. Robinson was not figuring on interest on mortgages, rents for railway and franchise grants, and other like items which enormously swell the total.

Says F. T. Carlton, Professor of Economics and History in Albion College, Michigan, in 1908:

"The average value per foot front of the best business property in New York City may be assumed to be $20,000, or approximately $8,000,000 per acre. Assuming an income of 4 per cent. from this valuation, the net economic rent, or market opportunity rent, would be $320,000 per annum. This amount would be the gross income per acre from buildings and lot, minus all charges for services in the building, taxes, insurance, interest on the capital invested in the building, depreciation and repairs. This income is approximately equivalent to the average wage paid in the manufacturing industries of the United States in 1900, to seven hundred and thirty workmen. The market opportunity rent of one acre in the heart of New York City absorbs, therefore, the equivalent of the money wages of 730 workmen."

Monopoly is not measured by area, but by value.*

* For the first time in the history of England, the Budget proposes to place a valuation on all the unimproved lands; in other words to demonstrate the possibility of valuing land apart from improvements, which the Conservatives have said was impossible. This is the revolutionary element in the Budget and not the *amount* of money to be raised by the three kinds of taxes based upon land valuation. This amount is only $2,500,000 this year and is to come from the following:

(1) A tax of 20% on the increment of value accruing to land in the future from the growth of the community. This tax of 20% is to be taken on transfer, death or sale. It is not an annual tax on any individual and is expected to yield $250,000 the first year.

(2) A tax of one-half penny in the £ on the capital value of land, including mineral lands. This limited to undeveloped lands, and does not apply to land of less than $250 an acre, and really exempts agricultural land altogether.—

(3) A duty of 10% upon the value which accrues to the landlord on the reversion of a lease. Almost all the land of England is held under lease for long periods of time with the provision that all improvements revert to the landlord upon the termination of the lease. The landlords would pay these small taxes without a murmur if they did not realize the principle back of them. This is what makes them tremble—their land will be valued and the community will realize that here is a hitherto untapped treasure—a treasure which owes its existence to society itself. Hence it may be further tapped for municipal or imperial needs.

CHAPTER VII

TRUSTS—USEFUL OR HARMFUL

SO much for the way in which the sources of wealth are cornered. Let us see how the production and distribution of wealth is controlled. This brings us to the question most prominently before the American people to-day.

The modern combinations popularly called "Trusts" first appeared between 1860 and 1870. They were generally in the form of "alliances" and attracted little attention until 1882, when the allied Standard Oil interests formed the "Standard Oil Trust," and originated the term "Trust" as applied to large aggregations of capital. Under that form of association, the stockholders of different corporations transferred their stocks to trustees, who managed the property as they saw fit. The irresponsibility of such trustees, and especially the iniquities of the Standard Oil Trust, aroused public indignation, and caused the enactment of laws forbidding such "trusts." Since then, these combinations have generally taken the form of Holding Companies, or a new company which issues its stock in exchange for the stock of the consolidating concerns, or pays a guaranteed dividend upon their stock as a rental.

So now, in the words of Mr. S. C. T. Dodd, solicitor for the Standard Oil Company (the successor of the old trust): "The term 'Trust' . . . has obtained a wider signification, and embraces every act, agreement, or combination of persons or capital believed to be done, made or formed with the intent, power or tendency to monopolize business, to restrain or interfere with competitive trade, or to fix, influence, or increase the prices of commodities."

The "Trust Question," as the phrase is generally understood, is confined to the Industrial trusts, whose nominal capital of over seven billion dollars is 73 per cent. (say three-quarters) of the total manufacturing capital as reported in 1900. While a good deal of trust "capital" is water, there is little doubt that two-thirds of all our manufactured goods are produced (or their production controlled) by trusts.* It is difficult to think of any article sold from store or mill the price of which is not fixed to some extent by one or more trusts. Often a score of trusts are concealed in a single article. Suppose you buy a buggy. It may or may not be a trust product, but its cost depends largely upon the cost of its different parts. The bolts, nuts, tacks, glass, carpets, hardware, nails, leather, wheels and springs in it were probably made by trusts. The materials for the varnish and paint used were also trust products. Going a step further back, the saws, axes, files, hammers, and

* The *Wall Street Journal* of March 17th, 1904, makes the following significant admission:

"It should not be overlooked that the trust wealth is the most important, in that it largely controls all the other wealth. The trusts are in control of the transportation facilities of the country, they are practically in control of the banking facilities, and they control its main industrial systems. Through control of the banks, the railroads and the leading industrial companies, the directors of these trusts practically direct the business of the country, and when it is said that of the $20,000,000,000 of trust capital in the United States, upwards of $1,000,000,000 is held by one family, and that the greater amount is represented by a group of perhaps a dozen capitalists, one gets some conception of the immense power which is wielded in this country by a few capitalists." Certainly, since that time, the extent and control of trusts has not diminished.

other tools, used in making the buggy and in shaping the raw materials, are trust products. The buggy was shipped over a trust railroad made of trust rails, on which run trust locomotives, the wheels of which are encircled by trust tires. The combined result of all these trusts adds $15, or it may be $50, to the price of the wagon, depending upon its kind and quality, where it was made and where it was finally sold. So Mr. Fairbank's assertion that only 14 per cent. of goods are made by trusts is—misleading.

These great combinations of capital have been much denounced. If there is one point on which the great majority of Americans are agreed, it is that trusts should either be abolished or so regulated as to take away their power for oppression. State after State has enacted laws against trusts; a Federal anti-trust law is now on the statute books, and all political parties unite in declaring their opposition to trusts and their methods. President Roosevelt has urged legislation to protect the public against the trusts. Yet they flourish and grow stronger; they increase in numbers and in power; they defy or make use of the laws intended for their repression; in many cases they control State and national legislation, so that no measure that would really injure the trusts can become law. To the plain citizen, then, the question arises: "Why, since public sentiment is so overwhelmingly against trusts, can we not destroy these enemies of the public?"

The answer is: The public does not understand the nature of trusts, nor wherein lies the power of some combinations, and therefore does not know how to attack them. Before anything can be done, the people must think. So far, anti-trust literature has consisted mainly of indiscriminate attacks on trusts, which have been assailed as wholly bad and deserving of immediate destruction.

This is a mistake. In so far as a trust is a mere combination of persons or corporations producing or distributing goods, it is merely a form of partnership, and is no more objectionable than the combination of persons for the purpose of renting a store or running a blacksmith's shop. Nor does the large capital of a trust make it more dangerous to the public interests. That a dozen or twenty persons or corporations should unite in a trust is the same as that a dozen or twenty persons should unite in a corporation. In neither case is there any injury to the people merely through the combination. The modern trust grew out of the corporation or partnership, just as the partnership grew out of the industrial stage in which the individual shoemaker or weaver owned his tools and was his own employer.

The alleged ability of trusts to charge higher prices merely through their control of huge capital has little foundation in fact. The great department stores, with investments of millions of dollars each, not being protected by class legislation, sell goods cheaper and at less rates of profit than small firms doing one-tenth as much business. The main objection to trusts must therefore be found outside of their large capital or large number of stockholders. Without the protection against competition afforded by various special privileges, the trusts would have no other advantage than that of greater economy and efficiency through lessened expense of management and increased business. This advantage would enable them to drive out smaller competitors only when they could supply goods cheaper, that would mean that more people could buy and more goods would be sold; which would increase the demand for labor, increase wealth and greatly benefit the masses who consume things. If there were no monopoly (and under free conditions there could be none), as soon as a trust put up prices new competitors would start up, and prices would fall to near the cost of production.

Trusts are able to extort high prices when the individuals or the corporations composing them are given a partial or complete monopoly of some particular industry. This is always through some law-granted privilege, such as a public franchise, patent right, protection against foreign competition, or, most important of all, the right to hold out of use lands from which rivals might produce competing commodities.

There is the secret of the trusts' power. Not their huge aggregations of capital, but the exclusive privileges given to some trusts make them dangerous and oppressive.

A committee of the New York State Legislature, appointed to investigate the trusts, obtained the sworn testimony of officials of some of the principal trusts doing business in that State. As an illustration of what they found, take the statements of the Sugar Trust. These show that the combination of nearly all the large sugar refineries of the country practically controls the refined sugar market; that the cost of refining sugar has greatly decreased under trust management; that the profit on refining is larger now than before the formation of the trust, and that by an agreement forced upon the principal grocers of the country the trust fixes the price of sugar to the consumers.*

As a result of this control of the sugar refining industry, the Havemeyers and others who organized the trust have made immense fortunes, the annual dividends paid on trust stock amounting to from forty to sixty per cent.

* The Report may be obtained from the Secretary of State, Albany, N. Y.

on the real cash value of the buildings, plant, etc., actually used in refining sugar.

The Trust's payment of great sums to the National Committees of both political parties in 1892, and to the Republicans in 1896 and 1900 in order to secure favors from Congress, and the abandonment of democratic tariff principles by the "Sugar Senators," show that it is to the tariff on refined sugar that the Trust looks for its control of the American market. The late Henry O. Havemeyer courageously admitted this and said that the tariff was wrong.

Put sugar—raw and refined—on the free list, and the competition of British and German refineries would at once reduce the price of sugar, and cut down trust profits. Even though that might check the production of sugar here, the low price would enormously stimulate the preserving and other industries that use sugar. Free sugar enables the British to buy fruit from Spain and subsidized beet sugars from France and Germany in order to make marmalade and jams, and still to compete with our tariff-protected goods in our home market.

What is true of the Sugar Trust is true of all other trusts which get more than a fair price for their products. The tariff enables many of them, like the Glass Trust, the Steel Trust, the Leather Trust, and others, to raise or keep up prices. With others, such as the Beef Trust and the American Tobacco Company, it is partly the ownership of machines, the manufacture of which is a monopoly under our patent laws, and partly protection, but mainly their deals with the railroads which give them control of the market. The Coal Trust, the Copper Trust and the United States Steel Corporation depend largely upon their ownership of practically all the coal or ore producing lands for their power to crush out competition and extort unfair prices.* They are aided, however, by their control of trans-

* Testimony of Chas. M. Schwab, President of the U. S. Steel Corporation, before Industrial Commission, May 11, 1901:

"If I were valuing the raw materials in this capitalization it would not be big enough. This company has 500,000,000 tons of ore in sight in the Northwest. We own something like 60,000 acres of Connellsville coal. There is no more Connellsville coal. You could not buy it for $60,000 an acre.

(This is probably ten times its real value. However, it is assessed for a few dollars an acre.—B. H.)

"It (ore) is the greatest asset of all. Works can be duplicated, but this ore cannot."

portation lines, their advantage in this case coming through the grant of public franchises which facilitate unfair discriminations.

Some trust articles are no higher priced because of the trusts. Some may even be cheaper. This is only when competition has not been stifled. In many cases, however, the trusts increase prices by 25 to 100 per cent. The market reports show that steel rails sold for $24 per ton in 1894, when the trust was disorganized and waiting to see that the duty was not all taken off rails. A duty of $7.84 was left, and for more than two years prices were held firmly at $28 at Pittsburg and $29 at Chicago. With the collapse of the Rail Trust in 1897, prices fell to $18. In 1899 and since the price has been $28; except 1900, when $32 was reached. (See U. S. Statistical Abstract.)

Tacks were advanced between 1890 and 1894 from double to four times the old prices. A cartridge trust was formed in 1883. Since that time, notwithstanding improved machinery, the prices of cartridges have averaged more than what they were early in 1883. The Paris Green

Trust, just before the potato bug season in 1898, raised prices from about 12 cents to 21 cents per pound.* That was one method of providing work for the American farmer.

Byron W. Holt, who was a witness before the Industrial Commission and knows more about the trusts and the tariff than anyone else, says:

"A dozen trusts could be named that together extort at least $100,000,000 to $200,000,000 a year from American consumers. The profits to the Steel Trust through the tariff were $75,000,000 in 1902. Probably $600,000,000 is the present profit of the trusts through the tariff."

In his comprehensive work, "The Truth About the Trusts," Mr. John Moody enumerates 445 important trusts, embracing 8,664 subsidiary

* Other examples are: Wire nails, which were 95c. a keg in 1895; the trust raised the price to $2.70 in 1896, but importations and the lessened demand caused the price to drop to $1.60. After the Dingley bill was passed the price went up, reaching $3.53 in 1900, and has not gone below $2.00 since. See tables in the *Iron Age*.

The Plate Glass Trust controls 80 per cent. of the product, and raised the price per square foot of one size from 24c. in 1898 to 60c. in 1900,—others proportionately.

Salt was on the free list from 1894 to 1897; when the duty was restored a trust was formed; the price rose from 71c. to $1.17 a barrel, and coarse salt from $2.50 to $4.05 a ton. See Report of the Industrial Commission.

companies or plants, with a total capitalization, stocks and bonds (including those of controlled corporations), of over twenty billion dollars.*

Of this number, however, some are "franchise" trusts (consolidations of street railways, gas, electric, water, and other public service corporations, whose rake-off depends upon the exclusive right to use the highways); others are railroad consolidations. Though these are oppressive, they do not properly come within the category of "Trusts." For franchise and railway grantees have nearly always been able to fleece the public before consolidation, whereas the "Trust" is usually formed in order to begin a raid.

The total capitalization of the "trusts" in the United States, including railways, street railways, telegraph and telephone and industrial

* No.	Class.	Plants acquired or controlled.	Total par value stocks and bonds.
318	Industrial trusts....................	5,288	$7,246,342,533
111	Franchise trusts	1,336	3,735,456,071
6	Great Steam Railroad Groups.....	790	9,017,086,907
10	Allied Railway Systems...........	250	380,277,000
		8,664	$20,379,162,511

"combines," has grown to $35,000,000,000 now in 1908, or about twenty-three times that of the Steel Corporation. If the net earnings are assumed to be equal per share to those of the Steel Corporation, this semi-social income equals the annual wages of nearly 3,000,000 workers.

R. M. Hurd states that the total capitalization of the Consolidated Gas Company of New York is about $230,000,000, of which about $200,000,000 is "water."* Mr. Hurd holds that this com-

* The Joint Committee of the New York Legislature reported (May 2, 1905), that the actual value of the Consolidated Gas Company's plant (apart from privileges) was $27,298,576. The company had then issued $80,000,000 of stock, and had another $19,000,000 of convertibles outstanding. On the latter 6 per cent. interest is paid, in addition to the dividend of 8 per cent.

The company has eleven millions invested in government and city bonds, and some $55,000,000 in stock of other lighting companies, on a large proportion of which, the committee says, "the company receives no return whatever."

"The investment in these securities serves the purpose of so enlarging the capital stock as to disguise in a lower rate of dividends the large amount of profits received from the business of making and selling gas."

As a result of this investigation the legislature passed a law reducing the price of gas from $1 to 80 cents. The enforcement of the law was for a time enjoined by the Federal circuit on the ground that when the company has capitalized its monopoly power to charge more than cost, to reduce the price so that it cannot continue to pay dividends on this capital would impair the value of the franchise privilege and be confiscation.

pany is probably now able to pay 5 per cent. on the "watered" stock. If only 4 per cent. was earned on the watered stock, the total annual amount would be $8,000,000; or approximately the equivalent of the wages of 18,300 workmen.

You are not used to those big figures, perhaps: the trusts are not for your benefit. Wall Street is used to them.

In excuse for this appalling list its beneficiaries will claim that the prices of goods controlled by the trusts have decreased during late years. This book does not flatter its readers, but it is encouraging to know that such arguments will impose upon none of them except those who are paid to accept them. The comparison should not be with the fall in prices of these goods from the prices of twenty or thirty years ago, but with the fall in prices of all other goods.

The slightest examination shows that wherever there have been reductions in the prices of trust goods they have been much less than those in other lines.

It is evident that it must be so; if it were not the trusts would be failures. The object and effect of a trust is to avoid and stifle competition,—it is clear that this is done for the benefit of the owners and promoters of the trust. They may, and in some cases do, accomplish great saving in cost of production, but, unless they are obliged to sell at lower prices by competition, which they have done away with as much as possible, they do just as you or I would do,—get the highest price possible and keep it for themselves. So that you see, you get very little from those "economies" of which the trusts are so proud, except indeed greater economies yourself, so as to be able to pay their new demands.

The trust defenders will tell you, however, that it is to their interest to reduce prices, so as to stimulate demand and sell more goods. It might be, but that is not the way it works; it is less trouble and safer to sell a little at a big profit than much at a small profit. Standard oil costs the company practically nothing, for the by-products of manufacture pay the cost of refining. Still the company sells it for 10 cents a gallon or more. The New York gas companies used to charge $1.50 a thousand feet and would still charge that had not the legislature (beginning in 1890) reduced the charge by law to $0.80. In spite of their protests that this would drive them out of business, their dividends advanced instead of decreasing—only the quality of the gas decreased.

You think that men are entitled to their profits, even if they are large?

Profits consist of these six items: Wages, generally of superintendence; Interest; Insurance, including a margin against depreciation or loss; Taxes; and Rent; and the Extortions of some form of monopoly.

As long as there are Wages and Interest, of course we cannot object to paying them if they are fair; and free competition would always keep them down to a fair price.

Insurance must always be paid by someone under any conceivable system. So must taxes be paid on something; though it makes a lot of difference where the burden is placed.

Rent also, what land is worth for use, seems a fair item; the only question being whether all of it should be paid to individuals, or be taken by the community.

But how about the exactions of monopoly? Ought we to be willing to pay those? Ought we to allow men to be kept out of the chance to make big pay and then to be mulcted out of half of the pay a poor man gets, or out of a third of what a well-to-do man gets?

At present there can be no question that the evils of trusts greatly outweigh their benefits. But laws abolishing or regulating or controlling trusts are not, as anti-trust reformers believe, a remedy. Repeal every form of privilege and special legislation, and thus deprive the trusts of the protection and aid given them by foolish and unjust laws. Then they would no longer desire nor be able to force prices up or to limit production, since if it were not for the restrictions which now shut labor and capital out of employment, any industry in which the profits were large would be open to all who chose to compete.

A movement to take away the privileges which make some trusts monopolies would enlist the support of all who are opposed to special legislation, while not antagonizing those who believe in the rights of property owners to manage their own business as they see fit. In so far as the anti-trust agitation is mixed up with attacks on property, capital, or corporations, it must fail.

There is not in America to-day a single trust or combination which is oppressing consumers by extravagant prices, or workers by reducing wages, which is not enabled to do so by laws wilfully or ignorantly passed in its interest. This being the case, it is evident that in so far as it has taken the form of repressive or restrictive legislation, the fight against trusts up to the present has been on wrong lines and has therefore failed.

When we all realize that the way to make trusts not merely harmless, but beneficial, is to repeal class legislation, we shall have the help of the just against the unjust, and we shall succeed in spite of their power.

The exactions of the trusts are all due to our own care-less-ness.

A Sunday school teacher made each of the boys repeat a verse as he gave his contribution to convert the Hindoos.

Johnny said, dropping his penny: "The Lord loveth a cheerful giver."

Jimmy: "The liberal soul shall be made fat."

Tommy, as he put in his cent: "He that giveth to the poor, lendeth to the Lord."

"Now, Sammy," the teacher said. As Sammy gave up his penny he said: "Eh, ah—a fool and his money are soon parted."

Sammy's verse was as true as the others.

CHAPTER VIII

RAILWAY AND FRANCHISE MONOPOLIES

"The public be damned; we are in business to make money."—Wm. H. Vanderbilt.

Mr. Vanderbilt is dead, but this spirit still lives.

ONE of the principal agencies by which earnings are diverted is the grant to privileged corporations of rights in streets and highways.

First in importance are the railroads, to which we have handed over the exclusive right to build and operate over 200,000 miles of railways, running over routes taken for them by national and State governments under the laws of eminent domain. This mileage represents a capitalized value of 15 thousand million dollars (nearly three-fifths of the value of all the farms in the country). The real cost of the railroads, however, is less than 5 thousand million dollars; three-fifths of the capitalization, or over 7 thousand million dollars, represents watered stock and bonds on which the public pay interest in exorbitant freight and passenger rates.*

It is true that some of these railroads do not pay interest on their nominal capital, but the report of the Interstate Commerce Commission shows that five per cent. was paid in 1906 on a capital of over twelve billion dollars ($12,-000,000,000)†, or more than double the original cost of the roads, an increase since 1902 of three billion dollars. This means that the value of franchises given to railway corporations is over seven thousand million dollars, interest on which at five per cent. amounting to 350 million dollars,

* Poor's Manual has put the cost of the railroads at their bonded indebtedness. But Mr. Van Oss (American Railways as Investments), who is conservative, estimated that the bonds outstanding in 1890 cost the holders an average of 67 cents on the dollar.

† This was for the year ending June 30, 1906. The preliminary report for 1907 shows that net earnings for that year were ten per cent. greater. The Commission complains that the net earnings in its statistics do not show the real net earnings, since some railways refuse to state what permanent improvements are charged to operating expenses. (Report 1903, page 17.)

The National City Bank of New York, which is controlled by Standard Oil interests, says in a circular recommending certain bond investments: "The construction account of the Lake Shore and Michigan Southern was closed in 1883, since which time all amounts properly chargeable thereto have been entered against the income account of gross earnings."

comes yearly out of the workers. That is eighteen dollars per family, and eighteen dollars counts in paying the expenses of a household.

The Los Angeles *Times,* the largest and most influential defender, perhaps, in all the West, of our present system of doing business, dated April 24, 1908, in a leading article on first page, gives an acount of the examination under oath before the New York grand jury, of the great financier, Thomas F. Ryan. These are some of the headings of the article:

"Grand Jury Dazed by Ryan's Story. Financier Swears Ninety-five Per Cent. of Railroad Stocks Cost Nothing. Declares Big Transportation Lines are Built Entirely with Bonds." The article ends with these startling disclosures:

"Mr. Ryan," said one of the grand jurors, "we understand then that the roads only cost about 5 per cent. of the capital issue; they were built with bonds?"

"Built with bonds," said Mr. Ryan. "The Union Pacific Railroad is built with bonds and got a land grant worth $250,000,000 besides."

"Atchison the same?" asked another grand juror.

"Atchison the same."

The consolidation shown in other industries is particularly marked in railways. The great trunk systems have in recent years been concentrated under the management of a few financial interests. Roads which were wrecked for the profit of those who floated them have been re-organized by J. Pierpont Morgan and his associates, until now the Morgan group alone controls roads with a capitalization of over two billion dollars, whilst six groups of financiers increased the mileage they control from 61,833 in 1897 to 164,586 in 1904, embracing over a thousand subsidiary companies, with a total capitalization of over nine billion dollars.*

* Mr. John Moody, in "The Truth About the Trusts," gives the following details of railroad consolidation:

	Capitalization.	Mil'ge.
Vanderbilt Group (New York Central)	$1,169,196,132	21,888
Pennsylvania Railroad Group	1,822,402,235	19,300
Morgan Group	2,265,116,350	47,206
Gould-Rockefeller Group	1,368,877,540	28,157
Harriman-Kuhn-Loeb Group	1,321,243,711	22,943
Moore Group (Rock Island Company)	1,070,250,939	25,092
	$9,017,016,907	164,586

This tendency of railroad systems to pass into the control of a few capitalists is shown by the history of the Northern Securities Company, which was formed with a capital of $394,000,000 as a "holding company," to hold the securities of the Great Northern and of the Northern Pacific Railways, thereby placing these two systems with over 11,000 miles of road under one control, in order to totally prevent competition in the vast area which they drain. Although the Securities Company has been declared illegal by the Supreme Court of the United States, as a monopoly in restraint of trade, the same stockholders still control both the Great Northern and Northern Pacific roads. These roads are still run to make the most money for the directors or stockholders, without regard to public interest; in other words, freight and passenger

The independent mileage is about 26,000, with a capitalization of $2,600,000,000. This mileage consists mainly of short lines, or "feeders" dependent on the large systems. The balance of 13,000 miles is dominated by the large groups. "These groups themselves are, in many important ways, linked one to the other. . . . The steam railroads of the country really make up a mammoth transportation trust which is dominated by a handful of far-seeing and masterful financiers."

charges are still "all that the traffic will bear." This shows the weakness of laws such as the Sherman Anti-Trust Act.

Besides the franchises, the railroads have received enormous gifts from the public. In many cases the cost of the right-of-way has been paid by the municipality through which the road runs. Subsidies have been granted by our towns, cities, counties, States and by the nation, in most cases sufficient to construct the road under honest management. Huge areas of rich land have also been granted, as detailed in Chapter VI. In some instances more than the cost of the road has been realized from sales of such land.

In return for these lavish gifts what have we got? Freight and passenger rates fixed as high as can be made to pay, to make a profit on capital that was never invested! The record of railroad management in America shows a total disregard of the people's interests, and a desire for all the money that can be wrung from those who are compelled to patronize the roads. To this end the stocks are recklessly and often illegally watered, legislatures are wheedled or corrupted by lobbyists, of the Chauncey M. Depew type, and every attempt at legitimate competition is crushed out, when possible, by any means in the power of the railway kings. The result is that to-day the railroads largely control the State legislatures and the Congress, while there is no department of public life in which the influence of their adroit attorneys and agents is not felt.

The principal complaint against railroad corporations is that, having been created by law for the public benefit, they carry on business only to enrich themselves at the public expense. The essential difference between a railroad and a private industry is that without the express authority of government, the railroad could not be built. That a corporation is empowered to take possession of a certain strip of land for a roadbed is what enables it to do business. This right of eminent domain makes a railway a semi-public business, rightly subject to public regulation and control.

But the direct loss to the people by railway overcharges is small compared to the indirect loss that the nation suffers because high rates, by preventing the roads from being used to their full capacity and by increasing the cost of goods to the consumer, curtail manufacturing and diminish the national wealth.

In addition to their exaction of rates far higher than legitimate expenses and fair profits would justify, is the discrimination between localities and individuals. The smaller towns and country districts have especially suffered from this cause, the railways secretly making concessions to favored persons or corporations, often in return for payments to officials. In this way the great Standard Oil Trust was built up, and its strength still lies mainly in its pipe lines and its influence with certain railways which carry its products at rates much lower than those charged its competitors. This is done by making the low rate subject to some condition—mileage, route, etc.—with which only the Standard Oil Company can comply.*

This "railroad problem" has for many years

* For full particulars as to the extent and evils of railway monopolies see "Wealth Against Commonwealth," by Henry D. Lloyd; "Railways and the Republic," by J. F. Hudson; and "The Railroad Question," by ex-Governor Larrabee of Iowa.

been much discussed, particularly among the farmers. Manufacturers and merchants have complained of high freight charges and unjust discriminations, but they have not as a class taken an active part in movements to correct the abuses. This is because the rates charged for transporting goods are always added to the price which the consumers must pay for their necessities. And since the manufacturers and merchants do not really lose the excessive charges that they pay out, they have not used their great influence against railroad extortion.

Attempts have been made to remedy these abuses by laws against combinations to increase rates; by State commissions, and by creating the national Interstate Commerce Commission, to establish fair rates. But while a little has been accomplished in this way, the roads have gone on practically as before, ignoring the laws, or openly violating them by Trunk Line Pools and General Managers' Associations. Thus in spite of anti-pooling laws, the Joint Traffic Association was organized in 1895, a gigantic trust composed of the representatives of twenty or more railroad systems, having altogether a capital of nearly two thousand million dollars, for the purpose of preventing rate competition on the trunk lines running from the Mississippi Valley to the Atlantic. This combination was declared illegal by the United States Supreme Court in 1898, as was the Trans-Missouri agreement.

What was the result? Hon. Charles A. Prouty, of the Interstate Commerce Commission, tells us in the *North American Review* of June, 1904:

"The opinion in the Joint Traffic case was promulgated on October 24, 1898, and no corresponding period in recent years has seen fewer destructive rate wars than the one since then. Instead of railway disaster, there has been a continuous era of increasing railroad prosperity. Rates have not declined; upon the contrary, they began to advance soon after this decision, and they have been steadily advancing ever since. What is more to the purpose, the thing which this interpretation of the law was supposed to prohibit has, in fact, existed all along. The Trans-Missouri and the Joint Traffic Associations have ceased; the word 'agreement' has been stricken from the articles of confederation between railways; in theory, each carrier acts independently of all others, but in practice there has been no considerable time, in any portion of our country, since the rendition of these decisions when competitive rates have not been, in fact, the subject of concerted action. Within the last five years, rates upon every important commodity in every section have been advanced. . . .

"The Auditor of the Interstate Commerce Commission, in reply to a resolution of the Senate asking for information, has estimated that advances in railway rates made during the last four years would, if applied to the movement of traffic for the year ending June 30, 1903, amount to $155,000,000. This enormous tax represents, in most instances, an arbitrary tax laid, as in the case of the lumber rate, by the railways upon the public. . . ."

We are abolishing the old toll roads, but we give charters to new ones that charge us a great deal more.

Much was expected of the Interstate Commerce Commission at the time of its creation, but its powers have been restricted by decisions of the courts. The real remedy lies elsewhere.

This remedy can be stated in a few words. For the present, First: allow as much competition as possible by repealing the laws which empower railway commissions to forbid the building of new roads, and grant franchises on proper terms for as many roads as men see fit to construct. Second: let the courts and legislatures insist on the railroad corporations confining themselves strictly to the functions for which they were created. This would involve making directors criminally responsible for criminal violations of law. Third: tax all railway franchises on their full value, thus taking for the use of the whole people the peculiar values given to the railroads by the increase of population, by special location of roads, or other causes not due to the owners of the roads. These franchise values may best be ascertained by adding together the market value of the stock, bonds and floating debt, and deducting from this aggregate sum the value of the improvements to the real estate and the value of the rolling stock.

The values may be arrived at by a uniform system of accounting and comparison of gross and net earnings.

But before we can solve the problem, legislation will be necessary to re-establish the vital principle that the railways are really public highways, the use of which is given to corporations for specific purposes; but this will not necessitate public operation of the roads. With the enormous increase in the available capital of the country which will come with the freeing of natural resources now held out of use, it will be easy to build as many new railroads as may be needful, and steamships also will be built in plenty.

Even now a project is mooted under the guidance of former Congressman William J. Coombs of Brooklyn, for the government to build a trans-continental railway upon which anyone can run trains, to make it in fact a railed highway. This would enable short railways to compete with the great trunk lines, because they could tap this government road and so get their share of through traffic.

This plan is a step in the right direction, and would soon be followed by other national and State-owned railed ways, with which connections could be made by independent lines.

Next in importance are the street railways, capitalized in 1906 at $3,700,000,000,* but which

* Statistical Abstract of United States. Tables published by Graham & Co., Philadelphia bankers, show that in 1902 out of 987 electric traction companies capitalized at $2,300,000,000, the

could undoubtedly be reproduced for a quarter of this capitalization, or eight to ten hundred millions.*

Our representatives have given away, in most cases without any return, the use of streets which were constructed at great cost for public use. And now, to pay dividends on the watered stock of the corporations, the working people, who pay most car fares, are charged double the fare for which they could be carried at a profit. The average worker's family in cities and towns where there are street cars, spends about sixty dollars per year in car fares. Here is thirty dollars which ought to go for better food, clothes, etc., diverted.†

net income of 799 companies, after deducting $13,000,000 taxes, was $95,000,000. This is five per cent. on $1,900,000,000.

* Since 1901 a new operating company (formerly Interurban, now New York City Street Railway Co.) has been formed, which contrls the New York City steel railroad systems, and its stock is held by another corporation, the Metropolitan Securities Co., thus adding more paper values. The whole thing naturally went into the hands of receivers in the first hard times.

† For details as to original cost of lines and the methor by which excessive profits are concealed through leases and new companies, see "The Street Railway System of Philadelphia," by Professor Speirs, published by Johns Hopkins University, of Baltimore. Just after writing this Prof. Speirs "resigned" his

Most persons appear to think this is all right; for they call the conductor to take their fares when he overlooks them. The passengers do not do that to a Wild-West road agent when he overlooks a victim.

Millions have been made out of street railways, but their overcharges have not the same power as those of steam railroads to limit production of wealth.

Because these monopolies are local in their nature their owners have not yet been able to form national combinations nor to influence general legislation as extensively as steam railroads.

Next come gas and electric lighting franchises. In nearly every city and town these valuable privileges to lay pipes and string wires under or in the public streets have been given away or sold for a trifle. In every case where this has been done those who use gas or electricity are compelled to pay, over and above the fair

chair in the Drexel Institute. Some lines are paying dividends and rentals to four overlying companies—and the original shareholders paid less than half of par value for the stock. While it is true that the most excessive "watering" is in large cities, it is also true that most of the street railway capitalization is in these cities, and that the dividends are paid from their people.

cost of the service, a price based on the value of the franchise. The total value of the gas and electric light plants of the country, as estimated by their owners, is over $1,200,000,000. To reproduce these plants would not cost over $500,000,000. The people of our cities and towns are paying at least thirty million dollars annually to these private corporations because the latter have the exclusive use of the public highways. Wouldn't it be just as well if the people kept that thirty million dollars a year themselves?

Other franchises are those of the telegraph and telephone corporations; in some cities water companies, ferry and bridge companies, and a number of minor corporations of various kinds which depend for their existence on the use of the public highways or on some special privilege. All these have one feature in common; they are protected against free competition by laws, often passed in their interests. They are to a large extent parasites on the wealth-producers, taking property they do not earn.*

* See Professor Richard T. Ely's book, "Problems of To-day," for detailed information regarding franchise monopolies.

Do not imagine that you pay none of this excess profit because you send few telegrams or ship little freight or use no electric light. These are largely used as tools of commerce—when so used they are as much part of the machinery of production as looms and furnaces—and their cost to merchants and manufacturers is finally paid by the consumers of products.

We could better afford to pension off all the stockholders than to submit to the restraints and exactions of these new kinds of road agents. But it is our own fault: "He who stands for a kick deserves it; and he who rests in a prison needs it."

We have calculated the direct railroad exactions as shown by dividends on inflated capital at $18 per worker's family, and those of street car lines at $30 to each family that uses them. Even if we estimate the extortions of electric lighting, gas, water, bridge, telegraph and telephone companies at only as much more, that makes $96 per year, or $960 and interest per family for the last ten years—say $1,250 without compounding the interest.

It might be handy to have that sum in the bank just now.

How to do away with excessive charges by all these corporations, and to secure for the people the best and cheapest service from street railway, gas, electric light and all other franchise-holding companies, and at the same time to obtain for public purposes the full value of the franchises granted by the community, is a question to which widely different answers are given.

Apart from the socialists, who urge government ownership of all productive industries, many persons think that the municipalities should own and operate all industries which require public franchises. Others advocate public ownership of the franchises only, which might be leased for short periods to the highest bidders who will undertake to operate them on terms fixed by the people. A third proposition is that, since nearly all the valuable franchises in the cities and towns have already been given away outright or sold for trifling sums, the best method of asserting the public ownership of franchises is by taking back in taxes the full value made by the community.

This is the most practicable way to reclaim the people's rights, if at the same time the principle is maintained that as all corporations enjoying special privileges are merely creatures of the public, their charges may properly be regulated by the public. Here, again, it must be remembered that, with no trade restrictions and with free land, and unfettered money and transportation, it will be much simpler and easier to deal with the minor difficulties. In any case the important thing to do now is to arouse public sentiment against the folly of making franchise holders rich at the expense of workers.

CHAPTER IX

HOW IT HURTS YOU

YOU are a thinking man or woman. If you were not, you would not be reading such a book as this, for this book does not try to amuse you, but only to put in plain words what you have often thought and what you cannot help thinking. You are no pauper, nor drunkard, nor idler, nor spendthrift, nor ignoramus; such people do not read economic books. You are an American, or one of the energetic men or women who have left their homes to seek new opportunities in this country. This energy and enterprise and capacity has picked you or your parents out from the rank and file of average men who are content to stay at home and suffer as their fathers did. You work hard to support your family or to get on in life. Why are you not rich? Will you ever be rich?

You are entitled, not only to good pay, but to reasonable wealth. Others not so smart nor so economical nor so industrious have money to burn, and do burn it, but you have little even to save. If you can think of any mistake you have made or anything that you do which has prevented you from making more money, you can think also of a dozen men, and women, too, who have got rich in spite of the same things or of a great deal worse things. Why is that?

Is not the answer plain? The opportunities for productive work, the resources of nature have been absorbed. You cannot get pay enough or make profit enough to enable you to get a foothold. The big fellows get a monopoly ahead of you every time. They have secured the sugar lands, the grazing lands, the timber lands, the building sites, the coal seams, the iron ore lands, the quarries, the street car franchises, the patents, the banking charters.

They were here before you, or they had influential fathers or rich connections or risked all they had, perhaps character and freedom, on a big gamble, or they got "in" with some kind of corporation, got in often by extremely crooked ways. You work and contribute your share to their profits.

You will read in newspapers and in books and hear from the pulpits that they were more industrious and enterprising and frugal and that you might be as they are: that it is all "the survival of the fittest!" They say, "There is plenty of room at the top." Nonsense! There is room for a few on top of you and the few monopolists are quite willing to pay editors, by advertisements and in other ways, and to support men to flatter them by teaching that we should all be contented with that arrangement.

You know how hard it is to find places for even the brightest young men. You are not the only one who finds this hard. The wealthy do not know to-day what to do with their boys. There are no "openings," they say.

Henry George, Jr., says in "The Menace of Privilege": "Conversing recently with a large cattle raiser in the 'Panhandle' of Texas I learned that the rate of wages was about '$25 and found,' that this had been the rate of wages for some years, but that, whereas only Mexican greasers could years ago be had, now a lot of bright young Eastern men, some of them college bred, were coming into the country and were glad to get employment on those terms."

The law, medicine, architecture, business, everything is "overcrowded." Overcrowded with well-educated, up-to-date young men who are glad to work for less than they can live upon. Do not these young men produce enough or give service enough to pay their board? Of course they do; they produce many times that much. Who gets it? They get it who control the opportunities to work. Anyone will feed a horse and pay hire for him besides. Is it possible that a young man's work is worth less than a horse's? Yet he gets (if he is in luck) just what the horse gets, board and shelter for his work. Somebody else makes profits out of him. Someone asked a telegraph boy what he earned. He said: "I earn about forty dollars a week." "What?" cried the investigator. "Yes," said the boy, "I earn about forty dollars a week for the company—but I get only four."

Says Charles H. Turner, the ice-cart driver whom the people of New York sent to Congress: "It is to be remembered that the producing power of the wage-earner has steadily increased, so that the laborer to-day is producing much more cloth, or manufactured iron, or wheat, or cotton, in a year for the same or less money. Thus the labor cost of all articles has been reduced, and if, as I believe, the true measure of wages is the amount of production and not the time employed, it is plain that wages must have fallen."

The productive power of the workers has been increased at least tenfold per capita during the last fifty years. Do the men who make things get ten times as much wages?

Of course they don't. Even the census admits (vol. vii., p. xvii.) that "in comparison with the figures of the census of 1850, the statistics of manufactures in 1900 show an increase in capital invested approximating seventeenfold; in the average number of wage-earners the increase was about four and one-half fold; in amount of wages paid about ninefold; and in gross value of products about twelvefold."

How many fold have your wages increased?

Wages are high when there are more jobs

than hands; and wages are low when two men compete for every place. Rents rise when there are more tenants than tenements and fall when the landlords must seek for every tenant.

A war decreases, for the moment, the competition for places to live, and creates a demand for men. To burn a city diminishes wealth, but it increases the amount that the laborer at that spot gets of what he produces, because more labor is demanded to build the city up again. It often brings land into use that was unused or only partly used before, and so far gives the producer a better chance.

You are victimized on the one hand and on the other, whether you are merchant, lawyer, doctor, or clerk, or mechanic, you are taxed out of what you do make and deprived of the chance to make what your services are worth. If you had not been you might have been well off already. If you will stop the process even now, so that the full amount you produce will belong to yourself, you may be rich in a few years.

CHAPTER X

TO BUSINESS MEN

"To levy a tax of 7 per cent. is a dangerous experiment in a free country, and may excite revolt; but there is a method by which you can tax the last rag from the back and the last bite from the mouth without causing a murmur against high taxes: and that is to tax a great many articles of daily use and necessity so indirectly that the people will pay them and not know it. Their grumbling then will be of hard times, but they will not know that the hard times are caused by taxation."—William Pitt in a speech in the British Parliament.

YOU are a merchant, or an agent, or a builder, or perhaps you are a manufacturer or manager. You wonder why business is bad. Is it not people that you sell to? Do not you suffer as much as they if they have not money with which to buy; if their opportunities of production are checked and restricted; if those industries are kept idle by which they should be making money to spend with you? When people are poor they cannot buy; they cannot satisfy their wants with your goods. They cannot pay their bills for which you must trust them. Is not that the secret of a world-wide "glutted" market in high tariff and in free trade countries, in silver standard and "sound money" countries, in places where there are railroads and where there are none, whether immigration is restricted or whether it is free? Everywhere except in new countries where land is cheap and open. Is not this the real explanation of "over-production" which seems so strange when we look out of the window and see men and women workers, ill-clothed, ill-fed, and lacking the necessaries of life, passing by over-stocks of unsold goods?

Recurrently "business is dull." "Trade is poor." Must we seek the cause now in one, now in another, accidental circumstance? At one time in European distrust of our securities, then in poor crops here, again in good crops in Europe, or in "tight money?" Are our interests really identical with those of a lot of stock gamblers, so that everything that helps us ought to make a boom for those who produce nothing, who hardly even facilitate any trade that makes others richer? May it not even be that what makes good times for the monopolist and the stock broker makes hard times for others?

You manufacture or you sell manufactured goods. To every piece of goods that goes out of your place there is a big addition in the price, an addition which you do not get.

The raw materials were taxed, the machinery was taxed, the buildings in which they were made were taxed, the permission to do business was taxed as license tax, the capital employed by the company that made them was taxed; and everyone who paid that tax (you know) added it to his "cost" of goods and put a profit on that whole price.

The tax of ten per cent. on notes of State banks has made it impossible, because unprofitable, to issue those notes. A tax of three per cent. would do the same. Taxation of everything, even of dogs, lessens their number.

There is a tax on cigars which makes cigars dear—decreases the consumption and discourages their production. Just so your own production and your customer's consumption are lessened and discouraged.

Your business is growing, perhaps; for you are shrewd and energetic—you have made yours a good business stand; perhaps you own it—likely not. You would like to extend a little, to get the next store, or more factory room. When you came there it was a very poor block and your rent was not very high. Now you want to use the next lot—but the rent has advanced. You wish to employ more clerks and to sell more goods and so to sell them cheaper; but that increased rent or the price of the lot stands in the way—it costs too much. So you go on as you were. You are restricted; your customers cannot get so many goods for their money; you must do a smaller business and give fewer persons a chance to earn something, they in turn have less to spend and "trade is dull." Is not the connection clear?

Perhaps you think that because you get some of your income from rents, you are one of the "land-owning class." Nonsense. For, if you will consider, most of your "rents" are the hire of buildings, not the rent of land. But suppose they were not, does that rent repay the fancy price you pay for coal, for oil, for raw material, for iron and glass, and all other goods, for high gas bills, railroad and street car fares, your landlord's rent and almost everything you buy in which the "output" is limited in order to advance the price?

Does that repay the exactions of five hundred trusts? Does that repay the premium you have to pay to a speculator every time you need to use land?

The U. S. Census counts as a part of our "wealth" the value of land. Suppose two men are alone in the country, each with a thousand dollars' worth of tools, seed and material. The total wealth is two thousand dollars, there is plenty of land which costs nothing, and if they are allowed to do so, these men will shortly use the wealth in producing "goods."

But the bigger one suddenly claims all the land as his. He will not allow the other to use any of it unless he pays a thousand dollars for fifty acres! The land of the country, two billion acres, immediately becomes worth $20 an acre (it can't be had for less). See how the "wealth of the country" has increased. The big fellow has $2,000 and 1,999,999,950 acres at $20 per acre, and the little one has—nothing but a bare living. There is a great increase in "values," a far larger average of resources, a boom in real estate and great prosperity—for the big fellow.

Says Mr. J. P. Kohler in "All About Panics":

"Sales of vacant lots on the installment plan are advertised very largely in all the papers of our cities and larger towns, and I have seen such advertisements in papers published in the smaller towns of the country. When a young man or a young woman, with a weekly or monthly wage or salary, begins to carry one or more outside lots, which he has bought on the installment plan, that young man or young woman finds it necessary to economize in his or her purchases of the articles for consumption they have been previously accustomed to buy. In this world we cannot eat our cake and have it too, and when we begin to buy Long Island sand or Seattle swamps on the installment plan we are obliged to economize elsewhere; that is, as our money goes out for lots, we begin to save, first on our little luxuries and later on the necessaries. And when ten million consumers in the United States start in to practice such economy, while they are paying for lots, by installments, the storekeeper begins to complain of poor business and the men who trade in luxuries begin to go to the wall. The dealers in luxuries suffer first in the period of depression and they are among the very first to fail. When one buys ice cream, soda, or cigars or a magazine or paper, he gives employment to those who produce such things; but when he buys Long Island sand or New Jersey 'fortune makers' on the installment plan he gives employment to no one, save perhaps a few selling agents, a surveyor and a plowman." Each of us suffers through the land boomers' profits.

Comparing what you do, its extent and efficiency, with what a mechanic does, and gets, your work is really worth perhaps $5,000 or $10,000 a year. You manufacture intelligently and cheaply, perhaps you can put your finger on places where you have reduced the price of goods; or, as a lawyer, you settle disputes which would otherwise cost the disputants high; or as a doctor, you heal people so that they can again produce.

In a previous chapter we have seen how production is increasing, in spite of decreasing opportunities. Of course it is; by the help of improved facilities you can do much more than you could even five years ago. But your production is many times more than the average family's, is it not? For you plan, you are not a mere laborer; you guide your hands or some other hands with an active brain, whether those hands hold pencils or tools. The hosts of Slavs and Italians and sewing-girls and Southern negroes and such workers do not produce anywhere near as much as the average. Now if the workers produce annually wealth valued at $1,260 for each family, whether idlers or workers, how much do you, yourself, really earn and how much do you get? and is it increasing? Serious questions these. Depressing when answered truly.

Suppose you found a leak in your business; waste in the shop, some lines of your goods costing too much, a clerk speculating; someone getting underhand commissions on your orders—would you not stop it at once, at all hazards? Would you not say: "The profits of the business will all leak away through that."

Taxation costs you much, stupidity costs you more. Monopoly, the result of the two, costs you—the business man or woman—most of all.

Every time a trust which is sheltered from competition arbitrarily raises prices, consumption falls off because people cannot afford to buy as much as formerly; then the trust does not need as many workmen and some are discharged, they compete for other jobs, and so lower the rate of wages and still further lessen the general ability to buy; thus trade is depressed, whilst the competition in unmonopolized businesses is increased. Or if the trust is in control of a raw material, the increased price to manufacturers compels them to charge more for their finished products, which in turn limits consumption, and so on.

This process is going on every day. If you like that sort of thing, you can have plenty more of it. You can have my share. Only don't think your little land value interests repay you for your losses through these exactions.

CHAPTER XI

THE FRUITS OF INJUSTICE

"The growth of wealth and of luxury, wicked, wasteful and wanton, as before God I declare that luxury to be, has been matched step by step by a deepening and deadening poverty, which has left whole neighborhoods of people practically without hope and without aspiration."—Bishop Henry C. Potter, of New York.

NEWSPAPER prosperity is like the paper riches which the Chinese offer up to their gods. Statistics are given to show that the "average" wealth has greatly increased and that the volume of business is much larger than usual, and we are expected to rejoice. The writer sometimes goes to a fishing club of which Cornelius Vanderbilt was a member. One of the standard jokes there was that the thirty members are worth on an average over two millions apiece—that is, Cornelius sixty millions and the rest of us nothing. It takes a lot of poor people to make the "average."

With most people it is hard times all the time;

stocks may go up, on which dividends have to be "earned" by them and their fellows, and "trade may be good," but it is always good for the other fellows.

Times are good for some people. First there are the boodlers and the men who get fat offices, with little to do except draw their salaries out of the public purse. If you are one of these and are sure of your job, you needn't read any more of this book.

Then there are the owners of protected industries—especially those having exclusive rights or forming part of a trust. They have been helped by a tariff which squeezes more dollars out of the consumers, and for the time being some of them are prosperous. Of course, the heavier taxes on raw materials, such as wool or iron, hurt some manufacturers, but in most cases the increased taxes are all shifted on to the consumer.

And these are better times for a good many landlords—those who are able to charge the men who want land to work on for the privilege of using it. You see the Dingley law raised the taxes on lumber, lime, iron ore, coal and most everything else produced from land, so that there is more demand for the products of land. Here is where the owner of timber land, or coal seams, or ore deposits, gets in his "work." He knows that the people need the things he controls, and accordingly raises his charges for the use of his land. So he is more prosperous.

But how about people who are not office-holders, or protected manufacturers, or landlords? Are they all enjoying prosperity? Honestly, now, are you getting all the wealth to which your skill, industry, and intelligence entitle you? Do you really think the country is prosperous? If you do, read these extracts from the daily papers of the last decade.

A tree is known by its fruits. Here are some samples of the early crop—the harvest is yet to come. (N. Y. *World,* Jan. 4, 1898): A year of "Good Times." (See p. 255, note.)

"President Harper, of the Chicago University, the establishment to which John D. Rockefeller has given something like $8,000,000, stood up in the Auditorium at the quarterly convocation and said that three students had died of starvation. Of the five deaths which have occurred in five years at the university three are directly traceable to starvation."

So brains won't save you. In fact, brains are really more needed for spending money. Witness the following as early as 1898—the hard times had passed away for some people. (N. Y. *Press,* Jan. 25, 1898):

"On such a magnificent scale have the orders been given for the ball of Miss Josephine Drexel by Mr. and Mrs. Anthony Drexel, in Horticultural Hall, Philadelphia, to-night, that it is predicted that the affair will be the most costly of this winter. It is expected that at least 100 New Yorkers will go to the ball to-night. Some of those going are Mr. and Mrs. John Jacob Astor, Perry Belmont, Mrs. Henry Sloane, William K. Vanderbilt, Mr. and Mrs. Ogden Mills.

"There will be 1,500 cotillion favors. They will cost $3,000. Among the great many different articles that go to make up the list of favors are spangled pink, blue and white feather fans, feathered wands, satin muffs, each with a coronet and big satin bow; directoire canes, aigrettes and satin work bags. Among the articles for the men are court orders with ribbons, four-in-hand whips, walking sticks, Japanese paper cutters, paper weights, and so on."

A stock excuse for ostentation is that it "makes work" for the poor. Of course this is only an excuse, for what the poor need is things, not more work. But not all of them get either work or things. For instance: (N. Y. *Sun*, Jan. 21, 1898):

No Food; No Fuel; No Money; No Work

"Valentine Schlegel, a laborer of 1235 Green Avenue, Brooklyn, has been sick and out of work since early in November, and his family are on the verge of starvation. Schlegel was employed by a bicycle tube factory. He caught cold because of insufficient clothing, and was severely ill with pleuro-pneumonia about Thanksgiving time. Since then he has been unable to do anything but the lightest kind of work. His wife takes in washing when she can, but has been unable to find work lately. There are three children, 2, 4, and 11 years old respectively. Yesterday there was no food in the house, except a little raw cabbage; no fuel except scraps of soft wood, and no money to buy more of either."

It's an ill wind that blows nobody good, and though the metal workers may complain, the owner of metal lands does not. The net profits of the Steel Trust last year were just about equal to the entire amount paid in wages, and the wages constituted less than 25 per cent. of the total value of the product. (See their own Report.) According to this statement, each working man employed by the Steel Trust earned, on an average, not only the amount paid to him, but 100 per cent. profit besides for his employer.

Everyone knows that the poverty noticed in 1898 is more noticeable now. Not to sicken ourselves further with scanning the close-written record of misery, we will skip at once to 1908.

The law helps only some people. Says the Philadelphia (Pa.) *Record,* Oct. 2, 1908:

BROKE LAW TO FEED FAMILY

PRISONER'S STORY OF HARD LUCK GAINS HIM FREEDOM

When Thomas George, of Gardner's Point, Philadelphia, was haled before Justice of the Peace George R. Thompson, of Camden, yesterday on a charge made by Fish and Game Warden C. W. Folker of fishing with a net of smaller mesh than the law allows, the prisoner burst into tears and told a story of want that excited the sympathy of the 'Squire.

He said that he was out of work and had borrowed the net and a rowboat and had crossed to the New Jersey shore to fish for catfish so that his family could keep from starving. By telephone the 'Squire corroborated the story and only suspended sentence.

That was in 1908. And there was even then abundance of money.

There must be great inequalities of fortune just as there must be great inequalities of abilities. But it cannot be that there should be such inequalities as this: with abundance of money there is bitter want.

Doubtless the rich are compassionate and give great sums: but few of them as yet realize that their wealth is mainly the product of the labor of those to whom they give.

Though tales of distress and poverty are not acceptable reading altogether—not all the cases can be hidden. Here are two society news items from one paper, both from the New York *Times,* Aug. 2, 1908:

$1,500 OF MUSIC FOR BABY

Mrs. Charles Strong Takes New York Orchestra to Erie for Grandson's Fete

Little Reginald Ronalds, of Erie, Penn., is only nine months old, but a wonderful party will be given for him to-morrow at his grandmother's beautiful home in Erie. Mrs. Charles H. Strong is the grandmother who will be hostess. More than $1,500 will be spent on music alone. Mrs. Strong will have an orchestra of forty musicians under Nahan Franko, who will go to Erie for her fête. A private car will leave Jersey City to-night with Franko and his men. Mrs. Strong will have other elaborate entertainments for her guests in honor of the lucky baby.

LOST HIS JOB, ENDS LIFE

Herman Ihne, 50 years old, killed himself yesterday in his room at 76 Grand Street, Jersey City, by shooting himself in the head with a revolver. Mrs. James McCarthy, with whom he boarded, said he had been employed as a compositor on a New York paper, but had lost his position a week ago, and became despondent.

Good as it is to get these defeated people back to the abandoned farms, it is but a stop gap. The cause of the defeat must be removed.

Of course the main reason that farms are abandoned is that it has become impossible to make a living on them—and pay the interest on mortgages, or the price demanded by owners of the good farms. But some of those who abandoned the farms, "dazzled by the glamour of city life," have become rich indeed. (N. Y. *Times,* Sept. 9, 1908):

ASKS $25,000 YEAR FOR BABY

NEEDS IT, SAYS MRS. J. E. MARTIN, JR., BECAUSE HE'S ACCUSTOMED TO LUXURY

"In order that he be brought up in the station in life in which he has been accustomed, associate with the people with whom he is entitled to associate," Mrs. Gladys Robinson Martin, widow of the late James E. Martin of Great Neck, L. I., has entered a petition in Brooklyn that an allowance be made to her out of the income of her 3-year-old baby, James E. Martin, Jr., to bring him up "according to his wealth and position."

Mrs. Martin states that her son has always associated with people of large wealth, and that as she has nothing but personal effects and a yearly income of $2,000 from her father, James A. Robinson, she finds it necessary that an allowance be made to her as the baby's guardian. To bring him up, exclusive of his education, she says $25,000 a year is necessary.

No one would grudge that baby all the benefit that can come to him from the $25,000 a year; but such fortunes seem to involve such misfortunes as this:

SENT TO PRISON; FAMILY STARVING

So weak from starvation that he could hardly stand, and weeping bitterly as he told of the similar plight of his wife and five children, Patrick Gilmartin, a plasterer, twenty-eight years old, was arraigned before Magistrate Cornell in West Side Court yesterday, charged with vagrancy. He was arrested while applying at the basement door of a residence in West 58th street for a cup of coffee that he might sustain his little remaining strength in his search for work.

After the distressing story had been told Gilmartin was committed to the workhouse for six months, but this, it was said, was the most merciful disposition that could be made of the case; because while he is there the Department of Charities will be called upon to look after the welfare of his wife and children, who now exist in two rooms on the second floor of No. 258 East 76th street.

With quivering lips and trembling limbs Gilmartin told Magistrate Cornell that he had been out of employment five months and had been compelled to sell his few household effects one by one to obtain money for food for his family. Day after day he had walked the streets in a fruitless effort to get employment. Once he had been strong, he said, but two years ago he underwent an operation for the removal of a tumor on his head and since then he had found it hard to earn money.

Then, he continued, the strike in the building trades had come and he was forced to go out with the other union plasterers, sorely as he needed his small wages for the support of his wife and little ones. Since then, one misfortune had followed another.

Magistrate Cornell asked Miss McQuade, a probation officer, to investigate this story. She went to the 76th street place, and upon her return said she had found the family in the utmost destitution. The wife was nursing a baby eight months old; there were three other children, three, five and seven years old, respectively, and the five had had only one loaf of bread between them in two days. That had been provided by a kind-hearted neighbor. The fifth child, a boy of ten, was in the Willard Parker Hospital, suffering from diphtheria. It was then decided to send Gilmartin to the workhouse and leave the care of his family to the Charities Department.—*New York Herald*, December 22, 1908.

Now, vast sums are acquired without work.

REFUSES $6,000,000 OFFER

UNION NATURAL GAS CO. HOLDS OUT FOR $10,000,000 FROM STANDARD OIL

Special to The New York Times.

Pittsburg, Aug. 25, 1908.—An offer of $6,000.000 made by the Standard Oil Company for the holdings of the Union Natural Gas Company in West Virginia was to-day refused by the last-named company, which asks $10,000-000 for the holdings. The Union Natural Gas Company, of which T. N. Barnsdall is president, has between 80,000 and 100,000 acres of oil and gas lands in West Virginia, and much of it is already improved, the gas being piped to towns in Ohio and West Virginia, and about 85,000 people being supplied with light and fuel from the wells.

The Union Natural Gas Company was incorporated in 1902, with a capital of $6,000,000, which was later increased to $8,000,000, and still more recently to $9,000,000.

In the face of this, we read, Denver (Colo.) *News,* Sept. 19, 1908:

MAN, WIFE AND FIVE CHILDREN FACE STARVATION

WOMAN IS ILL IN A TENT AND HUSBAND UNABLE TO GET WORK

A sick wife, five little children and a man out of work face starvation in a tent at Sixth and Platte streets. Edward Stout is unable to leave his suffering wife to gain a livelihood for the family for fear that she will die from want of care.

The case is a pitiable one. Absolutely destitute, the family has been kept alive for several weeks only through the efforts of neighbors, who have supplied a little money for groceries and the bare necessities of life. The children range in age from 4 to 13.

The family formerly lived in Bellville, Kans., where the mother was a member of the Degree of Honor and the father of the A. O. U. W. Stout has recently been compelled to drop from membership in the order, not having the necessary money to pay his dues. He is still a member of the Modern Brotherhood.

The last line is not intended to be sarcastic—that is the name of a society.

The wicked Socialistic papers have reprinted so many items of society events that the wealthy now reserve their ostentation for private display to their own set. Nevertheless, some of the items are so notable that the reporters give accurate descriptions. This is from the New York *Times* of Sept. 17, 1908:

$4,000,000 APIECE FOR DINNER GUESTS

FAVORS AT SINGER GOLDEN WEDDING FEAST WERE WORTH $16,000,000. GIFTS TO FOUR CHILDREN

If that is right, can this be right too? From the New York *Mail and Express*, Oct. 1, 1908:

Starves; Dies on Bread Line

While standing in the bread line at Eighty-first street and East End avenue to-day, a man about forty-five years old collapsed and died before Dr. Pease had arrived from the Presbyterian hospital.

The man was cleanly and comfortably dressed, but had suffered for lack of nourishment. He had been in the line for a half hour and held a bread ticket in his hand.

Nor are these horrors confined to the great overcrowded cities.

Special to The Daily News, Hamilton, O., Oct. 1.

ON VERGE OF STARVATION

Former Dayton Man, Out of Work in Hamilton, Commits Suicide by Hanging

Despondent because he was out of work, Max Glock, 53, formerly of Dayton, suicided by hanging at his home today. He leaves a widow and six children, the oldest being 18 and the youngest 2 years of age. Glock worked for the National Cash Register company, but has been out of employment for a year. His family is on the verge of starvation.

If those children live (the death rate of the poor is high) their labor will help keep the palace dwellers in luxury; and perhaps they will vote to maintain the present system because occasionally one of the under class gets on top—and one of the upper class goes under. But the boy who wanted to swap for a circus ticket his 1-chance-in-20-million of being President was wise.

The conditions that promote waste and want promote vice and crime as well. Says the New York *World* of Aug. 13, 1908:

"Hard times are the cause of a widespread epidemic of wife desertion in the poorer districts of the city, according to reports turned in by the visitors of the Children's Aid Society. In the instances cited by Mrs. Edith K. MacArthur, the visitor of the East Eighty-eighth street station, the primeval instinct of the survival of the fittest is responsible for the epidemic.

"'Conditions in my district are really so terrible,' said Mrs. MacArthur, 'that I believe if work is not forthcoming immediately for the men the whole neighborhood will degenerate into a condition which will shock New York. The sufferings that the people have been through, and which many are still experiencing, are having a bad emotional effect. The instinct of self-preservation is becoming stronger with the men than their love of wife and children.

"'It was only a few days ago that I discovered a young wife who had been deserted by her husband three weeks before her child's birth. She told me her husband said plainly that he had all he could do to shift for himself, and that he was going to leave her because otherwise both would starve.

"'Neighbors cared for her until her child was born, but when I discovered her both she and her week-old baby were practically dying of starvation.

"'Where last year I found only one or two cases of deserted wives in my district, in the last few months I have run across scores.'"

Dozens of children were offered for sale in New York last winter by parents too poor to provide for them.

This recital of the results of Monopoly—the extravagance and luxury of the rich on one side, and the poverty and misery of the poor on the other—might be continued indefinitely. Enough has been given to show the kind of good times we have always with us.

John Ruskin said:

"I have listened to many ingenious persons who say we are better off now than we ever were before. I do not know how well off we were before; but I know positively that many very deserving persons of my acquaintance have great difficulty in living under these improved circumstances; also, that my desk is full of begging letters, eloquently written either by distressed or dishonest people; and that we cannot be called, as a nation, well off, while so many of us are living either in honest or in villainous beggary. For my own part, I will put up with this state of things, passively, not an hour longer. I am not an unselfish person, nor an evangelical one; I have no particular pleasure in doing good; neither do I dislike doing it so much as to expect to be rewarded for it in another world. But I simply cannot paint, nor read, nor look at minerals, nor do anything else I like, and the very light of the morning sky has become hateful to me, because of the misery that I know of, and see signs of where I know it not, which no imagination can interpret too bitterly."

CHAPTER XII

THE "CHARITY" PROBLEM

"There is something far more injurious to our race than poverty; it is misplaced charity. Of every thousand dollars spent upon so-called objects of charity, it is not an over-estimate to say that nine hundred of it had better be thrown into the sea. It is so given as to encourage the growth of those evils from which spring most of the misery of human life. The relations of human society are so complex, so interwoven, that the creation of a new agency intended to benefit one class almost inevitably operates to the injury of the other. The latter being the growth of natural causes, is by far the most important to preserve."—Andrew Carnegie in "The Gospel of Wealth."

IT is hardly necessary to tell you that of all the pretended cures for poverty the worst is that called "Charity." Yet the average American believes that while there must be something wrong somewhere in our social system, we either cannot find out just what it is, or if found, cannot cure it, and therefore we must do what we can to patch things up with charity. So you give money to this or that charitable institution, perhaps you personally relieve some of the "deserving poor," and you pay taxes to support public hospitals, orphan asylums and poorhouses. But the evils which charity is intended to cure are not diminished in the least.

If men learned wisdom from experience alone, the world would have long ago found that charity is a failure as a means of relieving the suffering due to involuntary poverty. For in all ages and in all countries charity has been practised to some extent; with the same result everywhere: increasing want and misery which appeals for relief. But in spite of this proof that something better than alms-giving is needed, we find in America to-day the most elaborate systems of charities in the world. I estimate the annual outlay in public and private charity in New York City alone at over 28 million dollars; the expenditure in the United States is believed to be about 225 millions. And even this great sum is far too little for the increasing multitudes of those whose poverty compels them to seek help. The number of these is steadily outrunning the increase of population. "The demand for relief always keeps considerably in advance of the supply," is the testimony of Professor Amos G. Warner in his book "American Charities."

Yet there are 2,040 organizations in New York City alone, besides the churches. One reason why charity flourishes and extends itself in every direction can best be stated in the words of Elbridge T. Gerry, a New York millionaire long President of the Society for the Prevention of Cruelty to Children. In conversation, Mr. Gerry said: "If it were not for the charitable institutions supported by the rich, neither life nor property would be safe on Fifth Avenue to-day." As Mr. Gerry lives on Fifth Avenue, and draws a great income annually from real estate in New York, he is naturally inclined to aid in insuring against the paupers created by the system of landlordism. It is feared that the poor would seize the property of the rich were it not for the soothing syrup of charity.

In its origin charity sprang from the noblest feeling—that sympathy with others which prompts us to relieve suffering. The impulse to feed the hungry, clothe the naked and shelter the homeless is wholly creditable. But the modern machinery of public and private charities, supported by taxation or by private funds given out of a sense of obligation, is abominable. That its organized, mechanical treatment of its subjects gives no real pleasure to those who maintain it, proves that it is not a means by which the kind-hearted can show their sympathy with their less fortunate fellow men.

For a long time private charity took the form of alms of food, clothing, medicine, etc., or in some cases of "giving work" to the deserving poor. Hospitals for the treatment of the sick, orphan asylums and houses for the aged were a gradual development, then came public institutions—work houses, blind asylums, etc. In recent years there has been a great increase in charitable institutions of all kinds, until now every nationality and creed has its own special benevolent associations. There is a "Charity" for almost every ailment, and each has its home or hospital. Children's Aid Societies, Lying-in Hospitals, Widows' Relief Associations, Homes for the Aged, Christian Alliance, Hebrew

Homes, Catholic Protectories, Fresh Air Excursions, and thousands of such organizations, each asking for part of the taxes taken from industry, or for private donations given chiefly by those who exploit industry. So great has been the growth of these various charities that in all important cities there is a "Charities Organization Society," which controls and regulates the relief work of the city. There are also State Boards of Charity, and City, Town and Village charity commissioners who have charge of public relief work. Thus every sort of aid to the poor, sick or infirm has become a business.

Let us consider an example of our Twentieth Century systematic charities. Take the Fresh Air Fund. If you will look at the condition of the poor children of any city, you can hardly conclude that their comfort, their health or their happiness has appreciably increased within the last fifteen years, since this charity became important. But even if it had a real effect in saving the children, it would but increase population, and the increased competition in the narrowed field would lower wages and raise rents. Nor is there any logical limit to it. Why should we stop at giving fresh air excursions to the children? Why not the shop girls? Why not the mothers? Why not the hard-working mechanics? And why should we make a limit of two weeks? Fresh Air Charity is one of those things which is never finished and never can be finished, and of which the most liberal community could never say: "We have done enough."

If Mrs. Elliott F. Shepard establishes a "Home" which gives shop girls a good lunch for twenty-five cents, girls say: "Well, by getting a good lunch there, and breakfasting and supping on tea and bread, we can feed ourselves on thirty cents a day," and there being ten applicants for every place, competition will force them down to that way of living or to a more dreadful way. The "Mills Hotels" have actually reduced wages in their immediate vicinity.

The very competition of Charities among themselves reduces the standard of living. The

Tenement House Chapter of the Industrial Christian Alliance testifies that the Alliance meal tickets will support a family of three for a week on ninety cents. (I. C. A. Report.) Gradually men have to learn to live cheap, by using these charity devices, because they cannot get wages enough to live better.

Charity deliberately reduces wages. The Annals of the Dorchester (Mass.) Conference says: "We strive to make every applicant for aid feel that work of any kind is better than idleness, and that to accept the smallest compensation and to perform the least service well, not only helps to supply present needs, but is the surest way to something better." *

Even the charity and benevolent trade schools help in breaking down the Trades Unions by supplying a generation of skilled "scabs."

The late Rev. Dr. John Hall publicly stated that charities tend to destroy independence. "Formerly," he said, "men felt that they must lay by a little for sickness or a rainy day, and

* "To give things to people for nothing does work demoralization and tends always to lower wages."—Rev. W. S. Rainsford, D.D.

demanded wages which would allow them to do so. Now they can work cheap and spend all they get, because they think: If I get sick or destitute I have only to look around and see which of these splendid institutions I will patronize." He said further:

"A large number of people without means of support or family ties constantly tend to the city and diminish by their competition the meager earnings obtainable by a large class of resident work-people. They do not know that by coming to the city they probably incur destitution, disease and suffering.

"Worse than these, a multitude of vagrants are allowed to come to the city and permitted to remain here, who, by idleness, debauchery and disease, add to the pressing demand upon charitable institutions." *

* "Whatever exception you may have encountered, you know that the rule is that those who receive relief are or soon become idle, intemperate, untruthful, vicious, or at least quite shiftless and improvident. You know that the more relief they have, as a rule, the more they need. You know that it is destructive to energy and industry, and that the taint passes from generation to generation and that a pauper family is more hopeless to reform than a criminal family."—Mrs. Josephine Shaw Lowell, on Outdoor Relief.

It is selfish of employers to counsel the people to be prolific, to keep the workers dependent upon them, to reduce wages, and by keeping the poor people to keep the people poor. Certain it is that every dime spent in charity reduces wages a dollar.

It is hard to believe that organized charity is really much more than a sop to conscience, or a method of escaping the results of wrong-doing in this life or in the next. If Charity has ceased to be considered a sort of fire insurance, that is mainly because men have ceased really to believe in the fire.

Akin to the direct forms of charity, in which relief is given as alms, are various schemes, public or private, advocated with the general aim of "improving the condition of the poor." Among these are plans for securing for the people who live in crowded tenements in great cities better homes either by laws regulating the construction of the tenements, or by building model houses for the poor in the suburbs of the cities. Especially in New York City, where, as in Washington, D. C., the tenement house evil has shown its worst forms,* laws compelling owners of tenements to give each tenant a certain amount of light and air, and to make other small improvements, have had the effect of increasing rents, and thus adding to the burdens of all except the land owners.

The failure of such methods to do away with tenement house evils was shown by the late Henry George, at a meeting held in New York City, in 1895, to urge the adoption of laws regulating tenement houses. Mr. George said:

"We have had rapid transit in this city for years. It has made colossal fortunes for the Tildens, the Goulds and the Sages, but it has done nothing for the poor, for the masses. You can turn the East Side and its tenements into the most beautiful part of the city, and the re-

* Jacob D. Riis, in Washington *Times*, Dec. 16, 1903:

"I am not easily discouraged. But I confess I was surprised by the sights I have seen in the national capital. You people of Washington have alley after alley filled with hidden people whom you don't know. There are 298 such alleys.

"They tell me the death rate among the negro babies born in these alleys is 475 out of a thousand before they grow to be 1 year old. Nearly one-half! Nowhere I have ever been in the civilized world have I ever seen such a thing as that."

sult will be that our millionaires will soon be living there.

"There are men in this city to-day who are hungry; there are men, women and children half clad. What do you think of a proposition to help the hungry by which no one will be allowed to eat unless he goes to Delmonico's, or to clothe the naked unless they have their garments made by first-class tailors? The proposition of your committee means just that. You want to tear down those tenements and let no one live unless he has 600 feet of cubic air. Where are the people turned out from these houses to go? Into the streets, into the police stations, that this very night are already crowded, or into the almshouses?"

Since then, we have had two reform administrations of New York city government, yet we read in the report of the Tenement House Commission for 1907 that there are still 325,000 dark rooms—nearly a third of a million—in the tenements of New York City, rooms with no windows at all.

Anyone who knows the horrors of those breeding places of dirt, consumption and vice will feel that law is not an efficient tool with which to improve the social condition.

In so far as certain charities undertake to give work to the idle, they only compete with unassisted workers and thus force down wages and increase distress in other directions. When kind-hearted women start bureaus for employing sewing women, the goods produced under charity direction undersell those made by self-supporting women, and reduce the wages of the women. This is true of all similar charities.

Agencies for securing employment for servants or other workers merely fill temporary vacancies, or replace one worker by another. In no case do they, or can they, increase the total of opportunities to work.

Then there are other plans for getting the unemployed workers out into the farming districts where it is hoped they will be able to employ themselves. All these semi-charitable movements are based on the idea that "the poor" are an inferior order who need to have things done for them by government or by the "upper classes," who do nothing; and all are entirely insufficient to alleviate, much less remove, the distress due to low wages or lack of employment. The nearest approach to effective charity is "the vacant lots gardens for the unemployed" so successful in Philadelphia and elsewhere. The Report of the Philadelphia committee is, as Horace Greeley used to say, "mighty interestin' readin'." The Salvation Army colonization schemes also point towards the true remedy for poverty.

The classification of "cases" in the annual reports of "the Association for Improving the Condition of the Poor" of New York shows that of all nationalities and conditions of those needing relief, the largest number are *white,* married and Americans. Nearly half of them "needing work rather than relief." You can get the Report for a postage stamp.

All statistics of charitable organizations show that the real trouble with the great majority of the people who seek relief is lack of work. At least 75 per cent. of those who are assisted by private charity or public institutions are able and willing to work, if only they could find employment.* And the remaining 25 per cent., including the children, the sick, etc., is indirectly the result of the same conditions of lack of work or low wages. Because of inability on the part of parents to make provision for their children, the orphan asylums and industrial homes are overflowing. Because of distress brought on by insufficient nourishment, or by living in unhealthy tenements, the hospitals are crowded. Because the sick are poor they must look for free medical

* "I have had a long and intimate personal experience with the class of men referred to, and I give it unhesitatingly as my testimony that not many men are 'lazy' in the sense in which this word is commonly used. I have dealt with thousands of such men and have almost invariably found them willing and anxious to work. I know that a great many people engaged in charitable enterprises have much to say about lazy people, but I am inclined to think that it is not so much laziness that is at fault as the efforts so many of us make to put square pegs in round holes. All men are not born with the same energy and the same intelligence, and what might be called laziness in me might be called superhuman energy in other men. In this institution, we do not put at chopping wood or shoveling coal, if we can possibly help it, the man whose only occupation in life has been that of bookkeeper or clerk and who has never had any hard physical labor. We endeavor, as far as possible, to put men at the work they are best fitted for. Perhaps this is one reason why our experience leads us not to consider laziness as prevalent a vice as some other people."—Arthur W. Milbury, Secretary Industrial Christian Alliance.

attendance instead of employing a physician. So with practically all the objects of charity. Directly or indirectly the need for help arises from the fact that workers are not able to support themselves by their labor.

Professor Amos G. Warner says: "The causes grouped under the heading 'Matters of Employment' (being lack of employment, insufficient employment, poorly paid employment, unhealthy or dangerous employment), account for somewhat more than one-third of the destitution dealt with by the American Societies in five leading cities. (*American Charities*, p. 39.) We may remark, however, that the remaining two-thirds are accounted for as follows: (Table p. 44, *supra.*)

Drink. Immorality. Laziness.	Grouped as 'causes indicating misconduct.' About one-quarter of the whole number (the estimates vary from about 7 per cent. to 35 per cent.).
Shiftlessness and Inefficiency.	'In no nationality does the number due to these causes reach one-third of the total.' (P. 47.)

Those who have worked the hardest at charities know how hopelessly inefficient and insufficient they are. Charity fails, and always must fail to accomplish its aims, because it concerns itself with surface symptoms and not with fundamental causes.

Since charity cannot stop anyone from shutting people out of work, it cannot do anything to alleviate or abolish the evils arising from want of work. When it pretends to do so, it is a fraud used to soothe the victims of partisan laws into silence.

The rich generally feel all this—so they charge their own indifference to their God, and say that Jesus said "The poor ye shall have always with you." Jesus never said anything of the sort. He said, "The poor ye have with you always, and whensoever ye will ye may do them good" (Mark 14:7); that is, may abolish their poverty and the causes of it too. I commend to those persons the last four verses of Revelation.

But they are like us, they know no better. The rich are not wicked, or worse than the poor.

The same flesh follows the same motives. Would you become bad if a rich cousin left you a million or if you had made money in your little speculation instead of losing it? If you had bought United Verde Copper before 1890 at a dollar a share and were getting dividends of ten per cent. a month on par, would it have made you malicious?

Of course not. I suppose that I know intimately more rich persons than most men do, and I find them just as honorable and affectionate as the poor. The rich have their vices and virtues, and the poor have the same, only differently applied.

Most people have a misty idea that they are doing good with their charities, but there is a special reason why we should realize that charity is a failure, in so far as it attempts to diminish poverty. When the miserable state of people is pointed to as a reason for changing our present social system, the defenders of things as they now exist reply, "Look at what the charities are doing for these people." And in this way the work of the charitable is used to bolster up a state of affairs which is rapidly becoming intolerable. If you are one of those who think that uplifting the lowest strata of society through charity will raise the whole structure, you should consider carefully whether you are really accomplishing anything. Are you not sparing yourself the disagreeable task, which must some day be done, of getting to the bottom of the question? Are you not dodging the issue whether the continually increasing weight of the dependent classes will not pull down the self-respecting independent workers, out of whose toil the charity-aided are supported?

CHARITY

(By Charlotte Perkins Gilman)

Came two young children to their mother's shelf
  (One was quite little and the other big),
And each in freedom calmly helped himself
  (One was a pig).
The food was free and plenty for them both,
  But one was rather dull and very small,
So the big, smarter brother, nothing loath,
  He took it all.
At which the little fellow raised a yell
  Which tired the other's more esthetic ears;

He gave him a crust and then a shell
  To stop his tears.
He gave with pride, in manner calm and bland
  Finding the other's hunger a delight;
He gave with piety—his full left hand
  Hid from his right.
He gave and gave; Oh, blessed Charity.
  How sweet and beautiful a thing it is!
How fine to see that big boy giving free
  What is not his!

CHAPTER XIII

TEMPERANCE

IF you have thought that temperance, or prohibition of the liquor traffic, is the true remedy for hard times, here are some facts to think over. The great difficulties in the way of a national prohibitory law need not be dwelt upon, though the Cyclopedia of Temperance says that nothing less will serve. Let us suppose that the country has enacted laws to wipe out the sale of intoxicating liquors. What then?

Is it true that supplying the new needs of workers redeemed from drink by temperance would bring prosperity? That is as it ought to be, not as we have made it. Production of goods requires laborers and a demand for what they make. The hosts of poverty-stricken workers show that we have goods and needs in abundance; but it requires also places where these men may profitably work. It does not pay to work a farm forty miles from a railroad; nor does it pay to manufacture on a high-priced site.

The opportunities for labor are restricted by the high rent or high prices of land, mines, timber, and the other resources of nature. This, on one hand, prevents the making of clothes and food and other necessities by those now idle, and on the other hand it diminishes the capacity of the workers, whether they be temperate or drunken, to pay for these necessities.

The "drink bill" of the United States is claimed by the prohibitionists to be fifteen hundred millions of dollars annually. This is a liberal estimate. But as in addition to licenses, the excise tax on a quart of alcohol which costs about 15 cents to produce is $1.10, only a fraction of this "bill" is for drink; the rest is for rents, profits, taxes, and profits on the various taxes.

But if it were two thousand millions and the expenses of the community due to intemperance were another thousand millions, to save all this, as things are, would increase "over-production" and still further increase land values, land speculation and rents.

As the late Professor Thorold Rogers says:

"Every betterment of the general condition of society, every facility given for production, every stimulus applied to consumption, raises rent."

The Rev. J. C. Fernald, the author of "Economics of Prohibition," rightly says that "abstinence brings new demands." It can bring new expenditures only if someone will "give" the reformed men work; this the "lords of the land" will do solely on condition that the average reformed men pay, directly or indirectly, all that they get over a mere living. If they save by not buying rum they can now live on less than they did before, and there being more men than there are places, they can and must eventually bid lower than before to get the work.

Under present conditions, to reform the large part of our community, who, because of drink, are more or less incapable of work, would greatly increase the number of laborers, and by increasing competition, would reduce wages. For the rate of wages is fixed by the number of unemployed who are forced to compete for work and bid against each other, each offering to do the job a little lower than the man who, for the moment, has the job.

If all men were temperate, they would be able to live cheaper than they do now, as the waste on liquor would be stopped. Well! men bid for whatever jobs are to be had, and the lowest pay for which each one will offer to work is limited only by the lowest sum upon which he can live.

For where all the resources of nature are owned, competition for the use of them will bring wages down. The laborer will not get more than what he would earn working on whatever land he can get rent free. Rather than starve, he will work for the least sum he can live upon—competition in an overcrowded labor market tends to force his wages down to a bare living. "It is not merely the number of workers that determine wages, but what there is to do." If the resources of nature be locked up by the "owners," with what or on what shall laboring men do anything? Nature made man to depend upon the earth for work and bread. We have made him to depend on an "employer" or a land "owner."

If the problem of the unemployed could be solved by increased desires or by raising the standard of living, then the Chinese immigration problem could be solved by teaching the "degraded Oriental" to drink mint juleps and smoke ten-cent cigars.

It is true that the temperate men would be ready to consume more as well as produce more. What good would that be to them if the places from which they can produce are shut up from them by their owners? Their increased consumption will only raise prices and their increased capacity for production will mainly raise the value of land.

That the farmers in Dakota burn their corn to keep from freezing, while the Pennsylvania miners starve, cannot be due to intemperance; it is due to limitation of the amount that can be earned. This limitation is caused by the landlord and land speculator, who say: "You shall not work on our land unless you pay our price. You miners starve, yet you may dig only so much coal as will keep the price at $6 a ton. It is true that were we to let you dig all you want, you could exchange it with the shivering farmer for his wasted corn, but then the price would fall and the company would make less money selling much at low prices than it made selling little at high prices." So the miner cannot buy corn nor the farmer get coal. How would it cure that to turn some of the corn into bread instead of into the less useful liquor?

It is true that to abolish the enormous expenses of crime and pauperism immediately traceable to drink would decrease the taxes and increase security of property and person. But that would lighten the cost of keeping land idle, would raise rents, stimulate speculation and increase the amount of land held out of use or only partly used. Accordingly, it would still further restrict the opportunities for work.

Intemperance is as often the result of idleness as its cause. It is true that the bottle leads to sickness and shiftlessness, to poverty and crime. Do not these often lead to the bottle? Drink is the symptom of the social disease; to suppress that symptom without noticing the causes which always aggravate, which often produce it, would still further "bring up production beyond consumption and overstock the labor market."

General Booth, of the Salvation Army, reports that not over fourteen per cent. of the cases of pauperism in England are due to drink. The Association for Improving the Condition of the Poor and the Charity Organization Society of New York make about the same estimate. (See their Reports.*)

Temperance in drink or total abstinence could not cure the evils of our civilization except as they tend to make men more intelligent so as to think out what the matter really is, and to prevent men stupefying themselves as a relief from the pangs of poverty, instead of rebelling against poverty and its causes.

But suppose temperance would help; to attack intemperance alone is hopeless. The saloon

* "Probably nothing in the tables of the causes of poverty, as ascertained by case counting, will more surprise the average reader than the fact that intemperance is held to be the chief cause in only one-fifteenth to one-fifth of the cases, and that where an attempt is made to learn in how many cases it had contributory influence, its presence cannot be traced at all in more than twenty-eight and one-tenth in the hundred of all the cases."—Prof. Amos G. Warner, *American Charities*, p. 60.

is the workingman's club, where the dues are but five cents an evening; where there is light, heat, papers and companionship, and where he can find refuge from his loneliness or from the steaming room with bad light, fretting children and all the discomforts of home. Suppose you were to come home tired to a close tenement room, where the washing was still going on, with the children crying, the smell of cooking and the feeble light of one kerosene lamp with which to read, you would look with longing eyes at the cheerful light and the bright doors of the corner beer shop.

Half the drinking is due to lack of mental resources, idleness, over-strain, or to the desire to escape from wretchedness, at least for a time. As the Bible says: "Give strong drink unto him that is ready to perish, and wine unto those that be of heavy hearts. Let him drink and forget his poverty and remember his misery no more." —Prov. 31: 6-7.

Much of it is due to the social habit of "treating" which would never have existed if drink did not cost ten times what it ought to cost, by reason of the internal revenue and license taxes. Who would invite a man to a "treat," price one cent?

A great deal is due to those restrictions which make the business very profitable to a few, who get the benefit of our laws. A saloonkeeper, in order to sell a drink, furnishes free lunch, hot suppers, a reading-room and practically all the advantages of a club. Did you ever find a man who sold milk doing that? It would not pay. Why not? Because competition has cut down the price of milk. Why has it not cut down the prices on liquor? Because, notwithstanding the number engaged in the business, there is a monopoly, a special privilege, and a ring founded on those things, which multiply the profits.

A leading prohibitionist in Georgetown, Del., once said to me: "Oh, if you squeeze the profit out of the liquor monopoly, the business will fall of itself."

Sixty-five years' valiant efforts, leaving them little further forward than at the beginning, ought to make the earnest and courageous prohibitionists suspect that there is something wrong in their theory of the cause of drinking.

All this is not to decry temperance, a most important one of many excellent reforms: it is only to show that we must not look to temperance, any more than to White Cross work, for a solution of our social problem, or for a plan to enable us all to thrive.

CHAPTER XIV

MONEY REFORM

THE money question is regarded by millions of the American people as the chief economic issue.

You have heard a great deal in past years about it; you know all about the scarcity of money and about the banking privilege; perhaps you have concluded that to have more money in the country would somehow make you rich. Let us see what there is in all this talk about money.

Because money represents wealth, or can most easily be exchanged for it, it is believed that the ownership or control of the currency of the country is the means by which the wealth producers are robbed. Out of this idea has arisen a school of reformers who think that the unfair distribution of wealth can be cured by changes in our system of issuing money. Though money in its true sense is not property, but merely a means of exchanging the various kinds of property and measuring their value, these men unite in demanding that the government shall increase the stock of money in the country. Some have advocated the free and unlimited coinage of silver at the present legal ratio; that is, that the government shall stamp "one dollar" on every $371\frac{1}{2}$ grains of silver brought to the mint. Other money reformers advocate the issue of irredeemable greenbacks in amounts varying from $1,000,000,000 to $3,500,000,000, or of $50 per capita. Still another class favors what is known as the sub-treasury plan of supplying money. The main feature of this scheme is to establish in the principal cities government warehouses in which staple farm products are to be stored and currency certificates issued to two-thirds of their value.

Differing thus as to the system which should be established, the advocates of the various plans for currency reform are agreed that more money is needed, and that it is the business of the government to supply it.

In dealing with the doctrine that more money means more wealth, and its resulting belief that government can create wealth by law, we must first consider whether the complaint that our money supply is now controlled by a monopoly is true. And on this point it is evident that the people who complain of an insufficient currency have good reason for demanding a change. "When the people complain, they are always right"—in the complaint. Our present hodge-podge system of gold and silver coins, greenbacks, silver certificates, treasury notes, and national bank notes is certainly very bad and in urgent need of radical changes. The national-bank system of issuing currency was a war measure, and has long outlived its usefulness. Its note issues are costly and inelastic, involving the purchase of government bonds, and limiting the volume of notes to that of the bonds outstanding. The restrictions on the formation of new national banks and the law requiring that each national bank shall have a capital of not less than \$25,000 or \$50,000, render their organization in country towns difficult. State banks might be formed in such towns; but national banks have practically exclusive power of issuing currency, as the law imposes a tax of ten per cent. on all notes circulated by other banks. There is therefore some monopoly in our money supply.

These are the starting points of the "cheap money" agitation, which brought the "money question" into politics. That the government coins gold and silver and makes it a legal tender for all debts, sets the government's seal on the material which has already been selected by commerce as the best standard for measuring values. That in evolution of money from its primitive forms of skins, shells or masses of iron or copper up to the coins of the present day, gold should have come to be used by all the leading commercial nations, tends to show that it is the superior substance for use as money. Gold is not a perfect money standard, but it is the best so far generally agreed upon.

While thus leaving the question of the standards as of comparatively little importance, it may be admitted that free coinage of gold and making gold a legal tender for all debts, and thus by law constituting it the sole standard of payments, is a violation of equal rights. If, as is claimed by all advocates of the gold standard, the government stamp is not necessary in order to induce the use of gold as money, there can be no objection to the proposal, made by prominent defenders of gold as a measure of value, to abolish the legal tender quality of gold coin. This would not influence any real superiority of gold for the purposes for which money is needed. If it be true that gold stands on its own merits, it certainly does not need the support of legislation.

Some elements of monopoly are seen in our present system of banking. Because of this, large numbers of persons denounce banks of all kinds as dangerous, and demand that the power to issue currency should be taken from the banks altogether. This is the same mistake that it would be to ask that, because some corporations were enabled by special legislation to combine and raise prices, therefore all corporations should be prohibited from making goods. The real remedy, of course, would be to abolish the laws which enabled the factories to shut out competition. And exactly the same is true of the banks. Banks are as useful institutions as stores or factories, and should be so organized as to be in the interest of the public. A free banking system would be forced by competition to provide insurance and other safeguards for itself. Privileged banks are bad, but that is no reason why a good banking system should not be established. In some countries, notably Scotland, France and Canada, mutual banks are already in existence, and are looked on by the people as their friends, instead of as enemies of the commonwealth.

The easy way to solve the currency problems which now vex us, is through the repeal of the restrictive laws and the general establishment of mutual banks by the people, through which all can secure the benefits now obtained by a limited number. There is no reason why banking corporations, which are only unions of private individuals, should not be formed wherever any number of persons can be found who have some spare capital. The repeal of the ten per cent. tax which is now imposed on all bank currency except that of national banks, is a reform which is urgently required and would be the first step to monetary emancipation. It will allow a sound and elastic currency, redeemable on demand in coin, but not limited by the amount of gold or silver in the country, to be issued by such mutual banks. This would put an end to money monopoly, whether of "gold barons," silver mine owners, or national bankers. It would facilitate the organization of a better and safer credit system, would lower interest, and would put an end to the agitation for issues of government money.

Many persons are troubled on account of the cumulative amount of interest: they think that "interest is the robbery of labor." Under even a partial monopoly of money it may be; but if anyone can get for a loan more than a fair share of the benefit that labor gets from the use of money, it must be because he has an exclusive control of money. It seems self-evident that under free conditions no one will pay more for the use of money than it is worth to him.

In the meantime, under present conditions, interest forms a kind of balance wheel to decide when people shall save and when they shall consume. When interest is high, people tend to put their savings in the banks or to invest it themselves to get the high rates. When interest is low people spend the money because it brings so little income. "What is the use of saving it?" they say, "you can't get over 2½ per cent. for it."

The same is true of the money-making business man. If he sees that he can make a profit, he will build an extension to his store—if he can't, he may buy an auto.

Undue interest depends upon an undue centralization of money or of the representative of money, as much as upon any scarcity of it.

As one remedy for the scarcity of money, the "Labor Exchange" is offered. This is a plan of co-operation by which persons put merchandise or land, which they are unable to sell, into a common stock, at a valuation made by a committee. Against this property, certificates are issued which are receivable at a depot in exchange for any goods in stock. Being negotiable at the exchange stores for a variety of things, the certificates are accepted, more or less freely, by merchants in payment for their goods. As it grows, the Exchange accepts more goods, and may produce any kind of goods which is considered desirable. This plan is in active and successful operation in a number of places, and has worked well. There has been an attempt to impose the State bank currency tax of ten per cent. upon these certificates, under the claim that they are money, as in fact they are, but so far it has happily been unsuccessful. The Labor Exchange is a good illustration of how the unfettered action of individuals will solve economic problems automatically.

But as it is of little service for men to have a medium of exchange unless they have the land from which to produce the exchangeable things, this is not a remedy for the underlying social disease. It is claimed that such certificates, being exchangeable for land, as well as for products of labor, will enable the holders to buy land. If so, it will enable them to speculate in it also, and hold it out of use, further increasing its price and making it still more difficult for others to use it. No matter how many exchanges were organized to give certificates in exchange for labor, the withholders of the opportunities for labor would say, just as they do now: "No; we do not want our mines worked, we do not care to sell that land—we have no use for your labor; but, if you must work or else be supported out of taxes, why, work, but the most of you will have to give us all the results of it over a bare living for the privilege of using our land."

Given a few men who own the land on which all mankind must live and work; given a few men who own all the valuable public franchises, given a few men who have enormous special privileges, and it makes no difference how much money there is in the country, or how it is furnished. Under conditions which will allow every man freely to produce wealth and freely to exchange it, a system of free banking will contribute greatly to the prosperity of the whole people. The money question, like all other problems of the time, is to be solved by more freedom and not by more interference.*

* A good book to read on the questions of money and banking is "The Natural Law of Money," by William Brough. G. P. Putnam's Sons.

Five men were playing poker. Their chips were white, red and blue, the white chips representing five cents; the reds ten cents, and the blue half a dollar. The game had not gone very far when it was noticed that one man was steadily raking in the pots. The other gamblers played 'em up close and drew as carefully as they knew how, but it was no use. At dinner time the lucky player had all the chips.

After the winner had cashed in and left the room one of the losers happened to look over the cards which they had been using, when he noticed some curious specks on their backs. "Boys," he said, "we've been up agin a sharp. Them cards is marked." And an examination showed that all the cards were "crooked."

One of the losers said: "I've got a scheme by which we can get our money back. Let's invite that crook to play with us again after dinner, and we'll change these chips and get more new ones. We'll call both whites and reds ten cents, and blues a dollar. Then there will be more to win and when we win we'll get twice as much money as we would on the old basis."

This was agreed to. The losers went out and borrowed some money, and after dinner the game was resumed, the same cards being used. Much to their surprise the crook continued to rake in the chips, and in two hours he had the others broke again. As he shoved the roll into his pocket one of them remarked: "Changing the value of them chips don't seem to have changed our luck. Mebbe we'd ought to have changed the cards."

The producers of America are playing in a game in which the cards have been stacked by those who are winning all the chips. Suppose we make the white metal chips called fifty cents worth a dollar. Will that change the luck? Not much. We need a new deck and a new deal; a square deal in which all the players shall have an equal chance. Then there will be some show for the people to win. As it is now they are bound to lose—gold chips, silver chips, or greenback I. O. U's, it's all the same to the men who stack the cards.

CHAPTER XV

TRADES UNIONS AND THEIR REMEDIES

AMONG the workers who have studied enough to see that conditions are unfair to wealth producers, there is a general belief that relief can be secured through trades unions. Organizations of workers in the various occupations, such as cigarmakers, carpenters, or printers, have well-defined plans to increase the opportunities for labor and thus raise the wages of their members. Beginning with the guilds, or associations of craftsmen, in the Middle Ages, trades unions have developed into large and powerful organizations, in recent years becoming international in their scope and having the same general aims. Among these are: regulation of hours of labor; restrictions of the number of apprentices; securing laws to protect the workers from injury while engaged in their callings; maintenance of a union rate of wages; and concerted action by all workmen against the demands of employers.

These associations have been of use to their members in securing privileges or rights of which they would otherwise have been deprived. And there can be no question as to the benefits of the educational work of trades unions among working men and women. Even though the methods by which the unions enforce, or try to enforce, their demands may sometimes be inconsistent with individual liberty, they can be justified by the un-American conditions into which labor has been forced. It is not becoming in the men who take advantage of labor, bound by fetters of class legislation, to despoil it of a large share of its products, to find fault because trades unions have not always used mild methods in their attempts to right their grievances.

What we have to consider here is the sufficiency of the trades union plans as a remedy for low wages, scarcity of employment, high rents, and unequal distribution of wealth. Take first the eight-hour law proposition. It is claimed that if nobody were allowed to work more than six or eight hours per day there would be far more work, and the idle men would get employment. There would be more opportunities for work, no doubt, but it would be the kind of opportunities which would be made by breaking machines. Every fire makes more work for the building trades, but that does not make the destruction of property a good thing.

Wages are the share of labor's product which is left to the workers. If labor produces less working only eight hours, there is a smaller product to be divided between employer and employed, and it is not the employer who will suffer most by the change. On the other hand, if, as is claimed by eight-hour advocates, men working eight hours do as much as they formerly did in ten hours, then there will be no increased demand for labor and no relief to the unemployed. Both of these contradictory statements as to the working of an eight-hour law cannot be true. And in either case the scheme does not go to the root of the difficulty.

The attempt to keep up wages by limiting the number of apprentices is only a makeshift, for the industrial schools now teach trades to large numbers of young men. Besides, it is a violation of the American principle of equal rights to say to a boy: "You shall not learn the blacksmith's, the stonecutter's, or any other particular trade." No man, or set of men, has a right to deny to another the opportunity to work at such employment as he sees fit. To assume to dictate who shall, or shall not, become skilled in any calling, is tyranny none the less because it is done by men who are themselves oppressed.

Trades unions have often been successful in maintaining a fixed rate of wages in some countries or sections of a country, and were it not for the surplus of unemployed labor they might everywhere secure better terms from employers. But as it is, the union wage rate is partly secured through the generally superior skill and intelligence of the unionists, but mainly at the expense of the community or of the non-unionists by establishing a partial monopoly in the trade. But with the flow of population to the cities, which has been setting in for years, the struggle against the competition of non-union labor is growing harder and harder. If the host of idle men ever eager to get work at any wages grows, it is only a question of time when the union wage rate must sink, and lower wages be paid. So far, the development of the great areas of land in the West and South and the opening up of new areas by irrigation, by better communication and by new inventions, has helped trades unions in their fight, making an outlet for surplus labor and making customers of those who before only competed for jobs. Unless radical changes are brought about in our social system trades unions will be swamped sooner or later, by the increase of unemployed skilled labor, glad to get work for a bare subsistence.

The weapon on which trades unions have chiefly relied has been the strike. No doubt, in many cases strikes have been effective in preventing wage reductions, and even in securing higher wages for some employees. But in recent years, except in "boom" times, it has become more and more apparent that the increasing numbers of idle workers who take the place of strikers, make strikes of less effect in the struggle between employer and employed. Such great strikes as those of the Boston Freight

Handlers, the Lowell, Mass., Cotton-mill operatives, and the Brooklyn and Philadelphia trolley lines, failed mainly because non-union men were waiting to do the work of the strikers. Trades unionists admit that the greatest obstacle to the success of a strike are the "rats" or "scabs," as they call non-union workers who work for less wages than the unionists. Of course a "scab" is a human being, and often has a wife and children to support, and he is usually glad to get a chance to work on any terms. Non-unionists cannot be greatly blamed for supplanting the strikers, when it is a question of getting another man's place or starving. Instead of denouncing their mates as enemies, the trades unionists should give more attention to abolishing all that makes men idle.*

A tithe of the money spent in strikes, if used by the unions to secure land on which they could work, would have vastly improved their circumstances. The unions are beginning to see this, as is shown by the farm that was operated by Typographical Union No. 6, of New York City.

* Read "The Condition of Labor," by Henry George.

Something has been done, notably in England, by arbitration, to settle the disputes between laborers and employers. But the fatal fault of arbitration, whether by agreement or by law, is that it does not include the "sleeping partner" of laborer and employer, the owner of the site for work and of the materials drawn from that site. It is not as the employer but as the monopolist that some bosses are able to say "There is nothing to arbitrate."

The reduction of wages in order to stimulate business, is a chimera. It would enable us to sell some goods abroad that we cannot sell now, but on the other hand it would reduce the price paid by the rich for what they consume. But these things are mere drops in the bucket. It is the masses that consume goods; and the purchasing power of the masses would suffer the main reduction.

In the same way, to advance wages, though it increases the purchasing power of the wage-earner, will make his cost of living proportionately higher. Neither plan touches "the plunderers that take all that is left."

But while strikes and changes in rates of wages can do little to bring about a better distribution of wealth, they are legitimate methods of compelling employers to deal fairly with their employees. Every man has a right to refuse to work for an employer, and to advise and urge other men to quit work. These rights of free American citizens have in recent years been grossly violated by Judges of the State and Federal courts, who without precedent or authority have issued injunctions forbidding men to quit work, or to persuade other workers to quit. This was first done on the ground that the persons against whom injunctions were issued were about to engage in rioting and other unlawful acts, and in a number of cases, beginning about the time of Eugene V. Debs and his associates of the American Railway Union, men have been arrested and imprisoned for contempt of court because they refused to obey the orders of some judicial servant of monopoly. In the great strike of coal miners in 1902 some judges went still further and issued "blanket" injunctions forbidding the strikers from holding peaceful meetings, marching on the public highways, or in any way, peaceable or otherwise, interfering with the men who took the places of the men on strike. Judge Jackson, of West Virginia, even enjoined persons from supplying food to strikers. Such injunctions are a direct attack on American institutions, and encourage a general distrust and contempt of the judiciary.

Natural justice and liberty demand the strongest protest against "government by injunction," as a dangerous and unconstitutional violation of individual rights. If an action is punishable as a crime under the laws, an injunction against that crime can add no terror to the penalty, and its only object is that men accused of violating the injunction can be tried for "contempt" without a jury, by the judge who issues it, instead of being prosecuted as are other accused persons, by grand and petit jury. If the action enjoined is not illegal in itself, then the injunction is an arbitrary usurpation of power.*

But so long as the country and its government is left in the hands of those whose financial in-

* Debs was tried before Judge Woods and imprisoned for

terests are against those of the workers, we will have more of such judge-made laws.

Workingmen who have got into a way of thinking that unions will do all that is needful to give them the full reward of their labor, and that if everybody could be got to join the ranks of organized labor, wages would rise and wealth be justly distributed, should study the question further. They will find that no matter how well organized they may be, they will fight in vain against low wages (and against high rents which make seemingly good wages really small), so long as others control the opportunities to labor.

RESTRICTION OF IMMIGRATION

Seeing that there is an enormous surplus of unemployed labor in the United States, some

six months for contempt of the injunction forbidding "obstructing the mails and interfering with interstate commerce."

Nevertheless, when he was indicted and tried before a jury for this same "obstructing the mails and interfering with interstate commerce," it became evident that he could not be convicted, and the prosecution abandoned the case. President Cleveland's Strike Commission reported that "there is no evidence before the Commission that the officers of the American Railway Union at any time participated in or advised intimidation or violence or destruction of property."

people have taken up the cry of "Restrict Immigration." This agitation is partly sincere, though based on ignorance; and it is partly hypocritical. The political weather vanes who turn in obedience to what they believe to be public opinion have discovered that there is such a thing as a "labor question," and have tried to solve it by legislation which would shut out the crowds coming here from foreign countries. Some short-sighted trades unionists have also joined in the demand for restriction, while the paternalistic or Chinese spirit finds a fitting expression in limiting the right of free settlement. The kind of men who by courtesy are called "statesmen" and are sent to Congress to enact laws, are naturally impressed with the idea that if there are in the country large numbers of idle men, the remedy is in keeping out all who might come here seeking work. Of course, these same "statesmen" are descendants of immigrants from foreign countries, and they would be highly indignant at the suggestion that their ancestors should have been excluded from America. Yet as their constituents insist that something should be done for the relief of unemployed labor, Senators and Representatives strive to outdo one another in erecting legal walls over which the unfortunate immigrant cannot climb.

Unhappily we haven't free conditions ourselves, and our workers who are idle don't know any better than to shut out from the United States their brothers who cannot find a chance to work at home. It is a striking feature of the departure from the principles of the Republic, that the free Commonwealth of the West is now adopting the policy which China and Japan enforced for centuries, but are now abandoning.

It ought to be plain to every sensible man that the revival of the "know-nothing" spirit which reverses American traditions, tends to sustain the system which is responsible for the involuntary idleness of Americans. The pretense that restricting immigration will cure low wages and lack of work is a direct contradiction of the theory industriously exploited by the same class of monopoly defenders, that "over-production" is the cause of hard times. If it were true that we are poor because we produce far more food, clothes and other goods than we can use, it would seem only natural that we should allow more people to come here so as to consume the surplus products. If those who came were actually "paupers," so much the better, for then they would not increase the business stagnation by helping to produce more things.

If to have many people is a bad thing, then it follows that increasing population, whether from home or abroad, should be discouraged or forbidden. To be consistent we should also pass laws limiting the number of children that parents should be allowed to rear, the surplus to be deported, or maybe thrown into the rivers, as in India or China.

But the restrictionists do not pretend to be consistent. They talk of the harm to American workmen caused by the competition of foreigners in our labor markets, while, as a matter of fact, each newcomer who can find work helps to make markets for surplus American products. If the immigrant is to live he must have food, clothes and shelter. This means that the Americans who grow food, and make clothes and houses, find a customer for what they have to sell.

Behind the outcry against the immigration of such sturdy men and women as have built up the nation as it is to-day, lurks the fear of the "financiers" and their hired defenders that the people will insist on knowing why so many willing workers are idle. Once the people could be fooled with the story that their poverty was the will of God. After a time, when men came to know that this was not true, "scientists" like Professor Huxley tried to show that all the injustice and inequality in the distribution of wealth was due to natural laws.* Now that it has proved that this is also a lie, the men who profit by monopoly seek, by appeals to national prejudice and race hatred, to delude the people into running after a false remedy, and so to neglect the true one. Can the people be fooled all the time?

* See his "Essays on Natural Rights," in which Professor Huxley defends the enslaving of the masses through private ownership of land. Learning, in other lines, does not make a man a safe guide to those who are seeking liberty.

CHAPTER XVI

POLITICAL CORRUPTION

ONE of the most curious of delusions is the belief that widespread and deep-rooted evils can be cured by trifling remedies. Thus, for the ills arising from political corruption and misgovernment by organizations formed for the purpose of securing political offices, we find it gravely suggested as a remedy that we should "elect good men to office." Apart from the absurdity of dividing men into the good and the bad, this plan for abolishing effects without touching causes is ridiculous. Political corruption is not, as some moralists seem to believe, the result of men's sinful nature, nor is it due to unscrupulous "machines." It has its origin in the conditions which keep large numbers of people in involuntary idleness; which make a struggle for subsistence the lot of the great majority of the voters of the country; which year after year force ten thousand business houses into bankruptcy;* and which create large classes ready to ally themselves for gain with adventurers who trade as professional politicians. Having its roots thus deep in the rotten soil of ignorance and violation of economic laws, it is easy to see that the efforts of "Good Government Clubs," "Municipal Reform Leagues," and similar organizations of well-meaning citizens must fail to accomplish the ends for which they are working. So long as law-created conditions prevent the masses from acquiring intelligence or using their intelligence for useful purposes, so long will it be impossible to have clean politics.

A number of well-meaning persons think that the corruption of politics can be cured by what is called "civil-service reform." Their chief representative is the New York *Evening Post,* a journal which, like most of our prominent dailies, is owned by vested interests, but strives for good government and honesty in public affairs. The *Post* declaims against the "hungry

* R. G. Dun & Co. report 16,834 failures for 1907; a higher percentage than any year since 1893.

horde of office-seekers" who seek employment as the reward of their political service, but has not a word to say against the main prop of the system which forces men to struggle for the small salaries of most government positions. Prating of official honesty while upholding gigantic exactions under legal forms is saving at the spigot to waste at the bung.

That government officials should be selected solely on the ground of fitness, everyone will admit. But no change in the method of appointing such officials can give us "pure politics" so long as there are a hundred men looking for each office.

Senator Ingalls was right. "The purification of politics is an iridescent dream" under the present economic system. Patchwork tinkering with ballot reform, proportional representation, or any other proposed scheme of government, can lead only indirectly toward real relief from the tyranny of the boss or the corruption of the party machine. No patent idea of non-partisanship in municipal elections, or of "good citizens acting together" in State and national elections can vote knowledge out of ignorance, or honesty into men forced by the hope of sorely needed employment to support politics which they know to be dishonest.

Akin to the plans for political reform is the belief that if we can only prevent bribery at elections we shall insure a free and unbiased expression of the public will. So we have laws imposing severe penalties on anyone who directly or indirectly gives or receives any consideration for votes. Of course these laws are violated, but even though they were strictly enforced they would only change the form of bribery from cash to some promised benefit. Thus we find a great political party making a direct appeal for support on the ground that if successful the burden of national taxation will be increased in order to benefit the workers employed in certain industries, while vigorous work in each campaign is prompted by the knowledge that success would mean the appointment of the workers to office. This is no less a bribe because it is a general offer of public funds in aid of certain private persons, yet the moralists who are shocked at the payment by John Jones of $3 for William Smith's vote, have little or nothing to say about the corrupting of voters by wholesale.

A few years ago there was a general demand for "ballot reform" or a change in the method of casting ballots for government officers. Much was claimed for the "Australian" voting system as a means of promoting the election of honest and independent candidates. But although "ballot reform" has been adopted in all the States except Georgia and the Carolinas, we find to-day that the party machine is nearly as strong as ever, and is able to thrust its nominees on the public as it did under the old system. And this must continue while politics, or the business of electing lawmakers, affords an opportunity for money-making to men who cannot get a living by honest industry.

Honesty is a good thing in politics, as well as in private business. We should have business methods in all public affairs. The rule of corrupt political machines should be thrown off. The will of the people, and not of a self-constituted boss, should prevail. But to try to secure these desirable ends in political life, while maintaining a system which invites and encourages the opposite conditions, is nonsense.

The political corruption of our large cities has been exposed by Lincoln Steffens under the title of "The Shame of the Cities." In "Enemies of the Republic," Mr. Steffens shows the source of legislative corruption. He says:

"Every time I attempted to trace to its source the political corruption of a city ring, the stream of pollution branched off in the most unexpected directions. . . . It flowed out of the majority party into the minority; out of politics into vice and crime, out of business into politics, and back into business. . . . We are all of us on the wrong track. You can't reform a city by reforming a part of it. You can't reform a city alone. You can't reform politics alone. . . . The corruption of our American politics is our American corruption, political, but financial and industrial, too.

"Our political corruption is a system, a regularly established custom of the country, by which our political leaders are hired, by bribery, by the license to loot, and by quiet moral support, to conduct the government of city, State, and nation, not for the common good, but for the special interests of private business. Not the politician, then, not the bribe-taker, but the bribe-giver, the man we are so proud of, our successful business man, he is the source and the sustenance of our bad government. The captain of industry is the man to catch. His is the trail to follow."

During this year, however, Mr. Steffens has published in *McClure's* his conviction that "man-hunting" is useless: that the captain of industry is himself the victim of our vicious system of monopoly.

Make the masses of the voters prosperous and independent of the few offices to be doled out to political partisans, and abolish the power of legislatures to confer special privileges, and there will soon be an end of the evils which the "good" reformers are trying to cure with bread-pills and sugar-and-water draughts.

If the "Good Government" advocates wish to succeed, let them help to abolish the causes of involuntary idleness and poverty. That done, they will find that the symptoms of social disease which they take to be the disease itself, will quickly disappear.

As a means of getting what we want we should, of course, have popular election of Senators, and we shall get it. Something has been accomplished and much is to be hoped for as effective methods of expressing our will from the Initiative and Referendum, and more from Proportional Representation.

Until we get these, the "Winnetka plan," first tried at the home of the late Henry D. Lloyd, in Illinois, works well and immediately. It consists simply in requiring from each legislative candidate before voting for him at election, a written pledge to introduce or support one resolution in his own assembly of lawmakers. This resolution provides that upon the written request of five per cent. of the voters any proposed law shall be put to popular vote before it goes into operation. So far, for plain reasons, such pledges have been kept.

These reforms, known as "Direct Legislation," are vigorously pushed. Mr. Eltweed Pomeroy, of Newark, New Jersey, will gladly send information as to plans and progress of this splendid movement, which is one of the most encouraging signs of popular awakening.

The Cincinnati *Post* says editorially in 1908: Behold, the people that walked in darkness have seen a great light. Out of Oregon came a sign. A mighty hope has been born. A new and magic watchword has been sounded. "Back to the people"—that is the blazing banner round which gathers to-day a victorious host.

The demand for the initiative and referendum is, in the opinion of many, the most portentous movement in American politics.

The bosses have seemed to hardly notice it, and the corporations have only recently taken alarm. But it is too late. As stealthily as the tide, this great undercurrent of democracy has surrounded them, has cut them off.

Like a thief in the night, a revolutionary principle has stolen into the Constitutions of five of our States. It is knocking now at the doors of twenty State legislatures. It is in full operation in half a hundred cities. The Supreme Courts of five of the States have bowed to it. And while the corporations are now asking the Supreme Court of the United States to outlaw it, their case seems hopeless.

The movement is irresistible. Government by private monopolies has run its course. The hour has struck. The people are rising.

Consider the history we have been making.

South Dakota, through the initiative and referendum, established popular sovereignty in 1898. This fall the people take a direct vote on their divorce laws.

The right to make or unmake laws by a direct vote at the polls was won by the people of Oregon in 1902. Since then they have voted on 32 measures. Seventy-four per cent. of the electors, on the average, have participated in these 32 votes.

After an inexpensive educational campaign of a few months the people have passed, by overwhelming majorities, laws that it would have taken twenty years to get through the lobby-ridden legislatures.

The people of Nevada acquired the right of referendum voting in 1905. This year the legislature passed a bill to create an army of mercenaries for the benefit of the mine owners. But ten per cent. of the mineworkers can hold it up. Between them and the legislature the people will decide.

The right of direct legislation was incorporated in the Constitution of Montana in 1906. This year the people are going after three laws, a direct primary for United States Senators, an anti-injuction law and an employers' liability act.

Oklahoma started out with the initiative and referendum last year. This fall a referendum vote is to be taken on the question as to whether the three million acres of school lands shall be seized by the speculators or be saved for the children of the commonwealth.

This is the roll-call of the free States. And the number is steadily growing.*

This is the line of march in America. The people everywhere are going to make and unmake their own laws when they are not satisfied with the work of their representatives.

* NOTE—Republican Maine has adopted the amendment since this was written.

CHAPTER XVII

INCOME AND INHERITANCE TAXES

TO check the rapid increase of huge fortunes and the power of their possessors, some reformers advocate an income tax, or graduated taxation of inheritances or of property. An income tax is a good plan in some respects for getting back a tithe of what has been taken, though it robs the honest man as against those willing to take false oaths. But it is mainly a device for drying up the lake without diverting the springs: it is as if the bees should tax the honey that is extracted from their hives. And its essential feature, that of making people pay for public expenses according to their ability, is unsound. The true basis of taxation is the benefit received by the individual from the services of government. An income tax is class legislation, because it is intended to be levied only on those receiving an income over a certain amount. Men who want a free field and no favor, should not ask for a law which would favor the poor, any more than for one to favor the rich.

As for the inheritance tax, its advocates base their arguments on the idea that the rich men of one generation leave actual wealth—products of labor—to their heirs. This is an error. What is really inherited is titles to wealth which will be produced in the future, as is well shown by Louis F. Post, editor of the Chicago *Public:*

"One of the pernicious fallacies in economic discussion is the notion that great wealth can be inherited.

"Everyone will agree that he who will not work shall not eat. But this doctrine of good morals and sound economics is continually denied in practice, not so much by begging tramps, at whom it is preached, as by comfortable classes who do the preaching. Though honestly of the opinion that idlers have no right to eat, they account for luxurious idlers with the explanation that they live upon the earnings of departed ancestors. It is assumed that wealth can be passed down from generation to generation.

"This is true of some forms of wealth only. Broadly speaking, all that men require for life and comfort, which can be earned by work, is consumed almost as soon as it is produced. Houses are permanent enough in character to be inherited, but they will not serve their purpose unless kept in repair by work. Machinery lives a short life. Food is the product of a day, and clothing of a season. If the making of clothing stopped to-day, we should all be in rags in a few months; if the making of food stopped to-day, we should be starving within a week. Things like these can be inherited certainly; but it is not to such things that reference is made when it is said that the luxurious idle live upon the accumulations of their ancestors.

"If the question were asked: To what is reference made? a probable answer would be, Money. But men do not inherit money. There is very little money in the world. Even a millionaire's son would receive but a trifle in cash from his father's estate. What is really referred to, and what the imagination includes in the familiar term "money," is not accumulated food or clothing, for they are transitory; nor buildings, for they are only a little less so; nor even machinery, for that will neither repair nor run itself; nor money, for this generation does not live by spending the accumulated coins of a previous generation. The reference is to some form of monopoly—some legal right to control the activities and appropriate the earnings of other people.

"The simplest illustration is chattel slavery. Idle sons of dead slaveholders were able to live without working, not because their fathers had left them food and clothing and buildings and horses and carriages and money, accumulated during a laborious and productive life, but because they had left slaves to them. The idle heirs were able to be luxurious, though idle, because they had inherited from their fathers the legal but devilish power of compelling other men to work for them.

"But slavery is only an example. It is not the only institution which thus enables men to live upon the enforced labor of other men, while seeming to live upon the earnings of ancestors.

Every inherited monopoly belongs in the same category. And it is by means of monopolies, either inherited or acquired, as slaves were once inherited or acquired, that idleness and luxury go together in our time. Those who live richly without working are satisfying their wants from no accumulated stores of the past; they are doing it from the tribute which their monopolies enable them to exact from the labor of the present. As truly as did ever a Southern slaveholder, they eat their bread in the sweat of other men's faces. Great fortunes consist not of stored-up products, but of the growing power of the monopolies. And when those fortunes pass into the hands of a younger generation the inheritors will be rich, not so much in things to consume, which grow less as consumption goes on, as in the power they will have of exacting an abundance of such things throughout their lives from their fellow men who produce them. They are heirs to the privilege of setting up toll gates on the highways of industry."

If we want to tax these inherited privileges or monopolies, let us tax them directly as such and not merely tax occasionally a part of their product.

A further objection to the inheritance tax is that it can be largely avoided by the transfer or partial gift of property by the owner to his heirs during his lifetime. This is the case in France and England, where heavy "death duties," as they are called, are imposed. Mr. George W. Smalley, New York correspondent of the London *Times,* wrote from England fifteen years ago an account of the extent to which the inheritance tax had forced the distribution of property while its owners were living, and referred to the case of a very rich man who had given to his children his entire property, in order to escape the payment of the tax. And what is done in England is done in America, as inheritance taxes increase, as in the case of the sixteen million dollars distributed by Wm. H. Singer among his children, as reported in the press Sept. 17, 1908.

Taxes on personal property, that is, wealth in the form of merchandise, farm stock, machinery, tools, furniture, pictures, books, bonds, mortgages and capital invested in productive industry, are favored by some people—mostly farmers. The latter think that because the rich own most of the personal property, a tax levied on it would be paid mainly by the rich.

Taxes on merchandise of all kinds make goods dearer, and consequently diminish their use. Thus a tax on farm implements, wagons, machinery, etc., will make some farmers buy less of those things than they could buy if there were no taxes on such forms of wealth. So that although at first sight it may look as though the personal property tax was a good thing for labor, on closer examination it will be seen that it discourages the production of wealth. Since the only way to be prosperous is to have plenty of goods, it is clear that to tax goods or the capital engaged in producing goods, is a blunder.

Taxes on personal property in the form of evidences of loans of capital, tend to make capital scarce, and to increase interest rates. This hampers industry and checks business. Bonds and mortgages are not really wealth, but only evidences that the owner has some wealth, which wealth is taxed somewhere. To tax both a lot of land and the mortgage on it, is unjust, because it is double taxation.

It is just the same as if we should tax a merchant on the merchandise in his store and then tax him again on what he owes for it.

Aside from their unfairness, and the difficulty of collecting them, income, inheritance and personal property taxes are mere makeshifts, and can do nothing to change the system under which monstrous fortunes are built up. And in so far as they tend to make men satisfied with the existence of these unearned fortunes, by holding out the expectation of getting for the people a share of the income, or a part of the principal in case of the owner's death, they are distinctly injurious, and hinder the coming of a wiser order of things.

Of course an income tax would be a far better method of taxation than our present taxes on goods, machinery, capital and buildings. All these taxes are cumbrous, and injurious to trade and industry, and should be abolished as soon as possible. And if the people haven't sense enough to see that there is a better tax than that on income, by all means let us have the income tax as the lesser evil.

But there is a better tax: it is a tax on the value of land, apart from improvements. This is simple, direct, easily levied, and easily collected. It will take the burden of taxation off the producers and put it on monopoly. It does away with the deceit and perjury inseparable from all forms of indirect taxation, and will prevent the frauds which are so common in the customs, internal revenue, and other tax departments of national, State and municipal governments.

It encourages industry by freeing it from taxation and by opening up to the use of the workers all valuable natural resources now held idle for speculative purposes. It will establish a system of land-holding in which everyone will have a share in the ownership of the earth. It will not merely take back a little of the wealth of which monopoly milks labor. It will stop the milking. And its adoption will result in the distribution of wealth so that each producer will get his fair share of the product of his labor.

You may think these claims extravagant. Then read Henry George's book, "Social Problems"; and "Natural Taxation," by Thomas G. Shearman.

CHAPTER XVIII

HIGH TARIFF REFORM

DON'T be afraid that you are going to be treated to an old-time tariff argument. The tariff has been discussed these many years; the newspapers are full of it, and in hundreds of volumes you can already find long statements of both sides of the question. Besides, you have doubtless grown tired of that endless talk of revenue, tariff reform, free raw materials, the home market, foreign pauper labor, our infant industries, protection wages, and the rest of the formulas over which politicians wrangle. All we want to know is: "Will increased duties bring prosperity? If so, how? If so, let us have them."

During the Presidential campaigns of 1896 and 1900 the chief argument of the Republicans was that the depression of business was due to reductions in duties made in 1894, and that the re-enactment of the tariff of 1890 would be followed by permanent prosperity. "The Advance Agent of Prosperity"; "Protection will give work and wages for all"; "Republican Success will re-open the Mills and Factories"; "Vote for the Tariff and Good Times," were some of the campaign mottoes.

Suppose a stranger from Mars should visit the earth. Landed in America, let us imagine him then informed of our everlasting tariff discussion. Would not his natural question be: "Instead of disputing about your theories of protection, why don't you try the system and see how it works?" Then he would be told that we have tried it for more than half a century, but that the people are as much divided as ever. One side claims that progress, invention, growth in population, and business development generally, have been due to protection. The other side asserts that the high tariff system has hampered commerce and industry; has oppressed the masses with heavy tax burdens, and has retarded the country's development in manufacturing in competition with the rest of the world; and points out that the panic of 1907 came under the fixed rule of the highest tariff we have ever had.

Nor is there any more agreement as to the prosperity. Ex-President Harrison declared in 1892 that because of the McKinley tariff the country enjoyed the widest measure of prosperity. Yet that year the militia was called out in four States to suppress rioting by strikers or discharged workmen; the Carnegie Steel Works cut down wages of thousands of men and found no difficulty in filling their places when they went out on strike; in every State there were closed factories, idle workers, lockouts, and labor troubles, in short, every evidence of the reverse of prosperity. Such is the conflicting testimony on the important question, "Has protection brought prosperity in the past?"

But you can at least judge by your own experience. Are you prosperous now? Yes? Then probably you are satisfied, as far as you are concerned; but how has it affected others? Has it proved a cure for the social troubles which all see and recognize? Has it remedied the bad state of the country? If not, sooner or later, in one form or another, the troubles of your fellow men will reach you.

Most people have short memories, and the press has succeeded in making a good many people believe that the period previous to the slight reduction in the tariff was one of unbounded prosperity. If you would rather accept the statements of partisan newspapers than think for yourself, you will continue to believe that the Golden Age of Labor came to an end in August, 1894, because the average customs duties were reduced by the Wilson law from forty-seven to forty-one per cent. But if you are accustomed to looking for better proof than somebody else's say-so, you will probably decide that protection does not deserve credit for even the limited prosperity of the last forty years.

Take into consideration that the duties imposed by the Wilson "free trade" bill were on an average higher than those of the tariff before the McKinley law, and that the Dingley bill rates are higher yet. Of course, you know that the great panic of 1893, when hundreds of banks failed, mills and factories shut down, merchants went into bankruptcy and railroads into the hands of receivers and the country was filled with idle men and women, came, like the last one, under these high tariffs.

Let us look at the reasons given for thinking that this scheme will assure prosperity in the future. You must have noticed that the campaign orators talk of the tariff as a "grand American policy"; denounce those who do not believe in it as "British free traders" and "enemies of American industry," and draw glowing pictures of the happy time to come, when all foreign trade will be shut out. But they do not agree among themselves as to how the promised prosperity is to come.

By calling a high tariff patriotic, and distinctively American, a good many people have been led to swallowing the "system." "Patriotic," in this case as in many other, means stupidly selfish. The truth is that protection is a Chinese policy, adopted by China more than two thousand years ago, and continued down to a recent period. The result of centuries of restriction is seen in the condition of the Chinese, whose wages are lower and conditions of living meaner, than in any other country which pretends to be civilized.

The arguments for protection are about as follows:

"That heavy tariff taxes keep out foreign goods; that this increases the demand for domestic products; that this increased demand gives more employment to labor; that the increased employment of labor raises wages and enables the workers to buy more goods of all kinds; and it is said that excluding foreign competition gives American manufacturers better prices and therefore larger profits, out of which they can pay the higher wages; that indirectly the farmers are benefited by the building up of a 'home market' for their products. And while the advantage of high prices to producers is thus urged in favor of a high tariff, it is claimed at the same time that the stimulation of domestic industry by the same tariff reduces prices lower than they would be under free trade."

It is assumed that by making all our goods in this country, instead of buying some of them abroad, we would increase the demand for American labor and for American products. But when goods are brought here from another country they must be paid for either in money or in goods. If they are paid for in money, it is either in gold or silver, which are products of labor in our mines, and therefore to get the price gives employment to American workers. If we pay for imports with exported goods, they also are products of labor in our factories, farms or mines and give employment to American factory employees, farmers or miners. So that in either case there is as much demand for labor as though the goods were made in this country. Whether Americans are employed in mining copper or gold, or in growing wheat which is sent to England to be exchanged for copper or gold makes no difference in creating a demand for labor. Since all trade is barter, or the swapping of one kind of labor products for another kind, the importation of goods from other countries creates a demand for American products with which to pay for the foreign goods.

Nevertheless, a mere increase in our exports won't materially help us. When the Balance of Trade is in our favor, according to other authorities, there are good times. According to me there ought to be good times always.

Now, Great Britain's Balance of Trade has been almost steadily "against" her for the past forty-five years and ours has been almost steadily "in our favor." Likewise we always sent away more gold and silver than we got back. Yet we are proud that Europe is constantly buying our securities.

The only large countries with a so-called "favorable" balance of trade are the United States, the Argentine Republic, Russia and India.

Suppose a storekeeper told you he was shipping away more and more merchandise every year than he was receiving and that he had paid out much more money than he received, and finally that he was putting out plenty of notes. Would you say, "You must be getting rich." No; you would say, "Better make an assignment before all your assets are gone."

This is the favorable balance of trade that Paddy gets when he has to send the pig to the landlord for the balance of the rent. After a while Paddy will inquire what he gets back for what he gives.

If protectionist theories were accepted everywhere, foreign countries would stop buying over $800,000,000 worth of our products each year, for if it is a bad thing for Americans to buy things abroad, it must be equally bad for Europeans to buy things abroad. Would our farmers and workingmen like to see our great export trade destroyed by laws that would shut our products out of foreign markets? Of course they wouldn't. If a high tariff increases competition and thus lowers prices, it can't also give the manufacturer higher prices, out of which he might pay higher wages. The same policy cannot work both ways.

The real strength of the protection scheme is that shutting out goods by tariff walls around this country, makes more work for the people here. To some extent this is true. Protection makes more work in that it compels men to work harder to get the goods they want, just as bad harbors make more work for pilots. The man who urged the workers to break all bottles after emptying them, so as to make more work for the glass blowers, was one of this kind of protectionists. But you know better than to believe in that. You know that what the people need is not more work, in the sense of harder labor, but to get more things by the least possible labor. If our laws compel the farmers to buy their glass in this country, when if left to themselves they would buy it cheaper in Belgium, this does not in the end give more opportunities to the people in America. It only changes the nature of the work in which some Americans will be engaged.

If the American glass worker could not make glass as cheaply as it could be done in Belgium, he would go to work making something else.

That is, under freedom he would do so. Now he cannot find anything else to do.

Even under present conditions a tariff does not make more opportunities for work in America. If the Belgian glass blower cannot send his glass to America in exchange for our wheat, or pork, or cotton, he must buy those products from some other country which will take his glass. This will destroy the market for as much of our farm products as we now sell to Belgium, or sell to those who sell to Belgium, and some of our farmers will be unable to sell their crops; then there will be less demand for American farm labor, which will crowd into the cities and towns and still further reduce wages by swelling the numbers of unemployed, willing to work for lower wages.

Men's minds have got so confused by the notion of "over-production," that to most people it seems that there are always more goods made than can be used, and that, therefore, if we exchange American grain for English blankets, we lessen the demand for American manufactures. Where the opportunities for production are open and free the supplies of labor products will never exceed the demand; because as the demand slackens men will turn naturally to other occupations and will have all they make themselves available to exchange for what others make. Unless we see clearly that under natural conditions the demand for labor products will always be equal to the supply, we will not see the uselessness of a tariff. But if we get a grip on the principle that all demand for goods is demand for labor, we will understand that under no circumstances can laws that raise prices or that shut out imports give more opportunities for work. They may set some men to work making blankets or glass who would otherwise grow wheat or raise truck, but they cannot increase the sum earned by labor.

"But," it is urged, "a tariff on imported goods enables us to use many of our natural products that it would not otherwise pay to use." Maybe so; but we know a simpler and more natural way to open up those opportunities for work. It is to remove the restrictions and monopolies that keep them shut up.

I am not going to balance here the amounts taken in tariff taxes. You may be getting back in your own prosperity all that the tariff costs you. Even if not, it is only one of your tax burdens.

Of course you know that when a business-man pays the tax on his building, it increases the cost of the goods made or sold in it, and he adds the tax, with a profit for collecting it, to the price at which he sells the goods; or, if he lets the building, he adds it to the rent. In the same way when merchants pay a personal tax or an internal revenue or an import tax on goods made here or coming into this country, they add the tax to the price at which the goods are sold.

If they cannot get that price, importation or manufacture stops, because it is then unprofitable.

Said the late Thomas G. Shearman, a wealthy and conservative lawyer and statistician: "To call the general average of mercantile profits before the consumer is reached only 15 per cent. is ridiculously low. No estimate of which the writer is aware puts it lower than 25 per cent. (Geo. B. Waldron estimates it at 37½ per cent.) Nevertheless, the lowest conceivable figures shall be here accepted. The profits collected upon local taxes on buildings and goods must be put still lower. Let them stand at only five per cent."

On the basis of the foregoing explanations and upon the census and other official statistics, Mr. Shearman constructed the following table. We bring it down to the data of the census of 1900:

AMERICAN TAX BURDENS OF 1900

(Round Numbers)

Import Duties		$ 233,000,000
Internal revenue		295,000,000
* Increased prices of domestic protected goods		699,000,000
		$1,227,000,000
Dealers' profits, 15 per cent.		184,000,000
		$1,411,000,000
† Local taxes	$700,000,000	
Landlords' and dealers' profits, 5 per cent.	35,000,000	735,000,000
Grand total		$2,146,000,000

* This item is based on the extremely conservative estimate of three times the import tax.

† Estimated by increasing the census report of 1890 in proportion to the increase in population. In the States where comparative figures are attainable the increase over the 1890 figures has been about 15 per cent. per capita.

It is claimed that the foreigner often pays the duty, because he has to sell his goods cheaper in order to get them into our market at a price at which they will sell with the amount of our tariff added. Doubtless, this is sometimes true when the profits of foreigners are extraordinary, so that they can afford to reduce prices on exported goods and still make money; but, as we have to do the same thing in order to get our goods into their protected markets, we probably pay as much as we get that way.

We are told that we must "stand pat" now; that is, make no material change in the tariff or in any other important matter. Then these things, whatever may be said against them, are as perfect as restrictionists can make them.

Is the resulting state of the nation satisfactory? If so, there is no use in thinking any more about it. Yet, in some respects all are now agreed that we should have material changes in our import duties: in trying to foster some industries, we have hurt others. We have hurt even the farmer by bringing droughts consequent on cutting down our forests to make protected lumber and wood pulp; and we are now trying by laws to counteract the evils that laws have caused.

Says the Bangor *News* (Rep.), in September, 1908:

"There is a belief that amounts to a faith right here in Maine that if ground wood and sulphite pulp were admitted from Canada free of duty the great paper trust would have to reduce the price of white paper by 25 per cent., or more, which would curtail the senseless slaughter of sapling spruces, which as conducted under the present system is a shame to our forestry department. It is freely conceded that the pulp and paper industries are of great commercial help to Maine. But the method of cutting is most wasteful and if continued will result in removing all our spruces within the next 25 years. It is not the duty of the voters and the tax-payers of Maine to permit the paper trust to accumulate enormous riches and then abandon the wild lands of Maine, as one would a lemon that has been squeezed dry. Retain the present duty on sawed lumber indefinitely, but open the bars at once to Canadian paper material, and thus cheapen the cost of our school books, our Bibles and our newspapers."

Remember that at no time in the past forty-five years have we had a tariff averaging less than forty per cent. Yet we have frequently had panics, business depression, wage reductions and great distress during that period. So it is evident that the sufficient remedy for these evils must be looked for elsewhere.*

The reader, in looking over this tabulation, will be forced to one conclusion, which is pretty nearly the truth—that although changes always make some disturbance of business, times of business prosperity and depression in the United States have never borne more than an

* From Springfield (Mass.) *Republican,* July 1, 1904:

"We have before us a pamphlet issued by the American Protective Tariff League and prepared by Francis Curtis, entitled 'Tariff Hand Book,' which tabulates the various tariff acts of United States history and specifies the character of each, whether protectionist or 'free trade.' This list may be accepted as official, at least so far as protection tariffs are concerned. Let us accordingly take the leading enactments back to 1833 and note the general business conditions which prevailed contemporaneously:

Act of—	Character.	State of Business.
1833....	Free trade.	Great prosperity up to 1837; then panic.
1842....	Protection.	Fair times.
1846....	Free trade.	Good times as a rule up to 1857.
1857....	Free trade.	Panic followed by depression.
1861-71..	Protection.	Great prosperity after the war.
1872....	Protection.	Panic in 1873 and hard times.
1875....	Protection.	Hard times continued to 1879.
1883....	Protection.	Depression for two years.
1890....	Protection.	Good times up to panic of 1893.
1894....	Free trade.	Hard times.
1897....	Protection.	Good times up to 1903.

"There can be no dispute about the sort of times in business which followed the low tariff of 1833, and if panic succeeded in 1837 it tells no more against that tariff than the panic of 1873 indirect and somewhat remote relationship to tariff changes.

The tariff of 1909, with its various aggressions and entrenchments of special privileges, merely confirms and emphasizes what is said here. As we go to press the practical effects of the law are not available for discussion, while its character and lack of any principle, except the unprincipled principle of strengthening Monopoly, is so fully discussed in the public press, that it has been deemed unnecessary to examine it here.

We are dealing with economic law, not merely with laws.

It is sufficient to say that "Nothing is ever settled until it is settled right."

tells against the high tariff enactments of 1861-72, and little more than the present reaction in business tells against the still higher tariff of 1897. There were times of reaction in the tariff period from 1846 to 1857, but we have the authority of Mr. Blaine, in his history, and the general evidence of historians and contemporary records, to support the statement made in the table.

"What happened from 1873 to 1879 under tariffs which are conceded by the Protective Tariff League to have been 'protection' tariffs? Times of panic and depression worse even than those of 1893-7; and for proof of this anyone interested is referred to Dun's record of failures relative to the number of concerns in business for the two periods." (See first note to Chapter xiv.)

CHAPTER XIX

HOW THE FARMERS CAN BECOME PROSPEROUS

IN early times, when the American farmer raised or made nearly everything he used, his welfare depended on little but the fertility of his farm and on his own ability and energy. This has all changed, and the farmer now sells almost all his crops, and has to buy goods manufactured in towns and cities. In years of large production, prices of crops often fall so low that there is no profit left, or that there is an actual loss, so that it no longer follows that abundant crops mean good times for the farmer.

In other businesses such a state of affairs could not last long, for men would not continue to produce goods to be sold below cost. With the farmer, however, there is little choice. He is tied down to the land. All his capital is in his cattle, machinery, buildings, improvements, and such things, and he cannot easily sell out and try some other occupation. He must grow crops, and if prices are low he must grow bigger crops in order to make a living. Thus each one helps to glut an already over-supplied market.

He tries diversified farming; instead of raising only corn or wheat or cattle, he grows fruit or vegetables, sells eggs or poultry, or makes cheese or butter. But try as he may, he finds that there is always one thing lacking, that is, a sufficient market for the things he has to sell. He asks for protection to give him a "home market" for his products, though he has learned by bitter experience that the "home market" is not enough. As fast as villages grow into towns, and towns into cities, their needs are more than supplied by the surplus stock of ten million farmers and farm laborers, who by modern systems of transportation are enabled to ship to all parts of the country. No matter how great the cities grow, the supply of food stuffs of all kinds keeps far ahead of what the people can buy. Greater New York and adjoining towns, for instance, have a population of over 4,500,000. Yet down on Long Island and out in New Jersey, within an hour's ride of this immense number of people, there are farmers who can hardly make a living by cultivating the soil on which fruit, vegetables, and such things can be raised in abundance. It is true that there is nearly always a market for the finest fruits and vegetables to be sold to the rich; in the same way, there is nearly always a place for the man or woman of unusual ability.

It is the average produce, such as most men must raise, and the average man, such as most men are, that finds the markets over-stocked.

This does not mean that there is any real lack of a market for all that the farmers could possibly produce. The very best markets for farm products exist wherever there are manufacturing industries or commercial centers. The millions of workers in the factories, mines and lumber woods, or on railways and steamships, are constantly in need of far more of everything the farmer grows, than they now buy. They do not buy them because all are deprived of a large part of their wages, and many are prevented from earning any wages at all. The "wage-earners," who buy most of the meat and flour, milk and eggs and butter, do not get near as much of any of these things as they and their families want. And they often use stale produce or canned goods, which they would reject, to the advantage of their health and the benefit of the growers, if they could afford to pay for fresh stuff.

The government statistics show that nearly half of the income of the working classes is spent for food. Yet everybody knows that the most of these now stint themselves, and that as soon as any one of them gets higher wages, he lives on a better scale and consumes more and a greater variety of foodstuffs.

Ground rent alone takes from the four millions of people in Greater New York at least $180,000,000 each year, say $45 each for every man, woman and child. This sum is in addition to the amount of ground rent which now goes into the public treasury through the real estate tax—about $65,000,000.* If industry were re-

* Calculated by Mr. E. L. Heydecker of the Department of Taxes.

lieved from the taxes which at present burden it and are added to the price of goods, the difference in cost of commodities would save the people of New York a sum at least equal to the present ground rent. Suppose that this enormous sum were left with the people who make it. Would they not be able to buy far more things than they do now? Of that $180,000,000 probably one-third would be spent directly among farmers. Another third would be spent for manufactured goods; idle workers would then be able in turn to buy the food stuffs for lack of which so many of them suffer.

If it were possible (and it certainly is if these people themselves abolish the laws which create monopolies) to double the wages of the working men and women of America, is there any doubt that there would follow an immensely increased demand for the farmers' surplus crops? In proportion as the workers are able to buy, the farmers are able to sell. This is so evident that it is a wonder the farmers do not see that their interests lie in helping their natural customers to get rid of those who live on the community.

Of course the farmer is also shorn. The railroad monopolies; the fostered manufacturing monopolies; the patent monopolies and the money and banking privileges take away a large part of what the farmer earns. Before real prosperity can come to the farmer we must shake off all of these. But he makes a mistake when he supposes that his interests are different from those of the workers of the towns and cities. For the sake of the trifling advantage which some farmers get from the ownership of more land than they can use, but which they hope to sell at a profit some day, those who are asking for reforms in the name of the farmers generally ignore the land question. It will not do. The millions of workers who under free conditions would furnish an ample market at paying prices for all that the farmers can grow, cannot prosper until the monopoly of city lands, coal lands, iron lands, and timber lands is abolished with all other law-made privileges.

Farmers who hire labor often think that because they, like all employers, wish to pay as little wages as possible, a general increase of wages would be an injury to the farming interests. This error must be got rid of before the farmers can secure the aid of other workers in their struggle for freedom. If the advance in wages were general, the farmer would be benefited by an increase, even though he had to pay more for hired men; for the greatly increased purchasing power of the workers in the cities and industrial centers would far outweigh his additional outlay for help.

There is one way, and only one way, in which the farmers can hope for relief. That is, by the establishment of a system in which all workers shall receive the full reward of their labor.

Don't worry for fear that you may have to pay a trifle more to your hired man. It will all come back to you, and far more with it, in the added value of your own labor and in increased sales and the better prices you will get.

Study this over, you farmers who are wondering whether it wouldn't be better for each country to shut itself in with a wall like the wall of China in order to make a better home market. Consider how the real home market could be indefinitely expanded if only the workers were allowed to spend their full wages on themselves, instead of giving up a third or a half to various law-created parasites. Think what it would mean if all those who are now idle, or working for starvation wages, were employed at good pay. Wouldn't there be a rush of market men and commission houses for farm produce with which to supply the needs of these people? Wouldn't that mean flush times for you, and big prices for your crops? Don't you see that your prosperity depends on the ability of the working millions to buy your products, and that the way to sell more foodstuffs is to help the workers to get more wages?

It is true, as we are often told, that the prosperity of the whole country depends on the condition of the agricultural classes. Unless the farmers can buy manufactured goods, the workers cannot get employment, and business is at a standstill. But, taking one year with another, the farmers always have crops to sell, and always buy some goods. A reform which would enable the working men and women greatly to increase their purchases of farm products, would in turn enable the farmers to buy far more manufactured goods. Thus trade and industry of all kinds would be stimulated, and instead of widespread business depression we should have universal prosperity.

Says Mr. R. T. Snediker, writing from Kansas:

"Is it not plain that a system which forces the men who feed, clothe and house us to give up two-thirds of the wealth they produce, for the right to use the earth, will cause involuntary poverty?

"A little over a year ago a man and wife with seven children went onto 240 acres of land in Jackson township, Lyon county, Kansas, and agreed to give $12,000 for the tract of land, including about $2,000 worth of improvements. This man and his wife paid down in cash, from long years of savings, $1,000, and gave a mortgage for $11,000 at 6 per cent. for deferred payment of rent. You will see that this man really bought $2,000 of invested capital, which was a just transaction, and $10,000 worth of land value, or deferred payment of rent, which, measured by the natural law, is a poverty-producing transaction. A few days ago, the interest on this $11,000 became due, and the man—your brother and mine—spent several days trying to borrow the money to pay the annual rent by mortgaging his wheat crop and all his personal property.

"Look what a burden our civilization has placed on this bread winner and his family. What real capital he has borrowed does not amount to over $2,000. But we force him to pay $600.00 each year for the right to feed his family. He is compelled to pay his share of township, school, county and State taxes. And the harder he works, and works his family, the less he eats, the more he saves and improves his land, the higher will we tax him.

"Then he is forced to pay his share of $600,000,000 government tax. Besides that, in buying lumber, hardware, farming implements and clothing he must pay $125.00 more per annum for trust-made goods than they sell for 10,000 miles from home. Last but not least, he must pay off the $10,000 deferred payment of rent. Now, under this contract how long will this hard-working family feel the sting of involuntary poverty?

"The man is 57 years old. During the next 10 years, with fair crops and no sickness or death, he may reduce the debt $2,000 or $3,000. He will have done well if he does that. But any time, from failure to meet a deferred payment of rent, the man and his family may be turned out of house and home.

"The land will not produce a bushel of wheat or corn more to the acre than it would 25 years ago, when the writer grazed sheep over it and it would not sell for $2.00 per acre.

"Don't tell me that the above story is an exception. I can write 200,000 of like kind in Kansas. Some worse, some not so bad, but yet all bad.

"This story is a plain fact very plainly stated. The truth is, regardless of our prosperity, that in Kansas we have five dollars of mortgage for every one we had twenty years ago. And eighty per cent. of them is for purchase money of land, deferred payment of rent—the same as the Irish tenant pays the English landlord."

The increasing mortgages are often explained as being for land purchases; just as if that made them an evidence of prosperity instead of an evidence of heavier burdens. Unless he sells his farm and quits farming, the speculative advance in farm lands is only a hardship to the farmer.

There is no mystery or theory about this. The rise in prices, due mainly to the vast increase in the supply of gold, has helped the farmers; but unless wages rise too, the purchasing power of mechanics and clerks will continue to fall, and the farmers will suffer with them. Times are hard with the American farmer because his land costs too much; because he has been taxed to death; because he has to pay too much for the goods he buys, owing to unnatural exactions, and because of the exactions levied by the owners of the sources of the raw material from which goods are made. Good times will come for the farmer when all privileged trusts have been wiped out together; when land, manufacturing, transportation and money monopolies have all been abolished by the repeal of the laws which uphold them; and when the workers are allowed to retain their full wages and to spend them as they see fit. This, and this alone, will bring steady prosperity to the American farmer.

CHAPTER XX

WHAT WE WANT AND HOW TO GET IT

TO replace depression with prosperity; to make it easy to get a living; to give the workers shorter hours and the full results of their labor; to keep the few from filching huge fortunes from the many; to reduce rents, and to make this nation home owners instead of tenants; to open opportunities for work to all; to raise wages; to abolish involuntary poverty; to free men from the demoralizing strife of our one-sided competition, and to establish a true co-operative commonwealth of free association, one thing is needed:—the abolition of exclusive privilege.

This sounds simple. And it really is simple, so plain that most social reformers reject it. They want something complex—a separate remedy for each evil of our social system. They want laws against the results of other foolish laws. They think that regulation and restriction is the solution of the problem of the time. Until they discover the cause of the disease they seek the wrong remedies.

If you have followed the argument of this book you will see that the answer to the question asked on every side: "How can we abolish injustice?" is: "By repealing the laws which create injustice." Not by building up a cumbrous machine of regulation of industry, but by tearing down all the barriers and restrictions which laws have set up. Not through governmental appropriation of all business, but through the abolition of interference with business.

There is an essential difference between ownership by the state and by the people. The confusion of the words "state" or "government" with "the people" is a juggle by which a great many persons, perhaps you, have been deceived.

Because the state represents the people, it does not follow that for the state to take possession of all wealth would be for the interests of the people. The "state" never will be all the people until we have an ideal society. The state is nothing but an organization of the will of the most forceful, and no matter how the interests of the rest might be protected by law, the better organized will always rule the less organized just as those engaged in the great businesses of transportation and manufacturing rule them now. That this must be so in all communities based on authority is shown by Edward Bellamy in his work "Equality." Having described the workings of an Utopian republic in which the government was the owner and manager of all productive industry, he explains that in the new order it was found that some people objected to the commonwealth, but they were compelled to resort to outside reservations, where they were supported by their own labor. That is, after all the choice farm lands, the valuable mineral deposits had been seized, the best localities for cities, and the accumulated wealth of the past; the individuals who did not like the régime were to be kindly permitted to go outside of civilizaton and make a living as best they could. Permission for dissatisfied people to go off somewhere into the woods or mountains, if they don't like the government, is not the freedom which men of independent spirit want.

Mr. W. J. Bryan has said a great deal about monopolies and their effects in producing hard times. He has vigorously denounced the policy of building up trusts by legislation, and has urged the people to unite to overthrow those enemies of the public welfare. Mr. Bryan has pointed out how particular monopolies mulct the wealth producers, and has shown that continuance of present conditions must end in the great mass of people becoming virtual slaves of the privileged few. But when it comes to striking down the oppressors, Mr. Bryan's remedy, in spite of the failure of laws in the past, is more laws. Mr. Bryan admits that monopolies are the creation of bad laws, but he never demands the repeal of those laws. He thinks that we need only more laws against trusts, or the better enforcement of the present laws. And Mr. Bryan is like most other anti-monopolists. They would like to do something, but don't know just how to go about it. They repeat the Jeffersonian principle of "equal rights for all; special privileges to none," while they demand favors for some particular interests and classes. They denounce class legislation, but have little idea of a society without such legislation. Therefore the rich and strong laugh at their trumpery laws.

More laws? Oh, yes, you can have more laws; but the daily walk and conversation of a citizen of New York is regulated now, as nearly as can be counted, by twenty-one thousand two hundred and sixty laws, besides unnumbered ordinances of Bureaus and Commissions. The meaning of these laws is clearly and briefly set forth in about eight hundred current law text books, and further illuminated by the judges in several thousand "leading cases."

You see "the law is a game played by us lawyers, under complicated rules, made by ourselves, for our own benefit at the expense of the public."

But when these laws are in the way of those who alone take a continuous interest in elections and legislation, we have them all set aside, as in Colorado. You will find an account of that in the *Public* of Chicago for June 11th, 1904.

The constitution of Colorado forbids martial law; but the Supreme Court of that State has decided that the Governor can declare any part of the State to be in "insurrection," put the military in charge, arrest anyone he pleases, have anyone shot or hung whom he designates, and that the courts have no power through habeas corpus proceedings or otherwise to interfere with the Governor. This isn't "martial law," of course, because the "insurrection" proclamations have been issued at the demand of the corporations to whom the Governor owes his election.

There are men, some of whom call themselves "physical-force Anarchists," who think that the people can be freed only by violent revolution. Against this idea, the Chicago *Freie Presse,* a paper which defends many of the Populist views, has said:

"Occasionally we hear our fellow citizens say: 'If misgovernment continues, only a new revolution can help us.' We are glad to see that Governor Altgeld opposed this view. He said that revolution cannot bring improvement; it would mean only that we will have more cruelties, more police, more soldiers; more despotism under the mask of fine phrases.

"A rebellion is justifiable only when the people cannot make known their will. In that case force must meet force to bring forth improvement. But in the United States there is no necessity for this. The result of the elections has, so far, always been accepted as decisive, however much that result may have been brought about by underhand methods. Though the elections have been influenced very frequently in a manner which verges on the illegal, it must be admitted that all parties have taken their turn in this mode of 'assisting the public will to declare itself.'

"As long as the suffrage is not curtailed, a violent rising against the results of an election is foolish. The people have a right to make their will known through the secret ballot. The result of the elections often does not please us, but that result is, on the whole, in accord with the common sense and honesty possessed by the voters. If, for instance, some Chicago wards continue to elect boodle aldermen, we think that the electors are no better than the elect, and that boodlers are their fit representatives.

"A revolution would change nothing. The people cannot get additional liberties. After a revolution, as before it, they cannot do more than elect their representatives and officials, and there is no reason to suppose that they would choose more honest and able men than now.

"If, on the other hand, an unjustifiable insurrection were to be crushed by force, the victorious reactionaries would punish the rebels with bloody rigor, the army would be increased, the welfare and freedom of the people would be reduced in the name of public safety. It would be nonsense for the people to rebel against themselves as long as the suffrage remains and the result of an election is respected."

So you need not be alarmed about the will of the people being defeated by force or fraud. There is in America but a small standing army, composed of ourselves; that will not long help to sustain injustice. Governments, courts, militia and police will all obey the orders given them by representatives of the people, just as soon as the people elect men who truly represent them.

If you see that the long train of evils can be quickly abolished by the repeal of laws that create and maintain the evils, we have next to consider how we can best bring this about. You will find ample evidence that the great majority of Americans are profoundly discontented with present conditions and are anxious for some great change. The people are slowly awaking to their folly in allowing themselves to be exploited, and it will not be long before that discontent will somehow find practical expression. The Presidential campaigns since 1896 show that economic questions, the problems of a larger production and fairer distribution of wealth, will be the controlling issues in politics in the future.

A contest is coming when political parties will be broken up and the struggle will be between the exploited on the one side and the exploiters with their supporters on the other. We must open men's eyes, so that they shall see on which side they really belong. In the excitement of a campaign it is hard to make converts.

Here is where we must do our part. Not someone else's, but our own part. We must insist, in season and out of season, that the way of escape from the ills of which Democrats, Republicans, Populists, Prohibitionists, Socialists, Independents, and all others complain, is through the repeal of class legislation. No matter how attractive any other policy may appear; no matter how plausible the arguments for this, that, or the other subsidy, or for "constructive" schemes of society, we must stick to the one demand for the abolition of privilege. We will be told that our proposal is purely negative, that the people will never support a merely "destructive" policy, and that we must have a cut-and-dried plan for reorganizing society before we can get a following. We will meet with demands that wealth taken from its makers should be subjected to income or inheritance taxes in order that a small portion of it may be recovered; that privileges given to one should be extended to another, that farmers should now get their share of favor by legislation.

Against all these objections we must maintain this clear and definite proposition: that the way to abolish monopoly is to repeal all monopoly laws. The natural order of society is much wiser and better than any human device or state-regulated system.

Do not be afraid that freedom will intensify competition. We cut one another's throats only in want or fear. Even the rats eat one another only when they are starving in the trap.

Men desire to help one another; they wish to compete in that; they trample on their fellows only when they are penned in or when the panic of the crowd prompts each to save himself.

Mankind has never had anything like freedom yet. The despotism of the patriarch has been succeeded by that of the chief or the priest; then came robber barons and kings ruling the land, and latest is the landlord and his laws.

Superstition, slavery, custom, law, are but the steps by which we rise toward Liberty.

Let the government confine itself to its proper business of preserving the peace, the equal rights and personal freedom of the people, and stop interferences with production and business. Abolish the foolish laws which prevent men from working on unused land or which keep them from exchanging their products as they wish or from using the best methods of credit and exchange, and a social order will be evolved higher than has ever been dreamed of.

Congressman Robert Baker asks:

"Why the depression, why the blight? This 'marvelous' prosperity seems to have been wonderfully efficacious in keeping the toilers poor. This unprecedented prosperity seems to have been monopolized by a few. They have gone on piling up millions, but the larders of the workers, it seems, have accumulated nothing, so that they now face starvation as their reward for the part they took in producing 'widespread' prosperity. The bottom has dropped out of their 'full dinner pail.'

"Again we ask why? You say, 'Regardless of politics, once the manufacturers of this country join universally in this movement, depression will cease.' Who are they to sell to? How can the masses buy when their savings are gone? With wages reduced, how are they to pay monopoly prices and yet live? How are you going to bring prosperity to the toiler without destroying monopoly and special privileges? Using the force-pump won't alter conditions, the people want something more than wind. Why not prick the monopoly bubble, let out some of the wind and water, bring the necessaries of life within the purchasing power of the people. The crop of millionaires may not grow, but an equitable distribution of the wealth produced according to the part that each has contributed to its production will bring happiness to millions and insure a natural—therefore lasting—instead of the 'force-pump' prosperity you propose.

"Let us clip the talons of monopoly, uproot special privilege, and economic conditions will improve so mightily that all will be able to enjoy the comforts of life and none will have to toil such long hours that life becomes a burden."

Events may show some other weak point to be assailed or some other means to use, but at present the best weapon with which we can begin to abolish privilege is the taxing power. All the valuable privileges and franchises having been foolishly given away, it would be an almost hopeless or at least a tedious task to recover them. In addition to public ignorance and indifference, there is the barrier of "vested rights," which is always brought up against any proposal for restitution. Even though State and national legislatures should pass laws restoring what has been taken by force or fraud, the courts would declare these laws "unconstitutional," on the ground that they violate contracts between the government and certain citizens. Until the Constitution can be amended, or the laws construed, so as to allow us to revoke unjust and fraudulent contracts, the great bulk of public franchises now in private hands cannot be recovered without payment of the exorbitant sums that these franchises now command.

For the cities, States, or national government to buy up all franchises at their present market value, a value not given them by the labor or ability of their owners, would be to load themselves with debt, the interest on which might nearly equal what is now paid the franchise grabbers. The change from paying enormous prices for goods or services, to paying enormous sums as interest, would not be much advantage. Wall Street would pocket interest, instead of dividends, and the public would, as now, pay the bill.

But it is not necessary to take possession of all these franchises and privileges in order that their values should go to those whose work and presence create them.

Taxation is another and easier way. Through it all excessive profits can be taken for the city, State and nation. Our whole present system of taxation, based on taxing wealth and consumption, is bad. As taxes on goods, houses and such things are paid by the consumer in the end, our taxes fall most heavily on the farmers and other workers. And no matter how much tax is collected from rich owners of factories, stores, or transportation companies, these taxes are in the long run paid by the ninety-five per cent. of the people who are not rich.

But put the tax on privilege; that is, on exclusive rights granted to certain persons to operate railways, telegraphs and telephones; to lay gas mains; to mine coal or cut timber on certain pieces of land, or to occupy the most desirable locations for manufacturing, business, farming or residential purposes.

A tax on privilege means that the holder of the privilege must pay to the people the value of the privilege granted. This is a plain proposition, and plainly fair and just.

Such a tax cannot possibly be shifted to consumers because the holder of the franchise which we tax is already getting all the public can pay for his services or goods. Prices therefore cannot be increased to cover the additional tax, without reducing sales or patronage, with a consequent loss of profits.

Another reason why taxes on privileges cannot be shifted is because such taxes operate to open up fields for freer competition. Our present system encourages holding land out of use, by levying little or no taxes on valuable lands kept idle for speculative purposes. If all these privileges in vacant lands were taxed to their full value, the holders would have either to put the lands to some productive use, or let someone else use them.

In either case the opportunities for labor and the consequent production of goods would be vastly increased.

Since, then, it is a question of raising taxes either from consumption or from privilege, we should get the tax laws of our city, county or State changed so that all the taxes will be levied on those who have law-made advantages. This will produce the quickest, most far-reaching results in the war.

The power to tax is the power to destroy. Agitate this, and we will accomplish something definite right here and now—not in a far-off millennium. In some States they are doing this now. We read a special dispatch to *The Evening Post:* "Chicago, June 21. The railroad assessment question seems likely to become as prominent in the politics of Nebraska this year as it has been in Wisconsin. Efforts to lower rates or exercise any effective supervision over schedules have been defeated in the courts or legislatures. Recently the anti-railroad movement has taken the form of a demand for an increase of assessment on the railroad lines. The railroad companies have naturally resisted that attempt, and have got control of the State officers. But these officers became so alarmed at the strength of the anti-railroad movement that they have met the demand half way. At a meeting of the State Board of Transportation, Edward Rosewater, editor of the Omaha *Bee,* led the reductionists and made such a strong presentation of the case that the board raised the railroad assessments 65 per cent., or $19,-000,000. This, while a substantial increase, only whetted the appetite of the Rosewater faction for still larger results. The immediate effect of this action by the Board of Transportation on Mr. Rosewater was the defeat the following week of his candidacy for delegate to the National Convention, but Mr. Rosewater is only stimulated in his anti-railroad crusade by that defeat."

CHAPTER XXI

YOUR OWN SUCCESS

A GOOD reputation, a good wife, and a good digestion are good things, and tend to content; but when we ordinary mortals speak of success we mean having the goods on us. Money is the stuff that people want. It can buy leisure for those who have brains enough to spend it that way; it can buy even a certain sort of freedom, and it can buy attention, high living, and in fact nearly everything except the thing which is worth having.

But you do not care what others think "worth having"; you know what you want—that is money, and the question you want answered is not how to make money, but how to get money, for if you depended upon what you made, under present conditions, you would necessarily die poor. You must find some way under the reign of things as they are to despoil somebody under the form of law.

There are plenty of professors who are hired to explain that if the entire wealth of the United States were divided up there would be only $1,275 for each of us, and that this proves that wealth could not be better divided than it is now. What it really does prove is that, as things are now, he who would be rich must necessarily find some means of getting more than his share or reaping where he has not sown. To be sure there are men who have the ability always to find something to do which people so badly want done that they will pay for it, and have the further ability to collect for doing it more than it is worth.

The late Marcellus Hartley used to say to me: "When you have got anything, every fellow is trying to get it away from you. The only place where you can make money is where you have a monopoly." Edison made money not out of his own brains, but out of the lack of brains in others. He dazzled the people with his electric lights into granting his companies exclusive rights to string wires, which privilege has brought him millions of the dollars of monopoly.

But there are other monopolies left for you and me. These are guarded or nursed by the tariff laws, by patent laws, by financial laws, and by land laws, all dear to the hearts of the people; and if we are going reverently to bow to the shrine we will have very little chance to assimilate some of the treasures of the temple. So let us make a little review of these monopolies.

The tariff shields the farmer a little and the manufacturer a great deal from the competition of the world, so as to help him to combine with his neighbors to wring higher prices from the consumer; the manufacturers do combine, and the farmers do too, as they get brains enough.

The monopolies coming through patents enable men to keep others from doing things better, because those who find their profit in doing them badly, get possession of the patents.

The monopoly of money is only a method of strengthening those who are already strong; for instance, by giving a privilege of free coinage to gold, so that a man who has some may take it to the mint and have it made into legal tender dollars free of cost. This gives him an additional advantage over the man who has none. Then, the tax of 10 per cent. on all notes, intended for circulation, issued by others than national banks, naturally gives the national banks an advantage over anybody else, which is not lessened at all by the special privilege that they have of sending their bonds to the treasury and getting the right to issue notes against them without losing the interest on them.

Railroad and street car promoters and reorganizers also make enormous sums. But the monopoly of land is the mother of monopolies. One or more of these is necessary for him who would safely get rich quick.

In order, then, to succeed, we must either stand in with those who own these monopolies or else we must grab some for ourselves.

How are we to do this?

The Sunday school books tell us that industry and economy and faithfulness and a number of other characteristics, that are useful in slaves, will make us rich. The big corporations are willing to pay for millions of copies of "The

Message to Garcia" because they know that the harder the servant works the richer the master is. We, however, who have learned to think, can see that if only one man works an hour after time or is quick at figures he will so far surpass his fellows; but when all are willing to do the same, or have been driven by want to do the same, so that they all stay late and work the calculating machine, none of them will get any higher wages than they did before.

Our State subsidized schools can do no less than teach that education will lead to success. Stuff! As long as one man has an education and the rest have none, he will be successful at their expense, but when everybody has it, it won't induce monopoly to leave them any more of what they make than it was obliged to leave before.

When I was a boy any foreigner who came to New York could get a teaming job at the usual rate, but truck men who could read writing and knew how to write got better pay because they were worth more. To-day men who cannot read receipts and write when it is necessary cannot get a job at teaming at all; but the scholar's education does not enable them to get as much as their fathers got, who could not tell a J from a freight hook.

That is the way it works always; general education does not enable the educated to get more, but makes it harder for those without education to get anything. Education is all very well in its place, and if you have a monopoly of it you can make a fortune out of that; but if you have not, your book-learning is not in it at all.

Let us not fool ourselves while there are other people to fool. The way to succeed is not to work, but to work the workers; not to farm the farms, but to farm the farmers.

Is that not quite evident? A laborer, you know, can never clear even a competence. At $25 a month and board and lodging a servant cannot save $250 a year. At that rate, he or she would not make $30,000 in 100 years. A mechanic who lost no time and never bought anything, if he worked all the time at trade union wages would not make $50,000 in 40 years. Meanwhile he would have to guard his treasure against bunco steerers, financiers and bad investments, as well as to guard his heart against the cry of the needy.

Do you think, then, that as a clerk at from $600 to $1,500 a year, with a family coming, you are going to get very rich out of your earnings?

Doctors, toothsmiths and plumbers are among the best paid forms of labor to-day, first because it is harder to check off their work; and second, because preparation for these callings does really involve hard work. But it is only the smartest or the best fakirs among them that get the high wages; and the amount of work, planning, and wire pulling necessary to get to the top of these professions is beyond belief.

"Plenty of room at the top" means on top of you, and such success as is gained, is gained by mounting upon the bodies of those who have failed. Habits of industry are all right, but the best habit is the habit of thinking, not to muse or have pipe dreams, but to think, even if, as Dan Beard says, "thinking does hurt the head; try it and see."

You probably won't. John Stuart Mill says "most persons are unwilling to undergo the arduous labor of thought."

One of my friends was counting some bonds one day when the President of his company came in. He said: "What are you doing?" "Why," said he, "I am so nervous about the number of these bonds, I am counting them over myself." Said the President: "Go over there and think and let somebody else count the bonds. You will make a great deal more money thinking than you will counting, no matter how well you count."

Think where you can get some sort of monopoly. The easiest is usually to get a piece of land: but to choose it wisely is a matter of study. The principles are all considered in my "Three Acres and Liberty"—where it should be, what sort of land, how to make use of it so that it will "carry itself."

But that is only an individual salvation, even when it is successful: this book is written to set us all to thinking what we want and how to get it. If you want other people's money do not be too particular about how you get it. Slave, make use of your acquaintances, skimp, gamble with loaded dice, attend the leading church, marry rich, invest in land, overreach, lie in with the rich, do criminal jobs for the strong who will protect you from the courts, make yourself solid, "get wisdom," the skill of the hands, "get knowledge," the training of the mind, "and with all thy gettings, get" a monopoly. For the higher understanding will be only a hindrance to financial success under present conditions. "A tender conscience is a disqualification to success."

CHAPTER XXII

THE HOPE OF FUTURE PROGRESS

And there is that on earth which no tyranny can long suppress—the people—the power and future of the people. Their destiny will be accomplished, and the day will surely come when the people—Samson of humanity—will raise their eyes to heaven, and with one blow of the arm by which thrones are shattered, burst every bond, break every chain, overthrow every barrier, and arise in freedom, masters of themselves.—Mazzini.

THINGS are bad enough now. Sometimes it seems as if they were getting worse. But not even in the Golden Age of Labor in England* (which was before the common lands of that country were enclosed by the adjoining

* "I have stated more than once," says Professor Thorold Rogers in his great work, 'Six Centuries of Work and Wages,' "that the fifteenth century and the first quarter of the sixteenth were the golden age of the English laborer, if we are to interpret the wages which he earned by the cost of the necessaries of life. At no time were wages, relatively speaking, so high, and at no time was food so cheap. Attempts were constantly made to reduce these wages by acts of parliament, the legislature frequently insisting that the statute of laborers should be kept. But these efforts were futile, the rate keeps steadily high, and finally becomes customary and was recognized by parliament."

owners) were there ever in the history of the world anything like so many persons living safely and comfortably.

It may be that there were never so many out of work. Probably there were never so many discontented. But those out of work can read and find out what the trouble is, and will vote right when we stir them up to do it.

It is true that all improvements in society, in the condition of the country, or in its political methods, chiefly benefit those who own the country, by raising the rent of land; but it is also true that the landless are daily growing more and more dissatisfied. It is true also that dissatisfaction with things-as-they-are is increasing among the wealthy, so that almost all rich persons now make some kind of attempt, generally blundering, to make things better. It is increasing even more among the middle class, merchants, manufacturers, professional men and clerks, who were hard hit for the first time by the great business depression which began in 1893.

Most of the things which seem so discouraging are either the result of indifference to public affairs, born of a past state of such comparative prosperity that men cared for little but to be let alone; or else are things which, bad as they are, would have passed unnoticed a hundred years ago.

When free land was easily obtained by anyone, escape from oppression was so easy that suffering was often unnoticed. Now the indignation against the state of things leads to publishing details of the hardships of the coal miners, for instance, or to exposure and discussion of the miseries of dwellers in the slums, till it sometimes seems as though there were nothing but suffering and misery.

The farmers are pushed out by the high price of land to a distance from their markets in the cities and even from the towns; there they are at the mercy of the railroads. The farmer is lonely, without amusements, or even leisure, except during a part of the winter; he finds the struggle for a mere living hard, while for most of them the hope of getting "independent rich" has long passed away.

The workers of the towns and cities live in a constant struggle for enough wages to support themselves and families, and are haunted by the dread of being thrown out of employment. They see new inventions and discoveries vastly increasing their power to produce goods, but they get little of the increased wealth.

Yet in spite of all the monopolies, in spite of stupid laws, things are better than they were. The condition of some of the workers and of many of the farmers has been gradually improving. There are far more hardships than there should be, but the Granges and the Populist agitation among the farmers, and the widespread growth of the labor movement show that the people are becoming impatient.

The drowsy giant stirs—it does not follow because he has been sleeping all night that it will take him all day to get up.

The corporations and other privileged classes seem to grab everything in sight. Yet the people have begun to claim a larger and larger share of franchise receipts, and the formation of associations and the appearance of planks in nearly all political platforms demanding governmental ownership or control of public franchises, shows that the people are at least awake to their stupidity in allowing valuable privileges to go to private owners. This is very different from the times when perpetual franchises and other monopolies were granted without even a protest, to whoever asked for them, or was willing to buy a City Council.

But you think, perhaps, that if we made any change and resumed possession of our property in franchises and land, we would only substitute a lot of plundering politicians and office-holders for a few plundering plutocrats and bondholders.

Perhaps so; if there are no men who either wish to be honest or whose interest can be made to lie in honesty. If the merchant princes can find honest men to serve them, the sovereign people can find honest men also.

But supposing we found no honest men, would we be less robbed by men whom we can punish at any time for breach of their trust and whom we can turn out at the next election, than by men whose only Trust is for their own benefit, and over whom we have no control whatever?

This is the machine-made argument to keep us out of our inheritance; to say that we are too dishonest to own it and consequently must leave it with the monied men, who have all the honesty there is.

The present "system" takes all that the people can pay. Could a new system take any more?

But men are not bad by nature. On the whole we are all happier doing right, unless it is made an object or a necessity to us to do wrong. It is pleasanter to be honest and safe than to be dishonest and in danger of punishment. As Robert Blatchford says in "Merrie England": "Men will do right for its own sake; they will do wrong only for the sake of gain."

One of the chunks of wisdom that the defenders of special privilege hand out is that even the poorest workers have many things now that not even the rich had some hundred years ago; and they add that the reason why there are so many dissatisfied persons in the world is that we have more wants than our ancestors. This is true, but its bearing is just the reverse of what the preachers of resignation would have us believe. Men have progressed in civilization precisely because they had more wants than they could satisfy with old methods, so they set to work and devised better ways. Now that industry has reached a stage where it is possible to provide an abundance of all things which man desires, it is only natural that everyone should complain who does not get what his industry and skill produced.

The great force on which we must rely for any general improvement in social conditions, is the growth of popular intelligence under the stimulus of awakened desires, and not the unselfish sentiments of the rich or leisure classes, nor the voluntary letting go of their privileges by the favored classes. And this educational process is going on now as never before; the people are thinking more about the causes of their poverty than at any time since the French Revolution of 1789.

You have been warned so often by preachers and professors against that dreadful thing, "discontent," that you may begin to wonder if this is not part of that dangerous doctrine of dissatisfaction. It is. I appeal to your discontent. There was never a man who amounted to anything unless he was discontented. You ought to be discontented. Without divine discontent progress would be impossible. The hope for a better civilization lies in the fact that the people are discontented and are trying to find the cure for the causes of their discontent. Don't allow anyone to bluff you into accepting impositions, by telling you that you are only one of the discontented. You ought to be glad that you have brains and pluck enough to protest against the things that your stupid neighbors submit to without a murmur. The man who is contented with the world as it is to-day is a queer kind of spiritless creature. A hog lying in the mud is "content." But that animal is no ideal for enterprising men.

Were it not for discontent, men would still be dwelling in caves and living on roots and clams. The advance of mankind through all the ages, in spite of periods of stagnation or reaction, has been marked by a wider range of human desires, and a growing power to satisfy their desires. The wide gulf between the Hottentot and the civilized American is the gulf between dull men of few wants, and men whose wants are many, and who know how to satisfy them.

And what is true of past progress is also true of the hope for the future. Conditions of living for all the people will be greatly improved, because men are everywhere becoming more dissatisfied and will not rest until there is a change. The desire for more and better things grows on what it feeds on, and as past progress has given us many advantages, so will each new step bring an irresistible demand for more and yet more of everything we need. So far, the problem with which men have been concerned has been mainly that of how to produce wealth in abundance. That problem has been solved by inventive genius, and the remaining question is: How can this abundance be fairly distributed? Surely the people whose intellect can work such wonders in making things, will not fail to solve the question of wisely distributing them!

At the same time there is evidence that the anti-monopoly sentiment is sufficiently intelligent to find the best way of dealing with monopolies, and there is an increasing protest against State and national paternalism, whether in the shape of subjection of women, Sunday observance laws, or laws directly favoring some persons at the expense of others. We are rapidly learning that all restrictions on trade or industry are bad, and that if they sometimes appear to be good, it is only because other restrictions make them the lesser evil.

The most encouraging feature of modern discontent is, however, its protest against the idea that one set of men is better or more deserving of favors from the government than others. No longer are the people willing to agree that there is by nature a "superior class," which should get special privileges through which they could make great fortunes. As the New York *Times* calls them, the "Money Earners" have begun to question the "Money Burners." Men ask: Who is Charley Schwab, that he should get protection to his steel industry and so get, nobody knows how many, millions per year? Who is John D. Rockefeller, that he should control oil lands and railways out of which he has made perhaps $1,000,000,000? Who is William Waldorf Astor, that the 2,000,000 people who live and work on Manhattan Island should pay him more than $125,000,000 for the privilege of living on land which he did not make? These and similar questions are asked daily by the people. They are likely to be answered.

Some men believe that it is no use trying to do away with the creation of special favors by law, because the beneficiaries control the government, the courts, the army, the militia and the police, and that even if the people voted for representatives pledged to repeal such laws, those who profit by them would never allow their privileges to be taken away. This is a short-sighted view of the situation, which should not discourage anyone. All government, no matter of what kind, rests on force. Laws may be made, and courts may render decisions, but unless the people wish to obey them, or there are enough strong men to compel obedience to them, they will be of no effect. The Russian despotism rests on the apathy of the Russian peasant. Every other bad government exists because the mass of its subjects acquiesce.

It is clear that there can be only such a government as the strongest of the people want. This strength may be intellectual strength, which is used to cajole or cheat the masses of the people into obeying it, or strength of resources like that of the British rulers of India. But strength of some sort it is. The majority is often weak because it is not united and is really a lot of minorities. And just as soon as a majority of our people agree on any policy, they can have that policy carried out.

To overthrow the gigantic system of plunder from which we suffer we have to contend only with the "Privileged Classes." How many are they?

We have seen in Chap. V. that 4,000 families own at least one-sixth of the total wealth. On the basis of calculations made by Thos. G. Shearman (in "Natural Taxation") there are only 500,000 families with incomes exceeding $5,000 a year. Charles B. Spahr, associate editor of the *Outlook,* estimated that in 1890, of the total annual incomes of all families, nearly one-fourth went to only 125,000 families. More wealth goes to a smaller number of families now.

It is this handful that keeps us poor. Truly we are like the Israelites when they were held in bondage to the Egyptians, and the Egyptians themselves said: "They are more and mightier than we." (Exodus 1, v. 9.)

These few scattered people maintain the existing state of things; that is, we heedlessly maintain it for them; of themselves they could do nothing.

Our votes elect the legislatures who give these men their power. Our labor creates the wealth which these men take. Our authority puts these men in control of the government, the courts, the army and the police. It is our fault that this handful of people use us for their profit as we use a horse or a mule. Shall we keep on in the same old rut in which we have traveled so long? How do you feel about it? How do you like it as far as you have got?

Perhaps you don't like it a little bit. Then it will not be hard to stop it, once we and people like us are determined; not nearly so hard as it was to turn out the Republican party in 1892 and the Democratic party in 1896. Each of these parties, a little before each election, represented a majority of the people and was thoroughly organized and entrenched in office, with spoils to hold on to and with the bright hope of more to come. Some of the leaders had in addition the fearful looking forward to of judgment in the event of defeat, such judgment as overtook Boss John Y. McKane. Financial fat was fried and the leeches on the body politic were themselves freely bled to preserve the blessed state of things as they were. The votes of the people upset the whole structure, as Burns' plow turned over the mouse's nest. But instead of carrying out their pledges of 1892, the victorious Democrats did little or nothing to attack monopoly. The result was that in 1896 the opposition gathered again, stronger than ever, and won a victory over the party in power which had forsaken its principles.

Whom have we to contend with now? Plutocracy is in control of the politicians, and it is useless to expect any reform through them. Freedom and popular interests are opposed to paternalism, privilege and corporate plunder. Whatever party will affirm and strengthen its position as the party of the people opposed to monopolies will gain a sweeping victory. If it again falls into the hands of the tools of the great corporations, it will be ignominiously defeated, and it ought to be defeated. In a regenerated party standing for "equal rights to all and special privileges to none" lies the hope for progress.

Patrician or plebeian, Guelph or Ghibelline, Aristocrat or Jacquerie, Tory or Liberal, Conservative or Radical, by whatever name we may call them, there never have really been more than two opposing parties: the supporters of privileges on the one side and the People on the other. When such an issue is squarely presented to the American people, there is no doubt as to the result of the fight between Slavery and Freedom.

APPENDIX

ANNUAL PRODUCTION OF WEALTH IN THE U. S.

Computed from the Census of 1900, for this book by
A. C. Pleydell.

The census shows a total value of agricultural products, in 1889, including live stock and animal products (less the value of crops fed to live stock), of...$3,742,000,000
Deduct for those used as raw material in
manufacturing* 1,600,000,000

Net value at census prices $2,142,000,000

The value of manufactured products reported in 1900 was over thirteen billion dollars. From this should be deducted, however, to avoid duplication, the cost of goods purchased in partly manufactured form. The net total given by the census for manufactured products, including raw material, was......................$8,370,000,000

But these two items for agriculture and manufactures show only a part of the annual production of material wealth. There should be added

* Using the census total for "food and kindred products," and adding to it the value of tobacco, leather and cotton used by the manufacturers.

the value of buildings above the cost of material used, which is at least $500 for each one of the one million men employed in the building trades. There must also be added the value of minerals not used as raw materials in the manufactured products above reported, of which coal, gold, and silver are the most important.

The Geological Bureau estimated the value of all mineral products in 1900 at more than one billion dollars. But anthracite coal is estimated at $2 a ton, which is all that it should cost at retail, whereas it costs the consumer at least $6. Petroleum (which figures in the manufacturing reports also) is estimated at 3 cents a gallon, its cost at the wells probably; but the consumer never gets it for less than 10 and generally pays from 12 to 16 cents. It is easily seen that exact figures cannot be given in computing the total product, because of insufficient and misleading data. But the census errors are all on the side of making the value of products small.

Another fact must be considered in dealing with the country as a whole. For a fair estimate of the value of the wealth annually produced, the retail prices of commodities should be used. The retail price is the final worth of articles produced, the worth made by the labors of all the working population; not only farmers and factory workers, but railway employees, clerks, salesmen, and others like them, who labor in getting things to the people who finally use them. And it is the price the users have to pay. Of course in considering the ratio of wages to the value of product of any one class of employees, the price received by the employer for the goods produced must be taken, not the ultimate or retail value.

The census figures given above for farm products are estimated to be about 60 per cent. of retail prices.* Manufacturers' prices for

* Total value of the main food crops, 1899, and the average value per bushel according to the census returns; also the value per bushel of the total exports of cereals for that year, according to the U. S. Statistical Abstract:

	Value total crop.	Census value per bushel.	Export value per bushel.
Corn	$828,000,000	31c.	40c.
Wheat	370,000,000	56c.	74c.
Oats	217,000,000	23c.	32c.
Potatoes	98,000,000	36c.	not given.
Eggs	144,000,000	11c. doz.	not given.

It is obvious that the prices at which exported crops are sold goods are certainly not over 60 per cent. of the retail prices. The census figures must therefore be increased to the retail prices to show the true values:

Net value agricultural products:—	
(Census values, $2,142,000,000	
Value at retail prices	$3,570,000,000
Net value manufactured products:—	
(Census values, $8,370,000,000	
Value at retail prices	$13,950,000,000
Value mineral products not included as raw material, more than	$ 1,000,000,000
Value of buildings, in excess of material used	500,000,000
Total actual value of the annual production of wealth in 1900...........	$19,020,000,000

to foreigners show their value to the nation as a whole, though their value to the farmer is only what he gets for them. But some one gets the difference. Part of it is labor, cost of transportation to the seaboard and other legitimate charges; part represents the toll exacted by the owners of the railed highways and others.

The 4,500,000 consumers in and around New York, and those of other large cities, pay more than double the census price for potatoes and eggs, taking the year as a whole.

The census says (Vol. 5): "The value of the [farm] products of 1899 was greater, in all probability, than that shown by the reported total, which consequently fails to show the productive power of labor on farms." "The aggregate of such omissions is believed to be not less than 6 nor more than 10 per cent. of the total reported value of farm products."

This is a low estimate of the total value, as every allowance has been made for duplications; and it has been compared with other estimates.

More intricate calculations can be made, involving subtractions for some things and additions for others; but these would neither materially affect this estimate nor be more exact.

Some statisticians have estimated the "national income" by calculating the totals of wages, salaries, earnings of professional men, and so forth. But because of insufficient data such calculations are merely arbitrary estimates.

Besides, though wages and salaries and "incomes" are paid in money, what the recipients want and ultimately get are the things produced by labor, called material wealth, of which money is only the measure and evidence. Even when services are bought with money, those who sell the service for the money do so to get material things.

PRESS COMMENT

The social and ethical ferment which is expressed in "A Little Land and a Living" finds a more material and practical expression in the reborn earth hunger. Mr. Hall has contributed to this in his books on intensive agriculture. The following show the reception as well as the intent of these books.

TIMES-UNION, ALBANY.

"Mr. Hall gives all possible suggestions concerning ways of working, time and money required, building, farming as a profession, starting sanitarium, animal raising, vacant lot gardening and garden buying." * * *

"An important chapter on record yields is included. The book has the approval of agricultural experts. It is thoroughly practical, clearly and concisely written, and will prove of inestimable benefit."

JOURNAL, ALBANY.

"Those who are facing the problem of rearing a family on weekly wages, with employment precarious and the conditions of life in cities forbidding and repulsive, will find much in this book to encourage them to reach out for a better, saner living through cultivating the little lands." * * *

"Men and women of ample means who desire to aid those in cities living in hideous and degrading poverty will find much in this book to teach them what to do and how to do it."

ARGUS, ALBANY.

"Mr. Borsodi shows how poverty, vice, insanity, might be prevented by transplanting people who are not fitted for city life to the farm. He shows in vivid pictures that the "home" in the large metropolitan cities for three-quarters of their inhabitants is not "sweet home." He shows the cause and points out that Mr. Hall's idea of three acres near the large cities is the real remedy for a great many social evils; that the "back to the land" question is the real solution, though "many men of many minds" suggest many other remedies." * * *

"The author of 'Free America' has turned his economic training to immediate, practical, sociologic reform; namely, the resort to the resources of the earth; especially in truck raising." * * *

"If even one per cent of the lands now held idle could be put to some practical use, we would have an immediate and abounding return of real non-speculative prosperity." * * *

"Those who wish to learn about intensive cultivation, the condition and possibilities of the science, will find no treatise but Mr. Hall's and his "A Little Land and a Living" shows what can be done." * * *

COUNTRY GENTLEMAN, Albany.

"There is more sense than is found in most of the books by gentlemen adventurers who have gone out lately and discovered agriculture, intensive and otherwise. As we remarked in our review of 'Three Acres and Liberty,' Mr. Hall appears to have some acquaintance at least with the literature of his subject, and to endeavor to present normal rather than extraordinary results."

EVENING POST, CHICAGO.

"'A Little Land and a Living' by Bolton Hall is a book telling how the masses may become comparatively rich by not more than five acres. To all those millions of poorly paid wage-earners in office, shop and mine it would be as interesting as any novel." * * *

"It is thrilling to one who longs for a free life on the soil, but has imagined the small farmer as living a life of penury." * * *

"To make his book of real value Mr. Hall submitted every chapter to some expert on agriculture and he assures the reader that it is all true, although it sounds almost as good as a wild cat mining advertisement. Some of the most startling stories of the productivity of the land when intensely farmed he has taken from reports of the United States Agricultural Department; they having escaped the masses when buried in a governmental report." * * *

"His book, and especially an introductory letter by William Borsodi, which he says brought him to the writing, indicts existing social conditions severely, arguing that the great majority, especially in the city, live lives not worth living. With such an indictment Mr. Hall does not attempt to revolutionize society." * * *

"He desires to convince individuals that they can do well by farming three or four acres near some town or city." * * *

"The book is a valuable one. There is every indication that it would be among the 'best sellers' could it be advertised in such a way that some idea of its interest could be conveyed."

INTER-OCEAN, CHICAGO

"An eminently practical book setting forth the advantages of a return to the soil."

INTERIOR, CHICAGO

"This valuable little book is devoted to proof that farming pays, in the sensible endeavor to draw men and women from conditions that breed disease and death in city slums out into the pure air and sunshine of the country." * * *

"Mr. Borsodi's letter, which caused the book to be written, deals practically with the question, but Mr. Hall takes up the topic and amplifies it, giving figures and statistics to show how many men and women have been able to remove themselves and pay their way, not only to decency of living and bringing up of families, but to higher aspirations and nobler ideals."

ISRAELITE, CHICAGO.

"It is a most cleverly written hand book for the man or woman with little or no practical experience who wants to get a living from a little land."

"Some five thousand Jewish families are already doing this, and there is room for many thousands more."

NEWS, CHICAGO.

"It is the practical side of the question that interests Mr. Hall and Mr. Borsodi, the proof that a man can move himself and his family out of a city slum and bring them up on a farm without brutalizing and degrading labor—which is too often the impression in the mind of the city dweller." * * *

"The title indicates that not much money is to be put into the. experiment,. though, of course, the more there is the better on every account. But there are pictures to prove that success has followed the reremoval of men without agricultural experience, and concrete instances are given."

"There is evidence to show that 1,300 persons can be fed from an acre of ground if its resources and possibilities can be realized to the uttermost."

CHRISTIAN ADVOCATE, Chicago.

"Mr. Hall gives good reasons for the faith that is in him, and many who are having a struggle in the cities could profitably act on his suggestion."

STANDARD, CHICAGO.

"In the effort to turn the tide which is overwhelming our cities with unhappy folk while the pleasant countryside stands smiling with opportunities for contentment, Mr. Hall has written a book the consequence of which is greater than its physical dimensions. It opens with an extended letter from Mr. Borsodi in which he sets forth the allurements of the country, offering peace, plenty and prosperity, buttressing his statements with statistics." * * *

"Mr. Hall follows with more proof of a concrete personal nature, in which he shows how city mechanics and families by no means accustomed to rural life and conditions, have made happy homes, giving photographs and citing first hand authorities." * * *

"It is a worthy book in a worthy cause."

TRIBUNE, CHICAGO.

"It will not be Bolton Hall's fault if soon there will not be a farmer tenant on every acre or on every five acres of land in the country." * * *

"The subject has been written up and written down, but Mr. Hall, who is a mighty practical man, tackles it anew with the greatest enthusiasm." * * *

"He is on the right track, and his idea is gaining ground every day." * * *

"Mr. Hall's book should be an inspiration to every one who is trying to better the condition of the city poor."

POST, CHICAGO.

"The book is a valuable one."

CHRONICLE, CINCINNATI.

"A book with a wonderful amount of information and its fascinating details woo strongly to a country life."

ENQUIRER, CINCINNATI.

"Based upon a particular request from Mr. William Borsodi, the earnest and purposeful letter containing which has served the use of an introduction, a new work by the author of 'Three Acres and Liberty'—a book which has attracted strong interest among sociologists and others who stoutly retain faith in the infinite conserving possibilities of intensive agriculture —is here published." * * *

"Furthermore, he suggests wholesome ideas relating to the tenement problem in this regard, which is far the more momentous side really, of course, of the general question." * * *

"Mr. Hall does not simply theorise. He has accumulated from personal experience a convincing array of facts corroborative of his optimistic assertions; and, in the cause he espouses, he writes, with the exception mentioned, well and comprehensively." * * *

"He notes in the absurd divorce of our people from the soil, the cankering disease of the nation, and rightly he points it out as the chief immediate source of our constant economic internecine conflict."

HERALD & PRESBYTER, Cincinnati.

"The instructions and counsels and pleadings of the book ought not to go for nothing. It is not only a call to better economic conditions, but is thrillingly interesting and attractive." * * *

"This book urges that people should get as directly as possible to the sources of all wealth, especially by making a high use of the productivity of unused lands in or near towns and cities."

AMERICAN ISRAELITE, Cincinnati.

"It is a most cleverly written hand book."

JOURNAL AND MESSENGER, Cincinnati.

"There is sound sense and genuine philanthropy back of such a book as this." * * *

"It shows how much of the suffering and unrest of the world might be made to disappear if people could only be gotten out of the crowded tenement quarters onto a little piece of land and taught to till it and make a healthful living."