

The withholding of a permit for the meeting was worse than anything that could have happened at the meeting. The withholding of the permit did not prevent the throwing of a bomb. It is more dangerous to deny free speech than to permit license of speech.

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Charities and The Commons (philanthropic), Apr. 4.—Whether, under present conditions, public meetings in the interests of the unemployed are advisable is a fairly debatable question. That they should be suppressed by the police, however, and permits to hold them refused, seems to us contrary to sound public policy. The rights of free assemblage and free speech are of considerable importance in a democracy and should be guarded with jealous care. **M** public squares and parks are not to be available in the cities for such meetings, other public meeting places should be provided. . . . Assuming that the right to hold public meetings and to discuss freely any real or imaginary grievances is of fundamental importance, it is difficult to think of any subject in regard to which it should be asserted more vigorously, or acknowledged more freely, than the subject of unemployment. There is no other misfortune comparable to widespread and long continued unemployment. . . . Reasonable persons may advise against such meetings and personally refuse to take part in them. It is one thing, however, to oppose the holding of public meetings and quite another to uphold the park and police authorities in refusing to permit them, and to justify drastic methods of preventing them. . . . Under the apprehension of anarchism, we have come to entrust our police departments with a degree of arbitrary power in the matter of breaking up assemblages of citizens which is greater than is found necessary in other civilized countries, and we are strangely indifferent to the manner in which they are exercising it. . . . The details of the tragedy with which the events of the afternoon came, to an end we need not here discuss. It gives no more justification for abridging the rights of free assemblage and free speech than the shocking murder of the Denver priest a few weeks ago gives for abridging the freedom of worship.

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Public Funds in Private Hands.

The Peoria (Ill.) Star (Ind.), March 8.—Why should we allow William Waldorf Astor to collect every year \$9,000,000 in rents for real estate in New York City and spend the same in London in catering to the old aristocracy? Why should we allow the Goelets and the Bradley-Martins to do the same thing? The Goelets are the descendants of an old French Huguenot who located on Manhattan Island and started a truck farm. He left his real estate to his descendants. One of his sons for many years kept the old cow pasture intact, except that he pastured the Goelet cow on it. The city grew up around it until it was worth \$2,000,000, but as long as Robert Goelet lived it remained a cow pasture. People in other parts of the city are crowded into unhealthy tenements until New York City is the most populous place on the globe, and their united efforts enriched the Goelets. Why should they be allowed to collect money arising from a condition of things that is

not due in any measure to their industry or foresight?

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DEMOCRACY TRIUMPHANT!

For The Public.

Behold where ascending, resplendent in beauty,
The star of the people bids Tyranny quail!
Let courage still mount to the level of duty;
God reigns, and the right shall prevail.

The cause that is just, tho' repulsed for a season,
Shall rise from the dust of defeat and sweep on,
Surviving contumely, falsehood and treason
Till the last foe falls and the vict'ry is won.

Hark! the voices that cry through the night's desolation;
The sobbing of babes in their prisons of toll;
The groans of the dying, whose blood, a libation
To Mammon, ensanguines his illgotten spoil.

Hark! the shrieks of despair in the slums of the city
Where, baffled, the victims of greed are at bay,
With hearts unresponsive to love or to pity,
Where Riot commands and grim Death leads the way.

Who can hear and keep silence, or behold unappalled?
To him be the high name of Manhood denied!
Till the last slave of Mammon arise disenthralled,
The battle shall rage round his castles of pride.

With courage unailing and hope that ne'er sleeps,
And a purpose as holy as Heaven can hold,
Democracy's vanguard resistlessly sweeps
To its goal—the Earth-Heaven, promised of old.

EDWARD HOWELL PUTNAM.

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LABOR AND NEIGHBOR:

An Appeal to First Principles.

A Posthumous Work

By ERNEST CROSBY.

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CHAPTER XI. Part 2.

Remedies—4. Justice, Freedom and Co-operation.

The abolition of monopoly in land by a site tax would dispose of several derivative monopolies—all of those in fact whose franchises depend on right of way for rails, pipes, wires or any other means of transportation, conduit or communication; for a franchise value is really a site value and can be taxed in the same way as ordinary land. The ownership of a lot of land is really a franchise—the franchise to build upon it or

cultivate it; and the franchise to lay pipes or rails or wires is one of the same character. It is really a right of way, and rights of way have always been classified as real estate. The State of New York has already begun to tax such franchises in its streets as real estate, and the principle is correct. There is nothing, then, to prevent the taxation of such franchises to their full value, thus neutralizing their monopoly; and this would abolish altogether the railway monopoly, including street surface and elevated railways, and such monopolies as those of the telegraph, telephone and electric light and power companies, and of gas and steam heating companies, and also that of the express companies which grows out of the railways.

The same principle could be applied to mines as well. Their monopoly value can be controlled by taxation.

The internal revenue tax would disappear if a tax on site values were adopted in place of all other taxes, and the brewing and distilling monopoly would be broken up.

There remains the patent monopoly, with its comparatively unimportant sister, the monopoly of copyright. Wherever necessary some other way can be found to reward inventors, or their royalties can be limited. As a matter of history, the inventor rarely reaps the benefit, but it usually goes to an assignee. Hence we need feel no extraordinary scruples in dealing with this, the most plausible of monopolies.

While a rational mode of taxation thus promises to dispose of all the above monopolies, it is possible that with respect to some of them the public will prefer the more cumbersome method of public ownership. I have already indicated the undesirability of increasing the functions of bureaucracy, but it is still true that it is better to have the government own the various monopoly companies than to have them own the government, which is practically the case to-day. Unless the people can be persuaded to take immediate steps to absorb monopoly privileges by taxation, it would be wise for them to own and operate such public utilities as experience shows us can well be managed by States and cities. Railways, telegraphs, telephones, express service, gas and electric lighting—all of these have been successfully operated by states and municipalities in many parts of Europe and America. By all means, then, rather than leave these instruments of monopolistic tribute in private hands, let us take them over; but it would be far better to begin a campaign of taxation against them until the "water" is squeezed out of their shares.

We have still to consider the difficult question of the banking and currency monopoly, and we must try to apply to it the same remedy of natural law to which we have already had recourse in other cases. There should be no monopoly in

this field. There is no reason why the government should not allow individuals to compete with it and its national banks in the matter of issuing notes and in any other way facilitating exchange. There is undoubtedly some better way of conducting exchanges than that in vogue, but how will it ever be discovered if no one but the nation is allowed to experiment? The government might as well forbid every one but itself to keep a bank account, as to put a prohibition upon the issue of credit notes, for all credits should be liberated and made effectual. To remove this prohibition would not prevent the government from continuing to coin money and issue currency as it now does, and it might well insist that other currency should be made altogether different in form, so that no one could be misled; but it has no moral right to interfere with individual experiments in mutual banking, the mutual insurance of credits, and the issuance of labor-cheques or other currency. We must add free banking to free land and free trade before we have exhausted the remedies afforded by natural law. If after that has been done society is still imperfectly organized, it will be time to consider the new and artificial changes which may be required.

The gains of banking usually take the form of interest, and interest is money paid for the use of money.*

*Mr. Crosby left with his manuscript the following notes which he related to the manuscript page in which the above sentence appears:

"Ready exchangeability of money the reason for interest."

"Interest is a premium on the difference between present and future satisfactions"

"Part of interest is insurance against loss."

"Under single tax people pay rent to themselves, and under mutual banking system they would pay interest to themselves (like a mutual insurance company)."

"Under co-operative system profit would go to themselves."

He further noted that he was to "change" this page "to show that under co-operation advantage of interest would go to wealth-producers;" and that he was to "quote points on co-operation in Briggs's booklet."

"Briggs's booklet" is evidently an allusion to "The Single Tax," by George A. Briggs (an address delivered before the New Church Society of Elkhart, Ind.), the last part of which is devoted to the subject of co-operation under the single tax. The points referred to by Mr. Crosby seem to be covered in the following quotation:

"Under our plan, the fear of want will be eliminated, but so also will be the ability to make monopolistic investments. What, then, will become of that surplus wealth?"

"Plainly, it will seek investment in competitive enterprises. But since such enterprises depend for their success upon the character and ability of the management, the first thing necessary will be to find men of desirable character and ability. Many such men will be found at the head of businesses already in operation. Some of these, needing more capital, will be willing to sell stock in their enterprises. But to do this, is to divide the profits and no stock will be for sale unless such increased capital will increase returns.

"When, therefore, surplus wealth has exhausted this method of investment, it will seek for men to establish

Money has no power of increase in itself, but its power to draw interest depends upon the fact that it can be exchanged for sites, which produce rent, or for capital (that is, machinery, etc.), which produces profit. If site values are taxed out of private hands, money will no longer be convertible into rent-bearing land and that element of interest will disappear. There remains, however, the element of profit from the use of capital, and this does not include monopoly profits. There is a natural law of profit similar to the natural law of rent, namely, that profit rises from the difference in productivity between the poorest capital (that is, machinery, etc.) in use, and better capital, just as rent is the difference in productivity between the poorest sites in use and better sites.*

The wages of the workers in the poorest factory in use would fix the natural standard of wages. But if the workers in the better factories are paid according to this standard, as is just, there will remain a surplus above this, due to the superiority of their machinery. This surplus, however, arises from no "unearned increment" or monopoly value,

new industries. These will be found among the salaried foremen, superintendents and managers of established enterprises. These men will have the technical and practical experience necessary for the purpose.

"On being approached, some of them will be glad to accept an opportunity to become share holders in new enterprises rather than continue on salaries in old ones. Others, more timid perhaps, will talk the matter over with their employers. If their timidity be not too pronounced, they will present the offer as being attractive. If also they are valuable men, employers will endeavor to keep them. Such employers will point out the vicissitudes of business, the many capacities needed successfully to manage an enterprise, the keenness of competition, and the patience necessary to establish a new industry in any field.

"If these arguments prove futile, they will endeavor to tempt such employes by raise in salary. Some will fall under this temptation, but others more obdurate and perhaps more valuable will not. The employers, then, facing not only the loss of a valuable man, but also the dangers of competition from him, will search for a plan that will bind him to them. In many cases they will be forced to offer him stock in their enterprise either as a gift or as a purchase, and, happily, the increased wages which our plan has produced will enable the employes to accept the proposition.

"In some such way many new enterprises will be started and many valuable men will become stockholders in enterprises where formerly they were salaried employes only.

"As a further step in this direction, the search of jobs after men will continue until the cost of labor reaches a point where, all things considered, it will be impossible to raise it further. Some other inducement will then be necessary to secure or retain men, even in the humblest capacities. No other offer will be possible except to sell them stock, and thus step by step, all industry will become co-operative, not forcibly from without, but by interior development in a continuously ascending series."

—Editors of The Public.

*See the able and suggestive paper of Wm. G. Sawin on "The Profits and Volume of Capital." Publications of the American Academy of Political and Social Science, No. 320, Philadelphia, 1901.

as is the case with land, but is a reward for the use of better machinery, properly earned by its owners. In a perfect civilization where all men used the best machinery, this profit would disappear, but every new invention, as it was gradually introduced, would revive it again. So long as this profit continues and is free from all taint of monopoly, it forms a proper fund for the renewal of capital. In our present conditions it is impossible to separate this true profit from monopoly profit, but we may reasonably suppose that it is comparatively insignificant in amount, and that it is bound to grow less as the means of production are brought nearer to the highest standard of efficiency. The profit source of interest thus promises to vanish, just as the rent source will vanish—in the former case by unassisted natural laws, in the latter by the refusal of the community to allow individuals to retain a source of income to which they have no claim.

It may seem strange to the thinker that natural laws are insufficient to make way with both rent and interest, both of them seeming to be signs of friction and imperfection; but I see no tendency to the disappearance of rent—on the contrary it increases. Perfect means of transportation might be expected to dissipate and equalize site values, but they have the opposite effect, and every new railway from New York increases the value of land on Broadway. Some of the advocates of banking and currency reform have supposed that the abolition of interest would diminish or even abolish rents. But here again, as in the case of improved transportation, the result would be to increase rents, for capital would be plentiful and land would be in greater demand than ever. The abolition of interest will tend to fluidity in business affairs, just as improved transportation does; but this very fluidity, strange to say, conduces to concentration and not to dispersion, and it is sure to add to the value of valuable sites. The material progress of a community may therefore be measured by the rise of rents and the fall of interest. Interest will have a tendency to pass away by natural laws, but rent will remain to be dealt with—a giant, forever growing in strength and stature.

And it is curious to note that interest has always been looked at askance in all ages, forbidden by religion after religion, denounced by teacher after teacher, and that it is limited to-day by usury laws which cast a slur upon its character. Compound interest is the legitimate daughter of interest, but if ten per cent interest were allowed upon one cent for 1893 years, it has been computed that it would take seventy-eight figures to write down the result of the "investment." The single cent would have swallowed up the world. This calculation throws suspicion upon the principle of interest, and it seems as if mankind had

always had an inkling that in a perfect state it would have no justification. The fact that it enables so many people to lead a life of permanent idleness, supported by the labor of others, is another reason for criticising interest. If I do two days' work in one, no one would challenge my right to a holiday of one day; but as soon as that one day is transformed into a certain period of time every year, not only during my life, but forever, you at once lay the foundation of injustice. If I save ten thousand dollars from my earnings, by all means let me spend it; but to tell me that I and my heirs are thereby entitled to six hundred dollars a year for a million years, and then for another million years thereafter, is pure moonshine upon its face.

But is the allowance of interest necessary to the saving of sufficient capital to keep our industries in a state of efficiency and provide for their expansion? The fact is that as interest falls, our savings banks become fuller and fuller. There is no reason why a man should not save a thousand dollars for the purpose of spending it in his old age, or of providing for his children, or to assist in establishing some industrial enterprise whose products he needs. Squirrels and bees save without receiving any bonus upon their savings, and men can doubtless acquire the same wisdom if they try. It is sometimes stated that the essence of interest consists in the fact that men prefer to enjoy a thing now to postponing the enjoyment of it to the future, and hence that they will always pay a bonus for anticipating the use of it. But may we not expect the advent of a more philosophical frame of mind, which will allow the trouble of preserving the desired thing, to offset the annoyance of waiting for it? The fact that a man wishes to lend, shows that he has more money than he wants, and hence that it is a favor to him to keep it for him; in other words, that it is worth more to him in the future than in the present. Time does not belong to the lender alone. At any rate it is a fact that as civilization advances, interest falls, and that there is every reason to expect it to sink to the cost of providing capital. And the abolition of monopoly would gently facilitate this descent, for much of the interest of to-day is monopoly interest, derived from the banking monopoly, the land monopoly and the other monopolies. To sum up, it would seem to be the natural use of wages to support the worker and his family; the natural use of rent to pay for the communal enterprises now grouped under the activities of the government; and the natural use of profit to renew and extend capital. Of the three, profit is the only one which lacks elements of permanence and which would be likely to disappear in a perfect society, but it would take away with it its twin sister, interest. The incentive to save, supplied by interest, will at first yield place to a less speculative prudence, but eventually the

world will perhaps find a new energy in the spirit of active co-operation.

BOOKS

ONE OF THE FEDERALISTS.

Life and Times of Stephen Higginson—Member of the Continental Congress and Author of the "Laco" Letters. By Thomas Wentworth Higginson. With illustrations. Published at Boston and New York by Houghton, Mifflin & Company. Price \$2 net; postage 13 cents.

Stephen Higginson was an old Salemite, and, of course, a sailor man. Almost, of course, too, he was a sea captain while still in his twenties. In his riper years he stood among the leaders of the aristocratic merchants of Boston.

Among Federalists he was unique for his sense of humor, one rare specimen of which his grandson and biographer treats us to. When a group of Federalists in defeat were considering how they should behave toward their triumphant political enemies, Higginson brought the acrid consultation to a close with this remark—the "only jocos word," observes his biographer, "that I ever heard attributed to any Federalist in defeat": "After all, gentlemen, if a man has to live in the house with a cat, he cannot always address her as 'cat'; sometimes he must call her 'Pussy.'" This remark, as wise as it was jocos, has in it some of the qualities of immortality.

Mr. Higginson had the spirit of the present day plutocrat. Not only did he oppose Shay's rebellion, but he seems to have been without sympathy for the sense of wrong which the impoverished and rebellious people felt. Although he appears to have understood the situation unusually well, he looked for safety not to a redress of grievances but to a strong central government. "The people of the interior parts of these States," he writes in 1787, "have by far too much political knowledge and too strong a relish for unrestrained freedom to be governed by our feeble system, and too little acquaintance with real sound policy or rational freedom and too little virtue to govern themselves; they have become too well acquainted with their own weight in the political scale, under such governments as ours, and have too high a taste for luxury and dissipation to sit down contented in their proper line, when they see others possessed of much more property than themselves. With these feelings and sentiments, they will not be quiet while such distinctions exist as to rank and property; and sensible of their own force, they will not rest easy till they possess the reins of government, and have divided property with their betters, or they shall be compelled by force to submit to their proper stations and mode of living."

That was the true Federalist spirit. As the