

Cost and Price

OR THE

Product and the Market

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AN ANALYSIS OF THE NATURE OF COSTS AND AN IN-
QUIRY INTO THE ORIGIN OF PURCHASING POWER
AND CREDITS SHOWING THEIR LIMIT IN PAY-
ING THE PRICE OF PRODUCTS AND THE
EVER INCREASING NECESSITY FOR MUNIC-
IPAL AND INDUSTRIAL BOND ISSUES



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CHAPTER XII.

THE PRICE OF THE LAND.

As the old man comes back to the scene of his old forest home, and steps off the traction car, there is but one left of those boys who used to play around the old log schoolhouse and dive into the mud of the old swimming hole. Even this one fails to recognize him. Across a meadow, back from the graveled highway, by a grass-covered spring, is where the log house stood in which he was born. Only a pile of stone from the old fireplace marks the place where it once stood. A woodchuck is sitting on the topmost stone with a look of wonder and surprise that reminds the old man of himself when as ignorant and innocent, and but little larger and about the same shape, he was playing in the same yard. The woodchuck diving into his hole under the stone pile still further reminds the old man of those earlier times when he had hidden in the cellar to escape Indian massacres in Massachusetts and earthquakes in Italy. In those days Italy and Massachusetts and England were just across the big swamp which had no bottom and which was the home of bears and wolves and wildcats and big snakes. Taking the seat so kindly tendered him by the woodchuck, he looks across the old swamp, now with waving fields of grain, and almost feels the chill that used to creep along his short backbone when those dismal sounds came up out of its black depths with the evening mosquitoes.

Sitting on the pile of stone, the remaining part of the house where he had first seen the light of day, the old man's mind runs back over the events of a life which now

seems so commonplace to him. Privations he had seen in those forest days, when everything seemed eventful, and now his mind goes over the scenes of privation in cities where the abundance of wealth would seem to render privations impossible. As the forest was turned into farms the old charm of desolation and privation passed away and the "move on" spirit had the call of action. He remembers the nights passed in Indian wigwams, nights when nothing but the blue sky or drooping clouds were above him. Life in the lumber woods; the cutting of timber, the surveying of lands and logging roads, and the building of saw mills. Then came the city life and then the life on the road, with the rumble and swing of the cars, and the hotels of many states. He sees the crowded street cars of many cities in the early morning, as men come in from suburbs to their daily work, and again in the evening, as all classes crowd for room on one car in their scramble to return to the variety of places which they call "home." He sees men upsetting the weaker element of humanity in their haste to save a minute of imagined valuable time. In the larger cities he sees the tunnels under streets and rivers, designed to relieve the strain and clogging of an over-crowded human condition. In the South he sees men wading in swamps, working with steam-skidders, taking out logs; and in the fields are black women picking cotton while their babies lie in the grass by the fences. In the Northwest he sees white women and girls working in the fields, driving teams and on loads of hay and grain and building stacks, and in mills running saws and handling lumber. In the East he sees women working in machine shops while their children are playing in alleys. In the West, along great irrigating canals, he sees boxes, not much larger than is necessary for a dog house, in which families are living while awaiting the flow of water which is to assist them in the growing of food. Rag pickers in alleys, train loads

of hoboos, chain gangs of black and white criminals working side by side with free men in mines and mills. The bread lines and the soup rooms where the derelicts and the unfortunates mixed on a common level in obtaining the sustenance of bare existence. As his mind runs over these common conditions and incidents of everyday life, he asks himself, wherein were the privations and hardships of that life in the forest, with the freedom of thought and action which no city life can give?

Hardships and privations? Evidently, the woodchuck under the stone pile was having hardships and privations, as he worked himself up into sight and with a chuckling whistle, which shook his fat sides, hustled himself out of sight again.

There was no more sentiment in the old man than in his successor, the woodchuck, who now occupied the old home and was much better housed and fed than many human beings he had seen in the larger cities. Nor was he envious of the present occupant of his old playground while sitting there and ruminating on the past and present conditions of life.

Why had his parents and their neighbors come into the forest, and why had their children moved away with the clearing of the soil and the building of the highways that gave such advantages over the wild conditions of their earlier life? The answer that came to his mind was, *The Price of the Land*.

Those earlier settlers were not farmers by practice or by nature. They were descended from the habitual "Western Man" who had pressed the frontier backward from the Atlantic coast and onward through the wilderness across the Eastern and Middle states to the prairies beyond the lakes. Their harvest was not of the growing crops of farm lands, but of the growing value of the land itself. They were a hardy race of axmen and riflemen, and the forest was their home. The freedom of their

action so inspired them with the sense of honesty and justice that no laws were required for their government, and life and property were more safe without guard or lock than in the hands of officers of the law in our larger cities. They could settle and organize a state and frame a constitution which contained the elements of justice, but when the price of the land advanced they passed on toward the free lands of the West to found new settlements. From these free people of the forest have sprung some of the grandest characters in American history. They were "Students of the Academy" and many were the backwoods minds as logical as Plato. Discussing academic questions and solving mathematical problems was a pastime that developed such types as Lincoln and Garfield.

In the earlier days our wilderness was a "No Man's Land," in which the people took but little interest. Our earlier manufacturing was established on free raw materials. Not necessarily free of duty, but free for the taking, and the cost of production was the labor cost with most of the capital of production belonging to the laborer. Privations were there, but privations do not necessarily mean poverty. The working man of today can hardly afford a suit of clothing as valuable as the old fashioned "homespun," nor can he afford an overcoat as valuable as one of bear or buffalo skin. Many of the privations of those days are considered as luxuries today, and a family will save for eleven months of the year in order to pay for the enjoyment of one month of such hardships and privations. It seemed a hardship to have no other syrup than maple for pancakes and no other meat than venison. It seemed a hardship to have a flock of wild turkeys come into the field and help a boy husk corn when killing one was no object, since a quarter of venison might spoil while the turkey was being eaten. But it did not seem any hardship to get up early in the

morning, do up all the morning work and walk sixteen miles to the embryo emporium of commerce to see Dan Rice's circus, go without dinner and walk home in time to milk the cows. That was easy, but getting up the next morning to hoe the corn was somewhat of a hardship.

How different were the conditions in those earlier days in the forest, and how different the spirit and sentiments of the people. There was an independence without insolence, and a freedom of thought and action which no city life can give to one born subject to its toils. There was no feeling of inferiority to blight the ambition of a sensitive boy who might aspire to the higher positions of life. Among those forest boys, whom the old man recalls to mind, was the material of manhood which developed into the broader field of action as they came to manhood's estate. Among those boys who ran barefooted through the forests and began their education in log schoolhouses he now recalls to mind merchants, doctors, factory managers, state legislators, bankers, a judge, a college professor, a high railway official and a congressman. That forest life was rich with inspiration and mental development.

Sitting there on the ruins of his birthplace, this question came to the old man's mind: "How could those early settlers have paid any price for the privilege of living in the forest?" Their handicraft, applied to the crude resources, supplied ninety per cent of their living, and the balance, a few luxuries and tools and ammunition for their rifles, was obtained mostly from the sale of hides and furs and game. Prosperous as they were as pioneers they could no more have paid a price for their privileges than the woodchuck under the stone pile could have paid rent. Fat and prosperous as the woodchuck was, the only way rent could be collected from him would be with a shot-gun.

As the old man moved away that his successor could have the same chance at a living that the pioneers had

enjoyed, another question came to his mind: "If free lands and materials free for the taking were such an important matter to those early settlers, why is not the 'Price of the Land' just, as important now to the manufacturers of the country and to their workmen?"

Just as the early settlers gave value to the lands of speculators by building school houses and cutting out highways, just so is manufacturing capital and labor giving value to the lands of speculators today. Their industry and labor is building up a cost against themselves which is not only absorbing their earnings but is diverting the purchasing power which should buy their products, and compelling credit consumption to prevent apparent overproduction. The overflow of their personal value is the "Unearned Increment" which compels them to increased exertion and worry in paying others for the values they themselves have produced.

But there was one thing, one point of sentiment, among those early settlers which the "better element" of our people would condemn today as a principle of dishonesty. They would steal timber off the government lands and off the lands of speculators, and they would kill game regardless of all game laws. Honest and free-hearted to a fault in all personal dealings among themselves, leaving houses alone all day without being locked and leaving their most valuable tools out in the highway as a rule, they did not respect any laws for the protection of timber and game. Not only was it considered honest to violate such laws, but it was considered disreputable for any one to turn informer, and the man who would assume a guardianship over a tract of land held for speculation was, as a rule, below the standard of backwoods honesty and a man who needed watching. To them, timber and game was a condition in Nature and they failed to feel and realize the personality of an invisible ownership. It was different from taking from an individual. The government was a

rather than by the benefits derived. Under this system no man could take advantage of other men, nor could he rise above them in wealth and distinction unless by reason of superior inherent qualities. The earlier patricians were men of recognized superior abilities and not of superior wealth. But as every war called for acts of generalship and heroism, and as the Roman system of rewards was to grant a special public favor in the form of a land grant, free from public levy, and with the heroes themselves empowered to do the granting, it was only a matter of time with heroic acts and land grants until the only remaining public right was in the conquest of other lands. Thus with all home lands owned by the patricians, free from public levy, and with the public rights of the masses lying in the foreign lands which they must conquer, conquest wars became necessary not only in supplying the public revenue but in supplying food for the masses, since the home lands had become too valuable for any purpose other than pleasure grounds for the favored few—the descendants of former heroes. The lands of Italy became so high in rental value that none could afford to pay the price of the land nor pay for their produce at prices that would pay dividends on capitalization, so those who dwelt upon the land were virtually owned by the land owners. They became a part of the property rights of the land with the lowest manner of living the only reward for the fullest measure of their toil. The few were inheriting the former rights of many, and while “to be a Roman citizen was greater than to be a (vanquished) king” the price of the land made production impossible in profits to labor and so smothered the handicraft of the people in the science of war. As the price of the land robbed industry of its profits, conquest became a necessity; and as conquest levied tribute on the handicraft of other lands in supplying the fastidious tastes and demands of Roman aristocracy, the incentive of the artisan was gone

and he must turn warrior in supplying the needs of his family. The artisan turned warrior could produce more by war than by his art and the incentive to art died out in war. When a "Roman peace" spread over a conquered world it was also a covering for the grave of Industry. A peace coming with the passing of a civilization graced with gems of art which no trammelled mind ever could have conceived. A peace coming with the passing of a civilization which, robbed of reward and incentive, could no longer supply an army with the sinews of war. A passing civilization, dying for lack of incentive and productive reward, buried in the "dark ages" by the Goth and Vandal, who, in the interment, were inoculated with germs of inspiration. The wonder of what had been was the germ of inspiration which carried civilization to the lower priced lands to the Northward, and which later led across the uncharted seas to the unknown and revealed to a deadened world the free lands of a new continent. The new redeemed the old and made another civilization possible.

All civilizations of the past were founded by savages by building free institutions on free lands for the producing masses. The incentive which builded for the better was the reward coming of an industry which gave to each producer the enjoyment of the full measure of his produce. The more skilled handicraft of the people was developed by the incentive of having and enjoying the best that their industry and skill could produce. The underlying principle of all civilizations is the right of being and the privilege of doing, that all may have the fullness which their genius and ability can produce. A price on the land is a limitation of what the producer may have and own and use, and the higher the price the greater the limitation. The degree of civilization throughout Western Europe depends upon the cheap lands of the unappreciative countries where a commerce can obtain cheap raw materials and avoid the payment in all their needs of the

high priced home lands. When speculation reaches and raises the price of all lands, and their life giving resources, civilization will hang in the balance with the earth becoming too high priced for common human use.

Shepherds and herdsmen, tending their flocks and herds on free pastures around the shores of the Mediterranean, developed a handicraft which supplied a taste they could well afford, for they paid no tribute which divided their produce with others. As their appreciation grew, their handicraft developed a more subtle art in producing the beautiful and the grand, and Nature was assisted in developments which multiplied the supplies of sustenance and luxuries needed by a more refined people. The satisfaction in having and using increased the incentive for planning and doing until civilization, the flower gardens of humanity, grew and blossomed where the seed of savagery had been sown in earlier times. But the development of civilization developed the concentrated control of natural resources, and it developed the price of the land which divided the produce of industry. Heroes developed into rulers and kings and the rewards for heroism became titles in perpetuity, and the arrogance of their descendants became greater than the heroism of the ancestors. The arrogance and opulence of those born plus the rights of the millions, so taxed the handicraft of the people that little was left to give incentive to well doing. This extortion left so little to the producer that robbery became more profitable than production and the incentive and the handicraft which had builded to the higher civilization died out for lack of rewards, and the civilization died for lack of a handicraft to feed it.

In those dark ages which followed the exhaustion of civilization, the handicraft of the people was confined to the needs and arts of war, and to a food supply so meager that slaughter became a virtue by preventing starvation. But, amidst plundering warfare, urged on by fanatical

creeds, there were, here and there, springing up "free cities, the homes of the "guilds," where little by little a new handicraft was developing and giving its commerce to the narrowed world. Hiding in marshes and forests, to be free from plundering tributes, men were again applying their incentive energy and incentive genius to the free opportunities of Nature and enjoying the fruits of their toil. From this period of new development came that independence of thought that inquired into the rights of men to form ideas, that turned the world from flat to round and added to it a new continent.

With a new continent of free opportunities came relief to an over-taxed world. Not relief to over-population, but a relief coming of a commerce in materials free from land value costs. As the treasures of the Incas and the Aztecs diluted the money volumes of the old world, the debts of superfluous profligates were diluted and liquidated, and prices became attractive to producers. Not prices padded and swollen with royalties and rental costs, but enlarged and rich with the wages of labor and the profits of industry. Industry and commerce were liberated from unnatural costs and tributes, and drawing their supplies from the free lands of a larger world a profit became possible to those who were willing to do that they might have and enjoy.

With the expansion of commerce there came a renewed development of that old handicraft which had filled the world with wonder at its skill, but which, failing to supply the demands of free opportunity, now develops into a *braincraft* and doubles over and over again the capacity of the hand in supplying the higher tastes of human desire. *Opportunity*, and not *Necessity*, being the mother of *Invention*, from the opportunities offered by free access to natural resources there sprang an inventive genius which promised well to solve the secrets of the universe. With the forces of Nature harnessed in automatic pro-

duction the acme of civilization should be reached and poverty banished from a world that has proved itself such a bountiful provider for all who come to live upon it, if they only respect the laws of Nature and do not attempt their repeal. But, in the beauty of the prospect, in the fascination of the possible in human achievement, the latent desire for power over fellow beings and the morbid satisfaction of living off the toil of others without giving any return has led to a reaching out by some for a concentrated ownership of Nature that all others must pay tribute and live upon the earth only by purchased permission. The growing price of factory materials is the tribute being collected, the war between capital and labor is trying to decide which shall pay the tribute.

France was poverty-stricken until a revolution drove an arrogant nobility from their roost upon its natural resources. A prosperity never before known to Europe followed the freeing of the lands and Napoleon was given the credit by the people, and their gratitude was such they would follow him unto death. With the flight of those who were collecting the price of the land, opportunities became free and he was worshiped for the accruing benefits, for all of his wars did not take from the people so much in taxes as did the rentals of the nobility in times of peace. The difference measured their prosperity, and resumption of rentals by a restored nobility measured the following depression.

Take too much from the people and they lose their incentive for the better in life and become indifferent to the higher life in which they have no part—but in the making. To them there will be no beauty in the twinkling stars and budding flowers, and sunshine will be but sweltering heat that saps their ill fed energy. Rob them of their incentive and hope of prospect by taking from them too much of their earnings in payment for the privilege of their being, and their indifference to the better in life will take from productive capital that margin which

now makes production possible by making it profitable. With shrinking consumption there must come shrinking production and a shrinking wage fund. With a shrinking productive capital we must have a declining civilization; a rapid decline, without a handicraft among the people, to the lowest point where the hand can feed the mouth and survive. Our higher education will leave the Roman proletariat as butting rams to howling wolves. The Price of the Land will have absorbed all profits to productive capital and all liberties of the people, and will have rendered the earth too costly for ordinary people to live upon.

Price of the Land!—Twin sister of Poverty, the favored one and the recipient of all benefits; the foster mother of Arrogance and Idleness; the mistress of Segregated Wealth and the clandestine mother of Crime! Where was your hiding place when savagery was the state of man? From what asylum did you escape when the sunlight of knowledge and the force of industry brought civilized man to a realization of the value of opportunity? Will your seductive beauty and voluptuous being always charm and enthrall our greatest men and pollute their progeny with the idleness of your association? Should men, in the weakness of their egotistic pride, be allowed to fall victims to your alluring sensuality? Can any people so free themselves from your bribery and become so strong in their law-giving as to prescribe a limit to your debauchery, or banish you from their country, that they may rise, untrammelled, to the noblest heights of human possibilities?

Yet, we must not judge too harshly. The few must not be too greatly blamed for doing what all were striving to do. In the older world the resources of Nature were as desirable as now. They were the prize open for the winning, the contest was of arms. The strongest arm and the stoutest spear won the prize and the masses of humanity bowed down to toil and tribute until poverty rusted into

their very souls. Another world of resources was revealed, and again it was by contest the prizes were won; not won by the strongest of arm but by the keenest of mind. Again the people yielded to the unlimited greed of the few, but not so willingly. The lottery is a thing of the past and the spirit of gambling is under the ban of a strengthening law. The conception of right and wrong is undergoing a change, and men are questioning the right of gain where others must lose. To question is to open the crevices of the mind, and once open, the light of truth will enter, for the inherent nature of man is to be just. Men are striving for the right as the clouds of old fallacies lift from the brow of justice. The right is their desire and the right must prevail.

From the earlier days, the theme of bard and minstrel has been more of justice than of war, and war, as sung, was but to enforce their ideas of right. From those earlier days men have dreamed and sung of happy homes in favored lands where laws were just and men were free. Their waking vision was of justice and freedom, their struggles were of wars and oppressions and not with barren soils and a stubborn nature. Ever their dreams and desires have led them onward, over mountains and seas, ever seeking and never finding that rest and peace which a broad and fruitful world should give. Every clime has been traversed and every sea explored, yet, from richest valleys and fertile plains, where the hum of industry is music to the ear and the fullness of the harvest is a feast to the eye, men still are restless and moving, seeking that which humanity has never found.

But why seek for something better when the fullness of the earth is at our hand and justice is of our making? The earth is doing its part and from every land a fullness is flowing that does not speak of poverty.

“Beautiful world, though bigots condemn thee,
My tongue finds no words for the graces that gem thee.”

There can be no fault in Nature; all is bountiful and just, and the inherent nature of man is to be just. The fault lies in us, in not knowing how to use what Nature has given for our use. What Nature has made free for all should remain free for all. Where there is no human cost there should be no price, for there can be no fund developed in human economy which can pay the Price of the Land.