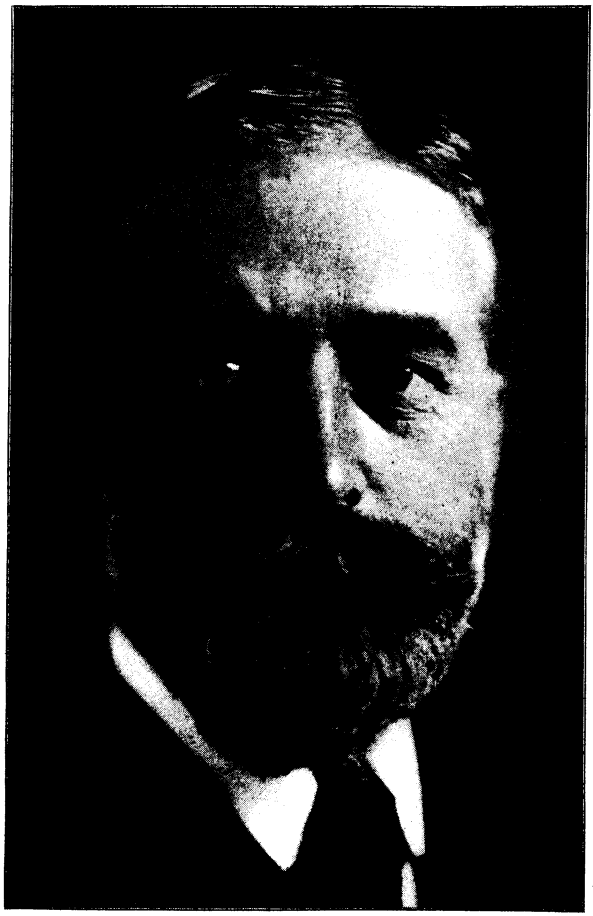
Labor *and* Neighbor

By ERNEST CROSBY

Labadie Collection
gift of Jo and Mrs Labadie.
1931 - December - among the
last things that Jo and his
wife went out together - Mrs
Labadie really boxing them
with the help of her son
Laurence, Jo having served his
day. But Mrs Labadie died
first and left Jo —
(a.a.o.)



ERNEST CROSBY

Labor and Neighbor

An Appeal to First Principles

BY

ERNEST CROSBY

Author of

"Captain Jinks, Hero," "Tolstoy and His Message,"
"Swords and Plowshares," "Garrison,
the Non-Resistant," etc.

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Publisher's Note.

These pages contain the last message of Ernest Crosby, the only full-rounded industrial study which this man of robust thought and clear and picturesque expression has left us.

He was a son of Dr. Howard Crosby, the old-time Presbyterian clergyman of New York, whose memory is an inspiration. Dr. Crosby's personality, while delightful, was commanding. He believed firmly in what he believed, yet was broadly tolerant. Though pastor of a wealthy congregation, he knew no distinctions of caste. A man of infinite moral courage, he thought right, spoke right and did right, as God had given him to see the right, regardless of consequences.

Dr. Crosby's influence was easily traceable in the career of his more widely famous son. A poet of exceptional insight and power of rhythmical expression, a speaker of commanding presence, with a rare faculty of thinking coherently and forcibly in the face of an audience, and of composing extemporaneously with simple eloquence and in unimpassioned manner, a prose author of direct and lucid style, Ernest Howard Crosby gave vitality to his talents and acquirements through the loftiness of his ideals and the inflexibility of his courage.

He was born in New York City, November 4, 1856. His academic training was at Mohegan Lake School. In 1876 he graduated from the University of New York, and in 1878 from the law school of Columbia University. After practicing law for several years in his native city, he joined the group of "rich men's sons," which included Theodore Roosevelt, in the work of renovating politics, and along with Mr. Roosevelt was sent to the lower house of the legislature. Re-elected, he served as chairman of the committee on cities. President Harrison then nominated him to a judgeship in the international court in Egypt, to which he was appointed by the Khedive in 1889. While serving in this capacity, he fell accidentally upon a copy of one of Tolstoy's books, which he read, at first casually and then with intense

thought and feeling. He had been an aristocrat; the book made him a democrat. Soon afterward he resigned his judgeship, and on his way back to America turned aside into Russia to visit Tolstoy, with the result of beginning a friendship with this venerable First Man of Russia which lasted until Mr. Crosby's death. Through that friendship he became also a friend of Henry George, whom Tolstoy described to him as one of the greatest of Americans. After contributing largely to the development of fundamental democracy, both at home and abroad, by writing and speaking, Mr. Crosby died at Baltimore, January 3, 1907.

To some men their ideals are realities, and the author of this book was conspicuously one of these. His ideals were not dreamy ruminations for drawing-room chat or club-house banter. They were not intellectual playthings for leisure hours when the serious work of life is suspended. They were in no wise secondary. His ideals were to him the primary object of his life, its beginning and its end, its form and its substance. They were worthy of it, for they were practical as well as lofty. He loved his fellow men with a love that was more than affectionate emotion and truer than conventional philanthropy. His fraternal love inspired rational thought and generated practical activity. It was the fraternal love we call "justice"—not the "justice" which means brutal vengeance, but that which means moral equilibrium and social harmony.

His was not a wasted life. In essay and speech and poem, Ernest Howard Crosby has left a record that will continue to serve mankind when much of the "successful" work of his contemporaries has been thrust aside as rubbish. And nothing in all that he has done is likely to be of greater public service or to secure a higher place in public estimation than the sympathetic and thoughtful essays on "Labor and Neighbor," which he left in unpublished manuscript behind him and which are comprised in this little book.

These essays, which appeared in print serially in "The Public" of Chicago, from January 4 to April 17, 1908, are now published in book form for the first time.

L. F. P.

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If you should see a flock of pigeons in a field of corn, and if (instead of each picking where and what he liked, taking just as much as he wanted and no more) you should see ninety-nine of them gathering all they got into a heap and reserving nothing for themselves but the chaff and refuse,—keeping this heap for one, and that the weakest, perhaps worst, pigeon of the flock,—sitting round and looking on all the winter whilst this one was devouring, throwing about and wasting it;—and, if a pigeon more hardy or hungry than the rest touched a grain of the hoard, all the others instantly flying upon it and tearing it to pieces—if you should see this, you would see nothing more than what is every day practised and established among men.

—Archdeacon Paley.

When we get to the bottom of the matter, we find the inhabitants of this earth broadly divided into two great masses,—the peasant paymasters, spade in hand, the original and imperial producers of turnips, and, waiting on them all round, a crowd of polite persons, modestly expectant of turnips, for some,—too often theoretical,—service. There is first the clerical person, whom the peasant pays in turnips for giving his moral advice; then the legal person, whom the peasant pays in turnips for telling him, in black letter, that his house is his own; there is thirdly the courtly person, whom the peasant pays in turnips for presenting a celestial appearance to him; there is fourthly the literary person, whom the peasant pays in turnips for talking daintily to him; and there is lastly the military person, whom the peasant pays in turnips for standing, with a cocked hat on, in the middle of the field, and exercising a moral influence upon the neighbors.

—Ruskin.

Labor and Neighbor

CHAPTER I.

The Labor Question.

Many sweating, ploughing, threshing, and then the chaff for payment receiving;
A few idly owning, and they the wheat continually claiming.
—Walt Whitman, "Song of Myself."

I remember once sitting for half an hour on the platform of the little railway station at La Turbie, just above Monte Carlo on the Corniche Road, and watching two aged peasants at work breaking up the heavy soil with mattocks. Their forms were bent over and stiff with long, long years of toil; their eyes were unobservant, their expression listless. They lifted their implements at each stroke as if they were very heavy, but they did it with the uncomplaining resignation of old machines—rusty and worn, indeed, but still fulfilling the only law of their being. Just behind them lay one of the most beautiful views in the world—the wide sweep of the blue Mediterranean, with two or three steam yachts and other pleasure boats moored near the shore, the fairy-like buildings of the famous resort standing among their groves and gardens—a paradise on earth, with two old grandfathers working themselves to death in the foreground. And I knew too what was going on in that Eden where the serpent has at last succeeded in evicting God. I could see with my mind's eye the luxurious salons with their gambling tables, the *petits chevaux,* the roulette, the *rouge et noir*—the crowds of elegantly dressed people, men and women, young and old, grand dukes and countesses, American ironmasters and French adventuresses, carefully placing their stakes on the green cloth—the clink of the piles of gold pieces, the metallic voice of the

croupier, "Faites le jeu, messieurs et mesdames! —Le jeu est fait!" Here was the carnival of excessive wealth, with its ball rooms and soft music and banquet halls and choicest wines, its ennui and its suicides; and between it and me these two misshapen, decrepit delvers. How insignificant they looked at first; but as I sat thinking they loomed up bigger and bigger, for was it not they who were even now digging these piles of gold out of the earth, and these buildings—were they not built upon their backs? And as I drew up the issue between them and the invisible throng of feasters below, on which side of the controversy did I find myself? With my purse full of twenty-franc pieces and my letter-of-credit in my breast pocket, with an ample stretch of leisure behind me and before, was I plaintiff or defendant in this centuries-old litigation? Was I an aggrieved accuser, or rather the prisoner at the dock? Fortunately for my peace of mind the little funicular train came on the scene and speedily carried me down and away from La Turbie, its two old laborers and my own uncomfortable thoughts.

It is not necessary to go to Monaco in order to have the extreme inequality of human destinies brought up vividly before us. We need only open our eyes. Spend a half day in walking through the slums and factories and fashionable streets of your city, and you will find the same issue joined at home—the same undeserved poverty and excessive toil, the same superabundant wealth, the same gambling, the same casinos (though we may call them speculation and exchanges), the same intolerable ennui, the same suicides. It is a strange way to live, is it not? Travelers tell us that in savage tribes if a single child is hungry it is proof positive that the chief is hungry too. With us it is just the reverse. Hunger and plenty walk hand in hand. The worse the slums the finer the palaces, and the tramp and millionaire came on the stage together and their numbers increase proportionately.

The civilized world has always been divided into slaves and masters, and we differ from the ancient world more in name than in fact. But there is beneath the surface one essential difference. We have accepted principles, religious and political, which are inconsistent with our social and economical order, and which, if they ever prevail, are bound to effect a far-reaching revolution. In religion we profess the belief that we should do unto others as we would have them do unto us, and in politics we claim to adhere to the similar principle of democracy. It is very clear that the two old men of Monaco could win their case against us if these principles were actually observed as law. But if we are heretics in religion and politics, they can still appeal to another phase of the same fundamental ideas, and one which must find a response in every human heart—the principle of fair play. The gamblers of Monte Carlo are here superior to the world at large. They play their game fair. Every player has an equal chance. And this is the ideal of all decent sportsmen. Prize fighters are as evenly matched as possible; race horses carry weight in order to equalize their chances; yachts are measured, and handicapped accordingly. But in ordinary life all these considerations are disregarded, and it is considered perfectly honorable for a man to profit in every possible way by his superior education, his wealth or his position. Men who would scorn to pit their thoroughbreds against a broken-down hack, or their steam yachts against a cat-boat, see nothing unfair in insisting on every advantage which they can grasp in the infinitely more important game of life. If we cannot claim the virtues of Christians or of democrats, let us at any rate lay claim to those of sportsmen! The solution of the labor question requires nothing more intricate or technical than an honest application of the plainest rules of fair play.

CHAPTER II.

The Plea of a Laborer.*

I never could believe that Providence had sent a few men into the world, ready booted and spurred to ride, and millions ready saddled and bridled to be ridden.—Richard Rumbold, last words spoken on the scaffold. (Macaulay's History of England.)

The complaints of the day-laborer do not often find their way into print, except as they are imagined by some sympathetic writer of another class of society. This is especially true of the farm-hand in America and of the peasant in Europe. They carry their heavy burden scarcely knowing why, and their own case against their fellows remains usually inarticulate. But now, at last, a Russian peasant has felt himself charged with the mission of protesting, in the name of his fellow-workers, against the oppression of the upper classes. His name is Timothy Michailovitch Bondareff, and he is a *moujik* (peasant) of Manoussinsk in Siberia, where he has a little house of his own. Until he was seven-and-thirty he was a serf on the estate of a landed proprietor of the Don. His master made him enlist as a soldier—a fate which all peasants dread—but finally he was allowed to settle in Siberia. Although he is sixty-five years old, he can do two men's work, and can support thirty people by his labor. He has a right therefore, he says, to rank as a general among laborers; he should sit at the same seat as a general.† Nay, a general should remain standing before him. "Why?" the reader will ask in alarm. "Because the general eats bread produced by my

*This chapter appeared originally in the "Arena," and is here published by consent of the editor.

†The title of "general" is given in Russia to those who are far advanced in all the higher careers.

labor, while the converse is not true." His book is entitled "Work, According to the Bible."* It is really a petition to the educated classes, and, as I know of no more imperative duty than that of forwarding a petition to its address, I here give abstract of its contents:

"I write," says the author, "in the name of all tillers of the soil and against all those, whoever they may be, who do not produce the bread which they eat by the labor of their hands." The human race is divided into two classes, he continues (I shall continue to paraphrase his words),—the rich, plentifully supplied with dainty food and fine raiment, and the poor, worn out with hard labor, standing in rags at the threshold, humble and sad. "Why," I ask my comrades, "why do we hold our peace before them like the beasts of the field?" I feel an unseen and mysterious hand impelling me to write, and I take up my pen in spite of myself. Heaven has marked me out to seal with my blood and bathe with my tears the truth which I preach. Perchance after my death the commandment which I proclaim will be accepted. Nay, I cannot believe otherwise.

How many millions of men since the creation have been trodden upon by you, masters of the world! An angel could not submit to such treatment, and I, who am a man, have been at fault in submitting in silence so long. Often have I wished to speak forth in peace and quietness, but as soon as I begin to write my heart is so kindled that I forget my resolutions.

Adam had hoped by eating of the tree of life to be able to live without work, but God cast him forth from the Garden of Eden and pronounced this judgment against him, "In the sweat of thy brow shalt thou knead (sic) thy bread." This is the first, the fundamental commandment. What shall we say of those who wish to live with white hands under umbrellas and all their lives eat the bread of others' labors? We, the tillers of the soil, are near the tree of life, but you, who flee from labor, are near the tree of death. All the food that you eat, O upper classes, is produced by our toil. We nourish you as a father does his children. The tiller of the soil

*"Le Travail selon la Bible." Paris: C. Marpon & E. Flammarion, publishers.

is your father. Before you sit down to your meals you should give thanks to him. If God sent you food as He sent manna to the children of Israel you would do well to give thanks to Him, but as you receive it from our hands you should give us thanks, who nourish you as if you were infants or sick people.

Did Adam try to place his punishment on others' shoulders, as many now do who think it a crime to take from another a wisp of straw or a grain of wheat, but who do not consider it a crime to take and eat the bread of others' labor which is served at their table? Adam accepted his penalty and was absolved. And thou, upper class, branch of the same trunk from which we spring, why dost thou refuse to submit and yet eatest thrice every day? They often arrest thieves in the world; but these culprits are rather rogues than thieves. I have laid hands on the real thief who has robbed God and the Church. He has stolen the primal commandment which belongs to us who till the fields. I will point him out. It is he who does not produce his bread with his own hands and eats the fruit of others' toil. Seize him and lead him away to judgment. All crimes such as robberies, murders, frauds, and the like, arise from the fact that this commandment is hidden from men. The rich do all they can to avoid working with their hands, and the poor to rid themselves of the necessity. The poor man says, "There is such an one who can live on others' labor; why should not I?" And he kills, steals, and cheats in consequence. Behold now what harm can be done by white hands, and what good grimy hands can make gush forth from the earth! You spread out before the laborer the idleness of your life, and thus take away the force from his hands. Your way of living is for us the most cruel of offences and a shame withal. You are a hundredfold more wise and learned than I am, and for that reason you take my bread. But because you are wise you ought rather to have pity on me who am weak. It is said, "Love thy neighbor as thyself." I am your neighbor, and you are mine. Why are we coarse and untaught? Because we produce our own bread and yours too. Have we any time to study and educate ourselves? You have stolen our brains as well as our bread, by trickery and violence.

How blind thou art, O wise man; thou that readest

the Scriptures and seest not the way in which thou mightest free thyself and the flock committed to thee from the burden of sin. Thy blindness is like unto that of Balaam, who, astride his ass, saw not the angel of God, armed with a sword of fire, standing in the way before him. Thou art Balaam; I am the ass, and thou hast ridden upon my back from childhood.

Why did not God prescribe to Adam, as penance, some act of recognized merit, such as fasting, prayer, the sacraments, but only work, which men look down upon? And what punishment did He lay upon the woman? He said to Eve, "In sorrow shalt thou bring forth children."* This penance is fulfilled to the letter by woman, and no attempt is made to conceal its meaning. The Czarina and the peasant's wife undergo their fate alike. If a woman of rank should say: "I have no time to have children; I have more important business; if I devote my attention to maternal duties, society would lose more than it would gain; I will hire another woman to have a child for me," would the child be hers? Nay, it would belong still to its own mother. And so it is of bread; the title to it cannot be bought, for it remains the property of him who produced it. Some women take poison to kill their children before they are born, and some even make way with them after. What punishment do they deserve? The same which should be meted out to men who do not produce their own bread. Now, why do women who accomplish their penance have to work besides? Because they have to do the work of the men who are idle.

My book is summed up in two questions: 1. Why, according to the first commandment, do you not labor to produce the bread that you eat? 2. Why in your books are the cultivation of the soil and the cultivator not only not regarded with favor, but, on the contrary, treated with the greatest contempt?

Throughout the world arise complaints against God. If God's mercy is infinite, whence comes the misery of the poor? But is it God's fault if we have rejected His law, which, if observed, would reestablish equality among men? If all men knew this law they would hasten, as if driven by hunger or thirst, to fulfil it. If man could but penetrate into the profound mysteries of nature, he would not say,

*We apply the term "labor" to both penalties.

"Give me bread," but "Take of my bread," and no one would wish to eat the bread of others' toil. "But," you say, "there are many persons employed in factories in large cities. Where would you find land for so many?" Could you not build mills in the country, so that men could work alternately in the fields and in the workshop? That would be easy to arrange.

We should only give bread to women who fulfill God's command to bear children, to old men who have finished their life's work, to the infirm, and to children who will in time be called upon to labor.

Make haste to teach the child the first commandment, however noble his family may be. Show him by your example how to produce his bread. Then, if misfortune comes upon him, he will not sigh; he will throw himself eagerly into the labor of tilling the soil. "For a long time," will he cry, "have I wished to work, but I have not had the strength to resist fortune; to-day I thank God for having delivered me from this heavy burden, which made me fall into sin," and rolling up his sleeves he will take the plough, already familiar to him, and go singing to his task.

Enforce this law, that no one should eat the bread of others' labor, and men will draw nearer to each other. I often hear that they wish to unite men in one religion. Found religion upon the only primal law, without adding to it, and soon the world will be united. You cannot realize your dream otherwise.

"But," you will say, "our ancestors worked and have left us what they earned." Why then am I not rich? My ancestors were all honest working men. Where is the result of their toil? What robber has stolen our fortune? Tell me truly, O rich man, whence came your treasures?"

All your precious labor, for which you pay each other so generously, is naught beside ours. The treasures which fill your houses have no value beside the bread in our barns. All your great wisdom is weak beside our little wits. Your millions are miserable beside our little possessions. Other work is indeed praiseworthy, but only after bread, that is, when one has fed himself with bread produced by his own hands.

The rich man excuses himself thus: "I give money to people so that they may work for me, and it is a good action on my part for which God will reward

me. How could they earn money without me?" I answer: "You are claiming to help men by the fruit of their own labor. Who earned the money that you are spending? Why, the laborers themselves." Money makes men blind and mad. "I pay for my bread," is your only answer. Sometimes I go two months without a single one of your pennies, and yet I have enough to eat. But if you went two months without my bread, what kind of song would you sing? Now tell me, reader, which one of us is dependent on the other? Which of us is entitled to the head of the table? Is it not I? Why, then, have you taken it? Make a good defence for yourself or stop eating our bread. Cultivate an acre of land and then sit down at the table. Before you pass on the merits of my book, O reader, I beseech of you not to eat of our bread for two days. But no; in an hour you will again stretch out your hand to our tree of life, forbidden to you,—I mean the bread produced by others' toil. If you despise us why do you eat our bread? If I were wise and learned as you are I should always eat money.

The peasants with their little children swarm in the fields like bees, but the upper classes are the drones who buzz about and eat the fruit of others' labor. The bees cut the drones' wings in order that they shall not eat their honey. Your turn has come, parasites, and we have cut your wings so that you may not eat the bread of our labor. I know that you will go on eating it, but when you carry it to your mouth your conscience will take you by the throat, and nothing will deliver you from its grasp. We must persuade people by good advice, but never by force. We should print these, our counsels, in primers and prayer books, charge the clergy of all nations and religions to preach the doctrine and to point out the merits of him who executes scrupulously the primal law of God, and the shortcomings of him who shamefully avoids compliance with it.

Labor includes love, which is therefore a secondary virtue, but love does not include labor. Love is hidden in work; work is the house that love dwells in.

It is impossible to explain to the world this law of labor which I have learnt for myself. I feel this law through my whole being. You cannot see as I do how in a few days this law could bind all men in one belief, one church, one love, for it is the principle

underlying all virtues. You would gain, O upper classes, if you held the head of virtue; but you hold its tail—and by its tail I mean love. Love inspires in you words and not actions. Why? Because money has blinded you, and you cannot tell the head from the tail. We are poor by your riches, and you rich by our poverty. O rich men, have mercy upon us! How many thousands of years you have been galloping on our backs like a runaway horse! You have long since torn us flesh from bone. The bread that you eat is our body; the wine that you drink is our blood. There is nothing more wicked, more infamous, than bread produced by others' labor; nothing more holy, more salutary, than the bread of one's own toil. And yet, nevertheless, you load men with burdens grievous to be borne, and you yourselves touch them not with one of your fingers.

Have pity on us, O upper classes; do not blot out my words. If they are contrary to law, make me to perish, but let my book be kept in the archives of state with the most precious documents. At some future day a man may be found just enough to publish it. May I die, if only the millions of tillers of the soil who will live after me obtain some relief from their labors.

I shall direct my son to bury me in the soil which, cultivated by my arms, has furnished my daily bread. On my grave till the end of time they will harvest bread. This is the monument that I prefer to all others.*

And now, my readers, farewell until we meet again, if not in this world, in the other. I trust that by your eloquence and skill you will justify yourselves before God better than I could do it for you.

Such is the plea of the peasant Bondareff. I do not see how any conscientious man who reads it and knows that he himself is to a greater or less

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*Compare the following lines translated from the French of Alexander Dumas, the younger:

Not in a graveyard would I lie,
When at the last to death I yield,
But rather lay my body by
In some well-tilled and furrowed field.
Then, though my life bore naught of use,
It would console me, when I die,
To know, my death might help produce
A single grain of wheat or rye.

extent "eating the bread of others' labor," can fail to take his words to heart. Is there truth in them or is there not? Is it not a fact that this day, this hour, working men are wearing themselves out in all parts of the earth for us? Coolies are at work preparing our tea in the fields of China; fellaheen in the Delta, Negroes on Southern plantations are toiling from sunrise to sunset to provide us with cotton; farmers in the West are, with the sweat of their brows, watering the broad prairies that give us the staff of life; factory hands in Great Britain and Germany and France, as well as here at home, are leading cheerless, steam-driven lives to supply us with luxuries; miners in Pennsylvania and Colorado and Cornwall are robbed of the light of day that we may have comfort or pleasure. These are all laboring for us (I do not speak of those of the higher ranks of society who may be also working for us, for they are amply repaid and have no grievance), these are all laboring for us. How can we avoid the question, What are wo doing for them?

And, first of all, Bondareff is clearly right when he says that money makes men blind. We cannot discharge our duty to others by the payment of money, except where the money was earned by the useful and not overpaid labor of the person who spends it. In that one case the money fairly represents the labor of its owner, and he is entitled to dispose of it as if it were his labor. He is really giving work for its equivalent, and his money is confined to its legitimate function of facilitating the exchange of the products of labor. In all other cases, however, where the money spent was not fairly earned by the spender, but came from gift, speculation, exorbitant pay, or as the reward of useless or harmful work, money loses the moral foundation which justifies its use, and becomes simply the means of providing a substitute. I pay a man a dollar and a half of such money, and I merely authorize him to employ a third person to do a day's work; that third person is my substitute, and I only enter into the

transaction as a man of straw, although I take all the benefit of it to myself. Such payments of money are not an equivalent—moving from me—for what I receive. I am put into the world, say for seventy years, to do my share of the work of the world. I am sent as one of the crew to man her, and I can lay no claim to being treated as a first-cabin passenger. When I render an account of my passage, and am asked what I did to help the world along, can I say that I provided substitutes? Can such a plea be proffered to the Creator? Can it be accepted in the forum of conscience?

We are morally bound, therefore, to give a *quid pro quo* in work and not in money for all that we receive from the laboring masses who toil for us. We must keep our balance of account with them and with the world at large in our favor. We are bound by every moral consideration to give as much as we get. Now, there are two ways to retain a balance in our favor: one is to keep down the debit side of the account, and the other is to increase the credit. We can keep down the debit side by taking as little as possible from others, by making as little use as possible of their labor, by dispensing with luxuries and by leading a temperate and frugal life. On the other hand, we can increase the credit side by being as useful to others as possible, and especially to those who need our help the most—the toiling classes. Above all we should choose a useful calling for ourselves and for those for whom we have the privilege of choosing.

Opinions will differ widely about the usefulness of any particular career, and every occupation will have its supporters and opponents. No hard and fast rule can be laid down, such as Bondareff's when he insists that we all should be farmers. A farmer's work is not always useful. Near my home there are many fields of rye where the ploughman and reaper can be seen in the proper season doing their work, and yet they know not while they toil whether the ripened grain will go

into the loaf of bread or into the whiskey bottle. Neither can we draw any fine distinction as some do between manual and intellectual labor. Is the printer a manual laborer? And if so, are not the typewriter and the copyist? If we answer "yes," we must then also include the author who writes out his own manuscript, and the bookkeeper and the clerk. And how shall we classify the dentist? No; the true distinction is between useful work, and work which is useless or worse than useless. The usefulness must largely be left to each man's conscience; but one thing we must insist upon, and that is, that in estimating the usefulness he should disregard its market value. The fact that people are ready to pay for work is no proof of its usefulness. Nothing is too foolish or wicked to claim its price in this world; and many of the most approved occupations will not bear the examination of an unprejudiced mind.

In a society of natural tastes, and in which money was spent by those only who fairly earned it, the willingness of men to pay for a service might indeed justify such service, and the price that they would be ready to pay would be a just price, for they would know the value of money. But so soon as men begin to spend money earned by others, they lose all sense of its value, and they can no longer measure the value of labor. Then it is that they pay their thousands for tulip bulbs, give salaries to court fools, and waste their substance on all kinds of absurdities. It is to accumulations of wealth in the hands of those who did not earn it that the leading men in our professions, in finance, in business often owe their swollen incomes. I know of only one professional man whose pay is fixed by those who have a right to fix it, namely, the walking delegate, when he represents a useful trade and no undue influence is exerted on those who support him. He gets his money directly from those who honestly earn their bread, who know the value of their money, and are satisfied with the services rendered to them in return.

Yet I cannot altogether set aside Bondareff's preference for agriculture. It is after all the most necessary of all occupations, the foundation of them all, and the source of our very existence. I cannot but believe with Thomas Jefferson that those who labor in the earth are the chosen people of God. There is much to be said, too, in favor of the Russian peasant's plan of establishing manufactories in the country where the factory hand would be near his base of supplies, and where the unemployed could cultivate the soil. Everything useful—food, raw material—all comes from the country. How foolish it is to attract the population into cities where all their supplies have to be sent after them!

Neither, in considering the difference between manual and mental labor, can I disregard the argument drawn from nature, that every man has brains and hands and was clearly intended to work with both. The folly of those otherwise useless athletic exercises which are necessary to keep men of sedentary life in health is evident when we consider how much useful work they could perform and attain the same end incidentally. Furthermore in deciding between the merits of labor with the hand or with the head, we must remember that as society is now organized a very large share of intellectual work is devoted to the task of outwitting competitors, of speculating in values, of securing and protecting unjust privileges and of reaping their fruits, and that a comparatively small proportion is of any direct benefit to the masses of the people. The brains which manage the machine of business are less occupied with the problem of meeting the wants of mankind than with that of living on other people's labor. Even if we admit that business is honest in the ordinary sense of the term and free from fraud, misrepresentation, adulteration, and perjury (which it is not), it is difficult for a scrupulous man to find within its system a career which will permit him so to work with his head as to satisfy the demands of his conscience, for the first requi-

site of success in business is to blunt your moral sense. As for the higher planes of intellectual work—philosophy, poetry, music, art—there is something repugnant to any nice mind in the idea of disposing of the products of such labor for money. To write a poem wrung from the heart by the death of a friend and then sell it over the counter for cash—could anything but the stern facts of every-day history make us believe that such things are possible? If all work of this kind were done gratis, it is true that our artists and sages would be obliged to support themselves by other labor, and it is not likely that many of them could live in luxury. I am confident, however, that they would not lose by the change; nor can I bring myself to believe that Homer, feeling his way on the sands of the sounding Aegean, or Walt Whitman in his Camden garret, was a less dignified figure than Virgil growing rich at the court of Augustus, or Sir Walter Scott on his estate at Abbotsford. One thing remains to be said about brain work: much of it requires very little brains. A skilled mechanic uses his mind far more than many a clerk or small tradesman. If anyone supposes that cabinetmaking, plumbing, or marble-cutting requires intellect of a low order, let him try his hand at it himself.

On the whole then we must admit that there is a good deal of force in the attack which Bondareff makes upon our industrial system, and that his criticisms apply to the entire civilized world and not to Russia alone. And it is worth while to spend a little time in examining that system, tracing its defects to their source and endeavoring to find some method of removing them.

CHAPTER III.

Injustice and Evolution.

Yet I doubt not through the ages one increasing purpose runs,
And the thoughts of men are widened with the process of the suns.

—Tennyson, "Locksley Hall."

How are we to account historically for the prevalence of injustice in our industrial system and for our blindness to it? The simplest way is, I think (without dogmatising and merely as a working theory), to suppose that a great purpose underlies the history of civilization, in the carrying out of which it was necessary to use men as pawns. The secret of civilization is co-operation. It was essential to make men work together for the accomplishment of vast undertakings; and, in order that they might apply their labor most effectively, it was indispensable that each should do that for which he was best fitted, and conversely to fit himself for that special work which he would be called upon to do. Hence the division of labor, which exists only in embryo among savages. At the same time the submission of large numbers of people to one general design had to be secured. Now how was this to be done? The most obvious method among nations totally unschooled in co-operation was that of slavery, and this is the method which civilization adopted. It is a simple plan. I own a thousand of my fellow-beings, and I have some great work which I wish to accomplish. Consequently, by my command and by the lash I make my slaves perform the task. It is a most efficient system, and under it the great civilizations of the ancient world sprang up and flourished. The pyramids, the

temples of the Nile and of Asia testify to its triumphs. The art and culture of Thebes and Memphis, of Babylon and Nineveh, of Athens and Rome, rested upon slavery and would have been impossible without it. Of course, we see today that slavery involved terrible injustice—that in fact it was based on injustice. But it was essential to the progress of civilization that the ancients should not see this, and their eyes were holden. Their most enlightened thinkers, such as Plato and Aristotle, when they tried to create a Utopia in their minds, could hardly imagine a society without slaves; and St. Paul, with all the principles of Christian ethics fresh in his memory, accepted slavery without question.

New ideas, subversive of existing institutions, are quietly dropped into the minds of men like seeds, and they often grow into great trees that hide the heavens before men awake to their true import. Love of neighbor—the Golden Rule—are inconsistent with slavery and for centuries they have quietly been doing their work of liberation as economic conditions have permitted or assisted. Slavery was not abolished, it was outgrown. The world passed through the period of feudalism, which was a kind of masked slavery, the ownership of the slave or serf being inherent in the ownership of the soil, and at last grew into the system under which we are living today, the wage system, differing perhaps more in appearance than in fact from the original chattel slavery from which it was evolved.

The essence of the wage system is this: I have got a great mass of things—and that word "things" usually includes a good deal of land—and these things other people wish to get. There are a thousand men, for instance, who stand in need of them. I say: "You cannot have them. It is true that I cannot use them, but you shall not be allowed to touch them unless you come and do this piece of work for me." The result which I accomplish is precisely that which was accomplished under the system of slavery. These thou-

sand people come together and carry out my designs, for the privilege of getting a share of the things which I have accumulated. This is the wage system. And it is noticeable that it requires a superior type of workman in order to be effective. A slave requires no motive power but fear; while a wage-worker must have wants, and unless these wants go beyond the merest subsistence, he will not be a very efficient worker, for it will require but little work to enable him to satisfy his primitive needs.

We see an interesting example in South Africa of the necessity of stimulating wants among savage peoples, if they are to be made to co-operate in great undertakings without recourse to actual slavery. Earl Grey, himself one of the foremost promoters of co-operation in England, while addressing the directors of the South African Mining Company, said that "means had to be found to induce the natives to seek spontaneously employment in the mines, and to work willingly for long terms of more or less continuous service.* In time he believed the education of the natives would cause them to seek work to gratify those growing wants which were the certain results of increased contact with civilization. Meanwhile an incentive to labor must be provided by the imposition of a hut-tax of at least one pound per year, in conformity with the practice in Basutoland, and also by the establishment of a small labor tax which those able-bodied natives should be required to pay who were unable to show a certificate of four months' work."

This device differs very little from chattel slavery. A tax is imposed on people who are unwilling to work. There is no way to get money with which to pay the tax except by working in the mines. The natives come to work in the mines to satisfy this artificial want of money with which to pay the tax. And this by euphemism is called free, voluntary and spontaneous labor! I am

*This use of the words "spontaneously" and "willingly" is perhaps a little unusual.

not speaking of the morality of such a policy, but I cite it to prove that if civilization is to supplant savagery, it can only be brought about by slavery or by stimulating the wants of the people, human nature being what it has always been.

The lot of a wage-worker is undoubtedly preferable to that of a slave, but there are points of resemblance between them, and there are some advantages on the side of the slave. Under slavery there is never any question of the unemployed, and no one ever seeks work without finding it. It is the master's interest to keep his slave in good health. The wage-earner is free to starve or to commit suicide, but the slave was not, for his master had a stake in his life and strength. A good slave was worth a thousand dollars, but a good wage-earner is worth nothing at all, for you can pick up another on the next corner. Perhaps the greatest advantage which the wage-worker possesses over the slave is that he thinks that he is free, and freedom is such a quickener and vivifier that the mere belief that you have it is a tonic in itself.

And if slavery had some advantages for the slave, it had also some disadvantages for the master. It was a crude affair. The slaves were driven to work and had to be watched every moment, as they had no incentive to labor but the whip. It was necessary to buy them at high prices, and take care of them when they were ill, and bury them when they were dead. The whole system was an unbusinesslike proposition which no financier of today would tolerate for an instant. We talk of freeing the slaves, but it was really freeing the masters. "A free workman," cut off from his base of supplies, while all the resources of nature are in the hands of a few, must make a slave of himself in order to get a living. No one would think of buying him nowadays, nor of paying his doctor's or undertaker's bills. The masters used to bid for the slave at the auction block, but now the workmen bid for the job. But nevertheless on the whole we must admit that the wage-earner's

lot is the more desirable of the two, for at least he is called free, and that is something in itself.

There are not wanting signs that our industrial system is about to undergo a change similar to that which displaced slavery. Everywhere there are indications of increasing friction. Vast modifications are being effected in our financial arrangements and the equilibrium of centuries gives evidence of serious disturbance. This is partly due to the discovery of machinery of all kinds, and partly to the growing conviction that the present system is unjust. The frequent financial crises, and the great number of conflicts between employers and employed, would of themselves indicate the necessity of finding some new *modus vivendi.* The fact that the justice of a system begins to be questioned far and wide seems to be a sort of automatic signal to show that it is doomed, for so long as injustice is necessary to civilization, its nature is carefully concealed from mankind. And while machinery has to a certain degree accentuated the inequality of conditions, it has at the same time supplied the elements which can preserve civilization without that inequality. Slaves may be requisite to civilization, but today we have slaves of wood and iron who may supplant those of flesh and blood.

And we may ask incidentally why machinery has not proved to be a greater blessing to men. If we had been living two hundred years ago, and a prophet had told us that after a couple of centuries had elapsed one man would be able on an average to do the work of thirteen (which is, I believe, the fact), what would we have said? Would we not have cried out, "Ah, at last the millenium is coming. We shall then have all the comfort we have now, for one-thirteenth of the labor; and with two or three hours of easy work every day, we shall all live like princes!" And would not such a statement have been reasonable? And ought it not to have turned out to be true? The wealth of the world has indeed increased by

leaps and bounds, but most of it has fallen into the laps of the few.

If the wage-system is doomed, we may well study the transition to it from slavery, in the hope of finding some suggestion throwing some light upon the impending revolution. The abolition of slavery involved a change of incentive from fear to the desire of gain. A servile or a savage population has no desire of gain, and they will not co-operate except as slaves. The desire of gain is for them a virtue to which they have not attained. But we have reached a point at which the desire of gain has ceased to be a virtue, and has become the selfish cause of a great deal of misery. Hence we must change our incentive again and find some new motive for co-operation. What that new motive should be is pretty obvious. We should make things, because the community, including ourselves, needs them. We must have sufficient consideration for the community to wish to supply its wants. We must love our neighbors and ourselves. Slaves make boots because they have to. Wage-earners make boots because they get paid for it. The worker of the future will make boots for the purpose of covering the feet of men. Slaves built the pyramids and temples of Egypt from fear of the lash. Wage-earners build our cities from the desire of money. But the coming craftmen will erect buildings because they are needed. And incidentally, making things on account of the usefulness of the things themselves, they will find a new pleasure in their work, which will show itself in artistic workmanship. It seems to be so natural and inevitable that things should be made because they are wanted, that it is almost inconceivable that it should require centuries to educate the human race up to this point. And yet such is the case, and we are still far from having learned the lesson. Fear or the wage-lust are yet the necessary spurs to persevering co-operative endeavor. And as we change from one incentive to another, let us remember that it is a mistake to drop the former

before we have attained the latter, for civilization might expire in the interim. Love of money must last until love of work and neighbor is ready to take its place. So long as we are greedy for money the wage-system suits us, and we have as good a civilization as we deserve.

It is encouraging to observe that men are feeling after the new incentive in all directions. The genius of co-operation is in the air. We see it in the combinations of manufacturers in trusts, and in those of workmen in trade-unions. We see it in the numerous co-operative enterprises of England, and in the attempt to form communistic colonies in America. The fact that many of these efforts fail does not prove the fallacy of the instinct, but on the contrary might have been foreseen in the nature of things, for nature moves slowly and after many experiments. Voluntary co-operation must succeed the involuntary and forced co-operation of the past, and fear and greed must give place to the enthusiasm of mutual help. In every department of human activity the note of brotherhood begins to be struck. Science demonstrates our oneness; philosophy corroborates science; and religion tells us more and more the same story. It requires no very great prophetical gifts to predict the advance of the race in that direction —toward the development of an *esprit de corps* —the consciousness that we form a complex body corporate. It will be a long and arduous advance. Slavery lasted two thousand years after its foundations had been undermined. The many experiments which have been made in communistic enterprise tend to show that man is not ready yet to take the decisive step. But none the less we should bend our efforts in that direction. We must practice ourselves and our neighbors in mutual consideration and co-operation, letting pass no opportunity for experiment in this line, feeling sure that, because our eyes have been opened to the evil of injustice and greed, so we have a right to expect to acquire the new motive of love for work on its own account and on account of the

consumer. The slave was always looking backward at the lash behind him. The wage-earner looks forward, indeed, but only at the wages coming back to him. But the ideal workman of the future, the voluntary co-operator, will look, with his eyes to the front, at the work itself, and at the blessing which it is to bring to men, rejoicing in his own activity and in its beneficence. Involuntary co-operation, wrested from want by injustice, must give way to voluntary co-operation, born of common wisdom and honesty. And the transition is taking place, just as might have been foreseen. A few have had their eyes opened to the wrong, and gradually the idea that a change is desirable and necessary is spreading. Meanwhile the economic friction is increasing, and pressing men forward towards radical remedies. That is the order of all historic changes, for man grows out of barbarism by gradually discovering his barbarity.

CHAPTER IV.

A Diagnosis of Present Conditions.

Cloten: "Why tribute? Why should we pay tribute? If Caesar can hide the sun from us with a blanket, or put the moon in his pocket, we will pay him tribute for light."

—Shakspere, "Cymbeline."

In what does the industrial injustice of to-day consist? As we have seen, the invention of new machinery has failed to improve to any great extent the condition of the workers,—certainly not to any such extent as might have been expected. Yet wealth has enormously increased. Where has it gone? According to Spahr, "seven-eighths of the families in America hold but one-eighth of the national wealth, while one per cent of the families hold more than the remaining ninety-nine";* and it is easy to see that this inequality is becoming aggravated every year. He would be a venturesome disputant who would claim that this division of wealth is directly in proportion to the value of the families to the community. Fortunes of many millions of dollars are growing common, and at the same time the number of tramps, paupers, criminals, lunatics and suicides becomes larger and larger. The question of the unemployed forces itself persistently upon us, and we are treated to the strange spectacle of one mass of workmen overworked, and another unable to obtain work; while the inability of the poor to buy the necessaries of life is ascribed usually to overproduction, which means that we have so many boots and shoes that people must go barefoot, and so much bread that they must go hungry! These

*"An Essay on the Present Distribution of Wealth in the United States," by Charles B. Spahr. T. Y. Crowell & Co., New York, 1896.

facts are enough to suggest a state of disease, but I will cite one single circumstance as proof positive. The fact that within the period of forty years two men have accumulated fortunes of three hundred millions of dollars each is the *reductio ad absurdum* of our present industrial system. The game which produces such results is not played fair, and it is useless to argue that it is. And furthermore, if it were, we cannot ask rational democrats to submit to it. It means an absolute power in a few hands, an oligarchy, a plutocracy, an autocracy, to which the descendants of Washington and Hampden will never accustom themselves. This wealth cannot but control the government, the schools, the churches. Industrial absolutism is a far more real thing than political absolutism, and if the latter justifies revolution, much more does the former. And this altogether irrespective of the manner in which the wealth was accumulated.

But let us examine cursorily the secret of these accumulations, and let us suppose that they did not transgress the tenets of conventional honesty, for I am considering our system at its best, and not its abuses. Let us pass over once for all the purchase of tariffs from Congress, the manipulation of preferential rates on the railways, the jugglery of charter-making, and the perjury of annual reports. Ignoring all this, let us look only at the lawful sources of these vast estates. One conspicuous example had its origin in the steel and iron industry, the particular child of our protective tariff. The result of this tariff upon this industry is well known. The Iron Age of November 12, 1903, asserts that American steel beams, plates, etc., are sold in Canada at from $9 to $11 a ton less than the home price; and the same journal, under date of December 17, 1903, gives a list of articles sold in South America for less than in the United States, where they are made. Thus a shovel which costs 90 cents in the place of its manufacture in America, brings only 36½ cents in South America. The American

File Association charges Americans more than twice as much as it charges Englishmen for its small files. Some years ago an acquaintance of mine went into a shop in New York to buy a bicycle. He priced one and was about to buy it at the price given, when the salesman ascertained that he wished to take it with him to England on the following Saturday, whereupon he offered to deliver the bicycle on board for about two-thirds of the price, because it was to go out of the country, which offer was promptly accepted. This absurd result of a protective tariff extends to other industries. I saw a large sign on Broadway, New York, in 1905, which read as follows: "Great Protection Sale. Waltham and Elgin watches, bought in England cheaper than in America, and brought back to undersell this market." The writer of an article on the subject in The Free Trade Broadside of the American Free Trade League for January, 1906, reports that he bought a Waltham watch at this place for a third less than the price asked by New York and Boston dealers in the same grade and make of watch. That the people of a country should deliberately make their products dearer to themselves than to foreigners, is past comprehension. From the point of view of the importer, a tariff is still less defensible. Let us suppose that the duty is levied in kind and not in money, for here as elsewhere money complicates and obscures the question. By a 50 per cent duty a government virtually takes away half the goods of the importer. It makes no pretense of giving him anything in return for it, as it does in the case of municipal taxes, school taxes and the like; and the only possible excuse which it can offer for its action is the pretext that the goods will injure the country; in other words, that the introduction of wealth into a community is a bad thing!

The attempt to justify a protective tariff by the argument that it shuts out the competition of foreign "pauper" labor, and thus prevents our wages from falling to the foreign standard, is

fallacious. There is a natural law which already protects us, namely, the cost of transportation from these countries to ours. As for the uncivilized or partly civilized countries where labor is cheapest, it is our own fault that they enter into competition with us. We conquer these countries, set up a stable government, invest our capital in manufacturing plants in them, and then complain of pauper competition. The very instability of the governments of these countries is a natural safeguard against their competition; and by the time they become civilized enough to protect and invite capital, they are also civilized enough to demand high wages. The way in which to prevent the competition of these countries is not to impose a protective tariff against them, but rather to cease to exploit them, and to permit them to develop of themselves, with the assistance of such precept and example as we may be able to give them. I have seen Arab girls of twelve or thirteen years of age standing before rows of tubs manipulating the raw cotton in mills established in the Delta of the Nile by European capitalists. The air was thick with cotton dust, and I was glad to escape in a few minutes. The foreman told me that these girls worked thus from four in the morning to six at night, and received five small piastres (twelve and a half cents) a day. I could hardly believe this, and I asked a friend of mine who was connected with a similar mill if it was true.

"Yes," he said, rather reluctantly. "I didn't quite like it when I came here first, but the girls don't seem to mind it."

"Don't mind fourteen hours' work a day in that atmosphere!" I cried.

"Oh, that's not all," he replied. "When we are busy they stay overtime from six to ten in the evening, and we pay them an extra piastre (two and a half or five cents); and sometimes young mothers come with their babes at their breast, and put them down on the floor in the corner and work with the rest."

In view of such facts it becomes a question whether a stable government, like that established by England in Egypt, does not do more harm than good to the native population, for it makes such exploitation possible. However this may be, it certainly produces that very competition of pauper labor which protective tariffs are supposed to be necessary to prevent. We are trying to do in the Philippines what England has done in Egypt, and we are told that it is to our interest to establish a stable government in those islands. That is precisely what we ought not to do. It is the lack of stable government which prevents capital from going to countries where people are willing to work for starvation wages. It is an automatic arrangement of nature that in such countries capital is afraid to risk itself. It is best to let these beneficent natural laws work themselves out, rather than to interfere with them first by imperialism, and then again by protective tariffs. The one certain result of protection is the building of monopolies. Foreign competition is cut off; domestic manufacturers are thus enabled to combine and form an effective control of the market and fix prices at any figure they choose.

Strange to say, a tariff for revenue only is even less defensible than a protective tariff. The latter at least makes a pretense of being necessary to protect labor, which the importer is supposed to be injuring; while the latter has no excuse except the state's need of money. The government thus takes away my goods without having any special claim to them, without charging me with any injury to the public, and without undertaking to use what they take for my benefit. Surely this is robbery, whether it be practised by a state or by an individual. Tariffs are contrary to natural law, hostile to other nations, fallacious in principle, and injurious in their results. We have always rejected the idea of the continental *octroi*, the municipal custom-house. Over a hundred years ago we abolished custom-houses between our

States. It is high time to show the same wisdom in dealing with foreign states. The custom-house is a relic of barbarism and ought to disappear from the face of the earth.

The Steel Trust and the fortunes due to the steel industry have other subordinate sources besides the protective tariff. It is admitted that the Steel Trust now controls practically all the best ore beds of the country, and thus possesses a monopoly of the raw material. Furthermore, it has undoubtedly made use of its influence over the railways to obtain differential rates in its favor. The monopoly of raw material where this material is localized, and the railway monopoly by its command of the means of access to the locality, are often interwoven with each other.

How has the Steel Trust used its monopoly? We have seen that it sells its products in Europe for much less than it charges for them in America. It was incorporated in March, 1901, in the State of New Jersey, after the laws of that State had been altered to suit it, although its main office is in the State of New York, for the legislature of New Jersey has proved to be more responsive than others to suggestions of trust promoters. The capital of the companies which went to form this trust amounted to $864,000,000, and we may be sure that this already contained a good deal of "water." The new company added $25,000,000 in cash, and capitalized these assets for $1,297,000,000, an increase of $407,000,000—a mere matter of book-keeping, based in part upon the monopoly value of the combination, and in part on the folly of the investing public. The first annual report of this great aggregation showed earnings of $107,000,000, and net profits of over $85,000,000. It appears that the syndicate which advanced the $25,000,000 cash received 40 per cent on that sum, this interest being based upon the sum of $200,000,000, which it promised to supply but which was never called for. One-third of the gross sales of the Trust was net profit, and it paid dividends of fourteen

per cent even upon the "water" in its common stock.* It is perfectly clear that the ability to make such immense gains—in other words, to charge so much more for an article than it was worth—was due to monopoly of one kind or another. What is it really that is capitalized when stock is issued for "water," that is, for nothing but prospective gains or speculative chances? It is the willingness of the people to pay tribute, to pass tariff laws facilitating extortion, to place mineral lands and rights of way in the hands of their exploiters. "Water" is a pretty word, suggestive of cleanliness and purity, but when it is applied to shares of stock it means the sweat of other men's brows. We hear much of the wages of ability, but the chief ability of the Steel Trust is not the ability to produce wealth, but the ability to annex other people's earnings, and its promoters became rich, not so much by working themselves as by making others work for them. If one man receives money without earning it, some one else is earning it without receiving it; and how much of the misery of the country may not be ascribed to these swollen profits?

We were led into the consideration of the Steel Trust by the endeavor to explain one of the greatest private fortunes of America. The only other fortune in this country which can equal or surpass it was made by petroleum. The history of this trust is pretty well known, and I need only refer the reader to the works of Mr. Lloyd and Miss Tarbell. The basis of this accumulation was differential railway rates. A railway performs a public function, and in order to obtain its right of way it makes use of the governmental power of eminent domain. It becomes in this way a trustee for the public; but the Standard Oil ring did not scruple, and no combination of American financiers ever has scrupled, to conspire with the

*Mr. Babcock of the House of Representatives, after a careful study of the question, concluded that when steel rails were selling in America for $28, the profit to the trust was $14, or 100 per cent on the cost.

railways to carry their products for a fraction of the price which they charged to others, and often to refuse altogether to carry competing oil, on the false pretense that they had no freight cars available. The facts and figures are given in the books to which I have referred, and are too well known to require repetition. In those days the allowance of differential rates was kept secret and covered up by a plausible system of bookkeeping, but Professor Commons has shown in an article in The Independent that the same kind of discrimination is now obtained from the railways openly, and that the railways are in this way favoring concentration more and more. Thus in 1883 oil shipped in less than carload quantities paid twenty per cent more than oil shipped in carload quantities, while in 1900 it paid 286 per cent more than carload. There can be no justification of such discrimination against small dealers, except the wish of the trust to crush them out.

The railway monopoly has helped to build up almost all the trusts of America, and it has also created a large number of enormous fortunes. The method in which these railways have been organized is really fraudulent, the stock as a rule representing nothing. Mr. Carnegie many years ago in an article on "Trusts" in The North American Review, stated that "the entire capital stock of railways in the West as a rule has cost little or nothing, the proceeds of the bonds issued having been sufficient to build them." And he adds, "The efforts of railway managers to-day are therefore directed to obtain a return upon more capital than would be required to duplicate their respective properties." It is the same old story of "water," the capitalizing of the readiness of a foolish people to pay more for things than they are worth—the exaction of tribute, made possible by monopoly, from those who use the railways. Spahr estimates at over two thousand millions of dollars the amount of railway capital in the United States which represents no investment whatever.

There are other monopolies of rights of way which have produced immense private fortunes, those, for instance, of the telegraph, telephone and electric-trolley railways which now cover the face of the country, and those which operate in cities and towns, making use of the streets, such as street surface and elevated railways, gas and electric light companies and steam heating companies. Any American newspaper reader could make a list of the "magnates" whose wealth comes from each of these sources. In every instance there is a monopoly, competition is practically impossible from the nature of the case, and the managers can charge what they please for their products or services; and this monopoly feature is the main item in their list of assets. Telegrams could be sent at cost to any part of our country for ten cents for ten words. Our present minimum is twenty-five cents, and the maximum a dollar or more; but the Western Union Telegraph monopoly is so strong that any attempt to establish a government system under the Post Office, as is the rule in other countries, is immediately stifled. In the street railway surface system of Manhattan Island it was estimated not long ago that there were from eighty to one hundred millions of "water," paying seven per cent interest per annum. This is supplied of course by excessive fares. Gas can be conveyed to consumers at a profit for less than fifty cents a thousand feet, and probably for far less; yet we consider it a great achievement when we secure legislation reducing the price to one dollar. Our express companies, whose monopoly is dependent on the railways, also charge extortionate rates, and have always succeeded in preventing the establishment of a parcels post.

Among other monopolies producing great fortunes may be mentioned the patent monopoly, the monopoly based on the internal revenue and that of mineral deposits. That inventors should be rewarded is indisputable, but it is doubtful if the best way to reward them is to create a monopoly.

The system has greatly strengthened such trusts and combinations as make use of machinery, particularly the telegraph and telephone people. It may be remarked incidentally that the trust system is not favorable to inventions. They are slow to adopt improvements which would require them to destroy their present plant, and they often buy up patents in order to prevent others from using them, and then lay them aside. In one case, I am told that the room in which these patents are stored is called the "grave-yard." The great improvement in transportation afforded by pipe lines was forced upon the Standard Oil Trust in its early days by its rivals, and it is competition and not combination which stimulates the use of inventions. A friend of mine invented a device for use in the production of oil which he was certain would prove valuable. He tried in vain to get the oil people to adopt it, and finally he built his own factory and manufactured it himself. The enterprise was a complete success. An example of the unjust working of our patent laws is shown by a report of the Committee on Patents of the House of Representatives. It states that there were presented to the committee two similar ounce boxes of phenacetin, manufactured in Germany by the same manufacturer. One sold in Canada for fifteen cents, the other in the United States for one dollar. And the difference was entirely due to our patent laws, which permit the patenting of a drug, while the laws of other countries do not permit it.

The monopoly which has its source in our internal revenue laws is not as complete as many others, but it is sufficiently strong. The requirements of this law force those who intend to go into the brewing or distilling business to raise a considerably larger capital than they would otherwise need. This initial difficulty to surmount has a tendency to shut competitors out of the trade, and the most assiduous opposition to the abolition of this tax comes from the brewers and distillers themselves who pay it. The monopoly of mineral deposits exists whenever the mineral lands are

limited in quantity. Thus the copper trust, the anthracite coal trust, and, as we have seen, even the steel trust, are monopolies of raw material, and so long as the protective tariff shuts out foreign coal and metal, they have absolute control of prices. This monopoly is closely connected with the railway monopoly, and the profits are often concealed under extortionate freight charges. Thus the charge for hauling anthracite coal to tide-water forms a very large proportion of the selling price of coal, the railway company and the mining company being practically identical, although the law forbids railway companies from engaging in mining.

Another important monopoly is that of banking. The whole question of banking and currency is a most difficult one, and when I confess that the more I study it the less I understand it, I think that the confession differentiates me from other writers rather in the field of honesty than in that of intelligence, for the maze into which we have got ourselves by adhering to foolish precedents which have come down from barbarous times is too intricate for the human mind to unravel. It is pretty safe to say, however, that to future generations it will seem nothing less than insane for us to have undergone all kinds of hardships for the purpose of digging a rather useless metal like gold from under the snow fields of Alaska, and of then storing it under the sky-scrapers of Wall Street, where it is quite as useless as it was before, and this without taking into consideration the fact that the expenses of the migration to the Klondyke were far greater than the value of the gold recovered. There must be some way of managing exchanges without such a manifest waste of effort. If the details of our banking system tend to confuse us, we may at any rate argue *a priori* from the fact that the great accumulations of the trusts have placed the control of finance in the hands of the managers of these trusts, that these ingenious gentlemen are making out of that control all that can be made of it. The surplus in

the national treasury is used to assist a list of favored banks, and Professor Commons shows in an article in The Independent that these banks have the power to withhold credits or raise rates of interest or call loans, and thus break down the stock market and buy up the shares at less than their value. The Clearing House Association is the absolute autocrat of the situation, and if it should ever be controlled by a single group of monopolists, as is quite sure to be the case before long, this group could easily crush out all competitors. Our national banking law tends to force banks in small towns to deposit their surplus in the banks of New York, Chicago and St. Louis, instead of loaning it to their customers. The issue of banknotes is also a monopoly, and private individuals should not be allowed to reap benefit from it. The juggling of the money-market affords many ways of making unfair profits, and so long as particular individuals have particular advantages, we may assume that some at least of these profits spring from these advantages.

Banking is a matter of the purchase and sale of credits. Banks do not really lend money, but they give their credit for a price to individuals whose credit is not known. And yet the credit of these banks comes from these very individuals and from the confidence of the public. Middlemen may be necessary in the business of monetizing credits, but middlemen with a monopoly are not. There is a monopoly involved in the exclusive right to issue bank-notes and currency, which are mere expressions of credit. So long as their volume is limited, it is possible for capitalists having large balances in their favor to withdraw them from the banks and lock them up in safe-deposit company vaults and thus "corner" the money market and bring on a panic, and it is asserted on good authority that this is sometimes done. At a meeting of the New York Chamber of Commerce in January, 1906, Mr. Jacob H. Schiff, one of the foremost financiers of Wall Street, pointed out the great dangers arising from an insufficient cir-

culating medium. He showed that during a period of great commercial prosperity, the rates of interest on the "Street" had varied from 10 to 125 per cent. "We have witnessed," he said, "during the past sixty days conditions in the New York money market which are nothing less than a disgrace to any civilized country. . . . The cause is our insufficient circulating medium, or the insufficient elasticity of our circulating medium."* But why should this medium be limited at all? Why should not any individual or company of individuals be allowed to compete with the banks and the government in this field? No one would be obliged to take the private notes who did not wish to, but they would have a chance to prove themselves good. Labor exchanges have been much hampered by the law which prevents them from issuing labor checks as a kind of money. There is a monopoly, too, in the governmental right to coin money, and in the exclusive privilege given to gold and silver to be used as legal tender. These precious metals have a natural commodity value dependent upon their use in the arts, but the artificial demand created for them by making them the sole instruments of legal tender introduces a disturbing element into the world of exchanges, and adds a new power of "cornering" the market to the men who may gain control of the supply of these metals. Why should not a method be found of utilizing other commodities in the same way? The whole subject of money is still clouded by the haze of monarchical privileges, and weighed down by medieval mortmain. Without dogmatizing, it is safe to say that there is plenty of room for greater freedom and a fuller recognition of the right to equality of opportunity in this important department of human relations.

I have left to the last the greatest monopoly of

*The New York Evening Post of January 5, 1906, commenting on Mr. Schiff's address, ascribes the money stringency to which he refers to the action of the banks in allowing speculators to borrow their funds for the purpose of "cornering" the market, instead of reserving them for legitimate business.

all, that of the land, which in fact underlies many of those which precede, such as those of rights of way and of mineral deposits. Perhaps the commonest way of creating great fortunes of the second rank has been by securing the unearned increment of land in our cities and towns, and it is idle to cite instances. There are thousands of lots of land in the City of New York which in a single life-time have increased in value a hundredfold, and it is always possible to place on them small inexpensive buildings sufficient to bring in rent enough to cover taxes and charges, and thus enable the owner to sit still and watch his property grow in value. This practice has been so common that cheap buildings of the kind are called "taxpayers." Money must come from some one, and the man who receives millions in this way without earning it, is taking the money from others who earn it; and the community is drained to just that extent, with the inevitable result of poverty and want.

We have now considered the chief monopoly sources of wealth, and it is not easy to think of an example of great riches without discovering monopoly at the root. The Sugar Trust reposes manifestly upon the tariff, and a peculiarly flagrant abuse of the tariff. The Meat Trust has the same source. Its head, on his return from Europe a year or so ago, was asked if the combination would control the meat industry of this country.

"I think it will," he answered.

"Will it control Europe?"

"No," he replied. "It is impossible for any combination in the United States to control the meat trade of Europe, because of the large shipments of cattle from Argentina and the other South American countries."

No clearer proof of the dependence of the trust on the protective tariff is necessary. Fortunes have been made by publishers of newspapers, but here again we have the Associated Press monopoly, a branch of the monopoly of the telegraph. Social-

ists assert that great combinations and accumulations arise from the very nature of trade, and as a result of competition, and that monopoly has nothing to do with it; but the facts do not bear them out. It cannot be a mere coincidence that monopoly exists in all these cases to which we have referred, and it is doubtful if there are any exceptions. Those great combinations which have been successful and yet seem to possess no monopoly, will probably upon full examination reveal the existence of one. The large life insurance companies, for instance, are closely connected with railway and banking enterprises and with speculation and investment in urban land; and no one can tell how far differential rates obtained from railways and express companies may be responsible for the big department stores, nor how far they may owe their success to their alliance with manufacturing trusts holding other monopolies of raw material or of patents. The National Biscuit Company tried a few years ago to build up a trust without a monopoly, and they failed utterly until they secured some valuable patent rights. Many other trusts and "pools," such as the shipping trust and wall paper trust, have failed from the lack of monopoly, competition having soon broken them down. It seems to me to be a safe deduction from the facts, that monopoly is the source of vast private fortunes and the resulting inequality in the distribution of wealth.

CHAPTER V.

The Fruits of Monopoly.

In our society, established upon a very rigorous idea of property, the position of the poor man is horrible; he has literally no place under the sun. There are no flowers, no shade, no grass but for him who possesses the earth.—Renan, "Life of Jesus."

What is the essence of this monopoly to which I have endeavored to trace our economic inequalities? It is the use of privilege by the few to secure for themselves a portion of the earnings of the many. This is done by charging more for things than they cost. The natural price of an article, in a community where people are engaged in reasonable occupations and are not interfered with by artificial obstacles, is its cost; and the natural law of supply and demand is ever tending to fix it at that point, for if the price is less than the cost people will stop manufacturing, and if it is more, other manufacturers will undersell down to the point of minimum profit, that is, to the point of a bare remuneration for their services. The vast trust-born accumulations of wealth in this country arise from making people pay extortionate prices, and from nothing else. I have confined my facts to this country because here they are more conspicuous and easier of access, but the same laws are at work in all civilized lands, one monopoly being most developed in one, and another in another. At bottom, however, there is no generic difference between the methods of Wall Street and those of the *haute finance* of European capitals. If England has been free from a telegraph monopoly, she has suffered much more than we have from land monopoly, for her land values are to a much greater extent than ours left un-

taxed. In my brief reference to the various trusts I have given the facts conservatively and without exaggeration, and no business man will question their general truth. The New York Journal of Commerce, the recognized organ of business, in commenting upon the capitalization of the trusts as they were in 1900, says that "probably nine-tenths of the common shares have nothing behind them beyond such transient figments as compensation to promoters, goodwill, past profits, without any guaranty of their continuance, and bonuses over and above the true value of the properties amalgamated to induce co-operation in the 'deals.'" "These common shares," it proceeds to say, "have brought no accessions of capital or property to the consolidations; they merely serve as counters in gambling stock transactions, or as shams to bolster up false confidence among the uninitiated; and by no true or proper use of language can they be designated as 'capital stock.' In nearly all cases they are a worthless fiction." This is a criticism of Wall Street by itself, and it is to pay dividends upon this "worthless fiction" that tribute is exacted from the public. Mr. John C. Havemeyer was engaged in the great sugar business of his family before the formation of the sugar trust, but at that time he abandoned it. He gives his reasons in these words: "When the sugar manufacturers combined together to form a trust, I could not see that my way was clear to live a Christian life and at the same time to rob the poor by raising the price of their coffee sweetening." That trusts do increase prices is borne out by Professor Jenks in his work on "The Trust Problem," and his chapter on "Prices" contains some interesting diagrams proving the fact. A trust effects great economies, shuts up its superfluous shops, discharges large numbers of workmen, dispenses with the services of commercial travelers, saves enormous sums by ceasing to advertise, and then not only goes on, free from competition, to charge the old price for its product, but actually raises it. It may close half of its

mills, thus reducing to that extent the amount of its tangible capital, and on the strength of this it adds immensely to its capitalization! The public thus loses at both ends. Its number of unemployed is greatly increased, and at the same time the price of the articles rises.

This charging more for articles than they are worth, this forcing of price above cost, this reaping without sowing, brings into the pockets of the trust managers and owners a large part of the annual income of the country, not earned by them, and hence earned by others. It is an income tax on those who are not embraced in the trust. Long ago Adam Smith laid down the rule that "the produce of labor constitutes the natural recompense or wages of labor." It is the fact that the workers do not get their natural wages, that deranges economic conditions. The products of industry should in the course of exchange absorb themselves, so that there would be no overproduction or underproduction. All the output of one factory ought to be bought by the output of other factories, for, as Mr. George H. Hull points out in an article in the Engineering Magazine, "products are buying power," and "there can be no year, month or day when the value of products is not exactly equal to the buying power which exists in those products." Products should absorb themselves, but as a matter of fact they do not absorb themselves and the market is often glutted, shops are consequently closed and a problem of the unemployed forced upon us.* Why is it? The secret of the trouble lies in the proportion in which this "buying power" is assigned to employers and employed, or in other words, the division of it into dividends and wages. If every worker, including those who work with heads or hands, got the full value of his labor, his buying power would equal his productive power and the community would absorb all that it produced; but when you reduce

*And so the unemployed would, under proper conditions, absorb their own products without displacing the employed.

the share of the workers, and assign an excessive portion of the buying power to stockholders who are too rich to find ways readily of spending their incomes, you put a part of the buying power into a *cul-de-sac* where it is difficult to utilize it and make it effective. Capital and labor are indeed partners, and we are told again and again that their interests are one. So they are, when their relations to the customer are concerned; but as soon as in a partnership it becomes a question of dividing the income of the firm, at that moment the interests of the partners become diametrically opposed to each other, and every penny drawn by one is taken away from the others. And thus it is that every penny paid in dividends diminishes the amount of wages, and in the matter of the division of income the interests of capital and labor are hostile to each other. When the employing class attempt to use the phrase, "the interests of capital and labor are one," in order to silence the demands of their employes for a larger share of profits, they either speak foolishly, or with the intention of confusing the ideas of their hearers. In one sense, indeed, capital and labor are actually one, for capital is accumulated labor; but unfortunately, as some one has remarked, it is too often the case that one man does the labor and another the accumulating.

The unfair division of the proceeds of labor has been accentuated by machinery. When we increase the number of our workmen we increase also the number of consumers, and production and consumption tend to balance each other. But a machine is a worker that does not consume. It has no stomach, and is not sensitive to heat and cold. It adds to the productive side of the account, but leaves the consumptive side as it was, and the books do not balance. A man who employs three workmen needs to supply four dinners and four suits of clothes; but a man who has three machines for the same work and runs them himself, requires only one of each, and meanwhile the machines are turning out a hundredfold more than

the men did. If factories cannot dispose of their product, we have the condition of over-production, slack work, many thrown out of employment and the problem of the unemployed. If they do succeed, their owners are put to it to find something to do with their money.

One aspect of this difficulty was forcibly presented to me some months ago during a visit to a factory where they manufacture cheap socks for workmen and artisans. In the large room which I entered first, there were one hundred machines at work and only five boys, for one bright boy, my guide told me, could manage twenty-five machines. I watched one of the machines. It took a white thread and made the toe of the sock of double thickness. Then it exchanged this thread for a blue one and knit the sock as far as the heel. There it took up the white thread again and made a double heel, changing back to the blue thread and running up rapidly to the ankle, where it cut off the thread and laid the finished sock down. I had timed it by my watch and the whole operation took just five minutes, no operator being anywhere near the machine. In this factory there were four hundred machines, and when I visited it some special orders were keeping it going without interruption day and night, and fifty boys in all, divided into shifts, looked after the machines, oiling them and supplying the balls of twine. In a single day they produced five thousand dozen pairs of socks, which a hundred and fifty years ago would have required an army of 50,000 people. In other words, each boy, with the aid of the machinery, was doing the work of a thousand. You see at once how the tendency of such machinery is to reduce the number of workers. In this factory, besides the fifty boys (twenty of whom were on duty at a time), there were only a number of girls whose duty it was in another room to go over the socks, thrust their hands into them, see if any stitches had been missed, and darn them if necessary, and a few men in the packing department. Here, then, we have a factory increasing almost

miraculously the output of socks for workmen, and and at the same time reducing the number of its own workmen almost to a negligible quantity in comparison—immense production and practically no consumption.

I will interrupt the argument for a moment to notice one or two other phenomena which this factory brought to view—and it was a much better factory than the average, and managed by men of liberal ideas. And one of the things which impressed me was the rapidity with which the boys and girls worked. The boys were given just as many machines to superintend as they could, and I could hardly see the hands of the girls as they flew nervously from sock to sock. "It is strange," my guide said to me, "but somehow the girls seem to mind the work more than the boys. They have a way of collapsing every now and then, and when they collapse they are not good for anything for the rest of the day. We have had to provide a room to which to take them when they collapse." It did not seem so strange to me, but it made me think of the speed of American labor. We are often told that it is the curse of trade unionism that it strives to reduce the pace at which men work, and to diminish the output, and philanthropists have brought English workmen over as pilgrims to learn the gospel of speed at its sanctuaries in New York and Pittsburg. But surely speed is not an unmixed blessing. To sacrifice the nerves of human beings to the manufacture of telegraph wires, to offer up flesh on the altar of cotton—is this the wisdom of civilization? If it is more important to manufacture healthy citizens than machine-made things, then indeed the trade unions have something to say for their policy. And there is an element of insanity in this mad race of overwork between the manufacturing countries—an insanity which shows itself again and again as we examine our industrial system—an insanity which condemns children of seven years to work for thirteen hours a day (or, worse yet, a night) in our cotton mills; which con-

siders the accumulation of money beyond all possibility of enjoyment as a rational object in life; which subordinates every consideration to gain; which makes our stock exchanges resemble assemblies of madmen, and which fills our lunatic asylums and sanitariums with broken down money-seekers, and our morgues with suicides. No unprejudiced person can go into the deafening din of one of our factories without seeing for himself that the pace is far too fast and the hours far too long, and yet our business people are calling for greater speed and higher pressure! It is madness and nothing else! Let us put a stop to this wild revel of production, and if this means smash, by all means smash let it be. Are human beings to be sacrificed forever to the manufacture of gimcracks? Let us found a community for the manufacture of sound and sane men and women; and let the machinery come in incidentally if it can, and if not, let it go. The race of manufacturing, like the race of armaments, is a symptom of the Wall Street-Washington disease. It is a horrible fever that we must get out of the blood. And the first remedy is to prevent the congestion of unearned wealth in one part of the body politic, while the rest is suffering from marasmus. Our Wall Street friends wish to cure the patient by raising his temperature and increasing his pulse. But what we want is not more fever, but more calm—less intensity, more sanity.

Another phenomenon which this factory showed me was the passing of the man. Outside of the packing room and the counting room, there were no men in the place. Boys and girls alone are wanted, and when they pass a certain age they become superannuated. In this particular establishment I should say that the deadline was drawn at twenty-five at latest, except for packing purposes. It has become a general complaint that men of forty or more can no longer find good work. Either they cannot keep up the pace, or they are already worn out by work—or children come cheaper. But a world without grown men and

women will be a queer place, and how are we to prevent the young from growing old? It may be necessary in time to provide a public lethal chamber in which they may be humanely suffocated at maturity by a Society for the Prevention of Cruelty to Grown People.

And again, this factory reminded me of the relentless fight for markets which such an augmentation of production at the expense of consumption must lead to. Here is the very source of the evils of competition. That benign law by which if ten men do a certain kind of work, those who do it best are encouraged to continue in it, and those who do it not so well are invited into other more fitting occupations; which under favorable circumstances tends to provide the public with the best things, and to make every man secure the most useful post—this wise and inevitable law of competition has been transformed into a curse by the divorce which we have pronounced between labor and consumption, and by our own folly we have turned the effort to produce the best into the struggle to produce the cheapest, with the attendant evils of adulteration, shoddy manufacturing and jerry building. Here, in this fact, lies, too, all the secret of imperialism, the exploitation of feeble countries, the forcing of goods at the bayonet's point upon nations who do not want them. We have destroyed our own market, and in its place we must steal the markets of others. And the quarrels of the great powers among themselves are due to the same search for markets, and so are their customs wars, their standing armies and navies. The inability of the workman to buy the value of what he makes is the root of almost all our economic and international ills. I do not know who the customers were who bought the five thousand dozen socks which came into existence upon the day of my factory visit, but if a few months later half clad Moros were found in the jungles of the Philippines wearing proudly blue socks with white heels and toes, it would only be a natural outcome of the situation.

But to return, and to generalize a little upon the facts which this factory presents. As invention proceeds, the small boy will play a greater and greater part in our economy, and the time may come when a mere company of lads may be able to do the work of a metropolis. What shall we do with five thousand dozen pairs of workmen's socks a day, when there are no workmen left to wear them? Is it not possible that we are coming to a crisis, and this, too, without taking into account the work of agitators and walking delegates? It is true that we have succeeded in weathering the gale so far after a century and a half of invention, but we have had the isles of the sea to exploit, and they will not last forever. Imperialism is a safety-valve of limited capacity, and, as we have seen, it involves the possibility of unlimited "pauper" competition. Furthermore, if we have weathered the gale, we have hardly done it with flying colors, and there has been an amount of misery, destitution and drudgery, in spite of our new iron slaves, of which we ought to be ashamed. When there are no archipelagos left to assimilate and no continents to delimit, I think it is not illogical to anticipate greater trouble. We may then find ourselves with huge piles of goods on one hand, and an army of penniless unemployed on the other—a condition not favorable to peaceful evolution.

And an unemployed man, anxious to work and unable to find work to do, is the worst symptom of the derangement, and is becoming one of the most common. It is estimated that there were a million such men in the United States during the depression which lasted from 1882 to 1885, and a still greater number in 1893 and 1894. When smallpox or scarlet fever breaks out in a town there is usually a good deal of consternation. Red placards are put upon the infected houses, families are quarantined and mothers worry over their children. But an able-bodied man seeking work in vain is a symptom of far more dangerous disease, and ought to cause us much more alarm; and

yet we have let this disease become chronic, and it can only end fatally, if it is not treated properly and cured. The working class in protesting against lack of employment for all, is fighting for its life. It does not wish to be supplanted entirely by machines. By the law of atrophy an organ which has no useful work to do, wastes away and disappears, and if only a handful of workmen will be needed in the future to direct the machinery, the working class as a class will disappear. But there is another army of unemployed which may also tremble at the prospect, namely, the stockholders, who are not themselves actively engaged in work of any kind. They will just as surely fall victims to atrophy in the long run, and polo, yacht racing and bridge can only postpone the day. In fact, unless we mend our ways, the machine is almost the only member of society which can look forward to the future with equanimity.

Let us suppose, however, that, contrary to the probabilities, we continue somehow in the future as in the past to find markets for our goods, with plenty of panics and hard times and riots, it is true, but still without absolute shipwreck. Evidently this can only be done by finding an outlet for the enormous sums which come into the hands of the monopolists. Their share of the product of labor has become steadily greater and greater as invention has been added to invention, and this will continue to be the case, thus aggravating the difference between the worker's productive and consumptive powers. The boy who turns out today 1,200 pairs of socks receives, for instance, far less of the price which they bring than did the hand-knitter of the eighteenth century, who, as a matter of fact, got it all. Some outlet must be found for this accumulation in the capitalist's hands, and the most obvious one is in the direction of luxuries. I see an example of this means of getting rid of money in the neighborhood of my own home. Within a few years a large number of the workmen of the vicinity have gone to work at raising violets, and about one hundred

and fifty hothouses have been erected by as many individuals to supply the New York market. Men who used to employ their time in cultivating corn and digging potatoes, are now engaged in the more aesthetic, but perhaps less useful, labor of tieing up bouquets. The result has been the avoidance, at least partially and for a time, of an unemployed question. So long as fortunes were moderate, luxury might undertake to keep pace with riches, and an equilibrium could be preserved, although it was one which involved wide differences in the standard of living and was hardly consistent with democratic ideals. But within a few years fortunes have become so vast that it is impossible for the owners to spend an appreciable fraction of what they receive upon themselves. Some of these rich men have endeavored to do something toward righting the balance by indulging in orgies of charity, quite beyond the most extravagant dreams of earlier times, but their charities are but a drop in the bucket, and the attempt of Mr. Carnegie to die poor will remain one of the magnificent failures of history. I am sure that they must have felt, too, that they were reducing charity to an absurdity surely and speedily. In the old days when a young man left his native village and made his tiny fortune in the city, and came back in his old age and built a modest public library there, there was something graceful in the act. The way in which he made the money was probably consistent with the best thought of the time, and the community accepted the gift gratefully and without any loss of self-respect. But this overflowing of millions (and we have now some conception of how they were accumulated), this circle of mendicant municipalities with hat outstretched—I do not wish to be ungracious, but there is something nauseous about it all, and I am sure the donors must be sensible of the fact. It used to be a noble act for the alumnus of a college to present it with a sum of money as a token of his gratitude, but this piling up of million upon million, until the presidents and professors actu-

ally smell of it, is quite another matter, and it grates upon sensitive nerves. To future ages these massive library and university buildings will remain as monuments of our degradation. From the point of view of charity, too, the result is bad, for smaller givers are discouraged, and charitable institutions complain that on the whole they lose rather than gain by the system of prodigious giving. The determination as to which city shall have a library and which university shall flourish, when it is exerted in so wide a field, is an act of sovereignty and should not be permitted to rest in private hands. It is one of the marks of a real plutocracy. We often hear of the evils of pauperizing poor people by indiscriminate charity, but it is surely worse to pauperize rich communities. The adage, not to look a gift horse in the mouth, has come down to us from an age in which the value of a horse was a great gift, but it is hardly applicable to a civilization in which colossal endowments have become an important industrial phenomenon. We might let a horse pass, but we are bound to look a mammoth in the mouth. And what is an endowment? At best, and if the donor honestly came by it, it will not stand a too rigorous examination. It usually consists in great part of the transfer of some unjust privilege, and it operates by forcing one part of the community to work *in perpetuum* for the benefit of some other part of it. If, for instance, the endowment consists of stock of a trust, it may be pure "water" and hence represent nothing actual whatever, or it may represent an unjust tariff privilege bought over the counter in the Ways and Means committee-room, or it may stand for unearned increment of land. In so far as it represents merely plant and machinery, these things are extremely perishable in their nature and may have no value in ten years. And yet this perishable property, the only thing left of which private property can justly be predicated, is made the basis of a permanent mortgage upon the community for such and such an income forever, to be paid to such enter-

prise as the donor may choose; and the habit of insisting upon an equal contribution from the community merely doubles the mortgage upon it. This is mortmain superadded to plutocracy. We shall have to thank these gentlemen, however, if they open the eyes of the public to the inherent defective character of charity as a permanent basis for the well-being of society. We may then at last be forced to turn our attention to justice, an attribute which is as certain, satisfying and effective, as charity is uncertain, insufficient and futile.

Failing luxury and charity, the accumulations of the very rich must seek investment, that is, they must endeavor to transform themselves into new capital—railways, manufacturing plants and so forth. It is right that a portion of the income of the country should be applied to such purposes, but a small margin devoted to such uses is quite enough, and at present this matter of industrial expansion is greatly overdone, on account of the great aggregations of wealth in a few hands seeking employment. There is no sane reason for being in such a hurry to develop the country, when such development must in the nature of the case depend upon a reduction of wages, for the money put into such enterprises consists, in large part at least, of the margin abstracted from wages. What is it to "develop" a country? It is to invite workmen into new regions or into new industries. But this operation involves the existence of a class of unemployed, or else the old industries could not spare them. If, however, it is true that "products are buying power," they should all absorb themselves, and there would be no unemployed, except the small natural growth of population. It is, then, the derangement caused by the unfair distribution of the products of industry which is responsible, on the one hand for the vast accumulations seeking investment, and on the other for the supply of unemployed to make these investments fruitful, and both at the expense of the insufficient wages of the mass of the population. Rapid "development" of a country is not,

therefore, necessarily an object for boasting, and the development of men is more important than the development of natural resources. It is not a bad thing to have on hand a reserve of unsettled land and unworked mines, ready for future emergencies, and it is a pity to grow at the cost of our strength. England has spread all over the world and is now appointing commissions to examine into the physical degeneration of her people at home. The two things go together, expansion and malnutrition, developed dependencies and undeveloped physique.

Take a country like the North Western provinces of Canada, where they are moving heaven and earth to secure immigrants. Why do they want them? For one reason only, to make money out of them. If it were expected that each of these immigrants would receive the full value of his labor, there would be very little enthusiasm over them; but it is well known that they will not, and they are wanted for the margin, whatever form it may take—unearned increment, watered stock or other such values, and the capital which will enable them to work has already been taken from them and their fellows in their former places of labor. In America especially it is evident to any traveler that it is far better to finish what we have begun than to leave a half-completed country behind us and press on into the wilderness to half-civilize that. Paul Bourget described Connecticut, on his first run into the country from New York, as a land of backwoods, dotted with sewing machine and bicycle factories, and the description is not inapt. If the workers in those factories got the full worth of their labor, Connecticut would blossom like a rose, and there would be no talk of abandoned farms and of young men forced to go West for lack of employment.

Doubt is sometimes expressed as to whether, without the accumulations of the rich, there would be a sufficient reserve to provide for the proper expansion of industry. No one who considers the

vast amount of savings in our savings banks can long entertain this doubt, and when wages cover the full value of labor, savings will be still larger, and it is quite possible that they would be too large for the best interests of the country. There is a subtile fallacy in the idea of saving. It enables the individual in time to rise above his fellows, and, if he saves enough, to be entirely supported by them—a dead weight upon society; but this can hardly be considered a public advantage. If you were engaged in a regular trade or profession in a community, you would not wish your neighbors to save, but rather to spend their earnings and thus cause money to circulate in your direction; and the greatest prosperity, other things being equal, would be caused by all of them spending nearly all they earned. The reserve should not be greater than is required to set the unemployed natural increase of population to work, sufficient funds having been retained to keep existing plants at the highest point of efficiency. In America the arrival of many thousands of foreign immigrants complicates the problem, but does not alter the natural law. These immigrants come because their wages are in large part filched from them at home, and the resources of their countries monopolized. But beyond this the immigration is largely produced artificially by the agents of steampship companies and others interested in removing a population which injustice has made superfluous. Be this as it may, in a country where all products were buying power in the hands of the producers and therefore absorbed themselves, there would be no trouble in finding useful work for any possible number of immigrants; and as soon as a similar state of things existed in their old homes, it would be impossible to persuade them to emigrate.

One of the commonest economic fallacies, uttered by professors and economists and captains of industry until it has been accepted as an axiom, is the statement that a rich man only costs the community what he consumes, and that, no matter

how great his income may be, if he spends it in new enterprises employing men, the community loses nothing by it. With all due respect to the wise and learned men who are responsible for this pronouncement, it is necessary in the interest of truth to stamp it as the veriest nonsense. The community loses by every penny taken from it, no matter how it is spent, unless indeed it comes back in charity, a method which has, as we have seen, its own drawbacks. A burglar breaks into my till and steals a hundred dollars. He may spend that hundred dollars in my shop; but I am still out one hundred dollars, for I give him an equivalent for all that he buys. He may use the hundred dollars in building a mill in which my unemployed son may at some future time find employment; but I am still out a hundred dollars, for my son will give a full equivalent (and probably more) for every penny he draws. It is very difficult to preserve respect for the wise when they preach such folly, and tell us that after all, even if the rich do take some of the earnings of the poor, the poor lose nothing by it for it all comes back to them. It may come back to them, but it only comes back when they have earned it a second time. And the new mill of our burglar friend could not be run, unless there were a lot of unemployed men in the community, which of itself shows a diseased state of industry. No, it is not necessary to filch from workers a share of their products in order to set them to work, and it is only in a disorganized community that such an argument could seem to be plausible.

Look at it from the point of view of a workman. You are a large landed proprietor, you employ a hundred men to work on your farms, and I am one of them. You are able to shave down our wages so that every man does two dollars' work in a day for one dollar of pay. I complain to you that you are taking a dollar a day from me. "Oh, never mind," you say. "I will spend that part of my money in new investments and you will be employed on them. Your dollar

will surely come back to you." The next year you build a great macadamized road for your farms, and I am set to work at it, and at the end of the week when I go for my dollar-a-day pay, you say, "Now you see, don't you, that you are getting your dollar after all?" And it is true. But, alas! it is a dollar that I worked for once last year, and I am working for again this year. It has been earned twice and paid but once, and as I am again receiving but one dollar for two dollars' work, my present credit ought to absorb it twice, and leave nothing over to be credited on last year.

It is really a matter of bookkeeping. I am a multi-millionaire and my income is a million a year, and I spend all of this on building new railways. I take a million dollars from the community, and this must be charged against me. I spend a million on railways, and this must be credited to me; but I only do it when I am sure that I shall get it back again, and usually with large profits besides. So here the charge of a million dollars, with sundry accretions, crops up again, and so long as I go on investing successfully it will not down, but on the contrary will go on increasing. And if any part of the original million was taken unfairly from the wages of workmen, they have lost it and lost it absolutely, and the books would stand just as favorable to them if I threw the million into the sea. If all my transactions after getting the million balance exactly or even show a profit for me, I cannot extract from them a credit with which to balance the original debit. For every penny of the original million which had been allowed to remain in the hands of the workmen, they would have been that much better off. It may indeed be maintained that a community is just as rich after a burglary as before, and that hence burglaries have no disadvantageous economic effects. This is so if we include the burglar in the community; but it is an odd kind of bookkeeping which allows a burglar to set his profits off against the loss of the rest of the community. The fal-

lacy arises from including the burglar in the community. When we are considering a man's relations to a community, and the effect of his acts upon it, we must in our argument separate him from the community, and distinguish his gain from its gain.

Mr. Carnegie is the most distinguished champion of the present state of affairs, and he openly defends the present system which pours a large share of the national income into a few hands. It is a good thing, he assures us; and he declares triumphantly that the working classes are best off in the lands where there are most millionaires—better off, for instance, in America than in England, and in England than in France. I doubt if this is strictly true, and it might be argued that there is more pauperism in England than in France, but let us admit his facts for the sake of the argument; what do they prove? Merely that laws which favor the annexation of other people's earnings work most successfully in the countries where there are the largest earnings to annex—or, in other words, that parasites thrive best on fat and full-blooded animals. A workman does well to prefer the land which contains the most wealth; but it is hard to see how its widely unequal distribution can help him. On the contrary, it is an indication that the wealth which he produces will be divided in the same unequal manner. The real paradise for the workman and for all men, would be the land where labor received the full value of its product.

Another justification of the "rake off" on wages practiced by employers is that the employer is worth it to the workman. For instance, you say, there are a thousand unemployed workmen. A captain of industry comes along, builds a mill, and shows them how to earn a living. Is he not entitled to all he can make out of it? and is not this gain the measure of the value of his labor, which might have entailed loss as well as profit? I answer: No, because the whole foundation of the experiment was unjust, involving the existence of

an unemployed, or ill employed class, which condition is the result of injustice. This Moses who led to the Promised Land of employment was made possible by the hardships of Egypt, which were caused by his own class. He cannot plead his own wrong-doing in his favor. The demand for "captains of industry" is largely caused by the state of industrial war in which we live. When peace, founded on justice, is once declared, and the work of finding markets, satisfying stockholders, and crushing rivals is finally abandoned, it will be seen that the direction of industry is a comparatively simple affair, and that its wages can be fixed with moderation and certainty, free from all speculative and extraordinary considerations.

CHAPTER VI.

Plutocracy.*

Third Fisherman: "Master, I marvel how the fishes live in the sea."

First Fisherman: "Why, as men do a land. The great ones eat up the little ones. I can compare our rich misers to nothing so fitly as to a whale, 'a plays and tumbles, driving the poor fry before him, and at last devours them all at a mouthful; such whales have I heard on o' the land, who never leave gaping till they have swallowed the whole parish, church, steeple, bells and all . . ."

Third Fisherman: "If the good King Simonides were of my mind, he would purge the land of these drones that rob the bee of her honey."—Shakespere, "Pericles, Prince of Tyre."

Many years ago Mr. Carnegie, defending the system which we have been examining, expressed his view of the Golden Age of industry as follows:

"The millionaire will be a trustee for the poor, entrusted with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself."

We have sufficiently undermined the economic aspect of this frank statement, but it has also a political side. It is surely inconsistent with any genuine kind of democracy, and it means plutocracy and nothing else. The absolute power of concentrated wealth is already showing itself on every hand. Even in its best forms it is objectionable. I question the advisability of allowing a single man to judge where libraries shall be placed, and where not. But the same power shows itself in many other fields besides that of charity. In in-

*A portion of this chapter appeared originally in the New York Independent, and is reprinted by permission.

dustry it is supreme. Each trust governs its own field. It refuses to sell to those who buy from its rivals. It crushes out its rivals by cooping them up in a restricted area by railway freight discriminations, and by then selling below cost in that area. It punishes relentlessly all exhibitions of independence, and before long its supremacy is conceded by all, for trusts based on monopoly are impregnable to competition, and they can limit production and extort artificial scarcity-prices at will. When a trust is formed, several of the plants composing it are usually discontinued. Full compensation is made to the owners for the resulting loss of income, but no attention is paid to the workmen, and sometimes hundreds of them are left in a small town to look out for themselves. If they have adopted the advice so often given by employers of saving their wages and buying a little home for themselves, their condition is much worse. It is the livelihood stolen from such men that goes into the "watered" stock of the trust. Such acts of oppression to communities are sometimes committed for other reasons besides consolidation. A cotton mill was recently pointed out to me in a Connecticut town. It had been running for about half a century and was the principal industry of the place, but it was suddenly closed and dismantled upon a few weeks' notice, and removed to a Southern State in which there is no statute to interfere with child labor. It was a most serious blow to the town, and I was told that a number of the shops on the chief streets had been forced to close in consequence. Debt, destitution, and economic disorder had followed a long period of prosperity. The facility with which communities can be thus injured has suggested to trust managers the possibility of punishing communities in the same way. When the mayor of McKeesport expressed his sympathy with the strikers in that city, the representatives of the Steel Trust did not hesitate to threaten the place with ruin by removing its mills, and I believe the work of removal was actually begun. Under our pluto-

cratic system capital has really become more mobile than labor, and plants can be closed or opened here and there, as the communities may seem to our industrial rulers to deserve them or not. A submissive town may receive a library or a college on the charitable side, and a rolling-mill on the industrial, as prizes for good conduct. Before long the same principle may be applied to railways and telegraphs, and a city may be put into a state of siege because it dares to question the divine right of monopoly. Surely we are confronted here with acts of sovereignty—acts indeed which a Russian Tsar would hesitate to exercise.

Another form of industrial absolutism is the power to fix prices. To make us pay 30 dollars a ton for steel which the same people sell abroad, and we may be sure at a good profit, for twenty dollars, is nothing less than the sovereign right of exacting tribute, and so it is with charging a dollar for half-dollar gas. Our ancestors made a good deal of commotion over ship-money and tea-taxes, but these exactions were trivial compared to the imposts levied on free America by the monopolists. It would be interesting to know what Benjamin Franklin or Samuel Adams would say if they were forced in our day to give five cents for a three-cent ride on a street-car, and made to hang on a strap when they had paid for a seat. I am inclined to think that their language and actions would again be unparliamentary. For industrial oppression is a more vital thing than political oppression, and quite as good a justification for revolt. After dethroning kings and abolishing aristocracy, are we to submit to the dictates of oil-pumpers and pork-packers? The question answers itself. In one way or another we shall rid ourselves of this undemocratic incubus, the offspring of our own folly in permitting the growth of monopoly. The secret of the success of our present rulers consists in excluding the great public from the natural sources of wealth—the mines, the forests, the valuable sites, the franchises of the highways for pipe and wire and rail, the ac-

cess to cities and ports, and the right to carry wealth where we please; for this is monopoly—at best the deprivation of others of their equal rights in the gifts of nature,—at worst the fruit of bribery, of the prostitution of law, of dishonest finance, perjured statements, gambling, cynical indifference to suffering, and the subordination of all other passions to vulgar avarice. Whatever may be the conscious motives of the men engaged in advancing this system, it is in practice a huge conspiracy to enslave the people by monopolizing the necessaries of life.

But if it is contended that industrial power and political power are quite different things, and that while it is admissible to rise against political tyrants, the same rule does not apply to the industrial world, even then, accepting this illogical position, we may still show that our plutocracy is a power almost as absolute in the political field as in the industrial. Its industrial existence depends upon legislation—the tariff, the railway, land, patent and other laws—and hence it needs political power and has not scrupled to obtain and wield it, making and breaking laws with equal complacency if its interests seem to require it. When the tariff schedules are being arranged at Washington the Ways and Means Committee room becomes the focus of national corruption. In the same way the State legislatures are held in the hollow of the hand of the trusts. It is often a matter of common knowledge which railway governs a State—The New York, New Haven and Hartford Railroad, for instance in Connecticut and Rhode Island, and the Pennsylvania Railway in New Jersey—and when the president of the Senate recognizes a member as the "Senator from New York" or the "Senator from Ohio," he might more truthfully say the "Senator from the New York Central Railroad" or the "Senator from the Standard Oil Trust." With the preponderating power in legislation, the plutocracy has also great influence with the courts. It is natural that the richest combinations should employ the best lawyers, and

that in time the best lawyers should be placed upon the bench, and it is thus pretty certain that a judge will sympathize with the money power. This sympathy is not always Platonic, but even when it is, it is dangerous to democracy. In the hands of these judges the injunction has become a class weapon used in labor disputes for the benefit of the employers. A lawsuit is a controversy between individuals, and an injunction is a mere incident in a lawsuit, and yet it has become a method of governing entire communities and preventing citizens from assembling peaceably in their own halls to discuss their own affairs. This is a legislative and not a judicial act, and if judges ought to have such power it should be given to them explicitly by the legislature, but it has never been so given. They have gradually usurped it in the interest of the employing class. An injunction does not, as is often erroneously stated, interfere before an act is committed, but it provides a speedy punishment after it has been committed, with a summary trial before the judge alone who granted the order, and who is thus really a party in interest. The contempt is tried upon affidavits; the accused has no right to cross-examine, or even to be confronted with the witnesses; a jury is refused to him, and the consequent imprisonment lasts invariably until the particular trouble between capital and labor is over. The result is that an injunction usually terrifies a whole class of men into obedience. It is effective; it combines absolute legislative and executive powers with those of the judiciary; it is autocratic; and it has become one of the props of the plutocracy. The phrase "government by injunction" is no misnomer. In some of our States, in West Virginia particularly, the governor and legislators must feel small indeed when a Federal judge comes in sight and sets up his court in their capital. He comes as a satrap, not to settle disputes, but to govern, and incidentally to lecture the working population upon their duties. It is surprising that the people have submitted so long to this abuse.

But it is not enough to control legislatures and courts. The powers of these institutions rest in the last instance upon the military arm, and plutocracy must command this too. The act reorganizing the militia, passed by Congress in 1903, although it was somewhat improved after it left the hands of its promoters, is a measure of centralization, designed to give the President power to order any part of the militia to any part of the country, to place any officer he pleases in command, and to pay the expenses of his campaign without asking the people for funds. This act becomes ominous when at the time of its passage we hear of the distribution of muskets to the State troops—arms of an improved pattern and especially adapted to use against mobs in cities. In harmony with the same policy is the great increase in the number of militia armories in our towns, specially built so that they may be defended, and the growing disposition to establish garrisons of the regular army near the great centers of population.

And the many defects of our government, its lack of loyalty to the people and its corruption, are rooted in the plutocracy that uses it for its purposes. Every now and then a great and honest effort is made to purify some branch of our government, that of the municipality of New York for instance; but the reformers fail to see that it is the ethical foundation of society itself that must be overhauled. The trouble is dishonesty, and this dishonesty pervades the whole social fabric. It shows itself frankly and indecently in Tammany Hall, but it is probably for that reason less dangerous there than on Wall Street or Fifth Avenue. The fundamental dishonesty is the living upon other people's labor; and society is diseased because almost all its members either live in that way, or are doing their best to acquire the privilege. The successful man in well-nigh all circles is the man who gets money without earning it, and this successful man is the ideal of Good Government Clubs and Young Men's Christian Associa-

tions even more than of Tammany Hall. The "lower classes" are no more dishonest than the rich; they are simply less hypocritical. If their representatives take bribes more openly, they know instinctively that much that passes by the name of rent, interest and profit is just as corrupt, and that a reform party convention is likely to be as unanimously dishonest as a Tammany district committee.

We talk of curing municipal corruption by the introduction of "business" methods, but it is business itself which produces the evil. We might as well expect to cure cancer by an application of the bad blood that caused it. It is the business man, the Wall Street man, with his relentless instinct of grabbing all that he can get and striving in this way to secure an assured position on the shoulders of others, who sets the pace for Tammany Hall. And indeed the connection is much more direct than this. It is really such business corporations as the street-railway companies that control our municipal governments; and this takes us back to the fashionable clubs and churches frequented by those who own and direct these companies, and to the universities where their sons are educated and which are engaged in a scramble after their accumulations. It is the unjust distribution of wealth which produces the poverty and the riches that are favorable to vice, and at the same time renders possible the amassing of vast sums in a few hands, the prolific source of municipal bribery and corruption. We can never successfully and permanently cure the evils of our political life until we endeavor honestly and earnestly to assure to every citizen his own earnings. Honesty cannot stand on a narrower basis.

Dominating the world of industry and politics, the American plutocracy is asserting itself no less definitely in the social world, and is thus becoming a true aristocracy, for aristocracies have always ruled all three. Hitherto there has been no true aristocracy in the United States except that of the slaveholding oligarchy of the South. For a

long period of time they held the political power, not only of their own States but of the nation. They owned the rural land, and in an agricultural community, depending upon its corn, tobacco and cotton for its wealth, this gave them the local monopoly of industry; and finally, no one ever ventured to question their social superiority in their own region. For the most part aristocratic pretensions based upon political power, wealth or social prominence have been divided in America, and hence a true aristocracy could not spring up, for the public openly questioned and resisted these fragmentary claims to superiority. New families obtained wealth and old families lost theirs, and men prominent in politics or in other fields might have a high social position without money. It has been this lack of a definite rule by means of which to ascertain who the real aristocrats were, which has made democracy in social matters approximately possible in America. In the absence of a centralized hierarchy the individual was able to claim social standing upon his own merits with some hope of success.

So much for the America of the past. But today it is changing under our eyes, and we are beholding the founding of a new aristocracy with all the hall-marks of the genuine article. The multi-millionaires of the country already control the industrial situation, and they are supreme too in political affairs. Our Senate is a plutocratic club, which has succeeded in completely overshadowing the more popular branch of Congress. The words, "a syndicated presidency," have been spoken, and truthfully spoken, by conservative lips, and no single occupant of the White House can long stand up against the drift of events. But hitherto the great plutocrats have cared little for social prestige. Power, money, luxury were enough for them, and they did not think of founding a system of caste. The older members of the guild still persist in being unfashionable and in attending unfashionable churches. But fate (in which general term must be included their wives

and daughters) has been too strong for them, and almost imperceptibly the new caste is in process of formation. A young man who should now have the misfortune of coming into a fortune of fifty millions of dollars would be unable to keep out of the vortex. No matter how simple his tastes, the leaders of society would swoop down upon him, and he would be forced, *nolens-volens,* to set up a steam yacht and a private car; he would have to buy a house near the Plaza and entertain like a prince. His duties are as clearly marked out as those of a royal duke, and to shirk them would be as deplorable a crime as Dante's *gran rifiuto.*

Wall street is the true plutocratic capital, and the new aristocracy is naturally taking shape in the city of New York. Like all truly vital processes, this growth is but the evolution of a previous organism—namely, the old local society of the Empire City. The Knickerbocker quasi-aristocracy of half a century ago has adapted itself to its new environment, and Wall street has triumphed over Fifth avenue. Wall street, be it remembered, is no local thoroughfare; it is a national institution. And so Fifth avenue has become a national institution, where the multi-millionaires of Oshkosh and Kalamazoo have begun to crowd out the more or less authentic escutcheons of New Amsterdam. Father Knickerbocker with a golden spoon is taking the cream off the millions of the whole country. I was walking uptown a few months ago with a Wall street financier.

"Do you see that house?" he said. "It's just been bought by Mr. Blank. Did you ever hear the name?"

I admitted my ignorance.

"Well," he continued, "I never heard of him either till last week. He's from Podunk, and he's worth twenty millions."

Then he pointed out another house, recently bought by another unknown visitor who was rated at thirty millions.

"I'm hearing of new men worth twenty and

thirty millions every week," he said, "and I don't know where it will all end."

A Western man who buys a house on the avenue is pretty likely to have social ambitions, even if he only holds them in the name of his wife, and if Ward McAllister, the Beau Brummell of the seventies, could come back to earth he would hardly recognize his "four hundred." That excessively light brigade has been undergoing a serious transformation under the pressure of gold. Its standard of wealth has been raised at least tenfold in the past twenty-five years, and perhaps more. A young bachelor with a million dollars of his own is to-day considered fairly well off, but he can hardly be looked upon as a marrying man. For a match-making mother to give her daughter to him would be to condemn her to comparative penury when the day of the billionaire arrives. It is generally admitted by the best authorities that a couple can marry safely on five millions, but there is no telling how long the quotations may remain at that figure. Ambitious men with a fortune of that size ought to marry at once while the market is favorable. A man with ten millions is still rich. Whether "very rich" begins at the thirty or fifty million point is a mooted question which I shall not presume to answer. No one with less than a million dollars, married or single, can hope to maintain a footing for long in the charmed circle, unless he or she has some especial talent for entertaining. Traces of the old local society still remain, sufficient to remind one of the time when the test of admission was that the dowagers knew the applicant's father or grandfather. Occasionally some member of the new society who was brought up in the old gives a ball to which both circles are invited, and the new plutocratic aristocracy is forced to rub up against plain people who openly admit that they cannot afford to keep a steam yacht. All the honors of this trying situation rest with the newcomers, and Wall street has definitely won the day. If we ask, Where are the old Knickerbockers? echo answers "Ichabod,"

their glory has departed. And thus from the old local, provincial society of New York which recognized the society of Boston or Philadelphia or Baltimore as its equal, has risen up a national aristocracy based upon the watered stock of enormous financial combinations. We could afford to laugh at the antics of the "four hundred" so long as they represented nothing but their own imaginations, but now that they are beginning to represent the same political and industrial monopoly which marked former aristocracies, and that their pretensions are rooted in fact and not in fancy, we are obliged to take them seriously. It may be asserted in criticism of this simple historical record, that we see a similar society at Washington. Such objectors forget that Washington is a mere winter suburb of New York, just as Newport is its summer suburb; and that if you dig in Pennsylvania avenue you will find Wall street under it.

A state of society in which one particular caste rises to the surface, involves the stratification of all the inferior groups. If wealth is the measure of fitness for the highest rank, wealth is likely to be the test also for the lower grades, although intimacy with the upper class, and consequently residence in New York and under the shadow of the court circle, will doubtless have its influence. As the new state of affairs becomes more settled, some ceremonial similar to presentation at Court may have to be invented as a mark of definitive acceptance into the inner circle. As it seems likely that we shall continue to keep up the forms of republican institutions, and any dynasty which may establish itself will probably seek the seclusion which the counting-house grants, it may be wise to depute this ceremony to the British Crown, which will doubtless be glad to perform it for the usual fees. And here we may note that New York's geographical advantages are not confined to its waterways, but as the jumping-off place for the Court of St. James it can well treat with contempt any hopes of future rivalry which Chicago may entertain. Our own *fac-simile* of Park Lane is all

very well in its way, but it is proximity to the real Park Lane which counts for most in the end.

Is there any danger to the national character in the establishment of such a social hierarchy as we have outlined? To answer this question we must bear in mind the true social ideal, and determine whether we are advancing toward it or receding from it, for morality is rather a question of direction than of absolute standards, and we can cheerfully accept a comparatively low state of society if it is headed in the right way. Society means the grouping of men and women, and clearly this grouping should be according to their wants and characters and not according to such an extrinsic matter as wealth. The ideal society would be one in which each individual was free to develop his own character and to seek out those who are congenial to him. Equality of opportunity would be the motto of such a world, and anything which tended to divide people into castes or to make their classification depend on extraneous things, or which interfered in any way with perfect social freedom, would be injurious. Some critics argue that such social equality would produce a dead level of monotony, when as a matter of fact it would produce just the opposite effect, giving each individual an opportunity to be as different as possible from the rest. In such a free field the only true aristocracy would develop itself, that of pre-eminence in character or ability of any and all kinds. In such a society there would be no "village Hampdens" or "mute, inglorious Miltons" for each member of the community would have access to the environment which his talents and character deserved. And he would not only have this advantage, but he would have a vastly wider field in which to search for congenial friends; and the fruitage of genius, which is a benefit to all mankind, would be enormously increased. No such society has ever existed, and it is quite possible that it never will exist, but we must measure our position by our distance from it.

And now it is evident that a society based on

the concentration of wealth marks a departure from this standard. Our American society hitherto has been more or less fluid, and we have partly realized Napoleon's ideal of the "career open to all the talents." The stratification of society on a scale of wealth with fixed and rigid classes separated from each other by almost impassable barriers is a menace to the free development of the individual and to the existence of a natural and spontaneous society. Of all grounds of distinction wealth is the most material and sordid, and by applying the single gold standard to men and women, we attract into the field of money-making the most ambitious and virile of our youth. Literature, science, art, will of necessity be left to the weaklings and failures, and their professors will be chained to the car of Mammon. Imitation will take the place of originality and vulgarity supplant self-respect. Supercilious conceit will reign on one hand and servility on the other, and the worst of it all is that society will be founded upon a lie—upon the theory of an inherent difference between classes which does not exist. Beneath all the superficial smoothness and elegance of such a society will smoulder the envies, jealousies and heart-burnings which a system of caste always engenders; ready, too, to burst forth in the shape of red-handed outrage, for it is easier for Americans to bear political oppression and economic injustice than the false assumption of social superiority. It seems, indeed, less likely that the people will submit to social arrogance than to the other forms of plutocratic usurpation; at least it would seem so if the American people are to retain their old-time self-respect and sense of independence. And yet the manner in which they follow the vapid doings of the new society in their journals, the awe which they exhibit in the presence of foreign princelings, the way in which such conspicuous badges of rank as gorgeous private cars on our railways are accepted as a matter of course,—straws such as these may perhaps indicate a gradual change in the national character. It is

the curse of caste that it elevates, or seems to elevate, one portion of society at the expense of the rest. You cannot have masters without slaves. England may boast of the culture of its peerage, but it involves the boast that she has the best servants in the world, which being translated means that Englishmen make the best menials. It is to be hoped that this unique title to fame may never be won by America.

Can lovers of their country look with indifference upon the appearance within it of a new ruling caste, predominant in industry, politics and society? Is it not high time to take thought for the safety of the republic? Is not such a ruling caste a public danger? I have been taken to task for asserting that in this caste are to be found the "dangerous classes" of society, rather than in Tammany Hall or in our prisons and jails; but surely if the aristocracy of the time of Louis XV formed the dangerous class of France, our new aristocracy stands in the same relation to the commonwealth, and if a revolution is to be averted we must profit by the lessons of French history. If I were a detective and were asked by my chief to apprehend the ringleaders of the dangerous classes in America, I would not go to the "Tenderloin" district of New York; I would not go to the Bowery or the East Side; I would not go to the State Prison or to the Tombs. I would direct my steps to the hall of the Chamber of Commerce or to the offices of the trusts, for in them lies the real danger. The dangerous class in a republic is the class dangerous to the republic. Ordinary criminals are not particularly dangerous. Their acts shock everybody and actually have the effect of a sermon in making others better, just as the sight of a round-shouldered man has a tendency to make you hold yourself erect. The acts which are dangerous to society are those which are harmful, and which, notwithstanding, the great mass of people applaud; and the usurpations of the plutocracy, baleful as they are, are applauded. The history of the Anglo-Saxon race has been the history of suc-

cessful resistance to absolute authority marked by a series of legislative acts, bills of rights, and formal declarations, from Magna Charta to the Fifteenth Amendment to our Constitution. Are we now to turn about and advance in the other direction? Are we to set our faces towards slavery, after centuries spent in seeking freedom? There are some who argue that all that we need is prosperity, and that multi-millionaires are the harbingers of prosperity. We have seen that this is false; but even if it were true, it might be well to question the value of prosperity at such a price. The kind of prosperity that trickles out of a monopolist's strong-box is not adapted to the needs of freemen, and a dollar a day with self-respect is worth five dollars with bondage. That is the true Anglo-Saxon spirit. The legal right of our plutocracy may be perfect. So were the legal rights of Charles I and George III; but a time comes when unjust laws must be repealed, or else they bend and break, and that time is not far distant in America.

I have confined my argument to this country, but it is really the story of the civilized world. Plutocracy is the power behind the throne in Europe, and her strongest dynasty is that of Rothschild. Anti-Semitism is a sign of the popular appreciation of the facts, the sense of wrong being misdirected against the Jews instead of the monopolists; and we would doubtless have Anti-Semitism in America if it were not that the Yankees have proved to be more skilful financiers than the Israelites, a fact for which the latter should be thankful. If Mr. Rockefeller, Mr. Carnegie and Mr. Morgan were Jews, the lot of the chosen people in the United States would not be an enviable one. Industrialism is elbowing the old nobility in all European countries, and the aristocracy often complains of the tendency of their rulers, King Edward or Emperor William, to prefer the society of captains of industry to their own. But these monarchs are really acting in accordance with the instincts of self-preservation

in paying homage to the real source of their power. It remains true, however, that it is easier to study the facts of the change which is passing over society in America than anywhere else, for there the forces are least impeded and the phenomena lie nearest to the surface—unless, indeed, we make an exception of South Africa, where the shamelessness of aggregated wealth and its baneful effect upon character seem to be even more accentuated.

CHAPTER VII.

The Church and the Labor Question.

Come unto me, all ye that labor.—S. Matthew, 11:28.

We have seen how far plutocracy conflicts with the principles of democracy. We must now consider to what extent the principles of religion, and of Christianity in particular, are inconsistent with it. And we cannot look into the religious aspects of the question without seeing at once that the tenets of democracy—the doctrine of equal rights to life, liberty and the pursuit of happiness—have their origin in the Christian law of doing to others as we would have them do to us, which law is itself the outcome of the deeper principle of love to neighbor; and that these profound ideas, while in their full flower they are distinctively Christian, show themselves more or less clearly in the religion of the Old Testament and in that of all the historic peoples. For the principles of religion and of democracy are one.

There are two theories of the Church: one that it is an institution for the salvation of individuals; the other that its object is the reclamation of the world. According to the former, my business is to save myself for a future life. I look forward to a selfish eternity of bliss, and all else is incidental. According to the latter, I must try to make the world better. Preoccupation with the idea of a future individual life has never tended to produce a high degree of justice in human affairs. Ancient Egypt gives us the best example of such a religion and civilization, for the Egyptians seem to have thought of little else but personal salvation. They believed that the life of the soul depended upon the preservation of the body, and the

entire activities of life seem to have been directed to the service of the dead. The shores of the Nile are strewn with the grandest ruins of the earth, and they all have relation to death. All of them—pyramids, obelisks, temples—are the remnants of tombs and cemeteries, and the homes of the living must have been insignificant in comparison. Whole tribes were devoted to the task of embalming corpses. The great artists of the day (and they had great artists) were content to do their best work in the interior of tombs where it would be forever alone in the dark with the dead.

The costliest jewels, the finest fabrics, the choicest perfumes, the best examples of the cunning of potter and artificer, were buried in sepulchres, and the whole empire seems to have been one vast undertaking establishment. If absorption in the thought of a future life is the essence of religion, then were the Egyptians the most religious of peoples. And what effect did it have upon their conduct to their fellow-men? Alas, we know too well! Their own sculptures tell the tale of oppression. It was slavery of the worst kind under the lash of the taskmaster, that filled Egypt with mighty monuments. And we read the same story in the Pentateuch—the story of the cruel bondage of the Israelites, which has become the very type and exemplar of industrial tyranny. Moses evidently saw the evil effects of turning the minds of men away from this world, and in the books ascribed to him we find no hint of a world to come. It was evidently his opinion that true religion concentrates itself on the present; and that to do right and be right now, is the best security for being right forever. At any rate, the Ten Commandments deal exclusively with this world. Jesus sums them up in love for God and love for neighbor, both of them present obligations; and in the Lord's Prayer he never wanders away from the present tense, and there is not a word in it of "going to heaven when I die"—that most natural of prayers for the man who craves individual salvation—nor any sign of solicitude for the future. If we enter the kingdom

of heaven now, we are likely to stay there forever; and it is no distant future spiritual state, but it should be within us, on earth as it is in heaven, and we cannot be good Christians and live in a state of injustice, enjoying plenty while our neighbors are in want. We are safe, then, in concluding that the labor question is pre-eminently a religious question.

And the Bible is full of it. We need not go back to the account of the Fall, wherein man is told that he shall eat bread in the sweat of his face; but if we begin with the history of the Israelites we shall find that it was the labor question which created the nation and gave them a national church. It was a strike—the first strike on record—that of the oppressed brickmakers of the Delta, that was the occasion of the founding of the Hebrew Commonwealth and Church; and as the Christian Church sprang from the Hebrew, it too may trace its origin to the same source. It was a contest between capital and labor of the ordinary kind. "And the Egyptians made the children of Israel to serve with rigor, and they made their lives bitter with hard bondage, in mortar and in brick, and in all manner of service in the field." (Exodus, 1:13-14.) It was the desire for easier work and shorter hours, for industrial justice, that drove the Hebrews out into the desert; and their great leaders, Moses the lawgiver, general and ruler, and Aaron the high-priest, began their notable careers by exercising the functions of labor leaders—of walking delegates, if you will—before Pharaoh, the employer of their people. And it is only natural that the Law of Moses should deal largely with economic conditions. The Ten Commandments, we are told, were given out shortly after the escape of the Israelites from their taskmasters, and we find the longest statute of all (the Fourth Commandment) devoted to the establishment of a day of rest. This is a labor statute, pure and simple. We sometimes imagine that the Sabbath was designed for the honor of God, and we designate

our substitute for it as the "Lord's Day"; but this is a great mistake. Christ tells us that the Sabbath was made for man; and if we accepted his view of it we should call it "Man's Day." Fancy the position of the Israelitish fugitives. They had just escaped a terrible industrial tyranny, and in their first law they give the largest place to a statute providing that no man should work more than six days in the week. In Egypt they had worked seven days in the week (there is no day of rest now in the Twentieth Century for the fellaheen of the Delta), and what a natural thing it was for them to raise to a position of distinction in their Constitution the idea of repose from labor! This restriction of the days of work to six is an excellent precedent for an eight-hour day. The principle is the same. If idleness may be prescribed for certain days, so may it with equal reason for certain hours. And yet the Supreme Court of Illinois has declared a law unconstitutional which limited the hours of work for women in factories, on the ground that it infringed their right to life, liberty and property! The women of Illinois can thank the Constitution for the inestimable privilege of working twenty-four hours a day! Is it not a parody on justice to decide a case in favor of a corporation and against its employes, and then pretend, in the language of the opinion of the Court, that the decision is in favor of the latter? A few years ago an enterprising member introduced the Ten Commandments as a bill in the legislature of Kansas. I have never heard what its fate was, but if it passed, the Fourth Commandment prescribing a six days' week would have to be held unconstitutional according to the ruling in Illinois!

Already at the time of the promulgation of the Ten Commandments we see taking form and substance the ruling thought of the Hebrew race, the thought of the "Promised Land." All their religious visions centered in the picture of a rich and abundant soil, "flowing with milk and honey," equally shared by every descendant of Jacob. We

must remember that at that early day justice was not extended to foreigners. The laws of Lycurgus, for example, were absolutely impartial to the Spartans, but they left the slaves, the Helots, unprotected and unprovided for. We cannot well criticise this—we who, while we pronounced the most eloquent sentiments of brotherhood and equality in our Declaration of Independence, held a nation of slaves in subjection, and who still at the present time deny all rights worth speaking of to Indians and Filipinos. It is no wonder then that Moses restricted in part his grand ideas of justice to his own race, although in the books which bear his name there are some noble passages which show that at their best the ancient Hebrews could attain to the conception of universal brotherhood; such for instance as the following: "Love ye therefore the stranger, for ye were strangers in the land of Egypt." (Deuteronomy, 10:19.) This dream of the "Promised Land," I say, which so dominated the soul of the race, this paradise of justice on earth which the chosen people were to enjoy, reveals itself in the Ten Commandments. In the Fifth Commandment we read: "Honor thy father and thy mother that thy days may be long upon the land which the Lord thy God giveth thee." "The land which the Lord thy God giveth *thee*"—what pregnant words these are! Note the singular number. Each individual is entitled to his part in that land. We often speak of "our country" when we have no right to a square foot of it. Is it not absurd for a landless man to sing,

My country, 'tis of thee?*

We repeat the Ten Commandments in our Sunday Schools. Suppose (as I have heard suggested) some bright child, after reciting the Fifth

*Compare the words of Tiberius Gracchus as given by Plutarch: "The private soldiers fight and die to advance the wealth and luxury of the great, and they are called masters of the world, while they have not a foot of ground in their possession." (Life of Tiberius Gracchus. Plutarch.)

Commandment, should ask his teacher where the land was that God had given him; what would the teacher answer? He would have to tell him that others have taken his land away; that when we say such things we do not mean them, and that our religion, when it comes down to the things of this earth, is a farce and a sham. Moses meant what he said; we do not—that is the difference between a live religion and a dead one.

And with what wisdom Moses and his successors carried out the principle of equal rights in land implied by this commandment! They developed the idea of the Fourth Commandment, which as we have seen was a labor statute, into a complete system of industrial and agrarian justice, and made the Sabbath the basis of that system. Each seventh year was to be a sabbatical year, and field and vineyards were to remain unsown and unpruned; "it is a year of rest unto the land." (Leviticus, 25.) After seven such weeks of years came the year of jubilee, and in that fiftieth year every piece of land returned to its original possessor. It was to be a year of freedom! "And ye shall hallow the fiftieth year, and proclaim liberty throughout all the land unto all the inhabitants thereof; it shall be a jubilee unto you, and ye shall return every man unto his possession, and ye shall return every man unto his family." All sales of land were made upon this understanding, and no Israelite could permanently disinherit himself from the soil. "The land shall not be sold forever, for the land is mine; for ye are strangers and sojourners with me." No Hebrew was to hold another as a slave; he might bind him over to serve as a hired servant, but even then he was to go free in the year of jubilee. And this word "Jubilee," meaning freedom to the Jews, has come in England to mean a day when armed men, fresh from subjugating feeble peoples, march up and down the streets in martial array and receive the blessing of a degenerate church! But the Jubilee and the Sabbath stood for the ancient Jew as the symbol of

social justice and mercy; while in our day they have become a mere fetish, entirely divorced from all considerations of the kind; and our Sabbath has become a mere formal recognition of a future life which makes no uncomfortable demands upon our present economic relations.

That these wise laws of the Mosaic code were ever, or for any long period, carried out according to their intent, is extremely doubtful. The "Promised Land" was never such a Utopia as its projectors had dreamed, and it never is; but the grand ideal of a free people in a free land was always before the loftiest minds of Israel. The Psalmist often raises up his voice on behalf of the poor and oppressed: "The wicked in his pride doth persecute the poor; let them be taken in the devices that they have imagined. . . Arise, O Lord; O God, lift up thy hand; forget not the humble." (Psalms, 10:2 and 12.) In another place he tells us that "the heaven, even the heavens, are the Lord's, but the earth he hath given to the children of men." (Psalms, 115:16.) The prophets are not unmindful of the lost rights of the people in the land. When King Ahab and his wicked wife, Jezebel, coveted the vineyard of Naboth to make a garden of herbs of it as it adjoined his palace, the owner answered with all the the pride of an Israelite who knew the privileges to which he was entitled under the law: "The Lord forbid it me, that I should give the inheritance of my fathers unto thee." And when they had compassed his death and had seized the estate, the prophet Elijah came and denounced the King to his face. The main function of the prophets was that of social reformers; of representatives of the oppressed people; of leaders in the protest against tyranny of all kinds. The spirit of revolt and rebellion against despotism and injustice breathes throughout their utterances, and the popular idea that they spent most of their time in making obscure guesses at particular future events is altogether beside the mark. They held up the ideal of a perfect commonwealth when the

whole world "shall beat their swords into ploughshares and their spears into pruning hooks; nation shall not lift up sword against nation, neither shall they learn war any more." (Isaiah, 2:4.) The kingdom of David should be established "with judgment and with justice from henceforth even forever." (Isaiah, 9:7.) Isaiah, whom we have just quoted, was the grandest of this noble line of men. "Woe unto them," he cries, "that join house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth." (Isaiah, 5:8.) "Ye have eaten up the vineyard; the spoil of the poor is in your houses. What mean ye that ye grind my people to pieces, and grind the faces of the poor? saith the Lord God of hosts." (Isaiah, 3:14-15.) And in the 65th chapter of Isaiah (whose author may indeed have been a second Isaiah, as great as the first) we read: "They shall build houses and inhabit them, and they shall plant vineyards and eat the fruit of them. They shall not build and another inhabit; they shall not plant and another eat." (Verses 21-22.) Amos is equally emphatic in his arraignment of those "who store up violence and robbery in their palaces." "And I will smite the winter house with the summer house, and the houses of ivory shall perish, and the great houses shall have an end, saith the Lord." (Amos, 3:10 and 15.)

Under the teaching of the prophets the people gradually formed the hope and expectation of the coming of a great king who should make justice to reign on earth and usher in a state of universal peace. This was the "Messiah," the "Anointed One," who through Israel was to reform the world. These prophecies Jesus took to himself, and the word "Christ" is the Greek translation of "Messiah" or "anointed." The Messiah was to be a great reformer on earth, and Jesus in taking that name assumed the same role. His kingdom, the "kingdom of heaven," or "kingdom of God," was to be established in this world; it was "within you;" his disciples were to pray that it might

"come on earth as it is in heaven;" it was "at hand." It had to do with this present life just as clearly as the laws of Moses and the Messiah of the prophets. The very word "Gospel" is taken from Christ's sermon at Nazareth, where, quoting from Isaiah, he announces that he has been "anointed to preach good tidings to the poor." (Luke, 4:18.) "Gospel" is old English for "good tidings;" "anointed," as we have seen, means "Messiah" and "Christ"; and thus in this one sentence taken from the greatest prophet we behold Jesus accepting the mission of the anointed Messiah and expressly addressing it to "the poor." If we turn back to the passage in Isaiah (61:1) and the verses immediately preceding and following it, we shall see that it has exclusive reference to a golden age on earth. "Thy people also shall be righteous; they shall inherit the land forever." Justice, justice on earth, is the burden of the Golden Rule and the natural fruit of loving your neighbor as yourself. Jesus and his disciples were themselves members of the working class, and they naturally saw the injustice from which they suffered, and much of their teaching was directed against the exactions of the rich.

The first fruits of Christian preaching after the crucifixion was an experiment in communism at Jerusalem, an indication of the natural outcome of the doctrines of Jesus; and it is a noteworthy fact that the great Christian feast, the "Communion," means "communism." St. Barnabas in his epistle (undoubtedly an authentic work) says: "Thou shalt communicate to thy neighbor of all thou hast; thou shalt not call anything thine own; for if ye partake in such things as are incorruptible, how much more should ye do it in things that are corruptible?" (Barnabas, 14:16.) And the early fathers of the church repeatedly urged that the brotherhood of men implied by the fatherhood of God was not to be confined to the world to come, but ought to show itself in the distribution of the products of nature and labor in this. Clement of Alexandria, Ambrose and Chrysostom

were especially insistent upon this view of Christian "communion." Lactantius in his "Divine Institutes" (circ. 300 A. D.) says: "God has given the earth in common to all, that they might pass their life in common, not that mad and raging avarice might claim all things for itself; and that that which was produced for all might not be wanting to any." (Lactantius, "Divine Institutes," book v, chap. 5, "Ante-Nicene Fathers," vol. vii, 140-141.) But unfortunately this preaching had little permanent effect, and Christianity made the serious mistake of postponing the "promised land" to a future existence, and confining its practice of Christian "communion" in this life to a brief ecclesiastical ceremony.

Enough has been said to show that religion has a vital connection with the labor question. I might quote from the Hindoo and Chinese sages, I might show how ideas of justice inspired the religions of Greece and Rome and how their Golden Age was also an age of equity and equality, but it would not make the fact any more clear. The labor question is a religious question, and the churches must face it frankly if they are to retain their hold upon mankind. The promise of justice in a future world ill becomes the lips of those who deny it in this. And incidentally we may remark that unjust social conditions have a tendency to distort all our plainest ethical precepts, a fact of which the church should take cognizance. Luxury is in itself a vice, but when we have an army of unemployed suffering from hunger and cold, it becomes a virtue to "give them work," and any expenditure, however foolish, seems to be justified. It may be indeed only a seeming justification, for every outlay of money should bless spender and recipient alike, and the thing bought should be useful and edifying; but at any rate the belief that we are employing people who need employment is an easy salve for the conscience, which might be shocked otherwise at the idea of devoting many thousands of dollars to a single entertainment, and this salve can only be applied

when there are unemployed men needing employment. By the same system of reasoning the destruction of wealth becomes a virtue, and the man who should empty cargoes of goods into the sea or burn down a city would be a public benefactor, for he would give work to the unemployed.* And in like manner a wholesale murderer would bless the community, for he would either remove the unemployed or provide places for them by removing the employed. This may seem to be fanciful argument, but it is really the one which is used often in excuse of war. War, by its destruction of life and property, always stimulates business, but the stimulation is due to the unemployed whom it sets to work. Again, useful labor ought to be a good thing for the community, but in the presence of the unemployed it becomes a curse, for every day's work that I perform takes away a day's work from some one else, and the man who digs potatoes and hoes Indian corn, while supplying food, is really taking food out of another man's mouth, and it becomes meritorious to be idle for those who can afford to avoid work. Plainly, if our moral standards are to be preserved, the church must do something to find work for the unemployed.

But what can the church do? It is not its place to teach political economy, and it would be likely to err if it did. This is true, but it might find some hints for its guidance in the Bible upon which it stands. It tells us that God is our father, and that "the earth he hath given to the children of men." The land question is then the question of division of inheritance, and the Golden Rule points to equality as the rule of division. It may help us to understand this matter if we imagine ourselves studying another planet. Some scientific men have supposed that we might be able in the future to communicate with the inhabitants of the planet Mars. Let us suppose

*Since writing the above paragraph it has been verified by the burning of cotton in the South by planters, in order to raise the price of that staple.

that our telephone has made the connection, and that our first question is, "Do you, inhabitants of Mars, nine-tenths of you, pay rent to the other tenth for the privilege of remaining upon the planet when you could not get off it, if you tried?" Clearly there is something to be said for a new arrangement of land ownership and possession. We have seen how the principle of equal rights in land was recognized by Moses and his code of law. We can hardly be accused of being too progressive in this matter, if we go no farther than he did so many centuries ago. His system was indeed imperfect and would not be applicable to modern times, but we must find a just system of our own. The church can teach the principle of equal rights in God's gifts, and leave it to men of affairs to find the method of applying it.

And how foolish our present system is! Take a valuable piece of land on Broadway or Fifth avenue in New York. Not many years ago it was a swamp perhaps, or covered with worthless rock, affording a precarious subsistence to the nomadic goat. What has turned it into a gold mine? The owner has had nothing to do with it. He may have been crying in his nurse's arms, or playing baccarat at Monte Carlo, or serving a term in Sing Sing prison; but still the shower of coin is falling upon his land, and he, and he alone, can shovel it up. He did not make his land. Who did? It was the Creator. To whom did he give it? To the "owner" or his grantor? Let him produce his title-deeds then and trace them back to the source. No, the land belongs to the human race, and not one human being should be left without a stake in it. And this usurpation of the property of the whole by private individuals lies at the bottom of all our social injustices, and under every fountain of profit we find the landlord's pail.

There is another explanation of human economic misery—that associated with the name of the Rev. Thomas Malthus—namely, that population tends to increase faster than the means of subsist-

ence, and that hence it is a man's own fault if he has children who cannot take care of themselves. This might become a practical question if the world were overpopulated, but as a matter of fact, its entire present population could be contained in the State of Texas, and could be well provided for in a single continent. The inheritance is large enough for every child that will appear for many a day to come. Nor is it likely that this question of overpopulation will ever become a pressing one, for civilization decreases the size of families, and it is the pauper class that is the least provident in this respect; and as the standard of living rises we may expect families to grow smaller. Whether in a socialist or communist society the same rule would prevail, has often been disputed; but if mankind ever manifests a sufficiently strong spirit of co-operation to live together as brothers. it will doubtless be accompanied by an equally strong spirit of prudence. Meanwhile it is amusing to listen to our statesmen as they deplore "race suicide" (as in France and America), and at the same time shudder at the prospect of overpopulation.

But the chief work of the church in relation to the labor question must be the awakening of that spirit of co-operation, of brotherhood, of love, which is to be the motive power of the new society, and which sums up the law and the prophets. Let us not be deceived into supposing that this is not a practical matter. It is as practical as the generation of steam is to a steam engine, and without it the best institutions will fail. Heat is the material representative of love, and it too is "only a feeling," but it is none the less the force that keeps the earth in its orbit and produces all life and energy. There is profound wisdom in the old nursery tale (as in many other folk tales) which relates how the sun and the wind had a contest with each other to see which could tear off the cloak from the shoulders of a traveler on the highway. First the wind tried, and it blew up a veritable hurricane; but the more it blew the

tighter the man wrapped his cloak about him, and at last the wind had to abandon the task. Then the sun took it up, and began to send forth hotter and hotter rays until the temperature was scarcely bearable, and the wayfarer soon began to unwind the folds of his cloak and at last removed it altogether, and the wind was obliged to acknowledge that the sun was the victor. It is not impossible that in like manner, after we have tried in vain to dislodge the cloak of privilege from the backs of the "upper classes" by means of the gusts of legislation (and indeed wind and legislation usually go together), and after seeing the cloak fastened only the more securely upon them—it is not altogether impossible that on some fine day we may bethink ourselves to have recourse to the quiet, steady sun, and simply turn on the heat of good fellowship and learn wisdom from the little fairy tale. It is only another form of the Bible anecdote (there is plenty of wisdom in the Bible, too) which tells of the old prophet who had sense enough to see that the Lord was not in the wind, nor in the whirlwind, but in the still small voice.

And in preaching the new brotherhood feeling which is to be the dynamo of our social machinery, the church may discover a great new commandment (which is in fact a form of the old one, "Thou shalt not steal"); and the new commandment is, "Thou shalt not live on others' labor." And to hold up that principle and develop it to its logical conclusions, will, I think, give enough practical work in connection with the labor question to occupy the church for a long time to come.

CHAPTER VIII.

Remedies—1. Regulation and Trade Unionism.

Canst thou draw out leviathan with a hook, or his tongue with a cord which thou lettest down? Canst thou put a hook into his nose, or bore his jaw through with a thorn?—Job, 41:1-2.

What must be done to stem the tide of plutocracy, issuing with ever increasing volume from the source of monopoly, and sweeping away with its flood an ever growing portion of the earnings of a people? How can we bring to bear the first principles of our religious and political faiths, and secure at least a decent degree of equal treatment and fair play? There are some, indeed, who would leave things as they are, and accept the permanent substitution of libraries for justice; but they are not many, and if they were, we have had reason during our survey of the situation to consider the probability of a crisis due to the condition of industry and altogether independent of agitation of any kind. "The rights and interests of the laboring man," said Mr. Baer, the head of the anthracite coal monopoly, during the great strike of 1902, "will be protected and cared for, not by the labor agitators, but by the Christian men to whom God in His infinite wisdom has given the control of the property interests of the country." But two months later this favorite of the Creator was obliged to bow his head before the blast, and since that time he has ceased to give forth the law from Sinai. Even he must have learned that the people do not propose to leave the property interests of the country in a few hands, whether they be Christian, Jew or pagan. That strike taught a lesson to many who had never questioned the divine

right of absolute property. Anthracite was necessary to the welfare of some of the principal cities of the country, and it was all owned or controlled by a small ring of operators who acted in unison. This ring was composed of the coal-hauling railways, whose managers were mining coal in virtual contravention of the law of Pennsylvania (where the coal fields lay), forbidding railway companies to engage in mining. The miners of this region, 147,000 in all, under the lead of John Mitchell, struck for better conditions, and held out against the operators from the month of May until late in the autumn. The stock of coal on hand was almost exhausted, and cold weather came. The poor began to suffer and the rich were seriously inconvenienced. Mutterings of discontent were heard from the cities, and for a time it seemed as if some great social upheaval might result. It was the general belief that the miners deserved better treatment and that the operators were unreasonable and stubborn, and conservative men and conservative journals began to make assertions, involving the public right in these private mines, which a few months before they would have condemned as anarchistic. The Democratic party in the State of New York went so far as to declare itself in favor of the national ownership of the mines. The strike was at last settled by the intervention of the President, who appointed a commission which allowed a considerable increase of wages to the men, thus deciding that they had had substantial grievance. But the effect of the strike was not a mere local matter, for it had demonstrated that the people of a country have of necessity an interest in its raw material, and that a few "owners" cannot presume to use it as they please.

Granted, then, the right of the public to protection, it is not likely that the people will leave the present situation unchanged. Mr. Baer demanded soldiers from the President, but notwithstanding the folly of the militia bill, the Ameri-

can people will hardly consent to govern itself by its own soldiery. Some other method of preserving an equilibrium must be found. Many believe that the evils caused by trusts and combinations can be prevented by positive legislation prohibiting preferential rates, providing for full annual reports and greater publicity, and prescribing a little governmental supervision. Unfortunately experience shows the futility of these remedies. Acts passed by Congress to control the trusts have proved ineffective against them, but have actually been used against trade unions instead. We have to-day sufficient publicity. Committee after committee of Congress, commission after commission, have examined and cross-examined the great capitalists of the country, and these witnesses have admitted with the greatest sang-froid the most damaging facts. Scores of citations of this kind will be found in Mr. Lloyd's "Wealth Against Commonwealth." The annual reports of the great "combines" could indeed be made more interesting. If in the balance sheet the assets were enumerated under such headings as "Unearned increment," "Water," "Tariff privileges," "Public franchises," "Influence with legislatures," and so on, and if in the account of annual expenses all the details were given of contributions to the treasuries of political parties, subscriptions to the election funds of individual friends of the money power, not forgetting the judges, a full list of bribes of all kinds whether paid directly or under the guise of "counsel fees"—if reports were drawn in this way they would indeed be more entertaining, but they would hardly inform the public of anything essential which it does not already know. As for central supervision by the government, the Interstate Commerce Commission has been conducting that experiment for many years, and it has signally failed. It has often done all that it could, and no stronger denunciations of the proceedings of the plutocracy exist than are found in its re-

ports*, but it only exists by permission of monopoly, and a Congress dominated by monopoly

*Read, for instance, the report of this Commission upon the Meat Trust and its connection with the railways. Here is a paragraph from it: "The facts developed upon that investigation [of the packing-houses of Chicago] and upon a previous investigation into the movements of grain and grain products, are of such a character that no thoughtful person can contemplate them with indifference. That the leading traffic officials of many of the principal railway lines, men occupying high positions and charged with the most important duties, should deliberately violate the statute law of the land, and agree with each other to do so; that it should be thought by them necessary to destroy vouchers and to so manipulate bookkeeping as to obliterate evidence of transactions; that hundreds of thousands of dollars should be paid in unlawful rebates to a few great packing-houses, . . . must be surprising and offensive to all right-minded persons. Equally startling, at least, is the fact that the owners of these packing-houses, men whose names are known throughout the commercial world, should seemingly be willing to augment their gains with the enormous amount of these rebates, which they receive in plain defiance of a Federal statute." And the chairman, Mr. Knapp, adds: "If we could unearth the secrets of these modern trusts, whose quick gotten wealth dwarfs the riches of Solomon, and whose impudent exactions put tyranny to shame, we should find the explanation of their menacing growth in the systematic and heartless methods by which they have evaded the common burdens of transportation."

Mr. Knox, the attorney-general of the United States, and well-known as a "trust lawyer," speaks as follows of similar arrangements with railways: "In the early part of this year (1903) it came to the knowledge of the President that great railway systems in the middle West, upon which every section of the country is dependent for the movement of breadstuffs, had entered into unlawful agreements to transport the shipments of a few favored grain buyers at rates much below the tariff charges imposed upon small dealers and the general public. This injustice prevailed to such an extent and for so long a time that most of the small shippers had been driven from the field. . . . In a word, there was practically only one buyer on each railway system, and the illegal advantages he secured from the carrier gave him a monopoly of the grain trade on the line with which the secret compact was made. It was an odious condition." And the attorney general shows how all classes suffered from the resulting unnatural diversion of trade.

The classic case of rebates is that which built up the Standard Oil Trust. Miss Tarbell gives the figures in her

can scarcely be expected to pass effective laws for clipping monopoly's wings. Only one suggestion of value has been made in the line of governmental control, and that is that when commissions are appointed to bring about peace in labor troubles, they should be named before the trouble becomes acute, and not afterwards, when their intervention comes too late. Thus in the great strike at Chicago in 1894, President Cleveland first ordered out the army, thus accentuating the tension of the crisis, and afterwards, when the men were defeated by their employers, appointed a commission which showed that the original strike of the employes of the Pullman Company was entirely justifiable. If the commission had been placed in the field at first instead of the army, all disturbance would have been avoided. Commissions are in the end much more effective than armies, and it is wiser to make use of public opinion than of gunpowder in cases of industrial strife.

A much more effective curb to the power of aggregated wealth than those which we have mentioned, is the power of the trade unions, whose main object it is by combining employes to obtain for them better conditions, shorter hours of labor and higher wages. If we admit

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history. In 1871 Mr. John D. Rockefeller and his associates made special contracts with the railways. These contracts, "which the railroad managers secretly signed, fixed rates of freight from all the leading shipping points within the oil regions to all the great refining centers,—New York, Philadelphia, Baltimore, Pittsburg and Cleveland. . . . For example, the open rate on crude oil to New York was put at $2.56 a barrel. On this price the South Improvement Company [the Rockefeller interest] was allowed a rebate of $1.06. But it got not only this rebate, it was given in cash a like amount on each barrel of crude oil shipped by parties outside the combination." This seems hardly credible but it is historical fact. It is upon such clear breaches of trust that the fortunes of our trust magnates are erected. The facts have been published again and again, but they do not seem to object to publicity. So long as they attain their ends, public officials are allowed a wide discretion in condemning their proceedings.

that the injustice of present conditions arises from the absorption of wages by employers, it is clear that the labor unions are trying to effect precisely the thing which should be effected. If they could combine all employes and insist upon precisely the right measure of justice for each, they would inaugurate the Golden Age, but it is just at this point that we perceive their inherent weakness, for they have no way of measuring justice except by pitting their strength against the strength of their employers, and justice can hardly be expected to emerge from such a conflict. They simply set up a monopoly of labor against the other monopolies, and it is the principle of monopoly itself which is wrong. It is undoubtedly better for the public to watch the contest for supremacy of two hostile monopolies than to suffer the unquestioned domination of a single one, and so long as labor is the under dog we may well sympathize with its side of the struggle and help it as best we can. But there is no finality in trade unionism—no solution of the problems which vex us, and its complete triumph would be as obnoxious as that of its opponents, for it would be the triumph of monopoly, and we cannot trust our liberties to any group of men, employing or employed. There is also one danger to be feared, short of the complete victory of unionism, and that is a treaty offensive and defensive between trust and trade union, which might make the lot of the consumer harder than ever. It is distinctly contrary to the public interest for capital and labor, under conditions of monopoly, to be too friendly. It is better that they should eye each other with a little distrust, than that they should come together for the division of the spoils. It is a wise policy to play them off against each other (as statesmen in the Middle Ages used to set off pope against emperor), and to favor the feebler so long as there is no question of an alliance. Meanwhile the leaders of the labor movement deserve praise for the fact that they are practically the only men in the com-

munity who make a stand against the exactions of the money power. Where legislatures have succumbed and courts humbled themselves, where universities have been silenced and churches won over, where the press has deserted the cause of the people and the people have forgotten their own interest and honor, it has remained for the leaders of labor, alone and unsupported, to assert the rights of man, and it is a noble achievement—among the most noble of recent times. Those who remember with gratitude John Hampden and Patrick Henry, show little consistency when they withhold their commendation from the chiefs of organized labor. It will be written in history that at a time when the whole nation was prostrate before plutocracy, they alone refused to bend the knee.

It is easy to criticise the methods of trade unionism. They are the methods of monopoly, and monopoly is not beautiful. They are the tactics of warfare, and war is of all things the most unlovely. The boycott is not a pretty thing and can only be excused when compared with the blacklist. Nor is the waylaying of "scabs" an edifying exercise, and dishonesty and self-seeking are perhaps as common among labor leaders as among other men. But it hardly lies in the mouth of monopolists to condemn unionism as monopoly, and we must not forget that the behavior of men engaged in a quarrel does not alter the original merits of the dispute. This is one of the commonest of mistakes. The Episcopal Bishop of Central Pennsylvania leaped into the arena during the coal strike of 1902, called attention to acts of violence committed by sympathizers with the strikers, and seemed to think that such deeds were sufficient to settle the case in favor of the mine owners. It is a clear case of confusion of mind. Let us condemn violence by all means, but let us not forget that the very savagery of the men who commit the violence may be the result of the economic position in which they are kept. And those who are shocked

at the violence might well indulge in the sensation of putting themselves in the places of the strikers. Fancy yourself engaged in a great struggle for the improvement of the condition of your class, and convinced of the justice of your case and the unreasonableness of your employers. You are apparently upon the point of success, when other men of your own class are led in and bring to naught all your endeavors, which in a large sense were for their benefit as well as for yours. Perhaps you would not throw a brick at them, and if you did I would certainly call it a criminal act, but of all violent acts it seems to me one of the most natural. On the other hand, the workman who (unless his family is actually starving) is willing to take the bread out of your mouth and dash to the ground the hopes of his fellowworkmen, is surely one of the meanest and most contemptible of men. "Strike-breaking" has become a recognized business, and workmen now go about from place to place as they are needed, to take the situations of strikers. The business is in the hands of managers who, I am told, advertise the trade publicly in the press. These very strike-breakers receive higher wages on account of the work of labor unions, supported by the monthly contributions of their members. President Eliot of Harvard University, finds all the qualities of heroism in the "scab." I cannot agree with him, and I regret that the teachers of the land should express such class judgments. It is no wonder that in a recent street car strike at New Haven, Yale students took the places of the strikers, thus siding with the monopoly of wealth against the monopoly of labor. Is it wise to widen the gulf between the classes in this way? And let us remember, too, that the whole "scab" industry depends upon the perpetuation of a class of unemployed men, the primary injustice of excluding men from an opportunity to labor providing the means for further arbitrary action. The monopolist talks feelingly of the danger to a "free mar-

ket" of permitting labor to organize and strike, forgetting that it is he himself who has already destroyed the free market, and that labor is merely trying to counterbalance his advantage. The employer wishes to have an "open shop" free from the dictation of the union, but he could insist upon it with better grace if he came forward with an open world, free from the exclusive privileges which he and his class possess.

There are many features of trade unionism which do not involve struggle with employers. The union is a kind of insurance company and pays sick, death and out-of-work benefits. It is a debating society at which its members often learn more economics than their employers have mastered. Above all it is a school in co-operation, and it is difficult to limit the possibilities of its usefulness in this line. By such devices as the "union label," a mark placed on goods made in "union shops," it provides its members with a simple, practical and peaceful way of helping themselves by patronizing firms who favor it.

Arbitration is only a matter of method and not of principle, but it is a great improvement upon strikes and lockouts. It is to the trade union that we must ascribe the credit for introducing and extending it. Employers as a rule have opposed the idea of arbitration as long as they could, and, as is usually the case with stronger parties, they are fond of asserting that there is "nothing to arbitrate." Some draw a distinction between questions which may be arbitrated and those which may not. Thus, it has been said, If a man comes into your house and offers to arbitrate the title to it with you, you are bound in honor to refuse. But, it so happens that this very question is one which the present law requires you to arbitrate with any plaintiff who chooses to raise it. Any one can serve you with a writ of ejectment, and you are obliged to try the question of the title of your house in court, and if you have a good title the prospect does not frighten you. The people who object to arbi-

tration are usually those who are aware of some defect in their title. There are various ways in which a man can force you to arbitrate your right to your wife or your children before judge and jury, as the law now stands. What then are the cases which a man cannot honorably arbitrate? The idea seems to be that we cannot arbitrate when we are sure we are right. But these are precisely the questions which a man can arbitrate with the least risk, for if he is certainly right, it will be easy to convince the judge of it. It is when we fear we are wrong that we have most reason for rejecting arbitration. Compulsory arbitration is advocated by some writers, and it has been tried in New Zealand. In America, however, employers and employed seem to be opposed to the suggestion. At best, arbitration is a temporary make-shift, for it does not involve a determination of the true principles upon which disputes should be decided, and until those principles are settled it is hardly wise to make arbitration compulsory.

Trade unionism will be a great factor in the settlement of future economic conditions, and it has great merits of its own. It represents the laboring class, it acts in the field of industry, it is co-operative, and free from the taint of charity. It has won its way to recognition, and it is foolish to disregard its claims. It has already secured the admission of its right to organize, a right which was long opposed by penal statutes. The right of labor to select its own spokesman must also soon be generally allowed. Why should not the employes of a concern choose an agent to represent them? Before long employers will have to yield the untenable position that "they will only deal with their own employes." It is well known that when under such circumstances employes send a committee of their own number to present grievances, these men are usually soon discharged. It is therefore important that employes should be allowed to select a spokesman from outside, and the unions have done a service

to the cause of justice in providing agents for this work. Many economists call for the incorporation of trade unions, but I fail to see upon what principle we can force any body of men to incorporate who do not wish to. The idea of involuntary incorporation is a new idea in law, and I think we shall have to wait until the unions desire to form corporations. It is quite likely that in the future they may take this course, but there is as yet no sign of it. At present each individual member is responsible to a great extent for the acts of the union. When that liability has been enforced a few times unionists will incorporate to avoid it. When they are once incorporated and rank with other business corporations, they may undertake on a large scale to furnish workmen for capitalists, striking the best bargain that they can for their members, a system which would be excellent until, as we have predicted, they join forces with their employers against the consumer. But that event seems yet a long way off. When trade unions make common cause with the trusts, when they name senators and judges, when they control the national parties through their treasuries, and subsidize the press, then indeed we may begin to fear the monopoly of labor, but not till then.

CHAPTER IX.

Remedies—2. Restriction of Immigration.*

God hath made of one blood all nations of men.—Acts, 17:26.

As the employing monopolist shuts off competition by a protective tariff against the importation of foreign goods, so the trade-unionist employe wishes in the same way to prevent competition with his labor by shutting out the foreign immigrant workingman. The two measures are alike indefensible in principle, interfering as they do with the natural laws of trade; but the labor man can say for himself that he is at any rate acting only in self-defence, for protection should, if invoked at all, apply to men as well as to things. We have seen, however, that to shut wealth out of a country is a mistake, and it is equally a mistake to shut out the makers of wealth.

The campaign against immigrants is due, however, not only to the trade unions, but to many other patriotic citizens whose arguments call for consideration. It is not difficult to understand their motives. When things go wrong it is man's natural impulse, inherited from Eden, to throw the blame on somebody else. He will curse the chair against which he stubs his toe, and turn back to look daggers at the inert bit of orange-peel upon which he has had the misfortune to slip. This great American civilization of ours has not been advancing just as it should. We have not realized the Golden Age designed by the fathers and prophesied by such travelers as De Tocqueville. Material wealth without limit has not prevented pauperism, disease and crime, nor has po-

*A part of this chapter appeared originally in The Arena, and is here reprinted by permission.

litical equality put an end to class-distinctions or ensured social fraternity and industrial peace. On the contrary, prisons, hospitals and asylums are continually growing, and the social and economic equilibrium becoming more disturbed, and we are forced to take notice of the unsatisfactory situation. The responsibility for this disillusionment must lie somewhere; we are unwilling to take it upon ourselves, and, in scanning the horizon for a sufficient cause, what is more natural than that we should ascribe it to those other nations which, through well-defined channels of immigration, are continually overflowing across our frontiers? Clearly there can be no inherent defect in American institutions, but it is the Bohemian, the Hungarian, the Italian, the Russian Jew, who, totally unfitted for them, have obstructed and prevented their free and proper play.

This is a very comfortable position for the patriot to assume, and it is hardly to be wondered at that most of us are quite ready to accept it without asking troublesome questions. Now and then may come the reflection that all our political assassins were American-born, as were many of our worst politicians, with Tweed at their head, and that our most conspicuous barbarisms—our lynchings—occur usually in neighborhoods the least polluted by foreign intermixture; such considerations may cloud our peace of mind, but we brush away the annoying thought and sink back again into the happy state of self-complacency which has become a part of the national character. To many patriots of this description the article on the "New Immigration," in a recent number of the North American Review, by Mr. Austin, Chief of the Bureau of Statistics in the Department of Commerce and Labor at Washington, must have come as a distinct shock; for he has had the hardihood to examine into this cherished illusion of foreign responsibility for our shortcomings, and he finds it to be altogether unfounded in fact, the truth being that those portions of the country to which the immigrants go are prosperous in propor-

tion to their numbers; that "the percentage of immigrants from Russia and Southern Europe who ultimately become inmates of prisons, reformatory institutions, alms-houses and charitable institutions is much smaller than of those from northern Europe"; that "a larger percentage of the children of the immigrants, as a whole, attend school during the years between five and fourteen than is the case among the children of native whites"; and that "there is a smaller percentage of illiterates among those born in this country of foreign parents than among those born of native white parents."

These facts, marshaled by such an authority, seem to be decisive, and they hit the Immigration Restriction League between wind and water. Is it possible that this active organization has mistaken national conceit for economics, and the ancient vice of intolerance towards foreigners for social science? To the Jew of old all other men were Gentiles,—to the Greek they were Barbarians,—to the Chinaman they are "foreign devils." This curious misapprehension rests upon the familiar philosophical principle that no entity is at its best when torn from its customary environment. Drop the Austrian Emperor or the Prime Minister of England in the streets of Podunk, Connnecticut, and he will at once appear ill at ease. He will not know how to register at the hotel nor what to order for breakfast, and he will be altogether at a loss as to how he should attack his buckwheat cakes. From these indications the good Podunkers will at once infer that they are far wiser and better informed than their visitors, oblivious of the fact that any one of them might fall an easy victim to the first bunco-steerer who should accost him on Broadway. The Podunker is at his best in Podunk and the Kaiser at Schönbrunn, and either of them may appear ridiculous if suddenly placed in a new environment; and this is perhaps the source of all international prejudices. How hard it is for the wisest of us to understand that a man can think to good purpose without knowing

a word of English! We accept the fact as scientifically proved, but the thing still seems impossible. To judge an animal, human or other, fairly, we must see him in his own habitat. Look at the European peasant in his native fields, in Russia, Hungary, Italy or Roumania, and you cannot fail to admire his physique, his intelligence and his kindliness; and when you recall all that you have heard about the inhabitants of the decadent hill-towns of New England or of the Kentucky mountains, and the "white trash" of the South, you will be modest in drawing comparisons. And in an amazingly short time these incoming foreign peasants cease to be "greenhorns," and adapt themselves to the new conditions of American life.

The chief objection to immigration is that presented by the labor unions, which maintain that it tends to reduce the standard of living and of wages. This objection seems very plausible at first sight, but it is only of force within narrow limits of time and locality. The sudden influx of a large number of workmen into a particular neighborhood may indeed for a short period have a depressing effect, but this soon corrects itself and the final result is a general benefit. Labor men talk of laborers as if they did nothing but labor, but they are consumers and employers too, and they create an immediate demand as well as a supply. If the wage-earner receives the value of his services, he is as efficient as a consumer as he is as a producer, and he really employs himself. He may not, indeed, receive the pay which he earns, and in that case he may form a disturbing element; but the fault then lies not in his admission to the country, but in the measure of his reward,—that is in the distribution of the products of labor. We should not blame him, but our own industrial system; and we must apply the remedy, not to him, but to ourselves. The most superficial view of our economic history shows that our troubles do not depend on the size of our population. We have room for ten times our present numbers. Hence over-population cannot be the cause of economic

friction. Financial crises occur with entire impartiality, whether we have fifty, sixty, seventy or eighty millions of inhabitants. Our economic system seems to require that a certain proportion of the community, within fixed limits, should be unemployed, and that our own country should be unable to absorb a certain proportion of its products. The addition of a million immigrants would not materially alter the terms of this proposition nor accentuate the difficulty perceptibly, nor would the removal of a million workers produce a lasting cure. There is something wrong with the organization of our productive forces and with the distribution of their product. And in addition to all this, the readiness of the immigrant to lower the standard of wages (in case he has the power to do so) has been very much exaggerated. He soon learns to demand as much as the American, and I know of a rural region where Italian contract-laborers were the first to introduce the strike, asking for higher wages than had been usually paid to the native white workers of the neighborhood.

Why is there not room for all comers on a continent not one-tenth occupied? If there is any lack of opportunity it must be due to the fact that the gifts of nature have been monopolized and free access to them denied. The most available openings for labor, the best rights of way, terminal facilities, urban sites, mining fields, privileges and franchises have all been pre-empted and the public shut out from them, while the holders demand tribute for the use of them on their own terms. Trade is hampered by tariffs, taxation and extortionate rates. The public must pay to private individuals rent on unearned increment and dividends on watered stock, and the industrial world is bound hand and foot. The privileges of the monopolists enable them to exact unwarranted prices from the consumer and a "rake-off" on the wages of the worker. The average man's efficiency as a purchaser consequently falls far below his efficiency as a producer. The product of

the worker is held tantalizingly beyond his reach, and our population is unable to buy its own products. The result is "over-production," excessive accumulations in a few hands, pauperism, and many unemployed; and this condition of affairs bears no relation whatever to the density of population nor to the influx of immigrants, but is inherent in the nature of monopoly. With a population of fifty millions or of five hundred millions, the problem would be the same. Twenty years ago, with a much smaller population, we had the same difficulties, and, unless we are wise enough to improve our system, we shall have them twenty years hence with a still greater increase.

Evidently, then, immigration is not a prominent factor in the problem. Here and there it may for a few weeks have some influence, but very soon we attain again the nearest approach to an equilibrium which our monopolistic economic organization permits. No lasting harm is done, and this temporary and local harm is due, not to immigration, but to monopoly. The real fault lies, not with the immigrant, but with us, and the chief objection to our immigration laws is that their whole tone is a false one, laying stress upon the supposed defects of the immigrant, instead of apologizing for those of our institutions. We pretend that we have no room for him on account of his shortcomings, while the fact is that he is unwelcome because of our own. It is surely bad enough to slam your door in a visitor's face, without lying to him about the reasons. I would like to draw up an honest anti-immigration bill for Congress. It would read somewhat as follows: Whereas we, the American people, have made a mess of our great heritage and are incapable of managing our own affairs, be it enacted, that no one else be allowed to come into the country to assist us in managing them. Let us suppose that a hotelkeeper has allowed his house to fall into disrepair. The elevators have broken down and the stairways fallen in. The locks on many of the doors have rusted, and the rooms cannot be

opened. The kitchen is heaped full of rubbish, and the hallways are almost impassable. In short, a great caravanserai, intended for a thousand guests, can hardly provide for fifty, and every available bed is said to be occupied. Now if this statement of the case were absolutely true, he might be justified in refusing to receive new comers; but in what terms should his refusal be couched? Surely he should adopt the language of apology. Now if ever he should be polite and atone for his inhospitality if he can, while showing his respect for his would-be guests and his regret at being unprepared for them. But no. This would be to admit his own fault, and that he will not do under any circumstances. The happy thought occurs to him of throwing all the blame upon the travelers. It is their fault that they cannot get in. They are all swindlers, or uneducated, or sickly, or free-thinkers, or this or that or the other thing, it matters little what, so be it that the reproach can be lifted from his shoulders and placed somewhere else. And he sets up an examining commission in the hotel-office, and as the newly-arrived visitors advance to inscribe their names they are assailed by inspectors and forcibly overhauled physically, mentally and spiritually, and wherever he can find an excuse of any kind, he turns them out of doors, disgraced and discredited, while he hides his own responsibility for it all behind an unctuous smile. Such are our immigration laws—a mass of hypocritical verbiage under which we attempt to conceal the failure of our free institutions. And so the dyspeptic pushes his plate away untasted, declaring that the food is unfit to eat, while it is really his digestive apparatus which is at fault.

In the light of these truths what a huge humbug the whole routine of Ellis Island is seen to be! I have watched the long line of "greenhorns," ignorant of the language and fearful of the coming ordeal, advancing to the receiving officer, herded meanwhile like cattle by rough and callous attendants. I recall one young immigrant

in particular who was so frightened that his hands trembled like aspen leaves, and the uniformed official in charge, who spoke English with a strong foreign accent and had evidently passed through the same mill not so very long ago, instead of calming and encouraging him, mimicked him maliciously, until I felt obliged to interfere. And to think that all this solemn form of inspection was largely a farce; that these people had it in them to do our country quite as much good as it could do to them, and that whatever of evil might result from their coming would be due rather to our imperfect civilization than to any baneful influence of theirs! Each of them brought two arms and only one mouth, and was ready as soon as he landed not only to work but to employ; for the two things go ever together, and if this nice balance of nature was to be disturbed, it would be our monopoly and not his activity that would do it. Ellis Island is the reception-room of the nation, where, if anywhere, we should put on our company manners, but our officials seem to look upon it as a sort of police-station.

When we come to consider the character of the immigrants and the needs of the country, we find that the suggestions which are usually made in the line of restriction are precisely the most harmful ones. We are asked to discriminate against the most desirable class. If there is one thing that we have enough of in America it is reading, writing and arithmetic and average intelligence. We need no great improvement in this direction and we are amply capable of teaching those who come. Immigrant children learn quickly in our schools, and most of them, especially the Jews from Eastern Europe, and the Italians, take high positions, holding their own, as a rule, with our native-born children. Where we do fall short too often is in physique. More of us are hollow-chested, sloping-shouldered and nervous than is the case with the ordinary European, and especially with the peasant. From the purely scientific standpoint of breeding we have every in-

terest to admit the sturdy farmhand, just as we import the Percheron horse or the Southdown sheep. Whether the man can read and write or understand the Constitution is a matter of trifling importance in comparison. His children will learn all that quickly enough. But he will not know how to vote, we are told. When you consider the fact, however, that nearly one-half of our educated Americans vote diametrically against the other half, it is hard to see how the addition of a few uneducated voters can do much harm. Whichever way the ballot of the immigrant is cast, he will have about half of the American people with him, and they should bear the responsibility for the result, not he. Examinations in the three "Rs" let in the anemic crook and sharper and "shyster lawyer," the gambler and the pawnbroker, and all that precious parasitic fraternity which lives by its wits and gravitates to the cities, shutting out the independent, self-supporting, brawny son of the soil whom most we need. The true line of action, in case we wish to diminish the number of immigrants, is not to establish new tests, but to discourage the artificial impetus given to immigration by the steamship companies, whose agents ransack the villages of Europe and grossly misrepresent the opportunities offered by America in the quest of steerage-passengers. It is the thirst for profits, the desire to exploit and make money out of our fellow-men, the spirit of commercialism, which is the offensive thing—our fault again, and not the immigrant's. It would be easy to prevent this artificial stimulation of immigration, and the governments of Europe are beginning to interfere to that end.

But we should shut out less rather than more. The President laments the possibility of race-suicide, and yet at the same time the Immigration Restriction League wishes to prevent Europe from supplying our defect. The evil which our immigrants do to us is lost in the immense benefits which they confer. No one of our States has ever

been permitted to exclude immigrants from other States. The East poured itself into Minnesota and Iowa and California without let or hindrance. No one examined the settlers' eyes, or asked for certificates of schooling, or required a full purse at the frontier; and no harm ever resulted from this wise policy of leaving nature alone. The Five Points of New York were free to populate the valley of the Mississippi and the Pacific Slope, and neither region suffered. We forget the curative possibilities of environment. We might by abolishing unjust privilege and establishing industrial justice create a community in which the criminal instinct would be as likely to atrophy as it is now to develop. I read not long ago an account of a penal settlement in French Guiana, where favorable surroundings had converted some hundreds of desperate criminals into peaceable citizens. The writer visited a couple who had met and married each other there, each of whom had murdered his or her last spouse, and under the plastic conditions of a new country, comparatively free from monopoly of any kind, they had become pillars of respectability. One of the best and most progressive races of the world has sprung in part from the convicts of Botany Bay. We could well afford to open our arms wide to all the world if we were only sure of our own health and the wholesomeness of our atmosphere.

But let us think less of the evil which the immigrant may do to us, and more of the good which we might get from him and yet fail to get. We are still a people in the making. It is the all-sufficient excuse for our defects that we are not yet the finished product, and that we do not yet know what we shall be. America is a great caldron into which the raw material from Europe is poured, and the ultimate outcome depends as legitimately upon the Italian and Roumanian immigration of to-day as upon that of the early Puritan and Quaker. But for some reason or other we look upon the pilgrims of the twentieth century in a very different light from those of the

seventeenth. We boast of the good we have derived from the first settlers, English and Dutch. Is there nothing to be obtained in like manner from those who cross the water now? Do the thousands who come yearly from Germany and Italy bring no valuable contribution with them to our national character, that we should be in such haste to turn them all into indistinguishable Yankees? It is a fine thing to assimilate our new citizens rapidly; but there are two sides to assimilation,—the disappearance of the thing assimilated in its original form on the one hand, and the appropriation of all that is good in it by the assimilator on the other. Are we not too prone to forget the latter half? I hold it against our German fellow-citizens that after over half a century of influence they have failed to turn us into a musical nation. Is there any reason why the children of parents who were brought up on the "Wacht am Rhein" and Luther's Hymn and who naturally sing chorals with their friends for amusement when they meet, should talk through their noses, have no ear for music, and cherish no musical ideals beyond the "coon-song"? And the Italians who are now coming with their inherited eye for beauty—does it never enter into their heads or ours that they might in time transform our national taste and create a genuine American art and architecture? No, the one engrossing effort on both sides is to Yankify the "dago" as speedily as possible and to make him two-fold more a child of Uncle Sam than ourselves. But these wanderers are the spice for our pudding. Let us be careful how we waste the seasoning which we may never be able to produce for ourselves.

And why this craze to make all men and all things alike? It is doing its sad work all over the world, making another Liverpool of Calcutta and packing the flowing skirts of the picturesque Orientals into awkward trousers. But in America it does its worst. A dozen years and more ago a friend of mine visited Havana—long before we had begun to Americanize the town—and

he was delighted with its quaint and romantic beauty. Returning he landed in some part of Florida, territory reclaimed not so long ago from the same Spaniard, and he assured me with tears in his voice that the first town that he saw in the home country looked exactly like Hoboken. And so do they all. From the Atlantic to the Pacific, from the Great Lakes to the Gulf, we have nothing but countless Hobokens, and we are rejoicing in the prospect of recasting in the same mould the tropical cities of Panama, Porto Rico and the Philippines. For my part I cannot understand this enthusiasm, for I would travel many a long mile to see an American city which should not look exactly like Hoboken, and to discover an American citizen not altogether like myself.

The whole trouble lies in the too great emphasis which we lay upon the comparative value of our own virtues, to which, with a good deal of freedom of language, we have affixed the term "Anglo-Saxon." I am in some respects an Anglo-maniac, and I am proud of my English blood and speech. I like the energy and all-sufficiency of the stock, and I would not exchange my forbears for a good deal. Still I cannot in justice overlook our faults nor be blind to the fact that the good points of other races supply our deficiencies, and I have already hinted at some of them. In the great century of music, none of our blood produced a work of even the third class. We have never had a painter who could rank among the first score or two of great artists. We must go to Germany for our highest philosophy, and to France for the most finished elegance of thought and manners. We know little of the joy of living. We take our holidays sadly, and laugh with mental reservations. The European comes to us with a new capacity for mirth, a genius for joviality and sociability. Are these ingredients to be despised? For a few years he may navigate our streets with his hand-organ or his plaster-casts and frequent his genial café, but before long he must fit himself to our Procrustean bed, and at last we find him

at work in the regulation store or at rest before the rigid bar or at the taciturn dairy-lunch counter. Is it desirable that we should compass sea and land in this way to make a proselyte? Should we reduce the whole world to one dead level? And not content with stifling the originality of the immigrant, we must needs carry our missionary zeal for uniformity to foreign lands in the hope of destroying all individuality. In Anglo-Saxonizing India and Japan we are crushing out the most wonderful of arts beyond a possibility of resurrection. We are the Goths and Vandals of the day. We are the Tartars and the Turks. And the countries which we overrun have each its own priceless heritage of art and legend which we ruthlessly stamp under foot.

I admire the Anglo-Saxon, just as I admire his feathered prototype, the English house-sparrow. He is a fine, sturdy, plain, self-satisfied bird, a good fighter, an admirable colonist, fit for all climates, with no sense of art or music, and a little too fond of rehearsing his many virtues in a hoarse chorus. But so long as he minds his own business I like him, and I do not care to quarrel with him, even when he considers himself a better bird than the blue-bird or the oriole. He has a right to his own opinions. But when he begins to try to make the bobolink adopt his song, and to drive the wrens and buntings out of their haunts, and to break their eggs and tear their nests to pieces, why, then I must cry out against his arrogance. We do not want a bird-world composed of nothing but sparrows. We will not have it, and if the sparrows themselves had any sense they would protest against it; for do not the thrushes sing for them too, and may they not enjoy the plumage of the scarlet-tanager, if they will? Let us hope that the sparrow may learn some day to appreciate the good points of other fowl, even to the point of cherishing them and learning from them. What wasted opportunities of improvement for ourselves Ellis Island affords. We are careful to assure ourselves that each immi-

grant has in his pocket so much money which will find its way into the general circulation, but he bears a greater wealth in his heart, and this we disregard. If the energy which we expend upon keeping him out were devoted to the task of investing this spiritual wealth of his to the greatest advantage for all, the problem of immigration would cease to vex us, for we would all soon learn to hail his advent with gratitude.

One curious objection raised against immigration is that originally formed by Gen. Francis A. Walker, and recently reinforced by Robert Hunter in his admirable book on "Poverty," namely, that it has had the effect of reducing the birthrate of native Americans. It is indeed a notable fact that whereas our ancestors, nay, our fathers and grandfathers, had families of eight to ten children or more, we as a rule have two or three, or even one, or none. It is true that improved sanitation has also diminished the death-rate, and the frightful mortality of infants which every old family Bible exhibits, no longer prevails. But still of the large families of our forefathers a goodly number of children survived, and we fall far behind them in the task of replenishing the earth. General Walker and Mr. Hunter seem to look upon this phenomenon as a sort of mystic or psychic result of suddenly introducing before the eyes of a healthy native population a mass of sordid and unclean foreigners. I am inclined to think that this explanation owes its origin to a prejudice against foreigners which even philosophers and economists find it hard to overcome, and, furthermore, that it does not explain. The reason is much simpler and more natural. A little study of the question among those whom we meet from day to day will show that the falling off in families is due in part to the desire of parents to escape the expense of a large family and also to have their children as rich as possible, and hence to divide up the inheritance which they may have to leave to them as little as possible. In thrifty France this is notably the case, and it is

true of well-nigh the entire saving portion of our own population. In addition to this, we must note the greater weakness of women's nerves nowadays and their growing unwillingness to undergo the pains of childbirth and care of children, with, at the same time, a disbelief in the divine origin of the injunction to have as many children as possible. Parenthetically it may be observed that if the men who preach large families the loudest could experience these pains first themselves, they might be less strenuous in their exhortations.

An artificial life of more or less luxury and a great deal of leisure is responsible in great part for the degeneration of our women's nerves, and the possession of inheritances to hand down to our children depends almost altogether upon our ability to make other people work for us and to pocket a percentage of their earnings. It is just at this point that the foreign immigrant plays an important part. He comes here ready to be fleeced, and we fleece him. He works hard, and we take care to see that he does not receive the full value of his work. There is a rake-off above his wages for us. And so the "native American" population (that is, those of us whose immigrant ancestors came over before such and such a date) has, as a rule, been growing rich "off" the immigrant. It has been laying up money, which it wishes to leave to as few children as possible, and at the same time it has attained a style of living which is bad for the nerves of its women. In other words, the greater part of the hard physical work of the country is done by recent immigrants. Possibly the first railways were built by Americans, but soon they were supplanted by the Irish, and now the Irish have given way to the Italians. Not many years ago our mines were worked by men of the English-speaking races, but to-day Poles, Hungarians and Bohemians have taken their places. The men who have been displaced have for the most part risen in the social scale, and just in proportion as they rise do they cease to have large families. It is a curious fact that as soon as a

man begins to think of "founding a family," just at that moment he begins to diminish his chances of having a persistent posterity. The ideas of heritage and of luxury bear in themselves the seeds of race-suicide. It is only the man who is as careless of the condition of his progeny as is the dog or cat, who can count on being represented on earth in both the male and female line till doomsday. The best way to found a family is to give all your property away. The families of the poor increase in pyramidal progression. It has always been so. The working class of Rome was called the proletariat, that is, the producers of offspring or proles. The families of the rich dwindle—from the base of the pyramid to its vanishing point. As society is now constituted, you must make your choice between making money and making children. The poor have the future to themselves, there is no doubt of that, and it is a law of nature that the meek shall inherit the earth.

General Walker and Mr. Hunter, seeing these facts, would insure the permanence of the native American stock by excluding the immigrant. This seems to me a counsel of cowardice. In the struggle for life the fittest survive, and if the foreigner is the fittest, we ought gracefully to withdraw before him. It is not because he is a foreigner that he is fitter than we are, mind you, but because he is poor, and because he is ready to do the hard work of the country, and has not yet absorbed the idea of exploiting the rest of the population for his own benefit. When we have civilized him to that extent, he will begin to die out too. To force ourselves to do the hard work by shutting him out (and that is what Mr. Hunter's advice amounts to) is surely a round-about and unmanly way of attaining an object which can be much better attained otherwise. It is the ability to exploit others that makes us comparatively rich, and if we are only willing to give up the special privileges which have given us this power of exploitation, we shall fall back into a situation of equality of opportunity, which will give the law

of the survival of the fittest a fair field to work in, and in such a field we need not fear the competition of foreigners. It is our successful greed that handicaps us. In the last analysis race-suicide is a matter of monopoly. Cease to permit the monopolists to keep for themselves the natural resources of the earth,—the mines and rights of way and land-values,—and to buy our laws for their own aggrandizement, such as their tariffs, and very soon all men will receive what they earn, and there will be no fear of the future to make men reluctant to increase their families, and no excessive luxury or fashionable idleness to unfit our women for motherhood.

Possibly my sympathy for foreigners arises from the fact that I was a foreigner myself for four or five years of my life. During that period I came to the conclusion, upon what seemed to me sufficient evidence, that a foreigner was as good as a native; and I do not see why the mere fact that I happen to have returned to my home should have the effect of changing this rule. There are many who would apply a different rule to the Chinese and the so-called yellow races from the one which they apply to Europeans. I believe on the contrary that no harm would be done if we allowed the laws of nature to control both cases. I know from personal observation that the Chinaman is just as intelligent as we are. It would be a confession of weakness for us to admit that he thrives better than we can. Remove the possibility of exploiting him by abolishing all privilege, and he will not be brought here in large numbers, for it is the exploiter of labor who is responsible for the major part of all immigration. The same criticism may be made of the legislation against so-called "contract-labor." Such immigration would be insignificant if the abolition of special privileges prevented the making of undue profits from it. There is plenty of room for all who wish to come, and it is still possible to lose one's self in the backwoods within the limits of Greater New York. It is claimed that it is pa-

triotic to shut out foreigners, but I challenge that position. Is it patriotic to announce to the world that our institutions are a failure?—to hang out the sign "Standing Room Only," when our house is full of empty seats?—to cry, "Men not Wanted," when our soil is itching for the spade? They tell a falsehood who tell mankind that there are no further opportunities for the immigrant in our great and wealthy continent. They wish to put up at the entrance of the beautiful harbor of New York the notice, "Leave hope behind all ye who enter here." That inscription may be suited to the infernal regions, but it is out of place on the gates of America. The Immigration Restriction League is engaged in fighting windmills, it is "barking up the wrong tree." And the worst evil that attends such a mistake is that it draws attention away from the right tree. Economic ills confront us which are our own fault, and so long as we cast the blame on others we are not likely to set to work seriously to reform ourselves. There is a chance that, if we humbly acknowledge our failures and undertake to seek out their causes in our own institutions and customs, we may be able to find and obviate them, but these restrictionists are deliberately drawing a herring across our trail. Let us not follow them in their error, for the true scent leads elsewhere, and the real goal is the extension to the sphere of economics of that principle of equality of opportunity which we recognize already in politics.

CHAPTER X.

Remedies—3. Communism and Socialism.

Your young men shall see visions and your old men shall dream dreams.—Acts, 2:17.

The remedies for existing evils discussed in the last two chapters presuppose the existence of the evils, but offer no satisfactory solution. They are not radical because they do not go to the root of the trouble. We must now consider two proposed solutions which certainly do not err from lack of radicalism, namely, those of anarchist-communism and of socialism.

The anarchist-communist is keenly alive to the injustice of the present social system. He sees that it is supported by government and that government rests upon force, and he proposes the abolition of all government, and upon its ruins he expects to see independent communities of co-operators arise, in which justice shall be done to all. The right to land will depend on occupancy. Some goods will be produced in such quantities that there will be more than enough for all, and of these all who need may take. Others will not be so plentiful, and these will be apportioned in the same way that now in a besieged town food and clothing are served out to the inhabitants. The accepted principle will be, "From each according to his ability, to each according to his needs." This is certainly a beautiful dream, and William Morris has given a fitting picture of it in his "News from Nowhere." I do not think, however, that it involves too great a lack of faith in humanity to say that the world is not yet ready for such a civilization, introduced in such a way. It is one thing to see the evils of

government by force, to protest against them, and refuse to take part in them; but it is quite another to "abolish" that government by an equally disastrous exercise of force, and the men who take part in such a revolution will be the least adapted to the ideal life which is to succeed it. There is one virtue in communism, and that is that it can be tried anywhere by any group of people. Existing laws may make such experiments more difficult, but they cannot prevent their success. And the objection to communism is that it has never yet succeeded. Its failure is due not to any fault in the dream but to the defects of human nature. It is not too much to ask of communists that they should prove the fitness of their theories to human nature as it is, by a few successful examples, before they expect mankind to listen to their programme. Communism is a good star to hitch your wagon to, but hardly a matter yet for practical politics.

The solution of socialism resembles that of communism in one point, but differs from it essentially in all others. It calls, too, for co-operation; but so far from abolishing government, it makes government the center of all. Socialists propose to establish justice by having the state take over all the means of production and distribution, assigning to each individual a just wage for his labor. They recognize fully the injustice upon which the present system is founded, and seeing, as they suppose, that the natural laws of trade lead to plutocracy and pauperism, they determine to have nothing further to do with natural laws, but to convert the state into a special Providence which shall provide for all and enter into every detail of industrial life. The initial error of the orthodox socialists seems to me, therefore, to be a total lack of faith in natural laws. That superficial thinkers should come to such a conclusion when they observe the gross unfairness of our society is not to be wondered at, but it is not what should be expected of men who arrogate to themselves the name "scientific." We have already

made the acquaintance of some of these laws. When the demand for an article diminishes, the manufacturer, seeing the price fall, ceases to make it, and turns to the manufacture of some other article for which the demand is increasing and the price consequently rising. This is a beautiful automatic arrangement by which the economic atoms of society tend of themselves to keep the market in a state of equilibrium. A man shows an aptitude for a given trade; his customers increase and therefore he has more to do and earns more wages, and he continues in the trade in which he is succeeding. Another man enters the same trade but shows no taste for it. He loses his custom and is driven to try something else for which he is better fitted. By this natural law men tend to find the position of greatest utility in society. Wages are highest where laborers are most needed, and prices are highest where goods are most needed, thus attracting men and things where they are wanted; and inversely, prices and wages drop where there is a surplus of goods or men respectively, thus discouraging the importation of them from other places. The list of such beneficent laws could be continued indefinitely, and it is quite evident that, were it not for friction and obstruction, they would work with as great precision as the law that water seeks its own level. The Romans, ignorant of this law, built enormous aqueducts, bringing water down an inclined plane to their cities; and we know to-day that these magnificent pieces of masonry were altogether unnecessary, and that nature would have restored the water to its old level, if man had given her the chance. The socialists propose to do the same thing, only on an infinitely greater scale. They will at every point substitute men's laws for nature's laws, having suffered, as they think, from the latter. So a man, having been burned by fire, might resolve never to obtain warmth or light from combustion again; and one who had been injured by a fall might try to dispense forever with the law of gravitation. Surely

this is not "scientific." The scientific attitude is to study the laws of nature and adapt ourselves to them, and procure from them all the benefit we can, at the same time avoiding their evil effects. The man who invents a piece of machinery, so far from dispensing with natural laws, makes use of them in every possible way; and without gravitation, the expansion of steam when water is boiled, or the tendency of an electric current to convert soft iron into a magnet, his machine would stand still. If he said, "Gravitation has crushed me, steam has scalded me, and electricity has shocked me, and I intend to get on without them," he would prove his utter unfitness for the tasks of an inventor and constructor of machines. And it is so with the machinery of social and industrial life. It must use the existing social forces, supply and demand, competition and the rest, or it will come to grief.

And is competition the unmixed evil which socialists say it is? Is it not a rule of nature which we cannot escape, however much we may wish to? Even in the ideal socialist state A, B and C will make boots, and A will make them better than either of the others. It will follow that C, D and E will prefer to have A's boots, and here is the law of competition again, which we supposed dead and buried. And it is a rather fortunate case of resurrection, too, for the preference of A's boots will be a constant incentive to B and C to improve, and to A to preserve his standard. Socialist magazines to-day compete with other journals and with each other; and I once presided at a debate in which a socialist professor argued for a whole evening against an orthodox economist to prove the essential evil of competition, sublimely ignorant the while that he was engaging in competition of an aggravated form as he spoke. Socialism itself is competing with the other "isms" and with the existing state of society, and if it ever comes in, it will be by virtue of this despised law of nature. The socialist state will then show gross ingratitude if it denies its

author. In the co-operative commonwealth, which is the socialist's dream, they will have foremen and managers, and these will be selected from the workmen, and it will be a competitive system of a sort, whether it is so called or not. Competition may indeed be exaggerated in our existing system, but it is because men are shut out from the resources of nature, and fear that if they are crowded out of their present occupation, there will be no work for them. With all natural opportunities open to them, competition would lose its sting. The competition of drowning men round an insufficient raft is hideous because their opportunities are restricted. Give them raft enough, and you will soon find them helping each other. It is the artificial limitation of this world-raft of ours that accounts for the competitive evils of trade. Nothing will so encourage the growth of the co-operative spirit as the opening of opportunities to all. But even when this spirit has full sway, competition will still exist, inherent in the very nature of life.

Disregarding natural laws, refusing to see that the natural reward of labor is the product of labor, and that hence the fact that the laborer does not get it must be the result of artificial obstructions which can be removed—socialism, when it undertakes to reconstruct society without these laws, is entering upon a task which quite transcends human powers. Socialists wish artificially to attain an end which ought to be attained automatically. It is natural that a man should have the product of his labor. The appropriation of it by others is unnatural. Is it not wiser to remove the obstructions to nature, rather than to attempt to perform her functions? Our bodies to a great extent take care of themselves, and our brains are not forced to occupy themselves with the details of the circulation of the blood and the digestion of food. Suppose a man made the attempt to "run" his own body—to direct every heart-beat, every secretion by act of his mind. We would call him insane. And yet the idea that all the details

of labor and business can be effectively managed by the central government is almost as absurd. We are told that the trusts do it, but this is a great misconception. The trusts cover a comparatively small portion of industry as yet, and they do not construct and manage affairs from the center. They find a number of industries already full-grown and active, and they merely combine them and regulate them. The trust industries grew up from the ground, and the vitality of the trusts came from their constituent members. There must be life in each limb and member and molecule before we can have a live body, and a co-operative commonwealth must be an aggregation of vital units before it can become vital itself. The whole idea of forming a live social system from the top by a central committee is fallacious. Such things may be done after a fashion in the field of politics, for politics only touch life at a few definite points, but industry is a large part of the life of the community, and its growth must be vital and not artificial.

In meeting such arguments socialists are extremely vague. They build up national parties in all countries with the object of making the state take over the means of production; but if you maintain that industry is not a political matter, that governments are conventional while industry is vital, and that it is industrial growth and not political carpentry that is wanted, they will assent to all that you say, admit that their political parties are more or less for show, and suddenly give up the role of politicians for that of prophets. Socialism is coming of itself, they will tell you, and that, too, in the industrial field, and the trusts are making the new world and not the socialist committees. There is a certain vagueness in all this. Either the state, the political state, is to become the central trust, or it is not. The revolution is to be either industrial or political. And if it is to be industrial, the less that politics has to do with it—except, indeed, to remove obstructions—the better. A state undertaking to direct

all industry would be overwhelmed with work in a day. The healthy man walks without thinking about it, but a socialist state would be like a victim of locomotor ataxia who has to apply his mind to every step.

And history shows that changes in the industrial system proceed along industrial and not along political lines. The transfer of power in England from the great landlords to the commercial and manufacturing class was a purely industrial movement, and the only assistance which it obtained from legislation was the abolition of the corn laws, which were artificial obstructions to natural laws. By the same token, the proper course to pursue to-day would be in the direction of a similar removal of artificial obstructions to natural industrial evolution. So the trusts have come to life through industrial development, and not only that, but they have been opposed and are still opposed, in form at least, at every advance, by the world of politics. The benefits which they owe to legislation have been surreptitious and indirect. Granted the privileges which they enjoy, their growth has been economic, and economic alone. Is it reasonable to suppose that this industrial revolution will be suddenly transferred from the economic to the political field, and that the state will in a moment obtain a vitality which it has long wanted? The real life of the working-class movement is in the trade unions, because they are industrial, and it is a true instinct which keeps the unions out of the political field.

Socialists point to the public school system as an example of the work which the state can do. One of their writers recently called attention to the fact that the people have their own "schools and equipment for education," and then he proceeds to say: "If the reader will just put the words, 'shops, factories and other equipment for labor' in the place of the words 'schools and equipment for education,' he will see what the application of the system of socialism means in the realm of industry. It seems to the writer that

this argument is irresistible to an unprejudiced mind and wholly unanswerable."

It fairly takes the breath away to read this "unanswerable" argument. The problem for socialism, as for every other proposed economic system, is the workability of its proposed arrangements. Society must somehow support itself under any system, and if it consumes more than it produces, it will soon come to grief. It is primarily a matter of the production and distribution of wealth. The public school is a poor illustration, to begin with, for only in the broadest sense can it be said to be a producer of wealth at all. But let this point go. Let us consider education and instruction as tangible wealth. The first thing to note about the public school system is that it gives its product away for nothing. There is no pretense whatever made that it is self-supporting, and no kind of books are kept which might establish the fact. Its enormous expense is met by taxation. If the government wished to go into the business of giving away diamond rings it could do so successfully, so long as it had a rich enough community to tax to pay for them, but this success would hardly constitute an argument for socialism. The money for the public schools is provided by taxation upon our individualistic and competitive industries, and the only thing that this proves is the immense vitality of these industries and their ability to bear heavy taxation and yet thrive, and that with a big enough money-bag any undertaking becomes financially practicable—but surely we knew that already. If socialism should gradually absorb the industries of the country, there would be left fewer and fewer industries to tax, and without a kind government to meet the bills out of its treasury, the socialist problem would become a very different one. And so the "wholly unanswerable" argument has really not a single leg to stand on.

The post-office is a better illustration of socialism than the public school, for it tries to pay

its way; but here again we are met by various anomalies. This department of the government is founded upon a totally unwarrantable monopoly. Why should I be prevented from making a living by carrying letters, if I wish to? The prohibition is an unjust trespass upon personal liberty to perform useful acts. We see at once the wrong of the government tobacco monopoly in certain European countries, but the letter-carrying monopoly is quite as improper. The government might just as well reserve to itself the right of building houses. It might be supposed that anyone possessing a great monopoly of the kind might make it pay expenses. But such is not the case. The service of the post-office is indifferent, its management is corrupt, and the general atmosphere of its stations is slovenly and unbusinesslike; and yet, if it could not fall back upon your and my individual enterprise to meet the deficit every year by taxation, it would have gone into bankruptcy long ago. We must admit, however, the advantages of a national post-office. No one has made a hundred millions out of that industry. It has not been the means of gathering the earnings of the many into a few hands. It does its work at the same price for all, and a low price at that, without preferential rates or rebates for favored customers. These are distinct merits, and might perhaps induce a good many people to prefer socialism to plutocracy, if the former programme, aiming at all industrial activities, could actually be made to work.

Socialism seeks to cure the ills of monopoly by creating one great monopoly and taking everybody into it. It points to the great waste of our system, the advertising, the employment of an army of traveling salesmen, the internecine strife; oblivious to the fact that these evils arise from excessive competition due to the monopolizing of the earth and its resources. Socialism might stop these evils, if it was practicable at all, but it would be easier to remove them by removing their cause. Monopoly may perhaps be cured by more

monopoly, but the obvious remedy seems to be, "No monopoly."

Socialism involves one great injustice, and that is the taking away from men of that which they have made. It is a natural law that a robin should own her nest, and it is equally natural that I should own what I make. To take my goods from me and administer them against my will, is immoral.

There are some peculiarities of socialism which require a word. It is the most dogmatic of parties, having received the mantle, in this respect, of the old Calvinists; and it is strange that religious peculiarities should have descended to a party which is largely materialistic. They have a pope in Karl Marx and a Bible in his "Kapital," and woe to the heretic within the pale who questions either. He is soon excommunicated with bell and book. The *odium socialisticum* is as bad as the *odium theologicum* in its worst form. Socialists believe in the absolute predestination of their theories and that they are without question the elect, and though they believe in predestination, they still send missionaries to the end of the earth to convert the heathen. Their dogmas do not appeal to my intellect, and for that reason I am obliged to regard myself deficient. They insist, for instance, upon belief in "class -consciousness," namely, that the worker should feel himself a member of a class with a grievance, and of different flesh and blood from the class against which he has a grievance. But it is not easy to draw the class line in this way. The workman with a savings bank account, the railway president with his millions laid by, belong to both classes, and in different degrees are each employer and employed. The idea, too, that this conscious class is to assault the other class and carry their position, is crude in the extreme. Socialists in power would be no better masters than the plutocrats of to-day, and many of them would be worse, as the tyrannical behavior of their party often demonstrates. All men who wish to exploit their fel-

lows really belong to the exploiting class, and there are few civilized men left out of that category. And finally, the most "class-conscious" men I know are not workingmen at all, but men of wealth, professional men, business men, who have been moved by irresistible sympathy to take the side of the down-trodden. The entire idea of class-consciousness is unsound.

Another socialistic dogma of equally binding force is what they term the "economic interpretation of history," which means that man's advance, physical, mental and spiritual, has been altogether due to changes in his economic condition. We are indeed composed of body and mind, and it is well that there should be a reaction against the extreme idealist position that there is nothing but mind; but idealism is still a force in human affairs, and the thought often precedes the fact. I do not dwell upon this subject here as I have treated it fully in another place with reference to the American Abolitionists.*

Another socialistic dogma is the assumption that the idea of "natural rights" has been exploded, and that anyone who now believes in them is hopelessly imbecile. I confess that I still cling to natural rights, exploded though they be; and I venture timidly to maintain that a bird has a natural right to its nest and a babe to its mother's breast, and I challenge anyone to controvert the statement. From this I may go on and say that I have a natural right to my arms and hence to the opportunity to work with them, and consequently to my share of the raw material of the globe. We may well differ as to the point at which natural rights cease, but that there are natural rights is scarcely disputable.

One of the greatest objections to socialism is its intention of magnifying the state. A man must be enamored indeed of bureaucracy to suggest the conversion of all men into bureaucrats. Officialism is a most unattractive thing, especi-

*Garrison the Non-Resistant. Chapter X, pp. 97-104. The Public Publishing Co., Chicago, 1905.

ally to the American, and it will require strong proof to induce the American people to swallow so distasteful a remedy. It is all very well to say that the new state will differ from the old, but how can we be sure of that? The state which we know is arbitrary, mechanical, soulless, unbusinesslike and slow in its operation. Above all, it is drunk with the sense of its divine right. A mail wagon comes down the street, and everything must get out of its way, milk wagons, grocery carts and all. Why? Milk and groceries are more important to the human race than letters. There is no reason except the survival of the medieval doctrine of the divine right of kings and the still flourishing fetish of the sanctity of government. Until we can get rid of this idea, until we look upon the postman, the legislator and the judge, as we look upon the grocer and the milkman, it will be dangerous to add greatly to the scope of state activity. There are certain races which show less antipathy to officialism than others, and I am sure that an experiment in socialism would have a greater chance of success in Germany than in an Anglo-Saxon or Latin country. It is therefore in the interests of the socialist movement that the first experiment should be made in one of these empires. It is not desirable that every country should advance in precisely the same way as the others, for it is by variation that evolution chooses the best path. Let the subjects of the Kaiser then attempt the experiment of establishing a ubiquitous government, and leave some other parts of the program to us.

It is not unlikely that the economic issue may be soonest and best solved in Russia. The question presents itself more simply there. Their civilization is not so complex as ours. Fewer people have crowded into the cities, and the vast mass of the population is still agricultural. They see wealth from day to day coming out of the ground. They know that the earth is the mother of riches, and that to control the soil is to control the people who live on it. City people are the

most ignorant of men. I remember once when I was a very small boy, announcing my intention to do something very grand when I grew up. "Where will you get the money?" asked a skeptical bystander. "Out of my pocket," I answered triumphantly. And so in town men think that money comes out of banks, and food out of restaurants, and other things from stores and markets, and it is easy to fool them. But the countryman knows that it all comes from the land. So it is at least in Russia. For our country-people have already been contaminated by the town-people, and they are now possessed by the idea that there is a goose in the city that lays golden eggs, and the young men desert their homes for the city as soon as they can, hoping in some way to get something for nothing, and those who succeed do harm to the country instead of good, and usually become parasites instead of producers. And so it is that the Russian people, with all their ignorance, see clearer than we do on this one question of the land, and if they only insist upon having it settled first, it is not impossible that they may show the rest of the world how to treat it, and thus take the lead of humanity, instead of bringing up the rear. And for this I fervently hope, for it would avert the danger of costly experiments in state socialism.

I criticise socialism, however, with the greatest feeling of friendliness to socialists, with whom I feel far more sympathy than with the Wall Street régime of to-day. But it seems to me a great pity that such earnest men, with so true an appreciation of present evils, should apply their strength to the impossible, and should hold up an ideal which with all its virtues, forgets the prime virtue of freedom.

CHAPTER XI.

Remedies—4. Justice, Freedom and Co-operation.*

The social problem of the future we consider to be how to unite the greatest individual liberty of action with a common ownership in the raw material of the globe, and an equal participation of all in the benefits of combined labor.

—John Stuart Mill, "Autobiography," chapter vii.

To regret that socialists fail to avail themselves of natural laws is not to assert positively that these laws are all-sufficient by themselves to secure absolute justice to all. All that we know of them is that they have that tendency, that they have always been grossly hampered by artificial obstructions, and that if left to work out their natural results they would ensure a far greater degree of justice than we now enjoy. Friction always interferes with the mathematical precision of a machine, and there will always be friction in human affairs. To prophesy how much and how little there would be under free conditions, is an idle pastime, and the foretelling of a Golden Age belongs to the realm of poetry and not to that of practical economics. It has never been possible

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*Mr. Crosby left with the manuscript of this book several notes and memoranda. The four which follow seem to be properly connected with this chapter.—L. F. P.

"Land value question the most important because all other reforms but increase land values."

"The introduction of machinery has greatly increased and centralized land values, and the equable distribution of land values will also equalize the effect of the introduction of machinery."

"Monopoly is the king of robbers for it strikes at the root of the tree."

"The foolish thief stealeth his victims' goods and is cursed by them; but the wise thief stealeth their opportunities, and behold, they rise up and bless him."

to predict future social systems, but it is always in order to put a stop to injustice. It may be necessary when all impediments to natural laws are removed still to do something more to prevent all exploitation of man by his fellow, but I contend that first we should make all the use possible of unobstructed natural laws before we try to determine how much artificial interference is required of us, or rather how little interference we can get on with. We should have only so much interference as is necessary to prevent injustice; but we cannot tell where to draw the line, unless we first abolish unnatural privileges. We must make a *tabula rasa* before we can build effectively upon it. We must clear away the rubbish before we grade the ground. Set your clock straight on the mantel before you call in the clock-maker, and it may go without him, or at any rate it may need much less repairing than you suppose. If you find a man escaping from brigands, hobbling painfully and fettered and gagged, which is the best way to treat his ailments—to construct a complicated wheeled-chair for him, which may never work at all, and then pull him about with his fetters on, or to knock off his fetters and release his limbs? Common sense says, "Knock off his fetters, and then if he turns out to be permanently lame, it will be time enough to get a chair for him." Let us consider the fetters which now shackle our industrial life, and briefly suggest the way to get rid of them.

And first among the fetters I would name the tariff, because of all of them it is the most obviously immoral and artificial. We have already discussed the folly of forcing our own citizens to pay more for their own products than foreigners pay,—of "holding up" visitors to our land and taking away their goods,—of punishing as a crime the act of adding to the wealth of the country. We have seen that the cost of transportation is sufficient protection of itself against the competition of civilized countries, and that the instability of the social conditions of uncivilized countries,

by rendering capital insecure, would do away with the competition of "pauper labor" if the civilized world would only abandon an imperialistic policy. It is here again the infringement of a natural law which produces the injury which we endeavor to cure by another equally unnatural law; but two wrongs cannot make a right, and we are bound to suffer so long as we heap up evil upon evil in the hope of balancing one with the other. And it is not merely a matter of economics, but rather one of good manners and morals. I passed a week in Canada recently and was most of the time within hailing distance of the frontier, and I blushed for my country and was ashamed to speak on the subject of custom-houses. Along that line, much of which is imaginary, we have placed an almost insuperable obstacle to friendly intercourse. We spend millions to bridge rivers and pierce mountains, and then in sheer wantonness by a stroke of the pen we raise a barrier more effective than the Andes and Himalayas with the Atlantic Ocean thrown in. The Canadian merchant who dares to bring his goods into our territory is relieved of half of them, and we have thus done what we can to shut that narrow strip of Empire out into outer darkness. The average cost of bringing goods from Europe to Canada varies from five to fifteen per cent, but to carry them across the invisible line between Canada and the United States costs fifty or sixty per cent! It is worse than a slap in the face to our next-door neighbors, and I wonder that Canadians are willing to speak to us. Why is it that nations will not behave like gentlemen? Tariffs upon importations should everywhere be abolished. First their protective features should be obliterated (for a much stronger opposition can be marshalled against them), and then after the necessary period of public education, they should be rooted up and cast out forever. The only good that they have ever done has been to provide a revenue (which, as we shall see, can be much better provided otherwise), and to build a wall of defence around the preserves of monopolists. The

ruins of our custom-houses will seem to our descendants as monstrous a relic of barbarism as the amphitheatres for gladiatorial shows and contests with wild-beasts appear to us.

But how is the revenue, supplied by a tariff on imports, to be made good? We find the answer to this question in the solution of the difficulties presented by another monopoly, and the greatest of them all—the monopoly of land values. We are accustomed to look upon property in land as if it were identical with property in manufactured articles, but there is in fact a wide difference between them. The principle upon which the right of property rests is that a man should possess that which he makes. I make a coat or an axe, and it belongs to me or to the person to whom I assign it. A company constructs an engine and the engine is theirs or their assignee's. With land, however, it is another matter, for no man made it. The right to land is in its essence a right to space, for the law conceives of a piece of land as a sort of cone-like enclosure, extending from the centre of the earth to the zenith, and embracing the heaven above, the earth beneath and the water under the earth. Now it cannot be held that the ownership of space and the ownership of a thing are of the same nature. The ownership of a thing does not involve the ownership of the space which it occupies, for a thing is movable and passes over the land of many people without affecting the ownership of it. Even a house may be moved, and it is a common thing for a house to be the property of one person, and the land upon which it stands (that is, the space which it occupies), of another. I think that in drawing this distinction it is better to speak of "site" or "space" rather than of "land," for the latter term is confused with the soil contained in the space, and this soil is merely an incidental matter. The ownership of the land involves access to the soil and minerals contained in it and to the use of them, just as it involves access to the street or harbor upon which it fronts, but these are all mere accessories of the

possession of the space. Now how can a property right in space be founded? There is really nothing but occupancy and force upon which to base it, and these are flimsy pleas to present to other claimants. If it is necessary in establishing new standards of justice to examine the titles of all possessors, mere occupants must yield priority to those who possess what they made or what was assigned to them by the maker or makers. There has always been a lurking suspicion in the minds of the great thinkers of the world, ancient and modern, that property in land differed from property in things, and the secret lies, I believe, in the idea of fixed space, which is involved in the one and not in the other.*

There is no sound foundation for property in space, and by recognizing property in that which ought not to be the object of property, we have brought upon us the evils always incurred by the violation of natural law.

The ownership of space is a natural monopoly, and the value of land, or site value, as I shall call it, is the measure of its monopoly value, increasing with the value of the monopoly. This increase is the "unearned increment," not produced by the owner, which John Stuart Mill first named, and which he suggested should be taken by taxation. We have here certainly a monopoly, and one that enters into almost all other monopolies. A monopoly is a right which is exempt from equal competition, and the right to occupy a given space is often thus exempt. The right of way of a railway along a natural highway, the right of way of a street-railway along a public street or road, the terminal facilities of a railway or pipe-line in a city, the frontage for wharfs on a harbor or for shops on a thoroughfare—all of these are in their nature restricted and not open to the general competition to which the manufacture of things is

*See my "Earth for All Calendar," G. P. Hampton, New York, publisher, 1900, containing quotations from upward of two hundred authors of all countries and ages on this subject.

usually open, and their value is easily measured by the price which they bring in the market; and this price, irrespective of the value of improvements made by the owners, is the measure of the advantage which the owners possess over the rest of mankind—or, in other words, of the value of their monopoly. Site value proceeds from two sources, access to natural opportunities and access to the community. It is thus always a right of access. In the case of a piece of land in a city the access to the community is usually the only element of value, but in the case of a mine it is the access to a gift of nature that prevails. But to natural opportunities must be added also access to the community, for a mine in a wilderness without means of transportation would have no value. Site value does not spring in any way from the owner of the site, and this is the reason why he cannot claim any right to it above others. It is not true, however, that the basis of the claim of the community is the fact that the community has created the value, for the community in a sense creates all values, the demand of the community being a constant element in value. The value of a thing depends on supply and demand. Supply may be said to produce the article, and demand to produce its value. Thus the community may be said by its demand to create the value of a diamond or of a suit of clothes, but that does not give them a title to it. The case of the community depends upon the fact that it is unjust for an individual to monopolise that which he did not create, and upon which all men have an equal claim with him. There has been a good deal of confusion of thought in the arguments used by advocates of land reform, and it may be that only gradually will this branch of economics be properly analysed and systematized. It is clear, however, that the possession of space must be distinguished from the possession of the materials contained in that space, and that natural deposits of soil and minerals and natural advantages of situation must be distinguished from community ad-

vantages, and that the claim to values based upon the fact that the community created them, must be dropped.

In what way can this site monopoly, this privilege resulting in no way from private merit, be abolished? It has been suggested that the land should be nationalized and administered by the state as landlord, and this is in part the plan of socialism, but it would involve a great amount of labor and an intricate system of bookkeeping. We know what a large office-force is required to manage an ordinary large estate, and it is evident that for the state to manage its real estate in the same way would necessitate an army of office-holders and a very complicated administration. The method proposed by Henry George would accomplish the same purpose, and yet actually simplify our present governmental system of taxation. His plan is merely to tax land, that is, sites, to their full annual value, which is the exact measure of their monopoly value. The value of the site must be separated from the value of the buildings and improvements upon it, but this is perfectly practicable and is already done wherever ground-rents are collected. Some of the finest buildings in New York are thus built upon leased sites. Where each owner of monopoly pays annually the full value of that monopoly, the result is that the monopoly is entirely neutralized, and the equal rights of the community in the space of the earth restored. We already levy a tax on land values in America, and the only difference would be that the tax would now be greater. No new duty would be laid upon the administration except to separate site values from improvements, and this is the practice already in New York and elsewhere, although both sites and improvements are still equally taxed.

Superficial thinkers sometimes assert that a tax on site values is not really paid by the owner of the site, but that he adds it to the rent and that it is eventually paid by the tenant. But this is not the case. The amount of the ground-rent is fixed by supply and demand, and is not affected by the

taxation of the site value. Taxation tends to diminish the supply of all manufactured things, including houses, thus increasing the price to consumers and raising house-rents, but a site value tax cannot alter the supply of sites, and all economists are agreed that this is a tax which cannot be shifted.

The indirect advantages of such a "single tax" would be enormous. It would involve the abolition of all other taxes upon personal property and buildings. Such taxes, including the tariff, discourage manufacture and trade. Put a tax on an article, and its production is at once diminished. A tax on land, however, forces the owner to make the best use of it so that he may pay his tax, and stimulates building and manufacture. The result would be low rents and low prices. At the same time all speculation in land would cease, for the unearned increment would cease to go to the purchaser, and the suburbs of cities and towns would be available for builders and residents at their actual and not at speculative values. Business of all kinds would flourish, and necessities and luxuries would be cheap, and there would be no speculative element in the change to bring on a crisis. This site tax would really make land free to all who can use it, and it would thus open a means of retreat to workmen suffering from hard conditions and enable them to demand their rights. Benjamin Franklin shows us how this safety-valve of free land worked in colonial America, although there too the best sites were already monopolized. "Notwithstanding this increase [of population]," he writes, "so vast is the territory of North America, that it will require many ages to settle it fully, and, till it is fully settled, labor will never be cheap here, where no man continues long a laborer for others, but gets a plantation of his own; no man continues long a journeyman to a trade, but goes among these new settlers and sets up for himself." ("Observations concerning the Increase of Mankind," 1751, Works of Benjamin Franklin, vol. ii, page 225.) So in South Africa

the ability of the natives to support themselves upon the land, gives them the power to treat upon an equality with the mine-owners, who consequently wish to enslave them. There is still an ample supply of land in America which this site tax would throw open. It would not, indeed, take us back to a primitive life; but by keeping the door open to such a life, it would enable workmen to insist upon good terms of employment under modern conditions. It is impossible here to enumerate the many blessings which such a system would bring upon society, and the reader is referred to the eloquent pages of Mr. George's "Progress and Poverty," for a full consideration of them. As to the fiscal aspects of such a tax and its sufficiency for all national and municipal purposes, Mr. Thomas G. Shearman has clearly shown the facts in his "Natural Taxation" (G. P. Putnam's Sons, New York, 1895). It seems, indeed, as if another natural law had been discovered, and that nature provides a fund adapted to communal wants from the excess-productivity of valuable sites.

Let me give an example. A, B, C and D settle upon a piece of frontier land, dividing it between them, and build their four houses near each other. Each one works his farm alone, and they all work with the same ability and energy. They soon discover, however, that A's land is more fertile than B's, and B's than C's, and C's than D's. At the end of the year A has earned say $400, B $375, C $350, and D only $300. Now it becomes necessary for these four friends to provide for some public expense—a common road, or a school-room for their children. How shall they contribute? Would it not be far fairer to take $100 from A, $75 from B, $50 from C and let D pay nothing, thus bringing the earnings of these four equal workers to an equality, than it would be to make each pay an equal quarter of the $225 to be raised? In this little community the real and natural reward of labor is the $300 which D earned on the poorest land in cultivation, and the

surplus above this sum which A, B and C obtained, and which D would have obtained upon their farms, was an unearned contribution from nature. The same result would have been occasioned by the superior access of A, B and C's farms to the market, and then their unearned increment would have been drawn in full from the community. Adam Smith in declaring that the produce of labor constitutes the natural recompense of labor, expressly makes an exception of this contribution of the site value to the product. In an ideal community A, B, and C would see the justice of paying their excess into the common treasury, but so long as we indulge in forcible taxation it is better to take *in invitum* that part of a man's income which is unearned and due to his site advantage, than to spoil him of his earnings. The surplus of income above D which nature or the community gave to the sites of A, B and C, is the value of their site monopoly and the true ground-rent of their land, and it is this which Mr. George proposes that the state shall take, while D would not be taxed at all. It is a measure of ideal justice.

This proposal has often been received in a way which almost suggests lack of good faith. It has been treated as a harsh measure to farmers, and as if it had a special bearing upon rural communities, when as a matter of fact it is aimed at unearned increments and its chief operation would be in cities where such increments are centered, many farmers being in the situation of D, or not far removed from it, and almost their only values consisting in personal property and improvements, which would go untaxed. It is the farming community of all others which would benefit by the Single Tax, most of its members finding their taxes reduced and many finding them altogether removed, as in the case of D in the above example.

It is sometimes asked, Why, if you are taxing unearned increments, not tax also the unearned increment of personal property? Stocks rise in value as well as sites. Then why not take this in-

crease by taxation? This argument is specious. Shares of stock are not really property, but merely represent property, and this represented property is itself usually in large part site values, including the franchise values attached to site. Railway stock, for instance, represents land, rails and rolling-stock. If the value of the stock advances, it means either speculation, or an increase in the franchise value growing out of the right of way, which is real estate. The rails and rolling-stock do not appreciate in value, but depreciate. And this marks an important difference between site values and the value of personal property, including buildings. Personal property is always wearing out and tending to disintegrate. Even the most substantial houses rapidly fall to pieces unless they are constantly repaired, and gold coin in time wears thin, while most personal property lasts only a few months. Hence the unearned increment in personal property is a rare thing and trivial in amount. Wine for a certain time, works of art of a high class—these things may indeed have an unearned increment, but it is only until they spoil or fade away, and it is hardly worth while to seek them out and appraise them. A store of wheat may rise in value, but at most it is a matter of a few months, and it would cost us more perhaps to search for such values than we should gain by taxing them. Sites, on the other hand, never wear out and their values are of a permanent character. Besides this, another principle conflicts with this taxation of the unearned increment of personal property, and this is the principle that a man is the owner of what he has made or procured from the owner. The unearned increment which attaches itself to an article thus earned is a very different matter from the unearned increment which attaches itself to particular sites which no one made. In any event the taxation of personal property, whether or not it covers an unearned increment, tends to drive property out of the state and is hence undesirable. From every point of view, therefore, there is a dis-

tinction between the taxation of unearned increment in land and in things, and we do well to reject the latter and hold to the former.

The abolition of monopoly in land by a site tax would also dispose of several derivative monopolies —all of those in fact whose franchises depend on right of way for rails, pipes, wires or any other means of transportation, conduit or communication; for a franchise value is really a site value and can be taxed in the same way as ordinary land. The ownership of a lot of land is really a franchise—the franchise to build upon it or cultivate it; and the franchise to lay pipes or rails or wires is one of the same character. It is really a right of way, and rights of way have always been classified as real estate. The State of New York has already begun to tax such franchises in its streets as real estate, and the principle is correct. There is nothing, then, to prevent the taxation of such franchises to their full value, thus neutralizing their monopoly; and this would abolish altogether the railway monopoly, including street surface and elevated railways, and such monopolies as those of the telegraph, telephone and electric light and power companies, and of gas and steam heating companies, and also that of the express companies which grows out of the railways.

The same principle could be applied to mines as well. Their monopoly value can be controlled by taxation.

The internal revenue tax would disappear if a tax on site values were adopted in place of all other taxes, and the brewing and distilling monopoly would be broken up.

There remains the patent monopoly, with its comparatively unimportant sister, the monopoly of copyright. Wherever necessary some other way can be found to reward inventors, or their royalties can be limited. As a matter of history, the inventor rarely reaps the benefit, but it usually goes to an assignee. Hence we need feel no extraordinary scruples in dealing with this, the most plausible of monopolies.

While a rational mode of taxation thus promises to dispose of all the above monopolies, it is possible that with respect to some of them the public will prefer the more cumbersome method of public ownership. I have already indicated the undesirability of increasing the functions of bureaucracy, but it is still true that it is better to have the government own the various monopoly companies than to have them own the government, which is practically the case to-day. Unless the people can be persuaded to take immediate steps to absorb monopoly privileges by taxation, it would be wise for them to own and operate such public utilities as experience shows us can well be managed by States and cities. Railways, telegraphs, telephones, express service, gas and electric lighting—all of these have been successfully operated by states and municipalities in many parts of Europe and America. By all means, then, rather than leave these instruments of monopolistic tribute in private hands, let us take them over; but it would be far better to begin a campaign of taxation against them until the "water" is squeezed out of their shares.

We have still to consider the difficult question of the banking and currency monopoly, and we must try to apply to it the same remedy of natural law to which we have already had recourse in other cases. There should be no monopoly in this field. There is no reason why the government should not allow individuals to compete with it and its national banks in the matter of issuing notes and in any other way facilitating exchange. There is undoubtedly some better way of conducting exchanges than that in vogue, but how will it ever be discovered if no one but the nation is allowed to experiment? The government might as well forbid every one but itself to keep a bank account, as to put a prohibition upon the issue of credit notes, for all credits should be liberated and made effectual. To remove this prohibition would not prevent the government from continuing to coin money and issue currency as it now

does, and it might well insist that other currency should be made altogether different in form, so that no one could be misled; but it has no moral right to interfere with individual experiments in mutual banking, the mutual insurance of credits, and the issuance of labor-cheques or other currency. We must add free banking to free land and free trade before we have exhausted the remedies afforded by natural law. If after that has been done society is still imperfectly organized, it will be time to consider the new and artificial changes which may be required.

The gains of banking usually take the form of interest, and interest is money paid for the use of money.*

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*Mr. Crosby left with his manuscript the following notes which he related to the manuscript page in which the above sentence appears:

"Ready exchangeability of money the reason for interest."

"Interest is a premium on the difference between present and future satisfactions."

"Part of interest is insurance against loss."

"Under single tax, people pay rent to themselves, and under mutual banking system they would pay interest to themselves (like a mutual insurance company)."

"Under co-operative system profit would go to themselves."

He further noted that he was to "change" this page "to show that under co-operation advantage of interest would go to wealth-producers;" and that he was to "quote points on co-operation in Briggs's booklet."

"Briggs's booklet" is evidently an allusion to "The Single Tax," by George A. Briggs (an address delivered before the New Church Society of Elkhart, Ind.), the last part of which is devoted to the subject of co-operation under the single tax. The points referred to by Mr. Crosby seem to be covered in the following quotation:

"Under our plan, the fear of want will be eliminated, but so also will be the ability to make monopolistic investments. What, then, will become of that surplus wealth?

"Plainly, it will seek investment in competitive enterprises. But since such enterprises depend for their success upon the character and ability of the management, the first thing necessary will be to find men of desirable character and ability. Many such men will be found at these, needing more capital, will be willing to sell stock the head of businesses already in operation. Some of

Money has no power of increase in itself, but its power to draw interest depends upon the fact that it can be exchanged for sites, which produce rent, or for capital (that is, machinery, etc.), which produces profit. If site values are taxed out

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in their enterprises. But to do this, is to divide the profits and no stock will be for sale unless such increased capital will increase returns.

"When, therefore, surplus wealth has exhausted this method of investment, it will seek for men to establish new industries. These will be found among the salaried foremen, superintendents and managers of established enterprises. These men will have the technical and practical experience necessary for the purpose.

"On being approached, some of them will be glad to accept an opportunity to become share holders in new enterprises rather than continue on salaries in old ones. Others, more timid perhaps, will talk the matter over with their employers. If their timidity be not too pronounced, they will present the offer as being attractive. If also they are valuable men, employers will endeavor to keep them. Such employers will point out the vicissitudes of business, the many capacities needed successfully to manage an enterprise, the keenness of competition, and the patience necessary to establish a new industry in any field.

"If these arguments prove futile, they will endeavor to tempt such employees by raise in salary. Some will fall under this temptation, but others more obdurate and perhaps more valuable will not. The employers, then, facing not only the loss of a valuable man, but also the dangers of competition from him, will search for a plan that will bind him to them. In many cases they will be forced to offer him stock in their enterprise either as a gift or as a purchase, and, happily, the increased wages which our plan has produced will enable the employee to accept the proposition.

"In some such way many new enterprises will be started and many valuable men will become stockholders in enterprises where formerly they were salaried employees only.

"As a further step in this direction, the search of jobs after men will continue until the cost of labor reaches a point where, all things considered, it will be impossible to raise it further. Some other inducement will then be necessary to secure or retain men, even in the humblest capacities. No other offer will be possible except to sell them stock, and thus step by step, all industry will become co-operative, not forcibly from without, but by interior development in a continuously ascending series."

L. F. P.

of private hands, money will no longer be convertible into rent-bearing land and that element of interest will disappear. There remains, however, the element of profit from the use of capital, and this does not include monopoly profits. There is a natural law of profit similar to the natural law of rent, namely, that profit rises from the difference in productivity between the poorest capital (that is, machinery, etc.) in use, and better capital, just as rent is the difference in productivity between the poorest sites in use and better sites.*

The wages of the workers in the poorest factory in use would fix the natural standard of wages. But if the workers in the better factories are paid according to this standard, as is just, there will remain a surplus above this, due to the superiority of their machinery. This surplus, however, arises from no "unearned increment" or monopoly value, as is the case with land, but is a reward for the use of better machinery, properly earned by its owners. In a perfect civilization where all men used the best machinery, this profit would disappear, but every new invention, as it was gradually introduced, would revive it again. So long as this profit continues and is free from all taint of monopoly, it forms a proper fund for the renewal of capital. In our present conditions it is impossible to separate this true profit from monopoly profit, but we may reasonably suppose that it is comparatively insignificant in amount, and that it is bound to grow less as the means of production are brought nearer to the highest standard of efficiency. The profit source of interest thus promises to vanish, just as the rent source will vanish—in the former case by unassisted natural laws, in the latter by the refusal of the community to allow individuals to retain a source of income to which they have no claim.

*See the able and suggestive paper of Wm. G. Sawin on "The Profits and Volume of Capital." Publications of the American Academy of Political and Social Science, No. 320, Philadelphia, 1901.

It may seem strange to the thinker that natural laws are insufficient to make way with both rent and interest, both of them seeming to be signs of friction and imperfection; but I see no tendency to the disappearance of rent—on the contrary it increases. Perfect means of transportation might be expected to dissipate and equalize site values, but they have the opposite effect, and every new railway from New York increases the value of land on Broadway. Some of the advocates of banking and currency reform have supposed that the abolition of interest would diminish or even abolish rents. But here again, as in the case of improved transportation, the result would be to increase rents, for capital would be plentiful and land would be in greater demand than ever. The abolition of interest will tend to fluidity in business affairs, just as improved transportation does; but this very fluidity, strange to say, conduces to concentration and not to dispersion, and it is sure to add to the value of valuable sites. The material progress of a community may therefore be measured by the rise of rents and the fall of interest. Interest will have a tendency to pass away by natural laws, but rent will remain to be dealt with—a giant, forever growing in strength and stature.

And it is curious to note that interest has always been looked at askance in all ages, forbidden by religion after religion, denounced by teacher after teacher, and that it is limited to-day by usury laws which cast a slur upon its character. Compound interest is the legitimate daughter of interest, but if ten per cent interest were allowed upon one cent for 1893 years, it has been computed that it would take seventy-eight figures to write down the result of the "investment." The single cent would have swallowed up the world. This calculation throws suspicion upon the principle of interest, and it seems as if mankind had always had an inkling that in a perfect state it would have no justification. The fact that it enables so many people to lead a life of permanent

idleness, supported by the labor of others, is another reason for criticising interest. If I do two days' work in one, no one would challenge my right to a holiday of one day; but as soon as that one day is transformed into a certain period of time every year, not only during my life, but forever, you at once lay the foundation of injustice. If I save ten thousand dollars from my earnings, by all means let me spend it; but to tell me that I and my heirs are thereby entitled to six hundred dollars a year for a million years, and then for another million years thereafter, is pure moonshine upon its face.

But is the allowance of interest necessary to the saving of sufficient capital to keep our industries in a state of efficiency and provide for their expansion? The fact is that as interest falls, our savings banks become fuller and fuller. There is no reason why a man should not save a thousand dollars for the purpose of spending it in his old age, or of providing for his children, or to assist in establishing some industrial enterprise whose products he needs. Squirrels and bees save without receiving any bonus upon their savings, and men can doubtless acquire the same wisdom if they try. It is sometimes stated that the essence of interest consists in the fact that men prefer to enjoy a thing now to postponing the enjoyment of it to the future, and hence that they will always pay a bonus for anticipating the use of it. But may we not expect the advent of a more philosophical frame of mind, which will allow the trouble of preserving the desired thing, to offset the annoyance of waiting for it? The fact that a man wishes to lend, shows that he has more money than he wants, and hence that it is a favor to him to keep it for him; in other words, that it is worth more to him in the future than in the present. Time does not belong to the lender alone. At any rate it is a fact that as civilization advances, interest falls, and that there is every reason to expect it to sink to the cost of providing capital. And the abolition of monopoly would

gently facilitate this descent, for much of the interest of to-day is monopoly interest, derived from the banking monopoly, the land monopoly and the other monopolies. To sum up, it would seem to be the natural use of wages to support the worker and his family; the natural use of rent to pay for the communal enterprises now grouped under the activities of the government; and the natural use of profit to renew and extend capital. Of the three, profit is the only one which lacks elements of permanence and which would be likely to disappear in a perfect society, but it would take away with it its twin sister, interest. The incentive to save, supplied by interest, will at first yield place to a less speculative prudence, but eventually the world will perhaps find a new energy in the spirit of active co-operation.

This spirit of co-operation is the power which must animate society in the future. Just as senseless letters grouped together form a word full of meaning, and as words, in their turn, grouped together, form sentences instinct with genius, so men co-operating one with another gain a force and significance infinitely surpassing the mere arithmetical sum-total of their individual values, for men in combination advance in geometrical progression. Co-operation takes many shapes, and in some of them it has already succeeded. Municipal waterworks are common and uniformly satisfactory. The trade union involves a kind of co-operation, and it may have a great future if it ever trains its members to the point of conducting industries on their own account. It will be a long time before that can be done, but unionism promises better for the democratization of industry than any political movement. Every member of a trade union is learning how to get on with his equals, how to yield his will to the common will, how to present his views to his fellows, and how to compromise with those who cannot be persuaded. If we are to make any approach to Utopia it must be along these lines, for its foundations must be laid in the character of the men

who form society, and one of the chief values of the labor union is that it is a school for character. As soon as the members of a union become fully worthy of the confidence of each other, so that they will completely trust each other, there is no limit to the advance which they may make in the way of co-operation.

The trusts are conspicuous examples of successful co-operation. With all their faults they present a remarkable spectacle of mutual faith. While they may prey upon the public, the trust promoters among themselves hold their word as if it were their bond. This is a great human achievement, and might have been impossible upon so vast a scale at an earlier stage of civilization. And it is time perhaps to put in a word for our business world. Its ideas come very near being proper ideals. The ideal, for instance, of exerting wide influence, of wielding power, is a noble ideal, where the power is one of character and service and not one of mere brute force. Our business in the world is to express ourselves, to make ourselves felt, to leave our mark on human affairs as deep as we can. In so far as a captain of industry is doing this he is doing well. The ideal of supplying the people with any one of the necessaries of life, such as oil, or sugar, or corn, is also a high ideal. It is one of the best forms of usefulness, and the man who does it has a right to claim a place beside the poet and the teacher; and, indeed, in some respects his function is more fundamental and important than theirs. This field of usefulness is one in which the highest qualities of humanity can well show themselves—in which we ought to look for the devotion of saints and heroes, and the self-sacrifice of martyrs. Why do we not find these in the business world?

It is because the business man puts the emphasis, not on service, but on gain. The clergyman, the professor, the editor, the soldier, thinks little of his salary. It is a mere incident. The business man thinks of little else, and the higher

he gets in the world of finance the more his success is measured by the money he makes. There is no reason why a man's success in furnishing the world with kerosene oil should be measured in money, any more than another man's success in providing it with poetry or sermons. Milton got five pounds for his "Paradise Lost," and yet we think none the less of him. We measure his value by what he did, and not by what he got for it. It ought to be a proud thing for a man, other things being equal, to supply millions with sugar, but it is a matter of comparatively little importance how much he gets for it. When the ideal of service is merged in the ideal of seizing others' earnings, then that which might be a noble, unselfish devotion to the interests of the human race, becomes an inordinate desire to squeeze all that can be got out of it. The task of supplying the world with coal, gas, oil or transportation facilities is a grand work, but it becomes infamous when it is made the pretext of exacting tribute, and of reaping where others have sown.

Another indictment against the financiers who are responsible for the present state of the world, is that they have made it ugly, and are steadily making it uglier and uglier. A hundred years ago the world was less sanitary but far more beautiful, and our industries of all kinds are busily at work spoiling city and country. This side of the industrial question is often forgotten by the average man, but it presents itself forcibly to the artist, and perhaps we should all cultivate the artist's eye. It is this hideous quality of our industries, in factory and mining region and city slum, that forced such men as Ruskin and William Morris into radicalism, for they yearned for a civilization in which production should be beautiful, and they saw that the root of the ugliness was the selfishness and injustice which defied gain at the expense of service. We must exchange the question, "Will it pay?" for the better one, "Will it be of use?" No true art can grow up in a society living in conscious injustice, for justice is

the architecture of heaven, and our architects cannot build noble cities until we square our conduct with the heavenly vision. We find artistic wonders to-day in the ruins of Athens and Memphis and Nineveh, but what would there be a thousand years hence to pick up in the ruins of New York, except indeed a few articles in our museums, the product of other ages and climes? And the secret of the trouble is that we are unjust, and that at the bottom of our hearts we know it. We must begin to be beautiful by adopting a new idea in our business world—the ideal of usefulness instead of the idea of gain. Business must cease to fly the pirate flag. Directors must think more of the public than of shareholders, and must learn that their railways do not consist of stock and bonds. And manufacturers must feel that it is their business to manufacture goods and not dividends.

The great co-operative societies of England, most successful examples of co-operation among consumers, are profit-sharing concerns, but it is quite possible to co-operate without any idea of profit. And there are many existing examples of such co-operation. Take Harvard University, for instance. It is a corporation of considerable importance, and carries on a business which rivals in extent and intricacy a good many large business houses. Yet it has no stockholders, pays no dividends, and knows not the name of profit. No one thinks of asking whether it pays or not, and it is considered a sufficient justification for its existence that it is useful. The real design of such an institution is service, and those who co-operate in its work live in an atmosphere in which they are likely to think more of their work than of their stipend. No decent professor cares much about "making money." Our hospitals, museums, libraries and picture galleries are managed in the same way. Now, there is no reason in the world why the same principle should not be applied to other activities. Railways and factories could be founded and administered in precisely the same

fashion, and under new conditions railway men might forget the chase of the dollar and actually have no stockholders to forage for. Mr. Carnegie founds libraries. He might just as well have founded railways, and he would thus have contributed to the settlement of the conflict between monopoly and labor. His railways could have been operated at cost by employes at once well paid and not overworked, and by the law of competition the other railways and industries of the country would have been directed toward a cost basis. The result would be that each man would retain more and more of his own earnings, and less and less of the earnings of other people.

But there need be no element of charity in such enterprises, and the public can raise sufficient capital for them if they have the wisdom and the confidence. And the thing was actually done some years ago in Indianapolis, as I learned some time after having recommended it in an article. In 1887 Mr. Potts of that city was aroused by the exactions of the Indianapolis Natural Gas Company, and in order to free the people from its power he organized the "Consumers' Gas Trust." An active canvass was conducted in every ward of the city for popular subscriptions to the stock of the trust at $25 a share, and five hundred thousand dollars were thus raised in three weeks. The trustees served without pay, and they saved a million dollars a year to the consumers! Interest was paid at first on the stock (which was nonsalable), but the design was to return the capital invested as soon as possible, and then furnish the gas at cost. The stock had to be increased to $605,000, and it was necessary to borrow $750,000 besides, but early in 1898 all of this had been paid off, and only $236,000 of the original $500,000 remained on hand. The experiment is described by Professor Forrest of the University of Indianapolis in the American Journal of Sociology for May, 1898, and it appears to have been a complete success. The plan is applicable to any kind of business, the only requisite being public

confidence in the managers. And if the public desires the service sufficiently, the money could be subscribed without interest, the principal to be refunded as soon as possible. By such a corporation the charges could be reduced to actual cost, and when such a system became common the old rule of charging "all that the traffic will bear" will be forgotten. Once get rid of the stockholder, and it seems to me that such a system is preferable to municipal ownership. You escape bureaucracy and the dry-rot of officialism, you preserve the all-important vitality of private initiative, and you do not force the dissentient portion of the community to take part in an enterprise against their will. And what a good thing it is to dispense with the stockholder—this new freak among property-holders; the owner without duties or responsibilities, who like a leech does nothing but suck! In no former period of the world's history has such an irresponsible kind of property been possible, and it is not likely that this sport of nature, this *lusus naturae,* is destined for long to reproduce itself.

Two classes of objection will be brought against the plan of reform which I have outlined. The socialist will declare that it does not go far enough. He will have nothing less than "the public ownership of all the means of production." But even he must admit that injustice is unjust, and that it is right to abolish unjust privileges. He will not deny that it is wise to equalize the rights of men in land, and that there are a greater number of valid arguments for doing this than for equalizing their rights in manufactured wealth. All personal property flows from land, and it is easiest to deflect the river at its source. The present stock of things will soon wear out of itself, just as the present water in the river-bed will be lost in the sea. Then why not begin by equalizing rights in land? It is surely a long enough step to take. On the other hand, the conservative critic will contend that I am much too radical, even if he admits that there is some

ground for complaint. To him I would say that these changes can be made as slowly as the people pleases. Begin to reduce your tariffs on imports and to increase the freedom of banking and trade, and at the same time remove taxation as gradually as you wish from personal property and improvements on land, to the land—the site value. Set your face toward freedom and equal rights, that is all that is essential. Free trade is the real remedy, but "free trade" in a far wider sense than most free-traders have understood. Trade, to be truly free, must cast off all its shackles—not only the protective tariff, but all taxation on industry, and all tribute to the monopolists of money, rights of way and situation; and in this work if it stops short of land monopoly, the danger is that all the resultant benefits will inure to the advantage only of the landlord, whose rents are sure to rise as the condition of his neighborhood improves. Real free trade means trade free from all artificial hindrances.

To the critic who finds this whole discussion too materialistic, who declares that man does not live by bread alone, who thinks the poor are as happy as the rich, and that we should turn our attention to affairs of mind and soul, rather than those of bread and butter, I would reply that bread and butter are merely pawns for spiritual things. Justice is a thing of the spirit, but it works in the material world; and we must have just foundations for society before we can properly indulge in the cultivation of our higher natures. Our souls must express themselves through our bodies, and the soul of society must speak through its institutions. We must play the game of life fair before we can be at peace with ourselves, and we cannot develop ourselves or our society until we are thus at peace. But let us not call that peace which is no peace, for there is a peace of life and a peace of death—a glorious peace founded on justice, and a disgraceful peace founded on injustice. We must not wish for

peace in the industrial world unless it comes hand in hand with equity.

It is impossible to predict what course the human race will take in the future. A new order seems to be forming, and its motive power promises to be the co-operative spirit. Our first duty is to cease from injustice, individually and as a community; and our second duty is to cultivate this new spirit in ourselves and in others. Let us experiment in co-operation in every possible way and encourage those whom the new spirit impels forward, for no one knows which seed will produce the future tree of life. We may grow gradually into the new order, or some great social crisis may force us into it; but whatever the case may be, the safe progress of society will depend upon those of its members who keep distinctly before their mind's eye three great principles, and who insist upon advancing whither they converge —and these principles are justice, freedom and co-operation.

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