

## APPENDIX.

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### A BILLIONAIRE'S BENEVOLENCE, AND HOW IT WENT ASTRAY.

#### I.

John Morrow came home happy. He was so pleased he could hardly contain himself, and picking up little Clara, who was playing on the floor near the door, he rushed in to his wife, busy preparing supper, with the exclamation:

"Say, Mary, has anyone told you of Billionaire Skinner's gift to Detroit?"

"He isn't going to erect the Cadillac monument, is he?" answered Mary, "or build the big convention hall? or buy up the street railway system and make it a gift to Detroit?"

"Naw, no such wildcat schemes," John replied disgustedly. "Skinner has written to the papers saying that he has arrived at a time of life when the good of the whole people appeals to his consideration, and he is resolved to do something of immediate and permanent value to the working people. You know he commenced life a poor boy, and all his biographers say he actually worked for \$4 a month. Whatever he has, he is legally entitled to."

"But has this good streak struck in far enough to reach us?" queried Mary.

"You bet it has," replied John, "and it's going to fix us so we'll be able to save some money and buy a home. Just listen to this in the paper. I bought one tonight, as the kids were making such a howl on the streets about it."

And John took the evening paper from his pocket, and drawing the lamp near him, began:

Millions for the poor. Billionaire Skinner makes a most lavish and astonishing gift to the working people of Detroit. He agrees to supply with free food every person working for a living. No string is attached to the present. Hereafter food in Detroit is to be absolutely free to the working classes, whom he calls wealth producers. The families of the wage-workers to share in the distribution.

"That's just the heading," remarked John. "The article is frightful long, and it tells just what you've got to do to get the food. You'll be given an order, after you've been investigated and registered, and can trade it for food just where you please."

But let's have supper first. We'll read the particulars afterwards. I'm hungry enough to eat a nigger's funeral, hearse and all."

John and Mary were not the only ones in Detroit, that night, to speculate over the announcement of the proposed food gift. Many considered it a hoax. But at last it dawned upon the community that soon there would be no private grocery bills for the working classes. What a relief, what freedom from worry. With the grocery bills taken care of, the rent account wouldn't be worth mentioning; and Clara, who had become tired of not being noticed and gone to sleep behind the stove, could have some new shoes, and dresses, and things. And then they could begin to save. No wonder they felt happy, and when the slumber god had closed their eyes, still no wonder that dreams of wealth flitted through the chambers of their memory, and revealed to them many a bright vision.

The excitement among the working people was nothing compared to the war which immediately began in the dailies as to Billionaire Skinner's definition of the term "wage-working classes." The papers also took sides as to whether the acceptance of the gift would or would not make paupers of all who participated. So also they were divided as to the ultimate result of the billionaire's benevolence. A writer in the Daily Morning Trespass concluded a long communication with these sage remarks:

It cannot be doubted in the light of these facts that Billionaire Skinner has at last discovered the correct method of distributing wealth in the manner that will bring the greatest number of blessings to the deserving poor. It is fully equal to the discovery of the philosopher's stone. The poor know how to work, but not how to save. Mr. Skinner, being possessed of the rare faculty of saving, he now adds to it the equally rare faculty of distributing. It is proper that each class should follow its separate bent—the wage-workers creating wealth, the Skinners distributing it. Thus is an equality produced at last, and it is only to be hoped that Mr. Skinner's benevolence will be copied by other billionaires, when the best solution at last of the labor problem will stand revealed. In the meantime it is the duty of the working classes to stop silly and stupid striking, and calmly await the benevolence of those who are their only true friends.

The Detroit Evening Revival was doubtful as to whether Mr. Skinner would have sufficient wisdom to differentiate the real workers from the inconsequential ones, as the editor was inclined to believe that the wealth producing classes were those who had the most wealth. X. P. Loiter, in a communication, took the same ground, and remarked:

If Billionaire Skinner will step into the office of Banker Rushkill, and see the amount of work he is compelled to perform each day clipping coupons and mailing letters to delinquent borrowers of the bank's funds, he would immediately see to it that Rushkill's name was put at the top of the list of wage-workers entitled to the free gift of food. It is wrong to suppose that only ditch-diggers are wage-workers or wealth producers.

Another attempted to draw the line between wage-workers and other wealth-producers, but became somewhat mixed when he described skill as capital, land as wealth, and labor as anything anybody could get for something or nothing. One extract will be sufficient:

All men are capitalists, and all are wage-workers and wealth producers. The mechanic's capital consists of his skill, the banker's of his bonds and money, the book agent's of his ability to so exhibit and describe his book as to make people desire it. All these occupations must be recognized by Billionaire Skinner in his gift, else he will be doing an injury to many deserving persons. Better that a few extra ones should come in on the distribution than that one deserving person should be excluded.

But Billionaire Skinner hacked his way out of the tangle by asserting that, while much that had been written might or might not be true, still he had his idea of what constituted a wage-worker, and he was going to make the distribution on his own lines. "Society has heretofore separated the people into classes," said he, "and I propose to follow the generally accepted idea of a wage-worker, as one depending on his daily toil for his daily bread, without which he would have no means of support. I admit that the line is not an absolutely fixed one, and that one class is continually changing into the other. The clerk in the bank becomes a banker, and the banker loses his grip and becomes a clerk. The printer at the case becomes a newspaper proprietor, or the owner of a job printing office, and he fails and again becomes a wage-worker. The clerk may work harder as a banker than he did as a clerk, and the same may be said of the printer. Yet both these men, and all the classes these men represent, when they become employers of labor, take themselves out of the wage-receiving class, and in part at least live on rent, interest, or profit. As such they are not entitled to, and will not get, a cent of my bounty."

## II.

It took considerably longer than was expected to inaugurate the reign of food without price. It had required an army of commissioners to report and settle upon the amount each family would need, for it was quickly found that there were as many standards of living as there were nationalities, and Skinner's bounty extended only to the point of providing the family of each worker with the amount and class of food which had heretofore been deemed by them ample to sustain life. Indeed, this part of the work was much more intricate than had been anticipated, and it emphasized the fact that one-half of the world did not know how the other half lived, and that what would satisfy one class of wage-workers was totally

inadequate for another. At last the tangles were all straightened out, however, and the day arrived when the grocery orders, which included meat, of course, were at the disposal of the wage-workers.

It is not necessary to go into details as to just how this complicated system was managed. Suffice it to say that the employers distributed the orders—under bond—and that the greatest difficulty was to see that they got just what they were entitled to, and that when a worker changed his employer the order quickly and properly followed.

John Morrow was a machine woodworker. He labored ten hours a day and received \$2 for the exertion. So his wage was considerably higher than that of the average worker, and his manner of living also somewhat above the average. In fact, his rate of life was so high that what to some were luxuries, to him and his family they were necessities. There were carpets on his floors, pictures on his walls, and by much self-denial he had managed to pay for a piano, in memory of his courting days, when Mary played for him. To keep things up and "live decently," as he expressed it, took about every cent he earned. Once or twice they had "got ahead" a little, but a siege of sickness, and later a still longer spell of hard times, had taken every cent. Still they were hopeful, and were sure, now that their food was to be given them, that the goddess of prosperity would smile upon them.

The manner in which Skinner had accumulated his billions was in no way peculiar. His parents were poor, and therefore honest, never having had the opportunity to exploit anybody. Circumstances took him, as a drover, many years ago, through a western mining state, and threw across his path a prospector, who, sick with fever, endeavored to show his gratitude for such careful nursing as circumstances would permit, by presenting Skinner with a deed of a prospective gold mine. No one knew whether or not there was gold in it in paying quantities, but Hiram Skinner liked the looks of the government seal on the document, and, after carefully laying away the prospector in mother earth, stuck it in his pocket, to show the children when he should go home. It lay around the house for a number of years, when one day an agent came and foolishly offered Skinner \$1,000 for it. If he had offered Skinner \$5 he would have got it, but the large sum made Skinner incline to the opinion that there must be some value to the document, and he declined to sell except for considerable cash down and a good stiff royalty on all the precious metal mined.

The fact was the promoter had rushed matters too fast with his prospective mining company. He had already incorporated, knowing Skinner's circumstances, and feeling sure that the

claim could be bought for a song. As he had to have it, he finally accepted Skinner's price, though with a heavy heart. He had expected to get the lion's share of the great discovery that Prospect mine, as it had been named, was one of the richest in the world.

Skinner was also shrewd, as well as possessing good common sense. He had kept his eyes open while tramping the western prairies as a drover, and he had some idea of the natural rise in land values where discoveries were made, and population congregated. So he quietly bought up every foot of land within reasonable distance of Prospect mine, and besides owning the site of the future town that grew up about it, was lucky enough to strike the ore-bearing ledge in several places. These in turn he incorporated as mining companies, so that, without being obliged to do a stroke of actual improving himself, Skinner had a huge income from what others did.

Prospect mine is now a thing of the past. Instead of the ore-bearing ledge going deeper and deeper, and widening, as is generally the case, by some freak of nature it had assumed the characteristics of a pocket, suddenly running out at the moment everything looked the most assuring for an indefinite length of life. Skinner got out from under the inevitable crash and tumble in the stock just in time. A chance remark he caught one day in a board of directors' meeting as to the way a new level had fooled the experts, the miners having suddenly lost the ore ledge, which was laid to a miscalculation easy to be remedied, led him to sell out every dollar of his stock in that particular region at the top notch. He invested half his wealth in government bonds, and the other half in vacant land in the neighborhood of growing cities, knowing that the natural increase of population would bring an increase in values that would return him a princely income. Between the bonds and the increased value of land, he had the necessary wealth to enable him to try the experiment in benevolence which Detroit was about to experience.

### III.

Other things had been happening while the preliminaries for getting the benefit of Billionaire Skinner's benevolence were being arranged. Long-headed employers had been enlarging their plants, and other manufacturers had been attracted to the city by the promise of food gratis for their employes, and they considered it not at all improbable that some of the benefits might be turned to their own profit. At least it was worth trying, it seemed to them, and in consequence there had been a marvelous increase in factories and other industries employ-

ing wage-workers. Laborers, too, had flocked in, and so great had been the influx of those seeking employment that the question of putting a good, stiff license on new comers, under the police power of the municipality, had been gravely discussed by the common council—at least as gravely discussed as their limited knowledge of economics would allow. To any such restrictions, however, Billionaire Skimmer objected. He had the means, he said, to take care of all who might come, and he was resolved that for ten years at least, food should be free to all of Detroit's working population.

John noticed that the number of applicants for jobs in his and the adjoining shops had considerably increased, and though employers considerably increased their force, yet many were unable to find anything to do. He felt sorry for the poor fellows, for unless they were employed they would have no share in Billionaire Skinner's benevolence, but he did not see how he could do anything for them. Perhaps some other billionaire in due time would follow Skinner's example, as suggested by the morning Trespass. That was what these billionaires were for. And so he whistled "Bonnie Annie Laurie" while at work, though in his mind he made it Mary and Clara instead of Annie Laurie.

It was about the fifth week in the reign of the new prosperity when John's foreman came to him one afternoon and, after speaking of the work, casually said:

"By the way, the old man" (meaning the employer), "wants to have a talk with you. Drop into the office when you quit work tonight."

"I wonder if I have spoiled anything!" soliloquized John. "But perhaps it's another cutter he wants me to try. There's always some new fangled labor-saving device on the market. I no more get used to one than I have to try another."

When the six o'clock whistle blew, John repaired to the office. The "old man" was working away at some plans for the interior finishings of a new county building, and motioning John to a chair, continued his work. Finally he put the papers aside, and turning around said:

"John, how long have you been with us?"

Peter Demott remembered perfectly just how long it was, but it seemed to him the easiest way of opening the conversation on the subject then uppermost in his mind.

"It will be eleven years next February," replied John. "I'll never forget the day nor the occasion. You see the job gave me the courage to propose and get married. You only hired seven of us then, and now you've got nearly a couple of hundred in your employ. I remember you telling me you were building your first house that you would own yourself. Let's see, you must own twenty-five or thirty now. The last one up on Grummond avenue is a dandy."

The conversation wasn't taking just the course that had been expected. Demott didn't want to talk of his own profits, but of John's wages. So it had to be switched back on the right track. To be sure he had prospered, but he had always paid the highest market price for labor, and the profits of his factory, he considered, he had rightfully earned.

"Yes, I've got a pretty heavy gang to work just now, and they keep me hustling scraping enough money together to pay them regularly. I pride myself that I have never yet let a payday pass without being square with my help. But I almost wish just now I hadn't so many on the pay-roll, for taxes are high and competition has reduced prices to just nothing. Many a job goes out of this shop on which I lose money, and——"

"Yes, and many a job goes out on which you double your money," laughingly remarked John. "You haven't built and paid for thirty or forty houses out of the profits of jobs on which you have lost money."

"Oh, I've made money some seasons, but times are different now," said Demott. "The fact is, things are getting so bad that I've got to begin to economize somewhere, or shut down and throw everybody out of work. I don't want to do that. The hands couldn't stand being out of work very long. You know they wouldn't get the benefit of Skinner's food gifts then. Why, I just counted it up, and found I had forty-nine applications for work today. Yesterday it was worse than that. I never before saw so many people out of employment. They tell me they are willing to work for almost anything, as they can get their food for nothing. I want to keep the shop running, to help out the boys, even if I don't make a cent. So I've been thinking the best thing to do is to make a little cut—not near as much as you save by Skinner's gift, however," Demott added, hastily, "and then I can compete in prices with the best of them. Suppose we make it \$9 a week after next payday?"

John kicked. The \$3 cut-off was about what he had been saving each week since he had been getting his food free. Now he saw his chance of getting ahead disappearing.

"Oh, shucks," he remarked. "You can pay as much as other mill men. I haven't heard of any cut anywheres else. If you cut down our wages old Skinner might just as well have given you the money instead of you distributing our food orders to us."

"Now don't be hasty," cautiously replied Demott. "The fact is the employing mill men had a meeting yesterday, and decided on a general reduction. There's so many men out of work that it is all foolishness paying princely wages"—with an accent on the word princely—"when we can get the same

amount of labor at decent prices, and so be in tiptop condition to compete with outside firms on outside jobs. We'll get more contracts, and you'll have more work. It's all for your benefit anyway. I like you first rate—haven't any fault to find with your work—Johnson—the foreman—“says you're the best man in the shop, and if you want to work for \$9 a week and have steady employment—that is, as steady as I have—stay right where you are, and you won't regret it.”

When John went home that night he had a face on him as long as the moral law. It was a decided change compared to the occasion when he made the joyful announcement to Mary of Billionaire Skinner's benevolence. Mary mourned with him, and at first counseled a strike, but after figuring up that \$3 a week would still remain of the billionaire's gift, John concluded to accept the reduction and keep to work.

The daily papers explained the general reduction of wages as only temporary, owing to a sudden and unfortunate stringency in the money market, when the wage fund had to be contracted, or it was a failure of crops west of the Mississippi river, so that the farmers couldn't buy as many manufactured goods as usual, or a decrease of tariff allowing of the importation of foreign goods. But whatever the cause, the reduction had been made and accepted.

Yet the trouble—more men and women than there were jobs for—still continued. More people wanted to take advantage of Billionaire Skinner's benevolence than there were opportunities for employment. Another reduction in wages, under such conditions, was inevitable, and when it occurred it left the wage-workers, as a class, about as they were before the food gift was made. Only John's situation wasn't quite so secure. There was still a horde of men, women and children out of work, and John felt there was no telling how soon some one might propose to his employer to work for just the privilege of obtaining Skinner's orders for food.

The manufacturers were not long left to themselves. The employers of labor in other cities demanded of their municipalities that something be done for them, so that they might meet on more equal terms the unholy competition of Detroit, as they called it. In some instances bonuses were given for all work obtained in competitions with Detroit manufacturers. In other cases taxes were remitted, and free water, light and heat given. And this continued, until at last the Detroit manufacturers were compelled to sell their goods for as much less as they had saved by cutting down wages. They, too, were no better off than before the Skinner benevolence budded and blossomed. Indeed, they were worse off, for a new factor had been thrust into the problem of work and wages, without they knowing its dimensions. Their plans



were disarranged, and fevers and chills followed each other in the industrial world.

Billionaire Skinner was still pouring out his millions to feed Detroit's working population, and yet neither workers nor the manufacturers were being benefited.

#### IV.

John scratched his head, while talking over the situation with Mary. "By George," said he, "there's a screw loose somewhere. I'm going to find out the somebody who's getting the benefit of all this benevolence."

He had said the same thing many times before, and now Mary paid no particular attention to it; but she, too, was thinking. At last the light burst upon them in an unexpected manner.

"Tom Pluck's wife called today," remarked Mary to John, a few days later. "You know they were going to buy a lot up on Lincoln avenue, and had got almost enough money saved to pay for it. However they did it I can't for the life of me see. We are just as economical as they are. I haven't had a new pair of shoes or a new hat in six months. Well, some way, they've got the money, and last spring he priced the lots and selected one to cost \$600. Today he went to close the deal, and what do you think? Mowbray, the owner of the subdivision, laughed at the idea of selling the lot at last spring's prices. He wanted \$1,200 for the lot, and wouldn't hear of a cent less.

"'Why,' said Mowbray to Pluck, 'since the new factories have crowded into town, and such great crowds of people have come here to work to enjoy the benefit of Skinner's food gifts, there isn't an inch of ground in Detroit that hasn't doubled in value. People have got to have land to live here, and it's worth to us landowners all we can get for it.'"

John was electrified by a sudden inspiration. "I've got it," he yelled, waking the baby and nearly sending Mary into fits. "I know now who are getting the benefit of Billionaire Skinner's benevolence. It is the land owning class. Wages have been reduced, the profits of manufactures have almost vanished, but land has gone right on increasing in value. Every cent that Skinner has been paying out has gone to increase the price of land. Well, that is fulfilling the scripture injunction with a vengeance, 'To him that hath shall be given, and to him that hath not shall be taken away, even that which he hath.' Why didn't I see that before? What a chump I am. The boys in the mill have been kicking like steers because their rents have been raised, but the reason never occurred to

me. It's only because we have a lease that we have not been stuck for more. The difference between what we should have paid and what we have paid is about all we have saved out of the wreck."

From that day John had a new object in life. He began to think out some plan whereby the profits that were being reaped by the landowners might be returned to the people for whom Billionaire Skinner's benevolence was intended. And that is how in the mill of Peter Demott there happened to be established a single tax club.

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#### THE TAXATION OF POVERTY.

The whole burden of indirect (crooked) taxes rests upon consumption and not at all upon wealth. The system absolutely exempts property from the support of government, and draws taxes only from those who have to spend, in proportion to their expenses.

Inasmuch as the necessary expenses of the very poor are a hundred times as large, in proportion to their wealth, as the necessary expenses of the very rich, these taxes bear with a hundred fold severity upon the very poor, as compared with the very rich.

Averaging all classes of society under this system, the poor, as a class, invariably pay more than ten times their proper share of taxes; while the rich pay much less than one-tenth their proper share.—*Thos. G. Shearman, in "Natural Taxation."*

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#### THE ORIGIN OF GOVERNMENT.

Gregarious animals have no ruler or laws, but they still have a social organization. So it would be with men. It is claimed with much truth that government is never the result of a desire to be governed, but always of a desire to govern. People never clamor for a ruler, but rulers rise up spontaneously and claim gubernatorial powers. If there were no ambition to rule, no desire to hold office, no love of glory and no expectation of emolument beyond what private life affords, would the members of society ever take steps to have a government established?—*Ward's "Outlines of Sociology."*

## GIBBONS ON ARBITRATION.

It would be a vast stride in the interests of peace and the laboring classes if the policy of arbitration, which is now gaining favor for the settlement of international quarrels, were also availed of for the adjustment of disputes between capital and labor. Many blessings would result from the adoption of this method, for, while strikes, as the name implies, are aggressive and destructive, arbitration is conciliatory and constructive. The result in the former case is determined by the weight of the purse, in the latter by the weight of argument.—*Cardinal Gibbons.*

## GROUND RENTS SUFFICIENT.

Ground rent is invariably sufficient to meet all the expenses of necessary government. But as government never exists where society does not exist, and as society offers many advantages in addition to the mere benefits of government, the privilege of living in society is worth much more than the mere cost of government. This privilege is dependent on living within a tract of land in which society exists.—*Thos. G. Shearman, in "Natural Taxation."*

## UNPROFITABLE DENUNCIATION.

Wealth should neither be the object of our enmity nor the basis of our consideration. The indiscriminate denunciation of the rich is mischievous. It perverts the mind, poisons the heart and furnishes an excuse to crime. No poor man was ever made richer or happier by it.—*Benjamin Harrison.*

## "EVERY MAN TO HIS LAND."

Thus saith the Lord. \* \* \* I will return and have compassion on them and will bring them again, every man to his heritage, and every man to his land.—*Jeremiah.*