

land when Bobbie Burns was throwing off chance songs to his Nancys and Jeans and Marys? How little do contemporaries know of that which from their midst is destined for the memory of future times! But if we may judge anything from the past, we may be sure John Hay will be remembered not from aught he did as secretary of state, but from the verses he wrote long before he dreamt of being the cabinet officer of a government.

J. H. DILLARD.

#### THOMAS W. LAWSON—HIS SINCERITY AND HIS ECONOMIC PHILOSOPHY.

Lawson's tour of the West has had a useful effect,—even if in no other way, yet in dissipating that general feeling of uncertainty regarding his good faith, which the "System" has industriously and somewhat successfully fostered.

The newspaper reports of his speeches have been so farcical that if it had been necessary to depend upon them Lawson would have gained nothing by his trip. But thousands who met him and listened to him are now in a state of mind to respect his motives as well as to welcome his revelations; and, slowly no doubt, but inevitably, their assurances among their friends will counteract the work of garbled and colored press dispatches, with a people with whom the news reporting system of this country is already thoroughly discredited. A comparison, for instance, of his speech at the Jefferson Club in Chicago with the newspaper reports of it could hardly fail to shock the most unsophisticated apologist for the "System." At any rate, those who heard the speech realize, as never before, the usefulness of Lawson's work, and acknowledge, though never before, the genuineness of his purpose.

Lawson's personality is agreeably disappointing. Although one would readily recognize him from his printed portraits, the "sportiness" of most of those reproductions is lacking. His face and natural pose are those of a man who could go through all he has described in his magazine articles, and who would grit his teeth and do it if challenged by circumstances, yet who could afterward de-

scribe it and denounce it not only with the appearance of candor and sincerity which has characterized his Everybody's articles, but with candor and sincerity in fact.

His Chicago speech was excellent both in matter and form. Without any affectation of oratory, or strain after momentary effect of any sort, it was a talk rather than a speech; and it held a large audience for two hours at midnight. Like his magazine articles, his speech revealed but little, compared with its length, of the rascalities of the "System;" but, also like his magazine articles, it wove what he did reveal into the web of a general story of high finance so fittingly as to make the whole recital intensely interesting, and so conspicuously as to emphasize the dangerous criminality of the "System." And it disclosed better than his magazine articles have done, the thread of a true economic philosophy, the end of which he may or may not see; while, even more than either his magazine articles or his personality, it has left behind an impression of profound sincerity.

In our school-boy days, as many of us will remember, the meaning of "sincere" was impressed upon us with interesting stories regarding the etymology of the term. It was compounded, we were told, of two Latin words, "sine," meaning "without," and "cera," meaning "wax." "Without wax," then, as we were instructed, had been the ancient slang out of which our honest word "sincere" had come.

This etymology is now repudiated, it seems; but the repudiation sacrifices picturesque suggestiveness to uncertain truth. For, as one of the "sine cera" stories ran, the old Romans had business grafters among them even as we have at this very day. These business grafters were accustomed in certain lines of trade to make the worse appear the better goods by waxing defects out of sight. In later times putty has been found to be more economical than wax and equally fraudulent. But wax was common then. In due time the waxing frauds and analogous ones generated suspicion against the business classes of Rome—even against men who were pun-

tual in the performance of religious rites,—somewhat as the sanding of sugar, raised suspicion once in our own time against grocers, even against grocers who were deacons; and the honester (possibly the shrewder) ones among those old Roman grafters, learning that genuine goods were better for business purposes than such as had been fraudulently waxed, began to advertise their brands of goods as "sine cera," or something that sounded like that, and the Romans understood them to mean, literally, "without wax," or, as we should say now, and more intelligibly, perhaps, "without graft."

Now, if this story were true, and we should judge the Romans by ourselves, wouldn't it be a fair inference that the pious businessmen of Rome who continued to use wax fraudulently, sneered at the goods of their honest fellows, saying, "Sine cera non!" or something like it? Wouldn't they have protested in some such language as this: "That lying freedman who says I use wax is unworthy a reply. He uses wax himself. What's his wax?" That would have been the ancient Roman equivalent of the modern American question, "What's his graft?" or, "Is he sincere?"

And we may be sure that the greater the waxer and the worse his exposure, the more vociferously would he have denounced the person exposing him as being himself a waxer. Is it not so in our day?

Whom are the men that we are most vociferously invited, by what Lawson calls "the votaries of the System," to regard as insincere? It is not those who serve the System; it is those, who threaten its existence.

When a Supreme Court judge "changes his opinion over night," in order to serve the System by nullifying the income tax law, who asks what his wax is? When a judge serves votaries of the System by deciding that for the purposes of a criminal prosecution a forgery is not a forgery when it doesn't convey the property it has conveyed, who asks what his wax is? When another judge shall decide, as some judge probably will—and rightly for aught we know—that the prop-

erty so conveyed must, for the purposes of a civil suit, stay conveyed, who will ask what his wax is? When other judges make law out of their inner consciousness for the purpose of serving an employing class by balking a labor class with new-fangled legal doctrines, who asks anything about their wax? Who questions the sincerity of such men—in public? Only the “lower orders” among the people, reinforced with an occasional crank; and only the “yellows” among newspapers and magazines. To the “better element” among the people, and the “blacks,” as distinguished from the “yellows,” among the newspapers and magazines, all such persons are sincere.

But when a judge, outraged in his conscience by the growing power and corrupting influences of the System, accepts a call from the people of his city to lead them in a struggle at the polls to loosen its grip on that city—this judge's sincerity is instantly and persistently and publicly questioned. When Gov. Altgeld vetoes a bill corruptly passed by and for the System, thereby sacrificing his fortune and closing his political career, the votaries of the System ask whether he is sincere, and every poll parrot in the country echoes the question. When Bryan meets the System with the whole country for a battlefield, it is his sincerity and not that of the respectable head usher of the System that is questioned. When Tom L. Johnson meets the System in its lurking places in Cleveland, Hanna's sincerity is questioned less and less, although he brazenly declares that he is working for the System, but the corrupted press, the pagan preacher, and the parrots all want to know whether Johnson is sincere. When a Congressman Baker returns his pass to the corrupting railroad his sincerity is questioned. And so with La Follette, who fought corruption in Wisconsin in his own party; we all found ourselves asking whether he was sincere or not. So also with Folk in Missouri. “Is he sincere?” was the question that went the rounds.

And now we have Lawson's sincerity to consider. He is not in politics like the others, and evidently doesn't intend to get into politics. He is so rich that he

doesn't want any more money; or if he did he could make it quicker and easier at his trade in Wall street than as a writer or speaker agitating against a financial combination that could if it tried and would if it dared revenge itself and protect its infamies by ridding him of his fortune and the world of him. Yet the same question is asked about Lawson and echoed far and wide by confederates and dupes: “What's his wax?” “Is he sincere?”

All this chatter about the insincerity of men who fight the System that is digesting the people along with their securities, is rank nonsense. When a prosecuting attorney works hard and intelligently to convict a horse thief, the jury don't ask whether he is sincere or not. What they want to know is whether the horse thief is innocent.

What difference, for instance, does it make to the people whether Altgeld was sincere when he vetoed the monopoly bills? If he had not vetoed them, the rascals would have got away with their plunder; and would the people have been any the happier for realizing that the plunderers were sincere? What difference does it make to the people whether Mayor Johnson, in making himself what Lincoln Steffens calls him, “the best mayor of the best governed city in the world,” has done this disinterestedly or not, so long as he has done it? What difference does it make whether Mayor Dunne is disinterested in his municipal ownership policy, so long as he carries it out? Isn't it better that the people should come to their own even through leaders who are not sincerely disinterested, but are looking for some reward, than not to come into their own at all? Is it any better to be regularly robbed by sincere rascals, than to be saved from robbery by insincere reformers?

But all who have made themselves acquainted with Altgeld's public life know that he was not only a public defender but an effective and sincere one. He was so sincere that he swapped his fortune and his senatorial aspirations for the unthrifty privilege of heading off a great graft with a veto message, when he had only to leave the responsibility upon the

legislature which had already assumed it, and, writing nothing and saying nothing, to become the idol of all the powerful rascals of the System. He was so effective that these rascals hated, vilified, and financially ruined him. To Johnson's sincerity a similar tribute may be paid. And so to Dunne's and to La Follette's and Baker's and Folk's and Bryan's. What the System really objects to in such men as these is not insincerity. Their sincerity has been proved. If they were not sincere the System would have acquired the Altgelds while they lived, and the Bryans and Johnsons and Folks and La Follettes and Bakers and Dunes now. Hasn't it acquired the Eckelses and the Vanderlips and the Becks and the Mortons and the Depews, and a whole lot of other waxy servitors, some of whom have been found out and others are under suspicion?

And although Lawson is fighting the System in a different field, turning his back altogether upon the political, his sincerity, too, is proved. He says that he has set about destroying the System, the iniquities of which he is exposing; and all that he has written and spoken, as well as what the votaries of the System have written and spoken and cautiously refrained from writing and speaking about, goes to confirm Mr. Lawson's professions.

When Lawson's articles first appeared, the outcry against his integrity and the suspicions cast upon his sincerity were so effective that no one could meet them without a better knowledge of the man and his revelations than was available. But this seemed to us (p. 163) to make no great difference. Mr. Lawson's sincerity and integrity were only indirectly involved. The real question at issue was whether or not he was telling the truth.

On this question his integrity and sincerity certainly did have a bearing. One may believe the story of an honest and sincere writer, while doubting the same story from the pen of a man whose honesty and integrity are questioned.

But the honesty and sincerity of a witness are not the only tests of the truth of his testimony. The

story of the most dishonest and insincere witness may be so corroborated by circumstances, by other witnesses, and by the conduct of the persons whom it involves, as to be more convincing than the uncorroborated story of an honest and sincere witness. This is the theory upon which criminals are allowed to testify against their associates in crime. It was as such a witness, therefore, that we inclined to regard Mr. Lawson. His story was straight, it was plausible, in general it was true—so true that his critics affected to complain of him for telling nothing new,—and it made a case for the other side to refute. The burden of the proof was cast upon them. They have avoided this burden, and thereby they have contributed to confirming Lawson.

In the beginning Lawson's story was long-drawn out. That is, it seemed so to readers who were familiar with the Wall street world. But his pen pictures of the inhabitants of that world and their environment were not long-drawn-out to readers to whom the Wall street world was an unknown land. Lawson was under an absolute necessity, if he was to get the public ear in such a way as to be understood, of not only describing and explaining that strange world, but of doing so with as much elaboration and repetition of what to the habitués of Wall street are commonplaces as might be necessary to make his readers familiar with the setting and the technicalities of the great crimes he was promising to expose. This he did with artistic skill and tremendous effect.

Then his revelations began. Whoever imagines that Lawson has revealed nothing of importance, has but to read the June and July installments of his magazine articles. Whoever doubts the truth of his story, has only to turn back to his insurance revelations of nine months ago and compare them with the denials that were spread broadcast then and the disclosures as to the Equitable which are spreading themselves broadcast now.

During all that time Lawson stood as a state's witness exposing co-criminals. But it was as a state's witness well corroborated by circumstances, by the

suspicious conduct of his betrayed associates, by the fact that his accusations could be refuted by public documents and by public officials if false, and by the rottenness that soon began to ooze out of the System and into plain sight.

The good folks in our midst had a right at that time to regard him with repulsion, not to say distrust, if they wished, and to gather in the hems of their garments lest his touch contaminate them. But even then, in the attitude merely of a state's witness "giving away his pals," Lawson was better than the pals he was giving away. He, at any rate, was assaulting the System by means of which the crimes had been committed, while they were oiling its bearings for further piratical use.

But to-day Lawson stands in a more reputable position. As his uncontradicted and well-confirmed story has unfolded, the conviction must have grown upon most of its readers that instead of "squealing" on co-criminals, he has come forward as a co-victim to reveal to thousands of others the crime by which they were swindled, and to destroy a great conspiracy, the inside workings of which he had seen, whereby the public is perennially robbed.

The sincerity of these words of Lawson's in the June "Everybody's," by way of incidentally explaining his conduct when the Amalgamated scheme was turned into a swindle from what he had regarded as a legitimate affair, and what was so by stock-market ethics, cannot well be gainsaid:

The straight and narrow way is easy to follow, but once lost is hard to find. The defaulting bank president who over night "borrows" a few thousands from his institution, fully intends to return the "loan" next day, but repairing an error is more difficult than resisting a temptation, and when a man is in crime's net, his struggles to escape seem only to tighten around him its meshes. When the incidents of his downfall are before the jury or the coroner, there will always appear a dozen places where the unfortunate might have cut his way out of the strangling coils, but he who surveys such situations from the outside has a clearer vision than the blinded and desperate wretch in the trap. He who enlists with the brigands of "frenzied finance" and takes the oath of addition, division, and silence, cannot discharge himself be-

cause his comrades are needlessly harsh to their victims. Eventually he may decide on desertion as preferable to throat-cutting, but to suggest resignation is to invite destruction, for it is a tradition of the fraternity that the best cure for repentance is a knife-thrust. . . . I hope none of my readers will ever find themselves so stuck between the high cliffs and the deep water as I was that night. I recalled the old story of the sea captain whose ship was captured by pirates and who was offered the alternative of hoisting the black flag and joining the band with his crew, or walking the plank. If he became a pirate, at least he saved the lives of his men, for their fate hung on his decision. If he refused—well, he retained his own virtue and kept intact that of his crew. The captain in my story had preferred propriety to piracy, and 15 men lost their lives to no purpose, whereas the part of wisdom would have been to submit, with reservations, on the chance of throwing the pirates to the sharks at the first opportunity.

That simple presentment of Lawson's dilemma should appeal to any fair-minded man. In the face of it, who can possibly, with a good conscience, denounce Lawson while excusing the pirates whose marauding ship he is trying to sink?

Lawson's purpose goes further than to destroy the particular pirates whom he is exposing. As we have said, he has hold of the thread of a sound economic philosophy. Whether he sees where it leads to we do not know. Whether he will follow if he does see it, or when he shall see it, we cannot tell. But his face is turned in the right direction; and, as Henry George used to say, the rest is only a matter of keeping on. The general direction of Mr. Lawson's social philosophy was disclosed in his Jefferson Club speech.

His ideal with reference to economics is not that wealth should be distributed equally, but that it should be distributed equitably. What he understands by equitable in this connection he made as clear as words can make it. He said that all who live in a country should share in its aggregate prosperity in proportion respectively to their respective contributions to that prosperity. Absolutely fundamental and sound in principle, this economic ideal could not have been more sincerely stated.

His conception of money is that it is a certificate from the community as a whole to the individual who possesses it, that he has contributed to the general prosperity so much wealth—"a hundred bushels of wheat, or a trundle-bed," etc., and that this certificate ought to yield in any kind of wealth the equivalent of its possessor's contribution to the aggregate of wealth. That position also is impregnable.

Mr. Lawson then touches upon corporation stock. Here his phraseology may be open to doubt and his views to controversy. But in a large sense, he is certainly following faithfully the true economic path. To him society seems to be largely organized upon a corporate basis, with corporation stocks added to money as certificates of title to wealth; and broadly speaking this is true. But right here he stops. At any rate his declarations, and the primary step in the remedy he intends to offer, do not indicate that he has gone any farther in analyzing industrial conditions or solving economic problems.

Observing that a company properly capitalized at, say, \$10,000,000, may have its capital doubled and be thereby enabled to exact from the aggregate of wealth twice as much as before, he proposes to remedy economic maladjustments and equalize wealth, by reducing stocks to the real value of the wealth they are issued for, and keeping them down to that point.

We wholly agree with Mr. Lawson in this, in so far as wealth is represented by stock certificates. If stock certificates were kept down to the value of the actual wealth for which they are issued, then economic problems, in so far as they are affected by corporate ownership, would be settled and settled right.

But hasn't Mr. Lawson set the cart before the horse? Hasn't he assumed that wealth distribution is controlled by stock values, whereas, in fact, stock values are controlled by wealth distribution?

Let us suppose, for illustration, that a corporation capitalized at \$10,000,000 owns that much of actual wealth—buildings, machinery, cars, locomotives, etc., etc.—

and that this wealth, after payment for all privileges, such as sites, rights of way, mining rights, etc., would yield free and clear, over and above all other expenses, say \$1,000,000. Now, if interest is about 5 per cent., and 5 more would cover risk and replacement (we use the figures arbitrarily and only for illustration), that stock would be worth \$10,000,000, which is its nominal and equitable value, as both Mr. Lawson and we should agree. But suppose, further, that the right of way, or the site, or the mining rights were a free gift to the company from the public. (And whether a gift or a purchase the principle is the same. Such property is not wealth; it is a privilege, the annual financial benefit of which belongs to the public but goes to the corporation.) How, then, will those privileges affect the stock?

If the privileges yield annually \$500,000 net, then the corporation will receive, in addition to its 5 per cent. net on its \$10,000,000 worth of wealth, 5 per cent. net on its \$10,000,000 worth of privilege. In these circumstances could not the stock of that corporation be raised to \$20,000,000, and in a free and open market would it not stay at that point, no matter what scheme for reducing it again to \$10,000,000 were adopted? In other words, isn't \$10,000,000 of "water" in corporate stock simply a capitalization of some monopoly privilege which would yield an unearned income to the stockholders whether the stock were "watered" or not?

At \$20,000,000 in the example used by Mr. Lawson and discussed above, the dividends would be 5 per cent. Reduce the stock to \$10,000,000, and the dividends would be 10 per cent., which would force the stock back to \$20,000,000, if interest were 5 per cent. And even if it could be kept down to \$10,000,000 by some contrivance or other, nevertheless the owners would get an income on their privilege of site, right of way, or whatever else the privilege might be. Is it not evident, then, that any real reduction of values to an equitable basis necessitates going farther than to stock values?

Stock does not give value to the privileges it represents; privileges give value to the stock that represents them.

We understand, or think we do, that Mr. Lawson has especially in mind the jobbing of stocks, whereby stocks that are really worth \$10,000,000, because they represent that amount of property of all sorts, are forced, now down and now up, by manipulation—that is, in a market that is not open and free.

If stocks could be firmly fixed at the actual value which they represent, this juggling would of course be stopped if Mr. Lawson's plan is what he thinks it. But, equally of course, if we could make it rain we should seldom have a drought. And even if the miracle of fixing stock values were accomplished, the value of such privileges as sites, rights of way, mining rights, etc., as well as the value of the real capital, would be included in those stock values unless Mr. Lawson's proposed remedy goes further than he has yet indicated.

When stock values are fixed securely at the value-point of the real capital, exclusive of the value of the privileges, the work of making wealth distribution equitable, so far as it is represented by corporation stocks, will, we think, have been accomplished. But we do not see how that can be done without eliminating the value of privileges from stock values, in some manner which Mr. Lawson has not yet suggested. In any view of the matter, it is the value of privileges and not the value of stocks that is the more fundamental fact for consideration in connection with economic problems.

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## NEWS NARRATIVE

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Week ending Thursday, July 20.

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### The Japanese-Russian war.

A dispatch of the 18th from Tokio reported the investment by a Japanese army (pp. 199, 214, 232) of the fortress at the Russian port of Vladivostok.

The expected appointment of Witte as principal ambassador from Russia at the peace conference (p. 232) has been made. In an Associated Press interview at St. Petersburg on the 17th Mr. Witte said:

I have been designated by the Emperor as his ambassador extraordinary for pour parlers to ascertain whether it