

Incentive Under Capitalism.

By a Business Man-Socialist.

1. INTRODUCTION AND DISCUSSION OF HIGH FINANCE.

"O wad some power the giftie
gie us
To see oursel's as others see us!
It wad frae monie a blunder free
us

And foolish notion."

The whole trend of modern progress is toward Socialism. The solidarity of the human family is inevitable. The law of industrial development has so decreed, and nothing stands in the way of the immediate, and complete realization of the brotherhood of man, except man's own ignorance. This is not the first time in history when the limitations of man's mind have prevented him from changing his social institutions, laws, customs, and ideas to conform to his economic development, and as a result, this is not the first time in history when man's ignorance, superstition, and fear have brought untold misery and suffering upon him, and greatly interfered with his progress.

It has only been within the last century that this law of economic determinism has been stated in so many words, and prior to that time men have been unconscious of the causes that gave rise to new and changed ideas, customs, laws, and social and political institutions. Today those who are ignorant of this law, still cling to many hurtful ideas with which they hypnotize

themselves and others, who are as unthinking.

It is just one of these old worn out ideas regarding the question of incentive, that is to be here discussed in a rather unusual way.

If any one will point out to the average man the inharmony existing between our highly developed industrial system with its vast capacity for producing everything that goes to make life worth living and the methods of distributing this vast product; if he will show the average man that since we have Socialism in production we can never banish poverty, nor be free economically until we have Socialism in distribution; in fact, if he will present any plan for the common good, he will almost invariably be met with the statement that if there is any check whatever to prevent any individual from accumulating all he can, that then all incentive to activity and progress would be destroyed. Men in every walk of life,—day laborers, clerks, preachers, lawyers, editors have thus expressed themselves to the writer.

One of the most widely known and read editors in this country giving off some surplus ideas on municipal and government ownership says: "It would in large part take away the incentive to individual effort and would make children of strong men. It would be a

levelling social process; but it would be pulling down some and raising up none. Instead of aspirations to independence it would render all men more or less dependent. Men would have less incentive to rise upon their merits, for merit would cut little figure in the game of life. It is, in short, on the face of it preposterously absurd."

Premier Balfour of England, when confronted by thousands of starving men, women, and children who predicted bloodshed unless their sufferings were speedily relieved, had nothing to offer these miserable people, but "deprecated the Socialistic suggestion that industries should be started at the national expense for the benefit of the unemployed, as calculated to destroy the springs of enterprise, and energy of the nation." In other words, the idea of these so-called great men seems to be that a starved and half naked people make an enterprising and energetic nation. It avails them nothing to remind them that in England a royal commission declared upon investigation that the masses are deteriorating physically and mentally; that in London 60,000 children attending the schools are unfit for instruction; that the standard of efficiency in the army can no longer be maintained; that in America the sociologist, Arthur T. Fleming, who has spent fifteen years in studying social conditions in the cities "asserts that one-fifth of the laboring classes in our larger cities live in a herded condition with insufficient room, and almost wholly without facilities for securing sanitary conditions, that boys and girls are brought into closest contact with vice and dissipation as soon as they leave their cradles, and that these conditions

are maintained for no other cause than to furnish a cheap labor market;" that vice, and crime, and insanity are increasing four times as fast as the population; that state prisons have to be enlarged; that hospitals of all kinds are becoming more numerous; and that the "great white plague" — tuberculosis — is threatening the very life of the nation.

What is being here written is not for the purpose of helping these "great men." There is positively nothing that will overcome their ignorance and prejudice, as long as they are fed, and clothed, and enriched by the working class. It avails nothing to show them that incentive to activity was not destroyed by the establishment of post offices and post roads, for the common good, of municipal water plants, of lighting plants, of public parks, of public roads, of public schools, and of many other public enterprises, to say nothing of cooperative plants in many cities

But it is not the purpose here to produce an argument to show that incentive to activity and progress would not be destroyed under Socialism, or to present an argument to prove that it would be greatly stimulated. To a thinking man, unhampered by the effete traditions of the past, no doubt ever enters his mind that when the people of this nation become economically free, that is, free in the necessities of life, as they have become free religiously and politically, they will make such progress as today is not even dreamed of. It is the purpose of this article to show the kind of incentive the capitalist system holds before the people, the kind its supporters, and advocates are so proud of.

To accomplish this end let the reader be thoughtful while an attempt is made to look into some of the occupations of capitalism, under the general heads: High Finance, Low Politics, Commercialism, and other forms of parasitism. Under this last the lawyers, the real estate agents, the policemen, the doctors, the gentlemen will be taken up,—not that these complete the list, but being typical examples the incentive that moves them will be described so that the readers can make application to other forms himself.

In passing attention will also be called to the fact that all the above are said to be honorable occupations. There are many others which the incentive provided by capitalism compels men and women to enter, such as the saloon, the house of ill-fame, the gambling hall, the race-track, the dime museum, the fakir, the tramp, the confidence man, the beggar, the traveling evangelist, the quack, the agent, and other parasites almost too numerous to mention. But since capitalism spurns these of its own begetting, they will be passed and attention directed only to the so-called honorable occupations. Let it suffice to say, however, that the incentive of these latter classes is identical with that of the former classes, namely, making some sort of a living out of the toil of the other fellow, making money, because today money is placed between men and life. This is true whether a man handles millions, or a few hundreds, for in the former case he must have the millions to cope with others who would have the power to deprive him of life. In all contests between persons following these different occupations, it is noteworthy that the strife is always on the economic field where the very existence of the individuals

is threatened, and in no case is there a suggestion of a lively emulation on the intellectual, the moral, the social, or the religious field except in so far as these latter are helps to the former. What a rare incentive, then, this capitalistic system furnishes! The great mass of the people of capitalistic minds have no other incentive than to make some sort of a living by some other person's labor, and to beget a few deformed beings like themselves, while a few others like the votaries of high finance spend their days and years in cells on Wall street engaged in robbery and piracy.

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The writer has had no actual experience in high finance, but he has been reading pretty closely after certain persons, including Thomas W. Lawson, who have for years been its chief votaries, and it has been thought best to let these gentlemen speak for themselves, and tell something of the quality of incentive that is set for them by the capitalistic system they seem to love so well.

If the reader will turn to page 723 of *Everybody's Magazine* for June, 1905, he will read these words, from a high financier who is describing the closing scene of a hot contention between himself and another high financier concerning the dishonest methods of the latter: "I found myself wondering if there were not some stage at which a man cornered by arbitrary conditions and legal observances was justified in bursting all such trammels and meeting artifice with physical violence. Murder is a crime against society and against nature, and we must all observe the canons of God and the regulations

of the law; but at least a dozen times in my wrestle with the exasperating, grinding, hell-generating machine, it was only my in-born reverence for God's law and man's that prevented me from—well, shall I say, strangling the fox."

Here we are plainly told that there is an incentive to murder, to hatred, to breaking the law of God and man. Treachery and greed are the keynotes of all transactions in high finance says Mr. Lawson, and these are followed by suicides, defalcations, bankruptcies, imprisonments, ruined homes, and wrecked careers. He says that the incentive to oppression of the masses by those who filch millions of dollars from the public is very great, and they soon become oppressors, so that every home in the land is made to suffer, every pound of food that goes to sustain life in the American people, every shingle on every roof that shelters the American people, every mile of transportation for man or freight in America, in fact, every necessity and every luxury of the American people has had added to its cost some fractional increase, representing in the aggregate tens and tens of millions annually which flowing into the coffers of the system strengthen and extend its stupendous grip on the property of the nation. (See *Everybody's* July, 1905 p. 43, adv. sec.)

Mr. Lawson shows how the incentive furnished under capitalism prompted Mr. Rogers to sneak a million, another person to sneak five millions, another small set to sneak thirty-six millions, and still thousands of others to spend all their time in trying to sneak whatever they can. Now the all important truth about all these high financiers preying upon each other

is this: High finance furnishes no incentive to produce anything, no incentive to add one dollar to the wealth of the nation. The only incentive is to rob and defraud the workers, by robbing and defrauding each other. It matters not whether Lawson sneaks a million from Rogers, or whether Rogers sneaks that amount from Lawson; it matters not which high financier steals it from another, or from all the others, it had in the very first place to come out of the sweat and blood and labor of the workers in mine, in factory, in field, and in forest. These workers have thus been robbed of the fruit of their labor, in order that the incentive to murder, robbery, suicide, lying, cheating, breaking of laws, and every crime in the catalogue may not be lacking among the high financiers, for let the reader turn to page 198, of the August 1905 number of *Everybody's* and hear Mr. Lawson again. "The truth is that in high finance all civilized amenities have long been suspended. The black flag is today the Wall street standard. Thugery and assassination are so much the rule that nowadays all parties to a business transaction wear armor and carry stilettos. Property rights are vested in power; the sole license to have is strength to hold; to covet another man's railway or factory is, if you be the stronger, full warrant and charter to its possession. In pursuit of 'made dollars' greed and cunning lead the pack; kindness, fair dealing and truth have lost the scent. Today the penal code is Wall street's Bible; its priest, the corporation lawyer; conscience is fear of legal consequences; the sole crime, being caught; talent and character are best proved by a large bank account; to err is to fail; continued

success in speculation, and a few years' immunity from retributive justice constitute a reputation for virtue and stability that finds its highest justification as a handy asset behind a bond issue. It is a deplorable fact that in carrying through the great deals that have marked the last few years, it has become a habit for men to lie, cheat, bribe, and commit perjury, and there is no more condemnation of such practices among those who are today the representatives of finance in America than there was in earlier times for the close fisted driver of a hard, but honest bargain."

To show how the incentive to win under high finance wastes the substance of the workers, the reader should note that Mr. Lawson himself claims to have spent three-quarters of a million of dollars to knock out a scheme of his opponents, to say nothing of what they spent to fight him, and what all these high financiers spend to fight each other, and to beguile and deceive the public. But let no one say that what they thus spend goes into the hands of the workers. It goes into the hands of another class of parasites, lawyers, corrupt newspaper correspondents, and editors, corrupt "opinion makers," and for wasteful and useless advertising. It must be remembered that money does not produce useful things, labor alone does that, and the reason that labor gets so little of its product is that it divides up with this army of uselessly employed people for some of their money, and then labor thinks it has received a full compensation for what it has given.

These high financiers charge each other with perjury, with bribery, with murder, with breaking up homes, with the blackest of crimes, with corruption of legislatures, with perversion of justice, with intrigue, and one who is now telling on the rest asks whether it is surprising that as he writes "his ink at times turns to poison, and his penpoint to a tiger's tooth."

But it is not in any one part of the nation that the high financiers find an incentive to make millions for themselves by fraud, deception, and the corrupting of legislatures. If the reader will refer to Mr. J. Warner Mills' article in *The Arena*, he will find that in Colorado the most high-handed fraud and deception are practiced on every hand. As an illustration, one public service corporation collects \$500,000 in one year, ten per cent. on \$5,000,000 of capital stock, every dollar of which is "water." Besides this same corporation has issued bonds to the extent of \$5,837,000, and yet when it comes to the matter of paying taxes, it is assessed at only \$2,477,120. This kind of incentive which moves no one to add a single dollar to the wealth of the nation, nor to produce a single thing for the comfort and convenience of the people, but which incites only to robbery and crime is at work in every city and town in this nation, and Mr. Mills says of it, "We must wither and blight this corporate carnival of franchise—graft, greed, and power, or face the ultimate destruction of our freedom and our homes." (See *The Arena*, Nov. 1905. pp. 485 and 495.)

LOW POLITICS.

It would be quite a revelation for anyone to go to the average politician and if possible to get an honest answer from him, inquire how he regards a public office. He might not tell you in so many words, but in his own inmost thoughts he looks upon it as a means of making a living, of making money, of acquiring power and control over his fellow men. His fitness for the place, or the idea of exalting the office because of his occupancy, or of doing anything to benefit the people he is supposed to be serving are foreign to his thought. This is not an exaggeration. Abundant evidence can and will be produced to prove it in such cases, well known to the American people, as the St. Louis and Milwaukee hoodlums, the recent revelations in the Massachusetts legislature, ring rule in Philadelphia, corrupt but contented, boss-controlled Delaware, tyrannized Colorado and so on without end over the entire nation.

Now, why call attention to all these festering spots on the body politic? The writer has but one reason as far as this present discussion is concerned, namely, to show the incentive that the capitalist system sets before men. You who think there would be no incentive to activity under Socialism, what do you think of the incentive that moves men to betray their trust, to deceive, to bribe, to take bribes, to buy and sell legislation, to wrong and defraud the constituency that has elected them to office?

But there is another fact that is more deplorable. This brand of incentive which capitalism furnishes pollutes the voters and ren-

ders them callous to the enormity of the crimes mentioned above. When it was publicly known and published in the newspapers that a certain candidate for the office of senator from Delaware had stated in the presence of fourteen gentlemen that he had paid \$140,000 for the senatorship of his state and that he was going to have it, the writer took occasion to speak to a number of his acquaintances of such an awful state of affairs. Many of these persons were entirely unmoved by such revelations and took it as a huge joke, while others of the same political faith as this would-be senator, remarked that he had spent his good money for the place, and that he ought to have it. The same state of mind was observed when reference was made to Mr. Lawson's story of how another senator had paid \$500,000 for his seat. (See page 650 *Everybody's*, Nov. 1905).

Let us linger here just a moment and analyze the incentive that prompts men to attempt to purchase an office at a cost of so many times the total compensation attached to it. The writer has been told that it was the honor and the prominence that the office would afford that prompted it. Think of that a moment. A citizenship, a constituency so debased that will honor a man, and think him a prominent man when he has to purchase the position with dollars wrung from the toil and deprivation of those he is to represent. Let it not be forgotten that all money used this way degrades the workers; for all money used for such purposes goes to sustain a body of parasites, ward heelers, politicians and supporters and as they produce

nothing, the useful workers must feed and clothe them, and in feeding and clothing them for their money, the workers themselves are deprived to that extent of what justly belongs to them.

It may have been that these men sought these positions for the honor that they thought would be conferred upon them, but honor is not a thing that can be bought, and whoever attempts to buy it will in the end be dishonored, and you may be sure that one thus dishonored and disappointed will make back all he has spent and that the power he has thus obtained will at last be used to oppress his fellows that much more.

Certainly the reader can recall how a few years ago a grand jury in Missouri returned nearly one hundred and fifty true bills against legislators, aldermen and other officials, and that these men when pressed made confessions that startled. To mention only a single instance, one delegate of the state legislature told of a combination in the House of Delegates which sold legislation at from \$10,000 to \$75,000 per bill; that in one case \$40,000 was demanded of certain insurance companies, and when refused, legislation injurious to the companies was passed.

Let the reader recall how a certain high financier declares that upon his personal knowledge the legislators of Massachusetts have been bought and sold like sausages and fish in the open market and that this buying in done by the most prominent and representative citizens. (See *Everybody's*, Dec. 1904, page 755.)

Surely the reader has not forgotten how a certain candidate for mayor of Philadelphia, prior to his election was a most active worker

in Sunday schools, prayer meetings, singing societies, socials, smokers, revivals, charity and church suppers, where he made speeches of a highly sentimental and patriotic order; but on being elected he said to a friend: "Tom, I have been elected mayor of Philadelphia; I have four years to serve; I have no further ambition. I want no other office when I am out of this one, and shall get out of this office all there is in it for me." (See *The Arena*, June, 1905, pp. 575 and 576.)

The low politician and the high financier almost always work together in perfect harmony because the incentive set before them by capitalism makes it to the interest of both to do so, but the real producers should never forget that this harmony always means the exploitation of the workers. A number of instances of this kind is given in Mr. Mills' articles, *The Economic Struggle in Colorado*. (See *The Arena*, Nov., 1905, p. 486) where it is shown that a corporation defeats the candidate for mayor that is not in harmony with it and that the successful candidate is so accommodating that the corporation that elected him makes the snug fortune of \$2,000,000. Mr. Mills further shows how in Colorado, the governors, the judges, and other officials are the pliant tools of these public service corporations. He says, "Did space permit I could disclose a shocking record of the abating of taxes for public utility corporations by servile county commissioners, and pliant courts." Of certain court decisions he says, "Under civilized institutions such a scheme would be impossible, — still it succeeded in Colorado.... Thus was equity put to new and shameful uses..... Where can

the people turn for relief when they see the judicial ermine made to cloak an open robbery of the people? And what must they say when they see the power of a court of equity, supposed to be exercised for their protection and for the prevention of oppression, actually prostituted to the base uses of a public utility corporation in its frenzied endeavor to avoid the solemn contracts into which it entered with the citizens and merchants of Denver, at a time when there was competition for lighting? These are some of the actions of the corporation throne powers, and the courts that lead to the cult of anarchy, and actually make it respectable."

In the course of the recent investigations of the big insurance companies it was shown that the low politicians secured thousands of dollars of the policy holders' money for campaign purposes, and were so persistent in their demands that they made life weary for the insurance officials. It was even brought out that many bills are introduced by these low politicians in the state legislatures for no other purpose than to extract money from those who have it and who would not want these bills to pass.

Now it would seem that this is enough evidence to prove the statement made at the beginning of this topic,—low politics, and so let us have no more of it. But let the reader bear in mind that these men who are making their living in the practice of high finance and low politics are no worse than other men. Many of them are by nature perfect gentlemen, intelligent, kind, and generous, and would make ideal citizens if the opportunity were given them of making a living in a more useful way. The incentive to make a living as they now

do is greater than the incentive to make it by useful and productive work. They are intelligent enough to know that such work is both dishonorable and unprofitable under capitalism. The man who works under capitalism is looked upon as a low order of person, and usually gets barely enough out of it to keep life in his body, and yet with such discouraging conditions there are thousands of noble sons of toil who still keep at it, notwithstanding they are robbed day by day, and year by year by the high financiers and the low politicians.

Since these things are so and since Socialism guarantees to every workers the full product of his toil, so that there will be nothing left for the high financiers or the low politicians, the writer would like to ask those who say there would be no incentive to work under Socialism, what these parasites are going to do about it. Will they decide to lie down and starve? If they do the world will certainly be no worse off, and the workers will be many times better off. Of course the whole matter is in the hands of the workers, and the present capitalist system will continue to exist and to rob them of the fruits of their toil to feed these parasites as long as the workers will it to be so.

At this point it must be said that the low politician is a shrewd fellow, and uses many devices to confuse and mislead the real producers and to convince them they had better continue the capitalist system by voting for one or the other of the old parties. So vociferously does he cry such ideas that the writer has thought a good definition of a low politician would be a megaphone of capitalism. To show some of the ways of the low poli-

tician the writer recalls how in a recent campaign one candidate went about Sunday after Sunday lecturing before Y. M. C. A. and other religious bodies on "Character" and then during the week in joint debate the most bitter and violent attacks were made upon his opponent. Not that one of these men was any worse than the other, nor that there was any difference in their views, for they were both of the same party, but both wanted the office, and if either could injure the other by falsehood or deception of any kind he was satisfied.

In the recent municipal campaign in New York personal abuse and vilification was the order of the day. In one instance 350,000 postal cards, intended to injure one candidate were confiscated by the postal authorities as being too indecent to be forwarded in the mails.

Such is the incentive in low politics under a government of capitalist control. In contrast let the reader contemplate the true function of government, namely, such an administration of affairs as shall permit every citizen to develop to the highest possible degree all his faculties and capacities,—physical, intellectual, spiritual, moral, social. There is no other form of government that will do this except a pure democracy, in which all men are free intellectually and economically. This is Socialism. This is the collectivist ideal. Let us see what chance a low politician would have under such a government. Everyone is then guaranteed employment at its full product and at reasonable hours. All industry is democratically managed for the benefit of all. The office holder is the servant of the people, not their master. He receives his compen-

sation for his services as any other worker. He can gain nothing by betraying his trust, for he cannot become possessed of those things upon which the people in common depend, and because he cannot become so possessed he has no power to exploit, or to rob, or to defraud the people for his own enrichment.

Today certain races and classes of men are prevented from sitting in our law-making bodies, not because it would not be for their betterment to be represented, but because the salary of the office and the emoluments thereof are wanted by the low politician. He needs the job, because he can make more out of it than at any other occupation. Under a pure democracy, instead of excluding certain races and classes from our representative bodies they would be sought and nothing would be left undone to bring them into these legislatures and advisory committees, so that their influence and knowledge could be obtained upon all matters pertaining to their class or race and that this knowledge might be utilized for the common good. In this case the money incentive is banished, the incentive,—making a living out of the office does not exist, but in the place of these is the incentive to give expression to lofty wisdom, and matured experience, a desire to be of service in making better and happier conditions for all.

Mr. Charles E. Russell's "Soldiers of Common Good," installment on India appeared in *Everybody's Magazine*, June, 1906, page 791. This famine cursed land corroborates to the fullest the contention of the above paragraph, as the following quotation will show: "To admit low, common persons

to a share in the government may give pain to those of superior intellect, but seems to have ponderable advantage in the way of preventing tax-gouging, land-robbery, revenue-waste, famines, plague and cholera. Moreover, there is an invariable testimony of history, that those of superior intellect have made a hash of government whenever they have secured its exclusive control."

COMMERCIALISM.

What is the only incentive that modern commercialism holds before those who engage in it? The answer, as every one knows, is *profit*. The big business man under capitalism can not conceive of anything being made except to sell again at a profit. The idea of making a thing for the use, comfort, and pleasure of the people is foreign to his nature. To make a thing for use, durable and unadulterated and to exchange one man's product for another man's product means to him the breaking up of the universe and the destruction of society. He lives, moves, and has his being in profit. He produces nothing; he adds not an iota to the wealth of the world; he only takes profit, and makes his living, or heaps up a fortune by the profit he draws from the real producers,—the workers. Let it be remembered that this profit is always all that "the traffic will bear," and again let it be remembered that in order that he may make his profit as great as possible, he does not hesitate to stoop to the lowest depths of depravity, even to the adulteration of food products, so that they are injurious to health or lack nourishment; and in the making of other things so that they are trashy and worthless.

These statements are not overdrawn. Evidence will be produced to prove them. If the reader will turn to page 587 *McClures Magazine*, April, 1904, he will see that Mr. Lincoln Steffens speaks of busi-

ness men as the real enemies of the Republic; that while the political leaders are selling out, it is the business men who are buying; that business as now transacted is treason.

These are his words, "Every time I attempted to trace to its sources the political corruption of a city ring, the stream of pollution branched off in the most unexpected direction and spread out in a net work of veins and arteries so complex that hardly any part of the body politic seemed clear of it. It flowed out of the majority party into the minority; out of politics into vice and crime; out of business into politics and back into business; from the boss down through the police to the prostitute and up through the practice of law into the courts; the big throbbing arteries ran out through the country over the State to the Nation—and back. . . . Business started the corruption of politics in Pittsburg; upholds it in Philadelphia; boomed with it in Chicago and withered with its reform; and in New York, business financed the return of Tammany Hall. Here then is our guide out of the labyrinth. Not the political ring, but big business,—that is the crux of the situation, Our political corruption is a system, a regular established custom of the country, by which our political leaders are hired, by bribery, by the license to loot, and by quiet moral support, to conduct the gov-

ernment of city, state and nation, not for the common good, but for the special interests of private business. Not the politician, then, not the bribe taker, but the bribe giver, the man we are so proud of, our successful business man—he is the source and sustenance of our bad government. The captain of industry is the man to catch. His is the trail to follow.”

The reader would be amply repaid by a careful reading of the entire article. Among other things the author shows that while a certain house was spending thousands of dollars in advertising to show the injurious effects of alum baking powders, this house was itself making and selling alum powders under another name.

Government reports show that nearly all of our food products are adulterated. The very fact that there is maintained at Washington, a body of men known as the “Poison Squad” to whom these adulterated foods are administered for the purpose of determining their effect, should cause the American people to think. The reports from this “Poison Squad” show that continued use of these foods undermines the health.

At the Pure Food Congress, held during the World’s Fair, St. Louis, a United States government chemist displayed a silk flag dyed in squares of the most beautiful hues, and contrasts. He explained that the dyes used to turn it from white, were taken from various adulterated food stuffs secured in the open market. The foods he had drawn upon were bread, mustard, candy, jelly, pickles, preserves, butter, canned goods, catsups, pepper, chocolate, tea, vinegar etc. Not analine dyes alone were used, but chemical poisons such as, formalde-

hyde, salicylic acid, pyroligneous acid, benzoic acid, ammonium fluorid, sulphites, abrastol, boric acid, beta naphthol, etc.

In one city the health officer and the city physician, with the connivance of other city officials, were found fattening chickens, and hogs on the carcasses of dead animals within the inclosure of the small-pox hospital, where a number of cases were at the time confined, and while this meat was being sold in the markets of the city, a scourge of small-pox was threatening the people. But who cared as long as profit was being made out of this meat, and as long as the drug stores were selling vacine points, and sore-arm shields, and the doctors were busy attending a self afflicted people.

Flour and sugar are treated with barytes to increase the weight, cotton is burned to keep up the price; bananas are thrown into the Gulf of Mexico to prevent a glut on the market; there is more fruit spoiled on the fruit stands and in the storage places than the people consume; shoddy goods and unsightly trash are used by the great majority because they have no money to get better.

One authority, writing along this line, says: “Tons of meat unfit for human consumption are disposed of daily in our large cities. Rich and poor are imposed upon alike by this disgusting condition of affairs. People eat the most rotten stuff on the earth in the way of meats, in canned soups, and potted stuffs, which are found on the tables in our restaurants. The proprietors of the cheap table d’hotes are notorious in the market as purchasers of bad meat and fowls. They give a number of dishes for a small price and must buy very cheaply. Ripe

stuff is what they are always after, and it is so ripe sometimes that those who sell it to them wonder. Nothing is thrown away these days. Chickens running with maggots, or with perhaps the wings and breasts only remaining intact, are cleared up promptly at a price. There seemed to be no limit whatever to the condition of the stuff required for this purpose. The goods were handled scientifically by the firm's chemist. First they were washed and deodorized. Then they were cooked at an enormous temperature, and finally flavored in such a way as to make them absolutely delicious."*

Says the writer of the above, "Half the sickness prevalent may be traced in one way or another to this impure food. The hot term emphasizes the evil results of it."

And so in the last analysis this noble incentive which capitalism affords leads to the sickness, and misery, and death of the human family. Now certainly our commercialist, our profit taker will repent, and pray that a heart of flesh may take the place of his stony heart. Do not believe it. Sickness, and misery, and death are some of the foundation rocks upon which capitalism stands. Behold just now appearing upon the scene the patent medicine man, the quack, the druggist, the ever numerous doctor, the undertaker. Nothing will so effectually start the dollars from the pockets of the workers as the suffering of their loved ones, and nothing will so energize them to harder work, to earn more dollars to relieve this suffering. (This is said to their honor.) But would to God that they could see that

disease, sickness, misery, suffering are unnecessary, and instead of their loved ones being a burden and a curse to them through the operation of the capitalist system, they would become a blessing to them and to themselves, and a mighty factor in the world's development and progress under the Socialist system, when nothing but pure food would ever be found upon any table. There would positively be no advantage in any other kind ever being served. Then nothing but healthful surroundings, comfortable houses, proper and sufficient clothing would be the possession of all. It would positively be a disadvantage to every citizen then living to have it otherwise, for if one family contracts a loathsome disease, or becomes foul in any manner, every family is endangered. This is true today, and the human family would see it and appreciate it if they were not blinded by the only incentive that capitalism sets up, namely, the desire to make money. I repeat, the incentive of capitalism is money, greed, sickness, misery, death. The incentive of Socialism is cleanliness, health, happiness, life.

But, a word regarding the medicine men. Capitalism makes the people sick; they must make them well. They belong to the hosts of commercialism, and use all of its forces,—the pulpit, the press and whatever other institutions they may need. The writer desires to explain that he is aware that many of these men are unconscious of their true relation to capitalism, and that many of them really believe that they are doing society a service, and in all probability do in many cases modify the evils which the system brings upon us, as for example it is no longer denied that the

* If the reader still has any doubts in his mind, he is referred to *THE JUNGLE* by Comrade Upton Sinclair, and the report of the Roosevelt investigating committee.

drink habit is the result of bad food, inasmuch as it benumbs the digestive organs and prevents them from crying out against their abuse.

Many of the institutions used to bolster up capitalism cut very sorry figures, and show gross inconsistencies in trying to serve the medicine men, and still be true to the better nature that will assert itself sometimes. Not long ago, the Sunday edition of a well known daily paper published a half page advertisement, in large and conspicuous letters, running as follows: "....Pure Malt Whiskey, God's Greatest Blessing. Rev. — a prominent clergyman of —, who at one time was on the verge of nervous collapse from overstudy and hard work, is now enjoying the great blessing of perfect mental and physical health. Thanks to that God-given tonic, stimulant. —Pure Malt Whiskey. He writes, 'It comes the nearest to raising the dead of any medicine I have ever known or used, and my prayer is that it will ever prove a blessing to mankind.'"

A few weeks later, the editor of this same paper almost went into ecstasies over the fact that a certain labor leader called the workers to account for their drinking habits, and because they were advised not to rent labor halls over saloons.

In a certain city several years ago, the Y. M. C. A. and church or-

ganizations hired a noted temperance lecturer for ten lectures at ten dollars each. He denounced as injurious, and as leading to the drink habit, certain patent medicines, and certain drinks sold at soda fountains, while at the same times these medicines and drinks were being advertised in the church papers, and a monthly sheet issued by the Y. M. C. A. Of course these papers are dependent upon the capitalist system as long as it lasts, like all the rest of us, and so the incentive to take money for advertising anything and everything is too strong to resist.

A very prominent church member is known to make a clear profit of over \$10,000 per year out of his great restorative, and it is also known that fully 41 per cent of it is cheap whiskey. If the reader will refer to document No. 34 of Massachusetts State Board Analyst he will find a list of these so called medicines and will see that they are all made up of alcohol ranging from 14 per cent to 47 per cent, to say nothing of the other injurious ingredients they contain, and what is worse the newspapers receive millions every year to advertise this dope, and are so bound by contract that they dare not expose the fraud practiced upon the public.

Such is the incentive under capitalism. They who are proud of it are to be pitied.

HIGH FINANCE, LOW POLITICS AND COMMERCIALISM COMPARED WITH BEGGARY AND THE LOWER FORMS OF PARASITISM.

Let us close the discussion on high finance, low politics, and commercialism by reminding the reader that at the beginning we excluded

beggary, and some other jobs in which men and women under capitalism engage, because these jobs were not considered honorable, and

yet upon close examination it is remarkable how many points in common the former class of occupations have with the latter.

Some months ago a certain person spent considerable time with beggars, and became as one of them, for the purpose of learning their wavs, and of determining whether they were worthy of the assistance that the public generally gave them. His report was adverse to the beggars on the grounds that they practiced deception, and lied; that they unduly appealed to the sympathies and emotions of the people, even by distorting their bodies; that many of them were more able to work than those who, moved by their pitiful tales, contributed to their support; that many of them had accounts in savings banks, one of them telling his new acquaintance, "I'd spend no coin on livin' expenses, I'd soak it," meaning that he would put the cash in the savings bank; that they are heartless and unthankful for what they receive.

Now let us prefer all these charges against the high financier, the low politician, the commercialist, the parasite generally. Do they deceive and lie? Abundant evidence has already been produced to prove it. They say so, of each other. The "campaign lie" has become familiar to all. The "tricks of trade" are a part of the business program.

Do they unduly appeal to the sympathies and emotions of the people? Let the reader recall how a certain life insurance president, as shown by the recent investigations, who, faced by indignant patrons whom he had defrauded, tried to placate them by assuring them that they should not be so anxious about their own profits, as life in-

surance was benevolence. Not ourselves, but the widows and the orphans, was his plea. This "widow and orphan" argument has been worked for all it is worth for many years, and it is wonderful how the people still swallow the bait. When the robbery of the people by a railroad, or a public service corporation, or a beef trust is being uncovered the sympathies and emotions of the people are at once played upon by the assurance that the profits are less than two per cent. on the invested capital. Then the people all feel so sorry, and blinded by their tears, fail to see the "water" in the capital stock.

The writer recalls a recent political campaign in which one candidate appealed to the people on the ground that he was a "poor boy" while his opponent was rich; that he was native born, and his darling child lay buried in the community cemetery, while his opponent was a carpet-bagger. With such arguments, he strove to move his auditors to tears. There are those commercial agents whose strongest weapon is their ability to work upon the emotions, the greed, the cupidity of their patrons.

Are the high financiers, the low politicians, and the commercialists able to work? Yes, but like the beggars they have found that under capitalism it is neither honorable, nor profitable to work. The incentive is greater to do what they are doing, besides there is a fascination about the "skin game" that is not found in work under capitalism. Our friend who studied the beggars found that there was a class of them who had reduced the business of begging to a science, and had organized a beggars' trust, and who pursued their calling as much for

fascination that it afforded as for the large monetary returns. Can the reader see any resemblance between these men and the millionaire who said that he cared not so much for the money he made or lost, as for the enjoyment he got out of the game; or the politician who pays out many times the salary attached to an office just for the pleasure of beating his opponent, knowing that he will soon be able to make it all back again; or the business man who sells goods at a loss just for the joy of crushing out a competitor, and then puts up the price, and makes it all back again?

Do they soak the cash, and live off the institutions? Aye, verily, they know only too well how it is done. The examples which have already been given showing their mode of operation explain only too well that they are adepts in this particular thing. And it must be so. Any man, or set of men who become millionaires, or become rich even in a less degree, and yet produce nothing, are living off of the institutions, and the institution that the high financier, the low politician, the commercialist, and all the parasites depend upon so strongly is that one called *wage slavery*. That is the source of their life, and their fortunes. Their ability to feed upon that is the incentive that capitalism affords, and is the only thing that keeps life in their bodies, or keeps the capitalist system alive. The writer was once reminded that a beggar to whom he had given some small change was known to have thirty dollars on his person. "Well," replied the giver, "if I had known that I might not have contributed, but after all, thirty dollars will not last forever, and unless it is replaced from time to time it will soon cease to be thirty dol-

lars and become 'thirty cents.' Besides it is hard indeed to see where there is any difference between this beggar and the millionaire who, having one million already, proceeds at once to lay plans to secure another, and another."

Are they heartless and unthankful for what they receive? The very fact that the high financier refuses to acknowledge the source of his wealth proves it. Go to him, and tell him that labor creates all wealth, and that he, by his gambling in stocks and bonds, is only robbing labor of its reward, that every dollar of interest he takes on his money must be made good by labor, and he will deny it, and curse you to your face. The cold treatment one receives from the low politician after election has become well known to all. The commercialist also denies that every dollar of his rent, interest, and profit is made good by labor, and he never fails to take advantage of labor's extremity, and of those who patronize him. About a year ago there was a late frost in a certain section, killing all early vegetation. Immediately the price of the seeds of the plants killed was doubled by the seed dealers, showing that the commercialist is willing to profit by the calamity of his patrons, and customers, and that he thinks seeds are produced for the purpose of profit and gain to himself, and not for the growing of food products for the human family.

On page 152 of the biennial report (1903-1904) of the Commissioner of Agriculture of Tennessee, the state chemist makes the statement that the cost of making a ton of acid phosphate is \$6, yet when the writer needed some a few months ago, he had to pay \$18, the difference going to the profit-takers

who are constantly bleeding the helpless farmers in this manner. This report further says that this same product used in a mixed fertilizer is sold much higher, and that if it could be had at a reasonable price, it would mean a great agricultural development for the state. He fails to understand that it is not agricultural development that the commercialists are interested in, but like the insect which feeds upon a plant until the plant is devoured, and then dies with it, so the profit taker will feed on the farmer, if he is allowed

to do so, until the land is impoverished beyond redemption.

All these comparisons are made and all these questions are asked and answered to show what a wonderful incentive capitalism affords. What a rare one indeed! The same incentive that the beggar, or the thief, or the gambler has,—the desire to get something for nothing, the desire to live by other men's labor, even if it must be done by the most iniquitous methods. Those who say there would be no incentive under Socialism should study all this, and ponder it well, before they say so again.

THE INCENTIVE OF THE LAWYER.

In taking up the discussion of parasitism in general, it is not to be understood that the examples given are intended to complete the list. They are selected because they are types, and the reader will be given opportunity to add others that will certainly occur to him.

There is no class of parasites that clings to the body politic more closely and persistently than the lawyer class. The writer has many good friends who belong to this class and there are a few lawyers who are intelligent supporters of the Socialist program, but when it comes to writing upon the question of incentive under capitalism, there can be no exceptions made on personal grounds, besides it is firmly believed that every lawyer who is a Socialist will agree with all that is said here.

There are in the United States to-day over 115,000 lawyers. It is estimated that this is ten times the number that would be required in the Cooperative Commonwealth. It is seven times the number in Germany and France, in proportion to

the population, owing no doubt to the government ownership of railroads, etc., in these countries. Now what is the incentive that moves this vast body of non-producers? It can hardly be said to be the worth of the knowledge of their profession to the people at large, or even the love of it that they themselves have. They are acknowledged to be most unprogressive and backward as a class, because they are always looking backward for precedent and custom and former decisions. That they may acquire a liking for their profession there is no doubt; that they may be stimulated to earnest effort in order to be called a success will be granted, but if they all succeeded as they would like, surely, nearly all the people would be estranged by litigation, and besides, if their services were not required, as they would not be if it were not that capitalism is responsible for the large expenditure of time and money caused by litigation, they could not succeed anyway, so we must conclude that these men, like all others, are moved

chiefly by the incentive to make a living, that is, to make money; and moved by this incentive they are often compelled to act most ungentlemanly, dishonorably and dishonestly. Space forbids the enumeration of many illustrations. A few will be given, and there is not a reader of this article, who can not supplement with many more.

There is an awful railroad wreck. Sixty persons were killed outright, and many more bruised and mangled. To this scene of suffering the attorney for the railroad company hastens. He goes from one to another and deposits with all who accept it, five or ten dollars, and asks them to sign a receipt, saying the law requires him to thus see after them. Later, when these persons, crippled for life, bring suit, they are confronted with receipts in full settlement for all injuries sustained. How differently the Socialist state would proceed in such cases. There would be no necessity for a suit, no necessity for a lawyer; there would be no question about making provision for these unfortunate ones. They would be furnished with such employment as they would be able to do, and at as good compensation as any, and instead of being a misery to themselves and unsightly cripples, they would enjoy life and be factors in progress.

A rather inferior lawyer, who is now serving as a Justice of the Peace, increases his pocket change by having all classes of unfortunates, women and men, arrested and brought before him. When they are unable to pay the costs, he sentences them to the county workhouse, and collects his fee from the state. When he is severely scored by a certain editor of an opposite political faith, he defends himself

by saying, "I have to make a living for myself and family." This lawyer must be commended for telling the truth and for adding his testimony to the incentive under capitalism. In other words, he is one of those who is making a living out of the "man who is broke."

I asked a lawyer, who was boasting a short time ago that his practice had doubled in a year, whether his profession did not fare better when there was distress among the people, unrest, riot and disturbance. With a twinkle in his eye he nodded an affirmative answer. Further questioning drew from him the fact that when the lawyer hears of and sees crime, graft, embezzlement and so on, instead of desiring to make conditions such as will render these things impossible, down in his inmost soul, he really rejoices, for it means practice for him, it is his life, he needs the fees. In all these things he sees a possible fee and so inwardly rejoices in crime, in calamity, in accident, in murder. He loves the legal fight more than the extermination of evil. He reminds one of the preacher who said there was nothing he enjoyed so much as fighting the saloons, but, when a remedy for abolishing the saloon was suggested, he was opposed to it. The reader would do well to read Samuel E. Moffett's article, "Lawyers as Public Enemies, in a late number of *Collier's Magazine*. He shows that the Mayor of Philadelphia had to draw upon New York for counsel in the recent campaign against corruption, because most of the legal talent in his city was either in the pay of the public enemies, or hoped to be.

A recent news item reads as follows: "The length of a woman's

legs, was a fine point in a \$50,000 damage suit against the city of—tried in the United States Court here today. The case is being bitterly contested, and leading lawyers are participating. Several physicians and lawyers were appointed to take the measurement of her legs."

An investigator, who has been looking into odd ways people have of making a living, reports that there is a large and increasing class who have become experts in the "art of getting hurt." They manage to get hurt, then bring suit against a city, or transportation company, and of course, a large number of attorneys at once find a job.

Now, it is no doubt fine sport to measure a woman's legs, and to sell one's brain power exercised in all the cases of grafting named above, but to say that in all such wasteful proceedings there is any incentive worthy of a decent man, is not to

say the truth, and besides, the real producers, the workers, should ever bear in mind that their sweat and labor, is being spent in feeding and clothing all these parasites, not only the lawyers, but those who are having their legs measured, and those who are getting themselves hurt.

The annual cost of maintaining the bar and bench in the United States, is over \$200,000,000, nine-tenths of which is absolutely wasted. To this must be added cost of court houses, furnishings, fees, commissions, salaries, stenographers, officers, cost of writs, etc., to say nothing of the time of jurors and witnesses. Witnesses have been known to hang around court houses for weeks, waiting for cases involving only a few hundred dollars. Law suits are becoming more and more interminable. All this vast waste and expenditure must be made good by the laboring classes. They must foot the bills. Will they ever see this fact?

THE REAL ESTATE AGENT.

From time immemorial, an army of men, larger or smaller, according to the conditions of the times, have made their living, or have made fortunes buying, selling, or renting real estate, and if they have by their business ever added a square inch of land to the earth's surface, or built a single house, it has never been known. Of all buying and selling, the buying and selling of land seems the most useless and wasteful. The Creator certainly never intended land to be bought and sold. He intended it to be used,—used to produce food to feed the human family; used to build houses upon; used for the comfort and convenience of all the people.

A few illustrations may serve to

make the idea clear. Just a few years ago, the city of New York put up the largest public school building within its boundary at a cost of \$500,000, on a lot that cost \$525,000. Now just think of it, here is \$525,000 paid for a lot and on this amount generations of working people yet unborn are doomed to pay interest, for with this vast amount the owner at once, no doubt, bought or built other houses to be rented to the working class. Now what was the worth of this lot upon which this public building, this school building was placed. It was positively worth nothing, but to place that public building upon. It was, and ought to have been considered the com-

mon property of the citizenship of New York, and should have been used for the purpose of building this school house upon it, without interference or comment.

Why was it not so considered? The reason is clear. This principle, carried out in all such cases, would put an end to the real estate business. There would be no incentive to the real estate agent to make a living that way. There would be no incentive to buy, or sell or rent real estate. These parasites would become productive workers. The writer once asked an operator on Wall street, why, in view of the immoral and degrading influences of the stock exchange, its suicides and so forth, it was still perpetuated. "Why, you silly person," came the prompt reply, "to make money, of course." The gambling in real estate finds its explanation in the same way.

There are two houses, four rooms each, on lots 49x60 feet in a city of 50,000 population, known as "good renting property," because it is rented to the working class, and pays a higher percentage on the money invested than any other class of property. These houses are known to pay ten per cent. clear of all expenses. They were built about twelve years ago and cost, exclusive of the lots, about \$600, that is, \$300 apiece. In the year 1900 they were sold for \$1500, including the lots; in 1903 they were again sold for \$1850. With each sale the rent advanced, so as to keep a net ten per cent. profit. with each sale a real estate agent got a five per cent. commission, a lawyer got a fee for looking up title, and preparing deeds, etc, a

register got a fee for recording these papers, all of which expenses the renter, the working man must make good. Why could this property be sold at these steadily advancing figures? The town in which the houses were situated, was growing, there was a demand for houses "close in." The owners and real estate agents have learned how to capitalize prosperity,—just as the railroads and other public service corporations have learned. These last knowing that as the population of the nation or of the city increases, the cost of passenger travel, of freight rates, of water service, of light and so forth, ought to decrease, but they, as private owners, do not want it to decrease, and so they "water," and "water," and "water," and issue bonds until their capitalization is many times the original cost. Then they tell the public they are only making a small percent on their investment. They have learned how to capitalize prosperity, the working class have not so learned.

The incentive of the real estate agent makes him a very small fellow many times. One of these agents tells the following: "Whenever these other real estate agents see a man in my buggy, they at once spot him, and follow him until they find out his business." This real estate agent calls it "butting in" and says it is low and despicable. Moreover he says, they tell all kinds of lies about a piece of property they do not have for sale, and try to injure a competitor in every way.

Such again is the noble incentive of capitalism. May those who are proud of it make the most of it.

THE POLICEMAN.

"That principle of capitalism by which it separates the real producer from his product is the cause of all the misunderstanding, confusion, disorder, neutralization of effort, waste of wealth, and the awful poverty under our present system. To overcome the general anarchy thus produced it is necessary to employ a vast army of policemen, constables, soldiers and so forth for merely protective and predatory purposes.* There is never any trouble to find all the men who are needed to take these places, but to claim that there is any exalted incentive, any high ideal which prompts a man to enter upon such a career is utterly untrue, as any one may discover who will take the time to talk to these men, and probe into the secret of their lives. They seek these places because it pays better than honest work, there is more money in it for them, and hence more life. They are physically as well as otherwise equipped for such business, and many have the necessary animal instincts also, well developed.

It will not be denied that many of these men are very attentive to duty, and run all sorts of risks even of their lives to protect the interests required of them. This they do so that they may be considered a success in their chosen work, but some are cruel and unsympathetic.

But it is one of the most encouraging signs of the times, that whereas in the past these men were not moved by the incentive,—a high sense of justice which means fair and equal treatment to all classes alike, nor by the incentive,—a fixed purpose to enforce the law without

favor; but were moved by the incentive,—a desire to please that class from whom they expect favors, they are now coming to know more and more that their real interests are with the working-class, and like the working-class, they are themselves cursed by the wage-system. When they fully understand this, there will be no incidents like the following to relate:

For instance, policemen must know, or, ought to know, that freedom of speech is guaranteed by the constitution of the United States, and yet whenever it suits the convenience of the capitalist class to suppress this right of the people, the police become unnecessarily cruel and active. The following is one of many illustrations that might be given. A few months ago the Socialist party was holding a meeting at the corner of Olive and Twelfth streets, St. Louis, "when suddenly the policemen in hiding rushed from their covers, and charging the confused crowd, hammered men, women, and boys right and left with their clubs. The badly frightened Socialists ran in all directions; hats were battered to pieces; women were knocked down and their screams added to the general confusion." (St. Louis *Globe-Democrat*, of September 25, 1905.) How much the above reads like the following taken from the press dispatches of Oct. 8, 05: "The authorities have given the police of Moscow (Russia) absolute power to prevent assemblages. . . . Many of those arrested run the gauntlet of a double line of Cossacks in a long, narrow court yard, the soldiers brutally striking them with knouts, and the butts of rifles until

* Murray E. King, International Socialist Review.

they drop fainting or dead at the end of the line."

In my own city a few evenings ago, the poorer people were holding a dance for amusement and recreation, and it is said, became too noisy for the policemen, who saw in that crowd a bunch of extra fees, if only they could break in upon them and make the arrests. This desire for the fees was too strong, and finally they pushed in on the crowd, broke up the dance and landed seventy-six of the participants in the calaboose to spend the remainder of the night in the miserable surroundings it afforded. The next morning they were brought out, and it was found there was no charge against them upon which they could be held.

These incidents may suffice to show the noble incentive of the pro-

TECTIVE forces, the policemen, the soldiers, and so forth under capitalism. Under the Socialist state this class would be reduced to a very small number. They would serve as guides, and as agents of information to strangers. They would become protective forces in the true meaning of the term, in that they would serve the entire people impartially, because their living would not depend upon their brutality, and their obedience to a single capitalist class. Then there would be no hobos nor beggars to keep off the streets, and no petty thieves to keep under cover. Today we forget that while trying to keep one class of parasites in the background we are sustaining another, the only difference being that this latter class has a more respectable appearance in its blue coat, decorated with brass buttons.

THE PHYSICIAN.

The normal state of man is that of health. He should be well and happy and would be but for his inhumanity to his fellow-man, and his ignorance of the laws of his being.

As it is man clings to a system of laws, customs, and institutions out of harmony with his economic development, and as a result, disease and insanity, and accident, and butchery of all kinds are on the increase, therefore the physician, and plenty of them. He is here in great numbers because capitalism demands him. The incentive that moves many of them is making a living, making money, making a success of their profession, notwithstanding if all doctors were as successful as they would like to be, certainly nearly all the people would be sick, and it is not the fault of

many of the doctors that they are not; for as one explains, my success as a physician is due to my ability to keep up the treatment a long time without the patient becoming disgusted. So we see the incentive of the physician may be grounded in the misery and misfortune of the people.

They belong to the parasitic class, and under a Socialist system, where cooperation, and mutual helpfulness were the rule, and where people had time to keep well, and were free from corroding worry, probably nine-tenths of them could be put to useful work.

The people are made sick today by anxiety, fear, and unrest. The uncertainty of making a living. The lack of employment, fear of tomorrow, all keep the mind in such a per-

turbed state that there is no time nor will power left to think health, strength, and happiness. This question of health is one of mind, and the surrounding conditions. When these are not normal the people will become sick or insane. To add to the horrors that capitalism is forcing upon the masses the physician prescribes some noxious drug. Others overcome with the awful state of human misery, advocate the killing of the insane, the crippled, and the hopelessly diseased, forgetting that such a sentence of death hanging over the human family would still further increase insanity and disease. And now comes still another and advocates the chloroforming of all the children of the poor and still another who advises the passage of a law preventing the poor from marrying, all of which measures show how depraved and how ignorant the capitalist mind is, for these persons forget that the very measures they advocate would increase the classes they are trying to get rid of. They are making the same mistake that another physician made who advocated emasculation of criminals in order to stamp out the criminal class. They forget that crime, insanity, and disease are the result of environment and conditions, and are not inherent in men themselves. Well has the late Sir Morrell McKenzie declared, "If there were no doctors nor drugs in the world, the rate of mortality would be less."

Yet these physicians are a self-sacrificing lot of men. One of them declared to the writer that although he made plenty of money, he could not enjoy life for he could never leave his office to take a trip

or to enjoy other pleasures because as soon as he did some other doctor had his practice. This is true of all men confined to offices under the competitive system, and as a result, this condition creates a class of parasites living on parasites,—office boys who spend their time simply lolling about keeping offices. The writer has seen a negro boy, strong and active, sitting from day to day from early until late in such an office simply to hold callers.

How much better it would be for the municipality or the neighborhood to employ medicinal and sanitary advisers to keep the people well by making healthful conditions than to keep all these doctors and their office help at their offices all the time. It is not likely however, that this plan would work under any other organization of society except the cooperative commonwealth, for as we have seen before, even city physicians, and health officers under capitalism do not hesitate to enrich themselves, even if an epidemic of the most loathsome disease, small pox, is threatened upon the entire community.

Among the class called physicians, there are many who are mere quacks, who humbug suffering humanity for no other purpose than to extract dollars. Many, instead of relieving suffering and restoring to life and to health, use their knowledge to take it, not only the life yet unborn, but of others, for the purpose of realizing on an insurance policy. Their profession being used as a cloak, as has been proven in a number of cases. These facts have been mentioned only to show the incentive that is

at work among men and women of every calling and profession under our capitalist system.

How encouraging it is, that there are already many physicians, who

have investigated Socialism, and have espoused the cause. It is believed, that none of these will take any exception to what has been here written.

THE GENTLEMAN.

Not long ago the police of a certain city, backed by authority became very active in enforcing the vagrant law,—a measure which provided that all idlers should either be compelled to go to work, or be arrested and placed in the county work house. Of course the activity of the police was confined to those streets generally known as the "Bowery," and at no time came near the fashionable parts of the city, the club rooms, or the up-town resorts. However, one of those parasites known by the name, gentleman, happened to be passing through the "Bowery," (they frequently pass that way) when the following incident occurred which he related to the writer with much amusement to himself. Said he, "As I was passing along I noticed a policeman suddenly emerge from a saloon and call out behind me, 'See here, old fellow, what are you doing to make a living?' For a moment I tell you I was scared. until I saw an old colored fellow limping up behind me, then I knew who was wanted, but in all honesty I am not doing any more to make a living than he was." Of course this was told as a joke by our gentleman, but many a joke is all truth.

Speaking of incentive pray tell what is the incentive to activity of the gentleman and lady class. They want no activity; they do not need it; they have had wealth thrust upon them by the accident of birth, by the accident of circumstances, such as owning large tracts of land

where other people had to come to live, or by the accident of discovering an oil well, or a coal mine, or an ore bed that the Creator intended for the use of all. But when such an accident befalls them they quit work and become ladies and gentlemen. So here we have a class that even all the low incentives of capitalism can not move, and yet it is doubtful whether this class who do absolutely nothing are any more of a burden to the workers than that larger class of parasites that has up to this time been described, who are often worse than uselessly employed. As another says "To be sure they work hard trying to avoid hard work. Or, rather, they are thus engaged because they can find nothing more useful to do." It is estimated that there are at least one million unemployed in our most prosperous times. There are the gamblers, and thieves, and tramps, and beggars, and gentlemen, and ladies, and all those included in those classes which were excluded from this discussion because their jobs were not considered honorable. But including the classes herein described, and those who serve them in various capacities, there is totaled up the enormous number of over 7,000,000 of uselessly employed people whose only incentive in life is to make a living out of the labor of somebody else. Is this a thing to be proud of?

There is a law underlying the increase of parasites. It would be a great blessing to the working

class, and also to the millions of parasites themselves, if they could only see and understand this law, for most of these millions of parasites are deprived of the fullness of life just as much as are those upon whom they live. Under the capitalist system it is impossible for all to be employed at useful, productive labor; for if all were so employed the cost of labor would at once go up to its full product and the hours of toil per day would at once be reduced to what is socially necessary. Now by the working of the capitalist system there will always be as many parasites as the increased productiveness of modern machinery will maintain. Today by the use of machinery the workers by hard blows and long hours produce abundantly, but they are only paid back part in wages, about one-sixth of what they produce, just enough to keep them alive and enable them to reproduce themselves. The remaining five-sixths is the spoils over which the high financier, the low politician, the commercialist, and the millions of other parasites are fighting.

The chief and great incentive of capitalism is to devise some scheme for getting as much of this five-sixths surplus as possible. This in-

centive leads to the establishment of long lists of offices, national, state, and municipal, also to high salaried positions in commercial and manufacturing enterprises. I referred to this on one occasion and showed how essential it was that a larger proportion of the people should become productive workers whereupon one fellow remarked that that idea would not work until you could make people more industrious, which was a plain assertion that these places are created for the lazy and the parasitic class.

It is the incentive of capitalism that prompts a young woman of good family, of course, to become a home missionary to distribute the charity of the rich, that prompts another woman, a highly intelligent lady to maintain rooms in New York where she employs girls to serve tea and biscuit said to be grown and made in an industrial school in east Tennessee, when in fact said articles are bought and prepared in New York and there is no school of this kind supported by these tea drinkers, but only the good woman and the sweet, pretty girls she employs. Nobody blames them. It's capitalism's incentive. They must make a living or die.

THE CORNER GROCERY AND COUNTRY STORES.

In the last installments of this discussion of incentive under capitalism, the writer desires to refer to a class of occupations all of which can not be called parasitic although the greater portion of the time and energy of those who engage in them is wasted. Some of these people are industrious and self-sacrificing, yet are almost always on the verge of poverty. No

higher incentive than the desire to secure some sort of a living can enter their minds. It would be useless under the present system to hold anything higher before them, as their economic conditions would prevent the hope of realizing anything better. This is said of these people as a class, and with a knowledge that certain individuals do from time to time rise into promi-

nence; but it is also said with a knowledge of the fact that for every one advancing out of these classes, or to higher level within them there are many more who drop back, for they are always full to overflowing. These people are deserving of better things and would enjoy such, if they could throw off the hypnotic spell which binds them to a form of abject slavery, and if they could be made to see that the human family is a unit, and that they can never better their own condition until they all stand together for the emancipation of all. These occupations will be taken up under the heads: The Corner Grocery, The Country Store, The Cheap Boarding House, The Drayman, and The Small Farmer. This is not intended to be a complete list, but only types selected to represent these classes generally.

It was on a matter of business that the writer called to see the proprietor of this particular little corner grocery, situated in the suburbs of one of our cities. In describing this one he is describing to a greater or less degree over one hundred of the same kind, for there are in this city of about 35,000 inhabitants no less than 225 grocery stores, and as often said, to show the waste of our present system, possibly one establishment for groceries properly managed and equipped would supply all the demands of the people of this city.

The condition of this grocery and the characters there studied suggested the subject of these sketches.

Now, as to this little grocery, unclean and unsanitary with the cases and shelves full of flies and other vermin, there could be no other explanation for its existence than the fact that some one was trying to make a living by running it, but

this living was gradually becoming more and more precarious because of several recent competitors so that there was no means of keeping the place in much better condition than it was.

On one counter was a bread and cake case that had served for some years, and, by some accident or other, had one of the curved glass fronts broken. Into this the flies had found their way and were helping themselves to the contents, and were incidentally spreading disease germs from a near-by cess-pool upon the old stale bread and cake. Cheese, meats, and other articles were similarly exposed, but it is not necessary to go further into details.

Those in charge were the proprietor, a man of about fifty-five; his son, a lad of ten or twelve; and a very homely youth with red hair, a protruding chin and hump back, who seemed to be the grocer's all-around lackey. The writer was about the premises for nearly an hour and during that time he could not quite decide whether goods were going out from that grocery faster than they were coming back. A colored girl comes in bringing a small paper sack of green beans, and says, "Mam says she don't want these beans, we'll take a poke of salt in their place." This statement the all-around-man repeats to the proprietor, who has been very busy ever since the writer called, with a bill collector whom he is trying to put off a few days longer, and by the way, let me say at this point, that before I could get a conference with the proprietor no less than three bill collectors called upon him and kept his attention so closely that he had no time for anything but to explain money shortage to them. Let it be noted that these

bill collectors actually forced this man to hire a clerk because they took all his time arguing with them, but in all probability this clerk's hire was not an item that need be too seriously considered, for after seeing his dress and general appearance it was concluded that there was no immediate danger of his becoming a millionaire. But to go back to the matter of the beans. When the proprietor understood the nature of the transaction he said, "Well, give her the poke."

The all-around-man seemed to stand in mortal dread of his master, for he eyed him all the time and seemed ill at ease and afraid to do anything for fear he would make an error or not do the thing in such a way as to please the master. In a little conversation with him it was learned that he had only recently secured this job, and that there was quite a list of others who had lost it, so there may be some reason for his timidity. When at leisure he spars carefully with the proprietor's son and snatches his hat from his head, only to place it back again gently.

A customer comes in for a pint of vinegar. Pointing to two half-gallon jugs under the counter this grocer's clerk says, "Which grade, this is the best." The customer, not being able to see or sample the contents of either jug, stands somewhat undecided for a few moments, then says, "Well, what is the price of each." Says the clerk, "The one is twenty cents a gallon, the other thirty cents; but by the pint they are the same." This announcement being made, the customer had no further trouble in deciding.

Now comes a light-footed, bright little Miss with a small piece of cake wrapped up in part of a newspaper, and says that mamma can't

use that cake, it is too old. "What does she want in place of it?" asks the grocer's clerk. "She wants the money," replied the girl. This was a hard proposition for our new clerk. He stood for some minutes meditating. It seemed he had no authority to go to the money drawer and take out such an amount as a dime, so he looked at his employer now busily engaged with the second bill collector, he hesitated, stepped toward him and at last delivered the depressing word. The proprietor's face became very sour looking, almost as bad as the stale cake, he advanced to the cash register, took out a dime, and, although standing as close to the little girl as to the clerk, thrust the dime into the hand of the latter, and with suppressed feeling of a ruffled temper said, "Here, give her that."

Next comes a house-keeper for some coffee, eggs, bread, and a sack of flour, and last of all five cents worth of ham. The first part of the bill was filled by the clerk, but the ham, he explained he had not yet learned to cut. So he must again interrupt the proprietor, and in the most careful manner he did this just as the second bill collector was dismissed and before the third became engaged. That slice of ham was the thinnest and least ever, and yet it was nearly as large as the piece from which it was cut. Who shall say but that those bill collectors are responsible in part for the size of that nickel's worth of ham?

This was the largest bill of goods sold during my stay there and of course that was sold on book account, the lady at once producing a pass book. At this point the proprietor had mislaid his glasses, and could not see to make the entry. His clerk seemed not to have learned enough to do so. The son

was called and under directions he made the entry on both books. The goods were then hastily thrown upon a wagon standing outside the door, the boys jumped into the wagon, cut up the horse, and went down the street in a dash.

I now put in my claim for an interview and upon the plea that it would take but a few moments, it was granted. I then left saying to myself that if this is the kind of private enterprise and initiative that is required to develop character, God have mercy on the kind of men, and the character of the men that it is surely bringing forth.

* * *

Very much the same description will apply to the country store as to the corner grocery. The former is located where the current of life runs slowly, and where bill collectors cannot come every day; but when they do come there is something doing. The writer passed by one of these stores a few months ago and hearing a heated discussion paused long enough to catch the following remark: "There is no use arguing this matter, we've just got to have our money to-day."

The chief incentive of the proprietor of the country store is to make the largest possible profit out of his already poverty-stricken customers, and to hold off his creditors as long as possible. These two things he must do in order that he himself may make a living out of the game. The writer was sitting in one of these country stores one day in May, a few years ago, when a young girl came in and asked to see a spring hat. She examined and admired many of them, then counted her money, then no doubt felt sick at heart when she had to be satisfied with the cheapest and

most ordinary, for she only had two dollars.

After she left the store the proprietor said that it was simply wonderful what a trade there was each year about this time in girl's hats. You see they make their money picking strawberries, and of course, these girls will try to look pretty, and just as soon as they have enough collected they are right here for a hat or some other finery. And besides, he explained, there is better profit in these hats than in anything I sell. Take for instance that hat she bought. It only costs fifty cents, I sell it for two dollars. I am about sold out too, and shall have to order about one dozen more.

"What do these girls get for picking strawberries?" asked the writer. "A cent a quart" was the reply. "But a good picker can easily pick forty quarts a day," added the country store-keeper.

The writer was thrown into a thoughtful mood. Here is an illustration of the incentive of capitalism. The girls of our country are contributing their lives to maintain a system of profit-taking. When they buy a flimsy, common hat it costs them three or four days of labor to make up the profit on it alone, while the berries they pick and help to grow cost the girl in the city as much in proportion before they can obtain access to them, simply because the profit-taker stands at both ends of the line. The commission men, the grocery men, the clerks, all have to be fed and clothed out of the labor of the real producers. When these girls learn how much better their condition will be when it is possible to exchange products on the basis of exact labor time they will use all their

power and influence to help bring about such a result.

And yet these country store-keepers do not get rich. They make a living out of their petty business. It is the great number of them that hurts; there are thousands exploiting labor when possibly under a cooperative arrangement one-tenth the number would be required. These country store-keepers exploit the producers and they are in turn exploited by the manufacturers and big capitalists. But, says one, what is the use of a man having a

knowledge of business, if he cannot make money out of it? This reminds me of the question of the horse trader. What use is a man's knowledge of horses if he can not trade and make money out of it? The idea of using his knowledge in breeding and raising horses and then exchanging them for what he needs but has not produced is entirely foreign to his mind, and it will be so as long as he has no higher incentive than that which capitalism affords.

THE CHEAP BOARDING HOUSE, AND THE DRAYMAN.

After forcing myself to spend a week at a cheap boarding house, the writer must confess that he can not conceive how any sane person could argue that there could be any incentive worthy the name for the running of such a vile establishment. How could it improve or develop the characters of those who owned and conducted it, or how could it have anything like a refining influence upon those who are compelled to patronize it?

Vile and cheap as was this place, the like of which is the home of a great mass of our young men and women, and also of many families, there are thousands of places still cheaper and more unclean. This fact was learned while studying the place now under consideration. A little, delicate woman, the wife of a life insurance solicitor, with features that showed that she had not always been subjected to such surroundings remarked one day, "Well, this is a little better than Mrs. Boat's boarding house."

From this remark it may be inferred that the cheap boarding house exists for two reasons, and

only two. First, there are those whose economic conditions are such that they are compelled to patronize these places. This furnishes the demand. Secondly, there are those whose economic conditions compel them to make a living by keeping such places. They supply the demand.

There is therefore no incentive in it, save that of making a living.

The proprietor of this house was formerly a small merchant. He told me his business had been ruined by the department stores and so he and his wife took this means of making living expenses. He himself had the demon of commercialism written in his countenance. One could notice the grasping, grabbing habit in his dealing with his boarders, and the deceptive and lying propensities in his purchases of unfit food for his table. His wife was a long faced, sorrowful looking woman. She helped to wait on the table and actually seemed injured if any one partook too freely of an expensive article of food.

This house was patronized as has already been said by agents and their wives, small traders, work-

men, and especially by the poorer class of students who were attending the schools and colleges of the city. I was touched with pity one day at seeing two young ladies, full of pride and worthy of better things, come to the table and try to make up in manner what was lacking in their surroundings. I could not help feeling that it was only a matter of time when these bright girls, and those students would reflect more and more of their environment—a description of which is now in order.

The office to this boarding house was described by one who said it reminded him of the office of a second class livery stable. Possibly some would conclude that this was good enough inasmuch as working stock was boarded at either place, but the writer must confess that he has seen offices of livery stables neater, cleaner, and more artistic. The sleeping rooms were everything but inviting. There was no floor covering, no pictures on the walls, and the furniture was filthy.

It required a strong stomach indeed to enter the dining room. The first thing that greeted one was the odors of the badly ventilated kitchen and dining room. The dishes were cracked and nicked and in these crevices were many germs of disease and foulness. The cutlery and spoons were of the iron variety, black and rusty, and so greasy that one hesitated to take hold of them. The servants were as polite as could be expected and really tried to please one, but they were unclean beyond description. They were worked hard in the kitchen up to the very moment the meals were announced, and then with no opportunity to take a bath or change their clothing they hasti-

ly threw on a white coat and came to the dining room with the perspiration falling from their faces. The head waiter wore a badge marked "Hamilton House." It was made of brass and was green with verdigris.

The meats were of the cheapest kind and so this boarder decided to subsist on vegetables, but even in this he was not proof against poisoning, for one day he took up a dish containing apple sauce and on lifting the lid found the whole surface covered with vegetable mould. There was a young Frenchman among the boarders and he described the butter when he said that they had made a mistake and had got the axel grease instead.

The writer asks to be pardoned for thus lengthening out this unpleasant description. It is true to life and he has had no other object in view than to show that such private enterprises are against the morals and the refinement of any people, and should not be tolerated, and will not be when men become free economically and when co-operation takes the place of competition.

* * *

The writer has seen men who operate drays, lined up along certain streets in our cities, standing for hours and hours at a time in the broiling sun of mid-summer, or shivering in zero weather in winter, waiting for some one to call them to do a small job of hauling. Now it is the contention of those who say that under Socialism there would be no incentive, that if there were to be established a well ordered municipal dray yard with telephone connection where enough drays were kept to meet all demands, and where the men who

drive them would go during certain hours of the day only while on duty, that these men would become idle and lazy and finally cease to work, that they must undergo all the hardships above described in order to make them good draymen. These hardships, and the mean living they get because of the fierce competition among them is the incentive that capitalism seems to offer. The writer is unable to see any other. Yet it is honorable work; it is healthful work; and no clear thinking person would deny that if this occupation were so organized that those who engage in it could be men, could develop their characters, could have some time for study and intellectual pursuits there would be more persons willing to engage in it than there are even to-day.

The drayman of to-day is often a very illiterate man. He does very little thinking. He very often uses his unoccupied time in filthy conversation. The writer on one occasion stated that he never saw these men reading anything, not even a newspaper, while they were standing about, and that he thought

they were to be blamed for thus wasting time that they might use for self improvement; so he called the attention of one of them to this matter, after which he (the writer) was a wiser man.

The drayman explained that every one of the men standing about were watching with eagle eye for every prospective patron, and if any fellow was so foolish as to try to read a paper he would certainly get no hauling to do. This was plain enough, and shows how the competitive system tends to keep the masses in ignorance and stupidity.

In this connection recall the individual known to the business man as the "street snipe." It is his business to get country merchants from other wholesale houses into the one which hires him. Day by day, year by year, has the writer seen these men standing at their posts watching. There is no intellectuality in this, no cultivation of a taste for art, literature, or science. It is simply mental inertia,—mental death. It is the incentive of capitalism.

THE SMALL FARMER.

The United States census shows that there are 10,438,219 persons engaged in agricultural pursuits. It is probable that the vast majority of these should be classed under the head of small farmers or renters. There is no class of citizens that is more to be pitied. The writer has spent time enough with them to know of their deprivations, their self-sacrifice, and their hard labor. Many of them live in houses but little better than the stables in which their farm animals are kept. They have none of the conveniences nor comforts of the modern home. In

one of these houses recently visited phosphate sacks were the only floor covering, and the sides of the rooms were hung with a manufactured roofing material. In another of these houses there were large openings through the floor, sides, and ceiling. Books and papers are rare, and in fact these people say they have no time for them. In going about their work they are exposed to all kinds of weather, and as a rule work early and late the year round. They are often spoken of as the most independent of people, but they are independent in

food products alone, and until they can turn these into money, or if they fail to do so, they suffer for clothing and shelter and their intellectual life is cut off. It is a fact that many of the farming population have plenty to eat and to spare but yet live in misery and intellectual inertia, because they can not advantageously and promptly turn their excess products into money. While this is true there are those in the cities who are making the very things the farmer needs for his comfort and for aiding him in his work who are suffering for the products of the farm.

And this brings us to the worst feature about it all, namely that the small farmer is by the very nature of the situation deprived of much of the modern labor saving machinery, of the fertilizers, and of other helps that would make his efforts a hundred fold more productive. It has been said that half a million men with modern machinery, and modern equipment could produce more than these ten million do now on their little farms and by their old fashioned ways of doing things. Why is this modern method of farming not put into practice? The answer is plain. The incentive under capitalism makes against it. The capitalist has not yet entered the agricultural field. He has found other fields that serve his purpose much better, and so he is content to let these ten millions dig a living out of the soil as best they can until he is ready to capitalize the farm; besides he knows that under

the capitalist system it would be a serious matter to displace ten millions of men with half a million; and as the farm is quite a convenient place for the unemployed to fall back to, he is willing to let it alone for the present and to make his millions by means of the manipulation of stocks and bonds,—high finance, the operation of the means of transportation, the railroads and the cornering of the food supply which these ten millions produce, the manufacture of the machinery and fertilizers which the farmer needs.

To illustrate, let the reader recall the statement already made in another part of this article regarding the price of acid phosphate being three times the actual cost of manufacturing it. This is true not only of fertilizers, but of every piece of machinery the farmer uses. As a result of this these small farmers are compelled to take off crop after crop, year after year, until their farms are impoverished and at last completely worn out. It is for these ten million farmers to shake off the stupor under which they now are, to organize this industry under the banner of the co-operative common-wealth, reduce the hours of labor, and enjoy the full product of their toil. To say that they would cease to work and become lazy under these highly improved conditions when they have worked almost beyond their strength under such evil ones, is not to say the truth.

CONCLUSION.

It all that has been here written is plainly shown that the incentive which capitalism claims to set before men is a low one; it appeals only to man's baser nature. With

the parasitic class it is a desire to live, to make millions, and to obtain power by the labor of others—in other words to get something for nothing. With

the exploited class it is simply a desire to make some sort of a living, however narrowing and degrading such a state of living may be. In neither case is there anything ennobling, or anything that appeals to the better and higher nature of man.

Socialism on the other hand, while it will retain the incentive,—the desire to make a living, will not be satisfied with any sort of a living but will demand the highest type of living that the progress of the age provides. It will set before man the high incentives,—the duty and privilege of honestly earning his own living by the work of his own hands; the desire to be a factor in progress, in invention, in discovery, in scientific research; the confidence and esteem of his fellows by reason of his part in life well performed; the opportunity for attainment in learning, in art, in literature, in science; the assurance that he will get the full product of his labor instead of a very small part of it; the assurance that no one will take advantage of him while

he is working and doing his part; an environment in which he can develop character, and build up his moral, social, and spiritual capacities; an interest in the well being and glory of the cooperative commonwealth. To-day only a few rich, and a few politicians have any real interest in the government.

To say that the desire to make money is the only incentive, is to make man a very low order of being. The Socialist will not give assent to any such idea, but holds that if under capitalism it appears to be so it is not a defect in the nature of men, but is due entirely to the manner in which they get their living.

In closing the author wishes to say that if at any time he seems to unduly censure anyone, or to find fault with anything they do, it is not that he holds the individual responsible so much as the system by which he makes his living and this will explain why Socialists are so intent upon changing a system that makes men so unnatural and beast like.

Why The Panic Came

By VICTOR L. BERGER

SOME big trust companies and some banks have failed in New York, and Wall Street was paralyzed for a day or two. Interest went up to 100 per cent on "short calls." Stocks went to the bottom. It looked for a while as if an industrial crisis—a so-called "panic"—was coming.

Of course, some of our trust magnates most interested in the industrial stock, which shrank the most, by force of necessity threw themselves into the gap. J. Pierpont Morgan, John D. Rockefeller, and the rest of the big gentlemen, put in about \$100,000,000, loaned them to the brokers at 6 per cent on short calls. Our government, through Secretary of the Treasury Cortelyou, put in also \$25,000,000. Thus the situation was saved once more.

But for how long? No one knows.

* * *

True, all capitalist papers are shrieking at the top of their voices, "Everything is all right. Everything is secure. No one need to fear, etc."

They want to restore "confidence."

And since capitalism is very largely a confidence game, this may have some effect.

* * *

And whether an industrial crisis is now due or not I do not know. In the past, crises used to come in cycles of about twenty years ever since the capitalist system reached

its full development. Thus we had crises in this country in 1819, 1837, 1857, 1873, and in 1893. According to cycles a crisis would be due about in 1913. But there are so many causes and conditions acting on this, that it is *impossible* to foretell the year exactly.

Besides, we have entered into an entirely *new phase* of capitalism through the development of the *trusts*. It is less possible than ever to predict when the industrial crisis will set in, or what its character will be.

* * *

For there are several causes for an industrial crisis.

One is the old and rather stereotyped explanation which originated

Under the capitalist system—the wage-system—which is based upon the employer making a profit out of the work of the employees—the employer cannot pay the working man the full value of his product.

The employer *must* make a profit if his business or his factory is to continue.

Thus the workingmen of the country, not getting back in wages the full value of the production of that country, cannot buy back the production of that country. The capitalist class, that is the employing class, is too small in number to use up the difference, because, with the aid of machinery, production has greatly increased.

* * *

This surplus has to look for foreign markets.

* * *

But conditions are the same in every civilized country; all nations look for foreign markets.

Everywhere we find that the producing class of the country cannot buy back the production of the country with the money it gets for that production.

Therefore the competition for the world market is very keen, and when there is any trouble about it, and the "foreign market" gets clogged up, we have our industrial crises.

In other words: We have a forced under-consumption of the workers. And this forced under-consumption of the workers brings about an artificial over-production.

Factories, workshops and mines close because we have too much, although there are still millions of people who never had enough. People go ragged because there are too many clothes in the country; others starve because there is more wheat than can be sold.

* * *

To the *orthodox* Socialist this is the *only* reason for the crisis—although Marx wrote both for and against this theory. Yet there are many other causes just as important.

Of course, the *planless* production of the capitalist system, by which every employer and manufacturer produces at random without knowing how much is really needed to cover the demand—thus creating a surplus of articles and an overproduction in that branch—has been largely eliminated through the trusts.

The trusts know exactly how much the market needs in their respective branches of industry.

By *controlling* that branch they are in a position to tell. And in

that respect, the trusts have been beneficial. The competitive system is being modified and partly transformed by the trusts.

The only trouble is that the *benefits of this economy* have gone only to a *handful* of men, instead of going to the people.

And the trust owners, by withdrawing tremendous sums from industrial life—the profits of the Standard Oil magnates alone amounted to \$900,000,000—not all of which is re-invested, on the other hand hasten crises.

And so do the *high prices* of all the commodities controlled by the trusts.

* * *

And there is also another element inherent in the capitalist system, which is apt to make trouble. I mean the speculation in stocks of the industrial undertakings. And also in wheat and the necessities of life.

This speculation with our life's necessities is in the nature of gambling, and has very little to do with actual values. Still it is very apt to influence our commercial and industrial life at times. And speculation also gives rise to all sorts of swindling undertakings and fictitious values.

Yet as long as capitalism lasts, *speculation is absolutely necessary and unavoidable* in order to protect the system from stagnation.

* * *

So this is another evil that is *inherent* in this system.

It cannot be avoided any more than malaria in a swampy country. And the speculators are the mosquitos.

We should have to drain the swamp—change the capitalist system—if we want to get rid of those mosquitos.

Teddy Roosevelt, by starting a little fire here and there to smoke them out, is simply *disturbing* them. He is causing them to swarm, which makes it so much more *intolerable* for us poor, innocent inhabitants of this big capitalist swamp.

* * *

Yet there is one more *great cause* of industrial crises which must be taken into consideration, although formerly some Socialists used to overlook it. That is the *money* question.

The standard of values under the capitalist system is *gold*.

Gold is capital *per se* under capitalism. And all other goods, commodities and wares are measured by gold.

Very nonsensical, of course, because there is not gold enough in the world to pay for one-fiftieth part of the real value of production and distribution. Yet the capitalist philosophers claim that this is not necessary, since gold is only the standard—not the actual measure.

That may be so. But the curse of the capitalist is that in a “panic” only money—cash money—is the “*summum bonum*”—the sum of all good in the world. In that pinch all other values do not seem to amount to anything when compared with cash money.

* * *

But every epoch has its own money, its own standard of value.

Originally everything was barter. They would exchange a coat for so many sheep, or a bow and arrow for so many fish.

Afterwards cattle was the standard of value in many countries, particularly so in Italy, where the Latin word “*pecunia*,” money, comes from “*pecus*,” cattle.

Later on, metal, which could be handled more easily and did not have to be fed, and did not spoil readily, was made the standard of value. Particularly bronze, copper and silver, although iron money was used in Greece and China at some time.

By the way, copper and silver were first used in the lump and by weight. Thus a shekel of silver in the Bible denotes a certain weight of silver. And in England they still speak of a pound sterling, while in France all money is still called “argent” from “argent,” silver.

* * *

By the discovery of America, and the great silver mines of South America, silver was cheapened and therefore unsettled in value. Gold became one of the standards and finally the sole standard.

A *double* standard of silver and gold, as Bryan wants it, was found to be impractical. It is nonsensical and unjust in finance, just as a double standard is unjust and nonsensical in morals.

A double standard would continually disturb the equilibrium and therefore disturb business under the capitalist system. It would bring about continual changes in the value of the money and thereby commercial disease.

And the poor fellows who would be innocent of the whole business—that is the workingmen—would suffer the most.

* * *

Yet there can be no question that gold is an *insufficient* standard of value, even for the capitalist system, as capitalism develops further.

The capitalist theorists and magicians try to help themselves and defend this standard by declar-

ing that it is only an ideal standard—whatever that means—and that most of the business is done with checks, that is, with paper.

This last is true, of course. But it only gives an additional proof of the *insufficiency of gold*.

As a matter of fact, "the gold standard is a Chinese wall of the capitalists' own creation," as Karl Marx says. And capitalism bumps its head against that wall every little while.

And it usually does so in the midst of its greatest prosperity. And the reason is simple enough: because that is the very time that this *gold cover gets too short for the capitalist bed*.

* * *

All kinds of artificial remedies have been proposed.

The most stupid was the 16 to 1 proposition, the great Populist panacea of a double standard.

The most simple and naive was the proposition of the Greenbackers, who would make artificial money by keeping the printing presses busy turning out greenbacks until—well, everybody had money enough.

Simple, indeed. The good Greenbackers forgot only one little thing—that the production of the country, the factories, railroads, mines, etc., are owned by individuals who would not part with their property and goods unless they got for them something which *they* considered valuable. Not for something of which everybody else would also have plenty.

* * *

In other words, as long as the capitalist class controls all the good things of this world, they would not give them away for greenbacks of that kind, unless they could be compelled to do so. But the gov-

ernment *has no way of compelling* them to part with their goods. That has been tried and failed in several countries—even the terrorists of 1793 and 1794 failed with *their "greenbacks."*

In order to make money of that kind valuable, the government, that is, the *people collectively*, would have to own the production and distribution. Then the government could issue money for it and exchange its own products.

The Greenbackers put the cart before the horse.

* * *

Yet what the banks are doing just now all over the country is very little better than what the Greenbackers proposed. During the scare of the present stringency, in all of the large cities the bankers got together and paid no money, but simply issued clearing house certificates. They also take advantage of the legal provision that they have to be given notice in advance when deposits are to be taken out.

Now, paying clearing house certificates instead of money means credit money with a vengeance. It is credit money on the credit of the banks, not even backed by the government.

Of course, as long as people have *confidence* in the clearing house certificates they are all right, but in case of a real industrial crisis, a so-called *general* panic, these clearing house certificates would not be worth very much.

* * *

Besides, there is another danger. The banks are tightening the money stringency which has already compelled manufacturers to lay off many thousand men.

Our banks are, furthermore, disturbing the export business by not

giving credit and "keeping the money in their respective towns." And thus they may bring on a crisis for one of the other reasons mentioned above—that is by interfering with getting rid of our surplus production in the foreign markets.

* * *

A much better plan to relieve the money stringency would be the following, which, by the way, did not originate with me:

Let the government issue money on bonds, to states, counties and cities for public improvements—for roads, street lines, sewerage, school houses and public buildings, and payable without interest, let us say, in twenty yearly installments of 5 per cent. The returned money to be canceled and destroyed as soon as paid back. And such public improvements to be carried out under the eight-hour day and at the highest current union wages.

Now this would give employment to hundreds of thousands, even millions very soon. It would, for a long time to come, absorb the "reserve army", and money would get in circulation.

Besides, this kind of money would be absolutely safe, because it would be backed up, not only by these improvements, but also by the total taxation of the states or communities.

Furthermore, since the money paid back would be destroyed when paid back, it would not become "a drug on the market" and would not destroy the equilibrium.

In short, it would be as "elastic" a currency as could be invented under the capitalist system.

* * *

But, of course, all bankers and the speculators will bitterly oppose this kind of a money issue.

They will oppose it although the national banks get government money of that type without so good a security. And although the government is assisting not only the bankers, but also the brokers on Wall Street every time they are in trouble.

And there is also this difference: The national banks can put up government bonds as security when they issue money, and thus get interest *twice*. Once on the \$90,000 banknotes the government issues on the \$100,000 bonds, and the second time on the interest of the \$100,000 bonds the bankers have deposited as security.

But since the above mentioned plan would make it possible for cities to bring about tremendous and unheard of improvements, without having to borrow money from the *capitalist* class, the capitalist class, as a whole, will also fight this plan.

And yet it is the only way to relieve the situation under capitalism.

* * *

So, to make a long story short, I cannot see very much help under the capitalist system. The great *antagonism* between the social form of production and the individual form of appropriation will continue to break loose in feverish industrial crises.

And while I do not want to create any scare among our readers and friends—and I have been asked by several of them what they are to do with a few pennies they have saved for a rainy day—I will say this: That I would not guarantee any bank, not the best of them, in case of a panic.

A bank has to lend out its money in order to do business. And naturally in case of a crisis, is subject

to the conditions of the market, and the industrial conditions.

* * *

But I would advise any working man who has saved a little and can afford it, to buy a little house near the city with an acre or two around it. He will then at least always have a roof over his head. He can always raise his own vegetables, keep a goodly number of chickens, and have his savings invested more safely than in any bank. Modern conditions and transportation facilities are making this possible for the average city worker who has laid up a little money.

This plan, however, has also some disadvantages, especially in small towns containing *only one* industry. In case of an industrial crisis, or lack of work, the man is tied to the place. Yet a man with a family is more or less tied down in any case. Besides, in time of a crisis, the conditions are not apt to be better in any other place, and the advantages of my suggestions surely outweigh the disadvantages.

* * *

The chief trouble is only that so very *few* workingmen have any savings to invest.

That capitalism in England is genuinely worried is only too apparent. Socialist parliamentary victories have of late been too frequent to be pleasing, and so there appears to be no doubt that our comrades across the water will have at last the satisfaction of drawing the enemy's fire. A first-to-hand duty, from the capitalist side, now consists in trying to bludgeon the Socialist agitation out of existence, and any kind of methods are considered legitimate. Thus we see the Tory press engaged in black-guarding Keir Hardie, M. P., for an alleged stirring up of insurrection in India while on his trip around the world, and at the same time a concerted effort to enlist the church in the fight on the Socialists at home on the ground that some well-known Socialists of Great Britain have independent and heretical views with regard to religion. The fact that every man is supposed to have the right of conscience and that Socialists have as much a right to independent convictions as non-Socialists does not enter into the

matter. With all this attention paid to the Socialists, it will be a wonder if the people of England do not imbibe a lot of Socialist sentiment.

Keir Hardie, one of the Socialist members of Parliament, voiced the sentiments of English Socialists when he said at Bradford, England, a year ago:

"It becomes increasingly evident that Socialism in Great Britain will come through the municipalities—municipal trams, municipal water, municipal gas, municipal electricity, municipal bread, municipal coal, and municipal land. These things are all putting the people, or will put them, in possession and control of the essentials of life, and that is what Socialism aims at."

Which are the real and which the faro banks? is the question that is troubling a good many people just now. Anyhow the capitalist financial system is of capitalism's own get-up. And just now it seems to be tangling up its own crowd. Labor will get its dose later.

The Month's Story

Broken Homes

Some months ago Upton Sinclair explained how the mothers in Helicon Hall took turns in co-operatively tending each others' children, thus relieving each mother from their care for a good share of the day. Thereupon the capitalist press all over the country fairly went into spasms. They charged up the innocent little scheme against the whole International Socialist movement. They vowed that they always knew Socialism would break up the home. And they ground out whole yards of denunciatory editorials and sarcastic editorials and sentimental editorials—all in defense of the home against the supposed attacks of the Socialists.

Two terrible events recently happened in Milwaukee within one week. Two tragedies so pitiful and so ghastly withal that they might well cut the hardest heart. Two grim facts of capitalism's real hostility to the home. But about these two actual horrors the capitalist press wrote no editorials.

The first, we surmise, was the tale of a home that *never was*, but *should have been*.

A new-born child, white and cold and lifeless, was found exposed on a doorstep. It was taken to the Morgue. There, lying on the marble slab, it raised one little arm as if in protest against the cruel haste with which it was being hurried out of the world. Restoratives were applied, and for a time it revived. But the babe's sufferings had been too great for its little body. After a hard struggle for life, it passed away from a society which had received it with such inhuman coldness.

Just as long as rent and food are high and human muscles cheap, just as long as it is hard for young people to establish a home, such tragedies will be repeated.

The other case was still sadder. A mother, who could no longer support her little children by her labor, was obliged to place them in charitable institutions. Then in her empty home, which no longer resounded with little feet and little voices, her mother's heart broke, and she ended her life with carbolic acid.

But about the breaking up of this home, the capitalist press printed no editorials, denunciatory or pathetic.

These *daily* downfalls of the home do not disturb it. The editors do not mention them. The professors of economics do not discuss them. The rich men's pastors do not preach against them.

Oh, hypocrisy! Truly thy other name is Capitalism!

The Small Speculator The high financiers are rejoicing over the fact that the present financial troubles are weeding out the "speculators." This is rather funny from such men as Morgan and Harriman. They should have said, that the small speculator is being squeezed out, and that speculation itself is becoming trustified.

The time was, half a century ago, when America was a paradise for speculators of all dimensions. Mushroom fortunes went up, and down, and up again. Whatever the evils of such a state of things might be, at least it kept the current of wealth flowing. Hereditary plutocrats were rare in those days. A game of see-saw and teeter-toiter was then the financial system.

Now we are changing all that. The small speculator, like the small manufacturer, must go to the wall. The day of the parvenu and the "self-made" man are nearly ended. The ins will stay in, and take good care to keep the outs out.

And, on the whole, the Socialists may rejoice in this change, although not from a Morgan's or a Harriman's standpoint. The old, palmy days of universal speculation were fearfully demoralizing. The knowledge that any bright and tricky young man might raise himself to the summits of high finance, infected our youth with the poison of greed and moreover completely destroyed all healthy class feeling.

Now that the bright young man can rise no more, by "legitimate" or illegitimate means, his energies will be expended, not in selfish individual effort, but in raising his class.

This *concentration in speculation*, as in everything else, is working toward the Socialist system.

* * *

Tolstoi to Rockefeller Good old Count Tolstoi has written a letter to John D. Rockefeller. In it he discusses the question whether the possession of wealth is compatible with the teachings of Christ. The sincere old Russian brings out a formidable array of Bible quotations to show that the ownership of wealth is entirely contrary to Christian principles.

The texts seem plain enough to an unbiased mind, and the deductions which Tolstoi draws from them appear to be their only possible meaning. Tolstoi says that he "feels ashamed to give expression to such platitudes and to prove what is an axiom to any sincerely religious man."

There can be no doubt that the early Christians were Communists. Thus they interpreted the teachings of Jesus. It is difficult to understand how they could be interpreted otherwise.

But the wealthy Christians of the present day and the ministers whom they pay to do their praying and thinking do twist and screw them into quite a different meaning. If Jesus should return to earth, he would not recognize as his the queer doctrines taught in the fashionable churches.

These same religious plutocrats would have Christ arrested as a

tramp if he should come among them today with no place to lay his head. And they are terribly shocked at the Socialists' ideas concerning wealth. And yet we do not go half as far as Tolstoi and the early Christians. We do not oppose the private ownership of property. We only denounce the private ownership of capital. In short, we are not Communists, we are Socialists.

But that is too much by far for these conservative "followers" (?) of Jesus the revolutionist.

Here is a queer case of economic determinism. The economic conditions of the church leaders have changed their ideals, instead of their ideals having the strength to change their economic conditions.

All which goes to show that we must have a system of society which makes men economically and actually, instead of theoretically, brothers and equals. Otherwise the best of ethical teachings will be taught in vain and finally perverted into their direct opposites.

* * *

**The
World's
Salt**

For the honor of human nature, it is painful to read that the new Russian Duma greeted the name of the wicked Czar with cheers, which "were given with a will." This is the man who has trampled down the first budding promise of Russian freedom, and under whose orders the flower of Russia is now being hanged, shot, flogged and tortured. This disgusting subserviency, of the Duma members, this kissing the hand that smites them, shows to what depths human nature may be lowered by terror and tyranny. And with this, it comes as bracing news that the Social-Democratic members of the Duma took no part in this nauseating demonstration. In fact, they remained in a committee room during the reading of the Czar's message, and only entered the hall after the ceremonies were over. Their conduct was all the more courageous since the Social-Democratic members of the last Duma are now on trial for their resistance to the autocracy. The present Social-Democratic members well know their turn will come next. But Russia is a soil particularly fertile in martyrs, and as fast as the Russian Social-Democrats are dragged to prison, others quickly step forward to take their places.

Indeed it is true of the world today that Social-Democracy furnishes its moral fibre. It is the Socialists of every civilized country who are fighting the evils of the age. It is the Socialists who have prevented a European war in more than one instance. It is the Socialists who stand for justice and humanity. And we have recently seen young Liebknecht bravely entering his prison cell with words of triumph and of prophecy which will long remain historic. And his prophecy will come true. In the struggle with militarism, the German Socialists will conquer. And if our modern civilization can be saved from the all but mortal diseases with which it is infected, Social-Democracy alone can save it.

For Social-Democracy is the salt of the world.

Shots at Capitalism

By FREDERIC HEATH

Anent Roosevelt's present melodramatic trust-baiting: They are telling a good story on Federal Judge Joseph V. Quarles, former United States senator, and very useful in presidential campaigns of the past because of his gift of oratory. Quarles was making a speech in Southern Wisconsin in the Roosevelt campaign and was painting to his audience in vivid colors the wonders of marksmanship possessed by Teddy. "Gentlemen," said he. "They sent over their best marksman from England and Mr. Roosevelt shot with him and vanquished him. And then there came over the champion pistol shot from the other side of the water and again Mr. Roosevelt met him and carried off the honors. And today where does Roosevelt, the peerless marksman, stand, gentlemen? (pause) He stands with his rifle leveled at the trusts—" And just then as he again paused to give effect to his words, and you could hear a pin drop, a little fellow in the fourth row of seats called out in a weak little voice—"Why don't he shoot?" That caught the house. Even Quarles had to laugh. The audience was so convulsed that it was some time before it could get quieted down, and the speech was well-nigh ruined. The story is very *apropos* just now when Roosevelt is still standing with that trusty rifle leveled at the trusts. And we may also ask—why don't he shoot?

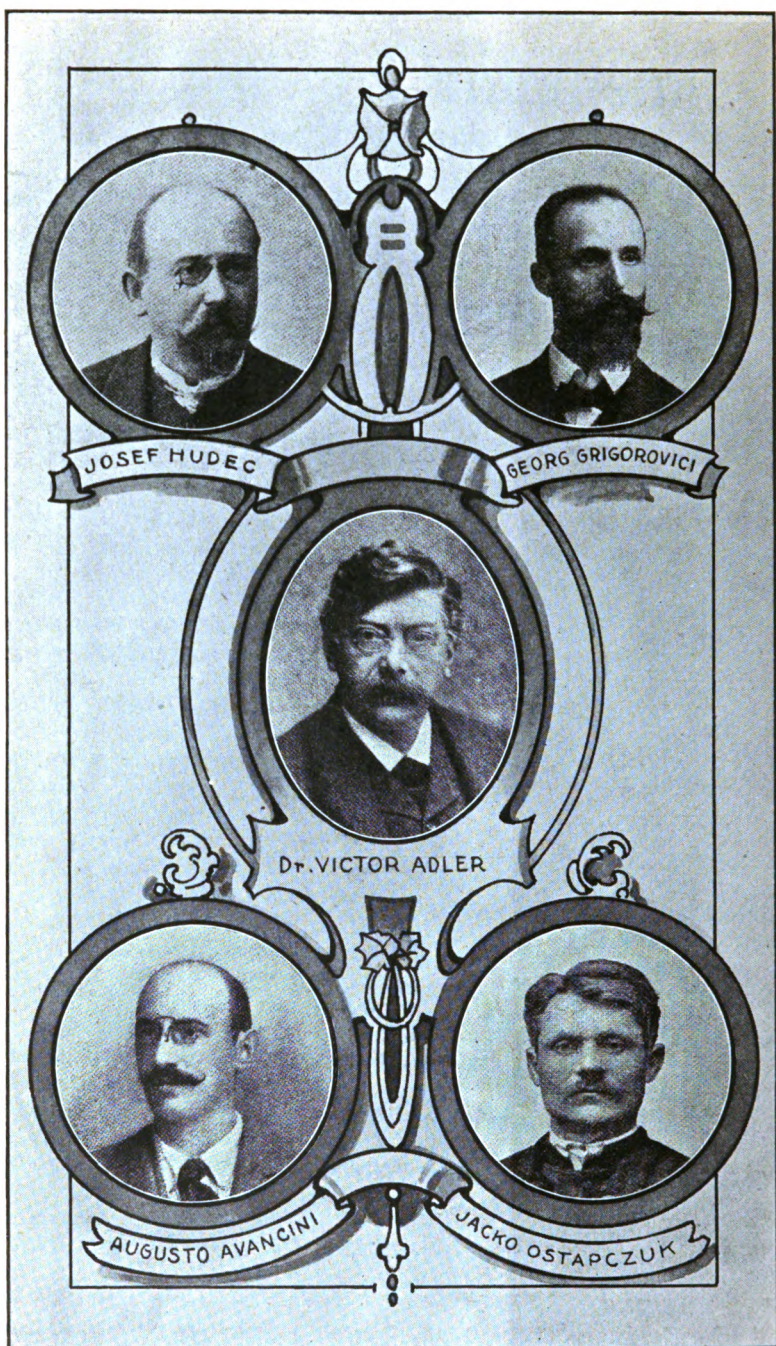
One man in every fifty in Chicago is either divorced or separated

from his wife. The man who worked out this information also started in to ring up the number of married people living the modern capitalistic double lives, but the machine couldn't stand the strain and broke down before he got very far!

Suppose that Luther Burbank, the plant wizard, during the days when he was forced to tramp looking for work, had had to go through the experiences of the tramp of a more modern period and had been hopelessly degraded, do you think that the capitalist system would have been blameless? And do you deny the possibility of there being a great deal of genius capable of enriching the world and benefiting society being crushed out of men who are today forced to be tramps?

Not content with getting possession of things on this mundane sphere, some of our cormorantish plutocrats are also making preparations so they won't be taking any chances on a future life. One of these men who are getting possession of castles in Heaven is Pierpont Morgan. Says a recent dispatch: "At the recent general Episcopal convention held in Richmond, Va., J. Pierpont Morgan of New York and G. C. Thomas of Philadelphia gave \$100,000 each to the offerings, and the total offering from all sources aggregated \$775,000."

These are the panicky days of prosperity!



Some Social-Democratic Members of the Austrian Parliament