

CHAPTER V.

The Fruits of Monopoly.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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