

CHAPTER VI.

THE WRONG IN EXISTING SOCIAL CONDITIONS.

THE comfortable theory that it is in the nature of things that some should be poor and some should be rich, and that the gross and constantly increasing inequalities in the distribution of wealth imply no fault in our institutions, pervades our literature, and is taught in the press, in the church, in school and in college.

This is a free country, we are told—every man has a vote and every man has a chance. The laborer's son may become President; poor boys of to-day will be millionaires thirty or forty years from now, and the millionaire's grandchildren will probably be poor. What more can be asked? If a man has energy, industry, prudence and foresight, he may win his way to great wealth. If he has not the ability to do this he must not complain of those who have. If some enjoy much and do little, it is because they, or their parents, possessed superior qualities which enabled them to "acquire property" or "make money." If others must work hard and get little, it is because they have not yet got their start, because they are ignorant, shiftless, unwilling to practise that economy necessary for the first accumulation of capital; or because their fathers were wanting in these respects. The inequalities in condition result from the inequalities of human nature, from the difference in the powers and capacities of different men. If one has to toil ten or twelve hours a day for a

few hundred dollars a year, while another, doing little or no hard work, gets an income of many thousands, it is because all that the former contributes to the augmentation of the common stock of wealth is little more than the mere force of his muscles. He can expect little more than the animal, because he brings into play little more than animal powers. He is but a private in the ranks of the great army of industry, who has but to stand still or march, as he is bid. The other is the organizer, the general, who guides and wields the whole great machine, who must think, plan and provide; and his larger income is only commensurate with the far higher and rarer powers which he exercises, and the far greater importance of the function he fulfils. Shall not education have its reward, and skill its payment? What incentive would there be to the toil needed to learn to do anything well were great prizes not to be gained by those who learn to excel? It would not merely be gross injustice to refuse a Raphael or a Rubens more than a house-painter, but it would prevent the development of great painters. To destroy inequalities in condition would be to destroy the incentive to progress. To quarrel with them is to quarrel with the laws of nature. We might as well rail against the length of the days or the phases of the moon; complain that there are valleys and mountains; zones of tropical heat and regions of eternal ice. And were we by violent measures to divide wealth equally, we should accomplish nothing but harm; in a little while there would be inequalities as great as before.

This, in substance, is the teaching which we constantly hear. It is accepted by some because it is flattering to their vanity, in accordance with their interests or pleasing to their hope; by others, because it is dinned into their ears. Like all false theories that obtain wide acceptance, it contains much truth. But it is truth isolated from other truth or alloyed with falsehood.

To try to pump out a ship with a hole in her hull would be hopeless; but that is not to say that leaks may not be stopped and ships pumped dry. It is undeniable that, under present conditions, inequalities in fortune would tend to reassert themselves even if arbitrarily leveled for a moment; but that does not prove that the conditions from which this tendency to inequality springs may not be altered. Nor because there are differences in human qualities and powers does it follow that existing inequalities of fortune are thus accounted for. I have seen very fast compositors and very slow compositors, but the fastest I ever saw could not set twice as much type as the slowest, and I doubt if in other trades the variations are greater. Between normal men the difference of a sixth or seventh is a great difference in height—the tallest giant ever known was scarcely more than four times as tall as the smallest dwarf ever known, and I doubt if any good observer will say that the mental differences of men are greater than the physical differences. Yet we already have men hundreds of millions of times richer than other men.

That he who produces should have, that he who saves should enjoy, is consistent with human reason and with the natural order. But existing inequalities of wealth cannot be justified on this ground. As a matter of fact, how many great fortunes can be truthfully said to have been fairly earned? How many of them represent wealth produced by their possessors or those from whom their present possessors derived them? Did there not go to the formation of all of them something more than superior industry and skill? Such qualities may give the first start, but when fortunes begin to roll up into millions there will always be found some element of monopoly, some appropriation of wealth produced by others. Often there is a total absence of superior industry, skill or self-denial, and merely better luck or greater unscrupulousness.

An acquaintance of mine died in San Francisco recently, leaving \$4,000,000, which will go to heirs to be looked up in England. I have known many men more industrious, more skilful, more temperate than he—men who did not or who will not leave a cent. This man did not get his wealth by his industry, skill or temperance. He no more produced it than did those lucky relations in England who may now do nothing for the rest of their lives. He became rich by getting hold of a piece of land in the early days, which, as San Francisco grew, became very valuable. His wealth represented not what he had earned, but what the monopoly of this bit of the earth's surface enabled him to appropriate of the earnings of others.

A man died in Pittsburgh, the other day, leaving \$3,000,000. He may or may not have been particularly industrious, skilful and economical, but it was not by virtue of these qualities that he got so rich. It was because he went to Washington and helped lobby through a bill which, by way of "protecting American workmen against the pauper labor of Europe," gave him the advantage of a sixty-per-cent. tariff. To the day of his death he was a staunch protectionist, and said free trade would ruin our "infant industries." Evidently the \$3,000,000 which he was enabled to lay by from his own little cherub of an "infant industry" did not represent what he had added to production. It was the advantage given him by the tariff that enabled him to scoop it up from other people's earnings.

This element of monopoly, of appropriation and spoliation will, when we come to analyze them, be found largely to account for all great fortunes.

There are two classes of men who are always talking as though great fortunes resulted from the power of increase belonging to capital—those who declare that present social adjustments are all right; and those who denounce capital

and insist that interest should be abolished. The typical rich man of the one set is he who, saving his earnings, devotes the surplus to aiding production, and becomes rich by the natural growth of his capital. The other set make calculations of the enormous sum a dollar put out at six per cent. compound interest will amount to in a hundred years, and say we must abolish interest if we would prevent the growth of great fortunes.

But I think it difficult to instance any great fortune really due to the legitimate growth of capital obtained by industry.

The great fortune of the Rothschilds springs from the treasure secured by the Landgrave of Hesse-Cassel by selling his people to England to fight against our forefathers in their struggle for independence. It began in the blood-money received by this petty tyrant from greater tyrants as the price of the lives of his subjects. It has grown to its present enormous dimensions by the jobbing of loans raised by European kings for holding in subjection the people and waging destructive wars upon each other. It no more represents the earnings of industry or of capital than do the sums now being wrung by England from the poverty-stricken fellahs of Egypt to pay for the enormous profits on loans to the Khedive, which he wasted on palaces, yachts, harems, ballet-dancers, and cart-loads of diamonds, such as he gave to the Shermans.

The great fortune of the Duke of Westminster, the richest of the rich men of England, is purely the result of appropriation. It no more springs from the earnings of the present Duke of Westminster or any of his ancestors than did the great fortunes bestowed by Russian monarchs on their favorites when they gave them thousands of the Russian people as their serfs. An English king, long since dead, gave to an ancestor of the present Duke of Westminster a piece of land over which the city of London

has now extended—that is to say, he gave him the privilege, still recognized by the stupid English people, which enables the present duke to appropriate so much of the earnings of so many thousands of the present generation of Englishmen.

So, too, the great fortunes of the English brewers and distillers have been largely built up by the operation of the excise in fostering monopoly and concentrating the business.

Or, turning again to the United States, take the great fortune of the Astors. It represents for the most part a similar appropriation of the earnings of others, as does the income of the Duke of Westminster and other English landlords. The first Astor made an arrangement with certain people living in his time by virtue of which his children are now allowed to tax other people's children—to demand a very large part of their earnings from many thousands of the present population of New York. Its main element is not production or saving. No human being can produce land or lay up land. If the Astors had all remained in Germany, or if there had never been any Astors, the land of Manhattan Island would have been here all the same.

Take the great Vanderbilt fortune. The first Vanderbilt was a boatman who earned money by hard work and saved it. But it was not working and saving that enabled him to leave such an enormous fortune. It was spoliation and monopoly. As soon as he got money enough he used it as a club to extort from others their earnings. He ran off opposition lines and monopolized routes of steamboat travel. Then he went into railroads, pursuing the same tactics. The Vanderbilt fortune no more comes from working and saving than did the fortune that Captain Kidd buried.

Or take the great Gould fortune. Mr. Gould might have got his first little start by superior industry and superior

self-denial. But it is not that which has made him the master of a hundred millions. It was by wrecking railroads, buying judges, corrupting legislatures, getting up rings and pools and combinations to raise or depress stock values and transportation rates.

So, likewise, of the great fortunes which the Pacific railroads have created. They have been made by lobbying through profligate donations of lands, bonds and subsidies, by the operations of *Crédit Mobilier* and *Contract and Finance Companies*, by monopolizing and gouging. And so of fortunes made by such combinations as the *Standard Oil Company*, the *Bessemer Steel Ring*, the *Whisky Tax Ring*, the *Lucifer Match Ring*, and the various rings for the "protection of the American workman from the pauper labor of Europe."

Or take the fortunes made out of successful patents. Like that element in so many fortunes that comes from the increased value of land, these result from monopoly, pure and simple. And though I am not now discussing the expediency of patent laws, it may be observed, in passing, that in the vast majority of cases the men who make fortunes out of patents are not the men who make the inventions.

Through all great fortunes, and, in fact, through nearly all acquisitions that in these days can fairly be termed fortunes, these elements of monopoly, of spoliation, of gambling run. The head of one of the largest manufacturing firms in the United States said to me recently, "It is not on our ordinary business that we make our money; it is where we can get a monopoly." And this, I think, is generally true.

Consider the important part in building up fortunes which the increase of land values has had, and is having, in the United States. This is, of course, monopoly, pure and simple. When land increases in value it does not mean that its owner has added to the general wealth. The

owner may never have seen the land or done aught to improve it. He may, and often does, live in a distant city or in another country. Increase of land values simply means that the owners, by virtue of their appropriation of something that existed before man was, have the power of taking a larger share of the wealth produced by other people's labor. Consider how much the monopolies created and the advantages given to the unscrupulous by the tariff and by our system of internal taxation—how much the railroad (a business in its nature a monopoly), telegraph, gas, water and other similar monopolies, have done to concentrate wealth; how special rates, pools, combinations, corners, stock-watering and stock-gambling, the destructive use of wealth in driving off or buying off opposition which the public must finally pay for, and many other things which these will suggest, have operated to build up large fortunes, and it will at least appear that the unequal distribution of wealth is due in great measure to sheer spoliation; that the reason why those who work hard get so little, while so many who work little get so much, is, in very large measure, that the earnings of the one class are, in one way or another, filched away from them to swell the incomes of the other.

That individuals are constantly making their way from the ranks of those who get less than their earnings to the ranks of those who get more than their earnings, no more proves this state of things right than the fact that merchant sailors were constantly becoming pirates and participating in the profits of piracy, would prove that piracy was right and that no effort should be made to suppress it.

I am not denouncing the rich, nor seeking, by speaking of these things, to excite envy and hatred; but if we would get a clear understanding of social problems, we must recognize the fact that it is due to monopolies which we permit and create, to advantages which we give one man

over another, to methods of extortion sanctioned by law and by public opinion, that some men are enabled to get so enormously rich while others remain so miserably poor. If we look around us and note the elements of monopoly, extortion and spoliation which go to the building up of all, or nearly all, fortunes, we see on the one hand how disingenuous are those who preach to us that there is nothing wrong in social relations and that the inequalities in the distribution of wealth spring from the inequalities of human nature; and on the other hand, we see how wild are those who talk as though capital were a public enemy, and propose plans for arbitrarily restricting the acquisition of wealth. Capital is a good; the capitalist is a helper, if he is not also a monopolist. We can safely let any one get as rich as he can if he will not despoil others in doing so.

There are deep wrongs in the present constitution of society, but they are not wrongs inherent in the constitution of man nor in those social laws which are as truly the laws of the Creator as are the laws of the physical universe. They are wrongs resulting from bad adjustments which it is within our power to amend. The ideal social state is not that in which each gets an equal amount of wealth, but in which each gets in proportion to his contribution to the general stock. And in such a social state there would not be less incentive to exertion than now; there would be far more incentive. Men will be more industrious and more moral, better workmen and better citizens, if each takes his earnings and carries them home to his family, than where they put their earnings in a "pot" and gamble for them until some have far more than they could have earned, and others have little or nothing.