

## ECONOMIC TRUTHS TAUGHT BY THE SAN FRANCISCO FIRE.

A little over three years ago San Francisco was visited by a fire which in three days destroyed the entire business section of the city and several portions of the residence section. Much has been written on the horrors of this disaster and the wonderful faith and energy of the citizens who rebuilt the Pacific Coast metropolis in less than four years. It is now time to consider some of the economic lessons taught by the greatest calamity that ever befell an American city.

### I.

On April 21st, 1906, while the ruins of the stricken city were still burning, \$400,000 was offered for a choice location on Market street and promptly refused; and before the debris could be removed from any of the streets a wild scramble began all over the city for business sites.

Any one wishing to lease a lot down town paid from \$300 to \$1,500 per month, while locations in less desirable parts of the city brought from \$100 to \$300.

It should be remembered that these rents included no improvements; for miles in every direction there were no improvements; nothing but a dreary waste of broken brick, ruined walls and twisted iron greeted the eye. These rents were being paid for the use of *bare* land. Therefore, the theory urged by the Single Taxers for so many years, that ground rents are created by the community and not by the efforts of individual landlords, appeared to be unassailable.

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This school of economists have always claimed that the law of rent is as unchangeable as the law of numbers, and that as soon as communities commence to grow, a natural revenue is created, called by John Stuart Mill, "the unearned increment."

That this "unearned increment" should flow into the public treasury in lieu of taxes on industry, is the germ of the Single Tax philosophy, a truth that is slowly being accepted by thinking people all over the world.

It is one of the economic lessons of the great fire.

### II.

The second lesson taught by that fire may be summed up in one short sentence: When the situations to be filled outnumber the men looking for situations, then labor organizations are not needed to protect workingmen.

Considerable apprehension was indulged in by the citizens of San Francisco when the labor unions, taking advantage of the scarcity of labor of all kinds, commenced to raise their wage schedules; yet, strange to say, not a strike occurred in the building trades during the first year of reconstruction work.

To rebuild a great city required an army of workmen, and in a few weeks after the fire we were witnessing the peculiar spectacle of employers bidding against each other for employes. Contractors in order to secure the best artisans paid as high as \$7.00 and \$8.00 per day while a few paid as high as \$10.00. The union scale for carpenters before the fire was \$4.00, for plumbers \$5.00, and for brick layers \$6.00 per day.

In the crafts outside of the building trades the same labor famine existed. Culinary workers were immediately needed to cook for the army engaged in rebuilding the city, so Cooks' Union No. 44 raised their wage schedule from \$12.00 to \$18.00 per week, this being the minimum scale. The strike that had been feared did not occur. Many members of the Restaurant Keepers' Association paying as high as \$4.00 and \$5.00 per day for cooks.

Then some of the Japanese, employed in a number of hotels and cafes as dishwashers, decided to ask for \$10.00 per week, instead of \$1.00 per day, the prevailing wages. One restaurant keeper sought to intimidate his help by threatening discharge. "All right, we clean brick," was the reply. Towards the close of the first day's fire the authorities in charge of fighting it, decided to dynamite a majority of the large buildings. After the troops had been withdrawn from the burnt district, it was found that millions of bricks from these dynamited buildings were in good condition and only needed to be scraped free of mortar and sand. These hated and despised Japs had no labor organization back of them to enforce their demands for higher wages, but they did have access to working opportunities. Why should they wash dishes in hot kitchens at \$1 a day when they could earn \$2.00 a day working in the open air?

In the ruins, boys of all ages reaped a rich harvest by collecting scraps of melted copper, brass, lead and iron and selling it to junk dealers. For several weeks energetic boys earned as high as \$5.00 a day from this work.

Opening safes hoisted from the ruins was another occupation which required no capital; a crowbar, a sledge hammer and a permit from the chief of police was all that was needed.

One more illustration to show that what the "deserving poor" need is not charity, but an opportunity to help themselves: Many owners of wrecked buildings were glad to give away their ruined lumber to any one willing to carry it off, and backyards completely filled with charred lumber was no unusual sight; many refugees bought no fuel for over a year.

We have in America a school of political economists who continually advance the depressing doctrine that laborers can do nothing without capitalists; yet thousands of men during this time, with only a few dollars, started open-air eating places, fruit stands, and sandwich wagons, and sold notions and relics of the fire on every street corner.

At the end of three months these working opportunities were closed. All open-air merchants were ordered off the streets and vacant lots.

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For a few brief months, then, labor needed no protection from trade unions. Employers were hunting workmen instead of workmen hunting employers.

All this suggests the fundamental weakness of labor organizations—their inability to provide work for unemployed members.

As the late Jas. S. Reynolds used to say: "You may beat and kill scabs and still the unemployed will be with you."

### III.

In considering the third lesson of the San Francisco fire, a reference to one of the principal teachings of socialism is necessary, namely, that under the present system men are continually forced into vocations for which they are unfitted.

This is true. It is also true that a great many American boys no longer have an opportunity to learn a trade.

But organized labor is not at fault, as charged by the adversaries of organized labor. The cause is an oversupply of labor relatively to working opportunities.

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Pick up any daily, and the "situations wanted" always outnumber the "help wanted" advertisements. For a man to secure work through the newspapers he must pay for this privilege, while the employer secures all the labor he wishes free.

Socialists say that the proper equilibrium can be restored by the government becoming the sole employer. Under this arrangement there would be no overproduction and it would be to the interest of the government to see that every boy

learned the trade for which he was naturally adapted.

On the other hand, Single Taxers maintain that this plan is economically unsound and also unnecessary to produce the equilibrium which both desire.

In support of the latter theory it will be remembered that after the San Francisco fire, anyone wishing work was able to find it without assistance from the government and without the aid of employment offices or newspaper advertising. For some time after the disaster, the leading employment agency in San Francisco offered to supply work to laborers and mechanics without charging the customary office fee. This was not done "to enable labor and capital to rebuild the city," but because no one would pay from \$2.00 to \$10.00 for a situation when the jobs to be filled outnumbered the men looking for jobs.

How often we hear it said that even with opportunities for labor increased, capital would still oppress labor. But employers of labor in San Francisco during the reconstruction period know who were the real dictators, while the demand for labor exceeded the supply. Men of all ages, not only found work, but found the employment for which they were fitted. Carpenters able to do inside finishing and cabinet work were not compelled to build barns and fences; plumbers whose specialty was steam fitting did not look for jobbing; cooks able to hold a chef's position did not work as second cooks or broilers.

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Just as an open sewer violates an important law of health, causing various diseases, so the violation for centuries of an economic law has resulted in the present unfair system of production and distribution. Would we banish the economic diseases, let us first open up nature's storehouse to the demands for work, by making it unprofitable to withhold land from use. If this does not avail, then meddlesome supervision of industry by government may fairly claim a trial.

### IV.

"Insufficient money in circulation is one of the causes of hard times." This is believed by many who are intelligent, and by many who are not intelligent. The statement should be changed to read: Insufficient opportunities for capital and labor to employ themselves, is the cause of hard times.

The remarkably short time required to rebuild San Francisco refutes the shortage of money fallacy, because it was shown that wherever there is

an opportunity for investment, capital will flow into that part of the country as quickly as water runs down hill. For a whole year after the disaster, capital was fairly dumped into San Francisco from all parts of the world. For once could be seen capital in its proper relation to labor, that is, as a partner in the production of wealth. These two factors, co-operating with a third factor, land, rebuilt a metropolis in an incredibly short time.

Why, then, does the firm of Labor & Capital have so much difficulty in getting at land? There can be but one answer—Landlordism. Land capitalism, if that term seems any better to define landlordism in its modern guise. Whether the land owner holds idle a valuable building site, a piece of timber or agricultural land, or a coal mine, he is the real obstacle who prevents Messrs. Labor & Capital from engaging in productive enterprise.

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All praise to capital and labor, for these are the forces that have rebuilt a second metropolis by the Golden Gate. The landlords furnished nothing; not even the land, for that was here before landlords were created.

V.

The high wages paid in San Francisco during its reconstruction, together with steady employment, enabled thousands of land-hungry men and women to become home owners.

In the two years following the fire, several large tracts of land in the suburbs of the city, which had been used as dairy ranches, were subdivided and offered to the public on "easy terms." Large numbers of refugees, after living for a few months in the tents or in the two-room "shacks" built by the relief committee in the public parks, managed to save enough respectively to erect a small unfinished dwelling on their own lots in one of the outside tracts.

These lots, generally 25x100 feet, were valued at from \$250 to \$750, and are still being paid for on the installment plan—\$25.00 down and \$10.00 per month being the most liberal terms offered by the real estate companies. Visit Ingleside, Ocean View, Columbia Heights, Glen Park, Visitation Valley or any other outlying section, and you will find a land-loving, liberty-loving people, working out the problems of life in their own homes, free from the worry of rent day. A large number of these families raise all their garden vegetables in the rear of their homes.

"South of Market," portions of which in the past were densely populated, is now being largely used for manufacturing and business purposes. Very few families who were burned out and who later secured homes in the suburbs, have returned to the heart of the city, although by so doing they would save car fare and much time going to and from their daily tasks.

This fact disproves the statement so often made that the working classes prefer the excitement of the slums and saloon. The home loving instinct will always remain the predominant traits in a woman's nature regardless of what class she belongs to, and the rented place for a number of reasons can never become the ideal home.

ARTHUR H. DODGE.

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## NEWS NARRATIVE

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**To use the reference figures of this Department for obtaining continuous news narratives:**

Observe the reference figures in any article; turn back to the page they indicate and find there the next preceding article, on the same subject; observe the reference figures in that article, and turn back as before; continue until you come to the earliest article on the subject; then retrace your course through the indicated pages, reading each article in chronological order, and you will have a continuous news narrative of the subject from its historical beginnings to date.

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Week ending Tuesday, September 7, 1909.

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### The North Pole Reached at Last.

Within five days of each other, two men have just come down from the very far North, into touch with the civilization that is unified by telegraphic apparatus; and each man has announced that, separately from the other, he has visited the hitherto unattained North Pole.

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The American afternoon papers of the 1st contained a startling telegram addressed by the captain of the Hans Egede, a government steamer running from Greenland to Denmark, to the Danish Colonial office. This telegram, which had been filed at Lerwick in the Shetland Islands at noon on the 1st, announced:

We have on board the American traveler, Dr. Cook, who reached the North Pole April 21, 1908. Dr. Cook arrived at Upernavik [the northernmost Danish settlement in Greenland, on an island off the west coast] in May of 1909 from Cape York [in the northwest part of Greenland, on Baffin Bay]. The Eskimos of Cape York confirm Dr. Cook's story of his journey.

A telegram from Dr. Frederick A. Cook to Director Lecointe of the Brussels Observatory, sent at the same time and from the same place, but made public later, stated:

I reached the North Pole on April 21, 1908. I dis-