

Arbitration Act never been heard of. The inevitable effect of our prosperity, however, was to enhance the value of land. Hence it is no exaggeration to say that the increased money wages secured in many instances by the Act, have been of no real benefit to the worker, for, as Mr. Tregear, the Secretary for Labor, pointed out some years ago, the increase in wages has not kept pace with the increase in rent. Land values have more than absorbed the benefits the laborer has received, and hence to-day, after fifteen years under the Arbitration Act, the laborer is as dissatisfied as ever he was, and has ceased to hope for better things through the state regulation of his hours of labor and of his wages. One reform, and that alone, will bring land-values to their proper level, their adequate taxation. Sooner or later this reform will triumph with us as it will elsewhere, and I am bound to state that we have made a good beginning with it. We have made no more than a beginning, however, but little else that we have accomplished since the Liberals came into power is destined to endure. Certainly our boasted Industrial Conciliation and Arbitration Act cannot and should not endure.

AUCKLAND, NEW ZEALAND.

THE GOSPEL OF THRIFT ACCORDING TO SAINT ANDREW.

(*For the Review.*)

By EDMUND CORKILL.

Mr. Carnegie says in his new book that he believes that thrift lies at the root of the progress of our race. If that belief be true then some of the greatest reformers that ever lived failed to see the supreme importance of a *virtue*—Mr. Carnegie so describes it—that they as reformers could not afford to ignore. So great a reformer as the philosopher of Nazareth not only ignored it, but, to use the language of Keir Hardie as quoted by Mr. Carnegie, showed a “lofty contempt for thrift and forethought.” It is significant that he whom millions of human beings—including some of the wisest and the most virtuous—have regarded as the greatest of all teachers, should have omitted so indispensable a virtue in his code of morals. Possibly this point may become clearer after closer examination. At the outset an imperative question leaps to the front. What is the nature of this progress having thrift as one of its roots? That it consists of a variety of elements is evident, but the innate significance of the term limits its application to such causes and effects as make for an *advance*, a forward movement in the direction of physical and moral improvement, therefore anything retrogressive or obstructive in its tendency cannot logically lie within the scope of real progress. Under this test can thrift be rationally regarded as a radical constituent of human progress or civilization?

To satisfactorily answer this question it is necessary to first consider

certain relations existing between man and his environment which are important and essential factors in his individual, and social experience.

It has been shown most conclusively by socialistic and other writers upon economics that human needs could be amply satisfied by very little exertion, and the desire for reasonable luxuries by very little more. Not only does nature provide enough for all these wants, but an abundance far in excess of human effort. If this be true, it follows that there ought not to be any unsatisfied need except in the cases of those who will not exert themselves to obtain the satisfaction.

But here we are met by a stern fact that may well astound us. Many men and women cannot avail themselves of these beneficent natural opportunities for the reason that, as Mr. Carnegie himself declares, "Most men and women are born to poverty." As these unfortunates have little or nothing to put aside as thrift, this "virtue" is impracticable and of no value to them. This poverty is not the result of any decline in the power of nature to satisfy desire. On the contrary it is confidently asserted that, as an example of nature's generous productivity, the State of Texas alone could furnish necessary food for the entire population of the United States. The sun continues to shine upon the evil and the good, and the rain descends upon the just and the unjust, the golden grain ripens and is gathered into the barn, yet poverty continues. Superabundant harvests make little or no difference. Many thousands of men and women fail to realize this glorious beneficence. Is it necessary to recite the reasons for these anomalous conditions?

Yes—it is necessary—for many of the reasons commonly assigned are only apparent and not true. If the toiling masses throughout the world were once to realize the true reasons for that anomaly, the days of poverty would be numbered, and universal freedom and happiness would soon descend like a benediction upon the world. It is true that much suffering has in recent times been caused by speculation in the necessities of life. Unscrupulous men, by cornering wheat or some other natural product essential to human life and comfort, have made it hard for their fellows to live, but these facts do not account for the widespread and persistent poverty that has kept pace with so called civilization. There is only one fact in human history that adequately explains the enigma. "This association of poverty with progress," wrote Henry George, "is the great enigma of our times. It is the central fact from which spring industrial, social, and political difficulties that perplex the world, and with which statesmanship and philanthropy and education grapple in vain. From it come the clouds that overhang the future of the most progressive and self-reliant nations. It is the riddle which the Sphinx of Fate puts to our civilization, and which not to answer is to be destroyed," (*Progress and Poverty*, page 10). Again "the evils arising from the unjust and unequal distribution of wealth, which are becoming more and more apparent as modern civilization goes on, are not incidents of progress, but tendencies which must bring progress to a halt." "The poverty which in the midst of abundance pinches and imbrutes men, and all the manifold evils

which flow from it, spring from a denial of justice. In permitting the monopolization of the opportunities which nature freely offers to all we have ignored the fundamental law of justice—for, so far as we can see, when we view things upon a large scale, justice seems to be the supreme law of the universe." (Page 541-2).

Is it not then apparent that the most effective cause of the persistence of poverty in the midst of plenty, is this exclusive appropriation of natural opportunities by a few to the impoverishment of the many? In the struggle for existence consequent upon this blocking of nature's beneficent provision for human need, millions suffer and many starve.

If the Ironmaster's praise of thrift be merited then why not hail the speculator and the monopolist as benefactors, for have they not been driving these they exploited to thrift? But the monopolist strikes more viciously than the speculator because he strikes deeper. By controlling the *sources* of wealth he controls the necessities of mankind. Under such conditions it is obvious that thrift to any considerable degree is, to the average worker, impossible. If we trace the upward course of men who have acquired great fortunes in our own day, we find that they did this with the aid of some form of monopoly or special privilege. Without such help Mr. Carnegie himself could never have earned the title of Millionaire. The monopolized oil lands of Pennsylvania helped to lay the foundation of the notorious Steel Corporation from which he still derives millions that he could not possibly have earned. When he received a dollar a day, he doubtless was thrifty, but if he had continued in the ranks of the workers and depended upon what he could save out of honest labor or fair business enterprise he never would have created the Steel Corporation. The fact that he and his associates have been millionaires for a number of years, is proof positive that they did not earn their millions by honest labor without the help of special privilege.

Under free conditions, with natural opportunities open to all, the close, self-denying, pinching parsimony necessary now to the acquisition of even a very moderate competency for a working man and family, would be unnecessary. In a world overflowing with good things adapted to human desire, would it not be folly to spend the best years of life in accumulating for the future? The thrift required to provide against any shortage or failure of crops would entail no extraordinary self-denial or parsimony and would be a very different object from that of the man who piles up wealth that he can never use except to pauperize those whom he has exploited by monopoly, and to erect monuments to a psuedo-philanthropy.

Thus we see that thrift, so far from being a virtue that lies at the root of human progress, is really—putting it in the most favorable light—an unfortunate exigency arising out of the unhappy conditions incident to monopolistic restriction. Poverty, like all human suffering, has at times stimulated exertion towards something better, but the facts of history agree in showing that men progress in proportion as they become free, that is, under conditions

in which monopoly and special privilege do not weaken or destroy true equality or justice in their social relations, conditions which afford unrestricted opportunity to every honest aspiration after physical, mental, and moral excellence. Harmonious cooperation in the pursuit of progressive ideals is possible to men only when they freely associate with each other, hence war, tariffs, and other restrictive influences, keep them apart and help to perpetuate old antagonism and prejudices. Free trade among the nations of the earth would render peace societies superfluous, and, with free land, would realize the fable of a Golden Age. The tyranny of the Czar and his Court, and the intolerance of the Greek Church have driven the long suffering Russian people on towards freedom, but who would wish the strife always to continue? The tyranny and intolerance are but the heritage from centuries of injustice and superstition, and while we bare our heads before the splendid heroism of those great women, the Russian students—who are sacrificing all that is dear to them, liberty, affluence, even life itself for freedom's sake, we cannot but regret that devotion so sublime should be diverted from those high educational pursuits which are so largely conducive to real progress.

So altho' thrift may have been and may be now, a necessary evil—the corollary of monopoly—the true reformer can only tolerate this Carnegian "virtue" as a passing discord in social evolution, to be finally resolved in the full harmony of freedom.

This is consistent with the beneficent doctrine of providence as taught by the great Nazarene. He had no room in his philosophy for any anxious thought for tomorrow because that philosophy was based upon the *normal* relation of man to the natural source of sustenance. He made no allowance for corners in wheat or the monopoly of land. The fixed relation between natural human need and its complement in the bounties of nature, whether we regard it as a natural law or the direct result of divine solicitude, was, to his philosophic mind, the true solution of the labor question and involuntary poverty. If the simple flowers of the field that could neither toil nor spin, were yet clothed with a magnificence unequalled by Solomon in all his glory, surely the disciples *who could do both*, need not worry. To their unsophisticated minds the comforting assurance, "For your Father knoweth that ye have *need* of these things" would express all the certainty of nature's law of the adaptation of means to end—the necessity and its adequate compensation in the super-abundant opportunities of the soil.

Our Ironmaster's Scotch shrewdness was certainly at fault when he appealed to the Nazarene in support of his favorite "virtue." His application of the parable of the man who hid his one talent in the ground is unfortunate, inasmuch as it has obviously a spiritual significance and no bearing whatever upon financial investments. His quotation from one of the epistles is not less unfortunate—"He that provides not for those of his own house hath denied the faith and is worse than an infidel," does not inculcate thrift but just the common every-day prudence and common sense necessary to the

maintenance of the family: a plain social obligation and not a "virtue," such as Mr. Carnegie's strained misapplication would have us regard it. It must be a strenuous thrift indeed that will stand the strain of modern monopolistic conditions, and at the same time agree with the great teacher's doctrine of providence. It is worse than foolish to urge starving men to practise thrift, and altho' even under prevailing conditions it is unwise to waste limited resources, it is almost criminal to advise the poor to be content with things as they are and to avail themselves of help from those who have exploited them. "Is it not evident to all," argues Mr. Carnegie, "that the first and indispensable work of the socialist is the elevation of humanity to that standard of conduct which would ensure the wise and sober use of benefactions." Benefactions indeed! Think of the unconscious audacity that lurks in this suggestion—the self-satisfied assumption of superiority implied—the arrogant air of patronage—the amazing self-conceit born of financial success and the consciousness of power over dependents that it gives! All this uttered or implied with the suave patronizing air of the man who never puts his hands into his pockets without finding what he needs.

These "benefactions" recall those of the old-time "Gentleman of the Road," who sometimes returned to their helpless victims as much of the pelf as would see them home. As a stern matter of fact the difference, morally, between those old-fashioned Captains of their particular industry, and those whose exploits we are considering is not so great that we need be astonished that their modes of bestowing benefactions should appear to be identical.

Mr. Carnegie's conception of the evolution of progress seems to be that it must proceed in the line of a benevolent plutocracy whose work it shall be to develop all natural resources, primarily for their own benefit, and secondarily, for the benefit of the whole people as the plutocrats die off. He suavely admits that the wealth produced under the supervision of these Captains of industry is not *earned* by them, but comes from natural opportunities and the growth of population. The *success* of the wealth production, however, he regards as a sufficient reason why the Plutocrats should retain control of the product *until they die*, when "a large portion" should go into the public treasury. He meekly confesses that he and his fellow Plutocrats are merely *trustees* of the immense wealth they control, but assumes the right to fix the form in which the people shall receive their share of it. The apparent shrewdness of this scheme would be amazing, perhaps, if we had not grown familiar with it. The clergy have been in the habit of laying the flattering unction of this blasphemous assumption to the consciences of the rich when the church needed a share of the spoils. Trustees? Who appointed these men to be trustees of the illimitable resources of nature? Who authorized Mr. Carnegie to devote that share of his wealth that he admits belongs to the people, to the building of libraries branded with his name? Until these pertinent questions are answered our philanthropic monopolists will stand charged with doing business under false pretences, and with stolen goods. In his effort to escape or to mitigate the odium that attaches to his methods of

getting and disposing of his wealth, the Ironmaster tries to shift the responsibility for poverty to the habits of the workingman. He puts the case in unmistakable language. "When one asks himself what would most benefit the worker there is no hesitation in the reply—to avoid liquor and gambling." Altho' this imputation has been noticed in a previous article it is well worthy of further consideration.

That intemperance is a gigantic evil and a constant menace to the prosperity and happiness of many workers needs no proving, and Mr. Carnegie's picture of its dreadful effects is not overdrawn. But the inferences deduced from the sad truth show the same superficial method of dealing with facts as marks his explanation of how fortunes are made. He ignored the fundamental wrong—the exclusive appropriation of natural opportunities by a few to the injury of the many—and then proceeded to sketch the growth of the branches and fruit of a huge monopoly. So, in treating of the drink habit among workers, he ignores its radical cause or causes and considers superficial symptoms or results only. But many thoughtful sociologists now regard that reasoning as unsatisfactory and are leaning towards the conviction that drunkenness and gambling are not the causes of poverty to any considerable degree, but that the reverse is nearer the truth. In the first paper on Mr. Carnegie's book, a brief testimony to this effect was cited from the annual report of the New York Society for improving the condition of the poor—the quotation is here continued. "In this connection it is further admitted that if industrial and living conditions were what a reasonable standard of living demands, 70 per cent of the society's applicants would probably need no outside aid if work could be regular and continuous, and wages proportionate to service rendered and price of living." This expert testimony is valuable as proving, as far as it goes, that social conditions have much to do with poverty, and that to a large extent they are mutually dependent. While the causes differ in individual cases, the ill weed of intemperate habit seems to grow apace in the soil of poverty. And this is not a matter for surprise when we consider the many contributory inducements which surround the poor and urge them to indulgence. Generally, the extremes of excessive wealth and abject poverty are both unfavorable to the development of the best qualities in human character, but the very limited means of the poor, as we might expect, limit the indulgence, so that it is probable that they are really more temperate than the very rich whose ample means continually tempt to inordinate gratification. These considerations seem to favor the assumption that with moderate and steady means the workers would be far more temperate than the idle rich. Idleness is equally the bane of the very rich and the very poor, and the old aphorism might be farther from the truth when it tells us that "Satan finds some mischief still for idle hands to do." Human desires must express themselves—for evil—if the way to good be blocked. Idleness leads men to the saloon. Men out of work sympathetically herd together, and the Saloon opens its doors invitingly to free lunch and a social glass. Here in a warm and brilliantly lighted room, and surrounded by congenial companions, miser-

able homes and hopeless poverty are for the time forgotten, and, sad to say, oftentimes wife and children too. It does not take long after the first step—every slip making it easier to slide—to reach the stage where the saloon displaces the home, that which at first was merely tolerated becomes an object of desire, and the worker becomes indifferent to work. And so the process of degradation goes on from bad to worse until the total loss of self respect completes the ruin.

But that is not the end of the mischief. John Graham Brooks, in "The Social Unrest," quotes the testimony of "the best inspector in Illinois" to show how *boys* employed in one of the large works in Pittsburgh were taught to drink beer by being rewarded for fetching it to the workmen by *a sip each time*. The men had doubtless themselves become slaves to the drink habit through the debasing conditions under which they were employed. The "beer boy" is a part of the equipment in all large Smithies, and indeed, wherever work is done at an excessive temperature. The workmen, full-grown and able-bodied, and engaged at steady work, take their beer as food or refreshment. But they have no realizing sense of the effect on the little lad's growing body and mind of the sips which they give him. A far larger number of children form the habit of drinking from exhaustion. They work out of all proportion to their strength, endure the same extremes of heat, cold, noise, dirt, discomfort and exhaustion as the men among whom they work, and feel the need of something—they do not know what. The most accessible and instantaneous means of comfort is a drink, and the habit is easily formed. Even where boys are restrained from drinking by the fortunate habit of carrying home all their earnings, a practice widespread and beneficent, the exhaustion of the long working day, and heavy and indigestible lunch, and long journey to and from work, in all weathers, ultimately bring a craving for stimulants. And when a raise in wages comes, when the lad is fifteen or sixteen, it often happens that the old wage is carried home and the difference spent in drink. The example of the older men counts for much in this, but physical exhaustion counts for more."

The conditions under which these men worked are very suggestive in this connection. "The wages of skilled men were \$2.50 up to \$3.00, and even \$4.00 per day, but the most of unskilled workers got perhaps \$1.50, just enough to exist." The manager made it clear why nothing better could be done. He said, "The boom has come, and while it lasts our success depends upon driving as if life was at stake." "To such straits have these organized forces brought us—first a hot race with competing rivals, then a glutted market, first the boom, then the depression, first long and crowded hours, then lack of work and men adrift."

It is when we study facts like these that we see the folly of preaching thrift as a cure for poverty. Prevailing industrial conditions tend strongly to the formation and growth of the habit of using stimulants—the rush and hurry of business, in which, despite the rush and hurry, 95 per cent fail; the

intense application of the mental and muscular powers to the task of earning a living, and the anxiety born of such conditions, all tend to drive men and women to seek relief from the strain in illusory and harmful stimulants. Thousands of years ago the wise man wrote, "Give strong drink to him that is ready to perish, and wine to those that be of heavy hearts. Let him drink and forget his poverty, and remember his misery no more." Many are following this counsel to day and neither temperance crusades nor prohibition can permanently benefit them because their remedies are not *radical*; at the best they can only palliate and prune. Mr. Carnegie's moral platitudes will fare no better for the same reason—besides, a multi-millionaire who owes his wealth to the monopoly of land and corrupt legislation is not the man one likes to hear preaching virtue to those who have suffered and are suffering from his wrong doing, and to whom he stands as a debtor, able but unwilling to pay their share of the unearned increment from the land to which, as natural partners, he admits they are justly entitled.

Intemperance and thriftlessness must ever keep pace with monopoly, and poverty closely follow both until the opportunities of nature are made free to all.

ADDRESS OF W. A. DOUGLASS ON TAXATION.

Delivered Before a Committee of the Ontario Legislature.

The following address was delivered before a Committee appointed by the Legislative Assembly of Ontario to consider amendments to the Assessment Act. A number of petitions had been presented asking that the power be granted to the Municipal Councils to *fix a lower rate on improvements than on land values*.

Mr. Chairman and Gentlemen of the Committee:—I do not come here to make any request for a lower rate of taxation on any one particular industry without any consideration of other industries, but to call your attention to some of the essential principles that should guide us in the adjustment of taxation.

In the center of this city is a lot of land, 60 ft. by 90 ft. which is perhaps the most valuable piece of land in this province. About the year 1800 this lot was a free grant from the crown. As the town grew the value advanced according to the following figures:—

In the year 1800 the rental was	nil	per year.
" 1833	" \$240	"
" 1854	" 960	"
" 1875	" 6,000	"
" 1896	" 12,000	"

A few days ago that lot was sold for \$400,000, which at four per cent, would bring a rental of \$16,000 per year. In a few years, as the city continues to