

Price, 25 Cents

Alluring Absurdities

Fallacies of Henry George

By

M. W. MEAGHER

FOUNDER OF THE NATIONAL DEBATING ASSOCIATION
COOPER UNION, NEW YORK CITY



NEW YORK
THE AMERICAN NEWS COMPANY
Publishers' Agents
1889

ALLURING ABSURDITIËS:

FALLACIES OF HENRY GEORGE.

BY

M. W. MEAGHER,

FOUNDER OF THE NATIONAL DEBATING ASSOCIATION,
COOPER UNION, NEW YORK CITY.

There is nothing so delightful as the hearing or the speaking of truth. For this reason there is no conversation so agreeable as that of the man of integrity, who hears without any intention to betray, and speaks without any intention to deceive.

—PLATO.

NEW YORK:
THE AMERICAN NEWS COMPANY,
PUBLISHERS' AGENTS.

1889.

ALEX. PERNOD,

Digitized by Google

Ecm 2328.89.7

✓

HARVARD COLLEGE LIBRARY

DEXTER FUND

Nov. 16, 1927

COPYRIGHT, 1889,

By M. W. MEAGHER.

[All rights reserved.]

Press of J. J. Little & Co.,
Astor Place, New York.

TO
The Deluded of Cherry Land
WHO WOULD REGAIN
THE HIGHWAY OF COMMON SENSE.

LOS ANGELES, CAL., 1888.

PREFACE.

THE purpose of this work is twofold :

First, To overturn erroneous theories and false teachings on the great question of wages ; and,

Secondly, To suggest practical remedies for existing evils involved in that question. I have singled out the works of Mr. George, primarily, because they are most replete with fallacies, which, by reason of their alluring tendency, are best calculated to deceive the thoughtless, and obtain the assent of the unreflective.

If his theory be adopted, he says, "men would no more worry about finding employment than they worry about finding air to breathe ; they need have no more care about physical necessities than do the lilies of the fields." * Verily, such a theory is more baneful and destructive to the peace and happiness of a nation than would be a Herod or a Nero.

To those who have a thorough knowledge of the theories upon which his works are based, whether that knowledge was acquired through him or from those from whom he himself obtained his theories, that part of this work which exposes the fallacies contained in them will be superfluous. They are, of course, undeceived by them.

On the other hand, those who have merely read and not studied these theories, as well as those who have never read them, will be enabled, by such exposure, to fully

* "Progress and Poverty," pp. 414, 415.

appreciate how ridiculous, and to perceive how honey-combed with errors, his theory of wages is.

And even conceding—what he asserts—that wages are invariably drawn from the product for which they are paid, we shall find that the labor problem is in no degree simplified by him. Countless ages before he was, man knew that wages were not a gift, but a reward, usually not for future performance, but for past services. Mr. George very learnedly argues that this universally accepted truth is a truth ; but in no way shows, or even attempts to show, how the conflicting interests of capital and labor may be equitably adjusted, and their respective rights harmoniously maintained.

On the contrary, he disposes of the difficulty by *merging capital with labor*. This is a most convenient means of overcoming the difficulty, but, like most things which are obtained without trouble or labor, it is worthless. Indeed, it is a theory quite pleasing to the capitalist, who, under the guise of close kinship, may grind down the laborer, and, with well-feigned sympathy, condole with him, and rail at the irresponsible land-owner for all their hardships and woes. For, of course, the poor capitalist is a sufferer, equally with the laborer, from the rapacious landlord.

Without treating the land question in an exhaustive manner—which I purpose doing in a subsequent work devoted exclusively to that subject—I have shown that nearly all the great individual accumulations of wealth resulted from commercial enterprises, aided by unjust, because discriminative, laws, and *not* from ownership in land. This one fact disproves nearly every assertion made by Mr. George in "Progress and Poverty." It conclusively shows that capital unduly appropriated the earnings of labor, and, therefore, that the interests of capital, as viewed by its possessors, at least, are opposed to those of

labor. It proves that capital is more potent than ownership in land, and, therefore, more loudly calls for restraining laws to protect society from its encroaching power. To restrain this constantly increasing power, I have suggested, as a remedy, a maximum of wealth, fixed by law, beyond which no individual may lawfully accumulate. As a means to this end, a graduated income and legacy tax, and a limitation in the quantity of land which one man may legally hold are advocated. To prevent laborers from being crushed by ceaseless and relentless competition by their fellow-craftsmen, necessitated by their avaricious employers, I have suggested a minimum of wages, below which it would be unlawful for any employer to engage and compensate labor.

I have followed Mr. George through all his reasonings, sophistries, and illustrations, and have exposed fallacy after fallacy, with a frequency that is monotonous, and for which I beg the reader's kind indulgence.

In treating the Malthusian theory, I did not acquiesce in it, but merely exposed Mr. George's fallacious reasoning and called attention to his contradictory statements.

In treating of rent, I have exposed many fallacies, but, perhaps, no greater one than that labor and capital engaged in manufactures will turn to agriculture, if the return be greater in the latter than in the former, by showing the impossibility of using the capital employed in manufactures—consisting of mills, machinery, and the like—in agriculture. Indeed, one of the most fruitful sources of error is the hypothesis that capital and labor may change at pleasure from one industry to another. Theoretically they may ; practically they cannot.

So, too, the theory of the margin of cultivation is only a fiction. Mr. George merely follows Ricardo and others, and they, in turn, followed vulgar beliefs. I have shown that,

while such a theory *was* valid when agriculture afforded occupation to almost all the people, it is now, owing to the diversity of industries, meaningless, because we cannot measure an unknown quantity by another unknown to us.

I have pointed out the real causes which govern the rates of interest, as well as those which produce high and low wages, and have shown why high wages and low interest may and do coexist.

Mr. Atkinson's plausible but fallacious theory of the distribution of wealth is fully exposed.

I have devoted one chapter to the tariff tax, wherein the high protectionist theory, as expounded by Professor Denslow, is completely refuted.

The present modes of taxation are briefly reviewed.

The fallacy of the single land tax, as a remedial measure, is demonstrated.

Attention is called to the frauds which are perpetrated by speculators and others, in so-called "booming" towns and new districts, to the knowledge, but without any interference on the part of the government.

Believing that education, the press, and the Church are properly included in the science of government, a short chapter has been devoted to each.

I have suggested new remedies for old evils, with the hope that their discussion would lead, or at least tend, to a solution of problems, pregnant with consequences, the importance and gravity of which cause thoughtful men much anxiety and trepidation.

In treating of poverty, I have given the most important place to intemperance. This was not the result of abstract reasoning, nor of conjectures based on any fanciful hypothesis, but of observation and experience. Every reader has, unfortunately, the opportunity of judging my utterances, in that behalf, within easy reach.

I have not twisted words nor distorted meanings, as too many do, for the purpose of "proving a point." Whenever it seemed to be necessary, I have quoted the writers under consideration in their own language, when attributing any statement to them, in order that the reader might the better understand us both, and that no injustice be done them.

While not stating anything for the purpose of offending, neither have I refrained from stating the truth lest I offend some particular class or person. My object throughout the work has been, not to flatter, but to enlighten. I have as freely censured the shortcomings of labor as I have those of capital. Some there are who affect to see all goodness in the poor, and the reverse in the wealthy. We should always condemn sycophancy. Let us remember that where every man has a vote, one can be equally as servile a sycophant by toadying to the poor, as by fawning upon the great.

Some may censure the language used by me sometimes as lacking in gravity. To such I would say that language is the garb with which we clothe expressed ideas. If these be sprightly, it should be animated; if sentimental, passionate; if profound, dignified and grave; if religious, solemn; if melancholy, pathetic and subdued.

It is what is said, rather than how it is said, or who says it, that is of importance.

Truth rests not for its validity upon its utterer. No name, however great, can add one iota to, can detract one jot from, truth.

A truth is a truth, no matter by whom believed, by whom denied, by whom expressed.

M. W. MEAGHER.

NEW YORK, *Jefferson's Anniversary*, 1889.

CONTENTS.

	PAGE
PREFACE.....	v
INTRODUCTORY.....	xiii
FALLACIES OF HENRY GEORGE.....	I-68
THE PROBLEM.....	1
DEFINITION OF THE TERMS.....	6
FROM WHAT ARE WAGES DRAWN? (a).....	11
WHENCE COMES THE MAINTENANCE OF LABORERS?.....	25
THE MALTHUSIAN THEORY.....	30
JOHN STUART MILL AND HENRY GEORGE LOCK HORNS...	48
DISTRIBUTION OF WEALTH (a).....	58
RENT.....	60
A SHORT FORMULA FOR DETERMINING THE DISTRIBUTION OF PRODUCE.....	62
SPURIOUS CAPITAL.....	65
THE LAW OF INTEREST.....	65
THE LAW OF WAGES.....	66
A REVIEW OF THE WAGES PROBLEM.....	68
AGGREGATION.....	71
OF CAPITAL.....	72
OF MOVABLE CAPITAL.....	72
OF IMMOVABLE CAPITAL.....	72
THE NECESSITY FOR CAPITAL.....	73
FROM WHAT ARE WAGES DRAWN? (b).....	75
THE TRUE SOURCE OF WAGES.....	76
DIVISION OF LABOR.....	78
DISTRIBUTION OF WEALTH (b).....	80
TAXATION.....	86
THE TARIFF TAX.....	86
INTERNAL REVENUE TAX.....	105
REAL ESTATE TAXES.....	106
PERSONAL PROPERTY TAX.....	107

	PAGE
POLL TAX.....	107
THE SINGLE LAND TAX.....	107
THE CAUSES WHICH PRODUCE HIGH AND LOW WAGES.....	129
THE CAUSES WHICH PRODUCE HIGH AND LOW RATES OF INTEREST.....	131
THE CAUSES WHICH PRODUCE POVERTY.....	134
OF IDLENESS.....	134
LACK OF THRIFT.....	135
LIVING BEYOND ONE'S MEANS.....	135
OF INTEMPERANCE.....	136
REMEDIES SUBMITTED.....	149
TYRANNY INHERENT IN MAN.....	149
THE DUTY OF SOCIETY TO PROTECT LABOR.....	150
HOW CAN LABOR BE PROTECTED ?	150
PROTECTION TO LABOR BY LABORERS.....	152
FEDERATION OF LABOR	154
A MINIMUM OF WAGES.....	155
A MAXIMUM OF WEALTH.....	157
THE GRADUATED INCOME AND LEGACY TAX	159
EDUCATION.....	173
THE PRESS	177
THE CHURCH.....	180
APPENDIX	187

INTRODUCTORY.

ONE of the most difficult problems to solve has been at all times the Labor Question. Philosophers, statesmen, legislators, the press (that mightiest force in formulating public opinion), the pulpit, and the laborers themselves, have all worked for its solution. Yet, like the North star, it ever occupies a never-varying position. Its solution is as far off now as it was when Milton received but five pounds for "Paradise Lost," when Michael Angelo worked in the quarries in Italy, when Homer begged in the streets of ancient Greece.

That labor is justly compensated, who will assert? That it is not, who will deny?

Thus, paradoxically, with a unanimous consensus of opinion that labor does not receive its full reward, a conflict is ever waged between those who toil and those who employ them. Indeed, it is a panorama,—labor demanding increased wages, capital requiring lengthened hours of work; labor petitioning for fewer hours of service, capital proposing a reduction in wages; labor demanding both a reduction in hours of service and an increase of compensation simultaneously, capital locking up the factories; laborers starving, capital wasting away!

But why are not laborers better paid? If their services are not adequately rewarded,—and that they are not, we assume all acknowledge,—why are they not? That is the problem. Generations come, generations pass away, but

the anomaly, as it was when Romulus and Remus builded on the seven hills, remains. That labor produced all, is self-evident. That he who produces, least partakes of that which by him is produced, is equally true. Those who toil most are deprived of many of the comforts, sometimes, necessities, of life; while they who toil not, and therefore produce not, are surrounded by every luxury, and their every wish anticipated by a horde of menials, dependent for their own subsistence on the luxurious idlers whom they serve! Labor is the most potent factor in civilization. How jealously prized, then, must it not be; how much admired and highly honored must not its possessors be! Ah, no! The world to-day, as when hundreds of thousands of slaves constructed the Pyramids of Egypt, that the lordly idlers of those times might have sepulchres commensurate with their godlike power and greatness, despises labor, and its possessor contemns!

It is he who possesses the product, not he who possesses the ability to produce it, that is flattered, and fawned upon, and honored among men. This is universally true. All history, sacred and profane, attests it. It is as true where the *aurora borealis* sheds its many-colored lights on the frozen steppes of Arctic regions, as where the tropical sun dazzles with his power and sheen. It is true of all tribes and races and peoples and nations,—of the Maori of New Zealand, of the Arab of the Orient, of the Circassian of despotic Russia, of oppressed Poland, of enlightened England, of free America. It is true of the mosque, the synagogue, the temple. Nor was the Saviour of mankind exempt from this crucial test. The rule, like a decree of Fate, is inexorable. Nay, Mr. George himself, in an essay entitled "On the Profitable Employment of Time," written by him in 1865, bears witness to this

truth. He says: { I am constantly longing for wealth; the wide difference between my wishes, and the means of gratifying them at my command, keeps me in perpetual disquiet. Wealth would bring me comforts and luxuries which I cannot now obtain, * * * and, therefore, it is my principal object in life to obtain wealth."

But let me call the reader's attention to the fact that happiness and wealth are not convertible terms. Contentment brings happiness; Discontent begets misery. Therefore, the contented laborer is truly happy, while the rich, the powerful man, though wielding the sceptre over the greatest nation on earth, with desires ungratified and an insatiable ambition which never can be appeased, is really miserable.

How reprehensible, then, must it not be for any man to interject the poison of discontent into the minds of contented laboring men! To cajole them with honeyed words and deceive them by delusive promises! to persuade them that all social distinctions, based on wealth, which have existed in all ages and in every clime, would be swept away, if his theory be adopted!

Let me here address myself to the reader who may be unaccustomed to severe reasoning. Such a person will accept plausible deductions rather than logical conclusions. Nay, more. He will reject logical deductions, if they be in themselves absurd, because they are absurd; arguing that the meaning is misconstrued. So it is that some otherwise intelligent men believe in Mr. George's theories of wages, ownership in land, and kindred subjects. If you refute his theories and demonstrate the unsoundness of his propositions, you are met with the objections, "*Mr. George did not mean that,*" "*Mr. George uses the terms in a different sense from what you do,*" etc., etc. Now, as to Mr. George's *meaning*, other than the terms,

as defined by him, logically convey, we have absolutely no concern. In other words, we should not conjecture anything as to what his *thoughts* were when he was making any statement, or formulating any proposition. We should not be asked to follow him through the recondite sinuosities of his mind to ascertain his *meaning*, but should confine ourselves to, and deal with, the emanations from his brain, only as expressed by himself. To do otherwise would be, either, to subordinate our minds and reasoning faculties to his, or, to deny to him the faculty of perspicuously and intelligibly expressing his thoughts and conveying his ideas. Hence, his defenders and apologists either abnegate themselves or tacitly concede his mental inferiority. To say that he is *merely ambiguous* or *equivocal*, is no defence; for the exact writer is never ambiguous, and the honest one never equivocal. But neither he nor they have just cause to complain if I use his terms as he himself has defined them. He has, in many cases, given several definitions of the same term, and has used that term according to whichever one of the definitions so given would best sustain his argument in each individual case. He had the defining of the terms, not I. He could have given to each, but one, exact, technical meaning. For his own purposes, he not only neglected doing so, but actually gave contradictory definitions of them. This was not an oversight, but the result of deep deliberation on his part. He was not merely inquiring into an economic subject: he was defending an hypothesis assumed by himself. The only defence which could apparently sustain his position was that which would beguile the subject, and this could be best accomplished by juggling with words and terms. Thus, the reader being seduced, until lost in a maze of terms, now used in one sense, now in another, and failing to detect the deception, and doubting his own acumen, he

He has many defenders: apologists

only too willingly receives proffered assistance of Mr. George, and accepts his assertions as indisputable evidence, and his sophistical deductions as irrefragable proof, and submissively reëchoes Mr. George's cry, "It is manifest the hypothesis is true!"

To substitute logic for sophistry; well-known facts for supposititious statements; just conclusions for erroneous inferences,—is my task. Whether the manner in which I perform it will deserve censure, or merit approval, I leave to the reader to determine.

ALLURING ABSURDITIES.

FALLACIES OF HENRY GEORGE.

THE PROBLEM.

IN the opening chapter of "Progress and Poverty," its author propounds this query :

"Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?"

In prosecuting his inquiry as to the cause of the seeming anomalous result set forth in the foregoing dogma, he reviews the current doctrines of political economists, and asserts that they are nearly unanimous in assenting to the statement contained in his proposition, and that they account for it by stating that "wages are fixed by the ratio between the number of laborers and the amount of capital devoted to the employment of labor, and constantly tend to the lowest amount on which laborers will consent to live and reproduce, because the increase in the number of laborers tends, naturally, to follow and overtake any increase in capital." Mr. George endeavors to prove the falsity of the "current theory," as designated by him, and states, axiomatically, "If wages depend upon

NOTE.—The figures on the lower margins throughout this work refer, if not otherwise stated, to the pages of "Progress and Poverty," Appletons' bound edition.

the ratio between the amount of labor seeking employment and the amount of capital devoted to its employment, the relative scarcity or abundance of one factor must mean the relative abundance or scarcity of the other. * * * Now, as the capital used in paying wages must largely consist of the capital constantly seeking investment, the current rate of interest must be the measure of its relative abundance or scarcity. So, if it be true that wages depend upon the ratio between the amount of labor seeking employment and the capital devoted to its employment, then high wages (the mark of the relative scarcity of labor) must be accompanied by low interest (the mark of the relative abundance of capital), and reversely, low wages must be accompanied by high interest." Then Mr. George asserts the contrary is true, and asks the question, "Is it not a notorious fact that where labor flows for higher wages, capital also flows for higher interest?" His statement that the "current doctrine," relative to wages, is as he defines it, merits no comment from me, and would not have been alluded to, were it not that he so incorporated it in his reasoning, that, to comprehend him, it became necessary to set forth fully, and in his own language, that no injustice be done him, the theory he was combating. Having done so, I may now properly point out his erroneous assertions. Thus, capital need not be relatively abundant, but *profits* must be large *per capita*, or according to the number employed, where wages are high. Therefore, it is not true that *high wages must* be accompanied by *low* interest. It is *not* a notorious fact that where labor flows for higher wages, capital flows for higher interest. The very reverse is often true. Wages are *higher*, and interest *lower*, absolutely, in New York City than they are, respectively, in any other place in the Union; nay, than in any country

in Europe.* So, too, in England, wages are higher and interest lower than they are, respectively, on the Continent. These are neither abstruse nor abstract statements, but simple, well-known facts, that may be verified by any one who so desires. And while Mr. George labors learnedly to disprove all the theories bearing on wages advanced by political economists during the past two hundred years, he befogs himself, and, together with his thoughtless readers, wanders in a labyrinth, until, lost in the realms of absurdity, he formulates the following:

"That wages, instead of being drawn from capital, are in reality drawn from the product of the labor for which they are paid."

He proceeds to demolish all theories antagonistic to his own, and here is how he begins: "Yet in the very treatises in which the limitation of industry by capital is laid down without reservation and made the basis for the most important reasonings and elaborate theories, we are told that capital is stored up or accumulated labor—'that part of wealth which is saved to assist future production.' If we substitute for the word 'capital' this definition of the word, the proposition carries its own refutation, for that labor cannot be employed until the results of labor are saved, becomes too absurd for discussion."† He then proceeds to prove, in his own sophistical way, that society of to-day is but the elaboration of society before the Flood. He cites the steam grist-mill as an illustration, and states, "Every man engaged in it—the engineer, the fireman, bookkeeper, etc.—is really devoting his labor to the same purpose that the pre-historic savage did when he used his mortar,—the preparation of grain for human food."

* New York City 3% bonds sell at a premium of 2½%. They are all held by residents of the city and near-by places.

† 23.

So called interest on bonds is not interest. It is a tax.

seem to require arguments the necessity
of capital. The author of this book
did not read *Progress & Poverty* carefully
4 ALLURING ABSURDITIES. JHE

Exactly; and does this not clearly prove the necessity of capital, "stored-up labor," to assist production? Imagine a man at the present day attempting to earn his livelihood by preparing grain with a mortar! When mortars were in use, one-half the grain given to the "miller" was retained by him as toll for grinding the other half. But with our present grist-mills (capital—"stored-up labor") the miller retains only one-fifth! Therefore, a man with a mortar could obtain no more than one-fifth of the quantity ground by him at the present day, admitting that he could produce equally as satisfactory results. But on this he could not maintain himself. What, then, must he do? The answer is obvious. He must either procure *capital* and build or buy a grist-mill, or hire one. Or if he have no capital, and can obtain none, he must work for an employer. To continue to use the mortar, notwithstanding all "the bounties of nature" were open to him, the "mortar miller" and his family would starve, even though his wife and children assist him in his noble effort to be his own employer! The reader will observe that I have taken for my illustration the very one given by Mr. George.

That labor *did* precede capital, is self-evident. That labor alone cannot compete with capital and labor united, is equally as clear. The illustration I have given demonstrates it. Where, then, is the absurdity, which Mr. George feigned to perceive, in the proposition that "accumulated labor" is necessary for the employment of labor? But he says we must revert to first principles, and as labor preceded, and must have preceded capital, it is absurd to say that it is different now. "If we keep this firmly in mind, if we look upon production as a whole—as the co-operation of all embraced in any of its great groups to satisfy the various desires of each, we plainly see that the reward each obtains for his exertions comes as truly and

Our ancestors had nothing but access to the bounties of nature and lived JHE
Capital while not absolutely essential is very desirable
Google

as *directly* from nature as the result of that exertion, as did that of the first man."* In this he conveys half a truth and half an error. A truth in this, that the reward each obtains comes from nature; an error in this, that it does *not* come *directly* from nature, but through a system of exchanges. To say that a man who keeps a set of books is *really* and *actually* catching fish, making shoes, and weaving cloth, and that "what he receives he *in reality* produces," if expressed by any one but a *soi-disant* political economist, would subject him to an examination by a committee in lunacy. If it were true, then any man who desired a fresh fish might retire to his room and devote an hour or so to bookkeeping, when, lo! he lands a "speckled beauty." The pen would then be more successful than the hook, as most of our amateur fishermen will admit. Let me not be misunderstood. That the bookkeeper may produce that which will *exchange* for fish, is true. But this is *constructively*, not *really*, catching fish. In the former case an intermediary is absolutely necessary; in the latter case none is required. With all "the bounties of nature" accessible, but without capital or an employer possessing it, the bookkeeper might devote his services to bookkeeping during eternity, without producing a fish to eat or a shoe to wear. If, as Mr. George asserts, it is absurd to say that labor cannot be employed until the results of labor have been saved, how much more absurd would it not be to say that sailors might go to sea without ships, or vessels of any description! How would Mr. George like to chase whales in the Arctic seas without the aid of "saved labor,"—without a boat, without food, and without clothing?

To recapitulate: Labor may be employed in the simplest forms of industry without the aid of capital, *but only in such*.

* 24.

DEFINITION OF THE TERMS.

Mr. George very considerably states that he will "attach no arbitrary meaning to words, or coin terms, even when it would be convenient to do so, but shall conform to usage as closely as is possible, only endeavoring to so fix the meaning of words that they may clearly express thought." * He then proceeds to show how other political economists fell into many errors by employing a term for the purpose of conveying two or more ideas. As to his own definitions and their uses, he says: "It will be my effort throughout, as any term becomes of importance, to clearly state what I mean by it, and to use it in that sense and in no other. Let me ask the reader to note and to bear in mind the definitions thus given, as otherwise I cannot hope to make myself properly understood." The reader is thus disarmed of any suspicion that Mr. George would violate his declaratory promise by using terms in any sense other than that expressly assigned by him. Yet he has used them in whatever sense would best bolster up his arguments, as I shall fully prove.

Following other political economists, he defines wages to be "whatever is received as the result or reward of exertion." † This definition is clear, concise and correct, if we confine the idea of exertion to human exertion. In the definition of capital he finds great difficulty. He first defines it to be "wealth devoted to procuring more wealth," ‡ and indorses Adam Smith's definition; viz., "That part of a man's stock which he expects to afford him revenue is called his capital." Wealth he defines to be "the product of labor." §

He defines the word "earn" equivalent to "make," and "make" equivalent to "produce." ¶

* 27.

† 29.

‡ 32.

§ 22.

¶ 24 and 25.

He asserts that the wages should be the full earnings, *i. e.*, product of labor! * Now, if labor produces everything, and the laborer should receive *all* the product of his labor, what would be left for capital? How could a man's stock afford him revenue? Clearly, if labor produces all, and the laborer takes all, there would be nothing for the unfortunate man of "wealth." But how could he have stock at all, if he did not produce it, as the laborer takes all? But admitting he did have stock, how could it avail him, as labor only reproduces? † If we dismiss "capital" for the time being and take up the term "land," we may be enabled, with the aid of his "definitions" of the latter, to understand his contradictory "definitions" of the former. It is better that Mr. George be given a hearing and explain himself in his own words. "Land, labor, and capital," he says, "are the three factors of production. If we remember that capital is thus a term used in contradistinction to land and labor, we at once see that nothing properly included under either one of these terms can be properly classed as capital. The term land necessarily includes, not merely the surface of the earth as distinguished from the water and the air, but the whole material universe outside of man himself, for it is only by having access to land, from which his very body is drawn, that man can come in contact with or use nature. The term land embraces, in short, all natural materials, forces, and opportunities, and, therefore, nothing that is freely supplied by nature can be properly classed as capital. A fertile field, a rich vein of ore, a falling stream which supplies power, may give to the possessor advantages equivalent to the possession of capital; but to class such things as capital would be to put an end to the distinction between land and capital, and, so far as they relate to each

* 295.

† 23, 57.

other, to make the two terms meaningless. The term labor, in like manner, includes all human exertion, and hence human powers whether natural or acquired can never properly be classed as capital."*

The foregoing negative "definition" is supplemented by another, six pages in length, and he finally disposes of it thus: "But it is not worth while *now* † to dwell upon the functions of capital, which we shall be better able to determine hereafter. Nor is the definition of capital I have suggested of any importance" ‡

In this I quite agree with him. It is of no importance. But have his "definitions" of land and labor enabled us to conjecture how a "part of a man's stock will afford him revenue"? It would seem so, for he pithily states that "land, labor, and capital are the three factors of production."§ Surely, then, capital is entitled to some return in common with land and labor in producing. But what share will be awarded capital? Alas, none! for it is not required and is *not* a factor of production, according to Mr. George. Again I shall allow him to speak for himself, and I reiterate his request that the reader note and bear in mind the definitions thus given, as otherwise he cannot make himself properly understood. ¶

"But the result," he says, "or the earnings of labor, as is readily seen in those primary and fundamental occupations in which labor first engages and which, even in the most highly developed condition of society, still form the base of production, does not depend merely upon the intensity or quality of the labor itself. *Wealth is the product of two factors, land and labor*, and what a given amount of labor will yield will vary with the powers of the natural opportunities to which it is applied" ¶

* 33, 34.

† The *italics* are mine.

‡ 42.

§ 33.

¶ 33.

¶ 185.

But he has not completed his "definition" of capital. He says it is "stored-up labor;" * "a subdivision of the general term labor;" † "labor and capital are but different forms of the same thing,—human exertion;" ‡ "capital is but a form of labor, and its distinction from labor is in reality but a subdivision, just as the division of labor into skilled and unskilled would be." § "As the rendering of labor precedes the payment of wages, and as the rendering of labor in production implies the creation of value, the employer receives value before he pays out value—he but exchanges CAPITAL of one form for CAPITAL of another form." ¶ Now, let the reader compare the foregoing "definitions" with the following: "If we remember that capital is thus a term used in contradistinction to land and labor, we at once see that nothing properly included under either one of these terms can be properly classed as capital." ¶ "The term labor, in like manner, includes all human exertion; and hence HUMAN POWERS, whether natural or acquired, can never properly be classed as CAPITAL." ** But Mr. George is very reluctant to part company with capital, so he indulges in some more "definitions" of that term. He says: "Capital, like wealth, is interchangeable. It is not one thing; it is anything to that value within the circle of exchange." †† As he states it is like wealth in being interchangeable, let us see what he has to say about wealth. "Wealth being an abstract term, the idea of wealth, it must be remembered, involves the idea of exchangeability. The possession of wealth to a certain amount is potentially the possession of any or all species of wealth to that equivalent in exchange." †† But he says capital is a species of wealth.

* 147.

† Ibid.

‡ 179.

§ 183.

¶ 57.

¶ 33.

** 33, 34.

†† 161.

‡‡ 43.

It follows, therefore, from his definition of wealth, that "the possession of wealth to a certain amount is, potentially, the possession of *capital* to that equivalent in exchange." Hence, it would be impossible to possess wealth without possessing capital to that equivalent in exchange. Therefore all wealth is capital. And as stated by him, all capital is human exertion, and all wealth is capital; therefore all wealth is human exertion! The reader will please bear in mind that he does not merely state that all capital is the *product* of labor, but that it is *really human exertion*.* I do not mean to say that he has nowhere stated that capital is the product of labor, for he has; and, as I have shown, he has been most liberal in his "definitions" of it, giving no less than eight, some by exclusion, others by inclusion, and one by absurdity, and all contradictory, for the purpose of making himself "properly understood."

* 179.

all wealth is capital but all capital is wealth

not only admits in the next sentence that capital is required, but boldly asserts that "value is steadily added to that capital, until the shoemaker's labor results in the finished shoes"!

But, having made this admission, he states the shoes are not the wages of the shoemaker's exertion, but that the *difference in value between the material and shoes* is his wages! Here are his very words: "In obtaining *this additional value*,—MY WAGES,—how is capital at any time drawn upon?"

In order that the reader may fully appreciate the elastic method of reasoning employed by Mr. George, I shall use the parallels.

"If, for instance, I devote my labor to gathering birds' eggs or picking wild berries, the *eggs or berries I thus get are my wages*.

"Surely no one will contend that in such a case wages are drawn from capital. *There is no capital in the case*. An absolutely naked man thrown on an island where no human being has before trod; may gather birds' eggs or pick berries. Or if I take a piece of leather and work it up into a pair of shoes, **THE SHOES ARE MY WAGES,—the reward of my exertion**. Surely they are not drawn from capital,—either my capital or any one else's capital,—*but are brought into existence by the labor of which they become the wages*."*

"For, if we call in the idea of capital, my capital at the beginning consists of the piece of leather, the thread, etc. As my labor goes on, value is steadily added, until, when my labor results in the finished shoes, I have my capital plus the *difference in value between the material and the shoes*.

"In obtaining *this additional value*,—MY WAGES,—how is capital at any time drawn upon?"†

From the foregoing it will be seen at once that he puts the eggs of wild birds, and wild berries, in the same cate-

* 44.

† 44. 45.

gory with capital,—leather, thread, etc. And as the eggs of wild birds, and wild berries, would belong to whosoever would gather them, therefore a roll of calfskins and a side of sole leather would become the property of any one who might appropriate them. This is the inference. But without any doubt, according to Mr. George, if a shoemaker purloined them and *converted them into shoes*, they rightfully became his “as the reward of his exertion”!

Likely

In all sincerity, should any man waste time in refuting such manifest absurdities? But the question, “Whence come wages?” has not been answered yet, so that it becomes necessary to follow Mr. George still further in his alleged inquiry as to their true source.

He asserts that farmers in the United States* are, for the most part, self-employing, and that therefore their wages are the product of their labor. If we can conceive such a thing as a farmer *without capital*, his statement may be true; but if we cannot, it is erroneous and false. If he till the ground with his hands and feet only, to that extent Mr. George's assertion is true. But if he employ ploughs, harrows, etc., it is false. If the farmer seed his fields with Mr. George's theories, it is true; but if he plant material, tangible things, it is false. He states that salesmen are paid out of the profits accruing from the sales they effect, and therefore from their own labor, and in no way draw from capital. The fatal defect in his reasoning is this: he overlooks the fact that *capital* is absolutely necessary *before* the salesman can possibly effect a sale. That is to say, the salesman must have something to sell before he can sell it; or if he sell prospectively, then, if he have no capital himself, his employer must advance him wages, or at least sufficient capital to meet his expenses incidental

*Since capital is the product of labor,
wealth was first produced by*

thereto, before a return for the sales so consummated be received.

Now, it is self-evident that in either case the employer or himself must have capital. Therefore, conceding his statement under discussion to be true, his previous one that capital is not required, and his subsequent assertions that capital does not limit industry,* must be false. But what does he mean when he states that salesmen "are paid a percentage of profits"? To any one who has not read "Progress and Poverty," his meaning would be quite clear; but having read that work, and especially its author's "definitions" of "profits," the reader must be a dunce if he understand it. He says: "In all politico-economic works we are told that the three factors in production are land, labor, and capital, and that the whole produce is primarily distributed into three corresponding parts. *Three terms*, therefore, are needed, each of which shall clearly express one of these parts to the exclusion of the others. Rent, as defined, clearly enough expresses the first of these parts,—that which goes to the owners of land. Wages, as defined, clearly enough expresses the second,—that part which constitutes the return to labor. But as to the third term,—that which should express the return to capital,—there is in the standard works a most puzzling ambiguity and confusion. Of words in common use, that which comes nearest to exclusively expressing the idea of return for the use of capital, is interest, which, as commonly used, implies the return for the use of capital, exclusive of any labor in its use or management, and exclusive of any risk, except such as may be involved in the security. The word *profits*, as commonly used, is almost synonymous with revenue; *it means a gain, an amount received in excess of an amount expended.*" †

* 51-72.

† 140.

"Every one knows the tyranny and rapacity with which *capital*, when concentrated in large amounts, is frequently wielded to corrupt, to rob, and to destroy. What I wish to call the reader's attention to is that *profits* thus derived are not to be confounded with the *legitimate returns of capital as an agent of production.*" *

In the first definition given, it is obvious that an amount—capital—is expended *before* a greater amount is received.

In the second definition he implies that legitimate profits are "the legitimate returns for capital as an agent of production." Therefore, according to him, a salesman is paid out of the legitimate returns to capital! But if there be any doubt about the inference, it is removed by Mr. George himself, who says: "For instance, on American whaling-ships the custom is not to pay fixed wages, but a 'lay,' or proportion of the catch, which varies from a sixteenth to a twelfth to the captain down to a three-hundredth to the cabin boy. Thus, when a whale-ship comes into New Bedford or San Francisco after a successful cruise, she carries in her hold the *wages* of her crew, as well as the *PROFITS* of her owners." † Thus he uses the term "*wages*" in contradistinction to "*profits*." Nevertheless, he subsequently uses this language: "Thus, neither in its common meaning, nor in the meaning expressly assigned to it in the current political economy, can *profits* have any place in the discussion of the *distribution of wealth between the three factors of production.* Either in its common meaning or in the meaning expressly assigned to it, to talk about the distribution of wealth into rent, *wages*, and *profits*, is like talking of the division of mankind into men, *women*, and *human beings.*" ‡

The reader will please "note and bear in mind the

* 174. The *italics* are mine. † 47. The *italics* are mine. ‡ 141.

definitions thus given, as otherwise he [Mr. George] cannot hope to make himself properly understood"! As to the illustration, it may be remarked that capital furnished the "whaler" and food and clothing, before she returned to New Bedford with "wages and profits in her hold"—in fact, *before* she left New Bedford. But he has previously stated that it is absurd to say that capital is that part of wealth which is saved to assist future production,* and subsequently † he states it is absurd to say that men are maintained out of the product of past labor. Hence, the whalers did not leave New Bedford on ships at all! Nor did they subsist on food, for there could be neither ships nor food,—capital,—and to state the contrary is absurd, he says! ‡ But now comes Mr. George with this bit of sophistry to extricate himself from the quagmire of absurdity into which his erroneous assertions and puerile attempts at reasoning have led him. He says: "I have already pointed out the fallacy, concealed by an erroneous definition, which underlies the proposition, that because food, raiment and shelter are necessary to productive labor, therefore industry is limited by capital. To say that a man must have his breakfast before going to work is not to say that he cannot go to work unless a capitalist furnishes him with a breakfast, for his breakfast may, and in point of fact in any country where there is not actual famine will come, not from *wealth set apart for the assistance of production*, but from *wealth set apart for subsistence*."§ And, as has been previously shown, food, clothing, etc.—in short all articles of wealth—are only capital so long as they remain in the possession of those who propose, *not to consume*, but to *exchange* them for other commodities, or for productive services, and *cease to be capital when they pass into the possession of those*

* 23.

† 63-64.

‡ Ibid.

§ The *italics* are mine.

who will consume them."* Therefore he argues, when the owner of a whaler purchases food and clothing, they are capital; but the very moment they pass over the side of the vessel, into the possession of the crew, they are *not* capital, for then "the circle of exchange" has been completed, and they are in the hands of the consumer,—they are wealth! Having thus delivered himself, he gravely states, "But, though it would be logically sufficient, it is hardly safe to rest here and leave the argument to turn on the distinction between *wealth* and *capital*."† Yet on such apparently trifling things do the most stupendous rest, that it is on the difference between the alleged fact that *what was capital is now wealth*, and the vulgar notion that *what was capital is capital*, though called by Mr. George wealth, rests his theory of "the law of wages," and by which he endeavors to prove that "vice, crime, misery, want, and the fear of want" will be banished the very moment mankind will assent to his theory, by recognizing that difference! Returning to the last illustration, let us hear him further: "Can anything be clearer than that these wages—this oil and bone which the crew of the whaler have taken—have not been drawn from capital, but are really a part of the *produce* of their labor?"‡ Now, what is the meaning of the term "produce"? Mr. George, in one place, defines it to be "that part of the wealth produced above what is necessary to replace the capital consumed in production."§ But, in the illustration of the whaler, each man receives a fixed fractional part of *all* the oil and bone. Now, if, as frequently happens, the share which the owner of the whaler receives be less in value than the capital consumed on the voyage, are not wages to that extent—the owner's loss—drawn from pre-existing capital? And here there can be no quibble about

* 64.

† 65.

‡ 47.

§ 139.

the meaning of the term capital. For the food, clothing, etc., *were capital* furnished by the owner. They became *wealth* only when the men "consumed" them, according to Mr. George himself. Therefore, his statement, that wages are drawn from the product of labor for which they are received, and not from capital, can be true only in part, and (to use his own language when combating the theory that wages are drawn from capital) "it is evident that the assumption," by Mr. George, that wages are drawn from the product of labor for which they are received, "is, at least, in large part untrue, and the utmost that can, with any plausibility, be affirmed" by him is, that some wages are drawn from "the product of labor for which they are received." And, as he remarks, "this restriction of the major premise at once *invalidates all the deductions that are made from it.*"* So, by his own argument, his theory as to the source of wages is unsound and invalid. But he has a point, an "essential point," to make.

He says, "The precise time of the payment of wages is immaterial; the essential point—the point I lay stress on—is that it is *after* † the performance of work." ‡ This, it will be seen at once, has no bearing, one way or the other, on the theory advanced by him. Would it make any material difference to the laborer whether the "essential point" be proven or not? Would the laborer be any better off if he received his wages *before* instead of *after* he performed work? in the morning instead of in the evening? on Monday morning instead of Saturday night for the current week? Obviously not. But to Mr. George it is an "essential point," as he admits, of his theory; and certainly, without this "essential point," he would be left without a theory. But, to the mass of mankind, can that which is *immaterial* be *essential*? Can a theory based

* 46.

† The *italics* are Mr. George's.

‡ 52.

on an immateriality be of the slightest importance to sane men?

Again, he instances a manufacturer, and shows that he has more capital on Saturday night, after paying his employees, than he had on Monday morning. Would not the same be true if the manufacturer had paid his employees on Monday morning instead? He states: "As the laborer who works for an employer does not get his wages until he has performed the work, his case is similar to that of the depositor in a bank who *cannot* draw money out until he has put money in. And as by drawing out what he has previously put in, the bank depositor does not lessen the capital of the bank, neither can laborers by receiving wages lessen even temporarily either the capital of the employer or the aggregate capital of the community."* Let us reverse the usual method employed by banks, and suppose confidence was reposed in the individual by the bank, and it paid him out of an amount one hundred dollars, and he immediately deposited it with the same bank—what would either gain or lose? Again, what difference would it make, relatively, to the aggregate wealth of a nation, whether a bank loaned a man one hundred dollars for a week, or a man loaned (deposited in) a bank a similar sum for an equal period? None. Therefore, it makes no difference to the aggregate capital of a community, whether an employer advance wages before the work, for which such advance is made, has been performed, or the laborer advance services before receiving compensation therefor. But if it is true, as claimed by Mr. George, that the draughtsman in London and the miner in the Comstock "are *in reality* devoting their labor to the production of bread and meat as truly as though they were garnering the grain in California or swinging

* 53, 54.

the lariat on a La Plata pampa ; that they are as truly making their own clothing as though they were shearing sheep in Australia or weaving cloth in Paisley ; and just as effectually producing the claret they drink at dinner as though they gathered the grapes on the banks of the Garonne ; and are harvesting crops in valleys five thousand feet nearer the earth's centre, and chasing whales through Arctic icefields," *—were not the laborers who constructed the manufactory and produced the raw material for the manufacturer, cited by Mr. George in the illustration given, *really* and *actually* converting the raw material into manufactured articles,—“cotton into cloth, iron into hardware, leather into boots, or so on”? But, as the manufacturer already paid *them for their labor*, has he not *actually* and *in reality* performed these various operations himself, BEFORE THEY ARE PERFORMED “by the hands,” mentioned in his illustration ?

That he *actually* and *in reality* did so, “*is*, economically speaking, not metaphorically, but literally, true” according to Mr. George ; † and this must be equally as true of the whales caught, in the illustration given. The builders of the whaling vessel were, “in reality and actually,” “catching whales ;” and, as the *owner* of the vessel *paid them for their “catch,”* it is evident *he* had “caught” some whales, at least, before the crew caught any, and that it is from the whales so “caught” by the owner of the vessel, that the crew take their “lay” of bone and oil, and those which they subsequently “take” go to the owner of the vessel ! That this is actually the case, as to results, will appear self-evident, if they fail to catch a sufficient number to yield enough oil and bone to replace the capital expended by the owner of the whaling vessel, as I have shown in my illustration.

* 24, 25.

† 25.

Therefore, from his various assertions and "illustrations," logically flow these anomalous and absurd propositions :

1. *That which is not produced, is produced by those who do not produce it!*
2. *That which is produced, is not produced by those who produce it.*

I again repeat Mr. George's request that the reader will please note and bear in mind his definitions, in order that he *may* be understood.

Having taken the reader by easy stages from the highway of common-sense, he now sports with his credulity, insults his intelligence, and maltreats his understanding. One more "illustration" from his collection of "manifest absurdities" will suffice to sustain these accusations.

Speaking of mining he says : "Before claims could be opened so as to yield any return, deep shafts had to be sunk, great dams constructed, long tunnels cut through the hardest rock, water brought for miles over mountain ridges and across deep valleys, and expensive machinery put up. *These works could not be constructed without capital.** Sometimes their construction required years, during which no return could be hoped for, while the men employed had to be paid their wages every week, or every month. Surely, it will be said, in such cases, even if in no others, wages do actually come from capital ; are actually advanced by capital ; and must necessarily lessen capital in their payment ! *Surely here, at least, industry is limited by capital, for without capital such works could not be carried on !** Let us see :

"It is cases of this class that are always instanced as showing that wages are advanced from capital. For where wages are paid before the object of the labor is

* The italics are mine.

obtained, or is finished—as in agriculture, where ploughing and sowing must precede by several months the harvesting of the crop; as in the erection of buildings, the construction of ships, railroads, canals, etc.—it is clear that the owners of the capital paid in wages cannot expect an immediate return, but, as the phrase is, must ‘outlay it,’ or ‘lie out of it’ for a time, *which sometimes amounts to many years*.* And hence, if first principles are not kept in mind, it is easy to jump to the conclusion that wages are advanced by capital.”† And with a complaisant air and prodigious assurance he erects a standard of intelligence and perceptive powers, which is nothing less ethereal than the comprehension of the emanations from his own colossal brain. He says: “But such cases will not embarrass the reader to whom in what has preceded I have made myself clearly understood.” So embarrassment is the test! In other words, if the reader readily assent to his assertions and conclusions, he is possessed of reasoning faculties of a high order; but if he dissent, he failed to understand Mr. George’s previous explanations and definitions.

But do not let his soft words beguile us. The reader has discovered before he reached this point that Mr. George requires watching. When he states, “For instance,” do not conclude that he is going to give a parallel case, or even that he is about to assist the reader in understanding his proposition. The reverse is his method, as witness his language in the beginning of the last quotation and that which now follows, which is the ending of the same “illustration.” “If I go to a broker to exchange silver for gold,” he continues, “I lay down my silver, which he counts and puts away, and then hands me the equivalent in gold, minus his commission. Does the broker advance

* The *italics* are mine.

† 56.

me any capital? Manifestly not." The reader will here observe that Mr. George started out boldly, in the quotation cited, to prove the correctness of his theory, and, not satisfied apparently with defending it from ordinary attacks, he assumes a defiant attitude, and to demonstrate the invulnerability of it, he himself, with lance *à la* Don Quixote, leads the attacking party, when, lo! the theory, Mr. George and his cohorts are quietly exchanging silver for gold! Thus he picks out the most obvious cases where preëxisting capital is a *sine qua non*, with the avowed purpose of proving that it is not—that it does not limit industry. To paraphrase his language, the reader of "Progress and Poverty" will, most probably, say: "Mr. George shrinks from no conclusion, and selects the very cases which apparently oppose his theory, and shows they *harmonize* with it."

But, as a matter of fact, he shows nothing of the kind, but having diverted the reader's attention from the main point at issue,—that capital limits industry,—he devotes all his arguments to prove his other point,—that wages are not drawn from capital; yet, in his endeavors to do so, he unblushingly states that "*it is clear that the owners of the capital paid in wages cannot expect an immediate return, but, as the phrase is, must 'outlay it,' or 'lie out of it' for a time, which sometimes amounts to many years.*"

And, not content with this contradiction, he immediately makes another, in the example of the broker; for how could the broker carry on an exchange business if he had no capital? Would not industry in his case be limited by capital? for without it such business could not be conducted. Therefore, capital does limit industry, according to his own showing. So, after denying that capital limits industry, he, in endeavoring to show that wages

are not drawn from capital, says the owners of capital *must* "outlay it for a time, sometimes for years"! To an ordinary mind, the query is suggested, "Why *must* they, if it is not required?" But he is not abashed in the least.

Having utterly ignored and contradicted his assertion that capital does not limit industry, he proceeds a step further, and positively states that capital *is* required. He learnedly informs us now that the broker does require capital, "but he does not need this capital because he makes any advance of capital to me when he receives my silver and hands me gold. He needs it," adds Mr. George with charming simplicity, "*because the nature of the business requires the keeping of a certain amount of capital on hand*"! *

But if his reputation as a close reasoner and sound philosopher shall ever find an abiding place in a niche of political economy, it will be by reason of the following lucid, terse, and unique proposition, formulated by him: "It is never as an employer of labor that any producer needs capital; when he does need capital, it is because he is not only an employer of labor, *but a merchant or speculator in, or an accumulator of, the products of labor.* This is generally the case with employers" † †

From the last enunciated "truth" we obtain the following propositions:

1. *Capital does not limit industry, but industry cannot be prosecuted without it.*
2. *Employers of labor do not need capital, but merchants or speculators and accumulators do.*

But employers of labor are either merchants, or speculators, or accumulators.

Therefore, employers of labor do need capital.

* 61.

† Ibid.

WHENCE COMES THE MAINTENANCE OF LABORERS?

Having gone over the ground covered by wages and the maintenance of laborers, Mr. George reverts to the latter, and devotes a chapter to its elucidation. As there is scarcely anything in the whole chapter that has not been treated in the preceding one, it will be unnecessary for me to dwell at length upon it. But as it contains a few unique absurdities, I will point them out.

He begins, rather prosaically, by asking the question, "As the ploughman cannot eat the furrow, nor a partially completed steam-engine aid in any way in producing the clothes the machinist wears," must they not, while performing these labors, be subsisted from capital produced by past labor? * To those who answer affirmatively, he replies as follows: "Yet being resolved, these propositions are seen to be, not self-evident, but absurd; for they involve the idea that labor cannot be exerted until the products of labor are saved—thus putting the product before the producer," † and, he states, their apparent plausibility results "from a confusion of thought." That confusion, according to him, consists of confounding capital with wealth. He states, with great truth, that men eat because they are hungry; and scientifically considered, as food in the mouth and stomach is not *capital*, but *wealth*, therefore, the ploughman need not eat furrows, nor the machinist wear the "hood" of the engine for clothing, but both will be maintained from *wealth*! And I reëcho the warning given by him to the unwary reader, that he ponder well this beautiful, philosophical truth, lest he fall into the vulgar error, when eating, that he is consuming capital. At the risk of being prolix, let me reiterate: it is not *capital*; it is *wealth*.

* 63.

† 64.

As to the importance of this distinction, I can add nothing to that assigned it by Mr. George, wherein he states that it is by overlooking it, "is based, not only the doctrine that wages depend upon the ratio between capital and labor, but the doctrine that industry is limited by capital—that capital must be accumulated before labor is employed, and labor cannot be employed except as capital is accumulated; the doctrine that every increase of capital gives or is capable of giving additional employment to industry; the doctrine that the conversion of circulating capital into fixed capital lessens the fund applicable to the maintenance of labor; the doctrine that more laborers can be employed at low than at high wages; the doctrine that capital applied to agriculture will maintain more laborers than if applied to manufactures; the doctrine that profits are high or low as wages are low or high, or that they depend upon the cost of the subsistence of laborers; together with such paradoxes as that a demand for commodities is not a demand for labor, or that certain commodities may be increased in cost by a reduction in wages or diminished in cost by an increase in wages." *

Thus we see what a very serious matter this distinction, or rather the omission of it, is. By keeping this distinction in view, we are enabled to state with precision and accuracy when a thing is capital, and when it is wealth. Yet, by an inconsistency which can be accounted for on the ground of genius only, Mr. George himself, holding aloft the torch of philosophy and wielding the wand of logic—"out upon nature, in upon himself, back through the mists that shroud the past, forward into the darkness that overhangs the future" †—into the vulgar error, before which, for the guidance of unreflective

* 21.

† 121.

minds, he suspended the beacon of truth, ingloriously falls ! For he not only disregards the distinction between capital and wealth which he so carefully defined, but he actually brings in another term, blends the three, denies the existence of one of them—capital—by exclusion, defines it to be a subdivision of wealth, then it becomes a subdivision of labor, and lastly it comprises the product of all productive labor. Then capital and the product of labor are spoken of, by him, antithetically, and—behold, Mr. George triumphantly trumpets to the world his great discovery—that wages are not drawn from capital, but from the product of the labor for which they are received.

Now, if my statement is true that he confounds capital with wealth, and wealth is defined by him to be the product of labor, it is an absurdity to say that wages are not drawn from capital. If I prove my statement to be true, I shall have demonstrated the unsoundness of his theory of wages and all the deductions therefrom made by him. This I now proceed to do.

He says : “ Evidently the production of wealth, which, *if it is to be exchanged or used in production*, is capital.” *

But not having, apparently, a good memory, he forgets the following definition, which he previously gave : “ Now, if, after having thus separated the wealth that is capital from the wealth that is not capital, we look for the distinction between the two classes, *we shall NOT find it to be as to the CHARACTER, CAPABILITIES, or FINAL DESTINATION of the things themselves*, as has been vainly attempted to draw it; *but it seems to me that we shall find it to be as to whether they are or are not in the possession of the consumer. Such articles of wealth as in themselves, in their uses, or in their products, are yet to be EXCHANGED are CAPITAL ; such articles of wealth as are in the hands of the consumer are*

* 52.

not capital. Hence, if we define capital as *wealth in course of exchange*,* understanding exchange to include, not merely the passing from hand to hand, but *also such transmutations as occur when the reproductive or transforming forces of nature are utilized for the increase of wealth*, we shall, I think, comprehend all the things that the general idea of capital properly includes, and shut out all it does not." † Therefore, the product of labor, while still in the hands of the manufacturer, as such, is capital. And this, according to Mr. George, is equally true of the product at its incipient stage, when the exertion of labor is first applied to it, as when it is completed; for, he says, "it is not the last blow, any more than the first blow, that creates the value of the finished product—the creation of value is continuous, it immediately results from the exertion of labor." ‡ And again he says: "and hence, no matter how long the process in which it is engaged, labor always adds to capital by its exertion before it *takes from capital in ITS WAGES*." §

Now, let us analyze his proposition :

"*That wages, instead of being drawn from capital, are in reality drawn from the product of the labor for which they are paid.*" ||

But he also says, "The man who works for another for stipulated wages in money, works under a contract of exchange," ¶ and, "in performing the labor he is advancing in exchange; when he gets his wages the exchange is completed." **

But everything in the circle of exchange is capital. ††

Then, he must draw his wages from capital !

Hence the syllogism :

All products in the circle of exchange are capital.

* The *italics* are Mr. George's.

† 41-2.

‡ 57.

§ Ibid.

|| 20.

¶ 62.

** Ibid.

†† 41, 42.

The laborer draws his wages from products in the circle of exchange :

Therefore, the laborer draws his wages from capital.

Hence, the proposition of Mr. George, "that wages, instead of being drawn from capital, are in reality drawn from the product of the labor for which they are paid," is a contradiction in terms, and, therefore, meaningless and absurd.

* a monkey growing old; lost his teeth consequently could not crack coconuts as formerly. He broke a small limb off of a tree, and with the aid of a stone and some pliable wire grass made a hammer, (capital) with the assistance of which he was enabled to crack as many coconuts as he desired.

Question. Did the hammer injure the monkey, or the monkey the hammer? Did capital (the hammer) give wages (the contents of the coconuts) to the monkey before they were cracked or after they were cracked?

THE MALTHUSIAN THEORY.

THE theory of Malthus, succinctly stated, is, that population will, if unrestrained, increase at a greater ratio than subsistence.

Hence he asserts that it is partially restrained, and insists that it should be further restrained. He holds that with the increase in population comes increased competition among laborers for employment, and, from this cause, flow two effects—a reduction in wages, and an increase in rent.

The reason assigned for an increase in rent, relatively with an increase in population, is, that the necessities of increasing population would force “cultivation to less and less productive lands, or to less and less productive points on the same lands.”

On these deductions Mr. George thus comments : “In this way was formed, as it were, a triple combination, by which the Malthusian theory has been buttressed on both sides—the previously received doctrine of wages and the subsequently received doctrine of rent exhibiting in this view but special examples of the operation of the general principle to which the name of Malthus has been attached—the fall in wages and the rise in rents which come with increasing population being but modes in which the pressure of population upon subsistence shows itself.” *

After again asserting that the Malthusian theory takes its place “in the framework of political economy,” and

* 86-7.

stating that it is "repugnant to sentiments before alluded to," but "is not repugnant to other ideas, which, in older countries, at least, generally prevail among the working classes"—leaving the reader to conjecture what those "other ideas" are—he continues: "But the great cause of the triumph of this theory is, that, instead of menacing any vested right or antagonizing any powerful interest, it is eminently soothing and reassuring to the classes who, wielding the power of wealth, largely dominate thought."* Now, as the very essence of the Malthusian theory is, that an unrestrained increase in population forces down wages and raises rent, and, therefore, increase in population should be restricted, it is incomprehensible, to an ordinary mind, why employers of labor and owners of land—those "wielding the power of wealth"—should acquiesce in, and eagerly favor, that theory. For, if wages decrease with increase of population, surely it is to the interest of the employer of labor that population be increased. And, if increase in population enhance the rental value of land, how unselfish, how philanthropic, is the land owner who deprecates such increase!

Mr. George next proceeds to give "inferences from facts." He asserts that "of all the cases cited, and pretty much the whole globe is passed over in the survey, in which vice and misery check increase by limiting marriages or shortening the term of human life, there is not a single case in which the vice and misery can be traced to an actual increase in the number of mouths over the power of the accompanying hands to feed them; but in every case the vice and misery are shown to spring either from unsocial ignorance and rapacity, or from bad government, unjust laws or destructive warfare."†

The foregoing quotation is ambiguous in this: He asserts

* 87.

† 94, 95.

Conscience - being beyond their control - Heaven ordained so they would rather believe

that the vice and misery cannot be traced to the causes assigned by Malthus, but that they *are shown* to spring from ignorance, bad government, etc. By whom are they so shown? Not by Malthus, certainly. They are *attempted* to be so shown by Mr. George himself.

Now, is it not true that there is, proportionately, more crime and greater misery in a large city than in a provincial town *in the same state or nation*? Is it not also true that there is greater social ignorance in the rural districts than there is in the populous city? Are denizens of cities more "rapacious" than residents in the country? Is not "bad government" equally as harmful to each? Are not "unjust laws" as oppressive in a hamlet as they are in a metropolis? Does "destructive warfare" turn aside from the peaceful village and desolate the city only?

Is Mr. George ignorant of the fact that all great cities are largely recruited from the country? Is it not true that the death-rate nearly equals the birth-rate in large cities?

Where no great accessions to the population of a city are made from the country, the nation as a unit increases at a greater ratio than does its most populous city.* Whatever the true cause of these phenomena may be, Mr. George has not assigned it. He continues: "It is a fact, that, as we count our increasing millions, we are apt to lose sight of—nevertheless it is a fact—that in what we know of the world's history decadence of population is as common as increase. Whether the aggregate population of

* The increase in New York City from 1860 to 1870 was only twelve per cent., while that of the whole United States for the same period was twenty-five per cent.

The increase of the former from 1870 to 1880 was only twenty-six per cent., while that of the latter was thirty-one per cent.

the earth is now greater than at any previous epoch is a speculation which can only deal with guesses."*

While it is true decadence of population has taken place, it is not true that it equalled, in degree, the increase in population. What were the empires of antiquity compared with our modern nations? Those were powerful only by contrast with then existing nomadic and barbarous tribes; these are intrinsically great. What was Greece in the zenith of her power compared with England of to-day? What was Rome in the days of her triumphal sway and glory, when mistress of the then known world, compared with our own great nation?† And what were "the four great empires of antiquity," as expressly termed, in point of population, compared with the greatest four nations of to-day?

And their cities, which enclosed such vast areas, were, in a measure, but farming towns. For we read of their inhabitants cultivating the land *within* the walls during sieges, and mainly relying upon the produce thus yielded for subsistence. Hence, the antiquarian, inferring their population from their areas, is naturally deceived. And when the conquering arms of Greece and Rome, respectively, invaded Asia, its armies, and, by implication, its population, were intentionally greatly exaggerated, that the superiority of the prowess and valor of the warriors of the former nations over those of the latter would the more conspicuously shine. It is from the Greeks, not from the Persians; from the Romans, not from the Parthians, that we receive our historical data.

But while statisticians avowedly express their ignorance of the population, past and present, of Africa and Asia, not so Mr. George. He says: "*As to Africa there can be*

* 95.

† The comparison here instituted refers to Rome proper.

*no question.** Northern Africa can contain but a fraction of the population that it had in ancient times; the Nile Valley once held an enormously greater population than now, while south of the Sahara there is nothing to show increase within historic times, and wide-spread depopulation was certainly caused by the slave trade." † Indeed, I am pleased to learn that light has at last illuminated the "Dark Continent." We now know what its population *was* and *is*, north of the Sahara. To be sure, Mr. George omits to give statistics, but that is an insignificant matter compared with the important information that he vouchsafes. It is enough for us to know that the population *was* greater than it *is*. He has said it. Unfortunately, his researches south of the Sahara were not sufficiently full or deep to enable him to speak positively of the population of that portion. This is to be deplored. Nevertheless, he boldly asserts that there is nothing to show increase within historical times. This relieves him of any imputation of ignorance, not equally shared by others, of the subject. There is nothing to show increase—or, I may add, decrease—within historical times. But he was rather unfortunate in supplementing this otherwise unassailable statement with the information that "wide-spread depopulation was certainly caused by the slave trade." Inasmuch as the slave trade no longer exists, ‡ the wide-spread depopulation caused thereby has, of course, ceased. Hence, the population will now rapidly increase.

But he has here furnished us with the key to the solution of an apparently inexplicable phenomenon—the decadence of comparatively populous nations. It was owing to the "slave trade." Internecine warfare, aided by

* The *italics* are mine.

† 97.

‡ That is, in the sense in which he uses the phrase.

drunkenness and its consequent vices, depopulated the country, and bred pestilence, and caused famine.

In this enfeebled condition, its inhabitants became unresisting victims of the ruthless marauders from neighboring states ; who, in turn, for similar reasons, and by like means, became the vanquished.

In reading the history of the world, from civilization's early dawn, this fact, this truth, illumines and darkens and stains every page. Sacred history attests it. Homer sings it. Scipio Africanus illustrates it. "The Scourge of God" demonstrates it. The Heptarchy of England ; the four contemporaneous kingdoms in Ireland ; the forty-eight empires, kingdoms, principalities, and duchies of Germany, exemplify it.

Indeed, the injunctive curse of *Œdipus*,

" Not by the lot decide,
But with the sword the heritage divide,"

was a rule of conduct all but universal.

But pristine conditions are, in all human probability, irrevocably changed. What was, under them, easy of accomplishment, is now impossible of achievement.

The pillaging Norseman and the plundering corsair have died without issue.

"As for Asia," says Mr. George, "which even now contains more than half the human race, though it is not much more than half as densely populated as Europe, there are indications that both India and China once contained larger populations than now." *

To compare a thing which we do not know with something else which is unknown to us, would never be attempted by any philosopher, other than a dreamy politi-

cal economist. As we are ignorant of the population of Asia, how can it, with truth or the semblance of reason, be stated that it contains "more than half the human race"? But as we are also ignorant of the number of the human race outside of Asia, by reason of the fact that Africa's population is unknown to us, the absolute absurdity of the comparison is manifest.

As to China, the population is given on a sliding scale, ranging from one hundred and fifty million to five hundred million!

Of India's population, there is not such a variance among geographers, but, at most, their figures are only estimates. As to the "indications" that both contained greater populations, I am entirely ignorant, and frankly admit it. Nor has his assertion that they do exist, enlightened me appreciably.

But I am not ignorant of the fact that, so late as forty years ago, geographers taught, and their readers believed, that China and Japan were dotted all over with cities containing from one million to five million souls. Now we know that neither country has many populous cities, and estimates made by careful observers show that neither country contains a city of one million! It would be well to remember this fact, when considering the great cities and nations of antiquity.

It is an idiosyncrasy of the human mind to exaggerate. That which is large or great, is made to appear to be larger or greater; that which is small and minute, becomes smaller and more minute. Speaking of America, he says: "All the indications are that previous to the discovery the population of America had been declining. What great nations have run their course, what empires have arisen and fallen in 'that new world which is the old,' we can only imagine. But fragments of massive ruins yet attest a grander

pre-Incan civilization ; amid the tropical forests of Yucatan and Central America are the remains of great cities forgotten ere the Spanish conquest ; Mexico, as Cortez found it, showed the superimposition of barbarism upon a higher social development, while through a great part of what is now the United States are scattered mounds which prove a once relatively dense population, and here and there, as in the Lake Superior copper mines, are traces of higher arts than were known to the Indians with whom the whites came in contact." *

Conceding the statements as to the "fragments of massive ruins" and the "traces of higher arts" being found to be true, they do not prove that population on the whole American continent decreased. They simply show that barbarism supplanted semi-barbarism *in some places*. Admitting that the possessors of the knowledge of higher arts found in the copper mines were superior to the Indians with whom the whites subsequently came in contact, or even to ourselves, how does that fact prove that they were more numerous than the Indians or than we ? Let us not lose sight of the subject. It is *mouths*, not *polished manners*, we are considering. Discovering "remains of great cities" is one of the popular amusements of the present day. But an invidious distinction is always made, for the "remains of *small* cities" are never touched. With these alleged discoveries of vast cities, containing "indications" of marvellous proficiency in the arts, I am somewhat familiar.

In the Salt River Valley, in Arizona, one has been excavated. It is called "Los Muertos." Graphic writers have peopled it with the Zunis, and swelled its dimensions, until it contained a population of 300,000. As a matter of fact, there is nothing to show that it contained

* 96, 97.

3,000 ! They may be larger in Yucatan, as cited by Mr. George ; but as that country is still inhabited by the aborigines, who are very savage and warlike, and successfully defy the arms of Mexico, preventing the whites from penetrating their realms, anything may be safely asserted about the "remains of great cities" lying buried in her forests. I am aware that some excavations have been made in Yucatan, and, also, that articles, requiring considerable skill in the arts, have been found ; but know, too, that it is a daily occurrence in England to find similar articles. But these were made, not by the Britons, but by the invading Romans. Therefore, the works of art found in Yucatan no more show that they were the handiwork of the people of that country, than do the finding of similar works in England prove the skill of the Britons. But all this belongs, not to political economy, but to the realm of conjecture. Yet Mr. George marshals his host of conjectures, rechristens them "INFERENCES FROM FACTS," and, with a smile of self-approbation, exultingly exclaims : "Behold my axioms !" In contradistinction to these assertions by him, let the reader compare his statements and predictions on the population of the United States, when endeavoring to prove the "political dangers" which threaten this country, as they appear in his work entitled "Social Problems."

In it he says : "At the rate of increase so far maintained, the English speaking people of America will, by the close of the century, number nearly one hundred million—a population as large as owned the sway of Rome in her palmyest days. By the middle of the next century—a time which children now born will live to see—they will, at the same rate, number more than the present population of Europe ; and by its close nearly equal the population which, at the beginning of this century, the whole earth

was believed to contain." * Of course, he himself had either forgotten, or had supposed the reader of "Social Problems" had forgotten, or, what is more probable, had not read, what he previously stated in "Progress and Poverty." He was proving quite a different point from that essayed by him in "inferences from facts." His "point" to be "proved" was the following: "And for the very reason that our growth is so rapid and our progress so swift; for the very reason that all the tendencies of modern civilization assert themselves here more quickly and strongly than anywhere else, the problems which modern civilization must meet, will here first fully present themselves, and will most imperiously demand to be *thought out or fought out.*" †

As he uses his politico-economic terms in contradictory senses, the "point" to be proven, and not precise definitions, governing their meaning; so he makes statements of the same thing diametrically opposite to each other, with admirable indifference and impartiality.

Reverting to India, he says: "In India from time immemorial, the working classes have been ground down by exactions and oppressions into a condition of helpless and hopeless degradation. For ages and ages the cultivator of the soil has esteemed himself happy if, of his produce, the extortion of the strong hand left him enough to support life and furnish seed; capital could nowhere be safely accumulated or to any considerable extent be used to assist production; all wealth that could be wrung from the people was in the possession of princes who were little better than robber chiefs quartered on the country." ‡ He continues to run over the gamut of India's wrongs, calling to his aid the brilliancy of Macaulay and the elo-

* "Social Problems," Chap. II., pp. 22 *et seq.*

† Ibid. The *italics* are mine.

‡ 101, 102.

quence of Burke. And for what purpose? To prove what every school-boy knows—that India was badly and tyrannically ruled. Yet, while asserting that the population of India has been decimated, at frequent intervals, “from time immemorial,” by famine, he cannot, and does not, affirm that it is becoming less populous, confining himself to the assertion that there are “indications” that it was more populous at one time. So that, were there no famines, it would greatly increase in population.

He next turns his attention to Ireland, and there finds abundant cause to rail at the dominant government, and grows really pathetic as he recites her wrongs and depicts her misery. Indeed, were it not that he considerably reflects that abject poverty produces an enervating effect, “it would be difficult to resist something like a feeling of contempt for a race who, stung by such wrongs, have only occasionally murdered a landlord”!*

Of course, he intended to eulogize, not censure, the Irish.

Speaking of the population of Ireland, he says: “As in 1841 the population of Ireland was given as 8,175,124; we may set it down in 1838 as about eight millions. * * * Now, in the early part of the preceding century, * * * the population of Ireland was about two millions.”† Here, then, we have Mr. George himself giving the wonderful increase in the population of Ireland, notwithstanding their “abject poverty,” and the tyrannous oppressions and cruel exactions by the alien government which rules them. Yet he wanders into the forests of Yucatan, loses himself in the jungles of India, and buries himself in the “Flowery Kingdom,” to “prove” that population does not increase!

And here, as a descendant of the Irish race, I desire to

* 113.

† 112.

offer a protest against the expedient, to which so many writers and speakers resort, of parading Ireland's so-called poverty before the world. The Irish are sentimental, and impulsive, and grateful, as a race, and those who champion their cause are enshrined in their hearts. But these virtues frequently cause the Irish to be beguiled by those who seek only their own personal profit or political preferment.

"Enervated by abject poverty"! A nation that has produced warriors, statesmen, ecclesiastics, orators, poets, authors, doctors, and lawyers, such as Ireland has given to the world, is not mentally enervated. A race that has penetrated every country on the face of the earth, and wrested from keen competitors, in the land of the stranger, wealth and position and power, is neither morally nor mentally enervated. And in athletic exercises, calling forth stamina, courage, and skill, who so ignorant, who so libellous, as to assert that the Irish are enervated?

The Irish were enervated indeed, did they complacently receive such a fulsome theory as that propounded by Mr. George in their behalf. But the truth is, the "abject poverty" of Ireland has been overdrawn. I have been in the principal cities, and through a considerable portion of the rural districts of Ireland, and nowhere did I see "abject poverty."

Indeed, I have seen far deeper misery and more intense squalor in New York and London, than I witnessed in Ireland. It is true that on the west coast of Ireland there is wide-spread poverty. But to what may this be justly attributed? Not to lack of thrift on the part of the inhabitants, nor even to England's dominant rule. To those who banish sentiment, and divest their minds of prejudice, the cause will be ascertained to be a natural one. There, perennial mists are generated by the com-

mingling of the icy currents from the polar seas with the warm waters of the Gulf Stream. These mists are continuously precipitated on the land contiguous to the coast, rendering it measurably unfit for productive crops, other than hay. It is obvious, therefore, to the impartial observer, that it cannot sustain a dense agricultural population. Heaven knows, England is answerable for enough transgressions and offences in Ireland, without making her responsible for all the evils which afflict that unhappy land.

Mr. George next proceeds to give "inferences from analogy." He begins with a dissertation on physiology and biology. He proves the fecundity of the rabbit, and demonstrates the comparative barrenness of man. He shifts his position from "showing" that the population of the earth has not increased, assumed by him in his "inferences from facts," to prove it has wonderfully increased, as he is now arguing that subsistence increases at a marvellous ratio. He states there are 45,000,000 * of souls in the United States, whereas there were only a few hundred thousand in the time of Columbus, and says there is more food *per capita* now than there was then. Hence, "there is more food, simply because there are more men." † This is a beautiful truth, and very aptly stated. He draws a sharp distinction between the animal and the *man*, as follows: "Here is a difference between the animal and the man. Both the jay-hawk and the man eat chickens, but the more jay-hawks the fewer chickens, while the more men the more chickens. Both the seal and the man eat salmon, but when a seal takes a salmon there is a salmon the less, and were seals to

* He wrote in 1877, and the population of the United States was, at that time, about that which he states.

† 117.

increase *past a certain point* salmon must diminish ; while by placing the spawn of the salmon under *favorable conditions* man can so increase the number of salmon as to more than make up for all he may take, and thus, no matter how much men may increase, their increase need never outrun the supply of salmon." *

This is a neat bit of sophistry. The analogy ceases at "favorable conditions." The very essence of the problem is, *Would there be favorable conditions?* The affirmative of the Malthusian proposition is that the increased population would press against and *pass beyond* the capacity of *all* conditions. Yet Mr. George quietly ignores this, and assumes *favorable conditions* on which to base his illustration. His reasoning and illustration are on the same plane as mine would be, were I to say that seals might increase to infinity, without decreasing the number of salmon, *if the seals did not eat the salmon!*

He next gives the following "analogous case": "As we cannot reduce the level of the smallest bay or harbor without reducing the level not merely of the ocean with which it communicates, but of all the seas and oceans of the world, so the limit of subsistence in any particular place is not the physical limit of that place, but the physical limit of the globe. Fifty square miles of soil will in the present state of the productive arts yield subsistence for only some thousands of people ; but on the fifty square miles which comprise the city of London some three and a half millions of people are maintained, and subsistence increases as population increases. So far as the limit of subsistence is concerned, London may grow to a population of a hundred millions, or five hundred millions, or a thousand millions, for she draws for subsistence upon the whole globe, and the limit which subsistence sets to her

* Ibid. The *italics* are mine.

growth in population is the limit of the globe to furnish food for its inhabitants." * He starts out with a truth, but makes an incongruous comparison. Between things entirely dissimilar, no comparison can be instituted. The waters of the ocean would spontaneously flow into the bay, if the surface of the latter be lowered; but subsistence would not, of its own accord, flow into any community. Hence, there is no analogy existing between the truth stated and the assertion made by him. I need not notice the error contained in his statement of the area of London. But let us analyze his assertions relative to its growth and subsistence. He asserts that London may grow to a population of a thousand millions, so far as her subsistence is concerned, as the limit of her subsistence is the limit of the globe to furnish food for its inhabitants. His statement contains two patent ambiguities. Does the word "limit" refer to the area of the globe, or to its capacity? Does the word "furnish" refer to the potentiality of the globe to produce, or to its capability to supply that which is produced? I shall give him the benefit of all these interpretations.

As he states "the limit of subsistence in any particular place is not the physical limit of that place, but the physical limit of the globe," we may substitute Nova Zembla or the Sahara Desert for London. Then we obtain this proposition : Nova Zembla or the Sahara may contain one thousand millions of people, so far as the limit of subsistence is concerned, for the limit which subsistence sets to the growth of either "is the limit of the globe to furnish food for its inhabitants." The ambiguities which I have pointed out are now seen in a more intense light. To what advantage would it be to them, buried in Arctic snows, or to them enveloped in burning sands, that fruit-

* 117, 118.

ful lands were thousands of miles away, or that these lands could be made to yield subsistence in abundance for them? or even that they were actually yielding an abundance? and, also, that they could obtain all that they required, *if they had commodities of value* to exchange therefor?

But they have only icebergs or ropes of sand. Now, will subsistence from all parts of the world, like the waters of all the oceans flowing into the bay, flow toward them? Obviously not; but the poor deluded and frozen creatures in the Arctic regions, and the deceived and scorched wretches in Sahara, *would flow to subsistence*.

Therefore, the very reverse of what Mr. George stated in his simile is true. There yet remains one quibble to be swept away. He says the limit to London's population is the limit of the globe to furnish food for its inhabitants, and as that of London forms part of the inhabitants of the earth, *they must be furnished with food*, for, otherwise, the globe does not furnish *all* its inhabitants with food.

This is more than begging the question—it contingently admits the soundness of the theory he is combating, which contingency is the very essence of the theory itself!

Leaving London, he now proceeds to circle the globe. He stops long enough, however, to impart information on statics, dynamics, physics, metaphysics, and physiology. He gravely states: "That the earth could maintain a thousand billions of people as easily as a thousand millions is a necessary deduction from the manifest truths that, at least so far as our agency is concerned, matter is eternal and force must forever continue to act. Life does not use up the forces that maintain life. We come into the material universe bringing nothing; we take nothing away when we depart. The human being, physically con-

sidered, is but a transient form of matter, a changing mode of motion. The matter remains and the force persists. Nothing is lessened, nothing is weakened. And from this it follows that the limit to the population of the globe can only be the limit of space."* After so much mental exertion required to follow the erudite author of the beautiful enunciations of the grand truths which I have quoted, it is meet that the reader and I rest for a moment. Being refreshed, and desirous of becoming more familiar with the philosophic truths cited, let us analyze them. "That the earth could maintain a thousand billions is a necessary deduction," says Mr. George. A deduction from what? "From the truths that matter is eternal and force must forever continue to act"? Does the reader assent to the "necessary deduction"? Is it plain why it is necessary? If the surface of the earth were comprised of sandy wastes, only; or if it were covered with glaciers, as it once was, would not matter still be eternal, and would not force continue to act?

But could the earth, under either of these assumed conditions, maintain a thousand billions of human beings constituted as man is?

To answer affirmatively, would be an absurdity. To answer negatively, would be to deny the relationship between the indestructibility of matter and the persistence of force, on the one hand; and Mr. George's "necessary deduction," on the other. As the reader will not make an admission involving an absurdity, he must deny the validity of the "necessary deduction" made by Mr. George. He, with truth and admirable conciseness, says: "Life does not use up the forces that maintain life." Neither does the furnace of an engine use up the forces that generate steam. Yet I am inclined to think they are

* 119.

so widely diffused, that our efforts to treat them synthetically would not appreciably assist the diminishing coal pile of its present owner.

"Nothing is lessened, nothing is weakened. And from this it follows that the limit to the population of the globe can only be the limit of space." The foregoing statements are scientifically untrue. All material things are subject to mutation. That which may be changed, may be *lessened* or *increased*. The essence of force is to change. Therefore, all things material are *continuously diminishing* or *increasing*, but the aggregate will always remain the same. Hence, the deduction from the premises, resting on the contradiction of these truths, is untrue.

In closing the chapter under review, Mr. George works himself up to poetic fervor. His ideal is not searching for food, but soaring through space, in quest of knowledge. Then is begotten "the passion of passions, the hope of hopes," the desire to destroy want and sin, and make the world better. He turns from the feast and abandons the place of power. He lets others obtain wealth, and gratify their appetites, while he works for those unknown to him, and whom he can never know. He labors for fame, perchance, merely for justice, "*that can only come along after the clods have rattled upon his coffin lid!*" *

How unselfish, and yet selfish, we mortals are !

JOHN STUART MILL AND HENRY GEORGE LOCK HORNS.

MR. GEORGE is now prepared to disprove the Malthusian theory, and as John Stuart Mill had defended it, he and Mr. George are necessarily arrayed against each other. Let them both be heard in stating their propositions.

Mr. Mill says : " A greater number of people cannot, in any given state of civilization, be collectively so well provided for as a smaller. The niggardliness of nature, not the injustice of society, is the cause of the penalty attached to over-population. An unjust distribution of wealth does not aggravate the evil, but, at most, causes it to be somewhat earlier felt. It is in vain to say, that all mouths which the increase of mankind calls into existence bring with them hands. The new mouths require as much food as the old ones, and the hands do not produce as much. If all instruments of production were held in joint property by the whole people, and the produce divided with perfect equality among them, and if in a society thus constituted, industry were as energetic and the produce as ample as at the present time, there would be enough to make all the existing population extremely comfortable ; but when that population had doubled itself, as, with existing habits of the people, under such an encouragement, it undoubtedly would in little more than twenty years, what would then be their condition ? Unless the arts of production were in the same time improved in an almost unexampled degree, the inferior soils which must be resorted to, and the more laborious and scantily

remunerative cultivation which must be employed on the superior soils, to procure food for so much larger a population, would, by an insuperable necessity, render every individual in the community poorer than before. If the population continued to increase at the same rate, a time would soon arrive when no one would have more than mere necessities, and, soon after, a time when no one would have a sufficiency of those, and the further increase of population would be arrested by death."

To this Mr. George replies: "All this I deny. I assert that the very reverse of these propositions is true. I assert that in any given state of civilization a greater number of people can collectively be better provided for than a smaller. I assert that the injustice of society, not the niggardliness of nature, is the cause of the want and misery which the current theory attributes to over-population. I assert that the new mouths which an increasing population calls into existence require no more food than the old ones, while the hands they bring with them can in the natural order of things produce more. I assert that, *other things being equal*,* the greater the population, the greater the comfort which an equitable distribution of wealth would give to each individual. I assert that in a state of equality the natural increase of population would constantly tend to make every individual richer instead of poorer. I thus distinctly join issue, and submit the question to the test of facts." †

The language of both is explicit, excepting Mr. George's proviso of "other things being equal." But he is willing to submit the question to the test of facts. This, also, is plain. He, however, adds the following: "But observe (for even at the risk of repetition I wish to warn the reader against a confusion of thought that is observable even in

* The *italics* are mine.

† 125, 126.

writers of great reputation) that the question of fact into which this issue resolves itself is not in what stage of population is most subsistence produced? but in what stage of population is there exhibited the greatest power of producing wealth? For the power of producing wealth in any form is the power of producing subsistence—and the consumption of wealth in any form, or of wealth-producing power, is equivalent to the consumption of subsistence.” *

This is not so clear. The promised “test of facts” is becoming obscured. He continues: “If I load my wife with diamonds, it is as much an exertion of subsistence-producing power as though I had devoted so much food to purposes of ostentation.” † The “test of facts” is in darkness, and in its stead we have Mr. George’s favorite test—assertions. He proceeds: “The destruction of wealth involved in a general illumination or the firing of a salute is equivalent to the burning up of so much food.” ‡ Let us for a moment concede his assertion to be true, and extend his illustration.

A beleaguered city contains ten thousand barrels of flour and ten thousand kegs of powder. The value of the powder equals the value of the flour. The garrison of the city consumes all the powder in “saluting” the enemy. Therefore, they have burned up all the flour!

But they have not consumed any of the flour. If the *consumption* of powder is equivalent to the burning up of flour of equal value, by a parity of reasoning the *saving* of flour is equivalent to the saving of powder of equal value. Therefore, as the garrison did not burn up, or in any way consume, any of the flour, neither did they consume or destroy any of the powder! While, to an ordinary mind, such contradictions are repugnant to sense and

* 126-7.

† Ibid.

‡ Ibid.

truth, yet they are sustained by the philosophic "truths" previously enunciated by Mr. George: "*Nothing is lessened: nothing is weakened.*"* Therefore, the quantity of flour is not lessened, and the force of the powder is not weakened, though both have been consumed.

What a sublime study philosophy is! How nobly unselfish are its devotees! Here is a discovery made by Mr. George, which, if protected by letters-patent, would afford him that wealth, the obtaining of which he made the principal object of his life. On it he turns his back, and "toils in the advance, where it is cold, and there is little cheer from men, and the stones are sharp and the brambles thick. Amid the scoffs of the present and the sneers that stab like knives, he builds for the future"—God help him—"he cuts the trail that progressive humanity may hereafter broaden into a highroad. Into higher, grander spheres desire mounts and beckons, and a star that rises in the east leads him on. Lo! the pulses of the man throb with the yearnings of the god—he would aid in the process of the suns!"† And so it is, that many other unselfish men, devoted to philosophy, would fain aid, even at this late hour, in the creation of the world! They are ever ready to "cut a trail," and are most desirous that humanity, progressive or otherwise, broaden it into a highroad, by following them!

Continuing, Mr. George says: "There is no necessity for abstract reasoning. The question is one of simple fact. Does the relative power of producing wealth decrease with the increase of population?"‡ If there is no necessity for abstract reasoning, why does he so reason? He is now "nursing" the reader, preparatory to involving him in a cloud of confused ideas. He thus assuringly begins: "The facts are so patent that it is only necessary

* 119.

† 121.

‡ 127.

to call attention to them. We have, in modern times, seen many communities advance in population. Have they not at the same time advanced even more rapidly in wealth?"* Conceding they have advanced more rapidly in wealth than in population, what does this fact show inconsistent with Mill's statements? It is apparently inconsistent with his opening remarks in the excerpt quoted, but in reality it is not. If Mr. George refers to *new* communities, it does not antagonize Mill's, for he speaks of *civilization*, meaning, of course, a well-settled country. If Mr. George refers to long-settled countries, it is not inconsistent with Mill's proposition, for he expressly confines it to *any given state of civilization*, meaning, obviously, like proficiency in the arts and similar reproductive machinery. Therefore, Mr. George's interrogative assertion is irrelevant. He further asks: "Is there any doubt that while England has been increasing her population at the rate of two per cent. per annum, her wealth has been growing in still greater proportion?"† The same objection raised to the immediately preceding query applies to this also. Continuing, he says: "Are not the more densely populated Eastern States richer in proportion to population than the more sparsely populated Western or Southern States?" To answer either way, would neither admit nor deny anything pertinent to the question. Mill did not institute comparisons between settled and unsettled States or nations, but between a well-settled country and the same country *doubled, quadrupled*, etc., in population, *with all the improved arts of production*; or a well-settled country merely increased in population, *without the arts of production being improved*. But it is not true that the most densely populated Eastern State is the richest, relatively; for the very sparsely populated State in which Mr.

* 127.

† 128.

George resided—California—when he propounded his theory, and asserted—by implication—that it was relatively poor, by reason of that sparse population, was, in truth, *the very richest, relatively, in the Union.**

Thus the reader will observe that his statements of fact cannot be taken for granted; and his impugning well-known truths is unpardonable. If he knew them, it was not honest on his part to distort and deny them; if he was ignorant of them, he should not have employed them at all. I again quote him: "Whence is it that capital overflows for remunerative investment? Is it not from densely populated countries to sparsely populated countries? These things conclusively show that wealth is greatest where population is densest; † that the production of wealth to a given amount of labor increases as population increases." ‡

The foregoing contains its own refutation. He states that capital overflows from the densely populated countries to the sparsely populated one, because, in the latter, the investments are more remunerative. How could the investments be more remunerative in a new country, if they aid in producing less wealth than in old ones? Why would any sane person send his capital out of a densely populated district into a sparsely settled one, if its powers of reproduction were in like proportion to the number of persons in the community in each case? If, as he asserts, "the production of wealth to a given amount

* The wealth, *per capita* (according to the United States census of 1880), of California, was \$1,654, and the population was only 5½ to the square mile. The same census gives the wealth, *per capita*, of Rhode Island, as \$1,519, and the population, 221 per square mile. *Per capita* wealth of Massachusetts, \$1,568; population per square mile, 214. *Per capita* wealth of New York, \$1,499; population per square mile, 103.

† See foot-note, *supra*.

‡ 128.

of labor increases as population increases," then, indeed, would all capital flow, not into the sparsely settled countries, but into the most densely populated one, for remunerative investment. *The reverse is always the case.*

Nor should the reader confound the wealth of a great city with the wealth-producing power of it. Capital flows into large cities for investment in enterprises throughout the whole country. The capital seeking investment through London has been sent thither from all quarters of the globe. And so, though not in like degree, of New York. Again, many who accumulate wealth in small cities and towns go to great cities, on account of their superior attractions and advantages for the wealthy, and, of course, take their movable capital with them, and receive their revenues from investments in all parts of the world. And here let me point out a fallacy which is observable in all of Mr. George's writings—the fallacy that the amount of wealth is determined by weight, or number, of each and every specific article, comprised under the generic term, wealth. It is the exchange value of everything in a given community that determines the aggregate wealth actually within that community. Thus, if a pair of shoes cost three dollars in New York, and if carried to Sitka, Alaska, at a cost of two dollars, and were there exchanged for five dollars, they should be set down as being of the *value* of five dollars in the inventoried wealth of Sitka.

And Mr. George himself states this economic truth, though unconsciously, thus: "As I have already explained, production does not merely mean the making of things, but includes the increase of value gained by *transporting or exchanging* things."* Hence, where transportation charges for commodities from one community to

* 139.

another are necessarily high, as in the assumed case of Sitka, he who makes a pair of shoes in the remote community, really adds to the raw material, from which he produced them, a value equal to that added to the raw material by the shoemaker who makes a similar pair of shoes in New York, *plus the transportation and all necessarily incidental charges.**

Hence, the shoemaker's labor is greatly more productive in sparsely settled Alaska, than it is in densely populated New York City. Therefore, his assertion "that the production of wealth to a given amount of labor, increases as population increases," is demonstrated to be illogical in theory and false in fact.

But that his absurdities may the more strikingly manifest themselves, I shall place in juxtaposition two statements made by him. Speaking of California, he says: "When upon the discovery of gold the first wave of immigration poured into California it found a country in which nature was in the most generous mood. From the river banks and bars the glittering deposits of thousands of years could be taken by the most primitive appliances, in amounts which made an ounce (\$16) per day only ordinary wages," † and "many men are now glad to work for a week for less than they once demanded for the day, and money is loaned by the year for a rate which once would hardly have been thought extortionate by the month. Is the connection between the reduced productiveness of nature and the reduced rate of wages that of

* Statisticians, in dealing with the wealth of nations, give intercommunal, and not international, values; there being no recognized universal standard, except gold. Thus, imported goods and wares would be valued at their selling price here, which would, usually, include their selling price where purchased, plus customs duties, transportation charges, etc.

† 129.

cause and effect? Is it true that wages are lower because labor yields less wealth? On the contrary! Instead of the wealth-producing power of labor being less in California in 1879 than in 1849, I am convinced that it is greater.* It is our misfortune to have sometimes obtruded on our mental view absurdities so dense, that a mere attempt on our part to demonstrate their absurdity causes them to appear less so; just as disturbing the sediment which lies in the bed of a running stream will obscure its pellucid waters, and prevent our clearly seeing the obstructions which, before, were so plain. To this class belongs Mr. George's last assertion.

Of the power of labor to produce wealth, he says: "No one who has seen Melbourne or San Francisco can doubt that if the population of England were transported to New Zealand, leaving all accumulated wealth behind, New Zealand would soon be as rich as England is now; or, conversely, that if the population of England were reduced to the sparseness of the present population of New Zealand, in spite of accumulated wealth, they would soon be as poor."† Well, I have seen San Francisco, and I not only doubt his positive assertion, but I deny it. What caused San Francisco to be so wealthy? Was it not due, in a great measure, to what he previously stated—capital flowing from old communities into new ones? Did not the Eastern States, and Europe, send capital for investment there? Did not the people of the United States build the first transcontinental railroad to it? Did not Eastern capitalists furnish the steamers which ply on its waters? Without outside capital, San Francisco would be to-day but little more than a fishing station. What took place in San Francisco, is now taking place in Los Angeles. Eastern capital flows into it by the million.

* 129, 130.

† 133.

He continues : " Accumulated wealth seems to play just about such a part in relation to the social organism as accumulated nutriment does to the physical organism. Some accumulated wealth is necessary, and to a certain extent it may be drawn upon in exigencies ; but the wealth produced by past generations can no more account for the consumption of the present than the dinners he ate last year can supply a man with present strength." * So it is only in exigencies that wealth should be called on, and, in these, should be used very sparingly ! The query is suggested : How proximate must the production of wealth be, in order that it may be utilized ?

Mr. George asserts, without hesitancy, that that of " past generations " is valueless. But for what reason, he deemed it unnecessary to explain. Perhaps the following information, furnished by him, will enlighten us :

He says : " Stop labor in any community, and wealth would vanish almost as the jet of a fountain vanishes when the flow of water is shut off. Let labor again exert itself, and wealth will almost as immediately reappear." † Well, destroy all wealth, and what would result ? Almost all the human race would be swept from the face of the earth. With factories, workshops, buildings of every description ; ships and vessels of every sort ; machinery, implements, and tools of all kinds ; existing food of every nature ; clothes and every article of wearing apparel destroyed, what would it avail the mass of mankind to " exert labor " ?

With this query, I dismiss Mr. George's " disproof of the Malthusian theory."

* 133.

† 132.

DISTRIBUTION OF WEALTH.

After reviewing the preceding chapters of "Progress and Poverty," and expressing himself as well satisfied with his efforts, Mr. George thus continues: "Our reasoning has led us to the conclusion that each productive laborer produces his own wages, and that increase in the number of laborers should increase the wages of each." * Our observation has led us to the conclusion that diamonds more than reimburse the capital expended in mining them. Therefore, applying his reasoning, if every gravel-pit were a diamond mine, each diamond would be enhanced in value! It would be well to again call the reader's attention to the definitions of the terms, so that Mr. George may make himself clearly understood. He says produce means "that part of the wealth produced *above what is necessary to replace* the CAPITAL consumed in *production*." † "What is meant by the produce or *production* of a community is the sum of the wealth produced by that community." ‡ And as if to explain what he has stated, but really to juggle with words, he adds: "the general fund from which (as long as previously existing stock is not lessened) all consumption must be met and all revenues drawn." "Land, labor, and capital are the factors of production. The term land includes all natural opportunities or forces; the term labor, all human exertion; and the term capital, all wealth used to produce more wealth. In returns to these three factors is the whole *produce* distributed. That part which goes to land owners as payment for the use of natural opportunities is called rent; that part which constitutes the reward of human exertion is called wages; and that part [should there be any] which constitutes the return for the use of *capital* is called interest." § "Each

* 138.

† 139.

‡ 138.

§ 145.

one is, to the extent he exchanges the direct *product* of his own labor for the direct *product* of the labor of others, really applying his own labor to the *production* of the things he uses." * "That wages, instead of being drawn from capital, are in reality drawn from the *product* of the labor for which they are paid." †

The two definitions immediately following may be taken together or separately :

"In all those cases in which the laborer is his own employer and takes directly *the produce* of his labor as its reward," etc., as where "he takes a *piece of leather* and works it up into a pair of shoes, the *shoes* are his wages—the *produce of his labor*—and result directly as the product of his labor." ‡

"The *produce* of labor constitutes the natural recompense or wages of labor." §

"As I have already explained, *production* does not merely mean the *making* of things, but includes the increase of value gained by transporting or exchanging things." ||

The reader will have no difficulty in understanding what is meant by "produce." If one definition should not be satisfactory to him, he may select any other one, and so continue until he find the one that "suits his taste." Of course, he may not quite understand how produce is the whole product and at the same time *only a part of it* ; but it is not necessary that he should, as he can understand Mr. George's assertions, which will follow, equally as well as though he did. He thinks that "unless injustice is natural, all that the laborer produces should rather be held as his natural wages." ¶ He says : "Capital is not a necessary factor in production." ** The reader will please recollect that one of the definitions of

* 24.

| 139.

† 20.

¶ 146.

‡ 44.

** Ibid.

§ 146.

production, given by Mr. George, is "that part of wealth produced above what is necessary to replace the CAPITAL consumed in production." * Now, if we eliminate the word "capital" from his last-quoted definition, it becomes meaningless. If, on the other hand, we accept the definition, then the two assertions last quoted are absurd.

He also says that capital is "stored up labor," and he thinks the natural order of the factors of production should be, land, labor, and capital. Of this the curious reader might observe: "If capital is 'stored up labor,' then he who possesses it, already has what the laborer, without it, can only in the future produce, and to enable him to do so, the capitalist advances him some 'stored up labor.' So that in the present state of complex commercial relations, the order should be: Land, Stored-up Labor (both existents), and Labor (a non-existent)."

RENT.

With rent, it is not my purpose now to deal exhaustively, but I shall point out, in passing, one salient error in the law of rent as enunciated by Mr. George. He says: "Thus rent or land value does not arise from the productiveness or utility of land. It in no wise represents any help or advantage given to production, but simply the power of securing a part of the results of production. No matter what are its capabilities, land can yield no rent and have no value until some one is willing to give labor or the results of labor for the privilege of using it; and what any one will thus give, depends not upon the capacity of the land, but upon its capacity as compared with that of land that can be had for nothing. I may have very rich land, but it will yield no rent and have no value so long as there is other land as good to be had without cost.

* 139.

But when this other land is appropriated, and the best land to be had for nothing is inferior, either in fertility, situation, or other quality, my land will begin to have a value and yield rent. And though the productiveness of my land may decrease, yet if the productiveness of the land to be had without charge decreases in greater proportion, the rent I can get, and consequently the value of my land, will steadily increase." *

He states *land value* does not arise from *productiveness* or *utility* of land. Then, it must follow that barren, inaccessible land is equally as valuable, intrinsically, as the most fertile and most eligibly located lands. Is it? He says no matter what the capabilities of land may be, it can yield no rent and can have no value until some one is willing to give labor, or the results of labor, for its use. As to yielding no rent, without any one who will pay it, his position is unassailable; but a similar allegation could be made, with equal truth, about anything, including labor. No matter what are its capabilities, labor can yield nothing until some one is willing to use it. But land may have, and frequently does have, value, when it neither does nor can command rent. On the pampas of South America, and in the valleys of the Rocky Mountain region, are bunches of cattle and bands of horses grazing on *valuable*, but not on *rentable* land. Let the reader remember that "rent" and "value" are neither convertible nor synonymous terms.

His assertion, that though the productiveness of land which yields rent may decrease, nevertheless, if the productiveness of land to be had without rent decrease at a greater ratio, the rent of the former and the value of the land will steadily increase, possesses the charm of novelty.

But let us carry his reasoning out to its logical conclusion. Suppose Mr. George's land to yield twenty bushels of wheat per acre, while land to be had without rent yields ten bushels per acre. And, further, suppose his land to decrease in yield to one bushel per acre, and that the land to be had free cease to yield at all. Of these two propositions, he solemnly asserts that the latter one would be more favorable to him as a land-owner! and that his rent and the value of his land would be increased, because "the productiveness of the land to be had without charge decreases in greater proportion" * than did that of his land! If the reader will examine the hypothesis, he will find that Mr. George's conditions for higher rent are embodied in it. His land decreased ninety-five per cent. in productiveness, while the land that could be had without rent decreased one hundred per cent., that is, ceased to yield anything: therefore, in a greater proportion. Would, then, the rent he could obtain for, and the value of, his land be increased?

Let us for a moment rest on his "algebraic formula."

A SHORT FORMULA FOR DETERMINING THE DISTRIBUTION OF PRODUCE.

(A) Produce = Rent + wages + interest.

(B) Produce - rent = Wages + interest.

(C) Produce - wages = Interest + rent.

(D) Produce - interest = Rent + wages.

The parts marked *A* and *B* were furnished by Mr. George, † and I supplied the others. Thus there is joint authorship in the formula; but, as he suggested the whole of it, I prefer that it, in the entirety, be attributed to him. This is only right. And I further suggest that it be

* 149.

† 153.

known as "George's Formula for determining Rent, Wages, and Interest." It is only just that it should be known by his name.

He devotes nine pages to analyze "Bastiat's oft-quoted illustration of the plane." The illustration, concisely stated, is: James makes a plane in ten days which will wear out in 290 days' use. William proposes that James give him the plane, and that next year he will give James one equally as good. James objects to these terms, and demands that William not only deliver to him at the end of a year a plane equally as good as that which he now gives William, but a plank also, the latter being required as compensation for the loss of the advantage which the use of the plane during the year would give him. William assents, and an agreement is thus entered into, which survives James, and is carried out by his son, with William. The plank represents interest. Assuming "a plank to represent the fruits of a day's labor with the aid of a plane," and that William could make a plane equally as well, and in a like period of time, as James could, Mr. George thus reasons: "Had no borrowing taken place, each would have stood with reference to the plane as he commenced, James with a plane, and William with none, and each would have had as the result of the year's work 290 planks. If the condition of the borrowing had been what William first proposed, the return of a new plane, the same relative situation would have been secured. * * * Thus, the simple return of the plane would have put each in the same position at the end of the year as if no borrowing had taken place. * * * But when, in addition to the return of a plane, a plank is given, James at the end of the year will be in a better position than if there had been no borrowing, and William in a worse. James will have 291 planks and a new plane,

and William 289 planks and no plane. And if William keeps on borrowing of James on the same terms, is it not evident that the income of the one will progressively decline, and that of the other will progressively increase, until the time will come when, as a result of the original lending of a plane, James will obtain the whole result of William's labor—that is to say, William will become virtually his slave?" *

No, it is not evident. They might continue the agreement through all time, and William's income would remain *absolutely* the same each year, if the *terms* were *not* departed from.

Mr. George says : "It will be observed that it is not affirmed that James could make the plane and William could not, for that would be to make the plank the reward of superior skill."† His theory is, that while planes cannot breed, yet what may be purchased by them or their exchange value can—sheep, hogs, and cattle. And as he also holds that the doing of one thing is the doing of all things, to the extent of the thing produced in exchange, therefore, while James was making a plane for William, he was, in effect, raising hogs ; and as these do breed and reproduce, he is entitled to their increase, which in this case is a—plank !

His theory, as I have previously stated, has the merit of novelty at least to recommend it. But would it not be a simpler theory to say that William with a plane could produce 290 planks, and without it *not one* ? That, in making a plane, a quantity of labor was consumed, and, hence, the plane bears the same ratio to its producer that the time consumed in making it does to the whole period of time during which he is capable of performing similar work ? And, therefore, the compensation to its owner for

* 159, 160.

† 159.

its use should be in proportion to the wages paid to its producer, for producing it.

SPURIOUS CAPITAL.

Under this heading Mr. George deals with monopolies. In the list of monopolies he includes patents, but omits to include *copyrights*. But of all the grinding, crushing, destructive monopolies, he asserts a railroad corporation is easily the first. Indeed, to find anything to which, and with which, it may be compared, he was compelled to seek it in India. He says the trunk lines of railroads unite to raise rates, just as robbers unite to plunder in concert. Things which are equal to the same are equal to one another. If, then, railroad companies unite to raise rates, and workmen unite to raise rates of wages, and it is "like robbers uniting to plunder" in the case of the former, so must it be in the case of the latter. This is a necessary deduction from his premises. It is absurd in each case. Neither uniting to raise rates, nor uniting to raise wages, would necessarily be robbery. That it may be, and often is, especially in the case of the former, is indisputable.

THE LAW OF INTEREST.

Mr. George bases his law of interest on two things: "*First*—That it is not capital which employs labor, but labor which employs capital. *Second*—That capital is not a fixed quantity, but can always be increased or decreased." * As to the first, it is too ambiguous, and as to the second, too plain, to require any comment. Everything changes. He says: "Labor and capital are but different forms of the same thing—human exertion." † Then, of course, human exertion is labor and capital.

* 176.

† 179.

But he has already stated that "capital is not one thing, it is anything to that value within the circle of exchange."* Therefore, human exertion must be anything within the circle of exchange—and *more too*. But he also says that "human powers whether natural or acquired can never properly be classed as capital."† Therefore, labor, mental as well as physical, is *not* capital! Let "the reader note and bear in mind" Mr. George's definitions, and he will quickly discover that juggling with terms, and not political economy, was essayed by the author of "Progress and Poverty."

THE LAW OF WAGES.

Mr. George begins a disquisition on wages by asserting, "There is, of course, no such thing as a common rate of wages, in the sense that there is at any given time and place a common rate of interest."‡ What is interest? He defines it to be "that part of the produce [profits] which constitutes the return for the use of capital."§ Now, as profits vary in different kinds of business, in any given place and time, equally as much as do wages, it is evident that interest must vary accordingly. The truth is, he, to the confusion of the reader, uses the term "interest," not in the economic, but in the ordinary sense. His theory of wages, based on the cultivation of the poorest land in use, rests on a fiction; and his *dictum*, "that just as a free body tends to take the shortest route to the earth's centre, so do men seek the easiest mode to the gratification of their desires," contains more errors and greater subtleties than seems to be possible to crowd into so short a sentence. Why does a "free" body tend to take the shortest route to the earth's centre? Is it owing to any power or force exerted by the "free" body? Is it

* 161.

† 34.

‡ 184.

§ 145.

not for the very reason that it is not a *free* body? It is under *physical* restraint, and therefore is not a *free* agent.* But is this true of a man in gratifying his desires? He is a free sentient being, but he is also a fallible agent. He may dig in the bowels of the earth, or tread the lofty peaks of majestic mountains, in quest of gold; he may, in solitude, till the soil; or on the undulating bosom of the mighty deep, under lowering skies, in the driving storm, midst lightning's blinding flash and thunder's rolling peal, seek wealth. Surroundings and education and volition of the individual, and not any immutable law, determine what mode he shall adopt in the pursuit of the gratification of his desires.

“Some find their bliss in action, some in ease;
Those call it pleasure, contentment these.”

Yet Mr. George, with apparently unconscious ignorance, bases the law of wages on his *dictum*, just quoted, saying: “Here, then, we have the law of wages, as a deduction from a principle most obvious and most universal. That wages depend upon the margin of cultivation—that they will be greater or less as the produce which labor can obtain from the highest natural opportunities open to it is greater or less, flows from the principle that men will seek to satisfy their wants with the least exertion.”†

As I have demonstrated, this is not true (nor can it be true, until man become omniscient); his law of wages falls, and his *dicta*, his deductions from, and his theories based and resting upon, that “law,” are buried in its ruins. As it is not my purpose, in this work, to enter into a dissertation on the ownership in land, I now close my

* What Mr. George means by a *free* body is, obviously, an unimpeded body.

† 187.

formal inquiry into Mr. George's theory of wages, as its refutation leaves nothing, in this behalf, to be sought or accomplished.

A REVIEW OF THE WAGES PROBLEM.

Were I to state that I have solved the problem of wages, after the statements made by me in the Introductory, I should be stultifying myself. Indeed, the mere statement would be arrogance and presumption on my part. The problem is so intricate, so involved, that the more we study it, the more difficult its solution appears. If any one wish to become absolutely ignorant of it, let him read the works and accept the theories of those who have devoted much time, aided by great learning, to its solution. Some of these were actuated by a desire to ascertain the underlying principles, in the cause of science; others were anxious to sustain hypotheses; while not a few were eager to pose as the champions of the oppressed. With truth and indignation might we exclaim: O Labor! how many shams masquerade in thy name!

With a fatuous consistency, the results obtained from these widely divergent aims and consequent methods are unsatisfactory, differing only in degree; and each inquirer left the problem, in one respect, as he found it—unsolved.

If any one of the countless theories be selected, and a community adopt it, governing themselves in their inter-communal relations by it, would the results be satisfactory to the individuals of that community? Would substantial justice be meted to all? Would no one suffer *by reason and because of that theory*? To answer the first two queries affirmatively and the last negatively, would be to affirm that what is imperfect may create that which is perfect. Thus would the created be superior to the creator. Man

is imperfect, and *all* his works are, and must be, necessarily, imperfect.

Hence, any theory that proceeds on the hypothesis that any law emanating from man is or may be perfect, is pernicious and blasphemous. For this reason, if for no other, it should be reprobated. On the other hand, man is progressive, and improvement on human laws may be continuous.

Therefore I shall, with this end in view, point out existing evils and inequalities, and, in some cases, suggest remedies. And, first, let us review society as a political body. The essential ideas of society are authority, and power to enforce that authority, on the one side; and obedience and protection on the other. This brings us to the question, Whence come the authority and power of society? Are these created by society, or does society derive them from the individuals composing it? As man can, literally speaking, create nothing, neither can society, which is only an aggregation of men. Therefore, society must derive its authority and power from the members of that society, either by their consent, implied or expressed, or by usurpation. It follows, then, as a logical sequence, that the individual must surrender to society a portion, at least, of his natural prerogatives and rights; and in return therefor he receives, or should receive, equally and impartially, the protection which society confers, and, in like manner, share the advantages which it bestows. Hence, the rights and interests of each and every member of society must be, if justice be done to all, subordinate to its rights and interests. From this it clearly appears that any reasoning based on the original rights of the individual, in their entirety, must be, when applied to a member of society, unsound and fallacious. By the very act of becoming a member of society, he parted with a portion

of his rights. If he would regain them entire, he must renounce civilization and betake himself to the surroundings and conditions of primitive man. As each member of society, then, must labor for the interests of it, primarily, is not society the employer of its members? There is no escape from this conclusion. With this fact constantly in view should the claims of both capital and labor be determined. Neither one possesses a right superior to, or conflicting with, the rights of the other, or of society; and, therefore, when a conflict does arise between them, it is by reason of usurping, or attempting to usurp, a right by one or the other. Society not only may, but must, if it perform the duties and discharge the obligations incumbent on it, adjust their claims and mete out justice to both. Neither capital nor labor should be allowed by society to oppress its members. But as capital is strong and labor weak, comparatively, the restraining arm of society should be stretched out toward capital, and its protecting hand extended to labor.

No combination of capital for the oppression of labor, nor any combination of labor for the destruction of capital, should be allowed, for each works injury to society. This restriction does not include, of course, the combination of capital to a limited, fixed amount, for legitimate, industrial purposes; nor the combination of labor for the purpose of obtaining increased wages, or resisting a reduction of wages, as the one counterbalances the other: but it does include the combination of capital in producing "corners" and forming "trusts;" and the combination of labor in preventing other members of society from working, or from obtaining employment.

To make a "corner" in any commercial commodity, benefits the few at the expense of the majority, and usurps the rights of the whole community. It is, in

effect, treason to the community ; and society has the right to, and should, punish it as treason. A "trust" is even more criminal than a "corner," for it not only endeavors to control commodities which have been produced, but also to prevent the further production of commodities. It cripples competitors and drives them out of business ; it works an injustice to labor by forcing it into idleness, and to the community by compelling its members to pay more for those goods and wares so affected than the normal market price would be.

If society were not recreant to its duties, neither "corners" nor "trusts" would be attempted to be formed, much less exist ; neither could any combination of labor having for its object the restriction of the employment of labor.

AGGREGATION.

The tendency of industry is aggregation. Indeed, civilization itself is an exemplification of this truth. Therefore, in dealing with all questions pertinent to wages in populous nations this factor enters ; and no deductions from premises which exclude it can be true. What portion of the product savage man received, is of importance in determining what labor should receive, only when ascertaining what portion savages at the present day should receive. Nor should the fact be lost sight of, that when man gathered wild berries, and had all the product as a reward of his labor, he was sunk in the depths of poverty. Like causes produce like effects. Labor in civilized communities, though it receive but one-quarter of its product, would be better rewarded, absolutely, than if, in a state of barbarism, it receive all of it. But this fact is not sufficient, in itself, to enable us to determine the exact portion which it should receive. It does, how-

ever, enable us to say that labor may receive considerably less than the whole produce, and yet be justly rewarded. Now, what is it that gives to labor a greater reward absolutely, with a less amount relatively, in a civilized nation than in a savage country? It is owing to two causes—capital and division of labor.

OF CAPITAL.

Whatever has been produced by human agency, is wealth. That part of wealth which is devoted to, or is necessary for, the production of more wealth, is capital. Capital is divided into two classes—movable and immovable; and movable is subdivided into three denominations—circulatory, executed, and transitional.

OF MOVABLE CAPITAL.

That part of capital which is, in its essence, susceptible of being, and is to be in contemplation, transferred from one person to another, by a change of place, is movable capital.

That part of movable capital which has a unit of value at any given time and place, is circulatory capital. That part of movable capital which is completed for the market, but the value of which is determined by agreement between buyer and seller, and fluctuates by proximity to, or remoteness from, the place of its production, is executed capital. That part of movable capital which is in an unfinished state, and, while in such condition, has no liquidated commercial value, and is not interchangeable in the usual and ordinary course of business transactions, is transitional capital.

OF IMMOVABLE CAPITAL.

Immovable capital is that part of capital which is fixed as to place, whether finished or in course of completion.

THE NECESSITY FOR CAPITAL.

Without capital no great industry could be prosecuted. Without it, "the bounties of nature" would be but a mockery. Because man produced it, it does not follow that he does not require it. If one man had the spontaneous yield of the whole globe for his exclusive subsistence, capital would not be absolutely necessary for his maintenance. But when millions share that yield, labor is required to increase it. But labor without the aid of capital would be almost powerless. Then, it may be inquired, how could capital have been produced? Capital is not the result of present, nor of immediately past, labor; but it is the accumulation of untold ages. As an illustration, let us take an agriculturist. In the beginning he had no capital. He desired to till the soil, thus to increase the yield of a given area, rather than lead a nomadic life. But he had no implements, and with his bare hands he could not dig up the ground. To assist him, he broke from a tree a limb of convenient size, and with this implement—this capital—turned up the soil. This was the initial step. The next was to utilize animal power, other than his own, to assist him. But the limb that served him could not be used in connection with an ox or a horse. To meet the necessity, he, with great labor, obtained a crotched tree of desirable size, and, hitching his animal to it, *ploughed* his field. But, before he could do so, he must have made a harness for the ox or horse. Thus was he the first capitalist. Others now devoted their inventive powers to the *improvement* of the plough, with the result of producing a much better wooden one. Still, the implement was very imperfect; and, as other men in the mean time had devoted their labor and talents to furnishing articles from stone, a stone share was added to the

plough. Ages pass, and some proficiency is made in the working of metals, so that the stone share has been replaced by an iron one. Centuries roll by, and a new motive power—steam—is discovered. A different kind of plough is necessary for its employment ; but, as all the arts progressed in the mean time, it is easier to manufacture the requisite plough for the new motive power, than it was to make the rude stone one when it was in use. Thus we see how capital accumulated. But ideas and knowledge accumulated in like manner, in the aggregate, though individually diversified and diffused.

No one man could to-day, "with all the bounties of nature open to him," make a steam plough ; neither could any number of men, within a reasonable time, without the aid of capital. For, in order to obtain the iron, it would have to be mined. To do this, shovels, picks, drills, blasting powder, timber for the shaft and whim, and cage and rope for raising the ore, would be necessary. In turn, tools would be necessary for the making of the shovels, etc., and axes for the preparation of the timber. But, as they would have to be first mined, similar tools, though less efficient, would be required before *these* could be obtained. The reader may investigate this inquiry further, and he will see what an almost incredible number of prerequisites enter into the manufacture of a single article of modern production. It is the division of labor, aided by capital, that makes its production possible. But ages were necessary for the perfection of the former and the accumulation of the latter. Without either, we could pick wild berries, where there were any to pick, and subsist ; and where there were none (nor any other spontaneous edibles), without both capital and labor, we should starve.

Therefore, industry, in populous communities, is not only limited by capital, but, without it, is precluded.

FROM WHAT ARE WAGES DRAWN?

From the foregoing, it will be clear that labor cannot be productively employed, in the present age, without the aid of capital. Such being an incontrovertible fact, that which concerns labor most, is not from what theoretical source do wages flow, but is there available capital to assist it? If there be not, no subtle theory can supply it. If there be, no deductions from that theory are necessary to disclose that fact. Whether the laborer obtains the reward of his labor from preëxisting capital, or from the product of the labor for which he receives it, can have no interest for him (unless he be of a philosophic mind), for he could not perform that labor, and therefore could earn no wages, without preëxisting capital. Reader, stop! Devote the next hour, or day, or week, in endeavoring to discover a *single* industry that can be carried on, or conducted, in any city, without the aid of capital, direct or indirect, either yours or somebody's else. If you can, what I have stated as to the necessity for preëxisting capital is erroneous, false, and untrue.

But if, on the other hand, you can find none, even though you regard "all the bounties of nature" to be open, free, and accessible, then the statements made by those who assert that capital neither limits nor assists industry, must be ridiculous and absurd.

The test is a simple one, requiring no technical knowledge of hair-splitting words. Compose your mind and reflect; open your eyes and observe.

I assume the reader will assent to the statements made by me thus far. If so, I request him to follow me further, as I now proceed to show the source whence wages flow.

I shall use the term capital according to the analysis which I have given of it. By this means, ambiguity will

be avoided, and prolixity obviated. I shall use the term labor to mean human exertion, both mental and physical, applied as an agent in productive industry ; and the term wages to mean the reward of such exertion. Any other term used herein is to be understood in the ordinary acceptation of the word, if not otherwise defined by me. And to free the discourse from needless, and sometimes embarrassing, repetitions, I shall here state that I am not addressing myself to savages, nor to men on lonely islands, but to members of civilized, populous communities. Hence, any statement made by me will have this fact in view, if not otherwise explicitly expressed, and the reader will please so understand it.

THE TRUE SOURCE OF WAGES.

Into all productive industries the three factors, labor, capital, and land, enter. As I do not purpose extending the present inquiry further than the first two factors, I shall confine myself to their elucidation, and touch but incidentally on the last named.

Before labor can be exerted, there must be capital upon which to apply it. In commercial language, capital in this form is termed raw material. By my analysis, it would be termed executed capital. The term raw material is frequently misleading in this : That which is raw material in one grade of industry is a finished product in another.

For example : in the hands of the spinner, wool is raw material, and *yarn* is the finished product ; yarn in the hands of the weaver is raw material, and *cloth* is the finished product. And so it continues to be designated, successively, until it finally reaches the " consumer " in the form of wearing apparel and the like.

Hence, executed or finished capital becomes transitional

or unmarketable capital, only to again become executed or finished capital of a higher industrial grade.

For the purpose of successively conducting these industrial transmutations, there must be suitable buildings, machinery, and tools. These, in the language of the trades, are termed, collectively, a "plant." This, according to my nomenclature, would belong to the subdivision termed "Immovable Capital." In addition to the foregoing, there must be more or less circulatory capital—money—to meet current expenditures.

And the divisions of labor are equally as numerous, if the industry be of considerable magnitude. There must be a superintendent, skilled and unskilled laborers, and apprentices.

Labor is, in cities, usually compensated at the end of each week. During this period value is being continuously added to that which was executed capital—raw material—but which during such process is transitional capital—unmarketable material. Sometimes a week's labor, or even less, will convert it into other executed capital, to be known by the seller as "finished products," in harmony with the explanation already given by me.

Frequently, however, a greater period of time than one week is required for such change ; and as labor must be rewarded, in the form of wages, each week, it becomes necessary to draw these wages from circulatory capital—money or other acceptable medium of exchange.

In due course of time, the transitional capital becomes, first, executed, and then is exchanged for circulatory, capital, which not only replaces that which was drawn out for wages and other expenses, assuming the given industry to be normally profitable, but leaves a surplus. This surplus is the measure of gain to the owner of the capital.

That I have correctly stated the means, methods, and processes employed, pursued, and used in the manufacturing industries, no one—be he capitalist, superintendent, or operative—will dispute.

That no one, with the aid of this exposition, will have any difficulty in assigning to labor and capital their respective functions, is manifest. And while every person is at liberty to hold to any theory he may choose, based on mere verbiage, yet, as to substantial conclusions, all will agree. These conclusions are :

First. That capital is the coefficient of labor.

Second. That it is preposterous to say that capital aids in production, and then to assert that it does not limit industry.

Third. That as capital without labor is powerless to produce, so also is labor without capital.*

DIVISION OF LABOR.

In the proportion that capital concentrates, does labor diversify. What was, prior to the introduction of machinery, comprised under one trade, is now divided into several branches. By this division, greater efficiency in labor has been attained, but at a loss to the laborer of a general knowledge of the entire trade. Hence, his inter-

* A shoemaker in the employ of a capitalist receives, in wages, working by the piece, \$12 per week. From what source are the wages drawn? A theoretical answer might be given as follows: The capitalist gives credit to the shoemaker, by loaning him leather, etc., and agrees to purchase from him all the shoes he may make therefrom, paying him a stipulated price therefor; which price shall be the current price of similar shoes, less the price of the leather, etc., loaned to the shoemaker. Hence, *capital must be parted with*, by the capitalist, *before the shoemaker can apply his labor*; and during the whole period in which that labor is being applied, the stock of the capitalist is in no way increased thereby.

dependence has increased, and his opportunity to become his own employer lessened. And with every additional invention, applicable to any particular trade, the former is further increased, and the latter still lessened, for the members of that trade.

When shoes were made by hand, every shoemaker could be, if he so desired, his own employer ; but the large shoe-factory, with its hundreds of operatives, has taken the place of the small shoe-shops, and their owners forced to become employees. And, too, while formerly one person performed all the labor entering into a pair of shoes, exclusive of that in the materials used, it is now divided, and eight or ten engage in the manufacture of a single shoe, each one performing one specific act in its manufacture. Thus the knowledge of each, so engaged, does not extend beyond that one act, in making shoes. Nor is shoemaking an exceptional industry, in this respect. Similar conditions prevail in nearly all of them. From the foregoing it is evident that the great mass of the people must be wage-earners, and only a few can be employers.

The "bounties of nature " have absolutely nothing to do in bringing about such a condition. If they were free to all men, they could not be utilized by a man without capital, in successful competition with him who possessed it. As a matter of fact, the majority of manufacturers do not own the factories in which their industries are carried on. Therefore, so far as the " bounties of nature " enter into the problem, the manufacturer and the operative stand on the same plane to-day. If the operative, without capital, cannot cope with the manufacturer who possesses it, when both have to pay rent, neither could he if neither had to. For the advantage which the manufacturer now has over the operative—the possession of capital—he

would still have. Therefore, the theory that rent is the cause, and the only cause, of the necessity which compels the many to be employed by the few, is founded on error.

In order that this fact may manifest itself, let us suppose that a shipwright be given land, rent free, while all of the ship-builders must pay rent for their respective "yards." The shipwright has no capital; the ship-builders have. Can the former compete with the latter in building ships? Certainly he cannot. Let us go a step further, and suppose the shipwright be given the necessary buildings, "plant," etc., also free of rent. Could he, even under these exceptionally favorable conditions, but without any other capital, compete successfully with ship-builders who must pay rent for their "plants," but who possess an abundance of capital? I shall let the reader answer this query himself.

DISTRIBUTION OF WEALTH.

The next problem to be solved is the distribution of wealth. Those of wages, rent, interest, and profits, all enter into it, and, therefore, its solution would necessarily solve them. Those who have attempted to do so by means of the percentage method, basing their calculations on the gross production, and the gross amount received in wages by the laboring classes for any given year, in a given country, have constructed plausible theories out of appearances, and not from facts. For example, Mr. Edward Atkinson endeavors to prove that capital receives only ten per cent. of the produce, *because wage-earners receive ninety per cent.* He further states that but little capital is accumulated from year to year; and that there is nothing old, of material value, that is useful, except the precious metals; and that a rich man

consumes but a small part of his income, being a distributor as well as an accumulator—all of which assertions are not only consonant with his statement that capital receives but ten per cent. of the produce, but apparently sustain and support his whole theory.

Yet the fact that wage-earners receive ninety per cent. of the produce does not in any way prove that capital receives only ten per cent., for, as Mr. Atkinson says, a rich man consumes but little of his income himself, being a *distributor*. The fallacy, which I shall point out, lies in placing producers and non-producers in the same category, and then treating them all as producers. Let me illustrate. There were in the United States, by the census of 1880, in round numbers, 17,000,000 wage-earners. Over 4,000,000 of these were *non-producers*. These are therein classified as rendering professional and personal services. Therefore, there were only 13,000,000 actual producers. But the non-producing wage-earners received a share of the produce, presumably proportionately to their aggregate number; that is, about one-fourth of ninety per cent. of the whole produce, or twenty-two and one-half per cent. thereof, conceding Mr. Atkinson's statement of labor's percentage to be correct.

Therefore the real producers received ninety per cent., less twenty-two and one-half per cent. of the whole produce. "But should not the non-producers who labor be paid for their services?" Mr. Atkinson would ask. I answer, "The question is irrelevant." The real question at issue is, What part of the produce goes to those *who produce it?* and not, What becomes of the produce ultimately? But let us carry out Mr. Atkinson's idea of distribution of wealth to its logical conclusion. Let us suppose the following case:

Mr. R., a capitalist, has a large factory, in which are

employed five hundred men, and the annual produce therefrom is, by a monetary valuation, \$500,000. The five hundred operatives received in the aggregate \$250,000, or only fifty per cent. of the whole produce ; Mr. R. appropriating, as his share, the remaining fifty per cent., or \$250,000. His annual expenses are as follows :

A steam yacht, which he keeps in commission during a period of five months in each year, at a cost of \$10,000 per month ; a stable of fast horses for pleasure, at an annual cost of \$15,000 ; for membership in several clubs—athletic, social, and turf—and expenses incident thereto, \$10,000 ; for tutors and governesses, dancing and equestrian masters, and music-teachers for his children, \$15,000 ; and for clothing and apparel for himself and family, \$15,000. He owns a country seat, and employs landscape-gardeners and many assistants, as well as other servants, at an annual expenditure of \$15,000. He retains a lawyer at an annual fee of \$2,000, and the family physician presents an annual bill for a like amount. To the cause of religion, and foreign missions for enlightening trans-oceanic barbarians, he contributes \$1,000. To maintain his city establishment, he expends \$75,000 ; and unenumerated items, not included in any of the foregoing bills of expense, such as dog-kennels, bench-shows, etc., foot up \$25,000. And, as Mr. Atkinson truthfully remarks, a capitalist who has a very large income consumes but a small part of it ; in this case Mr. R. and his family consumed, during the whole year, only \$25,000 in value. Hence the following results are obtained :

Mr. R. received fifty per cent. of the produce of his factory, being equivalent to the sum of \$250,000. Out of that sum he paid in wages to those who procured, furnished, prepared, and served him with luxuries, and for professional services, \$200,000. He and his family con-

sumed \$25,000 in value, and he has remaining \$25,000, which two last-named sums in the aggregate equal only ten per cent. of the whole produce of his factory! "Therefore," triumphantly cries Mr. Atkinson, "*capital receives only ten per cent. of the whole produce, and it saves only five per cent.!*" Does the reader clearly see, not only the fallacy but the absurdity of such a statement? If not, let us proceed further. Let us see how the five hundred operatives fare. They receive, in the aggregate, \$250,000—an amount equal to that of Mr. R.—or an average of \$500 each. They pay to capitalists twenty-five per cent. of that amount in the form of rent. They live frugally, and save two per cent. Hence, each one expends on himself and family, exclusive of rent, \$365 per annum, and adds to the accumulated wealth of the community \$10. Thus, capital secured from the produce of the five hundred operatives \$250,000 which went to Mr. R., and the further sum of \$62,500 which they paid to landlords.*

Thus, of the \$500,000 so produced, capital received sixty-two and one-half per cent., or \$312,500, and the labor which produced it, only thirty-seven and one-half per cent., or \$187,500; and assuming that the amounts saved by landlords were in the same ratio as were Mr. R.'s, and that those, exclusive of the operatives, who received in wages and salaries \$200,000 from Mr. R. paid for rent and saved like portions as did the operatives, capital received from the non-producers \$50,000, and of this amount saved \$2,500, and of that received from the operatives saved \$3,115. Hence, of the total produce of \$500,000, capital saved \$30,615; while labor, from its share, saved only \$9,000. Let us go a step further. Sup-

* Landlords are here treated as capitalists, in conformity with Mr. Atkinson's classification.

pose Mr. R. had received ninety per cent., and the five hundred operatives only ten per cent. of the produce, and that he had expended on hordes of menials the additional forty per cent. of the produce which he had received, would not Mr. Atkinson's method of reasoning enable him to reach the identical result that he now does—*ninety per cent. to LABOR, and ten per cent. to capital?*

Let us put the first illustration in a simpler form.

Suppose Mr. R. and the five hundred operatives to have divided the produce in unknown quantities; and that C., an agent, not only handled the whole produce, but furnished to each and all everything that both R. and the operatives received; and that at the end of the year there would be due to R.'s credit the sum of \$30,000, and to the credit of his operatives \$9,000; and that C.'s books would show that he had received for such produce a grand total of \$500,000; and that he had paid in the form of wages, to those who had supplied R.'s wants, comforts, and luxuries, the sum of \$200,000, and for his necessities and luxuries the additional sum of \$20,000; and that he had furnished the operatives with necessities to the value of \$241,000; would not any one, by the means of Mr. Atkinson's theory, be enabled to "prove" that *labor* had received ninety per cent., and capital, therefore, could have received only ten per cent.!

Indeed, one is almost forced to lose patience with those ignorant, or worse than ignorant, writers, who would endeavor to make it appear that the rich, gluttonous, licentious idler is benefiting mankind, because he, in gratifying his sensual appetites, "distributes" his wealth. They overlook the fact that such a defence of such a person would be equally applicable to the highwayman. He, too, must "distribute" most of that which he appropriates, in order to receive any pleasure therefrom. There-

fore, Mr. Atkinson, and those of his school, should say that the successful highwayman, who might employ music-teachers, footmen, and lawyers, was benefiting society, and if he robbed the community of \$250,000 annually, but of that sum paid out in wages \$200,000, would, and must, conclude that he robbed the community of only \$50,000! And another absurdity. Mr. Atkinson assumes, by implication, that the actual producers would bury, for all time, their surplus, if they had any, and therefore concludes it is necessary that it be appropriated by some one, in order that it may be "distributed." Do not let me be misunderstood. I in no way assert that capitalists must be dishonest, although our present industrial system is unjust. But I do assert what I have demonstrated, to wit: That Mr. Atkinson's theory is unjust, alike to the producer and to the capitalist, and that it insults the intelligence of every man whose understanding is above the plane of idiocy.

TAXATION.

OF the many schemes of taxation for government needs, and for the relief of the masses, proposed by mere theorists, whether under the guise of statesmanship, philanthropy, or political economy, each and every one is defective in this, that the consumer, in all cases, irrespective of his financial resources, must bear the burden. So, too, under existing tax laws in the United States, the ultimate incidence of taxation is the "consumer."

The different forms of taxation are usually designated by either the thing to be taxed, or by the method employed to collect the taxes. Chief among these are the tariff, internal revenue, real estate, personal property, poll, and single land tax; and the graduated income and legacy tax.

I shall treat of these in the order named, in this chapter, except the graduated income and legacy tax, which will be considered in that entitled "Remedies Submitted," *infra*.

THE TARIFF TAX.

We are told by patriotic protectionists that the tariff is no tax at all *on us*, but that it is paid by the foreign exporters for the privilege of trading with us.* Conced-

* Professor Denslow ("Principles of Economic Philosophy," p. 457 *et seq.*), in commenting on Adam Smith's theory of taxation, says: "The opening words begin by the assumption, so common among

ing this to be true, then *we* must pay a similar tax on the products which *we export*, for the privilege of trading with them. Hence, import duty is a misnomer for export duty. In this we see how the law is violated, and the Acts of Congress, authorizing imposts, nullified. Or were these Acts designed to have extra-territorial effect? If so, do they not conflict with international law, and the idea of sovereignty exercised by all autonomous nations? This would merit serious consideration, were it not for the fact that it is a myth. Let me illustrate:

Ten buyers, representatives of as many different nations, go into the French market for the purpose of purchasing goods for their respective countries. These countries have tariff rates, differing one from the other, and from all others, ranging from three per cent. in the least "protected" country, to eighty-three per cent. *ad valorem* in the highest. Moreover, some, but not all of them, have a specific rate of duty. Further, the representative of the country having the *highest* combined rate

free-traders, that only 'the subjects of a state' ought to contribute to the support of its government. This is to ignore, at the outset, a cardinal point in the protectionist experience, that not only the subjects of a state, but aliens who seek to do business or sell their wares within its borders, or in any way to get the benefits of its markets and scale of values, ought to, and under protectionist duties do, in many cases, contribute to the support of its government. The protectionists claim to be able to tax an international constituency of producers and consumers on all international trade, *i. e.*, trade between citizens of different nations." Again (*Ibid.*, p. 585) he says: "The schedule consists of articles the duties on which, in 1870, were paid entirely, or substantially, by foreigners. There were others in which foreigners paid a portion, greater or less. *On these they paid the whole duty!* A careful study of the table may show that it is, after all, possible, not only to devise a system of taxes which will be a productive agent, but which will be an economy instead of a burden to the tax-payers."

of duty purchases the *least* amount of goods; and the representative of the country having the *lowest* rate of duty purchases the *largest* amount. The other eight representatives buy the same lines of goods, and of equal amounts, package for package, respectively. Would any discrimination be made by the French merchants? and if so, in whose favor? Were we to believe closet-bred political economists, and patriotic home manufacturers, the representative who bought the *least* bought the *cheapest*, and he who bought the *most* paid the *highest*; as in the case of the former, the French merchants had more "duty" to pay than in the case of the latter. As to the other eight buyers, their bills are not yet made out, as the French actuaries are still engaged consulting their respective tariff schedules! Will the reader kindly consult any truthful importer for further information on this point?

If we change our inquiry from "Who pays the tariff taxes?" to "Who collects the import duties?" we shall readily ascertain who pays them. Let us suppose a given article, manufactured in France, costs \$100 in that country. We import it. The rate of duty is fifty per cent. The importer pays it. Leaving transportation, insurance, and other incidental charges out, so as to avoid unnecessary details for the purpose of illustration, the article now costs the importer \$150. He sells it to a jobber at an advance of ten per cent. The importer makes this rate of profit on the amount he paid in customs duty, as well as on the original cost of the article. Hence the jobber pays \$165 for the article. He, in turn, sells it to a wholesale merchant at a profit of twelve per cent., which makes its cost to the latter \$184.80—say \$185. The wholesale merchant sells it to a retailer at a profit of fifteen per cent., which makes its cost to the latter

\$212.75—say \$212. And now comes the “consumer,” who buys the article from the retailer. The retailer makes a profit on the article of twenty-five per cent., making its cost to the consumer \$265, which he pays, and, in doing so, *pays the tariff tax*.

If, as Professor Denslow says, foreigners pay the tariff tax, and as from a Frenchman's standpoint *we are foreigners*, we should simply *raise* our tariff rates and *lower* those of France. From this it would appear that all mankind—except Professor Denslow and those of his school—have been legislating at the wrong end. Now, if we have to support the French government to the extent of the duties we pay on the exports we send her, it is high time we had a representative in the French Chamber of Deputies. Whom should we send? Why, who so competent as Professor Denslow? By all means, let him be elected to the French Assembly, by American protectionists, in recognition of his profound statesmanship. But is he competent? It seems like an insult to his genius to propound the query. Nevertheless, let us see. He says protective tariff laws cheapen home-made goods,* and cheap goods mean low wages.† Therefore, we must conclude that *high* tariff laws produce *low* wages. Again, he says prices are *not* regulated by cost of production.‡ But he says they are, and uses the following “reasoning” to “prove” it. He says:

“If, as we have said, the average rates of wages paid in 1868 to 1873 were, in fourteen different manufacturing industries, twenty-two per cent. higher here than in England, and if rates of earnings for capital employed in conjunction with labor averaged fifteen per cent. higher, and if our taxation, national and state, made a further difference of five per cent. more in cost of production,

* Ibid. 609.

† Ibid. 293.

‡ Ibid. 110.

then it *would follow that* in all kinds of production which England could carry on with the same expenditure of effort as ourselves, our price would need to be *forty-two** per cent. higher than the English price. Otherwise we would be absolutely excluded from carrying on all those kinds of business which we could conduct with the same expenditure of effort as the English." †

Now, read this from the able pen of the Professor : "Tooke repudiates, so explicitly, the notion that cost of production regulates price ; that it is remarkable that economists should have disregarded his position !" †

It is more remarkable if level-headed business men have not disregarded both Tooke and the Professor, together with their "position." Compare the assertion, just quoted, that cost of production does not regulate prices, with the statement made by Professor Denslow, in the quotation from him, immediately preceding. But has the reader detected the error in his statement, that if wages are twenty-two per cent. higher here than in England, "and if rates of earnings for capital employed in conjunction with labor averaged fifteen per cent. higher," and if our taxation "made a further difference of five per cent. more in cost of production," then "our price would need to be forty-two per cent. higher than the English price"? Now, what percentage of the cost of a manufactured article is attributable to labor, and what to capital?

Of this, Professor Denslow says : "Should not that unit of capital which employs a man, and the man himself, share alike? True, one man may own twenty units of capital, and in that way get a return equal to that of twenty men.*"

* The *italics* are mine.

† "Principles of Economic Philosophy," 585.

‡ Ibid. 114.

What matter, if the service he renders to each of the twenty *exactly equals* * the service each renders to him? His aggregate services to the twenty *must be equal* * to the aggregate of the services of the twenty to him. Hence, if he furnishes the capital which employs twenty, or five thousand, he should receive an aggregate return *equal* to that of the whole number of persons to each of whom he reciprocates an equal service. In this way only can there be equality, and equity, in each of his exchanges of service for service." †

In support of his assertions, he cites the fact "that the fifty-four railways which report annually to the Railway Commissioners of Illinois * * * pay for the use of their capital in all its forms, *i. e.*, in—

Dividends and interest	\$81,720,265.53
And in wages and salaries	81,936,170.81
Total gross income, or joint earnings of labor and capital	163,656,436.34
Excess of labor's share over capital's share	215,905.28

"Variation from equality in division, one-eighth of one per cent." †

Hence, conceding all his statements, relative to the cost of production and its division between capital and labor, to be true, it follows that a duty of twenty-two per cent. on labor's share of the product—viz., *one-half*—would protect American against English labor; and fifteen per cent. on capital's share—one-half—of the product would protect it against English productive capital, employed in England, assuming taxation to be equal in both countries. Thus, the true protective rate of duty would be $22 \div 15 \div 2 = 18\frac{1}{2}$ per cent. on the English cost of pro-

* The *italics* are mine.

† "Principles of Economic Philosophy," 173. † Ibid. 173, 174.

duction.* If we add to this the five per cent. of cost, resulting from higher taxation in the United States than in England, as asserted by Professor Denslow, the tariff rate requisite to afford both American capital and labor adequate protection, making no account of transportation charges, etc., would be, *not forty-two* per cent., but only twenty-three and one-half per cent.

Let us examine the basis of taxation in England and in the United States. The valuation of each, in round numbers, is as follows:

Great Britain and Ireland †.....	\$55,000,000,000
United States †... ..	65,000,000,000

The estimated population of each country is :

Great Britain and Ireland... ..	40,000,000
United States.....	62,000,000

The total amount of taxes collected in each country :

Great Britain and Ireland §	\$780,000,000
United States 	760,000,000

Rate of taxation according to wealth :

Great Britain and Ireland ¶.....	1 $\frac{1}{2}$ %
United States	1 $\frac{2}{3}$ %

Per capita taxation :

Great Britain and Ireland.....	\$19.50
United States.....	12.26

* This assumes that Professor Denslow, in computing the cost of manufacture in the United States, duly allowed for the excess of cost of an American over an English "plant," or manufactory, etc. If not, about one-half of one per cent. should be added to the rate given in the text.

† Estimated from Mulhall. ‡ Estimated from U. S. census 1880.

§ This includes imperial, county, and municipal taxes.

| This includes federal, state, territorial, county, and municipal taxes.

¶ The rates per cent. here given, while not absolutely correct, are sufficiently so for all comparative purposes.

From the foregoing statistics and facts, it clearly appears that, not only should the five per cent. claimed by Professor Denslow for American manufacturers, on the ground of taxation, be eliminated from the tariff rate, but if any allowance be made on that score at all, the eighteen and a half per cent. rate of duty should be lowered by an amount equal to the per cent. excess of cost of English over American manufacture, resulting from the difference between the two rates of taxation paid by the former. Professor Denslow wholly ignores the additional cost to the Englishman of transportation, insurance, loss of interest on the capital represented by the manufactured goods during transit, etc. Were all these allowed for, a tariff rate of duty which would place the American on the same plane with the English manufacturer, *on the Atlantic seaboard*, should be, approximately, fifteen per cent.*

Professor Denslow treats contemptuously all political economists who favor anything less than a protective wall of circumvallation. But is he competent to deal with the tariff question? Is a man who confounds a part

* This rate is based on the supposition that the imported articles are valuable according to weight or quantity. If, however, they are bulky and correspondingly cheap, transportation charges alone would be a sufficient protection to American manufacturers for their products in all cases one hundred miles from tide-water, on the Atlantic coast. And the farther the market is from tide-water, the more difficult it becomes for the foreign manufacturer to successfully enter it. Thus it would be impossible to sell at a profit, in Pittsburgh, foreign produced pig iron of a grade no higher than that produced in its vicinity. So, too, it would be impossible to sell foreign manufactured steel rails in the same city, or west of it clear to the Rocky Mountains, if our home manufacturers were not in a "trust" by which they raise the price to that point which enables the foreigner to occasionally effect a sale when there is an extraordinary and sudden demand for steel rails.

with a whole competent to deal with any of its parts? In fixing the requisite protective tariff rate of duty at forty-two per cent., he proved himself to be ignorant of the relative rates of taxation in England and the United States, as well as of the simplest rules of arithmetic. Yet he would instruct sixty millions of people on these very subjects! Verily, some men are ignorant unknown to themselves. If the Professor had found that carting or trucking is one hundred per cent. higher here than in England, he should have, to be consistent, added that to the cost of production as one hundred per cent., and then his protective tariff rate would have been not only forty-two per cent., but one hundred and forty-two per cent.!

In his efforts to "prove" that foreigners pay our import duties, he states that the Canadians ship in a given year millions of dollars' worth of breadstuffs to the United States, "cheerfully paying our import duty on them, for the privilege of selling their products in our market." He says that as wheat was \$1.25 per bushel here, and the duty thereon is twenty cents per bushel, it is quite evident the Canadians did not receive \$1.45, but only \$1.25. "Hence," he gravely adds, "they paid the duty." When he speaks of wheat being any given price in the whole United States, he falls into an unpardonable error. Thus, on any given day, and hour, wheat ranges in price from a minimum in the wheat-producing districts to the maximum in mountainous and other places difficult of access. The difference between the highest and lowest price is measured, not by cents, but by dollars, per hundred pounds. So, too, of coal. He says the Nova Scotians pay the import duty on all the coal they export to the United States, supporting this statement by what seems to him to be incontrovertible proof, viz., that *we export coal!* "For if," he reasons, "we can export coal, and thereby

compete with foreigners, it follows that foreigners, to compete with us, *in our own market*, must pay the duty." *

Again, he fails to bear in mind that the United States is a vast country, and that prices of commodities vary accordingly. What grade of coal did we export, and whither? Was it bituminous, and did we export it to a country equally accessible to Nova Scotia? If so, what price was obtained, relatively? Did it equal that current in our home market, in which the Nova Scotians sold their coal, on which they "cheerfully paid our customs duty"? If so, why did not Nova Scotia send all her exported coal to that country, instead of a part to this country? Had she done so, she would have been a gainer to the extent of the aggregate amount of duty which she "cheerfully paid" us. Perhaps she deemed the pleasure derived from paying our duty a just equivalent for doing so. This is inferrible from his statement that she "cheerfully paid our duty." Singular, strange, incomprehensible people, those Nova Scotians! Fools? Let us see.

Let us reverse our inquiry, but follow Professor Denslow's line of "reasoning." Canada *imports* coal from the United States. Therefore the Americans "cheerfully pay *her* duty for the privilege of entering her market and obtaining her scale of values." But as the Canadian aggregate import duty collected on American coal is equal to about twice the amount collected by Americans on Canadian coal, why should not the Canadians "cheerfully pay our duty" in consideration of our paying theirs? What a peculiar people the Americans are! Fools? No doubt about it.

But, seriously, why do we both export coal to, and import coal from, Canada? And how can we do so

* Ibid. 502 *et seq.*

profitably? These queries are easily answered. The line of demarkation politically separating the two countries is about four thousand miles in length. In many places along the international boundary line, one country forms the complement of the other. Thus coal is produced in only three districts in Canada—the Maritime Provinces, Manitoba (or more correctly, that part of the Canadian Northwest territory lying between Manitoba and the foot-hills of the Rocky Mountains), and British Columbia. On the other hand, no coal is produced in the United States east of Pennsylvania. Hence, Maine, being in proximity to Nova Scotia, can import coal (bituminous) from the latter, and pay duty thereon, at a less aggregate cost than she could obtain a like grade of domestic produced coal. On the other hand, the province of Ontario* is separated from the coal-fields of the Maritime Provinces by nearly one thousand miles; whereas those of Pennsylvania and Ohio are near by. Hence, the Ontarians can import American coal, and pay the duty thereon, at a less cost than they could purchase Canadian produced coal. Professor Denslow implies that there is a uniform price of coal throughout the United States. Yet the retail price of coal in January, 1888, ranged from two and a half dollars in Pennsylvania to forty dollars per ton in Los Angeles, California!

As to the prices of cereals in the United States and Canada, these are governed, mainly, by the English market. It is possible, however, by reason of our tariff "protection" of twenty cents per bushel on wheat, for an industrious "producer," like Mr. Hutchinson of Chicago, to measurably fix the price of that necessary commodity. But it should be borne in mind that American farmers

* That is, the centre of population, which would be in the vicinity of Toronto.

were not benefited by the advance in price of wheat produced by that gentleman's "corner" on it, as they had disposed of their surplus previously thereto. Who, then, contributed the four million dollars which Mr. Hutchinson "produced" off it? *The fleeced American consumers!* Truly are we a nation of fools, for otherwise the conditions which make possible such robbery could never have existed under the guise of law.

Speaking of steel rails, Dr. Denslow says: "As to steel rails, the prices have been higher in America than in England, *sometimes by the amount of the duty*, and sometimes by only a varying fraction of that amount. As the Americans have developed the manufacture of steel rails, until they now manufacture more than the English, it is plain that prices in England have at all times been much lower than they would have been, if we had called upon English makers to double their total production in order to fill our demand. *Under the influence of our competition*, prices which were \$165 in gold in 1864, have fallen to as low as \$28.50 per ton."* In the foregoing, Professor Denslow is most disingenuous, and betrays either gross ignorance or inexplicable perversity.† If American manufacturers of steel

* Ibid. 590.

† If I seem to be lacking in courtesy, my excuse is that I have been consorting with political economists. Thus Karl Marx ("Das Kapital," Preface, p. xix) says: "In the domain of political economy, free, scientific inquiry meets not merely the same enemies as in all other domains. The peculiar nature of the material it deals with, summons as foes into the field of battle, the most violent, mean and malignant passions of the human breast, the Furies of private interest." And again (Ibid. p. xxv): "The mealy-mouthed babblers of German vulgar economy fell foul of the style of my book," etc. Of Marx, Professor Denslow says: "The process of reasoning by which Karl Marx begins with Ricardo, and ends with thuggism," etc. (Prin. Economic Phil. p. 91). Of John Stuart Mill, he says: "Mr.

rails could *sometimes* sell these at only a varying fraction of the amount of the duty higher than the price obtained by English manufacturers, what was the cause for subsequently advancing their price to that figure which equalled the sum of the English price, plus the tariff duty? Was it

Mill's work on this account omits, as either too laborious or unnecessary, any review or analysis historically of any event, or of the practical working of any economic theory, except as we may be willing to accept the fine workings of his own reasoning powers as being identical with the actual course of events. His nearest approach to descriptive statement consists in occasional quotations, chiefly from French and German writers, of facts relating to the cottier, metayer, and peasant proprietary systems of land-holding, all introduced to illustrate his own impulsive *ad captandum* notions of how land ought to be held, rather than to present in logical sequence the modes and effects of existing systems. From the standpoint of an historical investigator, his book is as void of facts, in their economic sequence as cause and effect, as Victor Hugo's 'Toilers of the Sea,' or Charles Dickens's 'Tale of Two Cities,' etc. (Ibid. p. 10).

And here is how he castigates a whole group: "Protective theories have the qualified indorsement of Adam Smith and John Stuart Mill, even while they call forth the petulance of both, and provoke the ill-temper of Mill. Jevons, Cairnes, Bonamy Price, Fawcett, and Thorold Rogers, all lose their good manners on no other issue but this, and, singularly enough, their lack of all patience in investigation, candor in analysis, and even honesty of statement, seems proportionate to the fervor of their anger" (Ibid. pp. 555-557). And of all free-trade writers, he says: "The besetting sin of the free-trade school of writers is, that they advance the puerilities of children, with the poinpousness of kings, and the unscrupulousness of rogues, and then say this is demonstration, when no intelligent mind sees in it the quality of conclusiveness, and often it lacks all semblance of knowledge, or candor, or economic expertness in thinking" (Ibid. p. 558). Of those who might dissent from his views, he says: "The ore in this book is now ready to be submitted to the sieve. The reader will shake the sieve and hold the pan. Interested vitriol throwers will stand around and express a doubt whether the glistening grains are not pyrites. If so, let the acid thrower have free fire at every grain.

by reason of an advance in American wages? Certainly not; for the rates of wages of those employed in some of the branches of industry necessary for steel manufacture, such as iron and coal mining, have been reduced.

So many as remain will be the fine gold of commerce and of nations" (Ibid. Preface, p. xvii). And in his work entitled "A Plea for the Introduction of Responsible Government and the Representation of Capital into the United States, as Safeguards against Communism and Disunion," pp. 55-58, he says: "We are now prepared to outline the mode in which, in American legislatures, representation might be given to capital. Let every state and city in this country, for the purpose of electing the *upper* branch of its legislature, be treated as a financial corporation, for such in fact it is, in which the integral unit to be voted upon, corresponding to a share in the corporation, is the *dollar of taxable property*.¹ Let every man cast a vote corresponding either to the number of dollars on which he pays taxes, or if the taxing system should be changed, as it probably would under such a method, from a tax on capital to a tax on incomes and earnings, *then to the amount of taxes he pays*. * * * If the representation of the majority, only, of capital were deemed expedient, then a prescribed number of members would be voted for, and a prescribed amount of capital must vote for each member to perfect his election. * * * Every tax-payer *might* be left free to vote in person or by proxy, for the instances in which they would care to vote in person would be very few, and the *weight of the vote of a single tax-payer would be very small in a body in which the entire capital of the state voted*. * * * Compared with such a system for the representation of capital, the British House of Lords is as clumsy and antiquated as a Mexican plough, and even the Roman method of voting by centuries was less logical.* The representation of capital would practically accomplish most of the results which would be reaped from a representation of culture and character [*sic*]. Yet it would be quite practicable to give a representation to the latter. * * * What would be the popular objections to it may be easily conceived. 'It would create a House of Lords in every state,' says one. 'It would increase the inequalities of society,' says another, 'making the rich richer and the poor poorer,' says a third. 'It would break down the

¹ The *italics* are mine.

And the wages of those directly engaged in the manufacture of steel rails have been almost stationary. Why, then, was the price advanced? To benefit the manufacturers. And who advanced the price, the manufacturer or the

common school system,' says a fourth, 'for the property holders would never vote the taxes necessary to educate the poor.' 'Why, the women and the corporations would vote away our liberties,' says the hiccupping statesman from 'Biler Avenue.' "

"The best way to overcome these objections," continues the learned Professor, "*is to let them die!* Answering them keeps the life in them."

"I concede that the representation of capital as a distinct integral force in the state, worthy to counteract the impetuosity and ignorance of mere numbers, will not be brought about until one or the other of the two political parties, *contending for the government of the country on the basis of mere numbers, shall be driven to advocate it as the means of either attaining to power or maintaining itself in power.* * * * In the Northern States, the Republican party, *by its antecedents and proclivities*, would be most likely to become the champion of capital,¹ for several reasons, *vis.* : First, that at present by far the greater majority of its voters are tax-payers, and the actual and relative power of the men who now constitute the bone and sinew of the Republican party *would be increased fivefold by the measure.* Secondly, the measure would draw to the Republican party the vast majority of the *capitalists* of the large cities who, either by the free-trade or pro-slavery proclivities of the Democratic party have been Democrats. The country is liable at any moment to drift into an exigency wherein the Republican party, driven to the wall, could only, by becoming the champion of the square and honest representation of capital in one branch of every legislature and of every city council, *recover its position and maintain itself in power.*² And now, thirdly, the tendencies toward agrarian, socialistic and communistic legislation are such that its antidote, the representation of capital, has got to be discussed. * * * *The scum of society would meet the proposition with a howl at first, and would threaten its advocates with the lamp-post and with assassination. But the votes*

¹ The reader will please remember that that party is also the champion of protection for the alleged benefit of the poor.

² The underscoring is mine.

purchaser ?* The purchaser was powerless in the matter. He either had to buy imported rails and pay the duty thereon, or the highly "protected" American rails at a price *nearly* as high as the aggregate price of the former. Nearly as high, but not quite ; as it was, and is, the policy of the steel rail "trust," in common with all "trusts," to obtain "all the market will bear," and simultaneously kill off all competitors. When Professor Denslow states that "it is plain that prices in England have at all times been much lower than they would have been if we had called upon English makers to double their total production in order to fill our demand," he demonstrates his entire ignorance of the elementary principles of the economic laws of production. For the greater the magnitude of concentrated production, the cheaper, proportionately, the product.

The Professor attributes wonderful results to American competition, asserting and reiterating with a fervency

of one-half of this scum could be bought in its favor for \$10 each !!!" Thus Professor Van Buren Denslow. A "Responsible Government" corrupting and bribing voters—state prison offences—is so grotesquely absurd, that one is forced to laugh outright.

From the foregoing the reader will readily apprehend why the Professor favors "Protection." For any one who advocates the disfranchisement of the masses necessarily favors a high "protective" tariff. And conversely, whoever advocates a high "protective" tariff, if he understands the question should favor disfranchisement of every man who is not wealthy, cultured, or refined.

* Professor Denslow, among other vagaries, asserts that it is the purchaser, and not the seller, who regulates prices. He says (Ibid. 86-87): "In short, we thus trace value back to the demand for consumption, and arrive at the truism that, while the producer of the commodity produces the supply, the consumer makes the demand, and it is this effective demand, *meaning what the consumer will give in exchange*, that causes and fixes value."

almost marvellous, in view of their dreary, irksome monotony, that prices have been so lowered thereby that in many things we undersell "the pauper products of England." Now, is it only in the United States that the law of competition is in force? Are Englishmen strangers to this law? Had we increased our demand for steel rails by one hundred per cent., would the English manufacturers have advanced their prices? If so, what becomes of the "supply and demand" theory so ably championed, expounded, and caressed by the good Professor? What would other Englishmen do, if their compatriots engaged in the manufacture of steel rails realized one hundred and twenty per cent. net profit, while *they* received only five and one-half per cent.?

But is there competition in the manufacture of steel rails in the United States? We all must admit there is—*competition among the workmen*. Competition among the manufacturers? H—ush! To ask the question, is to betray one's ignorance.

"Competition works ruin" is the cardinal doctrine of protectionists. Hence a tariff wall, though as high as Mount Ararat, would still be too low in the judgment of a "first-class" protectionist. So, as our steel rail manufacturers belong to the "first-class" section, they, for the benefit of the poor agriculturists, have organized themselves into a "trust," so that the farmer's wheat may be enhanced ten cents per bushel—in *transportation*—and for the benefit of the ever-pampered "consumer," by enabling him to obtain a portion of that duty which "the foreign manufacturer cheerfully pays for the privilege of entering our market and obtaining the scale of our values;" for, of course, the higher the tariff rates, the greater the amount of the share which the petted "consumer" receives!

Professor Denslow's statement that steel rails were reduced in price from \$165 to \$28.50, "*under the influence of our competition*," * explains why it is that Adam Smith, John Stuart Mill, Jevons, and many others enumerated by him, lose their temper when discussing the tariff issue, as he complains. Such a statement might be pardonable, both as to ignorance and mendacity, in a howling "stump speaker," but in the author of "*Principles of the Economic Philosophy of Society, Government, and Industry*," —ugh!

Professor Denslow should have stated that the placing of a man in the presidential chair, not by electoral votes, not by popular votes, not by methods worthy of being countenanced in the prize-ring, reduced the price of sewing-machines.

The reduction in the price of steel rails and of sewing-machines resulted from a like cause—the withdrawal of letters-patent protection.

One of the most cogent reasons and lucid arguments yet made, either in the realms of political economy or in the domain of mathematical science, is thus tersely put by the Professor: "Railroad companies are not taxed in buying steel rails at ten dollars a ton more than English prices, *if they pay for the American rails in transportation*,

* "At the annual meeting of the stockholders of the American Waltham Watch Company yesterday [March 28, 1889], it was voted, as the company had \$2,000,000 surplus, to increase the capital stock of the company \$1,000,000, making it \$3,000,000. A dividend of fifty per cent. was declared. The other \$1,000,000 of surplus will be used in carrying on the business of the company. In 1865, when the capital stock was \$300,000, a dividend of a hundred and fifty per cent. was made and the stock was increased to \$750,000. In 1880 a dividend of one hundred per cent. was made and the capital was increased to \$1,500,000, and in 1885 the stock was increased \$500,000, for which the stockholders paid."—*New York World*.

*and must pay for the English rails IN MONEY WHICH THEY HAVEN'T GOT" ! **

Let us revert to "who pays the duty?"

We annually export to England about fifteen thousand tons of tobacco, on which an aggregate duty of about \$27,000,000 is collected by the British Government. Now, as the Professor has shown that it is the exporter who pays the import duty, it is clear to the weakest intellect that we annually contribute \$27,000,000 to the support of the English Government on the single item of tobacco alone! But Professor Denslow informs us that it is only those countries which both import and export like products that escape paying import duty. As England does not export any home-produced tobacco, she must pay the \$27,000,000 collected on tobacco. England *can* raise tobacco, "but," says the Professor, "she prefers not to, so as to prevent Ireland from doing so." Now, would it not be a most wise thing on the part of England, were she to raise just a little, say ten pounds, for export, so as to enable her to collect that \$27,000,000 from American exporters? I am half inclined to regret my having pointed out this easy method to England. But too late. It is writ. Can we not by some means prevent such a great fiscal loss to us? Behold the means! Let Professor Denslow be sent to St. Stephen's. "There should be no taxation without representation," as he justly insists; and, as we contribute to England's support, we should be represented in her parliament. Moreover, he might have the opportunity of introducing his "Responsible Government" in the English House of Lords.

For, says he, "compared with such a system for the representation of capital, the British House of

* Ibid. 589. The underscoring is mine.

Lords is as clumsy and antiquated as a Mexican plough."*

But, before going abroad, let him answer these queries:

I. Does protection regulate the rates of wages?

II. Do American operatives, in the judgment of protectionists, receive adequate or sufficiently high wages now?†

To answer the first query affirmatively, would necessitate an affirmative to the second. To answer the first negatively, demolishes, at one blow, the idol of protection. To be pierced by one horn of a dilemma, is unfortunate; but to be impaled on both, is deplorable. Such is Professor Denslow's position. Until extricated, he cannot go to France, neither can he to England, as our legislative representative.‡

INTERNAL REVENUE TAX.

The internal revenue taxes, like the tariff duties, are paid by the consumer, and for the same purpose—the needs of the Federal Government.

The articles from which nearly all these taxes are derived are alcoholic substances and tobacco.§ Thus, necessities of life are exempt from this form of taxation; whereas, by the tariff duty, luxuries are exempt, or but lightly taxed. The wisdom and justness of the former

* "Responsible Government," p. 56.

† See Appendix.

‡ Let not the reader conclude that I condemn *in toto* Professor Denslow's politico-economic works. His "Principles of Economic Philosophy" is an inexhaustible mine of historical and statistical information pertaining to political economy. In these respects it is "easily first." Moreover, I beg to state that I have frequently tested his purely statistical statements, and found them to be, in every instance, correct.

§ That is, in the United States.

over the latter, viewed merely as a fiscal policy, are not debatable.

But, from a moral standpoint, the argument may be advanced, that, by collecting taxes from alcoholic beverages, the government thereby becomes a partner in the liquor traffic. This, however, could be with equal force alleged against the tariff duty on imported liquor, wine, and beer.

The internal revenue tax, unlike the tariff duty, does not enable the producers of the goods so taxed to profit by it. They are neither gainers nor losers thereby on sales actually effected. They may, however, sustain a negative loss, owing to the possibly curtailed consumption of their products by reason of the tax. If so, is this a cause for regret or for congratulation?

REAL ESTATE TAXES.

We have seen that the tariff duty and internal revenue tax are paid by the consumer. So, too, are all taxes on real estate shifted from the owner to the tenant, when these are different persons.

For example, in letting a house, the rent demanded therefor will be sufficient to pay all taxes and insurance, and meet the expense incurred in keeping it in repair, above a return to its owner, equalling the interest, at the current rate, resulting from a sum equal to the selling price of the house. This is the basis for estimating rent in a given case, though the rule is not an absolutely fixed one. Nevertheless, in old communities, it is not widely departed from.

Hence, if the taxes in the whole community were lowered, so would be the rent correspondingly; if increased, so, also, would the rent be proportionately.

From this, we at once see how ill informed are those

philosophers who speak so sneeringly of the actual producers of all wealth, whom they term irresponsible non-tax-payers. In truth, the landlord whose lands or tenements are let to others, receiving rent therefor, in paying taxes thereon, acts in the capacity of a government agent, collecting the taxes from the tenants thereof, and handing the amount so collected over to the government.

PERSONAL PROPERTY TAX.

A tax placed on personal property bears most oppressively on the poorer classes, as the wealthy are almost a unit in deceiving, or otherwise dealing with, the tax collectors; whereas all the property of the industrial classes is, in nearly all cases, easily and readily ascertainable. This is especially true of agriculturists.

The most that can be said in favor of the personal property tax is, that, it yields some revenue to the government.

POLL TAX.

If all property were held in equal shares by the individuals of a community, the poll tax would be, in every respect, the least imperfect system of taxation. But as, in all civilized communities, wealth is most unequally held by their members, it is the most illogical and unjust. For by it the laboring man is compelled to contribute to the government's support an amount equal to that given by the millionaire. Hence its manifest injustice. Therefore, it should be abolished forever.

THE SINGLE LAND TAX.

Of the many beautiful myths, miscalled measures, for the relief of the masses, the single land tax theory ranks first. As a mere fiscal policy, it has, by reason of concentration, many advantages over the diversified

modes of taxation. But in this respect it is infinitely inferior to the odious and unjust poll tax.

The ultimate object aimed at by one set of single land tax advocates is the confiscation of private ownership in land ; while another set aims at free trade.*

It is as a fiscal policy only that I shall treat the subject at present.†

In order that the reader may fully understand what is advocated by the single land tax theorists as a fiscal policy, I here reproduce the standing exposition of their theory, in this behalf, from the columns of their accredited organ. It says it "advocates the abolition of all taxes upon industry and the products of industry, and the taking, by taxation upon land values irrespective of improvements, of the annual rental value of all those various forms of natural opportunities embraced under the general term, Land."

Let us analyze this. They advocate the abolition of all taxes upon the product of labor, and placing them on land values. What is land value ? Let Mr. George himself answer. He says : "Thus *rent* or LAND VALUE does not arise from the productiveness or utility of land. It in no wise represents any help or advantage given to production, *but simply the power of securing A PART OF THE RESULTS OF PRODUCTION.* No matter what are its capabilities, land can yield no *rent and have no value* until some one is willing to give LABOR OR THE RESULTS OF LABOR for the privilege of using it."‡ Political economy

* This wing of the "Crusaders" is commanded by the Hon. Thomas G. Shearman.

† As elsewhere intimated, I am preparing a work, to be published in the near future, on the fallacies of Mr. George's land theories. In that work I will treat the single land tax theory exhaustively.

‡ "Progress and Poverty," p. 149.

a "dismal science"? Why, no; it has a fresh surprise on every page. Thus, the single tax economists inform us that land value is the product of industry only; and then they gravely assert that the products of labor should not be taxed, but that land value—which is the product of labor—should! Moreover, they inform us that land value is "*but simply the power of securing A PART OF THE RESULTS OF PRODUCTION!*"* And yet they tell us that to tax what man produces, is to put a fine upon industry. But land values are produced by man: therefore, to put a tax on land value, is to tax industry!

This disposes at once of their argument that they do not propose "to put a fine upon industry by taxing the products of labor." But why have they advanced such an argument? Simply to cajole the unreflective. Thus, the rich man is told that his taxes will be lessened, and the poor man is told that he will have none whatever to pay! But who pays the taxes required for conducting the government? Reader, don't be impertinent. What difference does it make to you, so long as *you* don't? If you are rich, you will pay less; † if you are poor, you will pay none! ‡ What more could you desire? Great is the single land tax theory!

* Ibid.

† Mr. George informed Mr. Pillsbury of Minneapolis, that, if the single land tax were in operation, he would have to pay only \$590 on his great mill property, whereas now he pays \$14,000.

‡ In the standing exposition of their system, by their organ, is the following: "We hold that to tax labor or its products is to discourage industry: We hold that to tax land values to their full amount * * * will thus provide opportunities of work for all men, *and secure to each the full reward of his labor.*" But in "Progress and Poverty" (p. 295) we are told that wages are the full earnings or product of the laborer; and on p. 146, *ibid.*, he says: "Unless

But let us examine this theory, which promises so much, a little further. There is collected for the needs of the government—Federal, State, Territorial, County, and Municipal—the sum of \$760,000,000 annually. By the single tax scheme, the whole of this amount would be taken from land values. “Land” by them is used in its economic sense, meaning “natural opportunities,” and does not include buildings or improvements of any kind. What is the value of all the land within the confines of the United States?

The wealth of the United States in 1880 was as follows : *

Houses	\$13,900,000,000
Land and forest	10,750,000,000
Furniture	6,925,000,000
Railroads	5,950,000,000
Public works	2,635,000,000
Cattle	1,890,000,000
Bullion	735,000,000
Merchandise	775,000,000
Shipping	300,000,000
Sundries	3,565,000,000
Total	\$47,475,000,000

Thus, of all the wealth in the United States, only a little over one-fifth is represented by land.

By the terms of the single tax, houses, furniture, cattle, merchandise, bullion, shipping, public works, and sundries would be exempt from taxation. So, also, would railroads, except their road-beds at a valuation not higher than the adjacent land. As this does not, on an average, exceed the one two-hundredth part of the value of a

injustice is natural, all that the laborer produces should rather be held as his natural wages.”

* These figures are taken from the *World Almanac*.

railroad, and, as we have seen, the total value of all the railroads is \$5,950,000,000, there would be only \$29,500,000 of railroad property, exclusive of depot grounds and freight yards, subject to taxation under the beneficent single land tax theory.*

But from the combined value of land and forest, viz., \$10,750,000,000, must be subtracted that of forest; for it would not be subject to taxation, if not held by individuals. Neither would that which had been planted by man. So, also, must be deducted an amount equal to the improvements; † for "to tax the product of labor is to put a fine upon industry," says the good Mr. George. But what amount would this be? Let the single tax theorists be heard on this subject.

In 1887, when they were appealing to the farmers of New York State for their votes, they gave the following as the relative value of "land" and improvements:

"Now, what are improvement values on a \$9,000 farm?

* It may be argued by some advocates of the single tax theory, that franchises should be taxed, alleging that a franchise is an incorporeal hereditament, and, hence, real property. To this it is a sufficient answer, that *houses* are real property in law, but are not *land* in political economy. If any legal quibbling is to be indulged in with reference to franchises, then I insist that the single tax theorists must give as comprehensive a meaning to the term "land" as does the law. But as this would include all buildings attached to the land, as well as orchards, orange groves, ditches, irrigating canals, etc., etc., it essentially demolishes their whole theory. As to railroads, Mr. George ("Progress and Poverty," p. 390) says: "If a railroad be opened, down comes the tax-collector upon it, *as though it were a public nuisance!* * * * *But manifestly these taxes are in their nature akin to the Egyptian Pacha's tax upon date trees.*" Thus he explicitly states that railroads should *not* be taxed.

† In the census reports, the term "land" is used in its ordinary, and not economic, sense. Hence, as therein used, it includes all permanent, fixed improvements attached thereto.

"You have about four miles of fences, or 1,280 rods, worth, on the average, say, \$1.30 a rod. The first item to be subtracted from the total value of the farm is, therefore, \$1,664.

"There is a good house, a little old fashioned, perhaps, but roomy, cheerful and comfortable. Improvements have made it conform more nearly to modern requirements, and it looks from cellar to garret, inside and out, a home. It is, at all events, equal to the average house of a \$90 an acre farm, and is worth at least \$1,800. The two wells, with stone linings, curbs, good pumps, are worth \$175. The five-acre orchard of good fruit-bearing trees adds \$400. Great barn, horse barns, cow stable under great barn, sheep barns, pens and sheds, all add to the improvement value of this farm at least \$1,300 more. The cost of pulling stumps, draining, picking stone, etc., have also to be deducted, as well as the value of the land used for highway purposes; and for all this we may fairly allow \$25 an acre more.

"Adding these items we find the value of the improvements on our \$9,000 farm to be \$7,839, or, in round numbers, \$7,800, leaving the land value of the farm \$1,200, and on this latter sum the George system proposes to tax the farmer up to its full rental value."*

From this we clearly see that the value of land, as given in the census, must be materially reduced for the purpose of taxation under the single tax theory. By what amount, it is impossible to state definitely, as city property comprised under the term "land," as used in the census, included but a small percentage of improvements, compared with those included in that term in designating farms. But, probably, two-fifths of the amount given in

* "How John's Father Saw the Light," in the "Land and Labor Library, published by Henry George," September, 1887.

the census under the term land may be set down as the value of all the land within the city limits of all our cities. Hence, the value thereof would be \$4,300,000,000. From this should be deducted the cost of preparing the lots for building, and the amount collected from the owners thereof, in the form of assessments for grading, paving, and otherwise improving the streets.* For "industry should not be taxed." These two items would not be less than twenty-five per cent. of the present value of the lots. Therefore we may set the "naked value" of the land in cities at \$3,225,000,000. As to the value of improvements on farms, we are in no doubt, thanks to "How John's Father Saw the Light." We are therein informed that a \$9,000 farm contains a \$1,800 house, or twenty per cent. of the whole value of the farm.

But as houses are enumerated in the census, they are not included in the valuation of "Land and Forest," and therefore their value should not be subtracted from that amount set down as being the value of the latter. Not so, however, with all the other improvements. These amount to, in round numbers, \$6,000, or sixty-six and two-thirds per cent. of the whole value of the farm, *and which are not subject to taxation* under the land tax theory.

To recapitulate :

Total value of land within the United States according to the census of 1880.....	\$10,750,000,000
Probable value of city lots.....	\$4,300,000,000
Probable value of farms, exclusive of houses.....	6,450,000,000
Total.....	\$10,750,000,000

* This is in consonance with "John's" statement to his father, relative to "highways."

Value of city property subject to single land taxation, \$4,300,000,000, less 25%	\$3,225,000,000
Value of country property subject to single land taxation, \$6,450,000,000, less 66⅔%	<u>2,150,000,000</u>
Total value on which the single land tax would be levied	\$5,375,000,000

To be fair with the single tax theorists, this should be increased by an amount equal to the increase in land value since the census was taken. As the estimated total wealth of the United States at the present time is \$65,000,000,000, the rate of increase has been about thirty-seven per cent. Assuming that land increased in value at the same ratio, its present value would be, in round numbers, \$7,250,000,000. Again, there should be deducted from the total amount of taxation that which is not required for the government, but which results from that other beneficent system—tariff protection. This excess is at least \$60,000,000. Therefore, the total amount annually required for governmental needs may be set down at \$700,000,000. Hence the following :

Total land value, subject to taxation under the single land tax theory *	\$7,250,000,000
Total amount of annual taxation	700,000,000
Average rate of taxation, 9½ per cent.	

A high rent for the poor man to pay ? Rather ; but he would not pay it. Who would ? While I cannot tell who would, I am enabled to say who would *not*. I am speaking, of course, of classes. Mr. George says : " In sparsely settled districts there would be hardly any taxes at all for

* No account is here made of the land value of road-beds of railways, which, as we have seen, amounts to \$29,500,000; nor of depot grounds and freight yards. On the other hand, no allowance is made for forest not subject to taxation, as the one would about balance the other.

the farmer to pay. For taxes, being levied upon the value of the bare land, would fall as heavily upon unimproved as upon improved land. Acre for acre, the improved and cultivated farm, with its buildings, fences, orchard, crops, and stock, could be taxed no more than unused land of equal quality. The result would be that speculative values would be kept down, *and that cultivated and improved farms would have no taxes to pay until the country around them* HAD BEEN WELL SETTLED. In fact, paradoxical as it may at first seem to them, the effect of putting all taxation upon the value of land *would be to relieve* THE HARDER WORKING FARMERS OF ALL TAXATION! ”*

And as we have seen Mr. Pillsbury's annual taxes on his *city* property would be reduced from \$14,000 to \$590, it is fair to assume that proportionate reductions would be made in the amount of taxes now paid by *all wealthy mill owners and large corporations and rich manufacturers!* Now the problem is being simplified. “Hard-working farmers” would pay no taxes, and wealthy manufacturers and corporations would pay—for all purposes of taxation—only four and one-fifth per cent.† of what they now pay for only state and municipal purposes! But *who* would contribute the \$700,000,000 required to conduct the government? There are only two great classes, it seems, who could be called upon to do so—the *rich but indolent farmers, and the hard-working but poor city toilers.* Alas! much could not be expected from the rich farmers, for we are assured by Mr. George, in “How John's Father Saw the Light,” that the farmer who owned a \$9,000 farm would have his taxes of sixty-five dollars per annum under the

* Ibid. 405.

† Now, \$14,000; then \$590. The reader will please observe that the latter amount includes the *Federal* taxes, whereas the former does not.

present system reduced to *forty-eight* under his. Moreover, the latter would be *all* the taxes he would have to pay; whereas the former does not include the Federal taxes, which would be about an equal amount. Hence, the rich farmer who now pays in taxes of all kinds one hundred and thirty dollars annually, would pay only forty-eight dollars under the single land tax theory! Nor could this amount be increased, for "John's Father" was materially aided to see "the light" by the following sound argument, cogent reasoning and assurance: "John waited till the old man ran down, and then ventured the statement that *the rate couldn't be over four per cent.*, because any quantity of money could be hired for that on absolute security, no tax and long time; government bonds, for instance."

But *who would* pay that \$700,000,000?

As there remains but one class—the hard-working but poor city toilers—it must be it! Ah! but would they not, also, be benefited? Certainly; for Mr. Shearman says:

"Neither would the inhabitants of towns be real losers by such a system. Their opportunities for development would be vastly increased. They would be released from all the burdens which are now imposed by taxation on improvements and industry; and the increase of wealth and prosperity, both in town and country, would proceed at an unprecedented rate."*

I knew there must be a crumb of comfort in the great storehouse of Mr. George's "bounties of nature" for the city poor. Nor is this all, for he supplements it thus:

"For taxes being levied upon the value of the bare land would * * * substitute *for the tenement house, HOMES SURROUNDED BY GARDENS.* * * * The people

* Mr. Shearman in his Columbus, Ohio, single land tax speech.

of the cities would thus get *more of the pure air and SUNSHINE OF THE COUNTRY.*"* How romantic ! I knew the poor city people would not be overlooked, but would get something. Magnificent scheme ! beneficent design ! Glory hallelujah !

No wonder that Mr. George with such a high ideal should, in the course of his soaring, deliver himself as follows :

"Our proper name, if it would not seem too high flown, would be 'freedom men,' or 'liberty men,' or 'natural order men,' for it is on establishing liberty, on removing restrictions, on giving natural order full play, *and not on any mere FISCAL CHANGE, that we base our hopes of social reconstruction.*" †

This accounts, no doubt, for his overlooking that little matter of "who pays that \$700,000,000 ?"

Let us review the single land tax theory, and apply a test as to its advantages to the poor.

The theory assumes that the "unearned increment" attaches to land values and monopolies only, as is evidenced throughout the writings and speeches of all its advocates. The following, taken from their organ, will best explain their position on this point :

"Adam Smith speaks of incomes as 'enjoyed under the protection of the state ;' and this is the ground upon which the equal taxation of all species of property is commonly insisted upon—that it is equally protected by the state. The basis of this idea is evidently that the enjoyment of property is made possible by the state—that there is a value created and maintained by the community which is justly called upon to meet community expenses. Now, of what values is this true ? Only of the value of land. This is a value that does not arise until a com-

* Ibid. 405.

† The *italics* are mine.

munity is formed, and that, unlike other values, grows with the growth of the community. It only exists as the community exists. Scatter again the largest community, and land, now so valuable, would have no value at all. With every increase of population the value of land rises; with every decrease it falls. This is true of nothing else save of things which, like the ownership of land, are in their nature monopolies." *

The least reflection will enable the reader to see the fallacy relative to the growth of values contained in the quotation. Take, for example, a lawyer. He settles in a small town, and it grows into a great city. His practice has increased proportionately. Could it have done so, had not the town grown? Certainly not. Now "scatter again the community," and what happens? His practice, like land values, disappears. This is equally as true of the physician, the dry-goods merchant, and the grocer. Or take a newspaper. Of what value would our great metropolitan press be, if the three millions in New York City and its suburbs were "scattered"? Here is a great daily newspaper, supported mainly by advertisers. It has the patronage of the majority of the advertisers in the city of its publication, but it has no monopoly created by law. Now "scatter the community," and what becomes of its advertising patronage? Like the land values, it vanishes. Hence, if the "unearned increment" is to be taxed, why tax only a part of it—that which attaches to land values?

We are told that to tax anything but land value would be to put a fine upon industry; but that, in taxing it, such a result would be obviated.

As I have before shown, land value itself is the product

* I have credited this to the single tax organ, as it therein appeared as if original. Nevertheless, it was taken *verbatim* from "Progress and Poverty," p. 377.

of industry, so that it is absurd to say that *all* products of industry should not be taxed, but that *some* products should.

This subject has been so befogged by Mr. George and his followers, that I shall apply a practical mathematical test. But, before proceeding further, let me call the reader's attention to the manner in which they have twisted Adam Smith's plain statement. Dr. Smith says : "The subjects of every state ought to contribute to the support of the government as nearly as possible in proportion to their respective abilities ; that is, *in proportion to the revenue* which they respectively enjoy under the protection of the state. *In the observation or neglect of this maxim consists what is called the* EQUALITY OR INEQUALITY OF TAXATION." "Taxes should be paid according to *revenue*," says Dr. Smith. "Taxes should be levied on improved and *unimproved* land alike," say the single tax theorists. Is any *revenue* derived from unimproved land ? No. Then, according to Adam Smith, *it should not be taxed!* What brazen effrontery to cite Dr. Smith in support of the single land tax theory !

Now, let us apply the single land tax theory. Suppose one hundred men should each erect a costly building on as many lots, in a comparatively unimproved district in any city. Their buildings do not adjoin each other, but are separated by from one to five lots. Now, is it just that the unimproved lots should be taxed as much as those built on ? On this point Mr. George, in his "Conversation with David Dudley Field," in the *North American Review*, assures us that they should. The "Conversation" runs thus :

"*F.* Before we go to the method by which you would effect that result, let me ask you this question : A, a large landlord in New York, owns a hundred houses, worth each, say, twenty-five thousand dollars (scattered

in different parts of the city); at what rate of valuation would you tax him?

"G. On his houses, nothing. I would tax him on the value of the lots.

"F. As vacant lots?

"G. As if each particular lot were vacant, *surrounding improvements remaining the same.*" *

But what difference would the "surrounding improvements" make? Let Mr. George give the reason. I again quote from the same "Conversation":

"F. Let us suppose B, an adjoining proprietor, has land that has never yielded a blade of grass, or any other product but weeds; and that A, a farmer, took his in the same condition when he purchased, and by his own thrift and expenditure has improved his land, so that now, without buildings, furniture, or stock, it is worth five times as much as B's thousand acres; B is taxed at the rate of a dime an acre; would you tax A at the rate of a dime an acre?

"G. I would certainly tax him no more than B, *for by the additional value that A has created* HE HAS ADDED THAT MUCH TO THE COMMON STOCK OF WEALTH, *and he ought to profit by it.* The effect of our present system, which taxes a man for values created by his labor and capital, is to put a fine upon industry, and repress improvement. The more houses, the more crops, the more buildings in the country, the better for us all, and we are doing ourselves an injury by imposing taxes upon the production of such things."

From this we see that a dime an acre is to be *for all time* the tax per acre. For A will be taxed only as much as B, though the former has improved his land, while the latter has not. Now, if B should improve his land far beyond that of A's, still neither could be taxed any more;

* The *italics* are mine.

for to do so would be "to put a fine upon industry"! Hence, no matter what the demand for these lands might be, by reason of their improvements, no more than a dime an acre could be collected therefrom! Lest there should be any doubt on this point, I again quote from the same "Conversation": "The value of land is not really increased by cultivation. The value that cultivation adds is a *value of improvement*, WHICH I WOULD EXEMPT; I WOULD TAX THE LAND AT ITS PRESENT VALUE, EXCLUDING IMPROVEMENTS, so that such a proprietor would have no more taxes to pay than *the proprietor of one thousand acres of land*, equal in capabilities, situation, etc., that remained in a state of nature." But suppose the thousand acres of land "in a state of nature" were improved. Could the taxes be collected thereon? Certainly not; for to do so would be to "fine industry." Hence, it is clear, taxation could never increase on any given piece of land!

But perhaps the following has some bearing on the question of "surrounding improvements." I quote from the same "Conversation":

"*F.* A man that goes into the Western country and takes up land, paying the Government price, and does nothing to the land; how is he to be taxed?

"*G.* As heavily as the man that has taken a like amount of land and improved it."

Now the light dawns. It is not *unimproved*, but IMPROVED, land that is the standard of taxation. For if it were unimproved, under the circumstances instanced by Mr. Field, it is valueless, as we have been assured by Mr. George,* and therefore it is clear that no taxes thereon could ever be collected, for to do so would be to "fine industry." What Mr. George really means is *to fine*

* "Progress and Poverty," p. 149.

indolence, by compelling the indolent to pay as much in taxation as DO THE INDUSTRIOUS.

Now let us revert to the first example. Should the owners of the vacant lots be taxed as much per lot as are the owners of the improved lots? Certainly they should, says Mr. George, "*for they have profited by the improvements.*" But who are they? This is the essence of the problem. Let us suppose the "*they*" are the owners of both the improved and unimproved lots. What a nice muddle Mr. George is now in! The owners of the vacant lots are "fined" for erecting grand buildings on adjoining lots!

Let us now extend our inquiry into the country. Suppose two colonies consisting of one hundred each depart for the Far West. One colony, which we may call A, settles in an unoccupied valley fifty miles from civilization or any settlement. The other, B, goes to the mountains. A cultivates the soil, builds houses, plants trees, and in many other ways improves the valley. B, on the other hand, leads a nomadic life among the mountains, grazing goats, and trapping and hunting. Would either colony pay any taxes? According to Mr. George, neither would; for does he not say that the hard-working farmer will pay no taxes until the place becomes well settled? * And, furthermore, he tells us that "no matter what are its capabilities, land can yield no rent, *and have no value*, until some one is willing to give labor or the results of labor for the privilege of using it." † But as his tax is to be levied on land value only, it is plain no taxes could be collected from A. As for B, its location cannot be fixed, as its members are engaged in the chase. But should not A pay taxes, as its members are waxing wealthy? I think so. But how can they be levied? As I informed England how to collect twenty-seven million dollars from

* Ibid. 405.

† Ibid. 149.

us on tobacco, I deem it but fair to instruct our own government how to levy taxes on this thrifty colony. Here it is : Send a tax-gatherer in the guise of a capitalist to the colony. Let him be furnished with a private secretary. When they reach the colony, let the secretary pretend he desires to purchase any given farm. Forthwith *value* is given to all the land held by the community. Who created the value? Why, the private secretary of the bogus capitalist, of course. Great is philosophy! Great is the single land tax theory! But how about the other colony? Its members are still trapping and hunting, and of course elude the tax-collectors. But is it not "putting a fine upon industry" to tax the hard-working, thrifty agriculturists who improved the valley, and is it not wrong to let the hunters and trappers evade taxation? Ask the single land tax theorists.

Now let us return to the city.

Let three men, A, B, and C, build on three adjoining lots. These lots are equal in value, each being appraised at \$2,000; A's building cost \$1,000, B's \$2,000, and C's \$6,000. Each lot is valued at \$2,000. The rate of taxation under the single land tax scheme, as we have seen, is ten per cent.* A desires to obtain a net return of six per cent. on his \$1,000.† Allowing four per cent. for repairs, insurance, commission to real estate agent, etc., he must let his house for \$300 per annum, or for thirty per cent. of its cost, as he pays in taxes ten per cent. on the value of the lot—\$2,000—which is \$200, and an amount equal to four per cent. on the cost of the house—\$1,000—which is \$40, for repairs, etc. Hence, he receives

* This would be the average rate for the whole country. In some communities it would be less; in others more.

† It is assumed that private ownership in land has been confiscated and abolished.

\$60 net, or six per cent. on his \$1,000. Now, B lets his house for thirty per cent. of its cost per annum ; that is, for \$600. From this deduct four per cent. on the cost of the house—\$80—for repairs, etc., as in the case of A, and the tax of ten per cent. on the value of his lot—\$200 (he paying precisely the same amount in taxation as A)—and he has a net return from his \$2,000 of \$320, *or sixteen per cent.!* C knowing that A and B each receives thirty per cent. on the cost of their houses, respectively, lets his on like terms. Therefore, he receives \$1,800 per annum for his house. From this deduct for repairs, etc., four per cent. of the cost of the house—\$240—and ten per cent. of the value of his lot for taxes—\$200 (he paying no more taxes than does A or B)—and he receives a net return from \$6,000 of \$1,360, *or twenty-two and two-thirds per cent.!*

But C could not obtain this preposterously high rate of interest, in the form of "rent" for his house, as the current rate, even on small amounts, does not exceed six per cent. Therefore, he lets his house at a rent that will insure him this rate on the cost of his house. Hence, he lets it for \$800. This would be thirteen and one-third per cent. on its cost. But he pays in taxes \$200, and for repairs, etc., four per cent. of its cost, being \$240. He thus has a net return of \$360, or six per cent. on his \$6,000. As C can obtain only thirteen and one-third per cent. on the cost of his house, in the form of rent, B, of course, can obtain no higher on his. Hence, he lets his house for \$266.66. He pays in taxes \$200—no less than C pays—and for repairs, etc., \$80. Thus his expenditures are \$280, and his receipts only \$266.66 ! In other words, he pays \$13.33 annually for the privilege of building a \$2,000 house and for the pleasure which keeping it in repair affords him ! But compared with A, B is most fortunate. For A must let his \$1,000 house at thirteen

and one-third per cent. of its cost, also. Hence, he rents it for \$133.33. He pays in taxes \$200—an amount equal to that paid by B or C—and \$40 for repairs, etc. Hence, he receives in the form of rent from his house \$133.33 annually, and he expends thereon \$240, or \$106.67 more than he receives, as “a fine upon his industry”!

To recapitulate.

EXAMPLE I.

A builds a \$1,000 house on a \$2,000 lot.

He receives in rent therefor 30% of the cost of the house, or \$300

He pays in taxes on the value of his lot 10%, or....\$200

“ “ for repairs, etc., 4% of the cost of the house, or 40

Total expenditures..... 240

Net return..... \$60

Rate of interest on “house value,” 6%.

B builds a \$2,000 house on a \$2,000 lot.

He receives in rent therefor 30% of the cost of the house, or \$600

He pays in taxes on the value of his lot 10%, or....\$200

“ “ for repairs, etc., 4% of the cost of the house, or 80

Total expenditures..... 280

Net return..... \$320

Rate of interest on “house value,” 16%.

C builds a \$6,000 house on a \$2,000 lot.

He receives in rent therefor 30% of the cost of the house, or\$1,800

He pays in taxes on the value of his lot 10%, or....\$200

“ “ for repairs, etc., 4% of the cost of the house, or 240

Total expenditures..... 440

Net return.....\$1,360

Rate of interest on “house value,” 22 $\frac{2}{3}$ %.

Hence, A receives 6% on his \$1,000.

B " 16% " 2,000.

C " 22½% " 6,000.

Not a very favorable showing for the poor man, is it ?

EXAMPLE 2.

C receives in rent 13½% of the cost of his \$6,000	
house, or	\$800.00
He pays in taxes	\$200.00
" " for repairs, etc.	240.00
Total expenditures	440.00
Net return	\$360.00
Rate of interest on " house value," 6%.	
B receives in rent 13½% of the cost of his \$2,000	
house, or	\$266.66
He pays in taxes	\$200.00
" " for repairs, etc.	80.00
Total expenditures	280.00
Net loss	\$13 33
A receives in rent 13½% of the cost of his \$1,000	
house, or	\$133.33
He pays in taxes	\$200.00
" " for repairs, etc.	40.00
Total expenditures	240.00
Net loss	\$106.67

What "a fine upon industry" for B and A !

Lest it might be thought that the amounts assumed give exceptional results, let us suppose that three men, D, E, and F, build on three adjoining lots, the price of each being \$10,000. They build three houses thereon, costing \$10,000, \$20,000, and \$40,000, respectively.* D rents his \$10,000 house so as to obtain a net return of

* See this example treated under the Graduated Income Tax, *infra*.

six per cent. on the cost of his house. This would be twenty per cent. thereof. E and F let their houses at a like rate per cent. of the cost. Therefore,

D receives in rent.....	\$2,000
He pays in taxes.....	\$1,000
“ “ for repairs, etc.....	400

Total expenditures.....	<u>1,400</u>
-------------------------	--------------

Net return.....	\$600
-----------------	-------

Rate of interest on "house value," 6%.

E receives in rent.....	\$4,000
He pays in taxes.....	\$1,000
“ “ for repairs, etc.....	800

Total expenditures.....	<u>1,800</u>
-------------------------	--------------

Net return.....	\$2,200
-----------------	---------

Rate of interest on "house value," 11%.

F receives in rent.....	\$8,000
He pays in taxes.....	\$1,000
“ “ for repairs, etc.....	1,600

Total expenditures.....	<u>2,600</u>
-------------------------	--------------

Net return.....	\$5,400
-----------------	---------

Rate of interest on "house value," 13½%.

Hence, D receives 6% on his \$10,000.

E “ 11% “ 20,000.

F “ 13½% “ 40,000.*

* To avoid confusing fractions, I have assumed that a \$2,000 house would rent for twice as much as would a \$1,000 house. This is not true in practice. Assuming \$1,000 to be a unit, as the number of units increase (provided they be expended on a building on the same area) the earnings progressively decline. In residential districts, this decline would be about twenty-five per cent. on a \$6,000 house; that is, a \$6,000 house would rent for about four and one-half times as much as would a \$1,000 house. When this reduction is made in the figures given in the text, relative to the \$6,000 house, and progressively proportionately in the other examples, the results will be approximately correct.

Thus we see how every poor man might be his own landlord—provided he did not own a house or occupy a lot!

What can be alleged in favor of the single land tax? Concentration of taxes? But in this respect the odious poll tax is superior. Prevention of speculative values in unimproved land? Why not tax unimproved land twice as much, or ten times as much, as improved land is now taxed? Prevention of vast tracts of land being held by one person? Oh, no! for Mr. George strenuously opposes a restriction in the quantity of land which any man may hold. He favors unlimited holdings. Hear him. He says: "Let us abandon all attempt to get rid of the evils of land monopoly by restricting land ownership. An equal distribution of land is impossible, and anything short of that would only be a mitigation, not a cure, *and a mitigation that would prevent the adoption of a cure.* Nor is any remedy worth considering that does not fall in with the natural direction of social development, and swim, so to speak, with the current of the times. *That concentration is the order of development there can be no mistaking—* the concentration of people in large cities, the concentration of handicrafts in large factories, the concentration of transportation by railroad and steamship lines, AND OF AGRICULTURAL OPERATIONS IN LARGE FIELDS. * * * All the currents of the time run to concentration. To successfully resist it, we must throttle steam and discharge electricity from human service." *

What, then, can be alleged in favor of the single land tax theory? Nothing!

Let the single land tax theorists answer the following:

1. Would the single land tax allow a poor man to build and own an humble dwelling?

* Ibid. 294. The *italics* are mine.

2. Would it compel land owners to improve their land by the erection of better buildings than they now construct ?

To answer the first affirmatively, negatives the second : to answer the second affirmatively, negatives the first.

On these two horns I suspend Mr. George, that he may be "*properly understood*" in preaching "the Cross of the new Crusade" !

THE CAUSES WHICH PRODUCE HIGH AND LOW WAGES.

The chief cause of high wages is large profits. What is meant by profits is the difference between the cost of production * and the selling price of the product. If this difference be great, wages will be, generally, high. Thus, in new countries, profits are usually large, because the selling price of articles therein produced will be equal to that obtainable for similar articles in densely populated communities, plus the cost of transportation of such articles to the new countries. Therefore, wages are relatively high in new countries. Another reason for high wages in such places is the absence of that fierce competition, which is, under the existing industrial and social system, inseparable from populous communities. The "bounties of nature" have but little to do in fixing the wages in those places, but they have much to do in populating them. And it frequently happens that the most fertile regions are the scenes of greatest privations, owing to the great influx of those seeking employment, prior to the advent of capital necessary for the development of the natural resources. Thus, where most fertile

* "Production" is here used in its most comprehensive sense, meaning, not only making, but bringing the thing made into the hands of the consumer, as well.

lands may be obtained from the government without the payment of one dollar (excepting fees for clerical work, which amount to only a few dollars for each quarter section, which contains 160 acres), poverty often exists, as the immigrant has no capital, and therefore cannot cultivate the "bounties of nature," which are free and open to him. In such a place, a so-called "boom" is started, and many laboring men, misled by glowing, though false, accounts and reports, circulated by those interested in the new-found paradise, flock thither, only to find no employers and no employment, but, in their stead, privation and often misery. Ordinarily, obtaining money, or anything of value, by means of false representations, is a penal offence; yet, in the case of "booming" towns and districts, no attention whatever is paid by the authorities, Municipal, Territorial or State, or National, to the scandalously false statements made by those speculating in them, and who shamefully and flagrantly fleece the gullible who are induced, by their mendacious pamphlets and other literature, to settle in them, and invest the little means they may possess in plausible enterprises, fictitious land values, and fraudulent schemes.

To the lasting disgrace of the United States, State, and Territorial Governments, let the fact be known, that not infrequently officials of these respective governments have been largely responsible for the perpetration of those frauds.

Another cause of high wages is the advantageous situation of a city, commercially. As it is competition among laboring men for employment that largely regulates wages, so is it competition between merchants that chiefly fixes selling prices. Hence it is that wages are sometimes reduced by reason of the avariciousness of merchants, manufacturers, and others, who, in order to

undersell their competitors, and thereby to increase their sales, and still to realize as large profits, per centum, compel their employees to work for proportionately decreased wages. But the employers in those places which have advantages as to cheap transportation facilities are, by reason of lower freight rates, enabled to pay higher wages, and, therefore, wages will be relatively higher there than in less favored localities. On the other hand, rent and therefore provisions will be higher in the former place ; so that an equilibrium between all places in the same country will be established and maintained, with but slight variations. I am speaking of all classes engaged in manual labor other than agricultural, and of mixed labor other than professional and technical.

To recapitulate : Wages will be, generally, relatively high in new countries and districts and in large cities ; they will be low in old countries and in small cities and towns.

On the other hand, the necessities of life will be, in the aggregate, relatively high in new countries and districts and in populous cities ; they will be low in old countries and in small cities and towns.

THE CAUSES WHICH PRODUCE HIGH AND LOW RATES OF INTEREST.

The chief cause of high interest is a relative scarcity of money. No matter how much of other kinds of capital there may be, if money be scarce, interest will be high. In new countries capital is scarce, and the opportunities to use it are numerous. Hence, interest therein is high. Wherever capital is scarce profits will be large in such industries as require considerable capital in their conduction. The profits will be large in such places, for the cost of transporting goods from a distance thither acts like a

tariff; and by so much as the cost of the goods may be increased by the cost of such transportation, plus insurance and interest on the value of such goods, by so much more will the selling price of such goods be, in new countries, over that in which they were manufactured. Therefore, both labor and capital will receive a greater reward in the former than in the latter place. Hence, interest will be higher, correspondingly. But high wages and low interest may and do coexist. This is opposed to the politico-economic teachings and theories of the day; and when such a deduction can be obtained from statements, inadvertently made by any so-called standard writer on the subject, the discovery of the supposed absurdity is deemed to be sufficient to condemn the author at once, and to brand his theory as empirical.

Let us, however, analyze the subject, regardless of mild criticisms.

In all populous centres, money seeks a market for investment. And with increased and improved mechanical appliances, wealth increases at a greater ratio than does the population. This wealth, however, is not held in common, nor in equal parts or shares, by the individuals, as such, of any given community. Some, therefore, must have more than others. Those who have but little cannot utilize that little to advantage, and must, in order to receive any return from it, loan it to those who have more wealth,* and, with their own, use it profitably. On the other hand, a considerable number of the community may be possessed of great wealth. They either use their own money, or, like the small capitalist, loan it out on interest. The result is a twofold competition: *First*, the lenders compete with each other, which tends to lower the rate of interest; and *secondly*, the users of the money compete

* This is usually done through the medium of a savings bank.

with each other, which tends to reduce the profits, and hence the rates of interest,* in common with the rates of wages. But there is a minimum in the latter—the cost of subsistence—whereas in the former they may drop almost to zero. Again, as the bulk of the wealth of a community concentrates in the hands of a few, a comparatively small rate of interest will yield them an enormous income. And so of the manufacturer, whose “output” is very large, a comparatively small profit per centum will yield him a very great revenue. To illustrate: A man who loans \$5,000,000 at three per cent. per annum will receive a yearly income, therefrom, of \$150,000! And a manufacturer, whose total annual production amounts to \$5,000,000 in value, and whose capital is \$2,000,000 and gross profit only five per cent., receives \$250,000; and if he borrowed the capital at the rate of three per cent. per annum, and paid out in wages and incidentals \$150,000, he receives a net return of \$40,000 per annum. Now, if the same amount of capital—\$2,000,000—were divided among two thousand persons, giving to each one thousand dollars, and they engaged individually in manufacturing industries, and the output and profit were relatively the same as those of the large manufacturer for the money invested, the return to each—exclusive of his own earnings or wages—would be only one hundred and twenty-five dollars, gross; and if each paid three per cent. per annum for the use of his capital, and for wages and incidentals proportionately as did the large manufacturer, his net return therefrom would be only twenty dollars.

Thus, while the net return from a small per cent. of

* That is to say, when profits are small, many will be deterred from engaging in these industrial pursuits, preferring to loan their capital at low rates of interest.

profit to the large manufacturer is princely, the individual returns from a like per cent. of profit are insignificant.

By the foregoing illustration, we may see why the possessor or controller of great wealth is willing to receive but a small rate of interest or profit, and why it is that the possessor of small capital prefers to loan rather than use it. We are also enabled to see why it is that comparatively high wages and low interest coexist.

THE CAUSES WHICH PRODUCE POVERTY.

My inquiry into the wages problem is ended. I shall now inquire into the causes which produce poverty.

While there is an existing relationship between wages and poverty, there are, also, other factors which enter into the problem. So long as labor is not adequately rewarded, so long as men and women seek employment and can find none, so long must there be poverty. To eradicate poverty resulting from these causes were the remedies which I have suggested directed.

But if all the poverty which naturally flows from them were extirpated by their removal, there would still remain poverty, abject and deep. What would be the causes? Idleness, lack of thrift, living beyond one's means, and above all, and greater than all, intemperance.

OF IDLENESS.

A disposition to be idle is, fortunately, confined to a comparatively small percentage of men. Nevertheless, the total is quite large. But, while the great mass of mankind prefer work of some kind to no work, yet a considerable number find it difficult to obtain congenial employment, and for this reason remain idle. It would be extremely difficult, if not impossible, to wholly remove this cause. If, however, there were a greater number of

people in independent circumstances, the effects would be materially lessened. For one of the chief reasons underlying this distaste is, I apprehend, an unwillingness to perform a task in a manner uncongenial to the laborer, rather than a real dislike for the particular work itself. Hence, that kind of labor which would be irksome under an employer might be pleasurable for the same person if working for himself. Therefore, an increase in the number of self-employers would lessen the number of unemployed, and decrease the poverty which results from this cause.

LACK OF THRIFT.

There are many people who are poor managers of household affairs, and, without intending to be extravagant, are wasteful. Were these persons educated in domestic economy, much of the want which they periodically experience would not be felt ; and, therefore, poverty from this cause much decreased.

LIVING BEYOND ONE'S MEANS.

Another fruitful source of poverty is living beyond one's means. Led away by the ostentation of the wealthy and the resultant desire to appear to be as good as one's neighbors, many are reduced to poverty. The tendency of the age is to dress like people of leisure. Nor is the desire confined to dress. High-priced places of amusements are patronized, and receptions and the like indulged in. When one's living expenses exceed his income, there can be but one result—poverty.

Were the wealthy to discard much of the grandeur with which they surround themselves, they would be largely imitated in their plainness, as they are now in their display. The more a people or a nation drifts away from democratic simplicity, the nearer is that nation

approaching ruin and dissolution. Therefore, it behooves the wealthy to avoid ostentation and obtrusive luxuries, lest the mass, in their discontent, rise up and wreak vengeance on the objects of their wrath.

OF INTEMPERANCE.

Of all the causes productive of poverty, intemperance is the greatest, most hideous and insidious home destroyer.*

Unlike any of the other causes, it produces poverty,

* In support of this statement I adduce the following testimony :

"Alcohol damns to horrid misery innumerable victims. It flatters and caresses to distract the prey from its perfidy, and, meanwhile, it sinks its fangs into palate and stomach, to create an irritation which its own fluid alone can temper ; it shoots its venom through every nerve, which in ceaseless vibration will afterward clamor for a renewal of its fatal touch. The craving for alcohol, begotten of alcohol, ever waxes stronger ; the moment comes when it is a wild passion, a fierce madness. It commands and obtains the most fearful sacrifices. In slavery to it woman forgets honor ; the father in hellish laughter casts to the vender of liquor that solitary dime that would stay the starvation of the child ; the husband pawns the coat of the dying wife. The power of alcohol is mysterious. The muscular giant crouches in terror before its shrine ; youth yields up freshness of mien and hopes of fortune, and mocks for its sake a mother's tears and a bride's love. Old age at its bidding puts on the garment of idiocy and closes its earthly journey in disgrace and sin. Piety does not withstand the fury of its breath. The very cedars of Lebanon have been laid low, the royal oaks of the forest have been uncrowned and flung into the deep valleys of ignominy and death."

—ARCHBISHOP IRELAND.

"I have seen the one curse in the labor cause—RUM. It is the one reason why the laboring man does not advance himself. My voice has always been raised to warn him to shun drink as he would the flames of scorching hell. Show me misfortune and I can point to some saloon. Show me misery, it is strong drink. The community where the most misery prevails is the community where the most liquor is sold. If free from this curse our workingmen could

positively and negatively. It consumes wealth, and incapacitates its victims from producing other wealth. It not only consumes the surplus of the laborer, but that, also, which should support his family and himself.

Let the reader carefully examine the following figures, and reflect on the evil of intemperance, and then decide for himself how much of the poverty, destitution, and crime are attributable to it.

Amounts expended in the United States annually for liquor, tobacco, and the staple commodities ; and education for themselves a name and a place no man of them ever dreamed of.

"Let every knight boycott the saloon for five years, and we will have an invincible host arrayed on the side of truth and justice.

"The liquor traffic is responsible for nine-tenths of the misery among the working-classes, and the abolition of that traffic would be the greatest blessing which could come to them."—TERENCE V. POWDERLY.

"To throw an air of respectability about the places where liquor is sold to be drank, would be like throwing a glamour of delight about the gateway to hell. Oh, no ! the true humanity, the true Christlikeness, would be to smear these places with blood, and paint over them the ghosts of the most appalling deaths. Make them as revolting, as loathsome as possible, that young men, instead of being attracted to them, would flee from them as they would flee from the haunts where demons revel."—CHARLES W. CUSHING, D.D., in *Christian Advocate*.

"Do you not see that this high-license movement strikes at the heart of the best homes in America ; that it proposes the fattest lambs for its sacrifice ; that it is at war with the most beautiful domestic circles in America ? Tell it to all the philanthropists who are trying to make the world better, and let journalists tell it by pen and by type that this day, in the presence of my Maker and my Judge, I stamp on this high-license movement as the monopoly of abomination. It proposes to pave with honor, to pillar with splendor, and guard with monopolistic advantage a business which has made the ground hollow under England, Ireland, Scotland, and

tion and religion (compiled and estimated from the census of 1880):

Liquor.....	\$900,000,000
Tobacco.....	600,000,000
Bread.....	505,000,000
Meat.....	303,000,000
Iron and steel.....	290,000,000
Woollens and worsteds.....	237,000,000
Sawed lumber.....	233,000,000
Cotton goods.....	210,000,000
Boots and shoes.....	196,000,000
Sugar and molasses.....	155,000,000
Public education.....	85,000,000
Clergy and Christian missions.....	17,500,000

America with the catacombs of slaughtered drunkards."—DR. T. DE WITT TALMAGE.

"It becomes us as men to carefully study this great question presented to us. No more important problem demands solution at our hands than that of intemperance. It enters largely into all the social questions which disturb the body politic. It is responsible for much of the unthrift which causes poverty and pauperism, at least, in our midst. It taxes honest labor with more than Shylock cruelty, and makes the workingman a constant struggler for comfort and independence, which it drives from the home. It robs children of education, clothing, and of food. It burdens society in the multiplied asylums for the indigent which it has made, in the reformatories and prisons which it fills with its victims, in the increasing demand for better and more extensive policing by which property and life may be the better protected, in the manhood degraded whence no decent citizenship can be expected. In a word, all men are agreed that intemperance is a leech in society, drawing its life-blood and weakening its life; it is a cancer, slowly, but surely, approaching the vitals of our humanity and promising degradation and ruin. Can men wonder that organization is called for as simple protection against so giant an evil?"—FATHER T. J. CONATY.

"If the rum-shops so enslave a man that he will give his hard earnings to fill their coffers, while himself and his family suffer for necessities of life—how shall you expect him to take enough

These figures are truly appalling, and would be incredible if not obtained from the most authentic source—the United States census.* Would any change in the land laws, or any increase in wages, no matter how much, remove poverty, while such a poverty-breeding monster as the liquor traffic is existed?

Why should society devote its efforts to lopping off the branches of the tree of poverty, when it simultaneously fertilizes its roots? Let me not be misunderstood. I do not, in any degree, belittle the other causes which produce poverty; but, on the other hand, I do insist that the liquor traffic is the cause of more, and deeper, poverty, than are all the other causes combined.

interest in his own welfare to earnestly join in *destroying injustice—of any kind?*”—THOMAS V. CATOR.

“The Knights of Labor have put the traffic in liquor under a moral and social ban by declaring liquor-sellers a proscribed class, and thereby declaring against them the excommunication which means final damnation. In doing this, Labor is surely undermining the foundations of Rum, and is pulling down the stronghold of its worst enemy. In my opinion ninety per cent. of the destitution of labor is caused by strong drink. The use of liquor has always operated to the disadvantage of workmen in contests for their rights against the unfair encroachments of capital.”—JOHN SWINTON.

“I impeach the Liquor Traffic of high crimes and misdemeanors against the Commonwealth, and I ask you, in the name of the Commonwealth and common justice, can you withhold from those entrusted with the high responsibility of the ballot the power of applying their votes in the form of a veto, when it is proposed, without consulting them, to put in the midst of them these places for the sale of intoxicating drinks?”—CARDINAL MANNING.

* I do not wish to be understood as stating that the expenditures given in the text were so stated in the United States census. But I do state that they are estimated from the census reports, and are approximately correct.

Compared with its manifold evils, how insignificant is the tariff, or no tariff ! Consider for a moment what the expenditure of \$900,000,000 per annum for liquor means. This is an amount sufficiently large as to give \$18 to every man, woman, and child in the United States.* This is a sum equal to the aggregate sum expended for bread, meat, and public education ; or to that expended for woollen, worsted, and cotton goods, boots and shoes, sugar and molasses, public education, and clergy and Christian missions of all denominations.

There were, in 1880, 250,000† saloons in this country, and the average number of persons employed in each

“ Workmen must stand up against the evil of intemperance. The manufacture of intoxicating liquor represents but little of productive labor, and its consumption does nothing but clog the wheels of commerce and progress. Remove the curse of drink and the workmen and all the people are raised to a higher level, in the which all men are thinkers and workers.”—JOHN JARRETT.

“ It [intemperance] fills our jails and prisons and pauper asylums. It creates demand for armed police. It fills many of our homes with miseries worse than death.”—BISHOP R. S. FOSTER.

“ Only a few years ago there was a home in New Haven. In that home was a happy, bright-eyed, intelligent, rosy-cheeked Christian wife and mother, in the prime of her womanhood, full of hope for the future. Her husband was a manly man ; affectionate, generous, noble, and true. In our country's darkest hour, when it needed men, he bravely marched forth under the old flag, offering himself as a sacrifice, in defence of the life of this nation. In that home were innocent children, who ‘ filled the air with their sweet songs, and presented a picture of joyous happiness,’ which can never be forgotten.

“ That husband and father to-day is a drunken, bloated, miserable,

* The population of the United States, according to the census of 1880, was, in round numbers, 50,000,000. The figures given in the text were taken from that census.

† This includes all licensed saloons, as given in the United States census reports, and all unlicensed saloons, as estimated.

saloon was two. Hence, there were engaged in retailing liquor the vast army of 500,000 men.

They were, of course, non-producers. But they were not drones. They were actively engaged in warfare with peace, comfort, happiness, home, and human life. The carnage was dreadful, 100,000 being the number for one year's campaign. Do we realize the magnitude and enormity of this evil? By comparison, I find that more people are annually killed in the United States by the use of intoxicating liquor than there were in the Union armies during any year of the civil war, excepting one. And yet, how the nation was in sadness and mourning

mental, moral, and physical wreck, down in the gutter, penniless and friendless.

"The rose has left the cheek of that poor wife and mother, her eyes are sunken and blinded with tears; no longer does she occupy that once happy home; the joyous songs of her once happy darlings are heard no more."—JOHN P. ST. JOHN.

"The terrible onslaught that is now waged by the belligerent forces of the rum power against the people has no parallel in history for viciousness and fearful carnage.

"The devastation of numerous happy homes, an immense waste and destruction of property, the suffering of innocent children, crime, wretchedness, pauperism, and the vicious tendencies that pervade a large proportion of the community are among the terrible consequences of this awful warfare now being waged by this unscrupulous and relentless foe."—W. JENNINGS DEMOREST.

"The man who has not his mind is as much worse than the slave as is the brute. It is the brutalizing of the man, and hence the imposing upon him of the brutish fetters of slavery, that makes the slavery of drink; and the slavery-making of the drunkard maker is the most detestable, hateful and deadly that is known. Liberty? Liberty forever—the liberty of the man; the liberty of the citizen; the liberty of conscience; the liberty of religion; always, forever—more of it in greater and deeper draughts that liberty may enter into our very blood, that there may be less restraint upon the free limits of every man born in the image of God: but no liberty to do wrong,

during those sorrowful years ! There is a conflict raging around us now, more direful—incomparably more direful in its dreadful slaughter, than was the war of the great Rebellion. Those who there fell were crowned with glory, admired by their chivalrous opponents, and died that others might be free. These fall by the wayside, spurned by those whom to enrich they have fallen, and with anguish fill the hearts of those whom they have wronged and disgraced !

By a strange perversion, many allege that poverty is the cause, not the effect, of intemperance.

When it can be shown that \$900,000,000 is the result of
deadly wrong; no liberty to make slaves; no liberty to poison liberty."
—REV. FATHER WALTER ELLIOTT.

"Down in Kentucky, some time ago, young Harry Clay, the son of our great Southern statesman, lay bleeding to death from a wound inflicted upon him in a drunken brawl by a liquor seller. In the same city, at the same time, the grandson of John J. Crittenden, one of the brightest men who ever graced the United States Senate, was also dying from injuries received while drunk. And at the same hour the great-grandson of Patrick Henry was in a prison cell, brought there by drink. Look at those great men, way off there on the summit of fame, and then look at their offspring, disgraced by drunkenness."—COLONEL GEORGE W. BAIN.

"The rights and proper privileges of the honest workingman are in danger more from the intrigues of the liquor seller than from the encroachments of capital. It is a well-recognized fact that the widespread evil of patronizing the saloon has much to do with delaying the settlement of the labor difficulties, as also of multiplying their number. If the giant curse of drink were removed the way would be easy and plain to a solution of the labor problem. It is not surprising, therefore, that the leader of the laboring-men (Mr. Powderly) declares he would prefer a following of one hundred thousand total abstainers to one million moderate drinkers. The laboring man will never secure the rights and privileges due to honest labor so long as the saloon receives a large share of his earnings."—REV. JAMES M. CLEARY, National Lecturer C. T. A. U.

poverty, then, but not until then, can it be shown that poverty maintains 500,000 men in the liquor business.

There are, in round numbers, 10,000 saloons in the city of New York. The estimated population is 1,500,000. One-half this number are children and youths. Then every seventy-five adults, men and women, support one saloon. Each saloon has, on an average, two persons employed in it. These two persons, on an average, have, approximately, five other persons dependent on them. If we add to those the number engaged in brewing, distilling, transporting, and importing alcoholic beverages of all kinds, we shall find that about every six adults in New

"I know from the experience I have gained in twenty-three years of travel, that the greatest curse that labor suffers under is the curse of RUM. Could we have for use, under the coöperative principles inculcated by our organization, the money spent in a single year for intoxicating drinks by the workingmen of America, we could control the transportation, the transmission of intelligence, and a large portion of the necessities of life.

"I wish I had it in my power to destroy every drop of liquid damnation that goes down the throat of workingmen. I wish I had the power to banish from the earth all the scorching hell that robs workingmen of their earnings, and puts silks and satins upon the back of the wife of the rum-seller instead of putting warm clothing upon the back of the wife of the honest workingman.

"From a selfish standpoint alone the workman should be an abstainer. A drunken laborer is always the first 'scab,' the first to betray our secrets."—CHARLES H. LITCHMAN, Secretary K. of L.

"The evils of this traffic *overestimated? Exaggerated?* IMPOSSIBLE!! None other than he whose pen was guided by the finger of inspiration can give the appropriate coloring, the appalling light, the dark and direful shades that belong to such a picture."—PROFESSOR CHARLES W. SANDERS.

"Its horrors have never been fully portrayed. No pencil is black enough to paint the picture and do it full justice. No tongue is eloquent enough to tell the sad story in all its dreadful details. The use of alcohol is a wide and withering scourge. It is a physical

York City support one person by the money they spend in its saloons! Now, if intemperance be caused by poverty, it follows that six paupers support one person in comfort, and often in luxury.

Do the brewers, and distillers, and importers of liquors, and saloon-keepers, live off poverty? Does the United States Government collect \$86,000,000 annually from paupers? Let those who have been led to believe that poverty causes intemperance ponder over these facts, and they will readily see how absurd the assertion is.

But, in addition to the amount spent for liquor, there is, approximately, \$600,000,000* expended in the United

curse—blearing the eyes, blistering the tongue, deranging the stomach, paralyzing the nerves, hardening the liver, poisoning the blood, coagulating the brain, inducing and aggravating many diseases, and digging myriads of premature graves. It is a financial curse—draining the pocket, inviting poverty, diminishing comforts, multiplying miseries, filling almshouses, and creating hard times. It is a mental curse—clouding the judgment, dethroning the reason, promoting ignorance, producing imbecility, and transforming its unhappy victims into maniacs and fools. It is a moral curse—weakening the will, inflaming the passions, hushing the voice of conscience, and preparing the way for every vice and crime.”—A. A. PHELPS.

“Not long before the adjournment of last Congress, Speaker Carlisle issued an order closing up the grogshops in the national Capitol, giving as his reason, ‘This Congress shall adjourn sober.’ This session the Senate has been compelled to adjourn more than once because the drunkenness of some of its members blocked public business. No wonder labor laws are ineffective when they are passed upon by drunken legislators.”—JOHN LLOYD THOMAS, in *Liquor's War on Labor's Rights*.

“We are all agreed touching one thing, that the liquor traffic in this country of ours is the one great overshadowing evil of these

* This amount includes what individuals, as such, as well as what the governments—municipal, county, Territorial, State, and United States—expend. It is, of course, merely an estimate.

States, annually, to overcome the effects produced by liquor.

The grand aggregate total is, therefore, \$1,500,000,000. Is it not incomprehensible that those who advertise themselves to be the champions of labor, and the friends of the poor, are not merely silent on the evils of intemperance, but actually endeavor to justify it, and falsely assert that poverty is the cause of intemperance !

There is another phase to the liquor question which is overlooked, by most people, when considering it.

I refer to rents. As before stated, there are ten thousand saloons in New York City. These, for the most part,

times. *The New York Tribune* says it is the 'heaviest clog in the progress of our country,' and that if all the other evils that afflict society are put together they will not nearly equal in weight and sinister effect the one enormous and universal mischief of intemperance. 'Sooner or later,' says the same journal, 'it will be necessary for the intelligent and progressive elements of society to drop all lesser enterprises, and continue in one determined assault upon that vice which is to-day the heaviest clog upon progress and the deepest disgrace of the nineteenth century.'"—GEN. CLINTON B. FISK.

"Not only do the figures appall us, but let us remember that the vast sum of money that is every year paid as a tax to this hungry monster, is money not simply thrown away (for it gives absolutely nothing of value in exchange), but it creates an additional cost equal to the first bill, in the loss of time and other expenses incident to the patronage of the saloon. In round numbers, the liquor bill of the United States every year is *nine hundred millions*. Put the liquor bill for the country into the treasury of the United States and all forms of taxes might immediately be abolished, and all public improvements might be doubled, with work enough to give every idle man in the country employment for three hundred days in the year, and double the appropriations might be made for all educational purposes. Or let us look at it this way. Suppose we estimate five persons to a family ; we have in round numbers ten million families in the United States. If we divide the saloon bill among those families, we have a tax upon each of \$90. Now if we add the indirect cost of the saloon

occupy the best locations, being on the corners, mainly. If these saloons were occupied for legitimate business, and there were no saloons, it follows that rents would be greatly reduced for stores, and, therefore, provisions of all kinds cheapened. Has the reader ever thought of this fact before? Yet, when his attention is called to it, is it not self-evident?

Let those who know the truth proclaim it. Let the priest, the minister, the preacher, and the rabbi assist the legislators to remove from our land the polluted springs whence flow eighty-five per cent. of the crime, and sixty per cent. of the poverty, which afflict this nation.

Let us, one and all, strive to ennoble and refine our fellow-men, for by so doing we ennoble and refine ourselves; to rescue from moral decay and physical death the hundreds of thousands which are annually immolated on the altar of Bacchus, for among the number is

(according to conservative estimates) we have a tax upon each family of \$180. But it is safe to say that as yet not more than half the families of the United States are patrons of the saloon. Therefore, this bill of expense must be divided up among five million families. The result is that the rum power exacts a tax of \$360 from every family represented among its patrons, or \$72 upon every member of the five million families. These figures, mostly calculated as I stand on my feet, explain the poverty, suffering, and want of all the poor in the land."—REV. HUGH O. PENTECOST.

"Give us a call! In a pint of gin
We sell more wickedness, shame, and sin
Than a score of clergymen, preaching all day,
From dawn to darkness, could preach away.
And in our beer (though it may take longer
To get a man drunk than drinks that are stronger)
We sell out poverty, shame, and woe.
Who wants to purchase? Our prices are low.
Give us a call!"

—ELLA WHEELER WILCOX.

some dear one, most beloved ; to restore the home, and substitute the family circle with all its hallowed associations, for the saloon with all its orgies and abominations.

Fathers, do you really desire to have your children an honor and support to you in your old age ? Mothers, will you not remove the thorns from the paths which your beloved ones must tread ? Will you blindfold the little ones and set snares for the innocent ? All these things, and more, do you do, who say there is no harm in moderate drinking. No harm in moderate drinking ! Why, if there were no moderate drinkers, there could be no drunkards. Drunkards do not become such in a day or a week, or even in a year. *They were all moderate drinkers.* But, as time passes, now behold your "moderate drinker" !

Go into one of ten thousand wretched abodes of liquor's victims. Behold the wan, bloodless cheek of the wife, the pinched features of the little ones. Listen to the mad ravings of the drunken husband ; hear the shrieks of anguish of the feeble, tottering mother ; see the children crouch at the approach of their infuriated father, now, by demon drink, transformed into a beast. Death is more merciful than he. It breathes upon their wasted forms, and their freed souls wing their flight to heaven. And she, succumbing to blows more brutal, closes her eyes in sadness, and finds rest in the grave. And he ? Tortured by remorse, resolving, re-resolving, with will-power weakened and moral faculties destroyed, pursued by hideous conjurations, his soul, by the act of his own hand, enters the dark chasm, and his body fills an unnamed pit in Potter's Field.

But why need I dwell on this sad picture ? Who, in this great land, has not seen the evil effects of liquor ?

Nay, who has not been made a participant in degradation by its effects on some member of his own family? It produces poverty; it begets misery; it poisons the springs of youth; it pollutes chastity; it outrages home; it destroys life; it damns the immortal soul!

REMEDIES SUBMITTED.

THE following are submitted with the hope that the germ-ideas therein suggested will assist toward a solution of the great industrial and social problems.

TYRANNY INHERENT IN MAN.

Poets and orators and sentimentalists delight to dwell on the noble, self-sacrificing nature of man. He is portrayed as a ministering angel, seeking the oppressed, that he may supply their wants and relieve their necessities. It is high time that we undeceive ourselves. I know it is far more pleasurable to regard man as a generous, philanthropic being, who is yearning for occasions which will present opportunities to him for assisting the needy and raising the lowly ; and I also know that the writer who pens such a portrayal is regarded, by the thoughtless, as one whose every heart-throb beats in the cause of humanity. But as I am not writing a work of fiction, nor seeking canonization, I will confine myself to cold, material facts, and leave to others the pleasures of the imagination, and the eulogies of the beguiled.

We find that superiority over others is desired by mankind. We see that the laborer of yesterday becomes the severest master of to-day. And as we descend the scale of civilization, this fact becomes more apparent at every step. This proves that man, in his natural state, is tyrannical and cruel, and that the justice which does exist in the

world is attributable, chiefly, to the refining influences of civilization. Hence, it is from civilization, and not from the re-assertion of the primitive instincts of man, that we must seek justice. Were this order reversed, there would be no hope for the weak and the poor.

THE DUTY OF SOCIETY TO PROTECT LABOR.

From what has preceded, it is evident that society should protect labor, as it is weak, and is powerless to contend with capital. It is foolish to acquiesce in the belief, as is often expressed, that there is no conflict between capital and labor. There is a conflict, and that conflict must continue until selfishness shall cease to exist.

To accumulate wealth, or to possess authority and power, is the almost universal desire. Will not men use the means at their disposal to attain their ends? Remember, the desire is not to accumulate wealth for some one else, but for himself, which actuates man. Therefore, the weak should be protected from the rapacity of the strong.

HOW CAN LABOR BE PROTECTED?

To state that labor should be protected, is easily done, and from it few, if any, will dissent; but to point out the method and means by which it may be, adequately, is a most difficult task. If, however, we cannot eradicate an evil, we may perchance lessen it. So, if we cannot solve the problem of protecting labor in the best manner, we may, at least, afford it more protection than it now receives. This may be done by society as such, and by the laborers as individuals. Laws should be enacted restricting the hours of labor to a given number. This law should be universal in any given nation, as to area, but not as to all occupations; that is to say, the hours of labor in any

given occupation should be uniform, but varying with different occupations, as some kinds of labor are more exhaustive than others. But there should be a substantial reduction in the hours of labor in all, or nearly all, occupations. The health of the individual requires greater relaxation, and his comfort demands more time at his disposal for social intercourse, and he needs more leisure for cultivating his mental faculties, than he now has. A greater number of persons would be thus employed, and, therefore, fewer would be in enforced idleness. This would increase wages, as it is the *unemployed* who, in a great measure, regulate wages. In other words, it is competition for employment that either reduces wages, or causes them to remain low. If *all* were employed, this competition would itself be reduced to a minimum, and wages increased. Society should limit the number of employees which any one employer or firm could legally employ at any given time. This would restrain the concentrating tendency of capital, and would necessitate a greater number of employers, who would compete for labor. Of this proposition, many will allege that it would interfere with the natural rights of the individual. To this objection I reply : The natural rights of the individual are subordinate to the factitious and acquired rights of society. Man has a natural right to appropriate whatever may be necessary to maintain him, but he has no such right in society. Though he be starving, if he appropriate the least subsistence, society designates him a thief, and punishes him for the exercise of a natural right. Man has a natural right to his own life ; yet society denies him this right, whenever and for whatever artificial offense it may designate. Nor has a man the legal right to take his own life, or even to attempt to do so.

But man has not a natural right to have a single human

being work for him. If he had, then it would not be inherently wrong to enforce it. But to enforce it, there would have to be natural slaves. But there never was, nor ever can be, such a being as a natural slave. Whatever right an employer has to have others work for him, is but the corollary of the right which man has to work for himself. If, then, one man is willing to work for another, that other may employ him. But this "willingness" must be the result of volition on the part of the employee, and not of that potent, though subtle, coercion which results from the pauper laborer's needs.*

Then it follows that whatever increases the laborer's dependence on an employer, to that extent coerces him; and, hence, to that extent enslaves him. And whatever increases his independence of an employer, to that extent emancipates him. Now, should society allow the enslavement of many, because the supposititious rights of a few demand it?

PROTECTION TO LABOR BY LABORERS.

Very much can be done by laborers to protect themselves. To this end were trades-unions organized. They have been instrumental in checking the encroachment of capital, being more able, collectively, than the members could be, individually, to resist it. But, more than anything else, they have called public attention to those evils which threaten the whole social fabric. In order that there may be a free nation, there must be free men. Now, a man who is dependent on another, and subject to his whims, his caprices, and his tyranny, should he desire to be tyrannous, cannot be free. Independence gives free-

* The term "pauper" is not used in an offensive sense, but to denote the great army of laborers who are compelled to accept whatever wages may be offered them, or starve.

dom ; dependence begets slavery. But it may be asserted that a laborer who is dissatisfied with an employer may change him for another. This is not always true. He may leave an employer, but may not find another—at least, not for weary weeks or even months. If he have a family to support, is he not effectually compelled to remain in his present employment ? To leave it, is to see his wife in rags, and his little ones in tears, crying for bread, of which there is none. Thus, with his heart in his family, his body is in slavery.

But, when his associates champion his cause, that dread fear of dismissal without grounds is measurably removed.

But in the unions themselves that inherent characteristic of man—tyranny—is present. The more audacious and domineering will usurp the rights of the timid and yielding, and will shape the union's course for their own ends. And the policy of refusing membership to fellow-craftsmen, and then preventing those so refused from obtaining employment, because they are not members, is at once ridiculous and unjust.

And another great defect which exists in unions is the regulating of, or rather the attempt to regulate, wages, without reference to wages paid in other localities for like labor, entering into products which shall be brought into competition. For example, the wages paid to operatives in manufacturing clothing in New York must be governed, largely, by the wages paid to those similarly employed in Philadelphia and Chicago. Local causes may, and, in fact, do, affect wages ; but when these have been allowed for, in fixing the rate of wages in any one of the three places named, any attempt in either city, on the part of the operatives, to advance their wages, without similar action on the part of the operatives in the other two, must be disastrous, for the reason that their employers cannot

pay the higher wages demanded, and compete with the manufacturers of the other two cities.

FEDERATION OF LABOR.

If good has resulted from individuals organizing themselves into unions—and that there has to the individuals, and to the nation, no well-informed man doubts—very much more would result from a federation of these unions.

By this system, a union in one city would not be an impediment to obtaining higher wages in another, as it frequently would be were local considerations the limit of its purpose and province. All unions composed of artisans or laborers of the same calling or trade should be federated, and presided over by a central body, elected by individual voters, who should be members of those unions. And so of all trades and callings. These central bodies should, in turn, be federated, and the executive and other officers of such federation should be elected by the central bodies, voting therefor individually. This latter body should have only appellate jurisdiction, as to the members of the unions, as such. In this way would each trade and division of labor have men, experienced in such trade or branch, to arbitrate and adjust differences which might arise in such industry; while it would also have the aid, assistance, and moral support of the whole federation of labor.

One of the chief duties of the union members who might be citizens, or otherwise entitled to vote, should be to cast their ballots at every municipal, county, state, and national election. And a fine should be imposed on every delinquent member in this behalf.

Indeed, I might add, that every person in the nation, who is entitled to vote, should be compelled to do so, under heavy penalties. The vicious are always to be

found at the polls, while frequently the industrious and intelligent citizen absents himself therefrom. Punish, then, severely, the citizen who is derelict in this his highest duty—the perpetuation of a free government.

A MINIMUM OF WAGES.

There should be a legal minimum of wages. This should be based on experience, extending over a series of years. Where work is performed by the piece, there would be no discrimination against the more expert ; and where it is not, there could be a classification of the employees. This may appear impracticable, but I see no more reasons for such a conclusion, than there are for the impracticability of fixing a maximum rate of interest. Yet the latter is a legal fact, and much good has resulted from it.

This minimum should be, in most cases, based on the cost of subsistence, and a penalty should attach to the employer who violated the law in this respect. For example, the operative on white shirts should receive sufficient remuneration to enable her to subsist off eight hours' labor per day ; and the employer who would pay her but thirty-five cents per dozen, the present rate, should be punished by imprisonment and fine—the fine to go to the aggrieved operative. Under existing conditions, no one employer can afford to pay more than the others do, as, if he should, he could not compete with them. But if the law fixed the minimum wages for making a dozen shirts at one dollar, he could, and should, pay that sum ; if he did not, he would be at fault, whereas now it is the system which is unjust.*

The combining of employers for the purpose of regulating wages should be made a punishable offence. This

* See appendix.

may not seem to be just, if labor be allowed to organize for the purpose of maintaining, or even increasing, wages. But the two cases, while seeming to be analogous, are not really so. Capital in the hands of *one man* is really a combination ; and if a certain amount of capital represent the value of the services of one employee, then by as many times as that amount is multiplied will it equal that many men. For example, if one thousand dollars be the industrial value of the services of one man, he who has one hundred thousand dollars possesses as much power, within himself, by reason of that amount of capital, as do one hundred men, absolutely. But, relatively, he possesses a great deal more, as it would be nearly, if not quite impossible for one hundred men to act like one man. Moreover, he may subsist off his capital, even when it is idle, until it be consumed, whereas laborers cannot subsist off their unemployed labor. The fight is a most unequal one under such circumstances ; but when they are aggravated by the combination of ten men, each possessing ten million dollars, it is cruel and unjust and murderous—literally murderous. Should society sit with folded arms, a silent spectator, unmoved by the piteous pleadings of idle men, and the imploring appeals of starving women, and the sorrowful wailings of perishing children ? Crush, crush those combinations of capitalists, as we should destroy any other hideous monster. The power to do so is in the hands of the people. But they must use that power, and not vest it in professional politicians. Politicians are solicitous for the votes of the poor, not for the poor themselves. Theoretically, the people are sovereigns, and the office-holders their servants. Practically, the office-holders are sovereigns, and the people servants.

Can a poor, honest man become an elective office-holder ? Theoretically, yes ; practically, no. The pol-

iticians will exact from every candidate an assessment, proportionate to the dignity of the office or to the emoluments it yields. A wealthy man, whether honest or dishonest, may be elected to such office ; but a poor man, being unable to pay any large assessment, must be, in almost all cases, dishonest, in order to receive even a nomination for any important office. He must pledge himself beforehand to act in the interest of some person or persons who pay the assessment for him ; or he must surrender his manhood and his liberty of acting according to his own best judgment, for the interests of society, to the politicians who nominate him, and become their slave. Does any sane person believe for one moment, that a man who pays twenty thousand dollars, in the form of a political assessment, for obtaining a nomination to the office of comptroller of a city, is honest, or that those who receive that amount from him are not dishonest ? Should not society, then, protect itself from the corruptive, destructive power of accumulated capital in the hands of the few ? Remember that capital distributed amongst the people has no such power ; for it would be impossible for a sufficient number to unite for the unlawful purpose of raising large bribes, without immediate detection. But one man, who possesses large capital, may bribe in secret, and openly defy the law.

A MAXIMUM OF WEALTH FIXED BY LAW.

I have pointed out a few of the evils which are inseparable, and naturally flow, from vast wealth held by any one man.

The remedy suggests itself—the limitation of individual wealth. Therefore, society should fix a maximum of wealth which any one person might lawfully possess. Again, it will be asserted by some that this would inter-

fere with the natural rights of the individual, and that such a restriction would be opposed to progress, and would remove the incentive to accumulate. As to the first objection, I have already shown how fallacious it is.* Progress does not require the aid of a lordly idler. And as to the third objection, not only should the incentive to such accumulation be destroyed, but the power to do so as well. If deemed to be expedient, society might pension each such person who had honestly amassed the maximum of wealth, with an annuity, equal in amount to the highest salary paid to a professor in any of the great universities, or to an editor-in-chief of a metropolitan newspaper, or to that received by the Chief Justice of the United States—\$10,500.

Better, far better, that one wealthy man should cease from his laborious efforts to accumulate the produce of others, than that one thousand poor men be condemned to toil that he might amass more millions.

Those who thoughtlessly believe it is necessary to have wealthy men, in order that industries may be established and maintained, overlook the fact that the wealth was not produced by its possessors. Therefore, the aggregate wealth of a community would be as great, less the small fraction they actually produce, had those wealthy men never existed.

And by so much wealth as the wealth of the non-producers is increased, by so much wealth is the aggregate wealth of the producers lessened. Hence, under the present unjust system of allowing unlimited wealth to be possessed by one person, the chasm which separates the poor from the rich widens, and must continue to widen, as the wealthy must grow wealthier, and the poor become poorer, *i. e.*—more and more dependent on the

* See p. 69.

rich. I mean the wealthy as a class, and the poor as the masses. Some members of the former may sink to the level of the latter, and some of the latter rise to the plane of the former; but the class and the mass will grow farther and farther apart. The remedy, and it seems to me the only remedy, for this twin evil, is that which I have suggested—a maximum of wealth and a minimum of wages, fixed, established, and enforced by law; coupled with a graduated income and legacy tax.

THE GRADUATED INCOME AND LEGACY TAX.

Adam Smith truthfully says: "The subjects of every state ought to contribute to the support of the government, as nearly as possible in proportion to their respective abilities; that is, *in proportion to the revenue which they respectively enjoy under the protection of the state.*" From this it clearly follows that incomes should be taxed; for by no other method can we equitably determine their respective abilities to contribute to the support of the government.

But would not this be fining a man's industry? Would not the indolent escape, wholly or in part, their just share of taxation? Let me state once for all that it is always industry, either under existing forms, or any conceivable form, of taxation, that furnishes, and must furnish, the taxes. Without industry taxes might be levied, but could not be collected. The injustice of the present modes of taxation lies, as we have seen, in shifting the tax from him who has the most ability to pay, to him who has the least—from the wealthy to the poor.

How can this be remedied? How can he who has an income of \$100,000 or \$1,000,000 per annum be compelled to contribute to the support of the government which affords him protection, commensurate with his in-

come, his justly proportionate taxes? Clearly, by compelling him to pay for that which he receives, and according to his ability to do so. How can this be accomplished? By a graduated income tax, and in no other way.

What is meant by a graduated income tax, is a progressively increased rate of taxation on increased incomes. To illustrate :

Suppose all individual incomes of \$1,000 or less to be exempt from taxation, and that the income tax should begin to operate on the second \$1,000. The tax on this would be, let us say, \$50. Thus he who received an annual income of, or earned, only \$1,000 or less, would pay no taxes thereon, while he who so received or earned \$2,000 would pay a tax of \$50 thereon. And so of a \$3,000 income. The first \$1,000 would be exempt from taxation; the second would be subject to a tax of \$50; and the third to an *increased* tax of, say, \$70. He who received an income of \$4,000 would pay the same as he who received \$3,000, plus, say, \$90 on the additional fourth thousand. He who received \$5,000 annually would pay the same as he who received \$4,000, plus, say, \$110 on the additional fifth thousand. And so would the tax progressively increase until a \$10,000 annual income be reached, when a different ratio of progression might begin; and at \$100,000 still another, until \$1,000,000 be reached, when incomes in excess thereof would be wholly taken for state purposes.

To recapitulate :

The income tax would be

On \$1,000.....	Nothing.
" 2,000.....	\$50
" 3,000.....	120
" 4,000.....	210

On \$5,000.....	\$320
“ 10,000.....	1,170
“ 100,000..... say	40,000
“ 1,000,000..... say	900,000
“ over \$1,000,000..... all in excess thereof.	

I do not mean to say that these would be the exact amounts, for they would vary in different states and nations. I give them for the purpose of illustrating the principle for which I am contending.

What valid objection can be urged against the adoption of a graduated income tax? It might be alleged that it would involve the prying into the private affairs of the individual. So does every system of taxation, except the odious poll tax. Should we adopt it and discard all others? “But many people do not wish to have the amount of their incomes made public.” Who are they? unskilled laborers? No; for we all know what their incomes are—about \$300 a year. Mechanics? No; for we can now consult the most public of all official records—the United States Census Reports—and there learn that they receive from \$400 to \$1,000 per annum. So, too, policemen, firemen, sailors, railroad employees (other than heads of departments), school-teachers, street-car conductors, drivers and hostlers, reporters and newspaper *attachés* generally, cooks, waiters and hotel “help” of all kinds, clerks and salesmen, farm “hands,” wood-choppers and rail-splitters, raftsmen and log-drivers, operatives in mills of all kinds, miners throughout the whole range, from him who receives \$150 in Pennsylvania or the Hocking Valley, to him who receives \$1,000 in the Sierra Nevadas, etc. In a word, we now know what the respective incomes of about eighty per cent. of the population are. Is it only the remaining twenty per cent. that should be held to be

too sacred for government ascertainment? "All men are equal before the law." What arrogance then on the part of any man to claim in the name of law any privilege denied to eighty per cent. of his fellow countrymen!

"But we would be dishonest and perjure ourselves in making returns to the tax-collector." Would you? The people would be just and punish you, as you now punish the starving husband who might unlawfully take from a baker's cart a loaf of bread for his famishing wife and little ones.

"But such a tax would remove the incentive to produce." Produce by whom? Under its provisions nearly all the actual producers would be exempt from taxation, and only the accumulators and appropriators of the laborer's product be prevented and restrained from robbing him in the name of law.

Was there ever a man who could produce or bring into existence commodities of the value of \$13,400,000 annually? Yet such is the income of one family in New York City.

Do we not hear on every side, especially during the times of strikes, the statement frequently made that "an employer should not be dictated to by his employees as to how he should conduct his business"? Now, as society is the employer of all its members, it should not be dictated to by a few as to how it should conduct its business. Therefore, if the millionaire is not satisfied with the graduated income tax, let him seek other employment. "What is sauce for the goose is sauce for the gander."

To speak of lordly idlers as having legal rights superior to those of the toiling masses, is a sad commentary on civilization and Christianity. We can dispense with the former, but without the latter all progress would cease, and desolation would overspread the land. The children

of the poor should be at least as well cared for as are the poodle dogs of the rich. Are they? Go into the tenement districts of the toilers, promenade the avenues of the wealthy, and see.

What is law? I would define it to be the equalization of forces. What is wealth? It is the authority to command coupled with the power to enforce that command. Why, then, should this authority, this power, be allowed to concentrate in a few? Simply because, and only because, the mass of the people are fools. Have the possessors of millions actually produced the millions they possess? Let us see.

No mechanic in the United States or in any other country receives, as such, \$5,000 a year. Therefore, no mechanic in the whole world receives, during his lifetime, \$250,000, allowing the period of life to be seventy years, and his age to be twenty-one years when skilled in his particular trade or calling. Thus we at once dispose of manual labor.

No navigator, discoverer, or explorer has ever received \$1,000,000 in recognition of his services.

No newspaper editor receives over \$15,000 per annum. Deducting living expenses, he could not, from such salary, in a period of fifty years, amass \$1,000,000. And so of college and university professors. The highest salary paid to any judge in the United States is less than \$20,000. But no one under thirty years of age is elected to such an exalted position, and cannot continue in it after having reached the age of seventy. Therefore he cannot, from such salary, become a millionaire.

The Chief Justice of the United States Supreme Court receives \$10,500, and he, too, can never accumulate \$1,000,000 from his salary.

No lawyer, probably, in the world, has a practice yield-

ing over \$100,000. He may save \$1,000,000 from such practice, but it is very doubtful if he does. And so of the most eminent physician or surgeon.

The President of the United States receives \$50,000 per annum, but this cannot exceed \$400,000 in the aggregate.*

No astronomer, mathematician, geologist, or other scientist has ever received \$1,000,000 as a reward for his scientific researches and discoveries, and his contributions to knowledge.

No author, no poet, has ever received \$1,000,000 for his literary production. No orator has ever been paid that amount for his eloquence. No actor, no prima donna, has ever been able to save that amount, as a reward for his or her professional services. No sculptor, artist, or painter, musician or composer, has ever received such an amount as a reward of his genius. No general, however great and victorious, is so rewarded for his patriotism.

What transcendental genius is it, then, that enables one man to amass not only one million, but hundreds of millions? Search we the realms of genius, and we shall not find one such.

Hence, not on the ground of manual proficiency, not on the ground of mental attainments, not on the ground of lofty genius, not on the ground of self-sacrificing patriotism, is man so rewarded.

Who, then, is he who claims a greater reward at the hands of society than does any of these? Who is he that merits it? Is it a railroad "wrecker"? Is it the inheritor or appropriator of vast tracts of land? Is it a manufacturer who lobbies "protective" bills through Congress, and pays his operatives starvation wages? Is it a "pro-

* That is, according to that unwritten law which limits the tenure of office to eight years.

ducer" of "corners," monopolies, and "trusts"? Is it a gambler euphemistically called "a member of the Stock Exchange"? Is it a usurer who takes advantage of the necessities of his fellow-man? Who is this sublime genius who renders to society services which demand millions annually for their compensation? Reader, in which of the two lists that I have given will he be found?

The dangers which threaten this nation spring not from professed anarchists, but from arrogant millionnaires. With them law is but a farce. Would it be saying too much were I to state that a man possessing \$100,000,000 could commit any crime known to the law, and escape punishment? Could he not, and would he not, and does he not, secure a cloud of suborned witnesses in his behalf? The best legal talent is available to him. Even legislatures are enthralled by him. There is no justice, there can be no justice, meted out to the poor man when arrayed against him.

Do not let me be misunderstood. I in no way state that the judges of the higher courts are corrupt, or are influenced or intimidated by the wealthy. They are for the most part learned, high-minded, and above reproach, as the few overruled decisions prove. But they are powerless in the premises. The rich man has, in nearly all cases, abler lawyers than have the poor. Again, he will appeal his case, if decided adversely to him in the lower courts. This usually necessitates such an expenditure on the part of the poor, that they are forced to accept a compromise, dictated by the rich man.

In the case of corporations, such appeals are not infrequently taken for the purpose, primarily, of deterring intending litigants from bringing contemplated actions, and thus to force them into settlement on almost any terms.

If two men, one wealthy, the other poor, be arrested on similar charges, what happens? The rich man procures bail; the poor man languishes in prison. The rich man secures able counsel to prepare, and, if need be, plead his cause. I say "if need be" advisedly, for usually it will be withdrawn by the complainant himself, he being induced thereto by a pecuniary consideration.

How fares the poor man? If he have no friends, nor sufficient means with which to employ competent counsel and to defray contingent expenses, let him plead "guilty," and commence his term of imprisonment under conviction at as early a date as possible, so as to have it end as soon as possible, as he is almost sure to be convicted if he stand trial, and in that case would receive a heavier sentence for his temerity in so doing. His innocence or guilt, under such circumstances, has but little to do with his conviction. Has he been indicted? Is he friendless and penniless? Yes, to all these queries. "Therefore," reason the twelve intelligent jurymen, "he is guilty," and accordingly a verdict of "guilty" is rendered. The scales of justice can never balance with sixty millionnaires on one side, and sixty millions of people on the other.

Seven men in the United States control one sixty-fifth of all the wealth of the nation. But their power is much greater than even their vast wealth would indicate, for it is so concentrated that it could be readily wielded; whereas that of the masses is so diffused that, were they individually willing to concentrate their wealth, a long period of time would necessarily elapse ere they could do so. The one might be compared to a well disciplined and provisioned army; the other to a vast multitude of undisciplined, starving men. Which would conquer? Eight thousand men possess *one-half the wealth of the United*

*States!** How long before they and a few recruits to this army of plutocracy would possess *all the wealth* of the nation, if our present system continue?

How can it with truth be stated that all have equal opportunities, when a few control every avenue to wealth?

Here are two young men. One inherits his father's millions, the other his father's poverty. Have they equal opportunities? To become wealthier, no greater ability is required on the part of the former than to do absolutely nothing. His fortune invested in government bonds will have the people's servants to guard it, and the people will pay him for his generosity in permitting them to do so. The poor young man—who knows him? He has no pedigree. Should he succeed in amassing wealth, it will be through good luck or extraordinary ability. He may become a coachman and marry his employer's daughter.

What we require is equal access to opportunities. These opportunities are, for the most part, factitious, and not natural, in any civilized community. Hence, "access to the bounties of nature" would be, at most, but a partial remedy for our present discriminative and therefore unjust inequalities.

What, then, is the true remedy? Obviously, the curtailment of the power which controls these opportunities, and vests them in the hands of a few. What is this power? Aggregated wealth. Diffuse wealth, and these opportunities would again be open to all men according to their respective abilities; concentrate it again, and they would be closed to all save its possessors.

* This aggregate is based on the estimated individual wealth of the number given in the text. It is a very difficult matter to determine the exact wealth of very rich men, under existing laws. Therefore, the number given may be more or may be less than the actual number, but it would not in either case materially affect the principle involved.

By means of the graduated income tax, coupled with a legacy tax whereby no one could inherit more than, say, \$500,000, this diffusion could be brought about, without submitting the present possessors of wealth to any hardship, or doing violence to any principle of equity or justice, or interfering with any vested right, guaranteed under the law.

By the provisions of the former tax, no one would pay taxes but those who could amply afford to do so. "No income, no taxes," would be the motto. Do not let it be supposed that any man would be deterred from applying himself assiduously, in business or otherwise, by reason of having to pay a higher rate of taxation as his income increased—that is, up to \$1,000,000. For it is what one receives, rather than what he does not, which influences men in all the walks of life. Thus a farmer will "work a farm on shares," sometimes receiving as his share only one-third of the produce thereof. Does he reason that if he "raise" 200 bushels of wheat he will have to give to him who furnished him with seed, implements, etc., 133 $\frac{1}{3}$ bushels, whereas if he produce but 100 bushels he will have to give him only 66 $\frac{2}{3}$ bushels? Certainly not. How much he himself will receive, is the motive which induces him to produce; and as this will be greater as the total production is greater, therefore, all he is capable of he produces.

A net income of \$100,000 per annum should more than supply all the comforts and reasonable luxuries of any one family. The President of the United States receives but half this amount; and during the first one hundred years of the nation's life he received only one-quarter of it, or \$25,000.*

* No account is made of the allowance to the President for state purposes, as these are national and not private affairs.

But could not the graduated income tax be shifted ? Would not the tenant have to pay the increased rate of taxation in the form of rent to his landlord, and would not his rent be increased in the same ratio that the tax progresses ? On the contrary, he would pay less than he now pays.

In order to institute comparisons, there must be some recognized standard, though this standard may not be always expressed. Thus, when we speak of a tall man, we institute a comparison between him spoken of and the average height of man. Otherwise, the expression would be meaningless. For this reason the single tax scheme is valueless ; for, to talk about " the margin of cultivation " without having the slightest conception of what that margin is, and then to make it the standard of values, is absurd. Thus, in letting a building in any city, the owner, in demanding rent therefor, determines the amount thereof, not by any " margin of cultivation," but by the bids made for it by intending lessees. And these determine the respective amounts so bid, not by " the poorest land in use," but by their probable profits resulting from the particular business they respectively contemplate conducting in the building. But, in the first instance, the owner is guided in demanding a fixed rent by the cost of the building and ground. As all other owners of buildings are similarly guided, the rates of rent will be nearly uniform.

As we have seen, under the graduated income tax he who receives only \$1,000 a year would have no taxes to pay thereon. Hence, *he would establish the rate of rent for all buildings.* As he would have no taxes to pay, the rent he would ask for his house would be the same as now, *less the present taxes thereon.* And of a building that would rent for \$2,000 per annum, the owner thereof would pay only \$50 in taxes per year. Hence, the landlord that

owned houses aggregating in value \$50,000,000 would have to compete with those poorer ones who had no taxes to pay, and therefore could obtain no more for a \$10,000 house than could he who owned only one such house, and whose sole income flowed therefrom, and consequently paid no taxes thereon.

Let us take one of the illustrations given in the chapter on the Single Land Tax.

D, E, and F own three lots of the value of \$10,000 each. They erect three houses thereon, costing \$10,000, \$20,000, and \$40,000, respectively. D lets his house at that rate per cent. of its cost that will net him six per cent. on the aggregate value of the house and lot, allowing four per cent. on the cost of the former for repairs, etc. This is found to be sixteen per cent. of the "house value," which equals \$1,600. He pays four per cent. of the "house value," or \$400, for repairs, etc. Thus he receives \$1,200 net,* or six per cent. on his money invested in the house and lot.

E, in letting his house, would be controlled in the amount demanded therefor by that obtained by D. Therefore, he would let it for about thirteen and one-half per cent. of the cost thereof.† This would be \$2,700. He pays for repairs, etc., four per cent. of its cost, or \$800, and in taxes about \$50. Thus he receives \$1,850 net, or a little over six per cent.

F lets his house for twelve and one-half per cent. of the cost thereof,† or for \$5,000. He pays for repairs, etc., four per cent. of its cost, or \$1,600. He pays in taxes on

* No allowance is made for the taxes on the \$200 in excess of the \$1,000 exempt from taxation. The taxes on the former would be only about \$5.

† This is in conformity with the explanatory note given in the chapter on the Single Land Tax, which see.

the remaining \$3,400, \$140. Hence he receives a net return of \$3,260, or a little over six and one-half per cent.

Thus there would be a sufficient incentive to E and F to erect good buildings, but not enough difference to compel D to surrender his house and lot to either of them.

If F erected a \$60,000 house on his lot, renting for four and one-half times as much as does D's house (as explained in a precedent note), he would receive therefor \$7,200, out of which he would pay for repairs, etc., \$2,400, and a tax on the remainder (\$4,800) of about \$300, leaving him a net sum of \$4,500, or about six and two-fifths per cent. on the aggregate cost of his house and lot.

If he owned three such houses, aggregating \$210,000 inclusive of the value of the lots, he would receive in rent therefor \$21,600, and pay for repairs, etc., thereon \$7,200; and in taxes on the remainder (\$14,400) \$2,350,* leaving him \$12,050 net, or five and three-quarters per cent. on the whole investment of \$210,000.

This progression of decreased earnings would continue until an income, exclusive of taxation, of \$100,000 were reached, when \$40,000 thereof would be taken in taxes; and, as before stated, when \$1,000,000 were reached, \$900,000 thereof would go back to the people whence it came, and all in excess of \$1,000,000 would be wholly taken. As elsewhere stated, if deemed to be wise, the industrious "producer" might, at this point, receive a pension from the government in lieu of his "produce." If the legacy tax were in operation, whereby no one could inherit above \$500,000, and if the graduated income tax were made the legal system of taxation, whereby no one

* This would be at the same ratio of progression over \$10,000 as under that amount. A greater ratio, however, might begin at \$10,000.

could receive an annual income in excess of \$100,000, how long would the sugar "trust," steel rail "trust," dressed beef "trust," anthracite coal monopoly, cottonseed oil "trust," telephone and telegraph monopolies, etc., etc., etc., continue?

How many railroad attorneys would be elected to the United States Senate? How many men, ignorant or regardless of the nation's needs, but who possess millions, who now sit in that legislative hall, playing at enacting laws for the people, would be thoughtfully allowed to remain at home, to play at pastimes they better understood? To sum up: Under our present system the following queries and answers will be found very useful:

"Are you wealthy?" "Yes." "You are a man of remarkable talents. You would succeed in any walk of life. As a lawyer, your keen, analytical mind would inevitably place you in the foremost rank of the world's great jurists. Your facility of speech, command of language, beautiful imagery, ready wit, apt illustrations, and dignified presence would conspire to elevate you to the highest rank of forensic advocates."

"Are you poor?" "Yes." "Why don't you work like other people, and save 'seed corn' from your earnings? Street graders are in demand, and you can obtain \$1.60 a day. Live frugally, and lay something by 'for a rainy day.'"

"Are you a manufacturer?" "Yes." "You should receive encouragement from the government in developing our 'infant industries.' What was your income last year?" "\$1,500,000." "You must practise rigid economy to enable you to live off that amount as comports with your station in life. Your representative in Congress has been derelict in his duty, in not having afforded you more protection. Instruct him to raise the tariff duty."

"Are you an operative?" "Yes." "You should be imprisoned for resisting a reduction in your wages. You receive ten dollars a week, and have employment for nine months in the year. In China, operatives receive only twenty-seven cents per day. You can amply afford, therefore, to submit to a reduction of ten per cent. Why should you dictate to your employer? He can 'run' his business to suit himself. Who are you, anyway? If you were not so extravagant, you could have a manufactory of your own in a few years."

Why continue? This is *not* a country of equal opportunities, nor can it be, until there be a maximum of wealth, and limitation in the quantity of land which one man can own or hold, established by law, and a graduated income and legacy tax supersede the present unjust modes of taxation.

EDUCATION.

Education, in its most comprehensive sense, means instruction of every kind and nature; but, as generally accepted, its meaning is confined to scholastic information. In this restricted sense I shall at first treat it.

Many urge that, if the masses were educated, all poverty would be abolished. These, certainly, are hobbyites. How an educated starving man could derive pleasure from graceful diction of Attic purity, which would relieve the pangs of hunger, they neither show nor attempt to prove. In truth, the more highly educated man is, the more intensely he enjoys or suffers. Hence, the educated poor man suffers anguish of mind of an intensified degree never experienced by the illiterate.

A given individual should receive an education commensurate with his natural mental faculties. To prosecute a university course merely because one's parents are

wealthy, is a monstrous absurdity. And yet how many send their sons to college, and their daughters to a seminary, simply because they have the means with which to defray the necessary expenses of tuition! The son returns singing odes from Homer, but ignorant of the tails of a plough. The daughter can thrum the piano, but knows not the shape of the washboard. Both are dissatisfied with their surroundings, and look upon their father and mother as illiterate and uncultured. They despise their humble homes, and are ashamed of their parents.

But are they capable of earning their own livelihood? No; they are educated fools. Manual labor they deem beneath them; mental proficiency is beyond their capacity. Thus are they useless but conceited drones.

Too much attention is given to, and time wasted on, the acquisition of comparatively useless knowledge. I have before me a prospectus of "A Young Ladies' Select Boarding School," in which it is stated that forty-two branches are there "thoroughly taught." The teaching may be "thorough," but the knowledge obtained by the pupils can barely exceed a mere acquaintance with the names of these forty-two branches.

It should be borne in mind that when a scholastic education alone has been acquired, its possessor is only fitted to learn, but has not yet learned, a profession or calling which would enable him to earn a livelihood.

Let us have more manual training, and less cobweb brushing; more experimental philosophy, less metaphysical learning.

In every ward in every city, and in every town, there should be established a public gymnasium, with library and reading-room attached. These would attract the young, and those who have but cheerless lodgings, from

the saloon, and protect them from its evil influence. Why do so many pass their evenings in the saloon? Chiefly because there is no other place open to them. Where can our youth at present take physical exercise, but in the street? Thus they develop into "corner boys" and "hoodlums," and ultimately organize themselves into whyo gangs. If in their tender years they could attend the gymnasium, without cost, and receive physical training, they would develop into healthy, robust men and useful-citizens, instead of being stunted, diseased in body, poisoned in mind, and vitiated in morals.

There should be, likewise, according to population, a public hall accessible at all times to the people, without cost, wherein political and public questions might be freely discussed. The highest duty of the citizen is to protect and maintain the state. This duty may call him to the battle-field or to the ballot-box. One is as important as the other. Every country has as much to fear from usurpers within, as from enemies without. To repel the latter, we are trained in the manual of arms; to thwart the designs of the former, we should be educated in the science of government.

Much attention has been recently given to so-called "ballot reform." On this subject, many legislative bills have been prepared, mostly based on the Australian system of voting. Yet it is quite defective. For, if one genuine ballot be surreptitiously secured by an intending briber, he can "mark" it in favor of the nominees for whom he is "working," hand it to the bribed voter with the instructions to deposit it in the ballot-box, and to fetch and give to him the *blank* ballot he (the voter) will receive from the polling clerk. The blank ballot so given will be evidence that the bribed voter deposited the "marked" ballot, as instructed, thus enabling the briber

to ascertain to a certainty that the vote he bought was deposited according to his wishes, and furnishing him with a blank ballot to be used similarly with the next bribed voter.

If we are sovereigns, we should vote openly, for it is a ridiculous spectacle to witness sovereigns repairing to hiding places for the purpose of exercising their sovereign will. If, on the other hand, we are not free, then we should have a secret ballot in order that we may become free.

For this purpose, the ballots now in use in New York are sufficiently well adapted, but the manner of casting them should be changed.

No booths should be allowed to be on the streets, nor any "workers" within one hundred yards of any polling place. The ballots should be furnished by the government to the number of, say, three complete sets to each voter, free; these to be obtained at the place of registry on the last day of registration. Voting should be compulsory, and, in like manner, every registered voter should be compelled to obtain the ballots, as stated.

To prevent the possible disfranchisement of any voter, by reason of neglect to obtain, or having lost his ballots, a limited number of ballots should be kept at each polling place, to meet such contingencies.

Each voter should be required to enter a private room, or enclosure, at the voting place, and to there finally select the ballots he desired to vote. No person, official or otherwise, should be allowed to enter, or to be present in, this private room, or enclosure, while any voter, or intending voter, was therein; except in the case of illiteracy on the part of the voter, and at his special request, duly authorized officers should assist him in selecting his ballots, by simply reading to him the printed matter

thereon. But this would be very seldom necessary, as such a voter would almost invariably have some acquaintance perform such service for him in his own home, before leaving it for the purpose of voting.

Thus would the voter be enabled to select his ballots in the privacy which his home affords, and deposit them with a degree of secrecy unknown to the Australian system.

THE PRESS.

Any one can, in the opinion of most men, properly edit and conduct a newspaper, except one class—the editors. No man is so stupid as to be unable to find fault with the daily press.

Yet, in truth, no calling or profession requires so much general and varied knowledge as does journalism. Its field is the globe, its scope humanity.

A newspaper is a camera obscura and a mirror faithfully delineating and reflecting, in their natural colors, every phase of life. If the "subject" be deformed, the likeness, while true, will not be pleasing. This would be the ideal newspaper. But to have such, ideal readers, as well as ideal editors, are required. To have the latter without the former would not be, perhaps, a blessing.

Peruse the leading journal of any community, and no great difficulty will be experienced in determining the pursuits, characteristics, intelligence, and refinement of its members. For newspapers, if successful, are not conducted for the purpose of affording an opportunity to its owner or editor of publishing his own peculiar views. Frequently the views therein expressed are not believed in by their writers. Is this wrong? It may or may not be. Stating absolute untruths as unqualified truths, would undoubtedly be wrong; but stating what a majority believe to be true, or what a considerable number of

professional or scientific men or the like hold to be true, though such be not acquiesced in by the editor, is certainly neither immoral nor in any way wrong. For an editor is a conduit through which flow the news and the opinions of others to the columns of his journal, which, in turn, becomes the medium of diffusion. He is also a public advocate, and his province is analogous to that of the legal advocate. The people, or rather so many thereof as constitute his readers, are his clients. To plead their cause, is his duty. That he should take his instructions from them, when those do not conflict with superior laws, is imperative. These instructions are ascertained by his subordinates—correspondents, interviewers, and reporters—and from correspondence submitted directly by the people. It is for him to weigh all these, that he may determine the consensus of public opinion. Hence, while the press does not usually create public opinion from original ideas, it does create public opinion by synthetically treating private opinions and promulgating the resultant. Therefore, the editor of a great daily should be possessed of a discriminative mind, mature judgment, perceptive abilities of the first order, thorough knowledge of current affairs; and, above all, be free from prejudice begotten by ignorance or spleen. When an editor imports his private grievances into the columns of his journal, he ceases to be a public educator, and becomes a public scold.

The country press is subjected to much uncalled-for ridicule. It fulfils its mission equally as well as does the metropolitan. It treats on subjects of most interest to its readers, and what more can be said in favor of any newspaper? And as the city press inform their readers when it is summer and when it is winter, when it is a hot day and when it is a cold one; so do the country papers

inform the farmers when the frost is out of the ground, when ploughing should begin, when the crops are ripe and when they should be harvested. But is it not true that a city reader will, while sweltering, read a column article on the intense heat and consequent suffering? If it were otherwise, the article would not have been written. And so of the news in the country papers.

The greatest mistake, I apprehend, made by the hypercritical, relative to the press, is that they regard it as a philanthropic institution instead of a business enterprise. Men who would "sand" sugar, "water" milk, and deliver only 1,750 pounds of coal for a ton, lose their patience with any shortcomings in the press.

But probably the greatest defect in the press is the close connection which exists between the editorial and the counting-room. It would be, unquestionably, an advantage to journalism, and therefore to the people, if the "leaders" were prepared by writers who were not connected with any particular journal. These, under such circumstances, might be written with that degree of exactitude which the editor, under the present system, cannot possibly attain.

This is the more desirable, as the press is the only remaining barrier between corporate wealth and the masses.

Much is alleged by certain labor reformers against the "capitalistic press." So far as I have been enabled to ascertain, I think the charges are unfounded. I have before me fifty-six representative papers—that is, papers wielding the greatest influence and having the largest circulation in the United States—and in only seven of them is there any doubt as to their sympathies and influence being on the side of labor. Two of the seven are doubtful, and only five oppose the demands of labor.

It is well for labor that there are "capitalistic" jour-

nals which champion their rights ; for great combinations known as monopolies and trusts, as well as the moneyed power in general, care but little about what the labor organs state. They care equally as little for our courts. But what they do fear is being pilloried by the great dailies. This fact workingmen should learn, and cease their undeserved abuse.

On political questions, most of the journals are very unreliable, being organs of some particular party or faction ; and, hence, their utterances flow in accord with party currents, regardless, not infrequently, of facts or truth. But, in this respect, who are primarily responsible ? Reputable business men, and leaders of our "best society." It was not the press that forged extracts from alleged foreign newspapers for the purpose of deceiving ill-informed voters, but our wealthiest wholesale merchants. It is not a matter of surprise that some journals are venal, but rather that there are so few.

Few journals can afford to be independent in politics. Only those of great circulation, and whose advertising patronage is extensive, can successfully resist party entanglement and inthrallment. One such journal renders more and greater services to the cause of liberty than do ten thousand controlled by party leaders.

But with all its defects, with all its shortcomings, the press is the grandest achievement of modern civilization. When it declines, freedom's sun will forever sink.

THE CHURCH.*

The Church occupies so important a place in the government of a nation, as to merit more attention at the hands of political economists than has yet been bestowed.

* Some of the views set forth in this chapter first appeared in an article contributed by me to the *New York Weekly Witness*.

Her teachings and her educational influences must be conducive either to beneficial results or to detrimental effects. She is not a passive agent ; therefore, her efforts cannot be nugatory.

As an economic institution, the Church is a most potent factor in the problem of society. She wields an authority not exercised by any other power in the state. She reaches man's conscience, and educates his moral faculties.

But are her theological doctrines true ? In a word, is religion a myth ?

How can the unknown be demonstrated to be true ? How can the unknown be proved to be false ?

Religion is based upon infinity. How can a finite mind comprehend that which is infinite ?

If we cannot comprehend a cause, we may fully understand its effects. What is gravity ? What is that subtle though powerful force which impels the planets on their course ? A sailor will frequently slide down a halyard or a stay. Does he ever attempt to slide up the ratlines ? Why not ? Does he understand what gravity is ? No ; but he understands its effects.

So, too, of countless other physical facts. We cannot comprehend their cause : we are familiar with their effects. In this light, it seems to me, we should consider religion, at least when treating it economically.

Does religion tend to promote the welfare of the people ? Does it enable those afflicted with misfortune to endure and to triumph ? Does it aid the authorities in repressing the tide of devastation which flows from man's unbridled passions ? If man does wrong, is it because he follows the teachings of the Church, or because he ignores her counsels, disobeys her injunctions, and her precepts, contemns ?

The Church is the conservator of the home, and that is the foundation of the state. Withdraw it, and the whole social fabric would collapse.

Many complain that only the wealthy can attend the church, in our large cities. While it is true we have churches that are more exclusive than is consonant with the teachings of revealed religion, it is also true that there is ample accommodation accessible to all. Nor does it seem to me to be just cause for complaint if the occasional worshipper cannot occupy the best pew in a given church, which has been rented by another for his own and his family's use. To maintain a church, funds are necessary. Renting pews seems to be the most convenient and most certain method of obtaining them. Why, then, should not he who supports a particular church in this manner have the right, before all others, to the use of a pew so paid for by him? Equity demands it; common-sense teaches it. It would be well, however, if all the churches had a certain number of pews or seats set aside for the use of strangers. Those should be in different parts of the edifice, and not grouped, so as to relieve their temporary occupiers from embarrassment experienced by the sensitive when occupying free seats which are readily distinguishable, and therefore known, or believed to be known, to all.

Those who complain most loudly against the Church for seeming indifference to the poor are they who, for the most part, are almost continuous strangers to the inside of any church.

The Church could do much toward attracting worshippers, if a reading and conversational room were attached to each. I am speaking of a large city, which, as Bacon truly says, is a great wilderness to those whose acquaintances are but few. Above all, these rooms should

be devoid of "style," and should be accessible to all; whether apparelled in broadcloth or dressed in smocks. No patronizing air should chill their atmosphere.

But the Church, like every other institution, goes marching grandly on the highroad of progress, and is ever in the van.

Free-thinkers, and those who consider it a mark of intellectual superiority, charge the Church with being non-progressive.

If their accusation refer to the essentials of religion—to its tenets and dogmas of faith—they, though unconsciously, bear witness to that which religion's votaries claim for it. For religion, according to its devotees, is but another name for truth. Now, truth is not progressive: What it was at creation's dawn, that it is, and will ever be throughout all time, throughout eternity. Religion cannot accommodate itself to the whims, caprices, vagaries, and idiosyncrasies of man, for truth knows no compromise.

If, on the other hand, the accusation refer to the non-essentials of religion—to the ministrations and discipline of the Church—then it is untrue; for the Church ever adapts herself, in these matters, to surrounding circumstances. By whatever name she may have been known, she has been at all times the custodian of knowledge, the trustee of ideas, garnered and gathered throughout the ages. These treasures she has ever guarded with a mother's zealous care, handing them down to successive generations.

Those who charge the Church with ignorance do not seem to realize the fact that what little knowledge they do possess is due and owing to the Church which they assail and condemn.

These self-styled advanced thinkers divide believers in

revealed religion into two classes—the learned, but cunning, designing hypocrites and superstitious fools.

But who can judge of one's motives except by his acts? He, and he only, who can delve into the innermost recesses of the human heart, and pervade the secret windings of the human mind. But as no man possesses these pre-requisite, penetrative powers, it follows that all of us can judge only by the acts which are the external manifestations of the motives which are within. Let us apply this test to the learned votaries of religion.

Missionaries of the Church—and I use the word in no sectarian, but in the generic sense—have braved and endured the rigors of arctic regions; have traversed the burning sands of torrid climes; have planted the cross on every hill-side in Asia; have penetrated the wilds, the fastnesses of the Dark Continent—and wherever a human being has been found, regardless of the color of his skin, without regard to the standard of his intelligence, thither have gone these emissaries of the Church of God. Who so blind to facts, who so unjust, so cruel in judgment, as to say that these intelligent men, these learned men, these noble men, in prosecuting their self-imposed, self-sacrificing labors, were actuated by ignoble hypocrisy?

The accusation that only the ignorant are sincere worshippers, viewed in the light of the lamp of experience, judged by the facts of four thousand years, is found to be untrue. The greatest philanthropists, the grandest intellects, the mightiest minds, the most sublime geniuses, have bowed down before and worshipped at religion's shrine.

Let us turn our attention to that other class, designated by our scientific friends "superstitious fools."

Picture, in your imagination, a weeping mother, bending over the inanimate form of her first-born.

Go, men of science, condole with her on the lines of cold, materialistic laws. Inform her that there is no hereafter; that a belief in such is but a myth, invented by the learned hypocrites to gull the superstitious fools. Tell her that all that remains of her cherished darling is a cold clot of common clay! You but additionally wound that poor mother's heart, already broken.

Now, ministers of religion, approach that mother. Imbue her with religious faith. Her imagination is aglow. She hears angelic strains of cherubim and seraphim, celestial messengers summoning, welcoming, the spirit of her little one on high. She, with fervid vision, sees it rise, mount, soar through the azure vault of heaven's empyreal dome to the crystal throne of God. She hears the joyous mandate issue from the Most High: "Enter into the realms of eternal bliss, where sin and sorrow are unknown. Follow the Lamb whithersoever He goeth!" Her tears are dried, her grief assuaged; her heart, which but a moment before was filled with sadness, with anguish, with wretchedness and woe, is now the receptacle of gladness and of joy. From the depths of her soul she exclaims: "O grave, where is thy victory! O death, where is thy sting!"

Thus stands the Church, a beacon bright on Zion's mount, guiding the lonely wanderer through this world's dreary labyrinth.

Men of all creeds, men of no religion, ever remember that knowledge, not infrequently, is but another name for grief. And that

"Where ignorance is bliss,
'Tis folly to be wise."

O religion, if thou be a myth, what a beautiful, comforting, solacing myth thou art!

APPENDIX.

THE following descriptive account first appeared in the New York *World* written by "Nell Nelson," as the result of her investigations into the condition of the wage-earners whom she portrays.

By the kindness of the New York *World*, through the courtesy of its editor, Colonel John A. Cockerill, I am permitted to here reproduce it.

Let the reader observe that this is no exceptional case of hardship and of cruelty, for similar conditions prevail in every branch of industry.

Let him, therefore, ponder over it, with the hope that he may aid in devising means which would forever banish such scenes of degradation, misery, and wretchedness from civilization's pale.

For this reason only is this tale of woe here given, without material addition, alteration, or change.

I am pleased with the closing paragraph of the article, for it shows most conclusively that the wealthy are not devoid of heartfelt sympathy for the poor. I love to look upon nature when in her brightest decked. I love to dwell on man's virtues; I loathe to gloat over his vices. 'Tis the system, not the man, that is the object of my hate.

FINGERS WORN TO THE BONE.—WHITE SLAVES OF THE BOOKBINDERIES WORKING AT STARVATION WAGES.—TOILING NIGHT AND DAY WITHOUT REST OR ENOUGH TO EAT.

Poor little bindery girls! You have unwittingly robbed me of half my enjoyment of books, for I shall never again open a volume with-

out seeing your pale faces between the leaves and bemoaning the miserable condition to which circumstances have reduced you.

The following letter, written by an unhappy mother, led to an investigation that does little credit to American book concerns :

Knowing you have given a truthful account of the poor white slaves you met in factories, the girls I work with and myself as well wish you would try to get work in one of the large bookbinderies, where poor women only earn four dollars a week on the average. We have to cut up sheets of paper three times as large as the *World*, and fold each sheet three folds for thirty cents a thousand. I have two children and myself to support out of what I earn at that price, and no help from any other source. My husband is worse than dead, and I'm in very poor health. I can't go out to housework, because I am not able to stand long. Dear miss, do try to get into Lovell's bindery in Centre Street, or Alexander's in West Eighteenth Street, or one of the large binderies on Astor Place. Perhaps with the help of the working people's paper, the *World*, you may be able to get better wages for us poor book-folders and sewers, because we need help badly enough.

I suppose you won't put this in the paper without my name. Well, here it is ; but please don't print it, or I will not be able to get work in any bindery, and my children will starve to death.

MARY C.

— *East Thirty-ninth Street.*

Acting on the suggestion I applied for work at Grange's, in Duane Street ; at Little's, Lovell's, Brownson's and half a dozen other firms, in Astor and Lafayette Places—but all were too dull or too busy to bother with learners. In my rambles I met a host of girls, and not one with whom I talked was making more than fifty-five cents a day, improved machinery reducing the average per year to \$3.25 a week.

At G. W. Alexander's I was referred to the foreman, "Charley," a short brunette with black hair and mustache, foxy, bright eyes, and one of those penetrating, keen-scented noses that seem possessed of some latent sight. "Charley" looked me over and through, and directed me to Mrs. Kerns, the forewoman, whom I would find on the sixth floor. Mrs. Kerns lamented my ignorance of the book business, but told me I might begin in the morning. At eight o'clock I made my *début* into the book world, and Mrs. Joyce, a good-hearted, gray-haired woman, was told "to learn me" how to fold. I was given a tripod stool at a long, low table, where eight or nine girls were at work, and took my first lesson in folding an "American Literature," for which I used a paper-knife. The matter contained some delightful sketch of Nathaniel Hawthorne, which I was anxious to peruse, but Mrs. Joyce said "Never mind the readen ;" and the next time I lapsed, the busy dame removed temptation by giving me cyclopædia matter to fold, with "worms" as the theme. I was not sorry when an order came up to rush Edward Roe's "Miss Lou," for, to tell the truth, I did not enjoy either the cuts or sketches of the wriggling creatures. A small boy came round to sweep out, and for the rest of the hour I suffered from the real or imaginary violence done my organs of respiration. The girls came in one by one, looking so very pale and worn that I could not keep my attention on my work, and "Miss Lou" was clumsily handled. All the talk was about the previous night's work ; and in the hope that it may be of interest to the firm, here is a reproduction of the Tuesday morning conversation, but without names :

"Oh, I'm awful tired. I didn't get home till a quarter past nine o'clock, and it was so late when I had my supper that I couldn't get to sleep. I had bad dreams all night, and this morning my head aches fit to burst."

Another little girl, who lives across the river, said :

"I was afraid to get off the ferry because it was so late. I have a mile to walk to my house, and it was nearly ten o'clock when I got home. I brought three pieces of bread to-day for my supper, because my mother said I will get sick if I go so long without eating." This child, who is not yet done growing, leaves her home every morning at half-past six in order to be at the bindery by eight, and it is a positive fact that our criminals fare better than she does.

I worked up an intimacy with the girls by degrees, and ventured to ask if they did not receive extra pay for night work.

"Indeed we don't."

"But you are not obliged to work nights, are you?"

"No, they don't compel us to stay, but they're ugly enough if we leave at six o'clock. The work has to be done by some firm, and Alexander doesn't mind keeping us here at night if he can get all there is in the market."

"Why don't you petition Mr. Alexander to give you your supper?" I asked.

"Petition! Yes, I'd like to see you get up a petition of that sort. We'd sign it, wouldn't we, girls?"

A general expression of dissent was heard, and then followed opinions as to Mr. Alexander's treatment of the matter.

Opposite me sat Amelia, a quick-witted, indomitable worker, who folded sheet after sheet with almost lightning speed. She was about twenty-five years' of age, very agile in her movements, with big, bright eyes set in dark rings, and a slight body that was nothing but skin and bone. She told me she had been with the firm seven years, and found it impossible to make eight dollars a week. In the busy season she averaged \$1.25 a day, and very often her envelope for the two weeks contained but nine dollars. Constant stooping over the table had curved her neck and rounded her shoulders, and the pressure necessary to fold the heavy leaves had literally worn her fingers to the bone. All the lower joints of her right hand were blistered, and the left thumb had the side of the nail and flesh as completely worn away as though it had been whittled or sliced down.

Hurt? Poor Amelia! Every once in a while she would put the sore finger to her lips and wince painfully.

The girl at her side had, from constant rubbing against the sheets, torn the skin from both wrists for a distance of three inches above her palms.

Mrs. Joyce, the oldest hand in the establishment, had been at work for ten years, and in all that time has never made nine dollars a week. She has two daughters, one of whom, a girl of nineteen, is also a folder in the shop. With the slender earnings of mother and daughter, an aged mother and a girl of eleven, four in all, have to subsist, and Mrs. Joyce told me that she could not put by a farthing for a rainy day.

Discussing the problem of existence, she tried my faith by the declaration that "God Almighty looks after the poor working people, or this fine weather'd never keep up."

On my left sat "Todie." Todie had been working three weeks for nothing and expected to begin on her own time Thursday. One day she was ill and remained home, but there is no nonsense about the Alexander firm, and she was obliged to serve the full three weeks to a day before her name would be placed on the pay-roll. Previously she had been employed in a downtown office, but, thanks to the successful endeavors of the head clerk, was obliged to withdraw.

"I was very happy there," she said. "I had ten dollars a week and pleasant work, but it didn't last long. When I left I spent all the money I had saved advertising, but nobody answered. It took all my car-fare for postage-stamps, and last month I gave up trying and came here to learn the business. I don't work very fast, and don't expect to make over three dollars a week; but anything is better than nothing, you know."

At noon the girls arranged themselves in little tea parties, a tin pot full of strong tea forming the nucleus. They opened their lunch papers, and actually asked a blessing for the black bread and butter, or dry crackers, economically sandwiched with a slice of fatty ham or chip beef. Some of the girls sent out for a five-cent pie, or a couple of rolls "with lots of sugar on top."

Only thirty minutes' rest was allowed, during which time a girl from a lower floor and myself went out to get an apple and wash in Altman's across the way. When we got back I found Todie as pale as her tea-cup. She had not eaten a bit of lunch; her teeth chattered, and her slight frame shook with a chill. We moved her over in the sunny corner, rested her back against the brick wall, because there was not a chair in the place, and bundled her up in borrowed cloaks. Fearing she was going to be ill, I hurried to a drug store, and came back with a big dose of French brandy and a bottle of spirits of camphor. Poor Todie couldn't help herself, so we poured the brandy down her throat, and by way of a counter-irritant cooled her head with a shampoo of the camphor. All the girls lent a hand, and, after a system of well-meant mauling and chafing, we made a bunk of our coats and shawls and laid little Todie out on the floor, where she slept for three hours, with a hundred tongues and two hundred busy hands working for dear life and making noise enough to rouse the dead.

The rest of the afternoon was not without incident. Now and then some girl would borrow sympathy by telling us her ill luck. One had worked since eight o'clock and had forty cents to her account. Another entered fifty-five cents on her book, and her hands were raw and sore. New girls of two, four, and six months' experience slaved away for three dollars a week, and old hands had seven and nine dollars to their credit for the past fortnight. At five o'clock calculations were made for the night work, and lunch baskets and boxes rummaged for a crust or an apple-core to tide over the supper hour. On the fifth floor the outlook was gloomy enough; for while two

girls earned one dollar and seventy-five cents a day sewing at the machines, a dozen or more stood at their desks without employment. They were not at liberty to go home, either. Just before six o'clock the girls from the top floor staggered downstairs with armfuls of work, for which the pay was so very poor that they refused to take it, and all left for home.

On my way out I had the company of a slender girl, seventeen years of age, who worked all day in a ragged calico dress that left her thin little arms bare. Mary was tired. She had worked late the night before, and wanting a breath of fresh air, had offered to go to the bakery for a friend. The commission was five tea-biscuits, for which she gave Mary ten cents.

"Will you lend me the other five cents?" asked the messenger.

"Yes, if you'll pay back to-morrow." The terms were satisfactory, and on the way to the baker's shop we invaded the home of a friend, hoping to find something I could offer the hungry little folder for a supper; but the housewife was out, the cook and butler were at sword's point, and all I could collect was a handful of oyster crackers and a couple of bunches of grapes. Mary approved the menu, which was all I could possibly offer, for my purse was empty. But what a meal for eleven hours and a half!

Just fold up your paper for a minute, thinking reader, and picture yourself a book-maker working from eight in the morning until eight at night, with half an hour at noon, and a sandwich and a cup of tea at half-past twelve o'clock, and a dry biscuit or nothing at all at six o'clock! How does the feast strike you? What do you think of the system?

Or put yourself in Mary's place for the moment. That girl comes from Jersey City, from a home a mile or more beyond the ferry, where she helps a widowed mother to support a family of five small children. She is up at six o'clock every morning, and it is past nine when she gets back.

Wednesday morning the girls were not on hand before half-past eight o'clock, and the discontent was greater than the previous day because of the night work. Some of the stools were unoccupied, and not a few young heads ached. I was put on book-linings the first hour, and later folded fly-leaves, which paid one cent a thousand, and on which I realized five cents, that sum going to my tutor. I folded "Miss Lou" again until my arm got stiff, and then induced "Matie" to teach me how to paste, for which four cents per hundred was paid. I pasted eight cents' worth, and pasted all the beauty out of a five-dollar dress waist because I had no apron. Just as I was beginning to get up speed, as they say in stenography, "Charley" made his appearance with another man. Mr. Storm, for such was his name, had, with the valuable assistance of "Charley," a suspicion that I was not exactly a would-be bindery slave, and to my discomfiture asked, in a lugubrious tone of voice, if he might speak to me.

"Certainly, sir," rising as well as I could with my stiffened blouse and stiffer knees, to the level of the firm,

"It strikes me," he began, "that you are a reporter, and if you are we will be glad to show you all over our establishment and give you all the points you want."

"That would be very good of you. But if I am not a reporter, how would you like to let me work a little less than three weeks for nothing?"

"Three weeks is the time we require all new hands to serve. You see, it doesn't pay to have you 'round. You are taking up the room of an experienced worker, and we are very much crowded for space."

I ventured to say that Mrs. Joyce didn't think me useless, inasmuch as she objected when I asked to try pasting. But there was no use talking to the Storm-King, who is the nephew of the firm, and whose word is law. I had the alternative of working three weeks for nothing or quitting, and I chose the latter. From the girls I learned that Mr. Alexander was one of the oldest bookbinders in the city, and the most successful as well, and had the reputation of paying the poorest prices in the business.

"But he's awful nice," a girl getting seven dollars every two weeks told me, and my own eyes verified her statement. Personally he has what would be called a pleasing presence.

Perhaps Mr. Alexander doesn't recognize the author of the letter at the head of this article. Let me quicken his memory. All last summer she was in his employ, first in the *Century* building, later in the present quarters. She sat at a table immediately in front of the sewer pipe, where she contracted malaria from the then imperfect sewerage. At the suggestion of the dispensary physician she asked to have her seat removed to another section of the room, but was denied. Later she appealed to the forewoman for her week's earnings, as she was about to move, her lease of a wretched little room having expired. The favor was denied with emphasis, and the rules of the establishment administered with similar force. Now, these may seem slight matters, but they are synonymous with sickness and suffering to one family. The withholding of that \$4.70 till the expiration of the fortnight meant a week of privation and discomfort, and to this day the mother suffers from the malarial attack fostered in the bindery. Her name is Mary Conn.

Last evening I called on her, and I have felt depressed ever since. To a rear building on the east side I passed through a damp court, a foul-smelling hallway and up two flights of narrow steps, in search of the book-folder. Yes, she was at home. Just in from work, and drenched to the skin. She had taken off her dress to dry, and when I saw her she was literally in rags. The furniture of the room consisted of a stove, a chest of drawers, and a table on which the evening meal was spread—bread without butter and tea without milk. She had just paid seven dollars for the rent, and was without a dollar in the world. In the adjoining room, destitute of light and ventilation, were two children. The bed had broken down, and the little ones lay on the floor—one a girl of ten, who was telling herself a fairy story brimful of dolls and goodies, and a younger brother just recovering from the whooping-cough.

Here is Mrs. Conn's story in brief :

"I am wet to the bone, and sick as I can be with malaria that I took in Alexander's. If I only have my health, and can keep the children, I can get on some way ; but as it is, I'm running behind with my work, and if it gets cold we shall freeze. Willie has been very sick, and only for the physician at the dispensary I don't know what I should have done. I took off my flannel skirt and made him a little shirt, and now that he is getting better, I am feeling worse.

"My husband? Oh, he's insane—hopelessly, Dr. Murray says. He's in Ward 12 at the asylum, and I don't expect his life will be long spared. I have been trying to get a place in a private family or as a housekeeper, but nobody will take me with the children, and I won't put them in an asylum for anything or any one in this world. All the comfort I have is my little ones and the *World*. It's a good paper ; it's the poor people's paper."

What do you think of Mrs. Conn now, Mr. Alexander? She wants coal for the winter, shoes for herself and little ones, flannel underwear, two cloaks, two dresses, a suit of clothes for a boy of four, and money to pay for mending her bedstead and relining her cook-stove.

Before closing I would call attention to an institution for the benefit of poor working girls. Assisted by Mr. and Mrs. Cornelius Vanderbilt, Mr. and Mrs. Sloan, Mr. Steinway, and a member of the Madison Avenue R. P. Church, Dr. A. E. Kittredge has opened a working girls' society at No. 440 East Fifty-seventh street. The day I folded and cut spiritualistic boomerangs for forty cents per thousand sheets, I told the bindery girls all about the society, and, furthermore, I told them they would be welcomed as members. I told Lizzie that she could learn dressmaking ; told Mrs. Joyce the society would teach her how to cook food in a wholesome, economical manner ; told Todie the good ladies would help her to find some more congenial and decidedly more profitable work in an office, and I told Amelia that with her snap and vim, and the patronage of such women as Mrs. Vanderbilt and Mrs. Sloan, Mrs. Davis, Mrs. King, and Mrs. Kittredge, there would be no difficulty in bettering her condition.

SHORTHAND.

Text-Book and Instruction by mail to
master it, given by the author of
the system for **\$6.**

MOST POPULAR AND **EASY** METHOD.

Endorsed by 1,000 Graduates and Professional Stenographers.

Book alone, \$1.

D. L. SCOTT-BROWNE,

251 West 14th Street,

NEW YORK, N. Y.



3 2044 017 970 914

This book should be returned
to the Library on or before the last
stamped below.

A fine of five cents a day is incurred
by retaining it beyond the specified
time.

Please return promptly.

DUE DEC -7 '34

~~DUE JAN 31 '35~~

~~DEC 11 '54~~

