

# PROBLEMS OF TO-DAY

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# Problems of To-day

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## Wealth—Labor—Socialism

By

Andrew Carnegie

Author of "The Gospel of Wealth," etc., etc.



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## Wealth

# PROBLEMS OF TO-DAY

## WEALTH

WHEN the Publishers discussed with the writer the arrangements as to this book they referred to opinions he had expressed years ago upon the subjects embraced. The first to attract general attention was published in the *North American Review*, New York, in 1889. Mr. Gladstone asked that magazine kindly to allow the republication of the article, and it appeared in the *Pall Mall Budget*, London, then under Mr. Stead's editorship, who christened it "The Gospel of Wealth."

This was followed by a symposium in the *Nineteenth Century*, in which Mr. Gladstone, Cardinal Manning, Rev. Price Hughes, Rev. Dr. Hermann Adler and the writer participated.

When President Roosevelt sent his notable message to Congress, three years ago, calling attention to the unequal distribution of wealth, and recommending high, progressive taxes upon estates at the death of the owners, the writer

sent him a copy of "The Gospel of Wealth." The President wrote in reply, that he was "greatly struck with the fact that seventeen years ago you had it all." This led the writer to proceed a step further and add another chapter, which appeared in 1906.

In like manner the writer held and expressed advanced views upon "Labor" and "Land" before he could be ranked as one of the multi-millionaires. He cannot therefore be regarded as only a recent convert to some of the doctrines which are now promulgated so freely.

As time has only served to confirm the views then expressed, it is believed that readers will prefer to learn what was written before these questions had come so prominently to the front.

The unequal distribution of wealth lies at the root of the present Socialistic activity. This is no surprise to the writer. It was bound to force itself to the front, because, exhibiting extremes unknown before, it has become one of the crying evils of our day.

In the world's progress, scientific discoverers and mechanical inventors appeared and adapted the forces and materials of nature to the uses of man, followed by the commercial and industrial age in which we live, in which wealth has been produced as if by magic, and fallen largely



to the captains of industry, greatly to their own surprise. Multi-millionaires, a new genus, have appeared, laden with fortunes of such magnitude as the past knew nothing of. The extremes in the distribution of wealth have never been so great as they are to-day, although salaries and wages have never been so high. This has naturally attracted the attention of the wage-earners and others not deluged by the golden showers, and the "Socialist's Budget" appears as one of the remedies proposed.

In the "Gospel of Wealth" (1889) the writer advocated graduated taxation upon estates at death of owners, saying:

"The growing disposition to tax more and more heavily large estates left at death is a cheering indication of the growth of a salutary change in public opinion. The State of Pennsylvania now takes—subject to some exceptions—one-tenth of the property left by its citizens. The Budget presented in the British Parliament the other day proposes to increase the death-duties; and, most significant of all, the new tax is to be graduated. Of all forms of taxation this seems the wisest. Men who continue hoarding great sums all their lives, the proper use of which for public ends

would work good to the community from which it chiefly came, should be made to feel that the community, in the form of the State, cannot thus be deprived of its proper share. By taxing estates heavily at death the State marks its condemnation of the selfish millionaire's unworthy life.

“It is desirable that nations should go much further in this direction. Indeed, it is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the State, and by all means such taxes should be graduated, beginning at nothing upon moderate sums to dependants, and increasing rapidly as the amounts swell, until of the millionaire's hoard, as of Shylock's, at least

‘The other half

Comes to the privy coffer of the State.’

This policy would work powerfully to induce the rich man to attend to the administration of wealth during his life, which is the end that society should always have in view, as being by far the most fruitful for the people. Nor need it be feared that this policy would sap the root of enterprise and render men less anxious to accumulate, for, to the class whose ambition it is to leave great fortunes and be talked about after death, it will be even more attractive,

and, indeed, a somewhat nobler ambition to have enormous sums paid over to the State from their fortunes."

Long entertaining such views, there is nothing in the "Socialist's Budget," as presented by Mr. Snowden in the "Labor Ideal" series which does not commend itself to the writer. It will be noticed it proposes (as the "Gospel of Wealth" did nineteen years ago) that one-half of the deceased millionaire's hoard should go to the State when the estate exceeds \$5,000,000.

Mr. Snowden's protest against indirect taxation of commodities is also sound, because this favors the rich. One individual does not consume much more of these than another, while the ability of the rich to pay duties is infinitely greater than that of the masses.

The American, British, and German tariffs present a great contrast, much to the benefit of the masses of the American people, and this although America, like Germany, is "Protective" and Britain is "Free Trade."

America taxes imports heavily, but these are the luxuries of the rich, which the masses do not consume. The American masses eat, wear, drink, and smoke American products. Only the rich wear foreign silks, linens, fine

cottons, broadcloths, etc.; drink French wines, or smoke Havana tobacco. It is by taxing the importation of these and similar articles that America raises revenue. Thus in 1907 \$216,000,000 were collected upon such luxuries, all paid by the rich, who alone use them. Tea, chocolate, and coffee are free. Sugar, formerly free, alone of all food products yields much revenue, as a protective duty of two cents per pound exists upon it at present, intended to stimulate the growth of beet. Half a million tons of domestic sugar were produced in 1906, and production is rapidly increasing.

Thus the American workman if he neither smoke nor drink practically escapes tariff duties, except upon sugar. In Britain the workman pays not only upon sugar, but also upon imported tobacco, tea, and coffee. The American excise tax upon tobacco is only six cents per pound as compared with seventy-five cents in Britain.

Germany in 1905 imported articles for consumption valued at \$595,000,000. To protect her agriculturists she taxes all imported food products, which are consumed by rich and poor alike. The German masses are here more heavily taxed than the British.

The distribution of wealth and taxation in Britain, according to Mulhall and later authori-

ties, is estimated as follows (see *Westminster Review*, February 1908, p. 172):

Class.	Persons	Wealth.	Taxation.
Rich . . . . .	680,000	\$60,000,000,000	\$190,000,000
Middle . . . . .	5,100,000	15,000,000,000	210,000,000
Working . . . . .	38,220,000	5,000,000,000	200,000,000
Total . . . . .	44,000,000	\$80,000,000,000	\$600,000,000

This result is obtained by a combination of imposts which, taken collectively, tax the different classes of the people on the average in proportion to their incomes or wages. But if an assessment were made, as it should be, in proportion to accumulated wealth, the figures would appear as follows:

Class.	Wealth.	Tax.
Rich . . . . .	\$60,000,000,000	\$450,000,000
Middle . . . . .	15,000,000,000	112,500,000
Working . . . . .	5,000,000,000	37,500,000
Total . . . . .	\$80,000,000,000	\$600,000,000

From this it would seem that the middle class are charged \$97,500,000 above their proper share, and the working class pay \$162,500,000 too much; while the rich contribute \$260,000,000 less than they should do in proportion to the value of their real and personal estate. In other



words, about  $1\frac{1}{2}$  per cent. of the whole population own the bulk of the wealth, and the rest of the community pay the bulk of the taxes. The statement appears almost incredible; but the matter is of such importance as to be worthy of official inquiry.

Those whose incomes are only sufficient to meet physical wants should not be subjected to taxation at all. Adam Smith's dictum, "The subjects of every State ought to contribute to the support of government as nearly as possible in proportion to their respective abilities, that is, in proportion to the revenue which they respectively enjoy under the protection of the State," should be the rule, especially since there is so much wealth concentrated in the richer classes beyond their most liberal needs. We speak, however, only of the physical needs of men. It should always be remembered by the working-man that neither liquor nor tobacco can be considered as needs. The dire consequences resulting from the use of liquor would justify much higher taxation upon it in the interest of the workers themselves. The greatest single evil in Britain to-day is intemperance. Seven hundred and eighty-five million dollars yearly is the drink bill. How much of this is paid by

the working classes is, we believe, unknown, but even if it be only one-half, here is three hundred and ninety-two and a half millions worse than wasted by them. The liquor interests have now received title to their drinking-places, when before they had only licences from year to year — a present made to them, as estimated by some, equal to fifteen hundred million dollars. When one asks himself what would most benefit the worker, there is no hesitation in the reply — To avoid liquor and gambling. The working-man who indulges in either is, to the extent he does so, the architect of his own poverty. Here is the issue of greatest moment to the working men. One cannot help those who do not help themselves. One man cannot push another up a ladder. The moment he releases his grasp the assisted one falls. It is only possible to really help those who co-öperate with the helper. It is not the submerged but the swimming tenth that can be steadily and rapidly improved by the aid of their fellows. The former should be the special care of the State, and should be isolated.

Viewing Socialism upon its financial side, as shown in Mr. Snowden's budget, its demands are just.

A heavy progressive tax upon wealth at death

of owner is not only desirable, it is strictly just. So is it just to exempt from taxation the minimum amount necessary to supply the physical wants of men and their families, just as a minimum is exempt from income tax in Britain, and the modest homestead is from foreclosure under mortgage in America. There is, however, nothing specially Socialistic in this. It is sound Adam Smith doctrine that all should pay taxes only in proportion to their ability to do so, and revolutionary Socialism is successfully to be combated only by promptly conceding the just claims of moderate men.

Wealth is undoubtedly a great factor in civilised life — a very great factor indeed, since civilisation itself rests upon it as its foundation. In his essay upon the “Gospel of Wealth” in the *Nineteenth Century*, Mr. Gladstone pronounced it “the business of the world.” When there was no wealth there was no civilisation; none was possible. All was necessarily savage or barbaric. As long as the first stage existed, and man consumed all that he captured, nothing permanent could be built, there being no reserve fund to draw upon. Man lived in the wilderness almost as he found it, sheltering himself in huts made of branches or in caves. During the second stage faint traces of individualism began



to appear. In the progress of the race men displayed different aptitudes; one man could forge swords and make arrows better than another, one could capture more fish, another kill more game, and it finally became profitable for these to apply themselves solely to their respective branches. Specialisation began the root of individualism. Then came exchange of products, but after a time barter ceased, and certain articles — wampum, beads, skins, shells — became “money,” in which were invested the savings of men. Then was slowly developed, in due progress of time, that beneficent gospel, “as a man soweth, so shall he reap” — reward according to service. Many things hitherto held in common became private property, and at last, out of the savings of men (capital), durable things were built, and civilisation dawned. Even in our own time not a ton nor a yard of anything can be produced, not a ship nor railroad, not a house, school, university, nor church built, without drawing upon stored-up capital, which is wealth. At first, for a short period, all was the savings of manual labor, but, very soon, wealth came in much larger amounts to certain individuals from various sources — increased value of land, minerals, etc., and then of real estate, new inventions, etc. Thus wealth

is not all the result of manual labor, though the first small surplus was. The greatest growth of wealth from any one source in our times comes from the increased value of real estate upon which little or no labor is bestowed, the increase of population raising values.

According to MacPherson,\* author of "Carlyle" and "Adam Smith" in the "Famous Scots Series," we have to charge the greatest of economists, Adam Smith himself, with having made a slip to the effect that "the wealth of a nation is the creation of labor," out of which sprang the other error that "labor is the measure of the exchangeable value of commodities."

Marx took up these mistaken ideas, and justly decided that they led to the conclusion that capitalistic profit is simply the surplus value obtained from unpaid labor.

In extenuation of Smith's slip, it should be remembered that, in his day, our system of gigantic production in huge establishments had not begun. People generally labored in their own homes, and wealth accumulated slowly. All is changed, and Marx's theory is abandoned by the leading Socialists to-day, who "reject his special contributions to pure economics. His

\*The careful perusal of MacPherson's "Gospel of Socialism," is recommended.

theory of value meets with little support.”\* But the great mass of Socialistic working-men have not yet reached this stage. Still, the error, having been wounded, must soon die among its worshippers, as error always does. It is easily demonstrated to be an error. For instance, the greatest increase of any single department in wealth arises from increased value of land.

The ratable value of the City of London in 1870 was £2,266,842 (\$11,334,210), and is now £5,451,820 (\$27,259,100). The corresponding figures for the whole metropolis are £18,719,237 (\$93,596,185) and £44,351,000 (\$221,755,000).

The valuation of New York City has increased from \$4,751,532,826 in 1903 to \$6,240,480,602 in 1907.

In the whole of the United States, as quoted elsewhere, the census shows that from 1890 to 1900 the value of real estate increased from \$39,544,544,333 to \$52,537,628,164, an increase of \$12,993,083,831, three and a half times the national debt of Britain.

It is clear that wealth mainly created by increase of population is not to be credited to labor, for little additional “labor” was expended. The labor of tilling the soil was compensated

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\* Sidney Webb. “The Gospel of Socialism,” p. 14.

for by the crops, and did not add to the valuation.

That "value" depends upon and is the result of labor can be exploded thus:

The late Duke of Sutherland, in his praiseworthy desire to improve conditions upon his vast Highland estates by making the land support his people at home, expended for years the labor of many men and vast sums in the effort. Few dollars of "value" were created. The effort failed.

Chantrey spends a year upon a statue, and it brings five thousand dollars. Another man works twice as long and twice as hard, yet his statue is practically worthless. Both "labored," but purchasers wanted the one statue, and did not want the other. Thus the wants of the purchaser and not the "labor expended" fixes value.

So with all forms of labor; if there be a demand (i.e., a purchaser) for it at a certain price — for price is a potent factor — what labor produces has value. If not, labor expended is labor lost. The result is that labor is not employed upon articles not in demand. Thus "labor" neither creates nor fixes value; the law of supply and demand does so.

The employer engaged in manufacturing is

compelled to meet the wants of the people, his customers. The interest of employer and employee, capital and labor, in doing so, are mutual, not antagonistic.

Marx predicted that machinery would extend the hours of labor and depress wages so much that he foresaw the time when employers would get the labor of a whole family for what they had paid for the head alone. He denied that any share of increased profits could fall to the workers so long as capital had control of machinery. The reverse of all this has been the result: hours of labor have been reduced, wages increased, and a great advance has been made in the position of wage-earners under the new conditions of production. The proofs of this gratifying result, especially during the past twenty years, are among the most welcome evidences the optimistic well-wisher of the working class receives that all goes well, though not quite so fast as we and other reformers most ardently wish.

After making full allowance for differences in men, it still remains true that contrasts in their wealth are infinitely greater than those existing between them in their different qualities, abilities, education, and, except the supreme few, their contributions to the world's work.



It should be remembered always that wealth is not chiefly the product of the individual under present conditions, but largely the joint product of the community.

Let us go to the root of the matter, and inquire how fortunes are created, whence and how they arise. This the writer has recently attempted to do in the following manner:

Imagine an honest, hard-working farmer who finds himself able to give to each of his two sons a farm. They have married admirable young women of the neighborhood, of good kith and kin, friends from youth — no mistake about their virtues. The sons find farms, one in the centre of Manhattan Island, the other beyond the Harlem. They cast lots for the farms as the fairest method, thus letting the fates decide. Neither has a preference. The Harlem farm falls to the elder, the Manhattan to the younger. Mark now the problem of wealth, how it develops.

A few hundred dollars buy the farms, and the loving brothers set out for themselves. They are respected by all; loved by their intimates. To the extent of their means, they are liberal contributors to all good causes, and especially to the relief of neighbors who through exceptional troubles need friendly aid and

counsel. They are equally industrious, cultivate their farms equally well, and in every respect are equally good citizens of the State. Their children grow up and are educated together.

The growth of New York City northward soon makes the children of the younger millionaires, while those of the elder remain simple farmers in comfortable circumstances, but, fortunate in this beyond their cousins, still of the class who have to perform some service to their fellows and thus earn a livelihood.

Now, who or what made this difference in wealth? Not labor, not skill. No, nor superior ability, sagacity, nor enterprise, nor greater public service. The *community* created the millionaire's wealth. While he slept it grew as fast as when he was awake. It would have arisen exactly as it did had he been on the Harlem and his brother on the Manhattan farm.

The younger farmer, now a great property-holder, dies, and his children in due time pass away, each leaving millions, since the farm has become part of a great city, and immense buildings upon it produce annual rents of hundreds of thousands of dollars.

When these children die, who have neither

toiled nor spun, what canon of justice would be violated were the nation to step in and say that, since the aggregation of their fellow-men called "the community" created the decedents' wealth, it is entitled to a large portion of it as they pass away? The community has refrained from exacting any part during their lives. The heirs have been allowed to enjoy it all, because although in their case the wealth was a purely communal growth, yet in other cases wealth often comes largely from individual effort and ability, and hence it is better for the community to allow such ability to remain in charge of fortune-making, because more likely to succeed, and in so doing develop our country's resources.

It would be unwise to interfere with the working bees; better allow them to continue gathering honey during their lives. When they die, the nation should have a large portion of the honey remaining in the hives; it is immaterial at what date collection is made, so that it comes to the National Treasury at last.

That by far the greatest amount of wealth created in any branch comes from enhanced values of real property is especially true in a prosperous country, increasing rapidly in population, like the United States. The census



shows that from 1890 to 1900 the value of real estate increased from \$39,544,544,333 to \$52,537,628,164, an increase of \$12,993,083,831; \$1,300,000,000 per year, over \$3,500,000 per day.

The obvious creator of this wealth is not the individual, but the community, as we see in the case of the two brother farmers. Property may pass through many proprietors, each paying more for it than his predecessor; but whether each succeeding owner sells to his successor at a profit depends almost solely upon whether the surrounding population increases. Let population remain stationary, and so do values of property. Let it decline, and values fall even more rapidly. In other words, increased population — the community — increases the wealth in each successive generation. Decrease of population reduces it, and this law holds in the whole of that vast and greatest field of wealth, real estate. In no other field is the making of wealth so greatly dependent upon the community, so little upon the owner, who may wholly neglect it without injury. Therefore, no other form of wealth should contribute to the nation so generously.

Let us now trace the acquisition of wealth by the active business man who has some

personal part, and often not a small one, in creating it.

Imagine five brothers, sons of another hard-working farmer. The first settles in New York City, the second in Pittsburg, the third in Chicago, and the fourth in Montana. The first sees that railroads in every direction are essential to the coming metropolis, devotes himself to this field, and obtains large interests therein. As the population of the country increases, and that of New York City bounds ahead into the millions, these lines of transport laden with traffic justify increasing bonded debt. Having the figures under his eye, he sees that the shares of these railways are sure to become dividend-paying, that even already there are surplus earnings beyond the bonded interest, which, if not needed for pressing extensions, could be paid in dividends and make the stock par. He strains his credit, borrows great sums, buys the shares when prices are low, and, floating upon a tidal wave of swelling prosperity, caused by the increased traffic of rapidly increasing communities, he soon becomes a multi-millionaire, and at his death his children are all left millionaires. In the consolidation of the various short lines into one great whole there was margin for a stu-

pendous increase of capital; and in other collateral fields there lay numerous opportunities for profitable exploitation, all, however, dependent upon an expanding population for increased values. Now, while the founder of the family must be credited with remarkable ability and with having done the state some service in his day and generation, it cannot be denied that the chief creators of his wealth were the increasing communities along the railroads, which gave the traffic that lifted these lines into dividend-payers upon a capital far beyond their actual cost.

In the work and its profits the nation was an essential partner, and is equally entitled with the individual to share in the dividends.

The second son is so fortunate as to settle in Pittsburg when it had just been discovered that some of the coalfields of which it is the centre produced a coking-coal admirably adapted for iron-ore smelting. Another vein easily mined proved a splendid steam-coal. Small iron-mills soon sprang up. Everything indicated that here indeed was the future iron city, where steel could be produced more cheaply than in any other location in the world. Naturally, his attention was turned in this direction. He wooed the genius of the place. This was not anything extraordinarily clever. It was in

the air. He is entitled to credit for having abiding faith in the future of his country and of steel, and for risking with his young companions not only all he had, which was little or nothing, but all they could induce timid bankers to lend from time to time. He and his partners built mills and furnaces, and finally owned a large concern making millions yearly. This son and his partners looked ahead. They visited other lands and noted conditions, and finally concluded that a large supply of raw materials was the key to permanent prosperity. Accordingly, they bought or leased many mines of iron ore, many thousands of acres of coal and of limestone and also of natural-gas territory, and at last had for many long years a full supply of all the minerals required to produce iron and steel. This was sound policy, but it did not require genius, only intelligent study, foresight and good judgment, to see that. They did not produce these minerals; they saw them lying around open for sale at prices that are now deemed only nominal. Much of the wealth of the concern came from these minerals, which were once the public property of the community, and were easily secured by this fortunate son and his partners upon trifling royalties.

Their venture was made profitable by the demand for their products, iron and steel, from the expanding population engaged in settling a new continent. Without new populous communities far and near, no millionaioredom was possible for them. The increasing population was always the important factor in their success. Why should the nation be denied participation in the results when the gatherers cease to gather and a division has to be made?

The third son was attracted to Chicago, and quite naturally became an employee in a meat-packing concern, in which he soon made himself indispensable. A small interest in the business was finally won by him, and he rose in due time to millionaioredom, just as the population of the country swelled. If Chicago to-day, and our country generally, had only the population of early days, there could have been no great fortune for the third son. Here, as before, it was the magnitude of the business, based solely upon the wants of the population, that swelled the yearly profits and produced prodigious fortunes.

The fourth son, attracted by the stories of Hecla and Calumet, and other rich mines which "far surpass the wealth of Ormus or of Ind," settled in Montana, and was lucky after



some years of rude experience. His ventures gave him the coveted millionairess. The amount of copper and silver required by the teeming population of the country and of other lands kept prices high, and hence his enormous profits mined from land for which only a trifle was paid to the general government not so long ago. He did not create his wealth; he only dug it out of the mine as the demands of the people gave value to the previously worthless stones. Here especially we cannot but feel that the people who created the value should share the dividends when these must pass into other hands.

The fifth son had a melancholy career. He settled in New York City while young, and unfortunately began his labors in a stock-broker's office, where he soon became absorbed in the fluctuations of the Exchange, while his fond mother proudly announced to all she met that he was "in business." From this the step was easy to taking chances with his small earnings. His gambling adventures proved successful. It was an era of rising values, and he soon acquired wealth without increasing values, for speculation is the parasite of business feeding upon values, creating none. A few years and the feverish life of the gamester told

upon him. He was led into a scheme to corner a certain stock, and, as was to have been expected, he found that men who will conspire to entrap others will not hesitate to deceive their partners upon occasion if sure it will pay and is safe from exposure. He ended his life by his own hand. His end serves to keep his brothers resolute in the resolve never to gamble. The speculator seldom leaves a millionaire's fortune, unless he breaks down or passes away when his ventures are momentarily successful. In such a case his ill-gotten gold should be levied upon by the State at the highest rate of all, even beyond that imposed upon real estate values. Wealth is often, we may say generally, accumulated in such manner as benefits the nation in the process; here it demoralises the getter as well as the people, and lowers the standard of ethics; it is taken without returning any valid consideration and ranks with gamblers' games.

There is one class of millionaires whose wealth in very much greater degree than others may be credited to themselves: inventors—Graham Bell of the telephone, Edison of numerous inventions, Westinghouse of the air-brake, and others—who originated or first applied processes hitherto unused, and were sufficiently alive to their pecuniary interests

to hold large shares in the companies formed to develop and introduce them to the public. Their wealth had its origin in their own inventive brains. All honor to the inventor! He stands upon a higher platform than the others.

It may be said that in greater or less degree our leading manufacturers, railroad-builders, department-store projectors, meat-packers, and other specialists in one line or other had to adopt new methods, and, with few, if any, exceptions, there can be traced in their careers some special form of ability upon which their success depended, thus distinguishing them from the mass of competitors. No doubt this is correct, yet the inventions or processes used were the work of others, so that all they did was to introduce new methods of management or to recognise and utilise opportunities. This the inventor class have also done if they have become millionaires, but in addition they have invented the new processes. So that these deserve to reap beyond the other class, yet only in degree, because both classes alike depend upon increasing population — the masses, who require, or consume, the article produced — so that even the inventor's wealth is in great part dependent upon the community which uses his productions.



It is difficult to understand why, at the death of its possessor, great wealth, gathered or created in any of these or in other forms, should not be shared by the community which has been the most potent cause or partner of all in its creation. We have seen that enormous fortunes are dependent upon the community; without great and increasing population, there could be no great wealth. Where wealth accrues honorably, the people are always silent partners.

It is not denied that the great administrator, whether as railroad-builder, steamship-owner, manufacturer, merchant, or banker, is an exceptional man, or that millions honestly made in any useful occupation give evidence of ability, foresight, and assiduity above the common, and prove the man who has made them a very valuable member of society. In no wise, therefore, should such men be unduly hampered or restricted as long as they are spared. After all, they can absorb comparatively little; and, generally speaking, the money-making man, in contrast to his heirs, who generally become members of the smart or fast set, is abstemious, retiring, and little of a spendthrift. The millionaire himself is probably the least expensive bee in the industrial hive, taking into account the

amount of honey he gathers and what he consumes.

Practically every thousand of his money is at work for the development of the country, and earning interest, much of it paying labor.

In the interests of the community, therefore, he should not be disturbed while gathering honey, provided it be destined largely for the general hive, under a just system of taxation, when he passes away.

Those who have not had opportunity to study the operation of wealth in the world are naturally led astray. They see its possessors in their palaces surrounded with every luxury, their gorgeous carriages in the park; they read of their extravagant balls, of riotous living and inordinate expenditure, and, worse than this, of gambling at cards, and upon horses — horse-racing in Britain unfortunately is still under the highest patronage — sights naturally hard to bear by those suffering for the necessaries of life. The writer has no desire to minimise this sad contrast, nor to say one word in its defense. It is one of the saddest and most indefensible of all contrasts presented in life; but when we proceed to trace the work of wealth as a whole, it is soon found that even these extravagances absorb but a small fraction of it. The millionaire's funds

are all at work; only a small sum lies in bank subject to check. Our railways and steamships, mills and furnaces, industrial structures, and much of the needed working capital to keep these in operation, are the result of invested wealth. The millionaire with two, or the new multi-millionaire with twenty, millions sterling, keep only trifling sums lying idle. All else they put to work, much of it employing labor. They cannot escape this unless they turn misers and keep the gold to gloat over, which no rich man does whom the writer knows or has heard of. On the contrary, the millionaire as a rule is both mindful and shrewd, more apt than those of smaller fortune to invest his capital carefully. Besides, he is usually a man of simple tastes and averse to display.

Whatever impressions the workers may receive of the wealthier classes, the fact is indisputable that their surplus money, minus a small fraction, must augment the wage fund, and in some line or other benefit those who labor. Even their extravagances must in their course contribute to the business of many people struggling to obtain a competence, and hence to the employment of labor. Little can be spent by the rich without drawing upon the labor of others, which must be paid for. All that the

millionaire can get out of life is superior food, raiment, and shelter. Only a small, a very small, percentage of all his millions can be absolutely wasted. When the Socialist, therefore, speaks of all wealth going back to the State, he proclaims no great change in its mission. The State, sole owner, would use it just as the owners now use all but a fraction of it; that is, invest it in some of the multiform ways leading to the reward of labor. It is simply a question whether State as against Individual control of wealth would prove more productive, which, judging from experience of State and Individual management so far as yet tested, may gravely be doubted. It could not make much difference to the workers whether the title to the wealth rested in the State or in individuals if the State decided, as individuals now do, to recompense labor according to value as determined by demand, the fairest standard. All would remain very much as now; one would still get five talents, one ten, and a few would get very many talents, and individualism would reign. The bridge has yet to be found that spans the gulf between equal and unequal compensation for varied service; yet, until this be found — we believe it to be non-existent and impossible to devise — there can be no Com-

munism, nor indeed any milder form of Socialism to which serious objection need be made by earnest improvers of present conditions, since the absorption of "Private property" and "Equal compensation," the two pillars of Revolutionary Socialism, are inevitably relegated to the distant future until a practicable mode of obtaining and managing them be found.

We hear far too much these days upon the subject of wealth as the main object of life. Only by the manual working man and poorer classes is money regarded as the great idol of our age, before which all fall prostrate, and this simply because it is their one pressing want and its acquisition their life work. True, wealth is displacing hereditary rank, which until our own day held foremost position in Britain. Now the poor, average hereditary Peer seeks its alliance and remains of little consequence unless successful, because compelled to maintain an ostentatious style of living, which without fortune is impossible. He bargains for an heiress, because his position depends not upon his merits but upon her wealth. This applies only to the small United Kingdom, for among our English-speaking race elsewhere throughout the world hereditary rank is unknown. It is a survival of the past which raises a smile, for it is



amusing to watch titled personages assuming positions in State or Society solely because some one who preceded them won precedence.

Let this be noted by the workers: none of the professions regard great wealth as the chief prize. Its acquisition is not their aim. Consider the physician: when a man selects that noble career, knowing all its trials, and consecrates himself to the amelioration of human suffering, he knows well fortune is not there to be found. He has a much higher prize than wealth in view. Consider the minister, he who feels that he has a message to deliver to his fellows and, answering, embraces the call. Wealth does not allure him. So with the lawyer. Wealth is not in his mind as the reward of his labors. The Chief Justices of the Supreme Courts are above pecuniary gain. The inventor, the architect, the engineer, and the scientist all have nobler rewards before them than riches. Only a modest competence is the reasonable expectation of all these classes. The great teachers of their fellows, the presidents and professors of our seats of learning, and the teachers of our common schools — what thought have they of bowing before the vulgar idol of wealth? Our poets, authors, statesmen, the very highest types of humanity, are above the

allurements of money-making. These know of higher satisfactions and nobler lives than those of the mere millionaire. Having their nobler missions, they have no time to waste accumulating dross.

All these men are quite right, for beyond a competence for old age, which need not be great and may be very small, wealth lessens rather than increases human happiness. Millionaires who laugh are rare. The deplorable family quarrels which so often afflict the rich, generally have their rise in sordid differences about money. The most miserable of men, as old age approaches, are those who have made money-making their god; like flies bound to the wheel, these unfortunates fondly believed they were really driving it, only to find when tired and craving rest that it is impossible for them to get off, and they are lost — plenty to retire upon but nothing to retire to, and so they end as they began, striving to add to their useless hoards, passing into nothingness, leaving their money behind for heirs to quarrel over, only because they cannot take it with them — a melancholy end much less enviable than that of their poorer fellows.

Wealth confers no fame, although it may

buy titles where such prevail. Nor are the memories of millionaires as a class fondly cherished. It is a low and vulgar ambition to amass money, which should always be the slave, never the master, of man.

There is one fundamental difference between Rank and Wealth. There can be no hereditary aristocracy of wealth. Where it is left free, as a rule it passes in three generations from shirt-sleeves to shirt-sleeves in all English-speaking lands except the United Kingdom, where the law of primogeniture and legal settlements guard a hereditary class and defeat the operation of the natural law. In free lands the children of millionaires and their children may be safely trusted to fulfil the law; to keep a fortune is scarcely less difficult than to acquire it. Wealth is dispersive where unbuttressed by special laws designed to keep it in certain channels, all of which laws should be promptly repealed.

Wealth in America, the land of greatest fortunes, never yet has passed beyond the third generation. It seldom gets so far. We have a few, a very few, families of the third generation now spending the fortunes made by their grandfathers. The two or three greatest fortunes of their day are now being freely distributed among the children and grandchildren, and will be



reduced to moderate sums for each when the present children reach maturity; as certain as fate many of their descendants will be found toiling as their able ancestors did in their shirt-sleeves. We may safely trust those who have not made the money to prove adepts in squandering it.

Great fortunes are few. The aggregate of wealth embraced in these is small compared with the amount in very moderate fortunes. The former attract attention far beyond their importance.

Gigantic fortunes, in the nature of things, must be fewer and harder to build up in the future than in the past. Most great enterprises are now in the corporate form. The writer knows of but one man now in active business who is likely to have an exceptionally large estate, and the foundation of that was laid more than half a century ago by the purchase of timber lands which have increased enormously in value.

We can safely trust to the free play of natural forces under progressive taxation, if not thwarted by legislation as in Britain, to prevent danger or injury to the State arising from hereditary wealth.

The equal distribution of wealth is one of the

loudest cries of the Socialist. Let us suppose that a philanthropist — which generally means a man with more money than sense — resolved to act upon that idea, and distribute his fortune among the poor of London or New York, went to them one morning, and announced his purpose. He is soon surrounded, and begins the distribution. Each man or woman gets *pro rata*, say £5 sterling, until many thousands are given away, the crowd still constantly increasing. He returns at night to witness the result, and shudders at the vision that presents itself. Are these indeed men and women, or only degraded wretches in human form? Is it not evident to all that the first and indispensable work of the Socialist is the elevation of humanity to that standard of conduct which would ensure the wise and sober use of benefactions? We would all agree that when this necessary elevation was reached, the discussion of further steps to relieve distress would be in order. Meanwhile, the foolish distributor would have done more injury to his fellows in one day than he could probably do good all the rest of his life. “Down on your knees and crawl for pardon,” are the words one would undoubtedly apply to such a philanthropist. Imagine every man, woman and child in Britain receiving £40 sterling (\$200),

which is one's proportion of the national wealth, if equally divided. What would be the result? Saturnalia for a time, then rich and poor as before slowly emerging, the last state worse than the first. It is self-evident that there is at present no foundation upon which wealth can be equally distributed. The soil has not been prepared. Seed sown upon it would be choked by thistles. Meanwhile, our immediate duty is to distribute surplus wealth to the best of our abilities in such forms as we believe best calculated to improve existing conditions, and to secure its more equitable distribution hereafter by heavy progressive death-duties, and by assessing the people in proportion to their ability to support the Government. This policy President Roosevelt is strongly advocating in America. It is much more urgently needed in Britain.

Socialists generally write of wealth as if possessed by the few, but the fact must never be lost sight of, that the laboring classes, in the aggregate, are great capitalists. The savings banks of New York State alone in 1906 held \$1,335,000,000, owned by 2,637,235 depositors. Average deposits, \$506.25. This is all the savings of the workers, for business men and capitalists use their money to better advantage.

These banks are strictly confined by charter to investments in first-class securities, are carefully managed, and possess the confidence of the people. In the United States the deposits in savings banks amounted to the grand total of \$3,482,000,000, but this is no measure of the total savings of the working people, because in America, especially in the Western States, opportunities for more profitable investment of savings are numerous, and the rapid increase of values in real estate leads workmen to prefer investing in homes.

When we consider the vast sums invested by the workers in homes, insurance, coöperative and friendly societies, and in other ways, and add these to the foregoing, the problem which the Socialist writes about so glibly of transferring all wealth to the State, begins to assume its true proportions.

We quote from "The Service of Friendly Societies," by Alexander Cargill.

"Here is as brief a summary as possible, of the position of the registered societies throughout the country (I mean in Great Britain and Ireland), as at the date of the last public return, namely, 31st December, 1902. First of all we have the friendly societies pure and simple, including all their branches, collecting societies,

benevolent societies, working-men's clubs, medical, etc., and it will interest you to know that the number of friendly society members on the date mentioned was 13,344,494, their funds at the same date being £44,848,575. Next, there are the coöperative societies for industries and trades, businesses, and land societies. The membership of these was 2,054,835, and their funds £43,328,078. Then we have the trade unions, which have a membership of 1,604,812, and funds amounting to £5,016,408; workmen's compensation schemes, with a membership of 122,441, and funds £172,408; Friends of Labor societies, with a membership of 32,684, and funds £254,426. Coming to the building societies, of which there are two kinds, viz., the incorporated and the unincorporated, together these have a total membership of 595,451, with funds amounting to £63,907,087. Lastly, we have the total certified trustee and post office, people's, and railway savings banks. These have no fewer than 10,837,186 depositors, and their funds amount to £222,677,941. Totaling all these figures together, we reach an aggregate membership of nearly 29,000,000, with combined funds amounting to about £400,000,000 sterling."

We give a few figures from the United States



Statistical Abstract of 1906, showing deposits in postal and other savings banks in various countries in 1905:

Country.	Deposits.	Depositors.	Average.
Britain . . . . .	\$997,000,000	11,694,000	\$85
Denmark . . . . .	205,723,000	1,291,000*	159
Germany . . . . .	2,639,590,000	16,613,000	159
France . . . . .	890,000,000	11,768,000	75

The aggregate of all countries which make returns is 91,273,000 depositors, with \$11,801,229,509. These enormous sums are laid up where "neither moth nor rust can corrupt nor thieves break through and steal." Their only danger lies in the Socialistic aim to remove them from present owners and transfer them to the State, thus making the depositors' money the property of all. To return the deposits to the rightful owners, or allow interest upon them, would create a large capitalistic class apart from the general Socialistic community, which would involve class distinctions as before, fatal to the Socialistic idea.

The British Islands, with their eleven and one-half millions of depositors and a population of say forty-five millions, have an average of a fraction more than one depositor in every family,

\* Half of the whole population.

allowing five to each. Serious trouble might be expected if the Socialist ceased to confine himself to writing about placing all wealth in the hands of the State, and began to act. Fortunately, of this there is no danger.

One of the chief objections to present-day Socialism is that while it lends itself to endless talk it is yet doomed to inaction as a system until and unless, human nature itself is changed in the countless ages to come. Earnest and good men, touched to fine issues, should not occupy themselves grasping at distant shadows while the substance, improvement of the present, lies at their feet ready for treatment.

There are three classes of men. The first are born in poverty, and probably have to see the harrowing sight of father and mother, sister and brother, suffering from want. As a holy duty they resolve to drive the wolf from the door and make fortunes. Young men with such experience go into the world resolved to win — they *must* win, and the business life furnishes their best chance of victory in our time. Their foot once upon the ladder, it was comparatively easy climbing even in Britain until recent times for it was the centre of material development in the early part of last century. In America it has long been and still is much easier to accumulate

wealth than elsewhere. The Republic is soon to dwarf all other civilised countries in wealth and population. It is the land of millionaires, and the new genus of multi-millionaire has just made its appearance there. Notwithstanding this, what has been said of the professional classes is eminently true of those of the Republic. Its best men and women have little in common with the makers and possessors of vast fortunes as a class; not that those born in poverty should not aspire to higher positions enabling them to influence others more potently for good, not that they should not "gather gear by every wile that's justified by honor," for it is, as a rule, only after man has provided for himself and family that he can be of much lasting good to others. He must surely recognise this to be his *first* duty. "But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel." A few, a very few, exceptional men and women appear at intervals in the world who seemingly need to take little thought of themselves or those dependent upon them; their fellows are captivated with their devotion to the general weal, and provide for them; but such characters are rare, and as a rule it is necessary for all to take care of themselves as the first duty.

The never-to-be-forgotten truth is that huge fortunes, so far as their owners are concerned, are as useless as the Star and Garter are to their possessors, and not so ornamental; and this truth above all, that these fortunes cannot give their owners more out of life worth having, than is secured by a competence so modest, that men beginning as workers can, with health, ability, and sobriety, win for old age. We have prominent instances of this among the working-men Members of Parliament scattered throughout Britain, America, Canada, and Australasia. John Burns, Cabinet Minister, one of the most remarkable working-men; the late Sir William Randal Cremer; Thomas Burt; and others, stand at the head. Several have reached the highest office upon earth — the Presidency of the majority of the English-speaking people. This is only what we have a right to expect, for not a few of the greatest geniuses have been manual workers. In new countries millions of men who began as manual workers have achieved moderate competence. Almost without exception the millionaires of to-day have made their millions. It goes without saying they had to be very economical at first, and neither drank, smoked, nor gambled. One, when asked how he made his first thousand, replied,

“That’s very simple; I did n’t spend it.”

The second class of men court fame — not so mercenary but vainer than the first — their sole desire expressed by Hotspur —

“Methinks it were an easy task  
To pluck bright honor from yon pale-faced moon,  
Or at a bound to dive into the vasty deep  
And drag up drowned honor by the locks  
So I might without co-rival wear all her dignities.”

And so the vain peacock struts across the stage.  
The third class appears murmuring —

“I go forth among men, armored in a pure intent.  
Great work is to be done, and whether I stand or crownless fall,  
It matters not, so God’s work be done.  
For I have learned to prize the lightning deed,  
Nor heed the thunder following after which men call fame.”

To this class may belong every honest, earnest, sober, brotherly working-man who plays well the part assigned him. It is a truth that should be pondered over by all, that for failure in life as a rule “the fault is not in our stars but in ourselves.”

We must all learn the great truth that only competence is desirable, almost necessary, wealth non-essential, and when it does come it is only a sacred trust to be administered for the general good.

When this lesson is truly learnt the thirst for wealth will lessen, and it will cease to be the



object of keen pursuit by men in general, which it never has been with professional classes. People will soon see that it does not bring happiness to its possessors and is generally injurious to their children. The wise man engaged in business will seek only a moderate competence and then devote himself to public affairs, laboring for the good of others, especially in his own community.

The writer has had occasion to visit many cities and meet the civic authorities — Mayors and members of Councils. Deeply impressed he has been with their characters and abilities, and especially with the large number who have risen from the ranks of the poor to eminence — not seldom the Mayor has done so. Much of their time is devoted to the careful management of municipal affairs although few have ceased to pursue their regular occupations. They are happy in leading useful, worthy lives, conscious that they labor no longer solely for themselves but for their less fortunate fellows. It is cheering to find that working men can and do rise so often to high positions and perform great public service in their maturer years. Useful and happy lives these men lead, striving in their later years to improve the conditions of life for their neighbors, thus making one little spot of

earth just a little better than they found it, that spot in many cases the dearest spot on earth to them — the spot where they were born. For useful service to others, for personal happiness and sweetest satisfaction, for all that makes life desirable and hallows departure at last, millionaires as a class have good cause to envy the Town Councillors. Mayors, Provosts, and Councilmen should hesitate long before desiring exchange of positions even with multi-millionaires. There is nothing inherently valuable in mere money worth striving for, unless it is to be administered as a sacred trust for the good of others; otherwise the moderate competence suffices to give to honored old age the crown.

Labor

# LABOR

## THE UPWARD MARCH OF LABOR

**T**HE progress of man from the earliest day up to the present has been one steady march upward, now and then in divers regions seemingly checked, receding for the moment, only to be swept onward again like the waves by the advancing tide.

If it were still thought that the Unknown had made man perfect, but with an instinct for his own degradation which ensured his fall, a call to return to the past would not have been astonishing, but when we in our enlightened age know that man is an out-growth from lower orders of life, and has implanted within him the instinct which compels him to turn his face to the sun and slowly move upward toward that which is better, rejecting in his progress, after test, all that injures or debases, the call upon us by our Socialistic friends to exchange the individualistic civilized present which we have reached after many

hundreds of thousands of years of progress, for the system of communism of the savage past, is indeed startling. There is no phase of human existence upon which we look to-day which does not show encouraging improvement over the past. This progress made, in obedience to the very nature of man, created to ascend, in intelligence, tastes and conduct, has made all the difference between the savage and the civilised being.

Let us never forget that under present conditions the world has grown and is growing better, and we steadily approach nearer the ideal. Never was there so much of the spirit of brotherhood among men, never so much kindness, never so much help extended by men, and especially by women, to their less fortunate fellows. The writer scarcely knows a family intimately of which one or more members are not earnestly engaged spending their time and means in doing good, thus giving not only their wealth, but themselves, to make brighter and better the lives of the less fortunate. There are many of his acquaintances treading the path that leads to making earth a heaven, less solicitous about "heaven our home" than hitherto, but more about making "home our heaven" here in this life.



Many indeed in our day will merit the epitaph—

“If there's another world, he lives in bliss;  
If there be none, he made the best of this.”

It is not, therefore, to the savage past that we should look for guidance. The part of wisdom is to hold fast to that which has proved itself good, and to keep on as we have been doing. Marching upward, the race is not led by the multitude but by the few exceptional natures, just as all orders of vegetation have been and are improved by the exceptional plants, from the sour crab to the apple of to-day; from the love-apple in America of a past generation to our succulent tomato. Exceptional plants arose, and from these came others. So in the animal kingdom; from the wolf came the collie dog; from a five-toed rude progenitor, the horse. All breeders perpetuate the best.

Now in this progress the laborer has not failed to share with the employer. If we contrast what he is with what he was, the difference is great. He was once slave, then serf who did manual labor; up to a century ago he was still a villein and was sold with the mine—that is, he could not leave it without the consent of the proprietor. Till recent times he

was not paid in cash. Now he is a freeman, and sells the labor the mine-owner buys, both equally independent. In Dunfermline some time ago, the writer visited the cottage gardens for which prizes are given, with the Secretary of the Horticultural Society, who is a working coal-miner and a credit to Labor. He remarked that the masters and miners were that day conferring upon the wage question. "Only a hundred years ago," the writer replied, "your forefathers would have been transferred with the mines in case of sale. Now masters and men meet to-day as equals, buyers, and sellers. What would be thought if the masters proposed a return to the old conditions?" With a twinkle in the eye, never to be forgotten, came the words, "Ay, there wud be twa at that bargain, I'm thinkin'." With their trades unions, cash payments, — masters of themselves, and their labor, — it is clear that working-men have shared in the general advance. The wand of progress has not passed them by untouched, nor are we without evidence that the march of their improvement is not to stop.

Following the same course with "Labor" as with "Wealth," the writer will make free use of what he has said in years gone by rather than give his views in new form, since they

remain to-day substantially as they were then expressed.

From "An Employer's View of the Labor Question," *Forum*, April 1886:

The influence of trades unions upon the relations between the employer and employed has been much discussed. Some establishments in America have refused to recognise the right of the men to form themselves into these unions although I am not aware that any concern in England would dare to take this position. This policy, however, may be regarded as only a temporary phase of the situation. The right of the working-men to combine and to form trades unions is no less sacred than the right of the manufacturer to enter into associations and conferences with his fellows, and it must be sooner or later conceded. Indeed, it gives one but a poor opinion of the American workman if he permits himself to be deprived of a right which his fellow in England has conquered for himself long since. My experience has been that trades unions upon the whole are beneficial both to Labor and to Capital. They certainly educate the working-men and give them a truer conception of the relations of Capital and Labor than they could otherwise form. The ablest and best workmen

eventually come to the front in these organisations; and it may be laid down as a rule that the more intelligent the workman the fewer the contests with employers. It is not the intelligent workman — who knows that Labor without his brother Capital is helpless — but the blatant ignorant man, who regards Capital as the natural enemy of Labor, who does so much to embitter the relations between employer and employed; and the power of this ignorant demagogue arises chiefly from the lack of proper organisation among the men through which their real voice can be expressed. This voice will always be found in favor of the judicious and intelligent representative. Of course, as men become intelligent more deference must be paid to them personally and to their rights, and even to their opinions and prejudices; and upon the whole a greater share of profits must be paid in the day of prosperity to the intelligent than to the ignorant workman. He cannot be imposed upon so readily. On the other hand, he will be found much readier to accept reduced compensation when business is depressed; and it is better in the long run for Capital to be served by the highest intelligence, and to be made well aware of the fact that it is dealing with men who know what is due to

them, both as to treatment and compensation. . . . I therefore recognise in trades unions, or, better still, in organisations of the men of each establishment, who select representatives to speak for them, a means not of further embittering the relations between employer and employed, but of improving them.

It is astonishing how small a sacrifice upon the part of the employer will sometimes greatly benefit the men. I remember that at one of our meetings with a committee, it was incidentally remarked by one speaker that the necessity for obtaining credit at the stores in the neighborhood was a grave tax upon the men. An ordinary workman, he said, could not afford to maintain himself and family for a month, and, as he only received his pay monthly, he was compelled to obtain credit, and to pay exorbitantly for everything; whereas, if he had the cash, he could buy in Pittsburg at 25 per cent. less. "Well," I said, "why cannot we overcome that by paying every two weeks?" The reply was, "We did not like to ask it, because we have always understood that it would cause much trouble; but, if you do that, it will be worth an advance of 5 per cent. in our wages." We have paid semi-monthly since. To avoid the excessive prices of the



small stores I suggested a coöperative society, which was promptly formed, the first in the region. Another speaker happened to say that, although they were in the midst of coal, the price charged for small lots delivered at their houses was a certain sum per bushel. The price named was double what our best coal was costing us. How easy for us to deliver to our men such coal as they required, and charge them cost! This was done without a cent's loss to us, but with much gain to the men. Several other points similar to these have arisen, by which their labors might be lightened or products increased, and others suggesting changes in machinery or facilities, which, but for the conferences referred to, would have been unthought of by the employer, and probably never asked for by the men. For these and other reasons I attribute the greatest importance to an organisation of the men, through whose duly-elected representatives the managers may be kept informed from time to time of their grievances and suggestions. No matter how able the manager, the clever workman can often show him how beneficial changes can be made in the special branch in which that workman labors. Unless the relations between manager and workmen are not only amicable

but friendly, the owners miss much; nor is any man a first-class manager who has not the confidence and respect, and even the admiration, of his workmen. No man is a true gentleman who does not inspire the affection and devotion of his servants. . . .

Whatever the future may have in store for Labor, the evolutionist, who sees nothing but certain and steady progress for the race, will never attempt to set bounds to its triumphs, even to its final form of complete and universal industrial coöperation, which I hope is some day to be reached.

The following extract is from an address delivered on opening the Library presented to the workmen of Homestead (1898):

A partnership of three is required in the industrial world when an enterprise is planned. The first of these, not in importance, but in time, is Capital. Without it nothing costly can be built. From it comes the first breath of life into matter, previously inert.

The structures reared by outside workmen, equipped and ready to begin in any line of industrial activity, the second partner comes into operation. That is Business Ability. Capital has done its part. It has provided all the instruments of production; but unless

it can command the services of able men to manage the business, all that Capital has done crumbles into ruin.

Then comes the third partner in the works, last in order of time, but not least, Skilled Labor. If it fail to perform its part, nothing can be accomplished. Capital and Business Ability brought into play without it, are dead. The wheels cannot revolve unless Skilled Labor starts them.

Now, volumes can be written as to which one of the three partners is first, second, or third in importance, and the subject will remain just as it was before. Political economists, speculative philosophers and preachers, have been giving their views on the subject for hundreds of years, but the answer has not yet been found, nor can it ever be, because each of the three is all-important, and every one is equally essential to the other two. Labor, Capital, and Ability are a three-legged stool. There is no first, second, or last. There is no precedence! They are equal members of the great triple alliance which moves the industrial world.

We have seen the position which Labor has reached in our day. Employee and employer meet upon equal terms. It was the writer's

province to confer with Labor for twenty-six years, and the more he knew of the working-men the higher they rose in his estimation and regard. Sometimes, but not often, the worker may be misled by extreme men; but, as a rule, a majority can always be depended upon to be fair and reasonable. The following are extracts from an article the writer published in the *Forum*, April and August 1886:

A strike or lock-out is, in itself, a ridiculous affair. Whether a failure or a success, it gives no direct proof of its justice or injustice. In this it resembles war between two nations. It is simply a question of strength and endurance between the contestants. The gage of battle or the duel is not more senseless as a means of establishing what is just and fair than an industrial strike or lock-out. It would be folly to conclude that we have reached any permanent adjustment between Capital and Labor until strikes and lock-outs are as much things of the past as the gage of battle or the duel have become in the most advanced communities. . . .

Among the expedients suggested for their better reconciliation, the first place must be assigned to the idea of coöperation, or the plan by which the workers are to become part owners in enterprises, and share their fortunes. There

is no doubt that if this could be effected it would have the same beneficial effect upon the workman which the ownership of land has upon the man who has hitherto tilled the land for another. The sense of ownership would make of him more of a man as regards himself, and hence more of a citizen as regards the commonwealth. . . .

While public sentiment has rightly and unmistakably condemned violence, even in the form for which there is the most excuse, I would have the public give due consideration to the terrible temptation to which the workingman on a strike is sometimes subjected. To expect that one dependent upon his daily wage for the necessaries of life will stand by peaceably and see a new man employed in his stead is to expect much. This poor man may have a wife and children dependent upon his labor. Whether medicine for a sick child, or even nourishing food for a delicate wife, is procurable, depends upon his steady employment. In all but a very few departments of labor it is unnecessary, and, I think, improper, to subject men to such an ordeal. In the case of railways and a few other employments it is, of course, essential for the public wants that no interruption occur, and in such case substitutes must be



employed; but the employer of labor will find it much more to his interest, wherever possible to allow his works to remain idle and await the result of a dispute, than to employ the class of men that can be induced to take the place of other men who have stopped work. Neither the best men as men, nor the best men as workers, are thus to be obtained. There is an unwritten law among the best workmen: "Thou shalt not take thy neighbor's job." No wise employer will lightly lose his old employees. Length of service counts for much in many ways. Calling upon strange men should be the last resort.

The writer never attempted to run works with new men. In his opinion, strikes generally arise not so much owing to disputes about wages as to the lack of knowledge of the one party by the other. The employer does not know the men and their point of view and their troubles, and the men do not know their employer and his troubles. Neither does the employer know the virtues of the working-man, nor the working-man the good qualities of the employer. Each looks only at one side of the problem. Lack of proper recognition of the workers by the employers as fellow-men causes most of the labor disputes. In domestic service,

where the two classes, employer and employed, do get to know each other as men and women, there are few quarrels, simply because each finds the other possessed of many endearing traits. Few are the families in which are not found valued servants living in their old age as members of the household, or pensioned and living near by in their cottages — often visited.

## THE FINAL RELATION BETWEEN CAPITAL AND LABOR

### LABOR AND CAPITAL PARTNERS

While we have said that Labor has shared in the progress of the race, considering from whence it started and the position it now occupies, it cannot be claimed that conditions are satisfactory as they exist. In the future, Labor is to rise still higher. The joint-stock form opens the door to the participation of Labor as shareholders in every branch of business. In this, the writer believes, lies the final and enduring solution of the Labor question. The Carnegie Steel Company made a beginning by making from time to time forty-odd young partners, only one was related to the original partners, but all were selected upon their proved merits

after long service. None contributed a penny. Their notes were accepted, payable only out of the profits of the business. Great care was taken to admit workers of the mechanical department, which had hitherto been neglected by employers. The first time a superintendent of one of the works was made a partner attracted attention, but as we kept on admitting men who had risen from the ranks as mechanics, we found it more and more advantageous. The superintendents now sat in conference at the board with the managers in the office. From this policy sprang the custom of bonuses awarded yearly to men in subordinate positions who had done exceptional work. This class naturally felt that they were on the upward road to admission as partners; their feet upon the ladder.

The problem presented by the combination of many steelworks into the one United States Steel Corporation was not altogether new, for individual and corporate management have co-existed since joint-stock companies were formed. The former had undoubtedly great advantages over the latter. Able men managing their own works, in competition with large bodies of shareholders employing salaried managers, were certain to

distance their corporate competitors, and did so. Nothing can stand against the direct management of owners. The United States Steel Corporation realised this, and as a substitute resolved to adopt the policy of interesting its officers and employees in its shares. Some plan of profit-sharing was soon seen to present the best, and indeed the only, substitute for individual management. This idea the writer highly approved in his Presidential Address to the Iron and Steel Institute in London, in 1903, but ventured to point out one serious defect. The investments in the shares of the company proposed to the men were to be at the risk of the purchasers. We added that "this seems a feature we may, however, expect the Corporation to change as experience is gained." "Every employee a shareholder" would prevent most of the disputes between Capital and Labor, and this chiefly because of the feeling of mutuality which would be created, now, alas! generally lacking. To effect this, every corporation could well afford to sell shares to its saving workmen, giving preference in repayment at cost as a first charge in case of disaster, just as present laws provide first for the mechanic's lien and for homestead exemption. This is due to the working-man, who

necessarily buys the shares without knowledge, and he is asked to buy them, not solely for his own advantage, but for the benefit of the company as well — the advantage of both. This view, as expressed by the writer in the Address referred to, we rejoice to say, has been adapted by the Steel Corporation, and its last offer of shares guarantees the men against loss.

The managerial department is given bonuses every year upon the profits of the concern.

All this was hailed by the writer with intense delight, as in his day-dreams he had often meditated upon the plan of employees becoming joint owners with himself and partners. Perhaps he may be permitted to quote from the Address referred to (May, 1903, London):

I cannot speak too highly of this experiment, nor give the Steel Company too much credit for making it, since it is declared to be in the experimental stage, and subject to future improvement, as all new schemes should be. Its able and progressive author, Mr. George W. Perkins, is to be heartily congratulated.

Thus we see, gentlemen, that the world moves on step by step toward better conditions. Just as the mechanical world has changed and improved, so the world of labor has advanced from the slavery of the laborer to the day of



his absolute independence, and now to this day, when he begins to take his proper place as the capitalist-partner of his employer. We may look forward with hope to the day when it shall be the rule for the workman to be Partner with Capital, the man of affairs giving his business experience, the working-man in the mill his mechanical skill, to the company, both owners of the shares and so far equally interested in the success of their joint efforts, each indispensable, and without whose coöperation success would be impossible. It is a splendid vista along which we are permitted to gaze.

Perhaps I may be considered much too sanguine in this forecast, which no doubt will take time to realise, but as the result of my experience I am convinced that the huge combination, and even the moderate corporation, has no chance in competition with the partnership which embraces the principal officials and has adopted the system of payment by bonus or reward throughout its works. The latter may be relied upon, as a rule, to earn handsome dividends in times of depression, during which the former, conducted upon the old plan, will incur actual loss, and perhaps land in financial embarrassment. In speaking of corporations we must not forget, however,

that there are many which are corporations in name only, their management being the life work of few owners. These rank with partnerships, having all the advantages of this form. The true corporation is that whose shares are upon the Stock Exchange, and whose real owners change constantly and are often unknown even to the president and directors, while to the workmen they are mere abstractions. It is impossible to infuse through their ranks the sentiment of personal regard and loyalty in all its wonderful power. The step taken by the United States Steel Corporation is therefore no surprise to me, for I have long believed that such corporations would be compelled to adopt the best attainable substitute for the personal factor of the older system, or suffer. In the sagacious policy of the United States Steel Corporation I see proof of that opinion, nor can I suggest a better form than that it has adopted, always provided the working-man shareholder be secured against loss.

In the percentage allotted by the plan to reward exceptional officials we have for the huge corporation perhaps the best substitute attainable for the magic of partnership, which nothing, however, can approach. The reward

of departmental officials may readily be secured under this provision. In the bonus granted yearly upon shares held by the employees we have proof of regard for them which cannot but tell, and the distribution of shares in the concern among them gives an advantage which so far no partnership even has enjoyed. The latter will no doubt adopt the plan, or find some equivalent, for the workman owning shares in absolute security will prove much more valuable than one without such interest, and many incidental advantages will accrue to the company possessed of numerous shareholding employees who may some day see their representative welcomed to the board of directors. This would prove most conducive to harmony, knowledge of each other on the part of owners and workmen being the best preventive of dissatisfaction. If the investment of the workers' savings be made secure, the rapid extension of the plan seems certain, and can be hailed with unalloyed satisfaction; but in its present form it is obviously incapable of general application, since the officials of few corporations could or would incur the responsibility of inducing their workmen to invest in their shares as a security, and few corporations could or should inspire the needed confidence

of labor that these are to enjoy an unbroken career of prosperity, for such has not been the history of manufacturing concerns generally, especially in our field, to which we may well apply the well-known lines of Hudibras:

“Ay me! what perils do environ  
The man that meddles with cold iron.”

The idea of making workmen shareholders, and dividing a percentage of the profits among those rendering exceptional service, will probably encounter the opposition of the extremists on both sides, the violent revolutionist of capitalistic conditions, and the narrow, grasping employer whose creed is to purchase his labor as he does his materials, paying the price agreed upon and ending there. But this opposition will, we believe, amount to little. It will even speak well for the new idea if scouted by the extremists and commended by the mass of men who are on neither dangerous edge, but in the middle, where usually lies wisdom.

Meanwhile, here is the germ of a promising plan offered as a solution for one of the pressing problems of our age, which may prove capable of development. Let us receive, study, and discuss it with open mind. That the problem will be solved and that the two factors are some day to live in friendly coöperation, let no one

doubt. Human society bears a charmed life. It is immortal, and was born with the inherent power or instinct, as a law of its being, to solve all problems finally in the best form, and among these none more surely than that vexed question of our day, the relations between these Siamese Twins, which must mutually prosper or mutually decay — Employer and Employed — Capital and Labor.

Two and a half million dollars' worth of additional stock was offered by the Steel Company to workmen this year (1908) and all taken, and twenty-five thousand more of the employees applied for shares, many for one share only, and these are to be provided, so that nearly one hundred thousand workmen of this company are soon to be shareholders, i. e., part owners having a right to vote with their fellow-proprietors, and sharing in the profits. These workers have their feet upon the ladder, and are bound to rise. They are very likely to save and invest more and more. This is the answer, reached by evolution under present conditions, to pessimists and revolutionists, which our Socialistic friends should ponder well.

The strict political economist of our day may look askance at the idea of a minimum wage and a guarantee for the workmen against



loss upon their shares, in companies in which they hold a minority interest; but whatever final form the merger of Labor and Capital may assume in the distant future, these features seem to be essential under present conditions. If taxation should be borne only according to ability to pay, it is not wholly unreasonable that the workman should not be subject to loss, for, having only a minimum wage, he has no ability to incur loss. The exemption of a stated sum from income-tax in Britain, and in America the exemption of the small homestead, are examples of this principle.

Should the workmen hold the majority of shares and really manage the business, exemption from sharing loss should cease.

This is only a beginning. The Filene Stores of Boston, a shareholding company employing seven to nine hundred men, has gone farthest of all in the direction of making its employees joint owners. The capital stock is held only by employees, and is returned to the corporation at its value, should the employee leave the service. Every share of stock belongs to some one working in the stores. The most important advance is that all questions are submitted to arbitration, not only complaints or disputes, but wages, scope of work, and tenure of employment.

More than four hundred cases of arbitration have arisen, and the result is that both managers and employees have been satisfied that this is the true plan. When an employee is discharged he has the right to appeal to an arbitration board composed of fellow employees of different grades. All wage disputes have been satisfactorily settled. There is a profit-sharing department, having nothing to do with wages, which has been able to distribute varying amounts each year.

There is also a Welfare Committee of the shareholders, which manages a club house and maintains lunch and recreation rooms. The Insurance Committee furnishes five classes of assurance at cost. Two-thirds of the workers are insured. The bank pays 5 per cent. upon deposits of employees, which are guaranteed by the corporation. The Publication Committee issues a monthly paper. Many features of a social and educational nature are enjoyed by the employees throughout the year, and an atmosphere has been produced of great value to the business and to the members.

It may be added that the Filene Stores are not excelled, if equalled, in making profits. Their goods are turned over ten times some years, six or seven times being the average, and the stores are among the foremost and best

known in Boston. No doubt the brothers Filene are remarkable men and recognised leaders in this work, but we may expect their example to impress others, particularly since their profit-sharing and stock-owning plans have been vindicated by unusual success, from every point of view, particularly in improving the relations between employers and employees.

We are just at the beginning of profit-sharing, and the reign of working-men proprietors, which many indications point to as the next step forward in the march of wage-paid labor to the higher stage of profit-sharing — joint partnership — workers with the hand and workers with the head paid from profits — no dragging of the latter down, but the raising of the former up.

We never see a fishing fleet sail without hailing it as the finest illustration of the perfect relationship which is one day to prevail between Capital and Labor generally. Every man in the ship from the captain down is a partner, paid by sharing in the profits of the catch, according to the value of his labor. Even the lowest paid, probably a young hand, not yet an able-bodied seaman, could be a partner in the business.

Here is a field capable of immediate and wide extension provided employers agree to fix a minimum wage sufficient to maintain

economically the worker's household, and to this it is believed every fair-minded employer would gladly agree.

So far we have a list of 189 manufacturing concerns in the United States which have welfare departments—sales of stock to workmen, or other modes of adding to their wages, or forms recognising the community of interest between employers and employed.

Gilman, in his book on profit-sharing, published in 1899, gave the following numbers of profit-sharing firms in the different countries of Europe:

France. . . . .	120	Italy . . . . .	8
Britain . . . . .	94	Holland . . . . .	7
Germany . . . . .	47	Belgium . . . . .	6
Switzerland. . . . .	14	Austria-Hungary . . . . .	5

It will soon be the exception for employers upon a great scale to ignore this feature. Eighteen of the principal railroad companies in America have established systems of pensions for their employees as extra recompense, the cost borne exclusively by the corporations. The pension feature, like profit-sharing, is making great headway, and promises soon to be universal.

So marches Labor up the heights, to equality with the millionaire as his partner in business.

It will be seen that the writer's views are

not of yesterday; he has had considerable experience with the labor problem, and thought much over it. Whether the Communists' ideal is to be finally reached upon earth, after man is so changed that self-interest, which is now the mainspring of human action, will give place to heavenly neighbor-interest cannot be known. The future has not been revealed. He who says yes, and he who says no, are equally foolhardy. Neither knows, therefore neither should presume to consider, much less to legislate in their day for a future they can know nothing of. Endowed as man is with the instinct for improvement, fortunately no limit to his march toward perfection can be set, but what perfection is to be we know not. The writer, however, believes one point to be clear, viz. that the next step toward improved labor conditions is through the stage of shareholding in the industrial world, the workman becoming joint owner in the profits of his labor. Payment to slaves and serfs, by providing shelter and food and clothing for them, then by orders upon the stores for articles, up to payment by cash to independent workmen to-day, each a great step forward, have all been tried, and now the coming day dawns when payment is to be made wholly or in part by profit-sharing, the workman having



the status of the share-owning official and a voice in management as joint owner. He will be guaranteed a minimum wage, when finally paid by profits entirely, to keep his mind easy and free for his work, the proper support of himself and of his family being thus ensured.

It may be mentioned that the investments of workmen-partners in the United States Steel Corporation have been very profitable to both the men and the company.

To the sober-minded workmen, we say again, hold fast to that which has proved itself good. Keep marching upon the path of decided and continuous progress, a progress which can be proved by simply glancing backward to conditions under which Labor started, when work was the part of slaves, and contrasting these with its present independent position.

We have traced the progress of Labor upward under present conditions from slavery to partnership with Capital. What the working-man has to consider, and consider well, is whether this be not the most advantageous path for him to continue to tread. So far as it has been tried it has proved a decided success, and it can easily be continued since it is proving mutually beneficial to Capital and Labor. One

of the greatest advantages, the writer thinks, will be found in drawing men and managers into closer intercourse, so that they become friends and learn each other's virtues, for that both have virtues none knows better than the writer, who has seen both sides of the shield as employee and employer. "We only hate those we do not know," says the French proverb. There is much truth in this. In vast establishments it is very difficult, almost impossible, for workmen and employers to know each other, but when the managers and workmen are joint owners, and both paid wages, as even the president of the company is, we shall see greater intercourse between them. In the case of disputes, it is certain that the workmen-partners have a status nothing else can give. They can attend all shareholders' meetings and have a voice there if desired. Entrance into the partnership class means increased power to workmen. On the other hand, knowledge of the company's affairs, its troubles and disappointments, which come at intervals to the most successful concerns, will teach the workman much that he did not know before.

Co-partnership tends to bring a realising sense of the truth to both Labor and Capital that their interests, broadly considered, are mutual; and

as far as the latter is concerned it may finally, in some cases, be all furnished by those engaged in the works, which is the ideal that should be held in view — the workman both Capitalist and Worker, Employee and Employer.

This, however, is not for our time. We are only pioneers, whose duty is to start the movement, leaving to our successors its full and free development as human society advances.

The first company so owned will mark a new era in the relations of Labor and Capital. We may not have to wait long for this experiment, since it is in line with recent developments. The writer has no desire to embark again in business, but nothing would appeal to him so strongly as this ideal. He should like to address a body of workmen, many thousands in number, as all "fellow-partners." He addresses forty-odd at dinner once every year by that endearing term — partners of his youth and dear friends of his old age; only two ever put a dollar in the business. All the others — many of them working-men — earned their shares by brilliant service. Most of them are dollar-millionaires — all are rich.

Thus is Labor soon to attain its deserved place and recompense, and Workman and Capitalist become one — the wage system,

except a minimum, being displaced by division of profits.

The foregoing was written before the following by John Stuart Mill, attracted the writer's attention:

“The form of association, however, which, if mankind continue to improve, must be expected in the end to predominate, is not that which can exist between a capitalist as chief and workpeople without a voice in the management, but the association of the laborers themselves on terms of equality, collectively owning the capital with which they carry on their operations, and working under managers elected and removable by themselves.”\*

It is most encouraging that so great an authority as Mill foresaw that the ideal condition of the future lay not in State-owned factories and mines, uniform wages to workmen, and the abolition of private capital, as Socialists urge, but in uniting the workman and the capitalist in one and the same person. The writer is convinced that this is to be the highly satisfactory and final solution. The first step in advance has already come in the natural progress of evolution — no revolution necessary — and it is earnestly pressed upon the

\* “Political Economy” (Mill), People's Edition, p. 465.

attention of the intelligent working-man and his leaders, some of whom seem to have been misled into devoting themselves to the advocacy of a system, admittedly unsuited to our day, which requires an organic change in the relations of society, and indeed involves a complete revolution in the nature of man — the task of a thousand years.

The experiment of Labor-and-Capital-Union — Workmen-Capitalists — has exceeded, so far, all expectations. Even the convinced Socialist might, therefore, hail it as at least a step in the right direction, making Labor's position better than before, saying to himself: "Let the future bring what it may, a bird in the hand is often worth more than a whole flock in the bush. Our socialistic remedy is for the future; let us not forget this in our dealings with the present."

Such seems to the writer the part of wisdom.



## Wages

## WAGES

**T**HE two schools of Socialism, evolutionary and revolutionary, differ upon the crucial question of wages, although it is fundamental and must be settled one way or the other, for until it is, what Socialism really means cannot be known. If wages are not to be equal, all classes cannot be merged and kept uniform — the basis of Socialism. We quote from several Socialistic sources:

“Socialism forbids the future use of property as private means of production or private source of income, and thus necessarily puts an end to inequalities of income.”\*

“Socialism is that mode of social life which, based upon the recognition of the natural brotherhood and unity of mankind, would have land and capital owned by the community collectively, and operated coöperatively for the equal good of all.”†

“Our aim, one and all, is to obtain for the whole community complete ownership and con-

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\* “Quintessence of Socialism,” p. 34.

† American Fabian Society. “From Serfdom to Socialism,” p. 110.

trol of the means of transport, the means of manufacture, the mines and the land. Thus we look to put an end forever to the wage system to sweep away all distinctions of class, and eventually to establish national and international Communism on a sound basis.”\*

“The land, being the storehouse of the necessaries of life should be declared and treated as public property.

“The capital necessary for industrial operations should be owned and used collectively.

“Work and wealth resulting therefrom should be equitably distributed over the population.”†

“Controversy,” writes Mrs. Annie Besant, “will probably arise as to the division; shall all the shares be equal, or shall the workers receive in proportion to the supposed dignity or indignity of their work? Inequality, however, would be odious. . . . The impossibility of estimating the separate value of each man’s labor with any really valid result, the friction which would arise, the jealousies which would be provoked, the inevitable discontent, favoritism, and jobbery that would prevail: all these things will drive the Communal

\* Joint Manifesto, British Socialistic Bodies. “From Serfdom to Socialism,” p. 110.

† Independent Labor Party, “From Serfdom to Socialism,” p. 111.

Council into the right path — equal remuneration of all workers.”\*

“Socialism we believe to be the next step in the evolution of that form of State which will give the individual the fullest and freest room for expansion and development. State Socialism, with all its drawbacks (and these I frankly admit) will prepare the way for free Communism, in which the rule — not merely the law of the State, but the rule of life — will be: From each according to his ability, to each according to his needs.”†

Notwithstanding the foregoing, Mr. Hardie ventures to aver in another place that —

“The Socialist State, therefore, will have good reason to honor the inventor, and will have a direct interest in rewarding him as a public benefactor.”‡

If already honored, one wonders what form further “reward” could take without differentiating him from others.

Upon the other side we quote from Mr. Jowett’s booklet in the “Labor Ideal” series, “The Socialist and the City,” pp. 17, 18, and 19. This deliverance is so vitally important that we give it at length.

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\* “The Case against Socialism,” p. 228.

† “From Serfdom to Socialism,” p. 89.

‡ “From Serfdom to Socialism,” p. 99.

“At present all the larger corporations are trying to monopolise for their own service a number of experts insufficient to go round; the result is that some of them are paying first-class salaries for second or third-class men. There will be no need for this when cities cease to compete with each other, and one may naturally expect that Socialist cities would abolish this last vestige of competition still remaining between different municipal corporations. . . .

“The associated corporations will be able to pay sufficiently large salaries, and each individual corporation requiring a specialist’s assistance might pay consultation fees into a common pool. Joint action in this direction will tend to steady the movements of experts and officials; and for the rest, it should be looked upon as a discreditable proceeding on the part of a man, holding, say, a responsible post as engineer, surveyor, architect, or other similar profession, to transfer his services after committing the community to some large scheme involving great outlay, until the work is sufficiently near completion for the responsibility to be properly placed in case of failure.

“It is no part of the Socialist plan to run municipal concerns under the control of the



managerial leavings of private enterprise, for that way disaster lies.”

Here we have a revelation. Nothing new is to be obtained by Mr. Jowett's brand of Socialism except that Socialistic cities are to combine, which they do not do under present conditions, and agree not to offer a higher reward for labor, thus robbing other cities of their valuable men. No competition for labor! Valuable men are to be compelled to remain where they are. No chance of escape! What do our friends of labor think of this? Ability, as to-day, will look for and receive high rewards, and cities through their governors will condescend to combine to thwart service receiving the reward which under the free play of forces it would command.

In “The Necessary Basis of Society” (*Contemporary Review*, June 1908, p. 664), Mr. Sidney Webb, who tells us he is a Socialist, writes as follows:

“The most democratic Government of the ensuing century — based, as it must necessarily be, on the very idea of providing for each of the series of minorities of which the world is made up — is as likely to provide for one minority as for another, for its poets as for its apprentices, for its scientists as for its

soldiers, for its artists as for its artificers, and with the advance of actual knowledge in the administration is even more likely to know how they can be fostered and really well provided for than the irresponsible plutocratic patron ever did.”

Another eminent authority, Mr. H. G. Wells, in his recent book, differs from both sides quoted. The State is not to take over all branches of industrial production, but only half. He declares —

“A moiety, or little short of a moiety, of the business of such a country as England must always be in the hands of men who are the masters of their own enterprises, and are not the salaried officials of any larger organisation whatsoever. Labor is not to be paid equal wages or according to its needs.

“Socialism does not propose to ‘abolish competition,’ as many hasty and foolish antagonists declare. If the reader has gone through what has preceded this, he will know that this is not so. Socialism trusts to competition for the service and improvement of the world. And in order that competition between man and man may have free play, Socialism seeks to abolish one particular form of competition, the competition to get and hold property — even to

marry property — that degrades our present world. But it would leave men free to compete for fame, for service, for salaries, for position and authority, for leisure, for love and honor.”\*

Socialism must either establish equality of wages, for thus only can it maintain uniformity of living, or retain the present system of inequality of wages involving variety of living.

If the former were adopted human life would be changed, with results unknown. No wonder Mr. Hardie† relegates the consideration of that question to the future, for he is undoubtedly right in saying man is not to-day prepared for such a change. Those whose services command more than the common laborer would not agree. Such is human nature as it stands to-day, and the idea of uniform income may be dismissed until the nature of man changes.

On the other hand, if different wages be paid according to service rendered, Socialism becomes impossible. As Mr. Spargo says, “There must be approximate equality of income, otherwise class formations must take place, and the old problems incidental to economic inequality reappear.”‡ Here is a

\* “New Worlds for Old” (Wells).

† “From Serfdom to Socialism,” p. 96.

‡ “The Case Against Socialism,” p. 220.

step which Socialism must overleap or else fall down.

Mr. Ramsay Macdonald, M.P., is a philosophic Socialist who writes well. He tells us —

“If the Socialist state is ever to come, it is not by a sudden change in economic and personal relationships, but by a steady readjustment of existing relationships until the organic structure has been completely altered.”\*

Never were truer words written. Would that all Socialists apprehended that they are fatal to the realisation of the Socialistic state with its uniform incomes and abolition of private property, not only during our time but until or unless “the organic structure be completely altered.”

Man’s progress in the past has been steady, and he has travelled upward from savagery, but long is the road and devious the way to complete change of the organic structure of the economic and personal relationships of human society. Yet this must be reached before Socialism as a system can be introduced. Strange that such men as we have quoted — fit for leaders of their fellows in assaults upon the numerous evils of our day — should waste their powers upon a system which they admit cannot

\* “Socialism and Politics.” *Fortnightly Review*, June, 1908.

be adopted until organic changes take place in the structure of human society.

We have before us the work of our own day and generation, and only this can we push forward during our lives. To this it is our duty to devote ourselves, leaving the work of the distant future to our successors. Rare are the men capable of dealing wisely with the needs of their own time. Even with these their success is often not surprisingly brilliant. We have not been blest with men capable of legislating properly for generations to come. They do not and cannot exist.

Meanwhile, in view of the conflicting views expressed, we shall surely be excused for asking the Socialists for an authoritative answer to the question whether Socialism involves equal wages, or whether the present individualistic mode of payment according to service rendered is to be retained, or Mr. Wells's half-and-half system to be adopted.

The most devoted disciple of Socialism must realise that this constitutes one of the two vital differences between the Individualistic and Socialistic systems — the other being the right of private property — that it is fundamental, and lies at the root of the whole matter. No equal wages, no Socialism possible; equal



wages, no Individualism possible; half equal and half unequal wages, endless confusion. We leave the revolutionary, the evolutionary, and the half-and-half Socialists to study the problem and decide; until it is solved Socialism remains a mere babble of words signifying nothing, for this is not a mere incident in its progress, it stands at the threshold and demands settlement.

## Thrift

## THRIFT

**T**HE Socialistic system, as we shall see, does not harmonise with our present home and family relations, which many of us treasure, for their holy and ennobling influence upon human life, as the most precious of all institutions.

We find it also attacks or belittles one of the virtues which, as we believe, lie at the root of the progress of our race, that of Thrift.

Most men and women are born to poverty. Comparatively few are provided for and free to spend lives of ease. The vast majority must work to live. Fortunately for himself, in all probability Keir Hardie is no exception. If he had been one of the few born to competence, he might never have attained eminence through service to his fellows. In his booklet in the "Labor Ideal" series (p. 38) after writing that the Sermon on the Mount is full of the spirit of pure Socialism, he continues, "Nay, in its lofty contempt for thrift and forethought, it goes far in advance of anything ever put forward by any Communist, ancient or modern."

Thrift cannot commend itself to the true Socialist, who forbids private capital, but the story of the talent hid in the ground inculcates the duty of man not only to guard his capital but to increase it, and we are told that "he that provides not for those of his own house hath denied the faith and is worse than an infidel."

Proper provision certainly requires a reserve fund for contingencies. If we were to divide the vast army of workers of mature age into two classes, the savers and the spendthrifts, we should practically separate the creditable from the discreditable, the exemplary from the pitiable, the progressive from the backsliders, the sober from the intemperate. A visit to their respective homes would confirm this classification. The thrifty would be found not only the best workmen, and foremost in the shop, but the best citizens and the best husbands and fathers, the leaders and exemplars of their fellows. Many are those who have risen from the ranks of manual labor and achieved reputation for useful work performed for the community, and been held in general esteem as model citizens. Much good have they accomplished for their fellows. That they were thrifty, thoughtful men goes without saying. They could not otherwise have

risen. If the workmen depositors in savings banks, members of friendly and of building societies, coöperative stores, and similar organizations were to march in procession, preceded by the workmen who are not, spectators would take heart again after their depression from seeing the first. If the workmen who own their homes were to march and be followed by those who do not, the contrast in appearance would be striking.

Apply to the masses of men any of the tests that indicate success or failure in life, progress or stagnation, valuable or worthless citizenship and none will more clearly than that of thrift separate the well-behaved, respected and useful from the unsatisfactory members of society.

The writer lived his early years among workmen and his later years as an employer of labor, and it is incomprehensible to him how any informed man, having at heart the elevation of manual laboring men, could fail to place upon the habit of thrift the highest value, second only to that of temperance, without which no honorable career is possible, for against intemperance no combination of good qualities can prevail. Temperance and thrift are virtues which act and react upon each other, strengthening both, and are seldom found apart.



The pure, elevating, happy home with wife and children is the product of both. When some part of the weekly earnings is not saved all is not as well with that home as could be wished.

## The Land

## THE LAND

**T**HE land figures prominently in political and social questions only in the British Islands. It has settled itself in all other regions occupied by the English-speaking race. It is not a burning question in America, Canada, Australia, or New Zealand, nor in most European countries, where the land is mainly divided in small portions among the people.

In the United States, in 1900, there were 5,739,657 farms, and 10,381,765 adults engaged in agricultural pursuits. The farms averaged 146 acres. The rapid increase of these may be seen from the fact that in 1850 there were only one and a half million, in 1880, only four million, farms. So the good work has gone on, an average increase of 85,000 additional farms per year for the past fifty years, and the end is not yet. As a rule farms are cultivated by the owners. If happy homes be the crown of civilisation, we have here the Scripture fulfilled. Millions of men "sit under their own vine and fig-tree with none to make afraid." Land is free for sale or purchase, and is lightly taxed where

it is taxed at all. The world may be ransacked in vain for equally large numbers of men, women, and children residing under such favorable conditions. Home, sweet home is the spot round which centre their fondest hopes, their dearest wishes, and their greatest happiness. The few who rent for the time have the desire and reasonable hope of soon owning their homes, the wisest purchase that can be made. Similar conditions prevail in Canada, Australia, and New Zealand.

France has five and a half million peasant proprietors; Germany has over six millions, average holding thirty acres. It is only in the United Kingdom that the land question is acute. The present conditions of land-holding in the countries named prove to the people of the old land what can be done; but the favored people of the four new countries named had a clean slate to begin with — nothing to obliterate. They do not, therefore, teach the needed lesson to the motherland which Denmark does. That wonderful little country not long ago was in the hands of a few owners, who rented it in portions to farmers, whose position was that of farmers in the United Kingdom to-day. But it is now very different. They are now on the same plane as farm-owners in America and other English-speaking nations. The land that seventy-odd

years ago was in the hands of the few is now owned by no less than 86,000 people, and, as to 75,000 of the holdings, the law prevents their being merged to form larger farms or estates. The area of the country is less than ten million acres and the population two and a half millions.

Denmark's exports of butter, eggs, cheese, bacon, beef, and pork to Great Britain alone, in 1904, amounted to over fifteen millions sterling. A startling statement! One wonders what British farmers are doing.

No revolution was necessary to produce the change, no Government ownership. It was all quietly done, one step after another. The country was divided into farms of a certain size and a progressive land-tax levied. For one man cultivating one farm the tax was small. If he had another the tax was much greater upon the second, and so on until additions became prohibitive, the object being to favor the owning of farms by those who cultivated them. The produce of the land is now three times as great as under the former system of large proprietors, still existing in the United Kingdom. The magic said to be in ownership was really found there.

By following the example of Denmark, which involves neither dangerous experiment nor violent



disturbance, the land of the United Kingdom can be owned and worked by the owners thereof, each man with a reasonable acreage, and thus many happy and endearing homes established. This is well, but it is not all, nor even the best result. Denmark's policy has created an independent, prosperous, happy and contented people.

Instead of one great mammoth landowner, the State, as Socialists propose, Britain should have hundreds of thousands of small owners, necessarily developing into men of a much higher type than mere tenants or employees can ever become. The magic of ownership works wonders, not only upon the soil, but upon the happy working owner thereof. The type of men developed in America upon farms they own, taken all in all, is not to be equalled, as far as the writer has known large classes of men. The same qualities characterise the land-owning workers of Canada, Australia, New Zealand, and Denmark.

Land in these countries is everywhere free, as other property is. The laws of primogeniture and settlements exist only in Britain. No English-speaking people elsewhere would tolerate them.

We have a striking instance of land development going forward in America at present.

Forty-odd years ago there were four million slaves owned by other people. They owned nothing and could own nothing. They did not even own themselves. They had neither rights nor responsibilities. They were bought and sold. In 1900, under present conditions, these former slaves owned as landlords 173,352 farms. They leased and cultivated as farmers 762,000 farms. They have church property valued at more than twenty-five million dollars. Great additions have been made to their lands since 1900. Here we have a race who in 1862 could own nothing, not even themselves, now owning and cultivating the soil in small portions, no rent to pay. They could neither read nor write, and now the percentage of illiteracy has fallen from 83.5 in 1870 to 47.4 in 1900. When such progress can be made under free trade in land surely we should be careful about revolutionising conditions which produce such precious fruit. The extent of land owned and cultivated by these people in small areas furnishes the greatest of contrasts to that of the United Kingdom, that between small landlords cultivating their own land and men who pay a rental to territorial magnates whose lands they cultivate.

The more than eleven millions of working

people, and their children, settled upon the land in America as agriculturists are the backbone of the Republic — intelligent, fair, kindly, sober, law-abiding. One who knows them would hesitate long to disturb conditions which give the State such model citizens. To transfer the land now cultivated and mainly owned by these people into the hands of the State and degrade the present working owners into menials working for and paid by State agents is unthinkable. Our Socialistic friends would require larger armies to coerce them than have ever yet assembled, and then they would fail, for men fighting in defence of their homes, in which many of them and most of their children were born, would have their quarrel just. No offer on the part of the State to ensure their continued residence undisturbed would be entertained. They would never agree to come under any restriction of their right to do as they pleased with their own homes. It is the same with Canadians and Australasians.

In every English-speaking land, other than Britain estates are generally divided about equally among the children; but the farm usually goes to the member best qualified to work it, the other members taking other parts of the estate or mortgages upon the farm.

The proposed exclusive taxation of land, proposed by Henry George, was denounced by the people of Canada and America as keenly as would be a proposition to make America a monarchy or Canada a colony minus self-government. In both lands the agriculturists rule. Let the most eloquent Socialist endeavor to convince these owners of the soil, true landlord-farmers, that they are not part, and the best part, of the most highly developed and most desirable society known to man, and he will have a rude awakening. No Socialism for them.

Much is to be said against the British landlord system. It has little to commend it. It is a survival of the past, but let not Socialists imagine that recourse to State ownership is the proper substitute. Let them follow the example of Denmark and, by the creation of farmer-landlords, each with one farm, give to Britain one of the greatest of blessings, a land-owning and land-tilling people, instead of a few land-owning squires who neither toil nor spin.

Here lies before Britain a task easy of accomplishment. It is no experiment; neither is it revolutionary. Our own race in other lands and the people of Denmark have proved the

value of small farms owned and cultivated by owners. One reads with wonder that —

“The cultivated land of the United Kingdom (including parks and permanent pastures, but not mountain or waste) amounted in 1880 to 47,515,747 acres. The total acreage is 77,635,301 acres. By the Domesday Book of 1875 it appeared that one-fourth of the total acreage (excluding plots under 1 acre) is held by 1,200 owners, at an average for each of 16,200 acres; another fourth by 6,200 persons, at an average of 3,150 acres; another fourth is held by 50,770 persons, averaging 380 acres each; and the remaining fourth by 261,830 persons, averaging 70 acres each (Caird). Peers, in number about 600, hold rather more than one-fifth of all the land in the kingdom. Thus one-half of the whole territory is in the hands of only 7,400 individuals; the other half is divided among 312,500 [312,600 ?] individuals.”\*

In Scotland the contrast is even greater. Twelve persons in 1876 held more than a quarter of Scotland; seventy held half. Nine-tenths of Scotland was held by fewer than 1,700 persons.

As upon the vital question of equal or unequal

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\* “Encyclopædia Britannica,” Vol. XIV., p. 265.



wages Socialists are divided, they are also upon the equally important question of the confiscation of or payment for the land which, according to their theory, the nation should acquire.

Mr. Sidney Webb testified before the Royal Commission on Labor (1892):

“Q. 3887. Supposing it (the rate) had to go so far as to amount to 20 shillings in the pound, what then?”

“Ans. That is a consummation I should view without any alarm whatever.

“Q. 3888. The municipality would then have rated the owners out of existence, would it not?”

“Ans. That is so.”\*

The President of the “Scottish Land Restoration Union” testified before the Royal Commission on Local Taxation, April 14, 1898:

“Q. 16,175. What is to be the next step?”

“Ans. Increase the tax upon the value of the ground.

“Q. 16,176. Until you take it all?”

“Ans. Until you take 20 shillings in the pound.”†

Bailie Ferguson, before the same Royal Commission, testified:

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\* “The Case Against Socialism,” pp. 441, 442.

† *Ibid.*, p. 440.

“I hold that nothing short of 20 shillings in the pound will be a complete settlement of the question.” \*

Mr. Joseph Hyder, in “The Crux of the Land Question,” p. 16, says: “Every land nationaliser should assist this taxation reform in order to facilitate the State acquisition of the land upon the most favorable terms possible.” †

Mr. Blatchford (“Merrie England,” p. 60) says: “Now, if a man has a right to nothing but that which he has himself made, no man can have a right to the land, for no man made it. My only hope is that compensation be kept as low as possible.”

Mr. Jowett, M. P., says that “Socialists recognise the expediency in all, and the justice in some cases, of paying for land, rather than confiscating it.” ‡

The truth is that the Socialistic leaders have not hesitated to propose the most sweeping changes, amounting to a revolution of existing conditions, without having first considered how these were to be accomplished. They differ upon equal and unequal wages, a fundamental question; and upon payment for or confiscation

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\* “The Case Against Socialism,” p. 440.

† *Ibid.*, p. 441.

‡ “The Socialist and the City,” p. 24.

of the land — purchase or robbery — another fundamental question. These two questions determine what Socialism is, or is not. They are the pillars of the Socialistic edifice, and not yet agreed upon. Upon one point, however, there is unanimity. The land must in one way or another be nationalised. All agree in this.

Lord Wolverhampton has recently flashed light upon this subject of payment for or confiscation of the land by telling a story of Gladstone. The world's foremost citizen, being asked about Socialism, replied that it had to meet this query, "Did it propose to buy the land or to take it? If the first, it was folly; if the second, it was robbery."

Let us assume for the present that the demand for confiscation made by the radical section of the Socialist party will be rejected by the moderates. The query then arises, How is the land to be paid for? The great bulk of it has been acquired under law as it then existed, and as it exists to-day. Territory won by force in bygone ages as a whole is now in the possession of innocent purchasers. It has been paid for. Now, if there be one tenet of honest dealing firmly rooted in the conscience of civilised men, it is that the title to such purchase is valid. The possessor must be paid a fair price

for what the law has declared to be his. He can be robbed of his property, of course, but an advance toward heaven upon earth founded upon robbery would infallibly be a step in the other direction — backward, not forward; downward, not upward. Civilised man has advanced already under present conditions beyond the idea of robbery. Its advocacy would shock him, and the entire Socialistic movement be discarded as not only visionary, but confiscatory, a proposal to rob the neighbor. If it be clear that the property must be bought, it is equally clear that honesty compels the State to pay a fair value for it. As the State alone could be the purchaser, it must deal fairly in forcing compulsory acquisition. To whom will payment go, to whom can it go, except to the owners of the property taken? Ah, there's the rub! What becomes of the Socialist state in that event? Where is the "equality" upon which such State is to be founded? Impossible, because the rich and the poor we would still have with us, and the present division into classes be revived; for it is wealth, not birth, in our day which creates class distinctions. The claims of birth in our race only survive in the United Kingdom; they would be laughed at elsewhere if presented.

It is not only the land that the State has to purchase. The mills and furnaces, the shipyards, the railways, all means of production and distribution, must also be acquired and paid for. To say that all productive property could be rented and paid for out of the profits does not affect the question. The rents would go to the owners, and they would remain rich. What just power could compel them to leave their present homes and modes of life, surrender their rents to the State, and become Socialists? The payment made for their property would become a mockery if they were not allowed to spend what was their own. Yet unless the payment made to the owners with one hand be promptly taken away by the other, no Socialism would be possible, for it must be based, not upon the capital of the few, but upon wealth in common, owned, not by the individual, but by the State. Besides this, as before quoted in the case of unequal wages, "the ideal to be aimed at ultimately must be approximate equality of income, otherwise class formations must take place, and the old problems incidental to economic inequality reappear."\*

Should the Socialist be driven from the idea

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\*Mr. John Spargo, in "Socialism." "The Case against Socialism," p. 229.



of taking the land from private owners without paying for it, how is payment to be made? The cash could not be raised. Evidently there is but one mode. The State must issue Consols. Sixteen or more hundred millions sterling for land and farm improvements; for mines, machinery, etc., say half as much more, or altogether three times the amount of the National Debt. What price would Consols, already much below par, reach under such an issue? Let the enthusiastic Socialist ask the banker and learn what would ensue. What receiver of Consols would feel safe, holding the bond of a Government that forced compulsory sale and snatched from him his home, the dearest spot on earth to him and his?

Who would wish to live under such a Government, or in such a land? Few, indeed, of those most desirable to retain. Canada and America would be too attractive, and the despoiled would follow the Pilgrims, their forefathers, who left their old home and settled in the new, where men had rights and liberties then denied at home, and private property was inviolate.

After settling the land problem through purchase, with freedom to spend proceeds as former owners desire, or through confiscation

under compulsion of uniformity of living, there is another step, as mentioned, which Socialism must overleap, or else fall down. Until officials, superintendents, foremen, and skilled mechanics are willing to accept the recompense earned by the sweepers of the factories, there can be no success for Socialism, for upon this foundation it is compelled to stand. The moment "equality of payment" is dropped, and a commission is formed to found and enforce "inequality of payment," the phantom vanishes. We are back again to our present system with all its inequalities. Unequal income means unequal outgo, hence inequalities; or as we individualists would put it, healthful variety necessary for the improvement of man in his march upward toward perfection.

The cry of the Socialist of to-day in Britain should not be against private ownership of land, but against there being so few private owners. To distribute the land by abolishing primogeniture and settlements, and through progressive taxation, is surely the next practical step. Being so palpably the remedy for the present unsatisfactory condition of the problem, it would seem that the needed legislation could not be long denied.

When the interests of the masses of the people

require change in land tenure, the few owners can justly be required to forego their preferences, or submit to increased taxation if they decide to enjoy privileges injurious to the community as a whole.

In all other English speaking countries the people work the land; in Britain the landlords work the people.

The writer cannot but believe that if once the United Kingdom had its people settled upon the land as owners and cultivators, as other parts of the Empire and America have, its nationalisation would never be thought of.

## Individualism versus Socialism

## INDIVIDUALISM VERSUS SOCIALISM

**T**HE alacrity displayed by Socialists in pasting their labels upon the products of Individualism is surprising, in view of the fact that many of the measures claimed as Socialistic have long been in operation in English-speaking lands.

Mr. Snowden, for instance, gives what he claims to be the Socialist's ideas of taxation.

"1. Both local and national taxation should aim, primarily, at securing for the communal benefit all 'unearned' or 'social' increment of wealth.

"2. Taxation should aim, deliberately, at preventing the retention of large incomes and great fortunes in private hands, recognising that the few cannot be rich without making the many poor.

"3. Taxation should be in proportion to ability to pay and to protection and benefit conferred by the State.

"4. No taxation should be imposed which



encroaches upon the individual's means to satisfy his physical needs."

He is quite entitled to Number One. No one but a Socialist would dream of taxing with a view of securing *all* "unearned" or "social" increment of wealth for Communism.

As to Number Two: Graduated taxation in Britain is an attempt to equalise the present unfair distribution of wealth, and is already at work in the death duties and in the difference in the income tax between earned and unearned wealth, both the work of Individualism. The strong and repeated recommendations of this policy by President Roosevelt are soon to bear fruit in the United States. He and his trusted advisers are Individualistic to the core.

Number Three is only Adam Smith's doctrine in different words. The non-taxation of imported food by Britain under Individualism as far as it has gone is in accordance therewith.

Number Four is another application of Adam Smith's doctrine. Until physical needs of individual and family are provided for, there is no "ability" to pay taxes.

Thus three of these ideas are the product of Individualism, and should bear its "hall mark," not the Socialist label.

Mr. Jowett pastes the Socialistic label upon

the "proper rating of site values," as if this did not prevail under Individualism throughout our English-speaking race, except in the old home.

Mr. Macdonald, regarded as the most philosophical of current Socialistic writers, while indulging in dreams of a far distant future, naturally restricts action in our day to practical measures. There is only to be "a steady readjustment of existing relations until the organic structure has been completely changed." He lays down as ripe for action the seven points in the Independent Labor Party programme, which he says is far and away the most representative Socialist body in Britain, thus stamping the Socialistic label upon all these points.

First in these comes an "Eight-hours Day." One naturally inquires under what system the hours of labor have been reduced from twelve and more to ten hours or less. Long before Socialism attracted the public, the reduction of the excessive hours of labor was the care of progressive men under the present Individualistic system in all English-speaking countries. Whether these can be wisely reduced still further is under consideration. To put the Socialistic label upon the policy of shortening the hours of labor is "as flat burglary as ever was committed."

Second comes "a workable Unemployed Act." Mark the adjective. The attention of the English Parliament was given last year to this very question. It is a difficult task to meet without doing more injury than good: when, or if, a *workable* Act is produced parties will then take their positions.

Third, "Old Age Pensions." Mr. Macdonald is here a day behind the fair. These have been established in Britain before this appears in print, both political parties being favorable. Socialism will have little right to label "Old Age Pensions" as its product. On the contrary, it is the product of the best elements of both political non-Socialistic parties.

Number Four is the "abolition of indirect taxation (and the gradual transference of all public burdens to unearned incomes)." Here we must read the bracketed words in the light of Mr. Macdonald's philosophy. This is a consummation which cannot be reached "until the organic structure has been completely changed." As far as the doctrine of lessening indirect taxation is concerned, it has been in practice since the repeal of the Corn Laws gave free food for the people. It is a wise policy. In America there are no duties of moment, except such as bear upon the rich, who alone

use imported articles; a protective tax recently imposed upon sugar, to test the ability of the country to produce its own supply, being the only exception.

Number Five is "a series of land acts (aimed at the ultimate nationalisation of the land). See note to Number Four as to the words bracketed. Britain needs a series of land acts to bring her where all other English-speaking lands stand. None have primogeniture or settlements. All rate sites at market prices. Land is everywhere free except in Britain, and this has long been the case under Individualism. Socialism has no right to the label of Free Land, except as applicable to Britain, and even here a large number of non-Socialists have long urged the policy.

Sixth, "Nationalisation of Railways and Mines." As far as railways are concerned, Individualism has preceded Socialism in this department. Many countries own their railways. India under British control does, as also do some of the colonies. So do Austria, France, Germany, Switzerland, etc. Mines are precarious properties, and should be leased upon royalties when owned by the State. In some cases this is already done.

Seventh, "Democratic political reforms."

This is so indefinite that nothing can be said upon the subject. The reforms are in supposition so far, and must be judged upon their merits when announced from time to time. In all English-speaking lands under Individualism, democratic reforms have long been the order of the day, never more so than now.

Mr. Hardie claims there is perfect agreement among Socialists on two leading points, the first being "hostility to Militarism in all its forms, and to war as a method of settling disputes between nations."

Such of us as have inherited this doctrine under Individualism and proclaimed it all our lives rejoice that any body of men agree with us, but we of the Peace and Arbitration Societies in every English-speaking land who have upheld the doctrine, respectfully protest against the Socialists' use of a label to which the Individualistic men of peace have prior claim. Opposition to war and support of arbitration have developed under present conditions, and grow stronger with leaps and bounds these days, and are soon to triumph. One great victory is seen in Chile and Argentina ceasing to wage war and agreeing to settle disputed boundaries peacefully; they did so and both conquered. There now stands upon the



highest peak of their boundary line a statue of Christ as Prince of Peace, cast from their discarded cannon. The pedestal bears this inscription: "Sooner shall these mountains crumble to dust than Chileans and Argentines shall break the peace, which at the foot of Christ the Redeemer they have sworn to maintain." Socialism has no place in these lands.

Scarcely a week passes without one or more treaties of arbitration between nations being entered into.

All the nations assembled last year for the first time at The Hague Peace Conference and voted for obligatory arbitration, only eight dissenting, and these declaring they would make separate treaties with selected nations. Some such have already been made and others are now under consideration.

All this progress in the path of peace among nations has been made under our present system, and Socialism as such has no exclusive right to place its label upon the triumphs of peaceful arbitration. Members of all parties have coöperated in this, the most pressing duty of our day — the banishment from the civilised world of the crime of crimes, the killing of men by men in battle like wild beasts, as a mode of settling international disputes.

As we see, there is much that evolutionary Socialists advocate and claim to be Socialistic which we Progressives have long welcomed. The municipalisation of certain public utilities is undoubtedly a step in the right direction, but this had already been done under our present system before Socialism was much talked about. It has been proved that cities can advantageously own, in some cases operate, and in other cases lease for periods, their public utilities—water, gas and electric works, street railways, etc.—and that they can purchase and improve land to advantage in certain districts, and could do much more in that line in Britain were the laws like those of America and other English-speaking nations.

We have, perhaps, one of the best examples of this beneficent policy in the city of New York, now containing more than four millions of people. It never parted with its riparian rights, and owns these around the island, giving it more than twenty miles of water front. Some years ago it began building docks, issuing bonds therefor, with a sinking fund for their redemption. The rentals obtained for the docks meet the interest and sinking fund and leave a profit so great that it is estimated the city will possess the gigantic property free of cost

before the bonds mature. The city is contracting for rapid transit subways, the building and operating contractors agreeing to pay the interest and sinking fund, and hand over the subways to the city free of cost at the end of fifty years. No franchises will hereafter be bestowed by New York City except for stated periods. It is becoming the general policy of cities in America to avoid giving perpetual leases. Municipalisation to this extent is steadily winning its way. The water supply is another instance. The foresight of New York has secured at comparatively small cost, because taken in time, one hundred gallons per head daily for eight millions of people. The city owns all this supply, furnishing a great contrast to London. It also secured years ago, at small cost, seven thousand acres of land admirably adapted for city parks, which are now being rapidly utilised as population spreads around them.

The coöperative movement, wholesale and retail, in which manufacturing begins to make its appearance, is another development upon which the Socialistic label is often put, but coöperation was adopted many years ago. The members thus get control to some extent, in one branch, of the means of production and

distribution. In this field there is desirable progress, but we note in all that has been done so far in this direction the parting of the ways between Individualism and Socialism. The latter has as its aim a State in which "every man renders service according to his ability and receives according to his needs." The needs of men in the main are common. Among a hundred men thrown upon an island, there would be found little difference. All could be treated alike. This would be pure Socialism; but in working municipal tramways, gas, and water-works, and in the management of coöperative societies, the compensation paid has no reference to common needs. It is paid according to the value of service rendered, the essence of Individualism. The superintendent of the factory, the merchant in charge of the coöperative store, the employees down through the whole list, are paid exactly upon the same basis as in all private agencies of production. There is not a trace of Socialism here. In this vast field of progress all remains Individualistic.

Socialism versus Individualism is the race between the hare and the tortoise over again. Individualism — the tortoise — has found and kept the path upon which it has made and is making steady progress upward. Never has

the tortoise had to stop long in its ascent, but, always carefully putting out its limbs, intuitively the steadily moving creature finds and treads the way onward and upward, moving neither to the right nor left until certain it is right, and then steadily pushing forward.

The hare has not yet made a start. It remains just where it was years ago, frisking round a circle. It knows where it wishes to end, tells us that clearly, but not how, when, or where it is to begin. One point it has settled, however. It will not tread the tortoise path of Individualism, nor any path but that which our prehistoric ancestors trod many thousands of years ago, and which their progeny abandoned after years of trial and failure. The frisky hare to-day insists upon opening up again this abandoned path, and keeps scratching the earth and raising a dust as if it were preparing to start, but there is no saying whether it will do so in our generation. Meanwhile the tortoise, as we see, continues moving unceasingly upward, that which is, better than that which has been, and that which is to come, better than that which is. Lovers of progress cannot but hail its ascent as leading to the light. Foolish indeed would Labor be to retard this steady advance until the hare has given some evidence of ability



at least to start, and demonstrate by experiment that it can overtake and distance its rival. President Lincoln, when asked where General Sherman was going with his army in the march through Georgia, replied, "I know where he went in, but I don't believe the General himself knows where he is going to come out." Socialism is in that position.

Let the Socialist produce one enterprise managed upon Socialistic principles as proclaimed. "To put an end forever to the wage system, to sweep away all distinctions of class."\*

"The complete emancipation of Labor from the domination of capitalism and landlordism, with the establishment of social and economic equality between the sexes."†

So far as experiments with these doctrines have been attempted, as Hepworth Dixon informs us, they have failed. There have been some attempts to live together by small parties of mature age, seeking a retreat from active life. These ventures lay in the eddies out of the rushing current of human existence, their members striving to content themselves with the present, while the part which active men have to play on earth is that of improving

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\* Joint Manifesto, British Socialist Bodies.

† Social Democratic Association.

conditions in every direction, making new discoveries, inventing new machines and processes, and extending the boundaries of knowledge. This is man's life work on earth, one of development toward the more perfect day: nothing yet finished, but all growing better through his strenuous exertions. "Rest and be thankful" is for another existence. Until Socialists can point to successful communities based upon their principles fulfilling this mission of progress, the Socialistic question is not within range of consideration — all is mere speculation, vain imaginings of a supposed heaven upon earth, as illusory as other dreams.

All that is desirable and even possible as man exists to-day is being accomplished — too slowly, we agree, much too slowly — but in no small measure realised from generation to generation under the present system, which always has been and is being now and always must be steadily modified and improved as man correspondingly advances and is himself modified and improved, but not otherwise. Man and his conditions must march abreast, acting and reacting upon each other, that improvement may be evolved. This is the law of his being.

In considering the wisdom of change from

our present Individualistic to the proposed Socialistic system our first inquiry should be, How has the former resulted? Has the human race marched backward and deteriorated, or has it advanced and improved? If the former, we should welcome a promising change, and give it a trial tentatively upon a moderate scale. If the latter, common sense prompts us to refuse to make any revolutionary change, and to continue in the path upon which we have marched and are still marching steadily upward, always pushing hard that the pace may be hastened. We find that from the dawn of history until now man, overcoming temporary interruptions, has steadily developed, making great progress in every field. Contrast his condition at various periods in the past with the present and we have one unbroken record of improvement, morally, intellectually, and physically. Infant mortality is very much less, the death-rate has fallen, the average of life has lengthened. Pestilences which swept away our progenitors are to-day unknown. Many diseases once uncontrollable are now conquered. The homes of the people have improved and the poor are now taken care of. The food and clothing of the people are better, hours of labor less, wages, much higher. Free education leaves no child

in ignorance; illiteracy is almost unknown. Carlyle only ventured to imagine a future when every considerable town would have a collection of books; now they have free public libraries. Even the prisons have been improved. Sentences for crime have been lightened. Man has become more law-abiding and better behaved. There is less intemperance, and crime is less frequent. In every domain the comforts of life have been increased, its miseries mitigated. The masses of the people are better housed, better fed, better clothed, better educated and better paid than ever before, and the sums in the savings banks were never so great.

In the field of labor man has risen from serfdom and controls his labor as an equal with his employer, and in our own day is beginning to rise from workman to partner. Labor unions, coöperative stores, friendly societies and pension funds, have all been developed.

In all English-speaking lands the rule of the people prevails; only in Britain is hereditary privilege allowed to exist and obstruct their rule. Every public office is open to ability. Power is now in the hands of the masses wherever the English language is spoken. Never have the masses made such rapid and substantial progress as in recent years, and never were there within

their reach in Britain so many far-reaching improvements in the laws, which, when adopted, will ensure to the masses the advantages already possessed by their own race in other English-speaking lands.

The various sections of progressive men have only to unite in the effort to free the old home from all in its laws that keeps it in contrast to Canada, Australasia, and America as governments of the people, for the people, and by the people.

It is under such encouraging conditions that the Socialist appears and distracts the masses, insisting upon discarding the system under which this triumphal march has been made — the only system in all the world's long history under which man has greatly advanced. That the organic structure can be completely altered in our day, even if desired, is impossible. That the alternative Socialistic scheme proposed can be established is equally so, because it first requires a change in human nature, a change quite as great as that involved in the evolution of the man-ape into the savage or the savage into civilised man.

It is not the success of the "presto, change" campaign, therefore, that is to be feared, nor even the attempt to establish the Socialistic



state, because neither is possible as long as human nature remains what it is.

Mr. Ramsay Macdonald's warning before quoted, we hope, will sink deep into the minds of the earnest, sympathetic, able men who justly enjoy the confidence of the masses and are numbered among their leaders, but who at the present juncture are devoting their time and attention to the Socialistic system, which cannot be established except by "a steady readjustment of existing relations until the organic structure has been completely altered." To effect this change would be the work of centuries.

The Socialist should reflect it was under immutable law decreed that there should be evolved out of the burning mass of matter, the fair earth with all its charms; out of the beast, the higher organism — man with godlike powers; and that man should not eat the bread of idleness, but labor from morn till night in the noble task of making one small spot on earth, one small circle of his fellows, just a little better than he found it — a high mission — none too great, none too small to lose the privilege or to neglect the duty. Man does the latter at his peril, be he cottager or king.

So long as man on earth can aid in the

smallest degree the progress of his race he should rejoice. How much fame or fortune he acquires, or how little, matters not, so long as he contributes by his labor and example to the general good. This is the true end, and should be the aim, of life.

Why should any man desirous of benefiting his fellows neglect the work of his own time which it is his duty to perform, and waste his abilities upon purely speculative ideas which it may or may not become the duty of future generations of men to adopt? Our duty of to-day is with to-day's problems. We have nothing to do with those of the distant future. We cannot legislate wisely for posterity. It is sad indeed to see able and good men, who could aid in improving the present, expending their talents upon a new system for a distant future, of which they can know nothing.

It is in this world that all our duties lie, and only our own generation can we know how to serve. Upon it our thoughts and efforts should therefore be concentrated. It is a serious waste of time to concern ourselves with any system which we know cannot be introduced until the organic relations of human society are altered. Upon the men of to-day only the work of to-day devolves.

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Not "Heaven our Home" our motto, so much as "Home our Heaven." Franklin was right when he proclaimed that "The highest worship of God is service to man." Power to render service to the Unknown is not given us except by serving those of His creatures here with us in our own day and generation.

The man is not born who can legislate wisely for a future which has not been revealed to him, and of which, therefore, he can know nothing.

Sufficient unto our own day are the evils thereof. These we should endeavor to abolish or mitigate, leaving the future to our successors.

## Variety versus Uniformity

## VARIETY VERSUS UNIFORMITY

**T**HE Socialist needs to revolutionise human nature before he can even test his theories, for nature abhors a vacuum not more than she does uniformity. No two blades of grass are alike, and the higher we go in creation the greater the variations: no two fishes, no two animals are alike. Huber tells us he was able to distinguish the individual ants in the hill, so different was one from another. When humanity is considered, no two children but display wide differences, the more intelligent being the more individualistic. No two families are alike, and were all placed under similar conditions, houses and grounds alike, incomes equal, next day differences would begin to appear and to increase as time went on. The children of able, prudent parents would be differentiated from those whose parents were less able. No laws of the State could prevent this. Uniformity to-day would inevitably become variation to-morrow. Before Socialism can introduce uniformity of living, men must be born duplicates of each other; yet in none of nature's produc-



tions is diversity so great, because man is the highest and most complex of all.

We can no more make men equally comfortable through equal incomes than we can make them equal in fortune by distributing the wealth of the country among them. One week after such distribution there would be thousands penniless and begging their bread, their last state worse than the first.

Because revolutionary Socialism requires a change in human nature, it calls for scant attention. It is impossible to introduce, much less to maintain, the Socialistic state, until human nature becomes totally different from what it is now. When the Socialist has effected this change, but not before, is the abandonment of the present system worthy of the slightest attention. It is not in order as long as men differ from each other — no two alike but all equally determined to live each his own life in his own way, this being his nature. This is the law of progress of his race, as it is of plant and animal life.

By selection and cultivation of the exceptional animal or plant — that showing the greatest “variation” from the ordinary type — breeders and cultivators develop the higher orders of life. Thus has come man from the brute. The race

has been allowed to develop in freedom, hence, while still savage, the stronger physically was the foremost, and later, under civilisation, the strongest mentally have become the leaders, from whom have arisen the select few whose names stand out in history as the exceptional members of our race, whose labors and example, in all the higher domains of human effort, have slowly lifted the race to its present position, infinitely higher than it was only a few hundreds of years ago.

Not uniformity, but infinite diversity, ensured this progress, and as far as we can see, it is through diversity alone that the race can continue its upward march. The exceptional man in every department must be permitted and encouraged to develop his unusual powers, tastes and ambitions in accordance with the laws which prevail in everything that lives or grows. The "survival of the fittest" means that the exceptional plants, animals, or men which have the needed "variations" from the common standard, are the fructifying forces which leaven the whole. Among these are the great teachers and law-givers, the poets and statesmen, physicians and historians, the inventors and discoverers, who lead the mass of more uniform pattern onward and upward. The contrast

between Shakespeare and the ordinary specimen of humanity is as great as that between the average civilised man and the barbarian.

A few pages of this book would hold the names of the truly exceptional men who have distinctly moved the human race forward since history began. Many indeed have contributed thereto, and in the widest sense no individual can live a good, useful life without contributing his mite to the general weal, but those who have achieved a decided advance in any one of the innumerable paths of human effort have been few in number, although they built upon the work of many predecessors. Burbank grows hundreds of thousands of plants, sometimes millions, before the exceptional variation appears from which a new variety can be developed, capable of producing superior fruit. So with man, who must be left in perfect freedom, as long as he infringes not upon the freedom of others, nor injures the State, free to choose his career and live his own life in his own way, the rule being perfect freedom, limitation of that always exceptional and only exercised when overpowering reasons arise rendering interference necessary to protect the freedom of others, and thus prevent greater evils to the body politic.

Under present conditions, which give to all

men liberty to carve out their careers, a wool-carder hears and obeys the imperious call from on high, and gives to man the masterpieces of literature, a precious legacy, according to Lowell worth more than all the ancient classics.

A poor ploughman, he "who of all men nestles closest to the bosom of humanity," sees the lovely "vision" that comes to him in his "auld clay biggin," and under her guidance he proclaims the "Royalty of Man," exalts "Honest Poverty," strikes down the cruel "Theology" of his day, and hails the unfortunate mouse as his "poor earth-born companion and fellow-mortal," to him all life being kin. A young man ordered to manage a farm rebels and follows his destiny, and in one word, "gravitation," reveals to the world the law that pervades the universe. To two English lads, both remarkable for originality and hard to place, while still groping, the revelation came; each found his destiny, and from their seclusion, after years of labor, they proclaim the word which brought order out of chaos, "Evolution"; and man, no longer the supposed degraded creature fallen from his high estate, stands forth to-day in his majesty, the monarch of all created things, endowed with sublime aspiration for continual ascent, no limit to his future elevation short of perfection.

Four hundred years ago, a Scottish boy, soon left an orphan in poverty, the spirit moving within him at maturity, lived to publish the first germ of Democracy in Britain, proclaiming that "all power resided in the people, and kings were only to be supported as long as they wrought their people's good." Forty years later came one of his pupils, soon also left an orphan, who heard the call of destiny as a disciple of his predecessor. When asked by King James if it were not an offence against God to oppose "the Lord's anointed," he replied, "Man, you are only the Lord's silly vassal," and largely to these two pioneers of democracy, supported seventy years later in England by him of the "organ voice," a poor scrivener, our race owes constitutional government.

The son of a French tanner finds his mission and consecrates his life to it. "The most horrible of all diseases," hitherto incurable, is conquered; the death-rate reduced to 1 per cent. Surgical practice is revolutionised. Later he rescues the silk industry from an epidemic of fatal character. A working wharfinger in Genoa, fired by the gods, sees in imagination what lies over the seas, and reveals the new world.

A poor student, getting access at last to a small telescope, follows the stars and revolu-



tionises human conceptions of the planetary system.

A German physician, giving gratuitous service to the poor and perforating the walls of his humble dwelling that he might note the stars in their passage, keeping for many years the momentous secret in his bosom lest the stake were his destiny, at last reveals to the world the Copernican theory.

A boy, having learned dentistry, and, in its practice, seeing the agonies of his patients, hears the call to his mission, discovers the antidote in ether, and henceforth in sweet, unconscious sleep pain finds its conqueror.

A German printer apprentice, noted for devotion to his work and studying the means of improvements, finds the answer in movable types, which, through the printed page, make knowledge universal.

A Scottish mechanic, making odds and ends for a livelihood, is fascinated by Black's discovery of the latent heat in steam, his life thereafter is concentrated upon the problem of its utilisation and the steam-engine appears; a working engineer extends its dominion over the sea, a miner stretches it over the land; and the world shrinks into a neighborhood. A printer's lad in Philadelphia, visited by the genii when

“commercing with the skies,” draws electricity from heaven, and the world to-day is in constant instantaneous communication. A youth in our own day hears the imperious call, and, most mysterious of all, we have wireless communication across the Atlantic. An apprentice to a surgeon, appalled at the ravages of an infectious disease, hears the spirit’s summons to be up and doing and a wasting plague is conquered.

An American telegraph messenger boy, carried by the gods into the mysterious realm, produces duplex telegraphy, gives to the world improved electric lighting, the phonograph, and other wonders, and is still diving into the unknown. Another Scot, still busy with the gods, produces the telephone. Another Scottish mechanic discovers coal-gas, and uses it for the first time to light his humble home.

An English ironmaster invents plans for the use of pit coal instead of charcoal for smelting ironstone; a Scottish lad who left school at fourteen invents the hot-blast; and these two Britons revolutionise the manufacture of iron.

A German, after years of effort, finally invents a new process of steel-making, cheapening that indispensable article. A Scottish workman adds the one lacking ingredient. Another German

follows with another process, and steel becomes the indispensable slave of progress.

Three Englishmen — a hand-loom weaver, a reedmaker, and an apprentice — through their inventions — the fly-shuttle, the spinning-jenny, and the spinning-frame — give the world modern weaving, of all manufacturing industries the greatest employer of labor.

A poor young American, employed upon the Mississippi in a trading barge, sees for the first time men and women bought and sold upon the auction-block and is stirred by the Divine messenger. Leaving the scene, he vows, "If ever I get a chance to strike that accursed system, I shall hit it hard." He concentrates himself to his holy mission and banishes the last vestige of slavery from the civilised world.

Pages more could be filled with such instances of beneficent leadership developed under Individualism.

Seldom if ever to the palace or stately home of wealth comes the messenger of the gods to call men to such honor as follows supreme service to the race. Rank has no place. Wealth robs life of the heroic element, the sublime consecration, the self-sacrifice of ease, needed for the steady development of our powers and the performance of the highest service. Let

workmen note how many of the exceptionals, indicated in the preceding pages, who have carried the race forward, were workers with their hands:

SHAKESPEARE	GUTTENBERG	COLUMBUS	KAY
MORTON	EDISON	WATT	MURDOCH
JENNER	SIEMENS	BELL	HARGREAVES
NEILSON	BESSEMER	ARKWRIGHT	STEPHENSON
LINCOLN	MUSHET	FRANKLIN	SYMINGTON
BURNS			

All these began as manual workers. There is not one rich nor titled leader in the whole list. All were compelled to earn their bread. Most of them, however, but not all, in due time abandoned labor of the hands, a salutary development, and one which every workingman should aspire to. Honorable and necessary as manual labor is, let us gladly greet productive labor of the mind as of a higher order, as the spirit is above the flesh, although it must never be forgotten that in the skilled labor of our day a union of both brain and muscle is imperatively needed. The trained first-class mechanic now works as much with his brain as with his hands, and, if in charge of machinery, much more.

The dingy room, the close laboratory, the crowded workshop and the home of honest poverty, contain the exceptionals, capable of carrying forward the mission of the race upon

earth, which is in each succeeding generation to make this life a little higher and better.

In our day it is very far from true that labor creates all wealth, and still further from the truth that labor fixes values; but it is very close to the truth that so far the young man reared in poverty, who must work that he may eat, has developed the qualities upon the exercise of which the progress of our race depends.

Little has been contributed in the past by either the rich or the titled to the world's advancement, and little can be expected in the future. These classes lack the spur of necessity, and being well placed naturally rest contented. So would the poor were positions reversed. This is human nature as it exists in our day. The exceptional rich man or youth who scorns delights and lives laborious days (there are a few such) deserves double honor.

Under our present Individualistic system, which breeds and develops the needed leaders, there is no State official to interpose — no communism, no uniformity, no commission to consider respective claims of the exceptionals and decide upon their destinies. All are left in perfect freedom and in the possession of glorious liberty of choice, free "by the sole act



of their own unlorded will" to obey the Divine call which consecrates each to his great mission.

One point is clear. Nothing should be done that would tend to reduce diversity of talents in our race, and everything should be done to increase it if possible; for it is through "variation" the progress of the race has been achieved and is to come, and progress is the chief end of existence. This is what we are here for, as is proven by the fact that progress from the lower to the higher has prevailed from the time this earth cooled and life began to appear. This is our God-like mission, that every individual in his day and generation push on this march upward, so that each succeeding generation may be better than the preceding. Not one of us can feel his duty done, unless he can say as he approaches his end, that, because he has lived, some fellow-creature, or some little spot of earth or something upon it, has been made just a little better. Nor is this beyond the reach of the humblest, for all can at least render to others —

"That best portion of a good man's life,  
His little, nameless, unremembered acts of kindness and of love."

## Family Relations

## FAMILY RELATIONS

**T**HE most serious objection to Socialism one hesitates to name, but this cannot be avoided. We gladly believe that most of the so-called Socialists of our English-speaking race would repudiate it, and yet it is clear that the system would naturally tend to produce, at least in some degree, the effects feared. We refer to the foremost of civilisation's triumphs — the creation of the happy home — the product of man and woman, holily married, with the blessings of children coming to them, to give us here a taste of heaven on earth. Of all that evolution has given man during the long, slow march of ages, from savagery till now, this is the crown. Take this away, and to millions who possess it — the best of the race — life becomes undesirable. The holy of holies is the pure and happy home.

We have been treating of wealth, land, labor. Changes regarding these are unimportant compared with threatened changes in our family relations. That way degradation lies. Here rests the most precious root of

all that elevates, refines, and improves human nature.

The writer would gladly have omitted reference to this feature of Socialism, but he felt it could not be ignored. One looks in vain through the booklets, so far published, for a repudiation of the sentiments of Socialistic leaders, both past and present, who admit that family relations must be greatly changed under Socialism.

The writer confesses it was with surprise that he found several modern and well-known writers going so far in the direction of accepting the doctrine that Socialism compelled this change.

The first exponent of modern Socialism, Fourier, is responsible for this taint, although even Owen quarrelled with the accepted views of marriage, so that it is not a recent development.

It appears advisable that the best-known writers among acknowledged Socialists, especially those of our own race occupying eminent positions, should give to this feature prompt attention, and, we trust, public repudiation.

We quote from "The Case against Socialism," pp. 374-398:

We have the admission of the leading English Socialist historian of Socialism, in no less a work

than the "Encyclopædia Britannica," that "In the Marx school, which in Socialism is by far the most important in this as in other countries, there is a tendency to denounce the legally binding contract in marriage."\*

The connection, however, bases itself upon this, as treated by Lamartine in his celebrated History of the French Revolution of 1848: "Communism of goods leads, as a necessary consequence, to communism of wives, children, and parents, and to the brutalisation of the species."

Other historians have arrived at a like conclusion. Not only this, but Socialist leaders have themselves admitted all that Lamartine here asserts, save only his last conclusion. Jager, in his "Socialismus," observes that the possession of land and soil in common, if it arises out of Materialism, leads also to community of wives as being another expression of materialistic Communism.

In his essay treating of "Socialism and Sex," Professor Karl Pearson, said to be one of the most distinguished of Socialist writers in this country, writes: "With the centuries as the last traces of the patriarchate vanish, as woman obtains rights as an individual, when a new form

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\* Mr. Thomas Kirkup, in the "Encyclopædia Britannica," Vol. XXII., p. 219.



of possession is coming into existence, is it rational to suppose that history will break its hitherto invariable law, and that a new sex-relationship will not replace the old?"\*

In a later passage Professor Pearson throws further light upon the nature of this "new sex-relationship."

In his essay he informs us that woman will be the "physical and mental equal" of man "in any sex-partnership they may agree to enter upon. For such woman I hold that the sex-relationship, both as to form and substance, ought to be a pure question of taste, a simple matter of agreement between the man and her, in which neither Society nor the State would have any need or right to interfere."†

This latter conclusion Professor Pearson proceeds to modify in the case where "the sex-relationship does result in children; "then," so Professor Pearson emphatically declares, "the State will have a right to interfere . . .;"‡ and, apparently, in the writer's opinion, will be forced to interfere.§

One of the greatest of French Socialist writers,

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\* "The Ethic of Free Thought," p. 431.

† *Ibid.*, p. 440.

‡ *Ibid.*, p. 442.

§ See as to this the essay on "Socialism and Sex," *Ibid.*, pp. 427-446.

M. Gabriel Deville, in advocating the suppression of marriage under Socialism and the substitution of "free love," summarises the principal reasons which account for the inherent antipathy to the continuance of marriage on the part of Socialism, saying: "Marriage is a regulation of property, a business contract before being a union of persons, and its utility grows out of the economic structure of a society which is based upon individual appropriation. By giving guarantees to the legitimate children, and ensuring to them the paternal capital, it perpetuates the domination of the caste which monopolises the productive forces. . . . When property is transformed, and only after that transformation marriage will lose its reason for existence."\*

Bebel, the great international Socialist leader, in his "Woman and Socialism" (translated into English under the title of "Woman: Her Past, Present, and Future"), expresses much the same views as Deville in the following passage:

"The *bourgeois* marriage is a consequence of *bourgeois* property. This marriage, standing as it does in the most intimate connection to property and the right of inheritance, demands

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\* Quoted by Lecky in his "Democracy and Labor," Cabinet Edition, Vol. II, pp. 348, 349.

'legitimate' children as heirs. It is entered into for the purpose of obtaining them, and the pressure exercised by society has enabled the ruling classes to enforce it in the case of those who have nothing to bequeath. But, as in the new community there will be nothing to bequeath . . . compulsory marriage becomes unnecessary from this standpoint, as well as from all others."\*

"The existing monogamic relation," write two of the foremost leaders of English Socialism — Mr. Belfort Bax and Mr. H. Quelch — concerning marriage, "is simply the outcome of the institution of private or individual property. . . . When private property ceases to be the fulcrum around which the relations between the sexes turn, any attempt at coercion, moral or material, . . . must necessarily become repugnant to the moral sense of the community."†

Lecky says: "It is perfectly true that marriage and the family form the tap-root out of which the whole system of hereditary property grows, and that it would be utterly impossible permanently to extirpate heredity

\* Pp. 231, 232. Quoted in W. H. Lecky's "Democracy and Liberty," Cabinet Edition, Vol. II., p. 349.

† "A New Catechism of Socialism," p. 35. (The Twentieth Century Press.)

unless family stability and family affection were annihilated. . . .”\*

Mr. Hepworth Dixon, who has devoted special study to the actual working of communistic societies, observes that, “The fact remained, and in time it became known, that Fourier’s system could not be reconciled any more than Owen’s system could be reconciled, with the partition of mankind into those special groups called families, in which people live together a life devised by nature, under the close relation of husband and wife, of parent and child.”†

“The very first conception of a Socialistic State is such a relation of the sexes,” again writes Mr. Hepworth Dixon, “as shall prevent men and women from falling into selfish family groups. Family life is eternally at war with social life. When you have a private household you must have personal property to feed it; hence a community of goods — the first idea of a Social State — has been found in every case to imply a community of children and to promote a community of wives. That you cannot have Socialism without introducing Communism is the teaching of all experience,

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\* “Democracy and Liberty,” Cabinet Edition, Vol. II., p. 350.

† “Spiritual Wives,” Vol. II., p. 220.

whether the trials have been made on a large scale or on a small scale, in the old world or in the new.”\*

The late Mr. William Morris, in company with Mr. Belfort Bax, has written in denunciation of the present “sham” morality, the aim of which “is the perpetuation of individual property in wealth, in workman, in wife, in child.”†

Later the same authors tell us on “the advent of social economic freedom” that “property in children would cease to exist.” “Thus,” they state, “a new development of the family would take place, on the basis, not of a predetermined lifelong business arrangement, to be formally and nominally held to, irrespective of circumstances, but on mutual inclination and affection, an association terminable at the will of either party. . . . There would be no vestige of reprobation weighing on the dissolution of one tie and the forming of another.”‡

Mrs. Snowden, in her recently published book, “The Woman Socialist,” informs her readers: “Free as the wind, the Socialist

\* “Spiritual Wives” Vol. II., p. 209.

† “Socialism: Its Growth and Outcome,” p. 10.

‡ “Socialism: Its Growth and Outcome,” pp. 299, 300.



wife will be bound only by her natural love for husband and children;"\* and that divorce "will be made more easy of accomplishment."†

"It is more than probable that the ordinary Church marriage service will be abolished. But it ought to be abolished. . . . Under Socialism the marriage service will probably be a simple declaration on the part of the contracting parties before the civil representatives of the State."‡

To much the same effect writes Professor Karl Pearson:

"Such then seems to me the Socialistic solution of the sex problem: complete freedom in the sex-relationship left to the judgment and taste of an economically equal, physically trained, and intellectually developed race of men and women; State interference, if necessary, in the matter of child-bearing, in order to preserve intersexual independence on the one hand, and the limit of efficient population on the other."¶

"The Socialistic movement with its new morality and the movement for sex-equality," writes Professor Pearson in an earlier pas-

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\* "The Woman Socialist," p. 61.

† *Ibid.*, p. 62.

‡ "The Woman Socialist," pp. 60, 61.

¶ "The Ethic of Free Thought," p. 445.

sage, "must surely and rapidly undermine our current marriage customs and marriage law."\*

Mr. H. M. Hyndman predicts under Socialism the complete change in all family relations which must issue in a widely extended Communism.†

M. Jules Guesde, one of the leaders of International Socialism, writes, "The family was useful and indispensable in the past, but is now only an odious form of property. It must be either transformed or abolished."‡

There are other quotations in the book named, which we refrain from quoting.

In judging Socialism, we are forced to consider this aspect of the question and see where it leads us. The opinions expressed, we trust, are not accepted by many Socialists of our own race. What concerns us is whether the result of the Socialistic system tends to change or destroy marriage and present family life as it exists to-day.

Socialism, with its equal conditions of life and equal incomes, must tend to evolve the common assembling room, the aggregation of

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\* "The Ethic of Free Thought," p. 437.

† "The Historical Basis of Socialism," p. 452.

‡ "The Socialist Catechism," p. 72.

members in one common building, and all the features of the barracks. Mrs. Besant pictures these conditions — “public meal rooms,” “large dwellings which are to replace old-fashioned cottages,” “one great kitchen,” “one dining-hall,” and “one pleasant tea-garden.”

The result of all this must be to destroy the home as we know it, and tend to substitute the ideal of the Socialist, all people being brethren and members of one family and one home; hereditary wealth and hereditary blood relationships abolished, father and son, wife and mother, sisters and brothers no more to each other than other members of the one great Socialistic household. The ties of kindred, even of father and mother and children, must eventually sink into one common affection for all.

All are to stand upon an equality of relationship, one to the other, under the sway of Socialism, in respect of homes, property, food, dress, and all other things. Even the children are to be taken care of by the State. “But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel,” becomes obsolete, for the home of Socialism is not

to be Individualistic but Communistic. It becomes the Socialist's duty henceforth to provide for all as for his own, they being members of one great household and one family. Such is apparently the final aim of the extreme Socialist. This would mean a second fall of man. Farewell to human happiness in its purest, most elevating, most entrancing form. Destroy our home life as it exists to-day, and we may well lament that —

"The wine of life is drawn, and the mere lees  
Is left this vault to brag of."

Just as Socialism goes back to the savage past and urges man to return to Communism, so seemingly it contemplates the return of man and woman to barbarism in their holiest relations, if we are compelled to accept literally some of the writers quoted in "The Case against Socialism," as true exponents of the new system.

The laws of Britain compared with those of America are less favorable to woman, and those of continental nations still less so; under American laws she has proper standing, proving the estimation in which she is held by American men in all the relations of life. Socialism being a continental outgrowth, the references made to woman by French and German Social-

istic writers, some of which we have ventured to quote, shock our sense of what is due to beings who in their highest development are capable of reaching heights unattainable by men.

It is earnestly to be hoped that the respected leaders of Socialism will deal effectively with this phase of the question by repudiating the sentiments expressed.

A pagan philosopher, weighing the claims of Christ to rank among the great teachers, would probably give first place to what He did for the elevation of woman. Civilised man in his upward march has not only outgrown, he has reversed the Miltonic idea of Adam and Eve.

“For contemplation he and valor formed.  
For softness she and sweet attractive grace;  
He for God only, she for God in him.”

In the happiest and holiest homes of to-day, it is not the man who leads the wife upward, but the infinitely purer and more angelic wife whom the husband reverently follows upon the heavenly path as the highest embodiment of all the virtues that have been revealed to him: he for God in her. Throughout the English-speaking race as a rule to-day, it is the wife and mother who sanctifies the home.



If all the dreams of the wildest Socialist were realities purchasable at the cost of the present happy home of Individualism, with wife and children, the sacrifice were too great — the blow to our civilisation would be fatal.

# The Long March Upward

## THE LONG MARCH UPWARD

IF MAN had been created perfect, but with an instinct for his own degradation, and if he had fallen so low in the scale as to become unfit longer to live, then indeed his future might well be despaired of. But when we know that instead of this he has developed slowly from the lower orders of life, constantly ascending in the scale, century after century, for many thousands, perhaps millions, of years, moving steadily toward perfection, we can indulge the confident expectation that there can be no retrogression.

We behold him and exclaim: "What a piece of work is a man! how noble in reason! how infinite in faculty! in form and moving how express and admirable! in action how like an angel! in apprehension how like a god!"

Only through exceptional individuals, the leaders, man has been enabled to ascend. He is imitative, and what he sees another do he attempts and generally succeeds in doing. It is the leaders who do the new things that count,

and all these have been Individualistic to a degree beyond ordinary men and worked in perfect freedom; each and every one a character unlike anybody else; an original, gifted beyond others of his kind, hence his leadership.

Men are not created alike: on the contrary, there is infinite variety, not only in the powers bestowed but also in their degree, for the fruits of men's lives depend as much upon the amount of the same powers shared with others as upon different powers inherited. The earth was at first only a ball of fire thrown off from our sun, no life possible upon it till it cooled, millions of years probably elapsing before a green leaf could appear. Then after vegetation arose came life from the ooze of the sea; and finally from the higher order of life there was developed primitive man, of whom the Vedda remains our nearest type, described as living in trees and crawling down to feed on what he can find, unable to walk upright until he gains more food as summer advances. Man lingered long in the savage state, and like other wild beasts, his chief occupation was war upon his kind, eating as well as killing his captives. Subsequently he developed into the barbaric stage, not quite so much of the wild beast. He began building huts, sometimes cultivating the ground,

always improving upon, never permanently falling so low as his predecessor.

After unnumbered years of such storm and stress, we of to-day have become more civilised, more peaceable; the arts of peace, not those of war, our occupation. We have reached the industrial age with its problems. These we are called upon to study and discuss, never fearing that the power within us, which decrees unceasing improvement, will not enable us to continue to tread the upward path. We shall make mistakes as usual, but the human organism feels its way surely though slowly, drawing back its tentacles whenever they touch deleterious soil, groping again until fertile ground is found, and then the next step forward is taken. Thus the organism never moves far until the right path is discovered. It is on the constant search for nutriment, and discards all that is injurious. If it now and then swallows an indigestible mouthful it promptly spews it out. Hence its constant march onward and upward. It has never met a difficulty which it has not surmounted. It bears a charmed life. All this Herbert Spencer has clearly revealed.

It is a healthful sign when there is unrest and dissatisfaction, and zealous, even extreme, advocates of change clamoring for better things



and quicker march. Divine discontent is the root of progress, and even our Socialistic friends, with their revolutionary ideas, stirr the waters for our good, if we reason soberly together and test their proposed remedies, before we forsake the path which has so far led our race upward from the brute to civilised manhood. By the nature of its being, the one rule which the human race never can persistently violate is that which proclaims, "Hold fast to that which has proved itself good."

Complaint against our Socialistic friends is not that they do not mean well. On the contrary, no class is moved by worthier impulses. Their hearts are in the right place, and one cannot but sometimes admire their aspirations. Thus Keir Hardie writes:

"Surely it is reasonable to hope that a day will dawn in which a desire to serve rather than to be served shall be the spur which shall drive men onward to noble deeds."

. . . . .

"There is perfect agreement on two leading points of principle: hostility to militarism in all its forms, and to war as a method of settling disputes between nations is the first."\*

George Eliot says somewhere that she could

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\* "From Serfdom to Socialism," p. 95.

imagine a coming day when the effort to assist a fellow-being in trouble would be as involuntary as it now is to clutch one stumbling and in danger of falling to the ground. Such hopes and aspirations are not confined to Socialists. They are held by hosts of good Individualists. Let these be freely indulged. Under Individualism the race is ever developing the generous impulses. Altruism grows as time rolls on. Never was civilised man his brother's keeper to such an extent as in our day. Socialistic conditions are not required to produce healthy growth in this direction. Where we differ from the Socialist is as to the advisability of any violent change from Individualism, which has guided and is still guiding in the direction desired through the continual improvement of present conditions.

We believe that the surest and best way to obtain more service from men to their less fortunate fellows is by continued evolution as in the past, instead of by revolutionary Socialism, which spends its time preaching such changes as are not within measurable distance of attainment, even if they were desirable in themselves. We feel that Socialists neglect the immediate duty of their day and generation and vainly attempt to provide for a distant and

unknown future of the race, which alone can determine its own wants in its own day. Their revolutionary outbursts alarm the timid and conservative, and hence threaten to delay and perhaps to frustrate for a generation many desirable advances, which the moderate wing of their own party ardently desire, especially in Britain. The extreme Socialists themselves are one of the obstacles to substantial progress to-day.

On the other hand, the timid and conservative must not fail to remember that grave and unjust inequalities prevail in connection with the land: non-taxation of site values, plural voting, and unequal electoral districts in Britain; also in taxation not according to ability to pay, and unequal distribution of wealth, common to all countries. And they also should remember that the surest and, indeed, the only way of ensuring a contented people is promptly to recognise and redress these and other evils.

It would be futile to indulge the belief that the masses of Britain will much longer be content to see their fellows in Canada, Australia, New Zealand, and America enjoying free land, without primogeniture or settlements, and sites taxed at true values, equality of voting power through equal electoral districts, one man one

vote, payment of members, complete control over the liquor traffic, yearly licences at high rates and freely cancelled, and local option rapidly spreading. Equality with their fellows across the seas must soon become the cry, and the sooner this is granted the better, that the steady march of evolutionary development, so fruitful in the past, so necessary for the future, may continue to hold peaceful sway in the land where freedom broadens slowly down. The pace of reform for some years has been much too slow as compared with progress in ideas. The day is coming when kindred institutions shall prevail in all the nations of our race, that which proved advantageous in one being promptly adopted by all the others. Thus shall be laid the foundations of a lasting and beneficent imperialism of race, whose influence in the councils of the world, always pleading for peaceful arbitration of disputes, will lead to the reign of peace and the brotherhood of man.

One parting word to our well-meaning but, as we believe, misled Socialistic friends. To be born to honest poverty and compelled to labor and strive for a livelihood in youth is the best of all schools for developing latent qualities, strengthening character, and making



useful men; hence from this school have come our leaders. It is well that man should go forth to his work in the morning and labor until the evening. Work is no punishment; it is a blessing. Steady work is also the best preservative of the virtues. No substitute for it has yet been found.

Man has not been placed in this world to play and amuse himself. He is entrusted with a serious mission and has onerous duties to perform, not to a future generation but to his own, and he who fails to labor for the improvement of this, our own life of to-day, does not deserve another. To advocate speculative schemes for a future of which we can know nothing is folly and worse, for the revolutionary ideas so rashly proclaimed by the Socialist alarm sober-minded conservative men, and drive them into the ranks of those who oppose the salutary reforms needed in our day, which could otherwise be easily won.

Socialists Evolutionary, Socialists Halfway, Socialists Revolutionary — we are here to attend to the pressing wants of our own age, not to obstruct the steady orderly march of progress by basing action upon the startling assumption that in a distant and unknown future Individualism, under which man has



steadily advanced, is to be supplanted by Communism. This is to lose the substance by grasping for the shadow, and waste our time like children chasing rainbows and crying for the moon.

**My Experience with Railway Rates  
and Rebates**

## MY EXPERIENCE WITH RAIL- WAY RATES AND REBATES

**T**HIS subject carries one back to his early days. It was in 1856 that my chief, Thomas A. Scott, superintendent of the Pittsburg division of the Pennsylvania Railroad, was made general superintendent, with headquarters at Altoona. I was his secretary and telegraph-operator in Pittsburg, and he took me with him.

The duties of the superintendent of the line, then in its infancy, included the making of local freight rates. These I entered in the rate-book, and naturally grew to take a share in their making. Our great aim in those days was to develop local traffic. Of through traffic little was expected, although President Thomson, the great railroad man of his day, had ventured to predict that a hundred carloads of through freight would in time pass Pittsburg daily. This prophecy was often quoted to show the length to which that sanguine, but far-sighted, official could go. Now

every day thousands pass through the city in each direction.

Local traffic — that is, traffic originating and ending upon the line — was then depended upon to yield revenue. One enterprising man would write or call to say that he was thinking of opening a stone quarry on the line and shipping dressed stone to the towns and cities, if he could get rates enabling him to do so. Because traffic paying much less than we might think fair was better than no traffic at all, we would hold out every inducement to pioneers, with the result that the quarry was opened.

Another was willing to make the experiment of cutting bark and shipping it to tanneries, intending later, however, to erect a tannery in the forest. Here was a tempting new enterprise, and rates were readily agreed upon. Another thought a peculiar quality of sand was suitable for glassmaking, and was willing to open the deposit and test it. He was promptly accorded a siding, which was usually necessary, and rates low enough to permit him to begin.

The plot began to thicken when a second man came with a proposition to open another similar factory or quarry, which he could not do unless he received rates equal to those

given to his predecessor, although his railway haul might be longer. If two factories were to be only a few miles apart, it was obvious that they had to receive the same rates, and so the question of "special rates," starting very simply, soon became a complicated one. Areas had to be established in which the rates were uniform, although this involved the seeming injustice of charging more per ton per mile upon the traffic of one than of the other. This could not be avoided.

At a later date, corporations were found desirous of establishing iron-works and of opening coal-mines, etc.

From such small beginnings was built up the enormous local traffic of the Pennsylvania Railroad, unequalled, it is believed, by any other line in the world. All these rates, it will be understood, referred to traffic within the State of Pennsylvania, Pittsburg and Philadelphia being the terminals of the line. Beyond Philadelphia was the Camden & Amboy Railway; beyond Pittsburg, the Fort Wayne & Chicago, separate organisations with which we had nothing to do.

During this period, through traffic occupied an entirely subordinate position. Rates for it were made in Philadelphia by a "freight



agent," who then was an official of little importance compared with what he soon became.

Upon the completion of the Erie, New York Central, Baltimore & Ohio, and the Pennsylvania systems between the Atlantic seaboard and the great West, a strong competition for through traffic at once began. At first it was a scramble, and each road got what it could, at the best rate it could, regardless of everything. The position was peculiar, and is so still, and must long remain so. Eastbound tonnage from Chicago, St. Louis, and other points in the West to the Atlantic seaboard is far greater than that from the East to the West; hence long trains of empty freight-cars have to be hauled westward empty.

It is evident why westward-bound freight was eagerly sought by all lines. Each had its freight agents, all scrambling to secure the prize. What rates might be obtained for westbound freight was a secondary consideration, for any rate was clear gain, since cars must go west in any case, and might as well go loaded as empty.

Hence bitter wars broke out between the roads at intervals, and the four presidents would meet and make what was called a "gentlemen's agreement." These worthy presidents

would give their word of honor that certain rates would be strictly adhered to, and gave orders to that effect, we may be sure, in good faith to their subordinates. But it is a remarkable fact, notwithstanding, that these "gentlemen's agreements" did not last long, but required renewal at short intervals. The rates agreed upon were too easily evaded. The assistant freight agent or one of his staff could promise certain favors to shippers upon other traffic, while adhering strictly to the agreed-upon charge for that he was securing, or could remit charges upon other freight not involved in the agreement.

So gentlemen's agreements were made and remade, but meanwhile freight from Pittsburg was often sent by way of the Ohio River, some five hundred miles, to Cincinnati, transferred from boat to railroad car there, and transported back to Pittsburg by rail, passing through its streets to the seaboard, for less than the fixed rate upon the same articles from Pittsburg direct to the seaboard. It was the same with freight from the East to the West. Many a trainload of iron from the East has passed through the streets of Pittsburg, paying less freight than was charged upon the same articles from Pittsburg to the same points west. The

Pennsylvania Railroad had a monopoly of the traffic, and much grievous wrong had we manufacturers in that state to suffer in consequence.

We must not be understood as blaming the Pennsylvania officials severely. They did not raise our Pittsburg rates, and these in themselves might be considered fair; but they lowered the rates to our competitors in their warfare with the trunk-lines. This bore hard upon the manufacturers of Pennsylvania, and especially of Pittsburg. It would have been a wiser and broader policy if the Pennsylvania Railroad had been bold enough to say: "Come what may, we will protect manufacturers upon our own lines"; but it required more than the ordinary railroad official of that day to reach this height. A perfect system of rates over the various routes could not be reached without first passing for a season through great irregularities and making many mistakes. Order had to be hammered out of chaos.

These were the days when the much-talked of "rebates" had their origin. "Gentlemen's-agreement" rates were charged, and the bills of lading were fair and square on the surface, but the understanding with the shipper was that rebates would be allowed and settled for

at some future time. The keener members soon discovered that evidence might be called for by competing lines, and the question asked, "Have any rebates been paid on this shipment?" The party concerned might be able to say that he had paid none, but had he been questioned a month or two afterward, perhaps, or asked if advantages in other directions had not been granted to the shipper, he could not have so stated truthfully. In short, every conceivable way of keeping the word of promise to the ear and breaking it to the hope was indulged in. At least we shippers over the Pennsylvania road heard from its officials from time to time that the other lines were most unscrupulous competitors and solely blamable for the reigning disorder.

The sentiment aroused in Pittsburg because of these unequal rates became dangerous. The Pennsylvania Railroad was regarded as a monopoly strangling to local interests, and so it was. The manufacturers of Pittsburg, never in a position to get rebates, were in fact being driven to the wall by the competition of manufacturers upon other lines whose products passed their doors and were carried a thousand miles over the Pennsylvania system for less than they were compelled to pay for half the dis-

tance. Remonstrances were constantly made, but without avail, until the time came when the railway company had a dispute with its men, which gave occasion for an outburst of the smoldering bitterness Pittsburg felt. Grave riots took place, and the spirit of hostility shown by all classes to the great monopoly brought from Philadelphia my former chief, then vice-president, to Pittsburg. At a conference with the manufacturers it was agreed by him that no matter what the through rates fell to, the local traffic on their lines from Pittsburg would be carried to Chicago or Philadelphia and New York at a small difference less than the through rate between the seaboard and Chicago and other points. That is to say, Pittsburg traffic would be charged only a shade less for half the distance than Philadelphia and Chicago through traffic paid for double the distance. Rates according to distance were denied. With this the Pittsburg manufacturers had to be content. Matters went along tolerably well until railway rates were again thoroughly demoralised by war between the trunk-lines. Our Carnegie Steel Company upon this occasion had had what it thought the certainty of a contract of great value for material with the Newport News Shipbuilding Company, freight from Pittsburg



to Newport News being much less than from Chicago. The contract, however, went to Chicago, and upon investigation we found that the rate given to our Chicago competitor to Newport News was less than the Pennsylvania Railroad rate from Pittsburg, the distance not one-half so great. President Ingalls of the Chesapeake & Ohio, then beginning his brilliant career, had made the lower rate for his new line, not yet embraced in the "gentlemen's agreement." We investigated, and found several rates of a similar nature prevailing to other points, and having a list of these made, the writer carried it to President Roberts of the Pennsylvania Railroad, with a request that he place us upon his own line on an equality with manufacturers on other lines. When the paper was presented to him, showing the overcharges we labored under, he pushed it aside, saying: "I have enough business of my own to attend to; don't wish to have anything to do with yours, Andy."

I said: "All right, Mr. Roberts; when you wish to see me again, you will ask an interview. Good morning."

The situation had become intolerable, and we looked about for the best means of protecting ourselves. A railroad-line of our own

from Pittsburg to the Lakes would be an invaluable acquisition, rendering us independent of any monopoly and enabling us to transport all our ironstone traffic from the lakes to Pittsburg, and our coal and coke from Pittsburg to the lakes, also giving us connection with the other through lines. I purchased the harbor at Conneaut and a few miles of railroad connected with it, and began extending the line to Pittsburg.

My partners had good reason to dread the consequences of the reckless challenge to the monster monopoly, and I could not blame them; for it undoubtedly had the power to cripple our operations. An intimation to the superintendent that the car-supply for our works or the movement of our traffic, need not receive undue attention would be serious, indeed. As a precaution, I took good care that the authorities in Philadelphia were advised of the policy I had determined to pursue if there was the slightest interruption to our business: all our works would be stopped, I would visit each in succession, and inform the workmen why they were idle; publish the monopoly rates; explain why Pittsburg needed our new railroad; and ask them, and all the workmen from other mills, to stand with folded arms upon the streets over which the Pennsylvania trains

passed for miles, in peaceful protest and as an intimation that justice had better be done to Pittsburg. No interference with our operations came.

It was not long before I received a note from Vice-President Thomson, saying that President Roberts and himself would like an interview. I agreed to call as I passed through Philadelphia, and did so. I write this in the first person because my partners did not see their way to fight the great Pennsylvania Railroad; but my Scotch blood was up, and I was in to fight to the death, determined no longer to stand what we had been groaning under. It was indeed a fearful thing to fall into the hands of a railroad monopoly in those early days, and yet this is to be said for the railroad: while its rates for competitive traffic were being reduced beyond reason by competition, the company needed all the more the high rates upon local traffic if these could be enforced. This was no doubt taking a very narrow view, but railroading was then in its infancy, and public sentiment was not the force it has since become.

What I needed for the interview with my former railway associates were the secret rebate rates prevailing elsewhere. Our freight agent Mr. McCague, then a clever young man,

obtained these and placed them in my hands in a few days. He had left me with the word of Richelieu ringing in his ears.

“. . . From the hour I grasp that packet,  
Think your guardian stars rains fortune on you!”

Some time after that he was of course admitted to partnership; that was the turning-point in his career.

Entering President Roberts's room, I found him and my dear friend, Frank Thomson, vice-president, sitting together. My reception was cordial.

“How are you, Andy?”

“How are you, Mr. Roberts? How are you, Frank? Gentlemen, you asked me for an interview, and here is the culprit before you. Put me in the dock and question me as you wish.”

Frank said: “This is just what we want to do. May I be examiner?”

“Yes,” I said, “you are just the man.”

“What are you fighting the Pennsylvania Railroad for?” he asked. “You were brought up in its service. We were boys together.”

“Well, Frank, I knew you would ask me that question, and here is the answer.”

I handed him the packet of secret rates, and, begging to be excused for a few minutes, left

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the room, desirous of giving them an opportunity of looking it over together. Upon my return they were still sitting with the packet lying before them.

Frank raised his head and exclaimed: "Andy, I feel like Rip Van Winkle."

"Frank, the Pennsylvania Railroad officials have slept just about as long."

"Well, tell us what you want."

"I don't want anything. I did not ask to see you. You asked to see me."

"Don't talk that way. What do you want? We wish to make an arrangement satisfactory to you. We did not know these things were going on. We can hardly believe it; but we shall now find out. Tell us what you think we ought to do."

I said: "Gentlemen, all we have ever asked was that the rates charged us shall be at all times as low as those which competitors on other lines are paying on the same articles for similar distances. We ask for nothing else. Other lines are carrying freight for our competitors cheaper than you are carrying it for us, and you take part of this freight at the cut rates. We cannot stand that. We have never asked for lower rates than our competitors, but we shall never rest satisfied with less."



“If you will stop building that line from the lakes to your works, we will do what you ask,” was his response.

“Gentlemen, that cannot be. I have agreed to build that line, and certain parties have taken action in consequence of my promise. It has to be built.”

Repeated efforts were made to induce me to forego building, until finally I said to President Roberts: “You have just given a rival concern about to build works on your line in Pittsburg an agreement to give them everything you give us. We make no complaint; but if I had come to you and asked you, Mr. Roberts, to withdraw that agreement, and you had told me you were pledged to give it, I should say no more; I should expect you to keep your word. If abandoning the new line is a condition of anything you will do for us, we must part.” No more was said upon that subject.

Then came the extension of the lake line we had decided to build from Pittsburg to our coke-ovens. They wished that stopped, and as I was not yet pledged to build it, I said that was a matter for negotiation. If they wished to carry our coke over their line from the ovens to our works at Pittsburg at the same rate

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agreed upon with the new proposed line for that service, they could have the contract. This they gladly accepted. The result of the meeting was that I got all I asked for, and greatly obliged the Pennsylvania Railroad by allowing them to retain transportation of our own coke traffic from the coke-fields to Pittsburg. Everything was satisfactorily arranged, and we were all "boys together" again. I was the ally of the P. R. R., much to my delight.

It was estimated that the agreement saved us about one and a half millions of dollars per year, a large sum upon our business then. Railway officials, free from restrictions, could make or unmake mining and manufacturing concerns in those days, and could do so still, had we not at last a court of appeal and laws against obvious discriminations.

The Interstate Commerce Commission is to become one of our greatest safeguards.

I must not forget to mention that one part of the understanding was that so long as the Pennsylvania Railroad gave us the same rates our competitors paid for similar distances anywhere in the United States, we would not be parties to building any additional lines in the Pittsburg district in competition with the Penn-

sylvania Railroad, and this agreement lasted until Mr. Cassatt returned to power.

I was in Europe when he changed the coke and other rates, not knowing their origin or the details of our agreement with his predecessors. All that we asked and obtained, as I have explained, was the same rates given by other lines to our competitors, and nothing lower than these. It was impossible, I am told, for the railroad company to do anything however, but charge the regular rates on some of our shipments as made, and at the end of each month to compare these rates with any they had given to others, or which we could show their competitors had given to others, for similar traffic. Therefore, the necessary deductions, if any, that had to be made to us, might be considered in one sense technically "rebates" upon the higher rates charged although not such in any true sense; for the net result to us was that, according to the agreement, we got just the rates that the Pennsylvania Railroad officials were satisfied our competitors were paying in other districts over other lines. Thus we were given, as it were, the "most favored nation" clause, nothing more. The new rate on coke was in a different category. Here the Pennsylvania Railroad Company

elected to take the place of a threatened rival railroad and had to meet its terms. The Carnegie Steel Company only got what the new line was to give it.

The efforts of Pittsburg manufacturers to escape the thrall of the great monopoly were, first, the making of an independent line to the lakes, and connecting with the New York & Erie, New York Central, etc., which was done, but subsequently sold to the Vanderbilt interests, who offered three dollars for one invested. It proved to be a great mistake to sell, because it permitted the two railroad systems to confer and come to terms upon fixed rates and probably division of traffic. Thus ended effort number one.

Some time after, when war again broke out between the rival systems, the late William H. Vanderbilt asked me what I thought of the project of his able and enterprising son-in-law, Mr. Twombly, to extend the Reading system to Pittsburg through Pennsylvania. I thought so well of it that I said: "If you will undertake it, I and my friends will go with you to the extent of \$5,000,000," a prodigious sum then — at least to us.

"If you will, then I will put in \$5,000,000 also," he replied. Thus the South Pennsylv-

vania was organised, and its construction begun. Here was a chance for the New York Central to grip and hold its antagonist by the throat; but the Pennsylvania interests, seeing what the movement involved, approached Mr. Vanderbilt while I was absent in Europe and induced him to surrender. Exactly what advantage the New York Central system received, I do not know, but it should have been great indeed, for this was probably the greatest mistake in its history. Mr. Twombly had found the key to masterdom for the Vanderbilt interests, but it was foolishly thrown away. The work on the South Pennsylvania was stopped, and our investment returned. Thus ended effort number two.

My personal effort to build the Bessemer Railroad to the Lakes came after these vain efforts of united Pittsburg to emancipate herself.

When Mr. Cassatt ended the agreement entered into between his predecessor and myself, I was quite prepared to take up the challenge. We were once more free. An idea struck me one morning. I called upon Mr. George Gould and said to him: "Years ago, soon after I had taken up residence in New York, your father approached me in the Windsor Hotel and said he would buy the control of the Penn-



sylvania Railroad, and divide profits equally with me, if I would promise to devote myself to its management. It was a great compliment to be paid to one so young; but my heart was already in steel development, and I declined. This morning I come to you and offer an opportunity to create and control a through line from the Atlantic to the Pacific. Extend your line to Pittsburg, and we will give you a contract for one-third of all our business, provided you agree to give us the rates prevailing elsewhere and enjoyed by our competitors." I offered to build west to meet him, and also to join him in building east. Fortunately he agreed, and the result is that the Gould system to-day is in Pittsburg, enjoying that contract. We were just upon the eve of arranging to extend the line eastward, taking in our coke-works en route, which would have been a hard blow to the Pennsylvania Railroad, since we controlled our own coke traffic, when Mr. Morgan asked Mr. Schwab, if I wished to retire from business; if so, he thought he could let me out. I replied in the affirmative, having resolved early in life not to spend my old age struggling for more dollars. I had seen so many pitiable cases of men with fortunes to retire upon but nothing to retire to, condemned to continue like

flies held fast by the revolving wheel, to whom change means misery. Of course we stopped all negotiations looking to Eastern extension after this, and the result was my retirement from business.

With Mr. Cassatt's return to power as president of the Pennsylvania system, came needed reform, and it gives me pleasure to record the great service that companion of my youth did to the railroad interests of the country. In doing so, he broke the constitution of Pennsylvania, which prohibits any of its railroads from controlling competing lines by purchase or otherwise. He bought large interests in the Baltimore & Ohio and other competing lines; but when he did this, I do not believe he knew he was breaking the constitution, for in those days railway officials thought little about the law, because it rarely touched transportation operations. These investments have since been sold by the Pennsylvania company.

His influence upon competing lines became decisive. He enforced uniform rates honestly on the Pennsylvania system, and he gradually induced the other lines to adhere to them. Then was established what is called the "community of interest" idea.

In the interval, the Government had taken

up the subject of interstate commerce, which the states were and are clearly unable to control. Wise laws were passed, and a national commission appointed, and the evils of rebates are to-day already unknown. Under present laws no corporation can afford to offer, neither can any person or company afford to receive rebates, the risk of exposure and punishment being now fortunately far too great.

Thus the conditions described as prevailing in the past in railway transportation, then still in the formative stage, are rapidly being succeeded by a system finally to become as perfect as is possible for man to create and maintain.

The President has performed a great service, focusing the attention of the country upon certain crying evils, and the present position of the Government is all that could be desired. The dead past is to bury its past. It is rapidly doing so. It was the custom for different rates to prevail in the beginning of railroad development, when all was chaos, but our conditions are soon to be those which the old lands have been led by experience to establish. We are only following their example in supervising railway and other corporations strictly, as we do national banks. Leases, mergers, purchases of shares,

control of other lines or corporations, the issue of bonds and stocks, and the rates of freight, must all be reported, examined, and approved by the tribunal which is to become our Industrial Supreme Court.

We may rest assured that the Interstate Commission, progressing from year to year as it gains experience, will sustain fair rates for the railroad companies and establish what is indispensable — equality of rates throughout the whole country. The equality of the shipper will soon become an axiom ranking with the equality of the citizen — one shipper's privilege over any railroad every shipper's right. Different rates per ton or per mile may prevail in different sections or under different conditions but these will be open to all.

This will give to shareholders in corporations a degree of security hitherto unknown, enhance the value of their investments, and prove as beneficial for the corporations as for the shareholders and the country. Capital, both domestic and foreign, will be attracted more than ever to this field.

The creation of the commission is the most important addition that has been made in our day to the machinery of government. It should be proclaimed by the Administration and lead-

ing statesmen of both parties, and kept clearly before the people that no radical action has either been taken or is contemplated. On the contrary, all that is desired is only what other nations already possess, and is in the truest sense conservative and preservative in the highest degree.

The ease and rapidity with which the commission was established, which has already abolished demoralising rebates and is rapidly giving to corporate investments the security they possess in other lands by bringing them under supervision, is a great triumph for our governmental system in all departments, legislative, executive, and judicial, and gives to all the assurance that no emergency can arise in our country which will not be promptly and successfully met — an intelligent, just, and fair-minded people at the base cordially approving the salutary measures of their representatives with the President, a great reforming force, at the head, leading the way.



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