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# OUR DISHONEST CONSTITUTION

## CHAPTER I

BY THE RICH FOR THE RICH

**E**VERY time I go to Philadelphia, I go to the room in which the Constitution was made. I see the chair in which Washington sat. I see the pictured sun with gilded rays on the back of the chair — the pictured sun that, throughout the convention, so puzzled Franklin, because he could not tell whether it was rising or setting. And, as I look about me, I am swept by a feeling of solemnity.

Here I am in the hall of the demi-gods of whom I read when a boy.

Here I am where Washington was, where Franklin was, where Madison was, where Hamilton was.

Here I am where the Constitution was born.

Over and over again these feelings sweep through me, because the clutch of the things that one hears in his youth is a clutch indeed.

But the clutch of the things that one hears in his youth is often a clutch that should be broken. The clutch of everything that is not true should be broken. The clutch of the Constitution is not true.

It is not true, because the Constitution was not made to do what we believe it was made to do, nor was it

made by the kind of men whom we believe made it. We believe the Constitution was made by the "wise and the good" of its day to enable the people of the United States to rule themselves — to make a great experiment in democratic government. Yet the fact is that if to-day we were to delegate the task of drafting a national constitution to a select committee of the National Association of Manufacturers and their attorneys we should not have a body differing materially in spirit from the convention of 1787. Nor should we be likely to get a Constitution that in spirit differed materially from the one that was made in 1787.

The Constitution of 1787, under which we still live, was made by a small class to further the interests of that class. The gentlemen who made the present Constitution did not intend that the people should ever gain control of this government. The people were barred. Not a workingman, or anyone who by the widest stretch of the imagination could be considered a representative of the working class, sat as a delegate in the convention. The people were barred from the slightest knowledge of the proceedings of the convention and after the proceedings were finished, the people were barred from voting upon the Constitution itself.

Never for a moment did it occur to those aristocratic ancestors of ours to let the people pass upon their work. Instead, the Constitution was submitted to state conventions elected by minorities of the people. In those days, only a part of the people could vote. Those who had property could vote. Most of those who had no property could not vote. Most people had no property.

Yet, truthful as these statements are, almost nobody believes them. The public school teacher who gives children their first glimpses of American history does not

believe them. The newspaper editor who takes the children, even before they leave school, and talks to them until they die, extols the Constitution almost as if it were a sacred document. Almost anywhere and everywhere can be found only those who believe that the fundamental law of this land was wrought out by great souls wholly devoted to the cause of democracy.

The only exceptions are those who know the facts. Men who have gone into the history of the Constitution and the histories of those who made it know better. They know that the Constitution was made to prevent the people from ruling themselves rather than to enable them to rule themselves. Also, they know that it is because the Constitution is doing much of what it was intended to do that the people are having great difficulty in ruling themselves.

President Wilson is one of those who know the facts about the Constitution. In a book entitled "Division and Reunion" he gave some of the facts. He said:

"The Federal government was not by intention a democratic government. In plan and structure it had been meant to check the sweep and power of popular majorities. The senate, it was believed, would be a stronghold of conservatism, if not of aristocracy and wealth. The President, it was expected, would be the choice of representative men acting in the electoral college, and not of the people. The Federal judiciary was looked to, with its virtually permanent membership, to hold the entire structure of national politics in nice balance against all disturbing influences, whether of popular impulse or of official overbearance.

"Only in the house of representatives were the people to be accorded an immediate audience and a direct means of making their will effective in affairs. The govern-

ment had, in fact, been originated and organized upon the initiative and primarily in the interest of the mercantile and wealthy classes. Originally conceived as an effort to accommodate commercial disputes between the States, it had been urged to adoption by a minority, under the concerted and aggressive leadership of able men representing a ruling class. The Federalists not only had on their side the power of convincing argument, but also the pressure of a strong and intelligent class, possessed of unity and informed by a conscious solidarity of material interests."

That is good history, but unfortunately it is not the kind of history that is taught in the public schools and perpetuated in the newspapers. Common people are not permitted to know that rich men founded this government for their own purposes. Common people don't fight well in wartime, for a government that they know is neither for them nor was ever intended for them. Nor do common people submit to continuous robbery in times of peace merely because the robbery is committed according to the rules laid down by a government that they know was founded by the rich for the benefit of the rich.

Therefore, the common people are taught to hold the Constitution in veneration. If a foreigner wishes to become a citizen of the United States he must swear, among other things, that he believes in the principles laid down in the Constitution. If the people of this country knew the real principles and purposes that underlie our Constitution they would not permit a foreigner who believed in it to enter the country. They would regard him either as a fool or a fraud. A foreigner, at least, should be supposed to know something

of the sort of government we have here. There is small chance for the average American citizen to know, but the foreigner, so long as he remains in his native land, is not lied to in his schools and by his newspapers about American institutions.

Professor Beard of Columbia University is another man who knows the facts about our Constitution and the men who made it. I commend Professor Beard most heartily to all those who wish to be informed as to these matters. Professor Beard has recently published a book entitled "An Economic Interpretation of the Constitution of the United States"<sup>1</sup> that is far and away the best book of its kind ever written. Where other men have skimmed the surface, Beard has gone through to the core. He stayed months in Washington to get to the core. In his search for ancient papers and documents in the Treasury Department, he went into vaults that were so filled with dust that it was necessary to excavate the papers with a vacuum cleaner. But when he came back to the surface he had damning evidence against a good many of the "patriot fathers." He then knew why they were so anxious, not only for a new constitution, but for the particular kind of a constitution that was afterward adopted. He knew, because he looked up their investments and read some of their letters. If the patriot fathers were still living and doing business as they did 125 years ago we should call many of them grafters.

Let us look at what Professor Beard terms his "conclusions" which appear at the close of his book. They are presented as the statements of a man who did not obtain his views of the Constitution from public school

<sup>1</sup> Published by the Macmillan Company, New York.

teachers, newspaper editors or other persons who know little or nothing about the Constitution. Professor Beard says:

“The movement for the Constitution of the United States was originated and carried through principally by four groups of personal interests which had been adversely affected under the articles of confederation: money, public securities, manufactures, trade and shipping.

“The first firm steps toward the formation of the Constitution were taken by a small and active group of men immediately interested through their personal possessions in the outcome of their labors.

“No popular vote was taken directly or indirectly on the proposition to call the convention which drafted the Constitution.

“The propertyless masses under the prevailing suffrage qualifications were excluded at the outset from participation (through representatives) in the work of framing the Constitution.

“The members of the Philadelphia convention which drafted the Constitution were, with a few exceptions, immediately, directly and personally interested in, and derived economic advantages from, the establishment of the new system.

“The Constitution was essentially an economic document, based upon the concept that the fundamental private rights of property are anterior to government and morally beyond the reach of popular majorities.

“The major portion of the members of the convention are on record as recognizing the claim of property to a special and defensive position in the Constitution.

“In the ratification of the Constitution, about three-fourths of the adult males failed to vote on the question,

having abstained from the elections at which delegates to the state conventions were chosen, either on account of their indifference or their disfranchisement by property qualifications.

“The Constitution was ratified by a vote of probably not more than one-sixth of the adult males.

“It is questionable whether a majority of the voters participating in the elections for the state conventions in New York, Massachusetts, New Hampshire, Virginia, and South Carolina actually approved the ratification of the Constitution.

“The leaders who supported the Constitution in the ratifying conventions represented the same economic groups as the members of the Philadelphia convention; and, in a large number of instances, they were also directly and personally interested in the outcome of their efforts.

“In the ratification, it became manifest that the line of cleavage, for and against the Constitution, was between substantial personalty interests on the one hand and the small farming and debtor interests on the other.

“The Constitution was not created by ‘the whole people’ as the jurists have said; neither was it created by ‘the States’ as Southern nullifiers long contended; but it was the work of a consolidated group whose interests knew no state boundaries, and were truly national in their scope.”

Professor J. Allen Smith, of the University of Washington, gives similar testimony in his admirable work, “The Spirit of American Government.”

“It is difficult to understand,” says he (pages 31-32), “how any one who has read the proceedings of the Federal Convention can believe that it was the intention of that body to establish a democratic government. The

evidence is overwhelming that the men who sat in that convention had no faith in the wisdom or political capacity of the people. Their aim and purpose was not to secure a larger measure of democracy, but to eliminate, as far as possible, the direct influence of the people on legislation and public policy. That body, it is true, contained many illustrious men who were actuated by a desire to further what they conceived to be the welfare of the country. They represented, however, the wealthy and conservative classes, and had, for the most part, but little sympathy with the popular theory of government."

Professor Smith also says:

"In the United States, at the present time, we are trying to make an undemocratic constitution the vehicle of democratic rule. The Constitution was framed for one purpose while we are trying to use it for another."

Students of the Constitution, from Woodrow Wilson down, know such to be the case. Victims of the Constitution, from the lowliest workingman up, know nothing of the sort. They believe in the Constitution. They believe it was made for them.

Gentlemen of this sort should wake up. The Constitution of the United States was made for them in the same sense that sheep shears are made for sheep. The gentlemen who made the Constitution had sheep to shear. They belonged to a class. The class to which they belonged was the wealthy class. The wealthy class was by no means satisfied with the way things were going under the articles of confederation. Some of the sheep were getting away. Worse than that, they were getting away with their fleeces on. Gentlemen who have sheep to shear are always pained at such a spectacle. We have the same sort of gentlemen with us to-day. They talk

to-day — whenever sheep get away — as the rich men talked when the articles of confederation were in force.

By this it is not meant that the articles of confederation which were drafted by the Continental Congress in 1787 and became effective in 1781, were above just criticism. They were not. They were good as far as they went but they did not go far enough. They contained nothing that was bad but they lacked much that was good. They also contained much that was good. They made the congress of the United States the great implement of the government. They put no courts above it. They put nothing above it.

Congress, too, was composed of but one house; no senate was tolerated. And they made every member of congress subject to instant recall at the will of the people. The congressional term was only one year, but that made no difference. Members of congress were intended to be responsive to the will of those who elected them and provision was made for displacing them the moment they should cease to be so.

The chief defect in the articles of confederation was that they gave congress too little power. States were permitted to snap their fingers at congress. States did snap their fingers at congress. Congress could apportion taxes among the several States, but it could not compel the States to pay them. Many of the States did not pay their taxes. That made the government anemic. It also made the government contemptible. In this world of governments, nothing is more ridiculous than a government that cannot govern.

There were other troubles, too. We had a little trade, even in those days. We exported some things and imported others. The blessed tariff had also been discovered. But who applied the tariff? Congress? Not

at all. The various States. Each State that had a seaport made its own tariffs. And, unfortunately, no two tariff schedules were alike. Therefore, the cost of imported goods was not the same in any two States. Moreover, the States that had no seaports were held up by the States that had seaports. James Madison described the situation in picturesque phrase when he said that "New Jersey, placed between Philadelphia and New York, was likened to a cask tapped at both ends; and North Carolina, between Virginia and South Carolina, to a patient bleeding at both arms."

But the saddest feature of the case was that the rich men of the day were bleeding both at the pocket book and at the bank book. They had invested in things that were not turning out. As the patriots of all days do, they had tried to make money out of the activities of the government. They had tried to use inside information to promote outside exploitation. They had sought to relieve the distress of the poor and the needy by buying up, at a few cents on the dollar, the scrip paid to Revolutionary soldiers, in the hope that the scrip would soon go to par. And the scrip had not gone to par. Nor had lands bought at a few cents an acre gone up to a few dollars an acre.

Naturally, these gentlemen could see nothing good in a government under which they could not increase their riches. What was government for if not to increase the riches of those who had riches to increase? So they began to abuse the government. They began to cry out that the government was worthless. Times were represented to be so hard that people arose from their breakfast tables hungry for their suppers. The rich men wailed so loudly about hard times that the echoes of their cries have rung through the centuries down to our times.

Yet, there is just the slightest suspicion that this grief exhibition was a little overdone. There is just a suspicion that while times were indeed bad for the grafters they were not very bad for the rest of the people. Benjamin Franklin, who was alive and about during those years, said times were exceedingly good for the rest of the people. Professor Beard quotes him as saying so.

“Early in 1787,” says the professor (p. 47), “before the convention was called, Franklin declared that the country was, on the whole, so prosperous that there was every reason for profound thanksgiving. He mentioned, it is true, that there were some who complained of hard times, slack trade and scarcity of money, but he was quick to add that there never was an age nor a country in which there were not some people so circumstanced as to find it hard to make a living and that ‘it is always in the power of a small number to make a great clamor.’ But taking the several classes of the community as a whole, prosperity, contended Franklin, was widespread and obvious. Never was the farmer paid better prices for his products, ‘as the published prices current abundantly testify.’”

Thus do we see that history is usually but fable fabricated by one’s favorite liar. The gentlemanly patriots who were moving heaven and earth to get a new constitution in 1786 and thereabouts, were unanimous in the statement that times were bad. To this day, they are disputed only by Franklin and the market reports of their day. Yet their word is almost everywhere accepted, chiefly because no other word is often heard. Not many persons ever heard of what Franklin said or of the market reports to which he referred.

Our patriot forefathers were remarkable, however, for other reasons than their ability to see a famine where

none existed. They were remarkable for their colossal audacity. What should we say, in our day, for instance, if Mr. Rockefeller and a contingent of great financiers were to call their lawyers around them and tell them to call a convention to meet in Chicago on a certain day to amend the Constitution of the United States? Should we not be likely to say to Mr. Rockefeller and his associates: "You gentlemen are doubtless very kind, but we have already provided the manner in which steps may be taken to alter our Constitution, and the manner you have proposed is not the one we have chosen."

So had the American people, in 1787, laid down the method that should be followed in amending the articles of confederation. The articles specifically provided that no amendment should be made except by congress and the legislatures of all of the States. In other words, a proposed amendment must first be introduced in congress and, if approved, must then be transmitted to the legislatures of all the States. Nor could the amendment succeed if a single state legislature should object. Every legislature in the union must consent or there could be no amendment.

That was fairly plain. No one should have misunderstood. No one did misunderstand. And, at first, the patriot forefathers with the fat purses made an effort to follow the law. They told congress how they should like to have the Constitution amended. They asked congress to pass the required amendments and send them on to the legislatures of the several States. Congress seemed deaf, so the requests were repeated again and again. But congress budged not; not to any great extent, at any rate.

Then the patriot forefathers sought to take the situa-

tion into their own hands. They went to the legislature of Virginia. They induced the legislature of Virginia to adopt a resolution inviting the legislatures of the several States to send delegates to meet in Annapolis in 1786. The ostensible reason for the meeting was to "take into consideration the trade of the United States." Virginia appointed as her commissioners, James Madison and Edmund Randolph. The Virginia commissioners were at Annapolis, ready for business, at the appointed time—the first Monday in September, 1786. But only four other States were represented, and the meeting came to nothing.

That is not quite an exact statement of the facts. The meeting did not come to nothing. No business was done, because no quorum was present, but the plans of the rich gentlemen who sought to bring the meeting about were revealed. They disclosed the fact that what they were about was to ignore the method provided by the Constitution for its amendment and force such amendments as they desired by methods of their own.

Close observance will detect the manner in which the patriot forefathers revealed their intentions. It will be noted that the resolution adopted by the Virginia legislature in suggesting the Annapolis conference declared that the meeting was to be held to "consider the trade of the United States." Of course, anybody had a right to meet anybody who would meet him "to consider the trade of the United States." Therefore, it seemed perfectly plain and above-board for the legislature of Virginia to propose that delegates appointed by the legislatures should do what an equal number of nobodies might have done quite as legally.

But when no quorum appeared at Annapolis, the gentlemen who represented the five States that responded

came out into the open. They adopted a resolution suggesting that another attempt be made to hold a conference. And they suggested that the conference be held "to devise such further provisions as shall appear to them necessary to render the Constitution of the federal government adequate to the exigencies of the union." In other words, they recommended that a meeting be held to amend the Constitution, though the Constitution itself said that it should not be amended except upon the initiative of congress and the concurrence of all the state legislatures.

In short, it appears to have been the purpose of the energetic gentlemen who brought about the futile attempt at a conference at Annapolis to use it to introduce the actual convention that was held the next year in Philadelphia. James Madison said as much in a letter to Thomas Jefferson, under date of August 12, 1786. "Many gentlemen, both within and without congress," he wrote, "wish to make this meeting subservient to a plenipotentiary convention for amending the confederation." Max Farrand, professor of History at Yale, goes even further. In "The Framing of the Constitution" (p. 9) Professor Farrand says that "The French representative in this country wrote home to his government, what was evidently whispered among the elect, that there was no expectation and no intention that anything should be done by the convention beyond preparing the way for another meeting, and that the report was hurried through before sufficient States were represented to be embarrassing."

Professor Beard takes the same view. On page 62 of his work on "An Economic Interpretation of the Constitution of the United States," he says that "Although the Annapolis convention was ostensibly con-

cerned with commercial regulation primarily, there is no doubt that it was the creation of the men who had been working in congress and out for a general revision of the whole system."

What should we think to-day if Mr. Rockefeller and some of his friends were to call a meeting, through a friendly state legislature, for a convention to revise the Constitution of the United States? And what should we think if the convention, instead of merely revising the Constitution, were to draft a new one?

Of course, the situation in 1787 was not quite so bad as that. The appointment of delegates by state legislatures gave an official coloring to the Philadelphia convention. Yet it is a bald fact that the legislatures themselves had violated the spirit of the Constitution in sending delegates to a convention that, it was intended, should bring about amendments by extra-constitutional methods. That congress trailed along in February, 1787, by inviting the States to send delegates to the Philadelphia convention that was to be held in May, is of little importance. Congress felt that it had to trail along. The fact that the States were going ahead without either the approval or consent of congress was bringing the national law-making body into contempt. On February 21, when congress issued the invitation to the States to join in the Philadelphia convention, Virginia, Pennsylvania, New Jersey, North Carolina, Delaware and Georgia had already appointed delegates. The six other States that afterward appointed delegates were already preparing to do so. So congress was compelled to move or be run over — to recognize the coming convention or be humiliated.

Who were the gentlemen who were so fearful lest the United States should not speedily become the pos-

essor of a properly amended constitution? Professor Beard says that four kinds of rich men brought about the Philadelphia convention.

Gentlemen who had money at interest or capital seeking investment come first on his list. He says their interests "were being positively attacked by the makers of paper money, stay laws, pine barren acts and other devices for depreciating the currency or delaying the collection of debts."

Next came the gentlemen who had investments in public securities. They were really the largest toads in the puddle. They owned paper that had a face value of \$60,000,000. They had not paid \$60,000,000 for it, however. More than half of them had paid only one-sixth or one-twentieth of its face value. They had paid only a little because the value of public securities had shrunken because of the inability of congress to compel the States to contribute money with which to pay the interest upon the public debt. But the gentlemen who bought the paper at low figures were good gamblers. They did not know what was going to happen, but they were willing to take a chance. Moreover, they were determined to try to make things happen that they wanted to happen. They were determined to try to bring about a new government under a new constitution — a government that would bring the paper to par.

"It seems safe to hazard a guess," says Professor Beard (p. 35), "that at least \$40,000,000 gain came to the holders of securities through the adoption of the Constitution and the sound financial system which it made possible. This leaves out of account the large fortunes won by the manipulation of stocks after the government was established and particularly after the founding of the New York Stock Exchange in 1792."

Capitalists engaged in manufacturing clamored for a new constitution because they wanted a national government that would have the power to put a protective tariff wall around them. Also, the gentlemen who were engaged in land speculation wanted a new constitution. Most of the patriot fathers were land speculators. Professor Beard mentions as land speculators "Washington, Franklin, Gallatin, Patrick Henry, Robert Morris and James Wilson, as well as many less well known." Timothy Pickering, who helped ratify the Constitution on behalf of Pennsylvania, frankly admitted that "All I am now worth was gained by speculation in land."

"The situation," says Professor Beard, "was this: Congress, under the articles of confederation, adopted a policy of accepting certificates (of public indebtedness) in part payment for lands; and it was hoped by some that the entire national debt might be extinguished in this way. However, the weakness of the confederation, the lack of proper military forces, the uncertainty as to the frontiers kept the values of the large section held for appreciation at an abnormally low price. Those who had invested their funds in these lands or taken stocks in the companies felt the adverse effects of the prevailing public policy, and foresaw the benefits which might be expected from a new and stable government."

In other words, gentlemen who had bought public paper at one-sixth or one-twentieth of its face value and then exchanged it for public land became aggrieved because the rise in the price of their property did not meet both their expectations and their cupidity. The lack of "proper military forces," for one thing, kept their property from increasing in price. Therefore, it became as plain as day that a new government should be installed to put in the field "proper military forces" and do the

other things that were required to make their investments pan out. Wherefore, it appears that the question of whether one is a "patriot father" or a land grafter largely depends upon whether he grafted in the eighteenth century or in the twentieth.

Such are the causes that led up to the creation of our present Constitution. They are not the causes that are told to school children, but they are the causes. Anybody who believes that a constitution framed in such circumstances was made especially for the common people is an optimist.

Anyone who believes that what these men did 126 years ago has nothing to do with present-day problems does not know much either about the cause or the cure of present-day problems. The prices of everything you consume are powerfully influenced by the decisions of the Federal courts — particularly of the supreme court of the United States — yet the gentlemen who decreed that the supreme court should forever be beyond your reach were the gentlemen who made the Constitution 126 years ago.

The prices of many commodities are also made high by reason of the fact that public service corporations and other gentlemen have bribed legislative bodies to give them franchises and other public property. In everything else, the law holds that fraud vitiates a contract. But in the matter of bribing a legislative body, the United States supreme court long ago held that under the Constitution the act of a legislative body could not be set aside even if bribery were proved.

That seems strange, but it is the law as the supreme court has handed it down to us and grafters have profited by it to the extent of hundreds of millions. Moreover, they are profiting by it now as they never did before,

and this grafting must go legally on either until such time as the present Constitution shall give way to another, or until the United States supreme court shall be flogged by public opinion into reversing itself.

Because of what these forefathers did in 1787 we now have a perplexing absurdity in the senate. So long as senators were elected by state legislators, it was intended that the senators should represent the States. But now that United States senators are elected by the people it is intended that they shall represent the people. If senators represent people, it is manifestly absurd that the handful of people in Nevada should have the same representation in the senate that is accorded to many millions in New York. This is particularly absurd when the fact is considered that the Nevada senators may have it in their power to block a measure that has been endorsed by the house of representatives, containing more than 400 members. Yet the Constitution declares that "no State, without its consent, shall be deprived of equal representation in the senate." In other words, it is a question whether a constitutional amendment providing for representation in the senate upon the basis of population would be "constitutional," even if three-fourths of the States were to ratify it. Probably it would be. But the fact remains that the Constitution says that no State shall be coerced by others in the matter of equal representation in the senate.

## CHAPTER II

### FACTS ABOUT THE "FATHERS"

**I** PURPOSE to give a brief but illuminating sketch of each man who sat in the Federal constitutional convention of 1787. Some were grafters. Some were crooks. Some were of mediocre intelligence. Some were of extraordinary intelligence. But all were capitalists or the attorneys of the capitalist class. That is the great fact to remember. *All were capitalists or the attorneys of the capitalist class.* Not one of them was a member of the great propertyless working class which then constituted and still constitutes the bulk of the country's population. Not once during the sessions of the convention was the voice of the great working class heard. Whenever the class interests of the rich and the poor were considered — and practically nothing else was ever considered — only the voice of the rich class was heard. All of which tends to explain why it is so difficult to extract "government by the people and for the people" from a constitution made by the rich for the rich.

To save patriotic gentlemen the trouble of calling me a liar and a blackguard, I will say that in writing this chapter I shall, with one exception to which I shall call attention, confine my quotations to two books. Every statement of alleged fact about "the fathers" may be found either in "An Economic Interpretation of the Constitution of the United States," by Professor Charles A. Beard, of Columbia University, or in "The Framing

of the Constitution," by Professor Max Farrand, of Yale.

A picturesque character was Jonathan Dayton, of the New Jersey delegation. So far as speculation is concerned, Dayton appears to have been the Charles W. Morse of the eighteenth century. He differed from Banker Morse chiefly in the fact that Morse was so unfortunate as to get into jail while Dayton was so fortunate as to keep out. Professor Beard quotes a contemporary historian who said of this New Jersey delegate: "Jonathan Dayton, the late speaker of congress, is notorious from Boston to Georgia. The deeds of other members of congress were scarcely known beyond the circle of their respective States, but the speculations of this man have rung through the western world."

Dayton was a plunger and what we should call in this day a grafter. By "grafter" I mean that he took advantage of his official positions to make money. After he was elected to the constitutional convention he was engaged in buying military certificates and government securities. Military certificates were the "scrip" in which the Revolutionary soldiers were paid. On account of the poverty of the soldiers and the weakness of the government this scrip sold at a few cents on the dollar. Government paper of all kinds sold at a few cents on the dollar. Dayton knew this paper would go to par if the convention to which he had been elected should succeed in launching a "stable" government. The convention might fail, but he was willing to take a chance. He was willing to take a chance in land, too. He bought up great tracts that he knew would increase vastly in price if the new constitution were to prove a success.

While the convention was actually in session Dayton

and a partner named John Cleves Symmes entered upon negotiations for "an enormous tract of land in Ohio." The tract must have been of some size, because one-seventh of the purchase price amounted to \$82,198. And, at that, Dayton and his partner buncoed the government out of \$30,000 in the deal. By the terms of their agreement they were to pay one-seventh of the price in depreciated military scrip and government paper. Professor Beard says that "by collusion with Ludlow, the official surveyor, and the inadvertence of Hamilton, Secretary of the Treasury," they paid two-sevenths of the price in such depreciated stuff.

Dayton was not only a grafter, but he was conscious of it. On April 17, 1796, when he was speaker of the house of representatives, he wrote a letter to a man named Childs with whom he had been speculating in public lands and public paper. "The contents of this letter," wrote Dayton, "are of such a nature as to render it improper to be seen by anyone except yourself; burn it, therefore, when you have perused it."

But Childs did not burn it, and was afterwards glad that he had not done so. Dayton brought suit against him and Childs produced not only the letter herein mentioned, but fifteen others. After the production of the letters Dayton withdrew his suit.

William Blount, of North Carolina, was another grafter who did not scruple to use public office to enrich himself. Born with a golden spoon in his mouth, in the form of a large landed estate, he devoted his life to an attempt to collect not only the teacup and saucer, but the teapot as well. In other words, he was "connected with land speculation on a large scale." He also had the distinction of being the first gentleman expelled from the United States Senate, the same being done by a vote

of twenty-five to one. President Adams caught him in a plot to wrest New Orleans and Florida from Spain and turn them over to England, sent a message to congress exposing him, and his expulsion quickly followed, the senate declaring him guilty of a "high misdemeanor inconsistent with public trust and duty."

But William Blount was not the only citizen of doubtful standing who helped to represent the great State of North Carolina. Alexander Martin was also a member of the delegation. Martin's career would have been without a blemish, perhaps, if he had stayed out of the army. Rich planter and slave-owner that he was, the horrors of war were unfamiliar sights to him, and at the battle of Germantown he was not nearly so anxious to get the enemy as he was fearful that the enemy would get him. As a result he was tried on and convicted of a charge of cowardice, following which he was dismissed in disgrace from the army. But while Martin's courage was not of the highest order it does not appear that he ever used public office for his own enrichment, or ever bought public securities for the rise that he must have known would follow the adoption of the Constitution. He was simply a rich planter who looked at everything from the rich planter's point of view rather than from the point of view of the wage-worker.

William Samuel Johnson of Connecticut never was in danger of military disgrace because he refused to join the army or support the Revolutionary cause in any way. He said he could not conscientiously help to make war against England. Having inherited enough money to entitle him to be described as a "gentleman," he had graduated from Yale and taken up the practice of law when the war came on and sent him into retirement. While the real patriots were fighting, Johnson, in the se-

clusion of his home at Stratford, was making plans for the future. One of the best things that it seemed possible for him to do at the time was to marry the daughter of a "wealthy gentleman" of Stratford, which he did. As soon as the war was over he resumed the practice of law, worked up a lucrative practice, and speculated so heavily in securities of one kind and another that he attracted the attention of Jefferson who branded him as one of a group of public men who were "opening in securities."

Though Johnson was a Tory during the war, there was so little real republican sentiment among the capitalists who controlled politics in Connecticut that Johnson was elected to the United States Senate immediately following the adoption of the new constitution. The records still in existence show that while Johnson was a member of the senate he was dealing furiously through his son — in public securities, a single transaction sometimes running as high as \$50,000.

Robert Morris, the "financier of the Revolution," the greatest speculative plunger, not only in the convention, but in the country. He was interested in the companies that traded with the East and the West Indies; he had money invested in iron works and other industries; he bought and sold land in all parts of the country by the thousands of acres; he was interested in every kind of government security that was in circulation during his lifetime; and he had almost every kind of human experience that could come to a great speculator, including friendship with the President of the United States and incarceration in prison for debt. At the height of his career, when the national capital was removed from New York to Philadelphia, Morris vacated his handsome residence in Market Street and turned it over to Presi-

dent Washington. Morris was so daring a speculator that he would perhaps have been the first American millionaire if, a few years later, he had not overreached himself, lost his fortune, and landed in a debtor's cell.

Morris was not "crooked" in the sense in which the word was understood in his day by men of his class. We should consider him crooked if he were living today and doing the same things. With his pockets full of soldiers' scrip and public securities that he had bought at bargain counter prices, Morris used to arise at the constitutional convention and fervently dwell upon the necessity of so drafting the Constitution that public credit would be restored. Of course, he was quite sincere in desiring that the public credit should be restored but with his pockets full of paper that would be worth a fortune by such restoration we cannot quite regard him as a disinterested citizen. A man so upholstered with such paper who should make such a yawp in the Senate or anywhere else to-day would be drummed out of public life if the facts ever became public.

Robert Morris, also of Pennsylvania, but no relation to the first, was an interesting character. He had a lame leg, a crippled arm, and a reputation for cowardice that was even more crippled than his arm. He was a braggart. One day while a group of delegates gathered outside of Independence Hall, Morris fell to bragging about his personal bravery. As he approached his peroration, during which he said he was afraid of no man on earth, Alexander Hamilton came along. Hamilton expressed a doubt that Morris was so courageous as he pretended to be and offered to wager a dinner with wine for the whole company that Morris would not dare to approach George Washington familiarly and slap him upon the shoulder. Morris had gone so

far with his bragging it required more courage to back up than it would to slap the shoulder of his country's father; so he slapped it and won the bet. But as Morris himself afterward confessed, it was the most dearly won wager that he ever won, though Washington only "looked" at him.

Morris was born into the powerful landed aristocracy that dominated New York, was graduated at King's College and began the practice of law. Like his namesake, Robert, his money was invested in almost every conceivable sort of enterprise. In other words, he was in an excellent position to reap the full benefits of precisely such a constitution as he helped to create.

It is a singular fact that although Gouverneur Morris actually wrote the Constitution of the United States, the delegates to the convention had little or no confidence in him. They admired him for his biting wit and extraordinary command of language, but they thoroughly distrusted him. Morris was so shifting and slippery that people were compelled to distrust him. So prejudiced did the members of the convention become against him that, toward the last, if Morris had a suggestion to offer, he usually induced some one else to offer it for him, his theory being that his suggestion would be more likely of adoption if it were not known that he was the father of it. James Madison himself testified to that fact. Morris was chosen to take the resolutions drafted by the convention and whip them into the phraseology of a constitution only because of his acknowledged superiority in the use of the English language.

Pierce Butler, of South Carolina, also liked to brag, but unlike Morris he boasted not of his courage, but of his ancestry. Butler, who was born in Ireland, chanced to be descended from the Duke of Ormond "and was

inordinately vain of it." According to Coleman's "The Constitution and Its Framers," Butler's pride in his ancestry subjected him to no little ridicule. His misfortune was, of course, that he was born not only to the baubles of aristocracy, but to great wealth. After he had played soldier as long as he cared to, he sold his commission in the British army and settled in South Carolina. One of his first acts thereafter was to annex himself to one of the aristocratic families of his adopted State by marrying the daughter of Colonel Middleton. Butler was a large slave holder, a lawyer and a politician. As a slave holder he lived a life of luxury without productive labor. As a lawyer he woke up the countryside with his oratory. As a politician he broke into the United States Senate, not once but twice. But as a representative of the working class who comprised the bulk of the country's population — Butler never knew there was a working class except when he wanted to bleed it.

Daniel Carroll of Maryland also made patriotism pay. Carroll not only had a large fortune, but he had it invested in so many directions that if anybody were to make money anywhere he was tolerably sure to get in on the pickings. As a holder of many public securities that he had bought for a few cents on the dollar, he frequently impressed upon the constitutional convention the necessity of "restoring the public honor"—and bringing his scrip and bonds to par. Having funds invested in manufactures, he joined others in petitioning the first congress to provide a protective tariff. He was a member of congress at the time, but he nevertheless joined in the petition.

Carroll's greatest achievement, however, came at the time when, as a member of congress, he helped locate the capitol at Washington "on land which he owned."

Many a patriot pays for his patriotism with his lifeblood, but Daniel Carroll of Maryland knew a better way. He made his patriotism pay him. He never got on the firing line, but he was always down on the money line. Many an old Hoosier would have farmed that "Dudleston estate" which formed part of the city of Washington — and gone broke at it. Carroll farmed the government and measurably increased his large fortune. He died in Washington in 1829 without a word of complaint against the world or anybody in it, since the world had given him everything he desired from "a classical education" to great honors and great wealth.

James McHenry, of Maryland, early in life was also polished off with a classical education. Daniel McHenry, the father of our hero, had prospered wonderfully as a merchant, but James studied medicine and became an army surgeon during the Revolution. The exacting duties of the profession appear to have wearied him, however, for a little later we find him acting as secretary, first to Washington and then to Lafayette. The war over, James joined his brother John in buying town property — always a fine occupation, since workingmen must live somewhere and to settle in their path with a warranty deed is often sufficient to cause them to pay one to get out of the way. James and John prospered amazingly when an event occurred that was exceedingly bad for John, but exceedingly good for James. John died and left James all his property.

After that James never had to worry concerning the source of his next meal. "A casual letter of August 4, 1792," says Professor Beard, "shows that one Dickinson owed him an amount secured by a bond for \$25,000." With a number of other palm-itching gentlemen he organized the Insurance Company of North America,

and also bought public securities when they were cheap. Throughout the constitutional convention he was a constant advocate of anything that would bring his securities to par, and as soon as the government was established he joined those who petitioned the first congress to place a heavy protective tariff upon imports. In the higher reaches of statesmanship James may not have been a genius, but to this day nobody has contended that he did not know upon which side his bread was buttered. McHenry, too, knew how to make patriotism pay.

We now come to the Pinckneys of South Carolina — Charles and Charles Cotesworth. Mere Charles was the cousin of Charles Cotesworth. Charles, without a middle name, was only twenty-nine years of age at the time of his election to the constitutional convention, and the opportunity to sit in the same room with gentlemen like George Washington, Benjamin Franklin, Alexander Hamilton and others seems to have gone to his head. "Rather superficial, but brilliant," says Professor Farland, "with a high opinion of his own ability and with extraordinary conversational powers it is little wonder that Pinckney pushed himself forward, and it is not surprising that he seems occasionally to have been sharply snubbed by his elders."

Charles Cotesworth Pinckney, "after receiving a fine classical education in England," began the practice of law in America and did well at it. That is to say, he made it pay. He did not prosecute damage suits for injured workmen, but engaged in the vastly more genteel and lucrative employment of serving the landed gentry.

During the Revolution he stopped long enough to become a fine soldier whose bravery was exceeded by that of no other, but with the coming of peace the chirp of

the dollar again caught his ear. He became "a considerable landholder in the city of Charleston"; had "numerous tenants living on his property," owned forty-five slaves, and during the heated term annually sought repose upon his magnificent country estate at Pinckney Island. Charles Cotesworth, like Charles Pinckney, was plentifully provided with public paper bought low for a rise, and therefore, like his cousin, served himself and his clients by acting as wet-nurse to the "public honor."

George Mason, of Virginia, was another gentleman who would have had a most difficult time to get the workingman's point of view of anything. Mason had barely reached manhood when his father died and left him more land and slaves than he well knew what to do with. But like most gentlemen who inherit more money than they need, Mason also inherited an itching for more money.

First, he speculated in western lands and gained the equivalent of chests of gold. Then he speculated in matrimony and brought home both the daughter of a Maryland merchant and an estate almost as large as his own. In 1749, therefore, he was in a most excellent position to join the Ohio Company in a colossal attempt to gain possession of land. How successful these gentlemen were may be judged from the fact that they soon obtained a grant of "six hundred thousand acres of land, lying mostly west of the mountains and south of the Ohio." Did you notice the word "grant"? When a poor old farmer gets hold of forty acres he buys it, but when grafters get hold of 600,000 acres it is always granted to them.

Mason's luck having started, could not be stopped. In 1754 we find him in the act of securing a "patent"

on fifteen hundred acres of land in Northern Neck, Va. Remember that name—Northern Neck. It was this tract that largely entered into Mason's deliberations when he decided to turn against the constitution that he had helped to make. When it dawned upon Mason that the convention was about to deposit a good deal of power in the federal supreme court it also dawned upon him that the court might make him pay more taxes than he cared to pay.

"I am personally endangered," he said, "as an inhabitant of Northern Neck. The people of that part will be obliged, by the operation of this power, to pay the quit rent of their lands. \* \* \* How will gentlemen like to pay an additional tax on lands in the Northern Neck?"

Upon what small things do great events sometimes turn? If Mason had not "patented" that fifteen hundred acre tract in Northern Neck he would have favored the Constitution. If his taxes had been in such shape that no court could make him pay more, he still might have favored the Constitution. If all the delegates had owned land in Northern Neck, perhaps we should never have had a constitution. Upon such trivialities do our sacred liberties depend.

But from his point of view, Mason knew his business. When he died in 1792 "he devised to his sons alone some fifteen thousand acres, the greater part of his own acquisition, of the very best land in the Potomac region. Most of these estates were well improved, with large and comfortable mansions and all necessary outbuildings. But he left to be divided among his children what was solely acquired by himself: sixty thousand of among the finest acres in Kentucky, some three hundred slaves, more than \$50,000 worth of other personal property, and

at least \$30,000 of debts due on his books, while his own indebtedness was absolutely nothing."

John Dickinson, of Delaware, never knew what it meant to trudge off to a factory with his dinner pail or to take his place on the picket line during a strike. Dickinson's family belonged to the landed aristocracy of the south. He was educated in England and returned to America to practice law, settling in Philadelphia. Like so many others of our patriot forefathers, he early saw the advantage of marrying an heiress and proceeded at once to become the husband of Mary Norris, whose family estate, Fairhill, was one of the most magnificent country-seats of the day.

"This house," says Simpson in "Eminent Philadelphians," "was in its day a very grand mansion and a place of great celebrity, with a large front of sixty feet. It was surrounded by forest and evergreen trees of majestic growth and well-arranged shrubbery. It commanded a beautiful prospect of the city, with a distant view of the Delaware. The mansion was two stories high and most substantially built, with a very wide hall running through the center. The library was papered, but the parlors and hall were wainscotted with oak and red cedar, unpainted, but polished with wax and kept bright by constant rubbing. The carriageway was finely graduated and wound through an extensive lawn from its approach on the Germantown road which was bordered with shrubbery. The pleasure grounds, lawn, greenhouse and gardens, fish-ponds and walks embraced a large area of several acres in extent."

Dickinson was chairman of the committee of the Continental Congress that framed the articles of confederation. Professor Farrand describes him as "able, scholarly and sincere, but nervous, sensitive and cautious

to the verge of timidity." . He was so cautious when the Declaration of Independence was awaiting signatures that he refused to sign it. He never quite recovered from the blow that this refusal gave to his prestige. He was elected to congress and other high offices, but he "never succeeded in completely regaining public confidence — a shadow of mistrust was always visible."

Oliver Ellsworth, of Connecticut, although the son of a farmer, was apparently vaccinated against agriculture early in life. Ellsworth's father was one of those Connecticut Yankees who could start with a pair of suspenders and, before sunset, trade them for a complete wardrobe. The old gentleman began with only \$500, but by the time his son was old enough to absorb education he was sent first to Yale and then to Princeton. The father intended the lad for the ministry, but Oliver put aside the Bible for Blackstone and became a lawyer. In the early days of his practice he had nothing to do, so he married the daughter of William Wolcott, a rich man and "gentleman" of East Windsor. The qualities that contributed to success in those days were not peculiar, if we may believe a gentleman named Brown who became Ellsworth's biographer. Ellsworth, said Brown, having great purpose and persistency but little imagination, rose rapidly to wealth and power.

"It is doubtful," Brown continued, "if in the entire history of the Connecticut bar any other lawyer has ever in so short a time accumulated so great a practice. Measured either by the amount of his business or by his earnings, it was unrivaled in his own day and unexampled in the history of the colony. Naturally shrewd, and with nothing of the spendthrift in his nature, he quickly earned a competence, and by good management he increased it to a fortune which, for the times and the

country, was quite uncommonly large. From a few documents still in existence it is clear that he became something of a capitalist and investor. He bought lands and houses and loaned money out at interest. He was a stockholder in the Hartford bank, and one of the original subscribers to the stock of the old Hartford broadcloth mill."

Nor was Ellsworth too busy to note the opportunity to make money by investing in the depreciated paper of his country. Professor Beard found the old gentleman's ink-tracks on some of the ancient papers that he unearthed from the vaults in the Treasury Department.

"With that natural shrewdness and economy which his latest biographer attributed to him," says Professor Beard, "Ellsworth accumulated a by no means negligible amount in public securities from which he profited by the rise of credit that accompanied the establishment of the new government. He was among the first citizens of Connecticut to have his paper funded into the new government securities, for he appears in December, 1791, with \$1,330.50 in deferred sixes, \$2,660.98 in funded sixes and \$1,995.75 in three per cents. His wife, Abigail, and other members of her family, the Wolcotts, had also invested in securities."

Thomas Fitzsimons, of Pennsylvania, was one of the largest merchants and boldest speculators of his day. As a merchant he might have succeeded. As a speculator he might have succeeded. As a combined merchant and speculator he went down with a crash. He had strong family connections to hold him up. His father-in-law, Robert Meade, was one of the rich men of Philadelphia. His brother-in-law was "one of the prominent merchants and shipowners of the city."

Fitzsimons himself was a director of the Bank of

North America and President of the Insurance Company of North America. But he became tangled up with the speculations of Robert Morris and, when Morris failed, Fitzsimons lost a good deal of his fortune.

Fitzsimons was accused by his contemporaries of speculating heavily in the securities of the country. The speaker of the house of representatives in which he served is quoted by Maclay, a historian, as saying that in his opinion "Mr. Fitzsimons was concerned in this business (of speculating) as well as Mr. Morris, and that they stayed away (from congress) for the double purpose of pursuing their speculation and remaining unsuspected."

Professor Beard says that Maclay's version was probably correct, "for in 1791 Fitzsimons' agent, Michael Conner, presented for him certificates of 1778 to the amount of \$12,000 nominal value which he had evidently bought up."

The extent to which Fitzsimons and Morris plunged may be judged from the fact that in 1795 they put on sale in London "about 360,000 acres of land situated in Georgia."

## CHAPTER III

### WASHINGTON AND HIS GROUP

WASHINGTON had not paid his taxes for two years when he went as a delegate to attend the convention that made the Constitution of the United States.<sup>1</sup> Ford's edition of "The Federalist" says the "Father of his Country" was temporarily embarrassed, not by the failure of his crops, but by his inability to sell what he had raised. Whatever the reason, Washington had a great deal of property upon which to pay taxes. In the one sense that he was the richest man in America, he was the Rockefeller of his day. The schedule of property attached to his will footed up \$530,000. In Virginia alone he owned "more than 35,000 acres," valued at \$200,000; "in Maryland, 1,119 acres, at \$9,828; in Pennsylvania, 234 acres, at \$1,404; in New York, about 1,000 acres, at \$6,000; in the Northwest Territory, 3,051 acres, at \$15,255; in Kentucky, 5,000 acres, at \$10,000; property in Washington at \$19,132; in Alexandria, at \$4,000; in Winchester, at \$400; at Bath, \$800; in government securities, \$6,246; shares in the Potomac Company, \$10,666; shares in the James River Company, \$500; stock in the Bank of Columbia, \$6,800; stock in the Bank of Alexandria, \$1,000; live-

<sup>1</sup> The statements of historic fact made in this chapter are, unless specifically attributed to other sources, taken from Professor Beard's "An Economic Interpretation of the Constitution of the United States," or from Professor Farrand's "The Framing of the Constitution."

stock, \$15,653. His slaves were to be emancipated on the death of his wife."

"Washington possessed," says Professor Beard, "in addition to his great estate upon the Potomac, a large amount of fluid capital which he judiciously invested in western lands, from which he could reasonably expect a large appreciation with the establishment of stable government and the advance of the frontier."

Washington, however, unlike some of the gentlemen who sat with him in the constitutional convention, was no grafter. He did not speculate upon the misfortunes of the government. He did not buy scrip at five or ten cents on the dollar. He never tried to use public office for private profit. Yet, much that Washington did as a public man redounded to his private profit. It was inevitable that it should thus redound. Washington was the richest man of his day. Whatever he did to help the business interests of the country helped him more than anybody else because he owned more property than anybody else. Washington could not help other business men without helping himself more than he helped any of the others. Nor could the working class have gained any advantage over the capitalist class without hurting Washington more than any one else. Washington's economic interests therefore compelled him to stand with his class and against the working class.

Washington did so stand. We of this age look upon him as a great popular advocate for two reasons: first, because we do not know much about him, second, because Washington was so much better than some of those with whom he was associated. Washington had not much faith in the republican principle of government. He was by no means certain that the people would be able to rule themselves. He gladly signed a

constitution that cut the people off almost with no power. But he was determined that the people should be given an opportunity to demonstrate whether they were competent to use the little power that he and others gave them. In other words, he did all that he could to bring about an honest trial of the new constitution.

We still feel grateful to Washington for that. It was not much, but it was much more than many others did. It was much more than Alexander Hamilton did. Washington was willing to see us deprived of the right to elect the President. Washington was willing to see us deprived of the right to elect United States Senators. But Hamilton wanted the President, after a select little group had elected him, to serve for life. Hamilton wanted United States Senators, after select little groups had elected them, to serve for life. Hamilton wanted to give the President power to appoint all governors of States. And Hamilton wanted the President and the governors of States to have the power of absolute veto over Congress and the state legislatures. That we still honor the name of Hamilton is because, to this day, we know almost nothing of Hamilton. He was a brilliant man, but he was almost the last man who should have found favor in a republic. Socially, he was an aristocrat. Politically, he was a monarchist.

“Hamilton was not only a monarchist,” said Thomas Jefferson,<sup>1</sup> “but for a monarchy bottomed on corruption. In proof of this, I will relate an anecdote, for the truth of which, I attest the God who made me. Before the President set out on his southern tour in April, 1791, he addressed a letter of the fourth of that month, from Mount Vernon to the Secretaries of State, Treasury and War, desiring that if any serious and important

<sup>1</sup> Anas, 1791. C. ix. 96

cases should arise during his absence they would consult and act on them. And he requested that the Vice-President should also be consulted. This was the only occasion when that officer was ever invited to take part in a cabinet question.

“Some occasions for consultation arising, I invited these gentlemen (and the attorney-general as well, if I remember) to dine with me in order to confer on the subject. After the cloth was removed and our question agreed and dismissed, conversation began on other matters, and by some circumstance was led to the British constitution on which Mr. Adams observed: ‘Purge it of its corruption and give to its popular branch equality of representation, and it would be the most perfect constitution ever devised by the wit of man.’ Hamilton paused and said: ‘Purge it of its corruption and give to its popular branch equality of representation and it would become an impracticable government; as it stands at present, with all its supposed defects, it is the most perfect government which ever existed.’”

Hamilton was attacked during his lifetime as almost no other American was ever attacked. He was suspected of being a defaulter. He was accused of being a grafter. It is tolerably certain that he was not a defaulter. It is improbable that he was even a grafter. But Hamilton was so adroit a man that it was and still is difficult to tell what he was. When beset by enemies, the flea could not outdo him in agility. No matter how dark the outlook, he always emerged triumphantly. He sometimes lost part of his baggage, but he always got through himself. His encounter with James Reynolds illustrates his capacity for hair-breadth escapes. Reynolds and Hamilton, who had been old friends, became estranged. Reynolds said that he and Hamilton had

speculated in government bonds while Hamilton was secretary of the treasury. The story came to the ears of the speaker of the house of representatives. The speaker felt it to be his duty to investigate. In company with two other men he visited Reynolds. Reynolds corroborated the entire matter. Mrs. Reynolds added to the corroboration. The case against Hamilton seemed so plain that the speaker felt justified in confronting Hamilton and demanding an explanation. Hamilton cheerfully explained. He said that he had once had "an unhappy amour with Mrs. Reynolds," and that she and her husband cooked up the story against him to get even. The excuse was not new even in Hamilton's day. Many gentlemen had tried it without success. But Hamilton made it work. The speaker and his friends retired. Mr. Hamilton had explained! That was enough.

The complexity of Hamilton may well be illustrated by another story. As secretary of the treasury he possessed information with regard to the probable future prices of government bonds. Any speculator who had this information could, of course, make money with it. Hamilton's wife's brother was a speculator. Hamilton wrote to his father-in-law, General Schuyler, asking him not to let his son speculate. The old gentleman appears to have acted upon the request. The son did not speculate. But the old general himself gambled in public securities like a sheep herder at a faro table. Professor Beard found records in the Treasury Department showing that during three months, in 1791, General Schuyler speculated to the extent of more than \$65,000.

But that is not all. Hamilton once told a man who wanted a tip on bond prices that the secretary of the treasury should be "like Cæsar's wife." That sounded

well. But a little later we find Mr. Hamilton industriously giving, buying and selling orders to brokers on behalf of his sister's husband, J. B. Church. Those orders, in Hamilton's handwriting, are still in existence. They form part of the Hamilton collection of manuscripts in the Library of Congress. They represent the basis of a fortune which came as the result of the speculation. On the face of the letters, all of the fortune went to Church. Church might have divided with Hamilton, but there is no proof that he did so. It is upon the assumption that Church did not divide that Hamilton is acquitted of the charge of grafting. In other words, Hamilton is given the benefit of the doubt. He needs it. He was found close to the border line of graft. He was caught using a high public office to feather the nest of a relative. He is held blameless only because when he died there were few feathers in his own nest. But for the sake of his reputation, it is regrettable that he once felt moved to make a remark about "Cæsar's wife." Obviously, the remark was hypocritical.

James Madison was perhaps the most influential man in the constitutional convention. He was born to great landed wealth, was graduated at Princeton and drilled in the principles of law. But the law did not appeal to him, nor did business. Only politics appealed to him. But the opportunity to make money out of politics did not appeal to him. Other patriotic gentlemen came to the convention heavily laden with public paper bought at pawn broker prices. Madison had none. When the other patriots flocked to the capital to take advantage of Hamilton's plan for buying up the paper at par, Madison was not in the throng. But he was near enough to be disgusted at what he saw. Professor Beard says

the "scramble of politicians and speculators" did more than anything else "to disgust Madison with the administration party and drive him into opposition." Madison himself, in writing to Jefferson, in July, 1791, said:

"The subscriptions (to the bank) are consequently a mere scramble for so much public plunder, which will be engrossed by those already loaded with the spoils of individuals. It pretty clearly appears, also, in what proportion the public debt lies in the country, what sort of hands hold it, and by whom the people of the United States are to be governed. Of all the shameful circumstances of this business, it is among the greatest to see the members of the legislature (congress) who were most active in pushing this job openly grasping its emoluments. Schuyler is to be the head of the directors, if the weight of the New York subscribers can effect it. Nothing new is talked of here. In fact, stock-jobbing drowns every other subject. The coffee house is in an eternal buzz with the gamblers."

Madison, in short, was as good a democrat as he knew how to be. He befriended the people as much as he knew how to befriend them. But Madison lived at a time when the men who considered themselves the wisest had almost no faith in the capacity of the people to rule themselves. Madison believed the people were not capable of ruling themselves. Madison believed a group of "superior" men should be set apart to elect the President. Madison believed state legislatures should elect United States senators. Madison believed the people should be represented only in the house of representatives, and that the house should not be permitted to do anything if either the senate or the President should object. In other words, while Madison represented the

people as well as he knew how to represent them, he did not know how to represent them very well. He did not come from the people and did not share their longings. He came from the landed aristocracy, and viewed public questions from the point of view of the landed aristocrat.

James Wilson of Pennsylvania was one of the greatest lawyers who sat in the constitutional convention. Washington thought so much of him that he afterward appointed him to the supreme court. But Wilson, who was born in Scotland, was no more a "man of the people" than were the other members of the convention. He received a "fine classical education" in Scotland, emigrated to America, studied law, eventually became the attorney for many of the rich men of Pennsylvania, received large fees, became a director of the Bank of North America and a stockholder in the Insurance Company of North America. Like other patriots of his time, Wilson also developed a weakness for land speculation. Unfortunately, he allied himself with one of the crookedest land corporations of his day — the Georgia Land Company. He invested \$125,000 in this fraudulent concern, and, in addition, owned 750,000 acres of land.

Wilson's natural tendencies were probably toward democracy. Again and again, during the convention, he spoke against gentlemen of the Alexander Hamilton type who, if they could have done so, would have given the United States a constitution under which the people would have had no power. But it is in comparison only with such men that Wilson seems to have been a believer in popular rule. His investments and his business relationships prevented him from becoming a real democrat. If he were still living and preaching the same

political doctrine that he preached in 1787, Mr. Taft would seem in comparison to be a dangerous radical.

Benjamin Franklin had the workingman's point of view when, as a boy, he entered Philadelphia, munching a loaf of bread, but when he went to the constitutional convention he was worth \$150,000. Franklin had great investments in land, as did Washington and many of the others, but he did not speculate in public securities. In his younger days, Franklin had given utterance to much radical doctrine, but when the constitutional convention assembled he was too old to do much more than pour oil upon the troubled waters, which he often did. He signed the Constitution, not because it represented his views of what a constitution should be, but because he believed it was the best instrument that could be obtained at the time. In that, he was undoubtedly right. The working class, politically unorganized, was in no position to make an aggressive fight for the kind of government it wanted, while the capitalist class was well organized.

Abraham Baldwin, of Georgia, a graduate of Yale, was a lawyer whose fees enabled him to buy public paper when offered below par. The constitution that he helped to make put money into his pocket.

Richard Bassett of Delaware inherited 6,000 acres of land, added to this through the practice of law, became one of the wealthiest men in the State and, as one of his biographer's says, "entertained lavishly at his three homes in Wilmington, Dover, and at Bohemia Manor." Plainly, he was precisely the kind of man to send to the convention as a representative of the common people.

Gunning Bedford, of Delaware, was a landowner, lawyer and speculator in public securities.

John Blair of Virginia was a college graduate, a lawyer and a gentleman who knew upon which side his bread was buttered. He went to the convention loaded with public securities that could have been bought cheaply, and after the formation of the new government cashed them in at the treasury at 100 cents upon the dollar.

David Brearley of New Jersey came from a family of great landlords, graduated from Princeton and settled down to the practice of law. He died before Hamilton's funding plan went into effect, but many of his relatives were found at the public crib at the proper time.

Jacob Broome of Delaware was born to wealth and later became a stockholder in banks, cotton mills and many other concerns. A few public securities were found upon his person from time to time, but he was never a heavy speculator.

George Clymer of Pennsylvania was born rich and married richer. He was about as much interested in the working class of his day as a dog is interested in a rabbit — and in much the same way.

William R. Davie of North Carolina is chiefly remembered because he made enough practicing law so that he could afford to buy a \$5,000 colt, and because he left a large estate that was the subject of litigation before the United States Supreme Court so late as 1892.

William Few of Georgia overlooked little. He farmed and practiced law and speculated in lands, and speculated in government securities to such advantage that he left an estate valued at \$100,000. He was also connected with a crooked land company — the Georgia Union.

Nicholas Gilman of New Hampshire bought soldiers'

scrip from poor veterans for as little as they would take, and added to his investments by buying public securities upon the same principle. He came to the convention owning thousands of dollars' worth of such paper and later added to his holdings. In a single transaction, he worked off upon the government \$11,021.95 worth of such stuff, receiving 100 cents upon the dollar therefor. Gilman was a good deal of a nincompoop in the convention, but otherwise he knew what he was doing.

Elbridge Gerry of Massachusetts was a merchant and grafter. Also he was quite shameless about his grafting. The owner of so many public securities that the amount annually due him as interest was \$3,500, he had the audacity to demand that the Constitution not only empower congress to pay the public debt in full, but to make it obligatory upon congress to do so. Of the gentlemen who fleeced the old soldiers by buying up their scrip at 5 or 10 cents on the dollar, Madison quotes Gerry as follows: "As to the stock jobbers, he saw no reason for the censures thrown upon them. They kept up the value of the paper. Without them there would be no market." Gerry eventually opposed the Constitution. He himself said he opposed it because of the threatened predominance of the judicial department, but Oliver Ellsworth gave a different reason. He said Gerry was aggrieved because the convention refused to pledge the government to redeem all of the Continental currency at par—a commodity of which he charged Gerry with having a large supply. But Ellsworth never proved his charge and Gerry denied it, so there the matter rests. As a "patriot father," however, Gerry was a sight.

Nathaniel Gorham of Massachusetts was a merchant

and land speculator. In 1786 he tried to put through a million-dollar land deal, but the gentlemen who were selling to him proved the more fortunate negotiators, with the result that Gorham's fortune was considerably depleted when he died in 1796.

William C. Houston, of New Jersey, was a Princeton graduate, a college professor, a lawyer and a land speculator. He was of no importance in the convention, and died the next year.

William Houston of Georgia was born and educated in England. Little is now known of him except that he amounted almost to nothing in the convention.

Jared Ingersoll of Pennsylvania, after graduating at Yale, completed his studies in England and became a lawyer in Philadelphia. As an attorney he served the richest men in the State and became wealthy. So far as known, he was a speculator neither in land nor in public securities.

Daniel of St. Thomas Jenifer, of Maryland, was a planter, slave-holder and owner of small quantities of public paper.

Rufus King of Massachusetts was the son of the largest exporter of lumber in Maine who also owned 3,000 acres of land. Rufus was educated at Harvard, after which he married the daughter of a wealthy Tory, who removed to Connecticut during the Revolutionary War, where he remained in great seclusion until the fighting was ended. Later the old gentleman bobbed up in New York, where he became president of the chamber of commerce. King was a large holder of bank stock and public securities. The Constitution put the public securities at par.

John Langdon of New Hampshire was a large holder

of government securities. A nephew who wrote a pamphlet about him described him as "a man that loved money, at an age when it gets the upper hand, that was prone to banking and funding, to whom such atmospheres were familiar and congenial, that knew how to make it and keep it, and felt no envy of others that did so, too."

John Lansing of New York was a lawyer. He opposed the Constitution, and early left the convention in disgust, never to return. After the establishment of the government, Lansing and most of his relatives came forward with cheap public securities to be redeemed at par.

William Livingston of New Jersey, the son of a great landlord, after graduating at Yale, married an heiress and began the practice of law. He was a large owner of public securities, but died in 1790, and his son cashed in the paper at the treasury.

Luther Martin of Maryland was a Princeton graduate and a lawyer. He owned six slaves and some other property, but was never wealthy. He refused to sign the Constitution and tried to prevent its ratification.

James McClurg of Virginia was a physician and banker. He did not overlook the opportunity to buy public securities at low rates, and on February 17, 1791, appeared at the public treasury with \$26,819 worth, for which he was paid at par.

John Francis Mercer of Maryland was a lawyer, slave-holder and holder of public securities. He broke away from his class, however, and opposed the Constitution.

Thomas Mifflin of Pennsylvania was a college graduate, a merchant and a manufacturer. He was also one of the first manufacturers to yowl for a protective tariff,

having presided at a meeting for that purpose while the constitutional convention was in session.

William Paterson of New Jersey was a Princeton graduate and a lawyer. Nothing is known of his investments. William Pierce of Georgia has also passed almost out of sight. Little is known about his property interests, except that he was a merchant in Savannah.

Edmund Randolph was a landed aristocrat of Virginia. He practiced law with success, owned 7,000 acres of land and 2,000 negroes, but was nevertheless usually hard up. He objected to the court clause in the Constitution and refused to sign it.

George Read of Delaware, the son of a planter, was a lawyer and a signer of the Declaration of Independence. Unlike some of the other patriots, Read bought public securities from the government during the early days of the war, at a time when it appeared doubtful whether the securities would ever be worth anything.

John Rutledge of South Carolina was a wealthy lawyer and planter. When elected governor of his State, after the war, he vetoed a more democratic constitution proposed by the legislature, on the ground that he preferred "a compound or mixed government to a simple democracy, or one verging toward it. However unexceptionable democratic power may appear at first view, its effects have been found arbitrary, severe and destructive." A fine "father," indeed.

Roger Sherman of Connecticut is usually referred to as "the shoemaker." Sherman was a shoemaker in the same sense that the late C. P. Huntington, of California railway fame, was a clock peddler. Sherman once made shoes for a few minutes, Huntington once sold clocks for a few minutes. Each soon quit such foolishness and

began to make money. Sherman did so well that when Hamilton's funding scheme became effective Sherman cashed nearly \$8,000 worth of public securities.

Richard Dobbs Spaight of North Carolina owned a large plantation and seventy-one slaves. He owned no public securities worth mentioning.

Caleb Strong of Massachusetts was a Harvard graduate and a lawyer. Little is known of his economic interests except that he bought about \$16,000 worth of public securities before the Constitution was drafted, and as soon thereafter as possible, converted them into the securities of the new government at par.

Hugh Williamson of North Carolina was a college graduate, a physician, a merchant, a speculator in government securities and a speculator in lands. In a letter to Hamilton, Williamson said that he had "the smallest of two large trunks" full of bonds. On June 2, 1788, Williamson wrote to Madison about the Constitution as follows: "For myself I conceive that my opinions are not biased by private interests, but having claims to a considerable quantity of lands in the western country, I am fully persuaded that the value of those lands must be increased by an efficient federal government."

George Wythe of Virginia inherited a large estate and owned many slaves. He was a lawyer and a judge of distinction. He was a decent old fellow, according to his lights—but his lights did not shine far. He emancipated his black slaves, but was blind to the fact that men can be slaves without being black.

Robert Yates of New York was a lawyer, but not a grafter. He refused to speculate in public securities, refused to sign the Constitution and died poor.

This completes the list of delegates who attended the

constitutional convention. Most of them were lawyers. Fourteen were land speculators. Twenty-four were money lenders. Eleven were merchants, manufacturers or shippers. Fifteen were slave-holders. Forty of the fifty-five owned public securities. Of these gentlemen, Professor Beard says:

“It cannot be said, therefore, that the members of the convention were ‘disinterested.’ On the contrary, we are forced to accept the profoundly significant conclusion that they knew through their personal experiences in economic affairs the precise results which the new government that they were setting up was designed to attain.”

Professor Farrand of Yale quotes a contemporary of the “fathers” who opposed the Constitution, as follows:

“I do not wish to detract from their merits, but I will venture to affirm that twenty assemblies of equal number might be collected, equally respectable both in point of ability, integrity and patriotism. Some of the characters which compose the convention, I revere; others, I consider as of small consequence, and a number are suspected of being great public defaulters, and to have been guilty of notorious speculation and fraud with regard to public property in the hour of our distress.”

Professor Farrand suspects that this gentleman’s opposition to the Constitution carried him too far in castigation of some of its framers. Yet the professor does not regard the fathers as a miraculous group.

“Great men there were,” he said, “it is true, but the convention as a whole was composed of men such as would be appointed to a similar gathering at the present time: professional men, business men and gentlemen of leisure; patriotic statesmen and clever, scheming

politicians; some trained by experience and study for the task before them and some utterly unfit."

The people themselves were never given an opportunity to vote upon the Constitution. Professor Beard says "it is highly probable that not more than one-fourth or one-fifth of the adult white males took part in the election of delegates to the state conventions" that ratified the Constitution. He says that "if anything, this estimate is too high." He expresses the belief that not more than 160,000 voters "expressed an opinion, one way or the other, on the Constitution." The rest were either disfranchised because of their lack of sufficient property to entitle them to vote, or made silent by their dense ignorance as to what the elections were about. News did not travel rapidly in those days. Professor Beard declares that in many rural communities the elections were held before most of the voters knew that elections were to be held. He also declares that "It may very well be that a majority of those who voted were against the adoption of the Constitution as it stood."

Chief Justice Marshall's *Life of Washington*, in referring to the campaign for the ratification of the Constitution, says:

"So balanced were the parties in some of them (the States) that even after the subject had been discussed for a considerable time, the fate of the Constitution could scarcely be conjectured; and so small in many instances was the majority in its favor as to afford strong ground for the opinion that, had the influence of character been removed, the intrinsic merits of the instrument would not have secured its adoption. Indeed, it is scarcely to be doubted that in some of the adopting States a majority of the people were in the opposition. In all of them, the numerous amendments which were

proposed demonstrate the reluctance with which the new government was accepted; and that a dread of dismemberment, not an approbation of the particular system under consideration, had induced an acquiescence in it. North Carolina and Rhode Island did not at first accept the Constitution, and New York was apparently dragged into it by a repugnance to being excluded from the confederacy."

Thus do we see how silly are some present-day Americans. They cannot bear to desecrate with a breath of criticism the sacred Constitution. They do not know that the sacred document was drawn up in part by a group of grafters, and that the Americans of 1787 and thereabouts came within a hair's breadth of repudiating it.

## CHAPTER IV.

### “DIVIDE AND GOVERN”

SOME men say we have outgrown our eighteenth-century Constitution. This observation is precisely as accurate as it would be to say that a dog suffering from fleas had outgrown its fleas. Fleas never fit dogs. The Constitution never fitted us. It never fitted us because it conflicts with the fundamental American ideal of majority rule. The history of the government of the United States under the present Constitution is a long history of rule by minorities. The Constitution by no means makes majority rule impossible, but it makes rule by a compact, energetic minority exceedingly easy. It was meant to make minority rule easy. The men who made the Constitution did not believe that majorities should rule. The men who made the Constitution were thoroughly imbued with the old political maxim: “Divide and govern.” That has ever been the maxim of the small, compact, well organized, intelligent but unscrupulous ruling class. Trump up fake issues! Fill the air with a din! Divide the majority into parties — *“and govern!”*

Almost all Americans believe otherwise. Almost all Americans believe that the Constitution provides for rule by majority. Almost all Americans believe that in spirit and substance, the Constitution and the Declaration of Independence are alike. Almost all Americans believe that the men who made the Constitution believed in gov-

ernment by the people. Opposite views are held only by those who know the facts.

James Madison probably had more to do than did any other man with the making of the Constitution. Madison is known as the “Father of the Constitution.” His memory is kept verdant by those who revere the Constitution. Yet, in the matter of majority rule, Mr. Madison, when he was urging the adoption of the Constitution, talked and wrote precisely as Mr. Taft talks and writes to-day. Mr. Taft has much to say about the “tyranny of majorities.” So had Mr. Madison. Mr. Taft has much to say as to the necessity of maintaining the Constitution to the end that the rights of minorities shall not be denied by majorities. So had Mr. Madison. Mr. Taft can never sleep quite well at night lest a “temporary majority,” inflamed by “popular passion,” shall trample upon the sacred rights of the minority. Neither could Mr. Madison. Mr. Taft’s views, when they became sufficiently known, helped to send him into political bankruptcy. People who believe in majority rule would have no more regard for the Constitution and James Madison than they have for Mr. Taft if they knew the Constitution and James Madison as well as they know Mr. Taft.

Nobody need be in any doubt as to where James Madison stood. He told where he stood and left a record of what he said. In Paper No. 10 of *The Federalist*, which was written by Madison, he said:

“Among the numerous advantages promised by a well-constructed union, none deserves to be more accurately developed than its tendency to break and control the violence of faction. \* \* \* When a majority is included in a faction, the form of popular government, on the other hand, enables it to sacrifice to its ruling

passion or interest, both the public good and the rights of other citizens. To secure the public good and private rights against the danger of such a faction, and at the same time to preserve the spirit and the form of popular government, is then the great object to which our inquiries are directed."

In the convention that framed the Constitution, Mr. Madison was even more explicit. Mr. Madison kept a *Journal* of the convention. In this *Journal* he quoted himself as well as others. On Wednesday, June 6, 1787, he quoted himself as having spoken as follows:<sup>1</sup>

"Where a majority are united by a common sentiment, and have an opportunity, the rights of the minor party become insecure. In a republican government, the majority, if united, have *always an opportunity*. The only remedy is to enlarge the sphere" (that is, unite all the States under a federal government) "and thereby divide the community into so great a number of interests and parties that, in the first place, a majority will not be likely, at the same moment, to have a common interest separate from that of the whole, or of the minority; and, in the second place, that, in case they should have such an interest, *they may not be so apt to unite in the pursuit of it.*"

In other words, Mr. Madison did not believe in government by the people. If "government by the people" means anything it means government by a majority of the people. Mr. Madison believed the majority of the people should have their way only at such times as they desired to perform acts which were not opposed by the minority.

Let us now consider the structure of our government, as it is laid down by the Constitution, and see how remarkably it is adapted to the carrying out of Mr. Madison's ideas. Our government consists, as everybody knows, of three departments, the legislative, the

<sup>1</sup> Elliot's Debates, Vol. V, p. 163.

executive and the judicial. As the Constitution came from the hands of Mr. Madison and his associates, the people were to elect only the lower house of congress, while other gentlemen were to choose the Senators, the President and the justices of the Supreme Court. Congress was given power to enact laws over the veto of the President, but a minority of one-fourth, in either house of congress, could block the majority and sustain the veto. The presidential veto has proved to be, as it was intended to be, all but insurmountable. And, while the Constitution neither authorizes nor forbids the supreme court to declare acts of congress unconstitutional, the court has usurped the power to do so, thus adding another factor to legislation.

This system is called the “system of checks and balances,” because each department of the government is supposed to be a check upon each of the others. To persons who do not know much about the Constitution, it is doubtless comforting to feel that they live under a government of “checks and balances.” Checks and balances suggest scales, and scales suggest justice. But this comfortable feeling does not last long when one learns whence came this system, how it originated and what it means.

It did not come from America. It came from England. The king of England used to be an absolute monarch. His will was the only law. The rich, titled gentlemen of his day did not always like his laws. They yearned to place a check upon him. They knew of no way to place a check upon him except by taking a hand in the making of laws. So, to put a brake upon the king, they established a house of lords, composed of some of their own number. They could not make the king enact any law they wanted, but they could

prevent him from enacting any law they did not want.

That helped some. It helped the aristocratic persons so much that the common people took notice. They, too, had grievances. The king and the lords sometimes passed laws that the common people did not want. So the common people decided to put a check upon both the king and the lords by establishing a house of commons. Thereafter no law could be enacted without the consent of the commons.

Thus do we see how naturally this two-headed legislative body came into existence, neither of which could do anything without the consent, not only of the other, but of the head of the State. Nor was it inconsistent upon the part of Mr. Madison and other gentlemen who were opposed to majority rule, to transplant this system to America. But what shall we say of Americans of the present day, who, believing in majority rule, nevertheless perpetuate this system? The British house of lords was created to check the king, but whom do we wish to check with our senate? The British house of commons was created to check both the king and the lords, but whom do we wish to check with our house of representatives? The British king and the lords both acted as a check upon the commons, but why should we wish the President and the senate to act as a check upon the house of representatives? The British people no longer have any "checks and balances" in their government. They put the king on the shelf, a long while ago, and the lords are now upon another shelf. The whole legislative power of the empire is vested in the house of commons. What the house of commons proclaims as the law of England is the law of England. The king dare not peep and the lords dare do no more than peep. Nor does the highest court of England dare

add to or subtract a comma from what the house of commons has declared to be the law.

The wealthy men of America are indeed fortunate that America still clings to this ancient form of government. The wealthy men of America, like wealthy men everywhere else, are not so much interested in obtaining better laws for grafting as they are in keeping the good grafting laws that exist. The grafter's ideal of “good government” is therefore a government that “stands pat” and does nothing. If the government will “let well enough alone,” the grafter will endeavor to take care of himself — handsomely. Like any other marauder, he will attend to his victims if the police will only keep their hands off.

But the prolonged cries of the victims frequently compel the governmental police to draw near. Bills are introduced in congress to prevent the particular kind of garroting that, for the moment, is disturbing the peace. It is then that the American system of “checks and balances” stands the grafters in good stead. The distribution of legislative responsibility between two houses of congress, the President and the supreme court invites almost interminable delay and obscures responsibility. What the house agrees to, the senate objects to. What the senate agrees to, the house objects to. What they both agree to, the President may object to. What the President and both houses of congress agree to, the supreme court may object to, or may “construe” in such fashion that it is made lifeless. These facts constitute some of the reasons why, in this country, a generation is required to bring about the enactment of a law that everybody wants. There are other reasons, but these are some of the reasons.

The division of legislative responsibility does more.

It makes both houses of congress houses of hypocrisy. There is and long has been, we will say, a great popular outcry against something, with a demand that congress shall enact remedial legislation. For a time, the outcry is ignored. It eventually becomes so loud that it seems best to pay some attention to it. In one house or the other — usually in the lower house — a bill is introduced to remedy the evil. The sponsor for the bill, not infrequently, is a man of doubtful reputation who needs the favorable publicity that the bill will give him. Whoever he is, he lauds the bill in a speech. The newspapers all over the land publish the speech. The people read the speech and are filled with gratitude that congress at last has heeded their cries. Particularly are the constituents of those congressmen who speak — particularly are these simple people filled with gratitude and pride. *Their* congressmen are in action. *They* are doing the people's work. Good news. The house passes the bill and it goes to the senate, where it is permitted to die.

Back of the bill, however, is so much public sentiment that pressure is brought to bear upon congress at its next session. If possible, this pressure is resisted by trumping up other issues that, for the moment, fill the public eye and cause the people to lose sight of their purpose. Otherwise, another bill is introduced in the house. It may, like the first one, be introduced by a hypocrite who is secretly in the service of the interests at whom the bill is aimed, or it may be introduced by an honest man. In any event, there is more patriotic speech-making by both honest and dishonest men, all of which is faithfully reported in the newspapers, and again the house passes the bill.

The practice in Washington among the representa-

tives of the great grafters is never to make a fight against a bill in both houses. The wisdom of this policy is plain. One house is thereby always permitted to appear to be the friend of the people, while the killing of a measure in one house is all that is necessary. Every Washington newspaper correspondent knows this. Any one may confirm the statement by watching the course of legislation for a few years. In the past, it has been the custom to introduce these fake bills in the house, pass them to appease public clamor, and impose upon the senate the duty of killing them. Perhaps the senators, now that they are elected by the people, will demand the right to pass a few fake bills themselves and let the representatives bear the odium of killing them.

In any event, after a bill has finally been driven into the senate the second or third time, it may have behind it so much backing that it becomes necessary to make a fight against it. The usual way, when it cannot be killed in committee, is to extend the debate upon it as many months as possible, in the hope that something else may develop that will overshadow it and make it safe to permit the session to close with nothing done. If nothing larger comes along, the bill may be permitted to come to a vote and be beaten or it may be hamstrung with amendments and passed. The course, in any given case, is dependent upon the strength of the opposition and what seems, in the circumstances, to be the most politic.

Is this not a fine example of "government by the people"? The picture is not overdrawn. The effort to establish a parcel post was attended with far more difficulties, and was prolonged over a greater period. A bill to establish a parcel post eventually became a law, it is true; but it was a sick bill when it came through.

It established just as poor a parcel post as congress dared to establish in the face of a thirty years' demand for an honest parcel post.

Here we see Mr. Madison "dividing and governing" on a scale more stupendous, perhaps, than he ever dreamed. Congress, which should be a reflex of popular opinion, is the place where popular opinion most often goes down to defeat. Not down to unconstitutional defeat; down to constitutional defeat. Public rights are outraged, but outraged according to the highest law of the land.

Let us, then, examine even a little more closely the highest law of this land. Let us see how representatives in congress are elected. In a republic we should expect to see the vote of one man count for as much as the vote of any other. We should not expect to see the votes of some men count for more than the votes of other men. But in this make-believe republic of ours, in which majorities are divided in order that minorities may govern, the votes of some men count for much more than the votes of some others. Let us look into this absurdity.

The Constitution, as Mr. Madison and his associates left it to us, provided that representatives in congress should be residents of the States which elected them. Now that the union is composed of forty-eight States, that provision in itself would have divided the people into forty-eight times as many groups as there are political parties. But we have outdone even Mr. Madison. We have enacted an unwritten law that requires each representative to be a resident of the district by which he is nominated. There are now, in the United States, 435 congressional districts. As there are four political parties of importance — the Democratic, Progressive,

Republican and Socialist — the people are divided, in congressional elections, into four times 435 groups, or 1,740 groups. If all the members of each political party were to vote for all of their respective party's candidates throughout the nation, the people would be divided into but four groups, but we are divided into 1,740 groups.

Kindly behold what this division does to us.

In the State of New York, at the election held in 1912, only 21,500 votes were required to elect a Democratic member of congress. That is to say, the Democrats cast approximately 650,000 votes and elected thirty members of congress.

If a man happened to be a Republican, however, his vote did not count for so much. The votes of 41,000 Republicans were required to elect a Republican to congress. The citizens of New York who joined the Progressive party fared even worse. One hundred and ninety-one thousand votes were required to elect a Progressive to the national house of representatives. And the 75,000 citizens of New York who voted the Socialist ticket were denied any representation, though, if they had been Democrats, they would have been given three representatives. Thus we see that in the State of New York, in congressional elections, a Democrat's vote counts for twice as much as a Republican's, nine times as much as a Progressive's, and as many times more than a Socialist's as thirty is more than nothing.

Every State affords a similar illustration; but let us take Iowa as an example. The Republicans of Iowa cast 24 per cent. of the vote and elected 72 per cent. of the State's representatives in congress. The Democrats cast 38 per cent. of the vote and elected 28 per cent. of the representatives. The Progressives cast 33 per cent.

and elected none. The Socialists cast a fraction more than 3 per cent. and elected none.

Throughout the nation, Mr. Madison's system of "dividing" the people into little groups resulted even more disastrously to popular government. The Democrats in 1912, cast 43 per cent. of the vote and should have had 187 representatives, but they obtained 291. The Progressives cast 28 per cent. of the vote and should have had 122 representatives, but they were given only 20. The Republicans cast 23 per cent. of the vote and should have had 100 representatives instead of 124. The Socialists cast a fraction more than 6 per cent. of the vote and should have had 26 representatives instead of none.

The electoral college absurdity was intended by Mr. Madison to be even more of an absurdity than it is, but it is still a constant menace to popular government. It is first a menace because it gives the small States voting power out of all proportion to their population. This is done by giving each State as many electoral votes as it has representatives and senators in congress. In the electoral college, for instance, the States of Delaware, Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah and Nevada, with a population of 2,835,839 have 33 votes, while Michigan and Massachusetts have only 33 votes, though in 1912 they had a population of 6,176,589. In other words, in voting for President, 3,340,750 citizens of Michigan and Massachusetts do not count. If they were to drop dead the result would be unchanged. Though they constitute more than half the population of these two great States, they are denied all representation, because the citizens of the nine little States are given too much representation. Putting it in still another way, each citizen of the nine little States

has more than twice the voting power of any citizen of Massachusetts or Michigan.

It should thus become plain to the dullest that the electoral college is still an enormous stumbling block to popular government. The danger that lay in this fraudulent institution was by no means removed when the people took from the electors the right to vote for their individual choices and imposed upon them the obligation to vote for the nominees of the parties who elected them. The electoral college still makes it possible for a man to be chosen President who did not receive a majority of the votes, and it sometimes makes it impossible for a man to be chosen President who did receive a majority. Mr. Tilden received a majority of the people's votes, but was nevertheless defeated in the electoral college. Though the Constitution says that no man shall be declared elected President unless he shall have received a majority of the electoral votes, it takes no note of the fact that the recipient of a majority of the electoral vote may have been opposed by more than half of the people. More than half of the people voted against Lincoln in 1860. More than half of the people did not vote for Mr. Wilson in 1912. The fact that Mr. Lincoln later immortalized himself in the Presidency has nothing to do with the wrong in the Constitution that makes possible the seating of a President whom more than half of the people did not want. If Mr. Lincoln had been an incompetent, the Constitution would still have required that he be installed.

The same may be said of Mr. Wilson, who received 435 electoral votes when, upon the basis of his percentage of the total popular vote, he should have had but 229. If each of the chief four candidates had received the electoral vote to which his percentage of the pop-

ular vote entitled him, Taft would have received 122 votes instead of 8; Roosevelt would have received 148 instead of 88, and Debs would have received 32 instead of none. Mr. Wilson would have thus had 229 votes, with which to face a combined opposition of 302. By the terms of the Constitution, the election would have been thrown into the house of representatives, where, if each party had had the representation — and only the representation — to which its percentage of the total vote entitled it, the Democrats would have had only 187 votes with which to confront a combined opposition of 248.

Conceivably the time may come when this inaccurate system of registering the people's will may result in giving a majority of the electoral vote to a man whom the great majority of the people distrust and have reason to distrust. At a critical time, such an "election" might precipitate a revolution. At any time such an election is an assault upon the fundamental principles of popular government.

The manner in which presidential candidates are nominated is also a denial of popular government. The Constitution makes no provision for the nomination of candidates. Therein the Constitution is grossly inadequate. The right to vote for presidential candidates is of exceedingly small importance provided it be not preceded by the right to determine who the candidates shall be. The people have never yet determined who their candidates should be. Politicians, usually backed by great business interests, have always usurped this popular function. Out of the struggles of politicians, good candidates have sometimes come, as Lincoln came, but such good fortune is not to be credited to the system that produced it.

The failure of the Constitution to provide definite means by which the people may nominate their own candidates is a failure of the first importance. The presidency has become too powerful an office for its incumbent to be the selection of a minority working in the dark. Nor can the United States be a real republic until its citizens shall be given the opportunity both to choose their own candidates and to vote directly for them.

The election of United States senators by state legislatures was another great injustice that Mr. Madison and his associates inflicted upon the American people. Nor has the wrong been righted by the constitutional amendment that gives to the people the right to elect senators. The fiction that the senate should represent the States and not the people no longer exists. The senate is now, no less than the lower house, a representative of the people themselves. What an absurdity it therefore is that Nevada, with a population of 81,875, should have as many senators as New York has, with a population of 9,113,614. New York, having as it does, more than 111 times the population of Nevada, still has no more representation in a purely representative body such as the senate has come to be. This is equivalent to giving each citizen of Nevada 111 times as much representation in the senate as any citizen of New York enjoys.

This is neither common sense nor political honesty. It is equally remote from any principle that should underlie a republic. A republic cannot exist upon such principles. The senate, though it has but 96 members, has equal powers with the house in all legislative matters, and exceeds the house in that it shares with the president the power of making treaties and filling public offices. Since the senate no longer represents the States,

but the people, every consideration of justice therefore requires that representation in the senate should be based upon population. It is a manifest absurdity that New York, with a population of 9,113,614, should be represented by only two senators, while 36 senators should represent the 8,635,666 persons who live in Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Maine, New Hampshire, Vermont, Rhode Island, North Dakota, South Dakota, Delaware, Florida, California and Oregon. The nation perhaps might well consider it an affliction if New York had 36 such senators as it usually has, but if the people of New York were actually to nominate and elect their senators, there is a possibility that such gentlemen would not be chosen.

At any rate, as citizens of the United States, residents of any State are entitled to equal representation in the senate with residents of any other State. As the Constitution now stands, this right is denied to all of the citizens of the larger States.

In this brief space no attempt has been made to do more than point out some of the more grievous wrongs that are imbedded in the structure of the Constitution. I do not call these wrongs defects because they did not come about by negligence or by ignorance. They were placed in the Constitution to make this the sort of a "republic" that the aristocratic gentlemen of 1787 wanted the United States to be. Our patriotic forefathers believed we could not be trusted to conduct this government as their interests required that it should be conducted, so they drafted a constitution under which government by the people became a practical impossibility. They talked glibly about a "republic" and handed the people the sop of representation in the house of rep-

representatives, because they realized that unless they made a pretense of creating a republic the new Constitution would be rejected.

Doubtless these statements will come as something of a shock to those persons who know nothing in particular about the Constitution except that they have always been told that it is almost a sacred document. Little lawyers, puffed with pride that the Constitution underlies so much of their learning, are also likely to remain unconvinced that the organic law of the United States is not the last word in republican government. But men of information and intelligence will not be surprised. To such as these, all that has been set down here is but an old story. President Wilson knew all of these facts and others when, long before he became President, in writing about the Constitution, he said that “it had been meant to check the sweep and power of popular majorities”; that it was “not by intention a democratic government”; and that “the government had, in fact, been originated and organized upon the initiative and primarily in the interest of the mercantile and wealthy classes.”

Mr. Wilson, writing long before he became President, also knew how it came about that this Constitution, which the rich men of the eighteenth century created for the benefit of themselves and their class, was eventually palmed off as a great instrument for popular rule. Concerted, energetic means were taken by the rich men of the day to change public opinion, which, from the beginning, had been hostile to the Constitution. As the result of such efforts, said Mr. Wilson,<sup>1</sup> criticism of the Constitution “soon gave place to an indiscriminating and almost blind worship of its principles \* \* \* and

<sup>1</sup> Congressional Government, p. 4.

criticism was estopped. \* \* \* The divine right of kings never ran a more prosperous course than did this unquestioned prerogative of the Constitution to receive universal homage. The conviction that our institutions were the best in the world, nay, more, the model to which all civilized States must sooner or later conform, could not be laughed out of us by foreign critics, nor shaken out of us by the roughest jolts of the system."

After the passage by congress of the Underwood tariff bill, Mr. Wilson issued a statement in which he congratulated the country upon the enactment of a law reducing the tariff after a fight that had lasted "a long generation."

How much control have the people over a government that requires "a long generation" to respond to their demand for lower tariff duties?

"Divide and govern"—that's the thing. Split the majority into small parties and the minority will take care of itself. Such was the philosophy of Mr. Madison. The Tammany statesman who said "Give the people what they want, but make it unconstitutional," had substantially the same philosophy, but lacked the fine choice of language that characterized Mr. Madison.

## CHAPTER V

### WHAT WE SHOULD HAVE

**N**APOLEON BONAPARTE once remarked to his friend, Count Roederer, that "a constitution should be short and obscure." A bulldog, if it could speak, would doubtless still contend that the best kind of chain with which to prevent a bulldog from biting common citizens is a short, weak chain. But if common citizens were, by becoming the aggressors, to exchange places with bulldogs, we should scarcely expect the common citizens to chain themselves firmly to posts merely because they had deemed it wise to chain the bulldogs when the bulldogs were fighting them.

That which is plain to everybody, however, when it pertains to bulldogs, is plain almost to nobody when it pertains to constitutions.

A constitution, except in so far as it provides the machinery of government, is a chain upon the hind leg of government.

The chain fixes a line beyond which the government cannot go. If government be by a thievish minority interest, it behooves the productive majority to shackle the minority with a constitution.

But if government be by the productive majority, the logic that brought the constitution into being no longer exists.

The people, having taken over the control of govern-

ment, have no need to hamper government, because to hamper government now means, not to hamper their opponents, but to hamper themselves.

In other words, the question as to whether the people are benefited by living under a constitution bristling with "don't's" is solely a question as to whether the people, or those who would rob them, are in control of the government.

The question as to whether a thievish minority interest is helped or hurt by a restrictive constitution is also solely a question as to whether the minority interest is in control of the government. If the minority be in control of the government, a constitution can be of no value to the minority except as a protection against a threatened uprising of the majority.

If the sway of the minority be threatened, the inclination of the minority toward a constitution will exactly correspond to the minority's fear of the majority.

In short, the attitude of the thievish minority toward a constitution is and ever has been a sort of thermometer, the ups and downs of which reflect the minority's faith or lack of faith in its own ability to keep the control of government from the majority.

So long as a minority, as personified by an absolute monarch, has firm faith in its power to hold on, a request for a constitution is regarded as an impertinence.

If the majority be so restless that it seems expedient to pacify them, yet so ignorant that they can readily be deceived, it has ever been the custom of gentlemen like Napoleon Bonaparte to favor "short and obscure" constitutions.

But when the majority become so insistent that they constitute a real menace to minority rule, then it is that

the minority, looking forward to the time when they will be driven from power, come out strongly for the written word in constitutional law.

*When minorities and majorities exchange places they also always exchange their opinions with regard to the desirability of hampering the governing power with restrictive constitutions.*

The minority, in the face of danger, modify their opinions even more rapidly than the transposition proceeds, because the minority are better informed and more energetic than the majority. The majority, busy with their daily labor and less concerned with government, change their views less rapidly than the transposition proceeds. Their minds, in other words, follow the event at some distance.

All of which explains why the grafting class of this country, as it sees governmental power slipping through its hands, stakes more and more upon the Constitution, while the people, as they gain power, progress steadily toward a state of mind that will ultimately cause them to destroy the Constitution.

Yesterday they destroyed the senate that was and fashioned a new one.

To-morrow they will discover that having done no more than destroy the senate that was they might as well have done nothing.

Thus is the Constitution destined to go down before the logical processes of the people's own thought.

It cannot stand because it ought not to stand.

It must give way as everything must give way that was reared to prevent the people from asserting and exercising mastership over themselves.

It may therefore not be amiss at this time to sketch the general outlines of a constitution under which the

people of the United States could actually become self-governing. Accustomed as we are to the sight of scores of men, wrestling for months to draft a constitution for a State, it may seem preposterous for an individual to present, in a few pages, the general outlines of a constitution for the United States.

If we reflect a moment, however, we shall see wherein the two tasks radically differ.

When we see a state constitutional convention in session, we behold gentlemen representing every variety of conflicting business interest who, for the most part, are in agreement upon but one point — they most earnestly desire to fashion a fundamental law under which a small minority (the capitalist class) may rule the great majority (the working class).

That this is no small task may be realized when the fact is considered that, to accomplish the desire of the capitalist minority, the political institutions of the State must be so fashioned that the majority will seem to have dominating power that actually resides in the minority. In other words, while giving the minority the substance, the shadow must be given to the majority.

To foist upon the people of a great State, who both believe in and demand self-government, a constitution under which a mere handful actually govern, is indeed a task that may well engage the careful attention of the most artful corporation lawyers and their lesser associates. It is a task that, in difficulty, suggests the placing of a pyramid in perpetual balance upon its apex. But the task of drafting the outlines of a constitution under which the people could really rule themselves presents neither such embarrassments nor such difficulties. It is relatively as much more simple than the drafting of a fraudulent constitution as straightforward

truth-telling on the witness stand is simpler than protracted lying — and for much the same reasons.

A constitution under which the people could actually govern themselves should make a congress, composed of a single house, the chief instrument of government. A measure, having passed the scrutiny and received the indorsement of that single-bodied congress, should become the law. No senate should be permitted to mangle or kill it. No president should be permitted to touch it. No supreme court should be permitted to alter a word of it. Even the constitution should contain nothing to prevent congress from enacting either that or any other law. But the people should have the right to halt the execution of the law and, after consideration, kill every word of it.

A congress, to be worth while, should have great power, but, to be safe, it should be offset by a greater power. The people's rights can never be safe so long as that greater power resides elsewhere than in the people themselves. These rights are too precious to entrust to any one man, even though he be the president. They are too precious to entrust to any nine men, even though they wear black robes and be justices of the United States Supreme Court. The voice of congress should be regarded as the presumptive voice of the people, and nobody but the people themselves should have the right to countermand its orders.

Congress should consist of but one house because, in a nation fitted for self-government, that government is best, in the long run, which responds most promptly to the desires of the people. Every check that the present Constitution places upon the house of representatives was placed there, not to safeguard the interests of the majority, but to safeguard the interests of the mi-

nority. Congress was split into two houses to assist the few in thwarting the will of the many. The President was given a qualified veto to enable the minority and the President to overcome the majority. The supreme court, too, in usurping the power to declare acts of congress unconstitutional, sought only to prevent the representatives of the majority from enforcing their will. Each of these devices has done and is doing what it was intended to do.

The division of congress into two houses helps only the grafters. If congress were divided into three houses, the situation of the grafters would be still more pleasurable to the grafters. The longer the gauntlet down which a bill must run, the greater the opportunity for grafters to knock it out. If congress were composed of half a dozen houses, with the consent of all necessary to the enactment of any law, it would be impossible to enact any law worth enacting.

The argument that is most frequently offered in justification of a congress composed of two houses is that hasty, ill-advised legislation is made less likely and that government is thereby given greater stability. But government should possess not only the quality of stability, but the quality of mobility. It should move when the people order it to move. A government that is incapable of a large degree of mobility will not, in fact, forever remain stable. A thoughtful, aspiring people will not forever tolerate a form of government that tantalizes them with its procrastinations and its general inadequacies. And, so far as "hasty, ill-advised legislation" is concerned, this plea is but a subterfuge. No interest in this country has compelled so much hasty, ill-advised legislation as the selfish interest that usually controls this government. What this in-

terest really fears is all legislation, "hasty" or otherwise, that makes the business of grafting less remunerative.

While congress should be composed of but a single house upon which not even the Constitution should place any restrictions, the people should have the power, through referendum, to repeal or modify any and every law that congress may enact. When the people have this power, constitutional restrictions upon congress will be unnecessary, because every measure will then be passed *subject to the approval of the people*. This approval may be manifested by silent acquiescence, or by an affirmative referendum vote. In any event, no law can exist against the people's wishes. Such laws as the people oppose they will, if necessary, destroy by direct vote. If congress shall neglect or refuse to enact such laws as the people desire, the people will then enact such laws by direct vote. With such powers, including the power of recall, vested in the people themselves, the rights of citizens will be safeguarded as no flimsy words in a constitution ever safeguarded human rights.

The right of the people to repeal and enact laws and recall public officials should be exercised according to laws approved by the people. It should be made impossible for a disgruntled minority, of insignificant proportions, to keep the government continually in a turmoil by constant appeals to the initiative, the referendum, and the recall. The percentage of petitioners required to submit a question to the electorate should therefore be made high enough to shut out triflers without constituting a serious barrier to the well-intentioned.

On the other hand, better means should be provided for obtaining the number of signatures necessary to set the machinery of direct legislation in motion. This

machinery is exceedingly defective in those States in which the initiative, the referendum and the recall are in force. The law makes no provision whatever for the gathering of signatures. Interested persons or organizations are therefore left to hire canvassing forces — and to pay them. The gathering of signatures in this manner is exceedingly expensive. The cost has often been reported to be as much as ten cents each. This charge amounts to a considerable sum, even in a city where only a few thousand signatures are required. Such a charge would make it impossible for any but a very rich man to set in motion a national referendum for the repeal of a law enacted by congress. Yet, if direct legislation be not made accessible to the people, it is not direct legislation. It is a sham.

Perhaps as good a way as any to bring direct legislation within reach of the people would be for the government to utilize the postal service in the circulation of petitions. We have approximately 60,000 post offices. Upon the payment in advance of a sum sufficient to cover the cost of printing 60,000 copies of the petition setting forth the question at issue, the government might undertake to place a petition in each post office and authorize the postmaster to witness signatures. If not enough signatures should be obtained within a stipulated reasonable time to cause the matter to be submitted to a vote of the people, the deposit made by the instigator should be retained by the government. If the required number of signatures should be obtained, however, the deposit should be returned, on the theory that any law that is so objectionable, say, to 10 or 15 per cent. of the voting population that they demand its repeal is at least so questionable that the public should bear the expense of submitting it to the great jury of the public.

The cost of obtaining a million signatures in this way might be set at \$2,000. The same number of signatures, at 10 cents each, would cost \$100,000. The \$2,000 charge would discourage triflers. The reduction from \$100,000 to \$2,000 would encourage the well-intentioned. The return of the \$2,000, in the event of the required number of signers being obtained, would make direct legislation still more accessible to the people. Nor would the \$2,000 deposit stand in the way of any proper use of direct legislation. Two thousand dollars would constitute a greater sum than any individual, except a rich man, would care to stake.

But the way should not be made easy for an individual having few or no followers to submit a question at a general election. Serious matters of national importance will always command enough adherents to make the raising of \$2,000 insignificant. Rich individuals who might be willing to risk \$2,000 in the hope of compelling a vote on a matter to which the public was opposed would cease to be active as soon as they had failed a few times and lost their money each time.

The manner in which the initiative, the referendum and the recall should be operated, or how fraudulent signers of petitions should be punished, are not, however, subjects that should be considered in a constitution. The foregoing suggestions are made merely to indicate the ease with which congress might be held in perfect check by the people. I simply make the point that no popular government can be conspicuously efficient unless it is built around a great congress; a congress unshackled by constitution or courts, yet a congress that is at all times under the control of the people.

Members of congress should not be elected by districts, or even by States, but by the people of the United

States, voting at large. Nominations should be made by districts, but the electors of a district should not be confined to their district in the choice of a candidate. Electors in Maine should have the right to nominate for congress a citizen of California. The present Constitution does not require that a congressional candidate shall be a resident of the district from which he is nominated, though it does require that he shall be a resident of the State, but custom, which has acquired the force of law, requires that he shall be also a resident of the district.

The present method of nominating and electing members of congress works against the interests of the people in several ways. The provision requiring a member of congress to be the resident of the district and the State which he represents tends to make him, when he goes to Washington, not a national legislator, which is all he should be, but a state legislator and even a district legislator. From the moment he takes office, he is likely to think more about his district and his State than he does about the United States. Whereas his first concern should be to serve the United States, the circumstances of his election compel him to shape his official conduct so that it shall make particular appeal to his district.

A member of congress, having political ambitions to gratify, naturally seeks to make particular appeal to the people who have it in their power either to keep him in or withdraw him from congress. The people of the United States have no control over a member of congress, though they pay him his salary and he is supposed to have no other official duty than to serve them. On the other hand, the voters who reside in the district of a member of congress have power to do with him as

they will. Thus does it come about that the present system of electing members of congress causes them to exhaust their resources to placate, appease, cajole, wheedle and, with patronage, to buy enough voters in their respective districts to keep the incumbents in their seats.

And the division of the people into more than 1,700 groups, instead of the four or five groups into which they should be divided, brings about a false representation in congress. The parties whose votes are geographically distributed most fortunately gain unjust advantages. In each district, all of the votes in excess of a bare plurality are lost. Two hundred thousand more Democrats could move into Texas, for instance, without changing a single political result. Their votes would not count (because they could not count) against Republican votes cast in other States. A vote cast in any congressional district does not count against an opposition vote in any other district. Thus does it come about that by dividing the country into more than 400 districts we sterilize the votes of more than 400 groups of citizens—the votes of all of those in excess of a bare plurality in each district.

Theoretically, this system should produce the best possible results. Apparently, we have here a system that tends to make each member of congress do his best for his district; and, if each of 435 congressional districts be admirably served, it might seem as if the nation that is composed of these districts will be admirably served. But, in practice, this system does not so work out. The selfishness of each district is pitted against the selfishness of each of the other districts. At each session of congress a majority vote against their consciences to erect public buildings that

should not be built, to dredge creeks that should not be dredged, and to do scores of other foolish acts that should not be done, involving the expenditure of hundreds of millions, merely because each is intent upon winning a few votes by giving unjust advantages to his district. Each man knows that most of the other appropriations should not be made, as he knows that the appropriation for his own district should not be made, but he also knows that unless he votes for all the steals, which are lumped in a single bill, he cannot put through his own steal.

This process of causing perhaps 350 representatives to vote for a great many appropriations that they know to be bad, merely to get appropriations for their respective districts that they also know to be bad, is known as "log rolling." It is at the bottom of much vicious legislation. It has its source in the election of members of congress by districts and States. A public official should be elected by the persons whom he is supposed to serve. A member of congress has no other legitimate public business than to serve the people of the United States. The people of the United States should therefore elect members of congress.

The names of all the congressional candidates in the United States should go upon a blanket ballot, under party and state designations. The candidates of each party should be placed in a separate column, and the usual provisions should be made for voting a straight ticket by placing a cross at the head of it. With six congressional tickets in the field, the congressional ticket for the nation would be six columns wide and perhaps four feet long. The voting of a straight ticket for 435 candidates, however, would require no longer than it

takes to make a cross, and the substitution of a dozen names would require but a minute or two more.

The criticism of this plan that might most certainly be expected is that it would require the voter to pass his opinion upon so many candidates whom he did not know, since the voter in each State would vote for the candidates in all the other States. This criticism, however, is not valid. In the first place, the average voter now knows next to nothing of the congressional candidate for whom he votes. He has much misinformation about the candidate of his party in his district, but little actual information.

But the fact that really undermines the objection is that personal knowledge of a candidate has almost nothing to do with the question of whether a given man should vote for him. Voters are too frequently misled by shallow pleas in favor of this or that candidate, who is urged upon their consideration because of certain real or supposed virtues. Merely because a man is a "fine father," a "good husband" or an "exemplary citizen" is no reason why anyone should vote to send him to congress. The casting of a ballot should be determined, first, by the principles for which the candidate stands; second, by the probability that, if elected, he will stand by his principles.

No one who has not special and authenticated information with regard to the unfitness of a candidate on his own ticket can do any better than to vote for all the congressional candidates of his party throughout the United States.

In this matter, political principles count for more than men. Good political principles can make even a mediocre member of congress useful, but bad political princi-

ples cannot be made good by the best man. Therefore, each citizen is best represented in congress by the man who best expresses the citizen's political views, quite regardless of whether the member of congress is personally agreeable to the citizen or not.

Party representation in congress should be in exact proportion to party strength in the nation. One of the greatest evils of the district method of electing members of congress is that it oftentimes enables a party that polls three-tenths of the popular vote throughout the nation to have half or perhaps more than half of the members of congress.

Each party should nominate as many candidates for congress as there are seats to be filled, or as the party may choose to contest. The election having been held, the percentage of the total vote cast by each party should be ascertained. Then, of the candidates on each ticket receiving the greatest number of votes, enough should be set apart to give each party as great a percentage of the membership of congress as it had of the popular vote, and the number so set apart should be declared elected. In the event of the death or resignation of a member of congress, his place should be filled by the candidate of his party who received, at the preceding election, the next largest number of votes. This method would automatically prevent seats from remaining vacant while rendering it unnecessary to hold special elections.

The President of the United States should be the business manager of the nation. He should be nominated and elected by the people at large, without the interference of a convention or an electoral college, and a clear majority of all votes cast should be required to bring about his election. In the event of no candidate re-

ceiving a majority at the regular election, the people should immediately proceed to choose a president from the leading two candidates. And, having been elected, the President should be subject to recall, at any time, by a majority of those voting.

The President should be an executive officer. He should have no power to veto acts of congress, nor should his approval be necessary to the validity of any congressional act. His chief duty should be to execute the will of the people, as expressed through acts of congress. In performing his duties, the President, as such, should have no "policy" apart from the policy of congress. Since the people cannot daily outline their attitudes on the various questions that present themselves, it is more nearly safe to entrust congress with the task of declaring what is the popular will than to permit any one man, however exalted his station, to do so.

This means, of course, the diminishing of the President's power, but the President's power should be diminished. The people of the United States have only a certain amount of power. It must be vested among one or more men. If all the power were vested in the President, he would be an absolute monarch. If all the power were vested in congress, the President would be a weakling. The proper line of division is to place all of the legislative power in the hands of congress, and all of the executive power in the hands of the President. We now place all of the executive power and part of the legislative power in the hands of the President. The Presidential right to veto acts of congress is legislative power. To the extent that the President holds legislative power, congress is weakened. To the extent that the President, in executing the laws of congress is

permitted to have a "policy" apart from the policy of congress—to that extent, too, the power of congress is weakened. And the people should never permit the legislative power of congress to be weakened.

Since the people must delegate their legislative power, it is much more nearly safe to delegate it to a large body of men than it is to delegate it to one man. We have chosen to delegate it to congress. If we cannot trust a majority of 435 men, we cannot trust any one man. Nor should we expect our business to be transacted if we permit one man in the White House, having veto power, to count for as much as two-thirds of the members of both houses of congress—nearly 400 men in all. No President is 400 times wiser or better than any man.

Yet the presidency should be by no means shrunken to an impotent office. The business managership of a concern capitalized at one hundred and twenty billion dollars and having ninety million stockholders would seem to call for about all the ability that any man possesses. Such a concern is the United States. Congress should be its board of directors. The President should carry out the will of the board. He should both have and make frequent use of the right to enter congress either to advise or to consult. The President and congress should work in close touch and in decent harmony. But, having advised, the congress and not the President should decide. If the President cannot abide by the will of congress, he should resign. If he will not resign, either he or the congress should be recalled.

Under a democratic constitution, State lines would also largely disappear. They are now little more than relics of a day that is past. We came into this union thirteen struggling, little States, each intensely jealous

of its own rights and mightily afraid of foreign aggression. We have evolved into a nation. If we are anything to-day, we are Americans, rather than Missourians, Californians or New Mexicans. We are no longer jealous of each other or afraid of our neighbors. The telegraph and the railroad have brought us together, and made us acquainted. Our needs are common to us all and known to us all. No longer is there reason why each State should make its own laws pertaining to subjects that are of equal interest throughout the nation.

It is absurd, for instance, to give congress the right to legislate against child labor in the District of Columbia, in which comparatively few children live, while forbidding it to legislate against child labor where almost all the children live.

In other words, there are certain evils that we all recognize as evils: child labor; the overworking of women and men; insanitary and inadequate housing; adulterated and poisoned food; robbery in all of its various manifestations, either through the watering of stocks or the exacting of exorbitant prices for services or commodities — these are but a few of many similar subjects that might be mentioned. Yet congress is forbidden by the Constitution to legislate against any of these evils except in the case of products shipped from one State to another, unless the evils chance to exist in the District of Columbia. We who live elsewhere must apply to our respective state legislatures. Each battle for the improvement of conditions must therefore be fought 48 times before it becomes effective over the nation.

Such conditions play splendidly into the hands of wrongdoers, but they harm every one else. If child labor is harmful, it should be prohibited throughout the nation by a single act of congress. If bad food and

bad housing are not to our liking let us end them and at once. We have been fighting child labor in state legislatures almost since the oldest inhabitants were children, yet child labor persists with little prospect that present methods will end it before the birth of the grandchildren of those who are now children. In other words, state lines which, in the beginning were set up for public protection, have become obsolete for their original purposes; and, having become obsolete, they have been seized upon by grafters of various kinds to retard and delay the people in their efforts to run down grafters. Matters that exclusively concern certain communities may well be left to the consideration of local legislative bodies, but congress should have complete power to deal with any subject that concerns all the people of all the States.

Such are the outlines of a constitution under which the people could actually govern themselves. I have done no more than sketch the outlines because it would be absurd for any individual to presume to fill in the detail. It should go without saying that women as well as men should vote, and that the people should have the right, at all times, to amend the Constitution, either upon their own initiative or upon the initiative of congress. Judges should be elected by the people, subject to popular recall, and no court should have the power to declare any act of congress unconstitutional. No court should have even the power to interpret the law. If the law be so obscure that men of average intelligence cannot understand it, no court should be permitted to hazard a guess as to what congress meant and give its guess all the force of law. Rather should the court return such laws to congress with the suggestion that they be phrased in simple, understandable language.

I am emboldened to believe that the foregoing sketch may not be entirely without merit from the fact that each part of it is now in successful operation somewhere in the world. The legislative body composed of but a single house is, to all intents and purposes, in existence in England. Proportional representation in congress is in effect in Switzerland. France and Switzerland both exalt the legislature at the expense of the executive, while the initiative, the referendum and the recall are in successful operation, not only in Switzerland but in several American States.

## CHAPTER VI

THE BEST CONSTITUTION, IN ITSELF, WOULD NOT BE  
ENOUGH

WE need a new constitution. We cannot govern ourselves with the one we have. We have never governed ourselves with the one we have. A few have always governed us that they might the more easily prey upon us. We have had worse government than we should have had under a better constitution, but under the best constitution, we should not have had the best government. Something more than a good constitution is required to produce good government. Back of the constitution must be people who know how to get what they want. They must know wherein their own interests lie. They must not be for a protective tariff merely because a certain group of grafters can use a protective tariff in their business. They must not be for a low tariff merely because a certain other group of grafters cannot use a high tariff in their business. They must know, not merely what they want, but how to get it through government.

The best constitution cannot supply such wisdom—or any wisdom. No good constitution can do more than to provide the governmental machinery with which the people may apply such wisdom as they have. The machinery is necessary, but it is not all. If we have nothing worth while to express through government, we

should not be surprised at government that is not worth while. That is what is the matter with the people of England, and, to a certain extent, we may say the people of California, Oregon, and Arizona. The people of England have the power to rule themselves. No written constitution is in their way. No courts are in their way. Whatever the people of England say is the law *is* the law. But the great misfortune of the people of England is that they have no ideas of value to themselves to express through the law. They let their grafters do their thinking for them as we let our grafters do our thinking for us. The people of England, possessing, as they do, the machinery for self-government, are like business men sitting at telephones without a business idea to transmit through the phones.

Almost the same may be said of the people of California, Oregon and Arizona. The Constitution of the United States is over them, so they are not so nearly free as the people of England. But, in so far as citizens of States can be made free by state constitutions under which self-government is possible — just to this extent the people of these three western States are free. All have the initiative and the referendum. The people of California can recall any official, from the governor down, except the judges, and the people of Arizona can recall their judges. Yet the people of these States are making but small use of their great powers because they do not know how to use them. Rich men rule in California, Oregon and Arizona. Rich men rule because the rest of the people accept the fundamental political ideas of the rich and vote to perpetuate them.

In some of the following chapters, I shall dwell upon certain great matters of governmental policy and public habit that would have produced bad government if per-

formed under the best constitution. Nothing that we do is worse for us than to permit the newspapers to make our political issues and our political heroes for us. Most of the great newspapers are controlled, in one way or another, by the great grafters. They may know how the great grafters could be caught, but if they do know, we may be quite sure they will not tell us. Each day they pretend to tell us, but upon no day do they tell us.

We have followed all the advice they have given without improving conditions. We have even stultified ourselves to follow their advice. We have elected Republicans and then kicked them out to put in Democrats. We have declared for a high tariff and then for a low tariff. We have done precisely as we have been told to do. Yet nobody can tell from the burden upon his back which party is in power. What is promised this year is withheld next year. The cost of living is always "about" to come down, but it never comes down. Yet, one group of grafter newspapers or another are always telling us that we have done precisely right. When we elect Republicans, the Republican newspapers commend our judgment. When we elect Democrats, the Democratic newspapers commend our judgment. We never commend our own judgment, because we have no reason to feel satisfied with what we have done. We are therefore usually engaged in voting "against" some party, rather than "for" another. That is because less thought is required to repudiate a party that has betrayed us than to choose another that will not betray us. The grafters, through the newspapers, take advantage of this state of mind and lead the public back and forth, from one capitalist political party to another.

## CHAPTER VII

### THE PRESS AND THE TARIFF

**A**RON BURR once undertook to define judge-made law. "The law," he said, "is whatever is boldly asserted and plausibly maintained."

Burr might have gone much further and still been within the facts. He might have said that public opinion is whatever is boldly asserted and plausibly maintained by most of the newspapers and magazines.

Nobody has ever come within gunshot of adequately estimating the power of printer's ink. It is a power so great that, in comparison, every other power in a republic seems puny. We hear much of the money power, but money without ink has no power. Money is powerful only because it can buy ink. Give me all the ink and Rockefeller all the money and I will undertake to create a public opinion that will render Rockefeller's money as sterile as a stone. That public opinion is so often monstrously wrong is because the little class that owns most of the money also owns most of the ink.

It may be pleasing to the rising generation to know how this game is worked. It may beguile the mind of youth to see the stuff of which our greatest political heroes are made and to behold the manner in which the blackest lies are palmed off as whitest truth. If so, let us give heed to Washington, for it is there that our heroes are spawned. Washington, always politically pregnant, never is without a new hero in process of crea-

tion. Great uncertainty usually exists as to who shall be born next. Great rivalry always exists as to who shall be next born. A beautiful fairy story was once written about the competitive eagerness with which the little children in Babyland strive to be wafted into this world. I always think of this story when I am in Washington. In the days when William Sulzer —“the same old Bill” — was a Tammany congressman, it was a gorgeous sight to see William soothing himself with the belief that he was about to be born into the hero class. In those days, it was Sulzer's pleasing custom to promenade down “Peacock Alley,” at the New Willard, at the precise after-dinner moment when he believed most eyes would be upon him. Being 227 miles from his poverty-stricken New York constituents, of course he wore evening dress, including a velvet waistcoat. Naturally, also, he walked slowly, as great men should. And, having navigated the “Alley,” it was his custom to take up a position against one of the imitation marble columns in the lobby, to be greeted by whomsoever should see fit. It was indeed an inspiring sight to see him gazing solemnly at the floor while gentlemen having the wit of kittens begged his indulgence as if he were a king. It was indeed a grand sight — but it is no more, for William has gone from Washington, and other imitation heroes are leaning against the imitation marble columns at the Willard.

Yet, some of the imitation heroes seldom or never go to the Willard. The Hon. Oscar W. Underwood is one of these. The Honorable Oscar, as the father of a tariff law that bears his name, has become too exclusive to mingle with the cheap embryo heroes that swarm around taverns. Gentlemen who wish to see him will have to go where he is — he will meet them at no half-way

house. Gentlemen who wish to see him will also have considerable trouble to find him, for Mr. Underwood has become so rich in ink-made renown that, in at least one respect, he resembles gentlemen who are money-rich — he has many official abiding places.

As a mere congressman, he has a right to an office in the great marble House Office Building, but as the chairman of the Ways and Means Committee, he does not exercise it.

As the chairman of the Ways and Means Committee, he has a right to an office in that splendid committee room in which so many stupendous steals have been engineered; but, as the leader of the Democratic majority in the House, he does not exercise it.

Anyone who wishes to find Mr. Underwood will have to ask questions as he cannot be found in either of the afore-mentioned offices, nor is his name upon the glass of any door. Anyone who asks questions will eventually be informed that the object of his search may be found only by following a narrow hallway, which skirts the east side of the chamber in which the house of representatives sits.

This hallway, which is bounded on one end by a statue of Thomas Jefferson, is bounded on the other by a live negro. This negro, upon request, will give the information that Mr. Underwood's office is inside the unmarked door beside the elevator shaft; and, quite likely, the negro will rap on the frosted glass and bring to the door Mr. Underwood's secretary. And, in a little room, no larger than many a grocer's parlor, bereft of all the dimensions and gorgeous upholstery that little men require to make them seem large, Mr. Underwood sits.

Mr. Underwood is a very interesting gentleman,

partly because fate may sometime catapult him into the White House, and partly because of his personal qualities. I should say that the department store business lost a great floorwalker when Mr. Underwood set his feet upon the road that led him into politics. He is a perfectly sanitary looking man of 52 years. When he walks, he has the soft, measured, confident tread of a floorwalker. His hair is combed just as it should be, his soft eyes beam in precisely the proper way. Though we were talking tariff and such things, the thought was always in my mind that the next moment he would say: "Three aisles over at the rear of the store."

My particular mission to Mr. Underwood was to ascertain from so eminent an authority exactly wherein and to what extent the tariff law of 1913, then new, would ease and simplify the common people problem of keeping alive. I knew that, in this respect, the Democratic platform upon which Mr. Wilson was elected and to which Mr. Underwood subscribed, had promised much. That platform had bitterly upbraided the Republican party for its "attempts to escape responsibility for present conditions by denying that they are due to a protective tariff." If the Republican tariff were the cause of the high cost of living, or much of it, it therefore seemed a fair conclusion that the destruction of the Republican tariff would do away with the high cost of living, or much of it.

But, before we enter the actual presence of the gentleman who should be known from one end of the country to the other as "The Overestimated Mr. Underwood," let us indulge in certain reflections that may give us brief nourishment. A number of years ago, when Mr. Roosevelt was President, his proposals did not always meet with unanimous endorsement, even among radicals.

Some radicals believed Mr. Roosevelt did not go far enough; others believed he went too far. But both kinds of radicals heartily united in an appreciation that took substantially this form: "Well, thank God, we have at least progressed to the point where a politician who wants to win public favor must talk about something else than the tariff." In other words, these simple radicals believed that the fraudulent old tariff issue had finally been put on the shelf.

Kindly observe, now, how the power to determine just what use shall be made of printer's ink also determines what people shall think about. After the defeat of Bryan in 1908, certain great Democratic newspapers began a concerted campaign to bring the tariff question to life. In this campaign the New York *World* took the lead. First, there were brief editorials of regret that the good old days of Grover Cleveland were past, coupled with the expression of the fervent belief that if any Democrat of national reputation would go to the front on the tariff issue, the people would rally to his support and restore the Democratic party to power. What good ever came to the common people as the result of the Democratic party coming into power, the *World* did not pause to explain; newspapers that are engaged in a "campaign of education" never take the trouble to tell the people anything new that is true.

At any rate, the *World* continued to harp on the tariff until it broke forth in a series of cartoons entitled "The Empty Market Basket." "The Empty Market Basket" was an attempt to visualize the twin horrors of American life—the high cost of living and the Payne tariff law. The visualization was brought about by presenting a picture of a woman carrying a market basket. The woman of course wore a shawl

over her head, was tagged by two or three half-starved children, and her basket was empty. A brace of pups labeled "High Tariff" and "High Cost of Living" were presented in the act of wrestling on the grass with a couple of pounds of ham and bologna sausage that they had hooked from the basket. The changes were rung, day after day, upon some such scenery as this, while editorials in adjoining columns blared and bleated about the tariff being a "tax upon poverty." If we could only get rid of this terrible tariff, we should be all right. The cost of living would come down, a poor man could look his grocer in the eye without fainting away, and life for the average mortal would take on a rosier hue.

Ink finally wrought its miracle. That which the radicals of a few years before believed could never take place again once more became a reality. Old Man Tariff, the hero of a hundred wars (all fakes) was back on the stage doing his ancient monologue. Close observers could see that his cheeks were as hollow as his promises, that his eyes were sunken in because there were no brains behind them to keep them in place, and that to send this old faker to do battle with the high cost of living would be to invite the gods to order the whole population into idiot asylums. But the ink pots kept up their clamor about the absolute power of a lower tariff to reduce the cost of living, and the fates were kind to the tariff fakers. The fates were kind because they caused Mr. Roosevelt to break with Mr. Taft and thus divide into two groups those who believed in a protective tariff. Through this breach the gentlemen who had wept so copiously into "The Empty Market Basket" crept to power — and reduced the tariff.

We are now prepared to listen to Mr. Underwood

with understanding. The negro taps on the unlettered door. The secretary opens it. We enter. We do not at first see Underwood. Small wonder. He is not in the direct line of vision. He is over in a corner behind a desk that is in perfect order. Mr. Underwood is also in perfect order. I must say again that a better barbered man never pointed the way to the silk counter.

I first told Mr. Underwood that I understood that his new tariff law was to bring about a great reduction in the cost of living. I had understood no such thing from any responsible person, but I simply thought I would throw out the line and see how far he would go with it. He did not go far. As compared with the old "Empty Market Basket" brigade he hardly moved. He said the new law would reduce the cost of living "a good deal." I asked him what he meant by a good deal. He did not care to say. I did care to have him say. I pressed him to be more nearly definite. He said he could not be more nearly definite — that he could not speak in terms of money because one family might save one sum and another family a different sum, depending upon their respective manners of living. I sought to sweep away this defense by asking him to estimate in dollars the amount that would be saved annually by the American wage-worker's family, whose income is \$500 a year.

Mr. Underwood would not answer. He would like to answer me — he assured me so. But he could not even approximately answer such a question unless he were to make a careful calculation covering the amounts of food and the kinds of food, the amounts of clothing and the kinds of clothing that are consumed by average American families, and then figuring up the saving on the basis of the new law in comparison with the old. I told

him that I did not seek exact figures, which nobody could give after any amount of calculation, but approximate figures. I sought to help him along by asking what would be the annual saving on \$375 a year spent for food and clothing, that being about the sum that \$500 a year families have after paying their house rent. Still he sat in his chair and gave me the wise statesman look combined with silence.

Then I tried him with a different hook. I asked him if he believed an annual saving of \$25 would seem "a good deal" to a family in receipt of \$500 a year. He said he did. I then asked him if, in asserting that the new tariff would reduce the cost of living "a good deal," it would be just to understand him as meaning a saving of approximately \$25 a year. But he said he did not want to be quoted at all in terms of money. I should have been glad to carry the grand news that, having won a great victory at the polls in 1912, each poor American family might expect to have the cost of living reduced almost 50 cents a week, but I could get no Underwood authority for it.

So I passed on to other phases of the same subject. I asked him upon what articles this possible saving of 50 cents a week might be expected. I shall never forget his answer. He said: "The cost of vegetables along the Canadian frontier will be considerably reduced."

Now, anybody who knows anything about the Canadian frontier and the sparse Canadian population that fringes the edge of Canada, knows exactly what this promise held forth. Anybody who knows anything about the export vegetable product of Canada knows that free importation of Canadian garden truck would have about the same effect upon the prices of similar products

in the United States that a squirtgun full of water would have upon the temperature of hell. In parliamentary phrase, I called Mr. Underwood's attention to this fact which, in substance, he readily admitted. He conceded my contention that Canadian products could not penetrate more than twenty or thirty miles into the interior, as he also admitted that the quantity would be insufficient to supply more than a few families close to the border.

"But," said Mr. Underwood, "we may get some potatoes from Ireland. We have long imported Bermuda onions into this country, and I should not wonder if we should get quite a lot of stuff from Bermuda and, as I said, from Ireland."

Don't laugh — go on. Hear what the gentleman said.

"The cheaper grades of cotton will be reduced a third, the cost of woolen goods, including men's clothing, will be substantially reduced, and I expect the price of sugar to be reduced almost if not quite one-half. But sugar will not reach the bottom price for three years, and the reductions in cotton and woolen goods will hardly be felt before next summer."

"Mr. Underwood," said I, "I believe the Democratic party has made an honest reduction of the tariff. As a result, the cost of living may or may not be materially reduced, depending upon whether the trusts, jobbers, retailers and other gentlemen are able to absorb the reductions or whether they are compelled to pass them along to the people. But, assuming that the reductions will be passed along and that the cost of living will be materially reduced, can you show me wherein the people will be helped?"

Mr. Underwood looked up from his clasped hands in astonishment.

“Isn’t the high cost of living what the people are crying out against?” he asked. “Will not they be benefited if the cost of living be reduced?”

I admitted the obvious fact that the people were opposed to high living costs and in favor of lower ones. I also asserted that the people did not know what caused their misery and therefore did not know what would cure it. I offered in proof the peculiar political fate that has followed Mr. Bryan. In 1896, the cost of living was so low that Mr. Bryan urged the people to turn the country over to him in order that, with free silver, he might increase the cost of all commodities, including labor. The people declined, but the trusts and other agencies removed the low prices of which Mr. Bryan complained. They removed them so completely that no vestige of them was left. They removed low prices so completely that Mr. Bryan and his party, having formerly sought power to increase prices, sought power in 1912 to lower them. In other words, Mr. Bryan, in campaigning for Wilson in 1912, asked that his party be given power to destroy the high prices that in 1896 he said were desirable. And the irony of fate gave Mr. Bryan his greatest political office for the part he took in 1912 in trying to restore the low prices against which he protested so bitterly in 1896.

“Suppose your new law,” said I to Mr. Underwood, “were to make the cost of living as low as it was in 1896. The people were desperate in 1896. Does your law contain anything that would make them happier now?”

We had come somewhere near the nub of the question. The people are never prosperous whether the cost of living is high or low. As a mass, their wages are just enough to cover the cost of living and no more. Mr.

Underwood, as a man of affairs, might be presumed to know these facts. Apparently he did know them, because he ran from them like a deer.

"I have not time to go into this matter," he said. "I am very busy now. Here are copies of two speeches that I made on the tariff question. They set forth my views in full. You may have them, if you like."

"Do these speeches answer my question?" I asked as I reached for the copies of the *Congressional Record* that he handed to me.

"No," he replied.

"Well, don't you care to answer it?" I asked. "It would seem to be worth answering. Low prices made only misery in 1896. If your law contains something that will not make low prices mean misery now, it will take you but a moment to say what that something is. It will take even less time for you to say that that 'something' is in your law without describing it."

"I am very busy," repeated Mr. Underwood. "I could not go into that matter without more time."

Now, we may as well clear the decks and get into action. Mr. Underwood would not have had time to answer if I had had the power to give him a thousand years and had given them to him. As a matter of fact, as soon as I shifted to a less pestiferous phase of the subject, Mr. Underwood continued to talk to me for half an hour. But no Democrat has any time to talk when he is asked why the great mass of the people are able to get only a bare living whether the cost of living be high or low.

In an article entitled "What the Tariff Fight Does Not Mean to You," which was printed in the June (1911) number of *Pearson's Magazine*, I had the honor to observe that the tariff issue, so far as it pertained to

workingmen, was a fraud. The facts remain the same as I then stated them. The tariff issue is of importance only to the members of the capitalist class. With them it is a very real issue. It is a real issue, because the tariff, or the lack of it, determines which of the capitalist class shall obtain the lion's share of what the working class produces.

Here is the situation: The working class of the United States annually produces a certain amount of wealth. Part of this wealth goes back to the workers in the form of wages. The scramble of capitalists, which they seek to dignify with the name of "business," is to get the money that the workers have received. This money can be obtained only by selling the workers' goods. The more the goods can be sold for, the greater the profit that can be obtained. If the goods offered by a certain class of manufacturers come in competition with foreign goods, a protective tariff keeps prices and profits high by excluding the foreign wares. Such capitalists are naturally in favor of a high protective tariff. As mere business men, they would be fools if they were not.

But there are many American business men whose goods do not come in competition with foreign wares. These men are placed in a most uncomfortable predicament by a high tariff. It is easy to see why. The working class has only a certain amount of wages with which to buy goods. If a few protected interests, dealing in the necessities of life, are enabled by the tariff to charge extortionate prices, the working class has only a small sum with which to buy the products of the gentlemen who cannot use a tariff in their business. Men who have but little can pay but little and buy but little, so

the unprotected interests are forever throwing their goods upon a poverty-stricken market.

Such business men would be fools if they were not in favor of a low tariff. A low tariff would mean that their customers would have more money with which to buy and could therefore be compelled to pay higher prices. They would have more money with which to buy because they would not have been so much depleted by the high tariff gentlemen.

The question of tariff or no tariff is of no fundamental importance to the working class, because wages always rise and fall with the cost of living, and whether this cost be high or low, nothing is left for the average worker. When wages and the cost of living were low, in the early '90's, the American working class would have been overjoyed if it could have believed that, in a few years, wages would be as high as they are now. But the working class is not now overjoyed because the cost of living has so increased that nothing is left of the high wages. The working class can be prosperous only when wages and the cost of living are far apart — when the cost of living is far below wages — yet under the capitalist system, the wages of the average man are fixed by the cost of his living and never exceed it.

It is not difficult to see why this is so. Capitalists buy labor as they buy anything else — for as little as they can. They even talk about the "labor market," as they talk about the pig iron market or the lumber market. Workingmen are offered as little as capitalists believe they will accept. Workingmen are always so much more numerous than jobs that laborers are always compelled to compete with each other for jobs. Workingmen who are out of jobs are always willing to work for

what it costs to live on the lowest scale they will consent to live. It is better to work for a poor living than it is to have no living. Thus the man who has no work fixes the wage of the man who is at work. The man who is at work must agree to work for wages that represent only a bare living, or the man out of work will take his job.

Nor is there, under the capitalist system, any escape for the working class from such conditions. Times would be better if there were two jobs for each man instead of two men for each job, but under the capitalist system, there can never be two jobs, nor even one job for each man. A man employed implies the existence of a market for his product. The working class constitutes the market for the great bulk of the goods that are produced. Diminish the working class and the market is thereby automatically reduced correspondingly. So long as private individuals own the industrial machinery of the country, so long will workingmen be compelled to accept wages that represent only the cost of living.

This is so plain that it would seem as if the mere statement of it would be sufficient to carry with it conviction. Who has observed the rise and fall of wages without noting that the cost of living fixes wages? The present high wages are due to nothing but the high cost of living. Whoever heard of workingmen striking for grand pianos, Persian rugs, and college educations for their children? Who has not heard of workingmen striking for enough wages to keep their families alive? When men can live on their wages, they never strike for money to put into the bank. Workingmen who should strike for money to put into the bank would be frowned upon by the community. Who would be willing to walk five miles a day to and from his work merely to enable

striking street car men to put money into the bank? Not one man in a thousand. We are precisely as ignorant as that. If the whole working class would strike to put money into the bank, the working class would have money in the bank. Nothing can defeat the working class except the working class itself. It comprises more than 90 per cent. of the population. It includes all of the brawn in the country. It includes most of the brains in the country. There are not many brains in the country, but such as there are belong to the working class. Not enough exceptions exist to be noted. Every man of great social value comes from the working class. They are the ones who invent whatever is invented and who run whatever is run. Edison came from the working class. J. P. Morgan did not.

The only remedy for this situation is that which is provided by Socialism. The working class of this country is producing great value and getting little of it. Every man in his senses knows it. Mr. Morgan knows it. Mr. Ryan knows it. George W. Perkins knows it. Even Oscar W. Underwood knows it. I should dislike to rest the case of Socialism upon any statement made by the over-estimated Mr. Underwood, but I cannot forego the temptation to prove by quoting from one of the tariff speeches that he gave me that he knows only too well that American manufacturers are skinning American workingmen to the bone.

The speech from which I shall quote was made by Mr. Underwood on March 25, 1909. The Payne tariff bill was under discussion. Mr. Underwood was seeking to show that the bill was a fraud. The particular point that he wished to puncture was the contention that a protective tariff was necessary to enable American manufacturers to compete with their foreign rivals.

Mr. Underwood contended that the profits of American manufacturers were so large that they needed no protection. Mr. Underwood contended that American manufacturers paid their employees so much less than they earned that they need fear no competition. In making this contention, the *Congressional Record* that he himself gave me quotes him as saying:

"I find in the report of the secretary of internal affairs of the State of Pennsylvania a very interesting and accurate tabulation of statistics of manufactures. It is Official Document No. 9, page 69. This document shows that the combined production of the steel works and rolling mills for the year 1907 for the State of Pennsylvania amounted to 12,953,000 gross tons, at a total valuation of \$504,167,000.

"The average yearly earnings of persons employed in the steel works and rolling mills are shown to be \$663.80 per year in the mills of Pennsylvania. . . . The Pennsylvania report which I have just referred to shows that the average value of the production of each employee in the mills of Pennsylvania amounts to \$3,661. In other words, *the average wage in the iron and steel mills in Pennsylvania is \$663 as compared with an earning capacity of each employee of \$3,661, making the labor cost only 18 per cent. of the value of the product of the employee.*

"The same report, referred to above, shows that the average yearly earnings of men employed in the tin-plate industry in Pennsylvania amounted to \$722, and the average value of the production for each employee amounted to \$2,127, making the labor cost 23 per cent. of the value of the product. . . .

"The same report shows that the average value produced by each employee in the manufacture of cotton and woolen yarns in Pennsylvania is \$2,825, and the average yearly earnings of each employee are \$363. This report shows that *the textile industries of Philadelphia pay their employees on an average \$429 a year, and that these employees produce an average value of product amounting to \$2,094.*

"The same report shows that the average value produced by each employee in cotton, woolen, waste, and shoddy manufactures amounts to \$5,846, and *the average yearly wage in these industries was about \$449; that the woolen and worsted goods produced by each employee amounts to \$2,445, and the average yearly earnings amount to \$454.*

"When it is borne in mind that the average ad valorem rate of

duty on the importations of worsted goods runs all the way from 50 per cent. to 140 per cent., and the percentage of labor cost is only 18 per cent. of the value of the product produced by each man, and the English workman receives at least one-half the American wage scale, making a difference in the labor cost in any case not to exceed 9 or 10 per cent. of the value of the American product, it shows what an enormous protection is given to the industry above the difference in the labor cost at home and abroad."

Now, nothing about the foregoing statements except the italics are mine. They are Mr. Underwood's. He vouched for their truth. I do not. I do not believe they are true. They are substantially true, but they are not exactly true. In computing the value of the worker's product, in each case, he did not take into account the cost of raw material. The cost of raw material represents wages, waste and profit. Whether Mr. Underwood did not know these facts or whether it did not suit his purpose to state them, I have no means of knowing. If he did not know them, he is too ignorant to take part in a discussion of the tariff. If he did know them and yet did not state them, he is intellectually too dishonest to take part in the discussion of the tariff or anything else. The plight of the American workingman is not quite so bad as he stated it to be, but it is bad enough. It is so bad that the American workingman never gets ahead while the class that employs him never goes back.

We are now beginning to get a near view of Mr. Underwood. We are beginning to see this man as he is. He is a hero made of printer's ink. He poses as a champion of the people, yet if he is a champion of the people, Thomas F. Ryan is a champion of the people and August Belmont is a champion of the people. Ryan and Belmont are "Democrats." Underwood is a "Democrat."

But when their party comes into power, gentlemen like Mr. Underwood who have promised so much to get office slow up a bit. With the tariff reduced and its full results about to be known of all men, it became futile to make loud claims. So they moderated their tones. The people were gently cautioned not to expect too much from the low tariff nor to expect that little too soon. But Democrats do not dare to talk that way when they are campaigning. The promise of a few cheap cabbages from Canada would not have won the election for Mr. Wilson in 1912. In 1912, the reduction of the tariff was to fill the "empty market basket." In 1913, with the facts about the tariff about to become known, the tariff reduction was nothing that Mr. Underwood cared to talk about in precise terms.

Having revealed Mr. Underwood as exactly the sort of a man whom it is more pleasant to meet before election than afterward, I shall now reveal him as a man who knows so little about his great subject, the tariff, that he denies in one speech what he asserts in another. I am indebted for this privilege to the copies of the two speeches that Mr. Underwood himself so kindly gave me. In Mr. Underwood's tariff speech of March 25, 1909, he said:

"There is no doubt that a tariff bill can be written, based fairly on the difference in the cost of production at home and abroad."

On April 23, 1913, in speaking upon his own tariff bill, he said:

"As a matter of fact, I contend that the theory is not defensible; that it is impossible for anyone to reach a conclusion based upon the difference in the cost-of-production theory."

Now, if a Socialist were to have such head-on collisions with himself, everybody would understand. By

the common consent of the uninformed, a Socialist is necessarily a jackass. He never knows what he is talking about. He changes his opinions from day to day. But please bear in mind that Mr. Underwood made the foregoing statements. They are not important, it is true. They express only the opinions of Mr. Underwood. But since the ink-spreaders are so insistent in presenting Mr. Underwood as a great statesman, and since he himself is trying as hard as he can to head for the White House, it is interesting if not important to show exactly how profound he is.

One more quotation from Mr. Underwood's speech of April 23, 1913, and I believe I shall have proved by his own words the bitterness of the fraud, from the working class point of view, that is constituted by his tariff law. In speaking of the high cost of living, as affecting manufacturers, he said:

"It is this high cost of living to employees that of necessity increases the cost of production. It is the high cost of supplies that industry must bear that increases its cost of production. It is this increased cost of production that has chained American industries to our shores and prevented them from going out among the nations of the earth to spread the goods and wares of American enterprise in foreign markets and to secure the fruits of American labor and American enterprise to the people of our great country." [Applause on the Democratic side.]

Do you get the significance of that? Do you catch the appeal that is made to the cupidity of manufacturers who cannot be helped by a protective tariff? Mr. Underwood's law, according to his own statement, was framed to reduce the cost of production by reducing wages, and thus enable "American enterprise" to "spread its goods" in foreign markets. Please also observe Mr. Underwood's admission that wages are based upon the cost of living, following it both up and down.

“It is the high cost of living,” he says, “that of necessity increases the cost of production,” by compelling employers to pay wages enough to enable their employees to live.

Are American workingmen fools?

No; not quite. They are the victims of printer's ink. The present industrial situation is so absurd that it could not exist for another five years if the truth about it were told and re-told to all the people. It is only because all the batteries of the press are devoted to the tremendous task of making black seem white that black seems white to so many people. If most of the newspapers and magazines were to be devoted for the next five years to explaining and advocating Socialism, a public opinion would be formed that would compel the government to take over the ownership of all the great industries of the country and operate them for the sole benefit of the people.

But that would put the grafters out of business, and that is precisely what the grafters do not want. That is why they control the visible supply of printer's ink and make into heroes gentlemen like The Overestimated Mr. Underwood.

## CHAPTER VIII

### WAR AND THE ROTHSCHILDS

**H**ERE shall be set down in simple phrase the story of the Rothschilds. The Rothschilds do not amount to much. They never amounted to much. The first one was a rag picker. So is the last one. All the Rothschilds in between have been rag pickers. The Rothschild picking now is merely done in a different way. The old way was the slow way. The picking was done for the rags themselves, and sometimes the task was plied at a pile of refuse in the street.

The new way is somewhat of an improvement upon this. The new way is to pick rags for what is in their pockets. The work is not done in the street. The hands are never soiled. The returns are always abundant. And, by the providence of the gods that watch over multimillionaires, there is never any shortage of rags. The sun shines, the rain falls, and, behold! A constant crop of human beings springs from the earth to wear rags to be picked.

The new way to pick rags is with debts. The Rothschilds taught the world how to run drunkenly into debt. We common people shall never know, perhaps, all of the hidden meanings that are wrapped up in that wonderful word—"debt." It has so many meanings, so many morals and so many vices. The poor are always urged by their betters never to go into debt. The rich

and the moderately rich, of course, go into debt as much as they please, or as much as they can.

But we are told that there is a difference, in this respect, between the poor and the rich. The poor cannot pay. The rich can. This is not always true. Nor yet does it explain the mixed morality of debt. The rich do not always require that those who become indebted to them shall pay their debts. This requirement has not been made, in certain instances, since the time of the early Rothschilds.

The Rothschilds taught the world how to run so deeply into debt that it can never pay what it owes. The Rothschilds taught the rich men of the earth to smile and be glad to permit such debts to be incurred. But such debts must not be personal debts. They must be debts owed by governments so that entire peoples may thus be mortgaged. And, when entire peoples are mortgaged, what more might a gentle multimillionaire ask? Why should he require that the debt be paid? Better for him and his class that the debt be not paid. So long as the debt stands the people are mortgaged to him. They plant. He reaps. He holds the bond. He can draw interest upon it until the bond is due and then exchange it for another bond and draw interest some more; or he can sell his bond to some other millionaire and thus get his money back.

It is really so great a device that these gentlemen themselves assure us that the existence of a national debt is "the first stage of a nation toward civilization." Of course, such assurances are often given, not by the rich personally, but by the eminent political economists who are employed by them to provide wholesome reading matter for the common people. The line that I have

just quoted is taken, I may say, from the article on "National Debt" in the "Encyclopædia Britannica."

While the dead Rothschilds are sleeping the sleep of the just and the live Rothschilds are picking the rags of the just, let us proceed to a brief examination of the extent to which the world has become "civilized." Great Britain owes a debt of three billion eight hundred millions, all incurred in war, "a sum," says David Starr Jordan, President of Leland Stanford, Jr., University, "which has never been repaid, will never be repaid and can never be repaid so long as the natural growth in national wealth, due to peace, invention and commerce, is all swallowed up by the incredible burden of armament."<sup>1</sup>

Norman Angell draws out the telescope a little farther and presents a sharper image of England's debt-ridden civilization. He pictures an Englishman proudly watching the procession of subject peoples passing in review at the time of the last coronation. The Englishman speaks:

"I own India, Africa and the Antipodes, the islands of the tropic seas, the snows of the north, the jungles of the far continents, and I am starving for a crust of bread. I rule all the black millions from which these legions have been drawn. My word is law in half a world, and a negro savage turned from me in disgust when I cringed before him for alms."

Mr. E. Alexander Powell, an economist who is also an observer, once said this to the readers of the *Saturday Evening Post* about Great Britain's debt:

"Would the people of Great Britain have you believe that they are free? Great Britain owes a war debt of

<sup>1</sup>"Unseen Empire," p. 6.

more than three billion eight hundred millions of dollars. By it she is bound for all time and eternity. She can never pay the debt and she knows it. She never expects to pay it. Of this incalculable sum every inhabitant of the United Kingdom owes something over eighty dollars. Every child born under the Union Jack between Land's End and John O'Groat's is confronted with a bill for a like sum."

Great Britain and Ireland also have municipal debts amounting to two billion eight hundred millions of dollars, a sum which is constantly increasing. The rate of increase may be judged from the fact that in 1901 these debts amounted to one billion eight hundred and eighty millions. The leisurely, cultivated gentlemen of England are therefore drawing interest on only six billion six hundred millions of public debt, and intend to draw it "for all time and eternity." The delightful nature of this undertaking may be slightly sensed when it is explained that the impoverished people of Great Britain, in 1911, paid an interest charge of \$101,060,000 on the national debt and almost as much more on the municipal debts. Multiply this by eternity and you may perceive exactly what confronts the people of Britain, provided the sum be not swelled by more debts — which it will be.

In France the civilizing influence of public debt has proceeded even further. The national debt of France is almost six and a half billions of dollars and the municipal debts are nearly a billion more. The French are therefore "civilized" to the extent of about seven billions of dollars. The annual interest charge on the national debt is almost \$200,000,000. The interest on the municipal debts amounts approximately to \$40,000,000. Nor is the end in sight. In 1906 the cities of

France owed \$900,000,000. To this colossal sum a hundred millions have been added in seven years.

Germany is in debt to its ears. The national and state debts combined amount almost to four and a half billions. The municipal debts amount to two and a half billions. "The municipal debt of most German cities," says President Jordan, "has doubled every ten years for a long time." The annual interest on the national and state debts amounts to \$175,000,000. The interest on the municipal debts is \$100,000,000. Such is the story of Germany's greatness. Seven billions of debts — and growing; two hundred and seventy-five millions of annual interest — and growing. Also a Socialist party that is greater than any other political party in Germany — and growing.

Beside such colossal spenders the American people seem quite small and obscure. Our national debt is a little less than a billion. Our state and municipal debts are about two billions. Our total annual interest charges are about fifty millions. But, like all other similar interest charges, they are to run "for eternity." That is not the way the bonds read, but that is the way the facts run. Like all other self-respecting peoples, we have no intention of paying our debts. Or, to be more nearly accurate, the capitalists who expect to exploit us "for all time and eternity" have no intention of permitting us to pay our debts. They trump up new schemes to cause us to go more deeply into their debt. They intoxicate us with the strong fumes of "world power." They tell us how fine a thing it is to be reckoned among the great nations of the world. They cause us to maintain great military establishments and to build more and greater dreadnoughts. *Thirty years*

*ago we spent almost nothing on the navy and little more on the army. Now we are spending \$300,000,000 a year on the army and navy. Almost a million dollars every week-day. Sixty-five cents of every dollar that is raised by the American government by taxation is spent for wars past or to come — for pensions, battleships or soldiers. The national tax amounts to \$6 a head. National, state and city taxes, according to President Jordan,<sup>1</sup> amount to \$38.50 per capita. Multiply this sum by the number in your family and you may know how much is being collected from you, in one way and another, to support the various governments under which you live.*

The bonded debts of the world amount to sixty billion dollars. The annual interest charge upon this is approximately two and a half billions. Of the total bonded debt thirty-eight billions are owed by nations and the remainder by cities and states. President Jordan declares that all national debts represent expenditures for war — the exceptions are insignificant.

Let us now drop these harrowing figures and go back to soothing scenes. Maier Amschel, founder of the Rothschild family, was born in the Jewish quarter of Frankfort, Germany, in 1743. Apparently, he was born to hard luck and plenty of it. As a Jew he was compelled to live in the Ghetto. The Ghetto consisted of a single thoroughfare — Jew street — in which for centuries representatives of this race had been herded by the Germans. Every night, at a certain time, a German stretched a chain across each end of the street, after which no one might enter or leave. Each morning the chain was removed. Napoleon once tore the chains down and told the Jews they might live where

<sup>1</sup> "War and Waste," p. 91.

they pleased, but a little later Napoleon himself was compelled to move on, and then the Jews were forced to return to their old quarters. Benjamin Franklin used to say that "three moves are as bad as a fire," but it seems this is not always so. Much depends upon who does the moving. The Germans made the Jews buy back their own houses and pay \$200,000 for them.

The lad who was to found the house of Rothschild had not, in his youth, even the name of Rothschild. At the time he was born the fashion of having surnames had not become general in Europe. Not because of poverty, but through custom, names were transposed or otherwise juggled, and thus made to serve for different persons. Thus, while this lad's name was Maier Amschel, his father's name was Amschel Moses. The name "Rothschild" came from the red shield, or, as it is said in German, the "rothes schild," which designated the house in which the family lived. In those days there were no street numbers. Each family hung out some picture or emblem to mark their abode. When families were compelled to choose surnames this Jewish family, remembering the red shield, decided to call themselves Rothschild.

Life in the Ghetto of Frankfort at that time suggests many interesting reflections. When we read of the chained street we think of the place as a prison. When we read that after Maier Rothschild became a millionaire his aged mother insisted upon ending her days in the old house on Jew street with the red shield — then we know the Ghetto, to this woman at least, was not a prison. Nor is it likely that Frankfort's Jewish quarter of that day was so poverty-stricken as the East Side of New York is now. The Frankfort Jews had the \$200,000 with which to buy back their

own houses from the Germans. The Jews in the East Side of New York do not own the quarters in which they live. The most onerous feature of Jewish life in the Frankfort of that day\* was, perhaps, the German provision that not more than two Jewish couples could be married each year. Marriages were not made in heaven in those days — they were “made in Germany”; one every six months.

As a boy Maier Rothschild picked rags, bought junk, and peddled such merchandise as he could carry in a pack or push in a cart. His father, wanting him to become a rabbi, sent him to a theological school, but the old gentleman died soon afterward and left so little money that the youngster was taken out and set to work. His first job was as a dealer in old coins. No coin had been minted since the days of Julius Cæsar of which he did not know the exact value. Also, he had a perfect knowledge of the exchange values of the current coins of all the European nations. For a little while he was lured away by a job in a bank at Hanover, but he soon returned to Frankfort and resumed his old business. He accumulated money and, in a few years, bought the house in Jew street in which he was born.

Rothschild's operations, together with his quickness and sharpness, at length attracted the attention of Landgrave William IX, whom Americans will more quickly recognize under his later title of Prince William I of Hesse. It was this gentleman who farmed out Hessian soldiers to England to fight America in the Revolutionary War. Benjamin Franklin tells, in one of the letters that he wrote from Paris at the time, of the profitable manner in which the king of Holland contrived to show his contempt for such action. The laws of Holland imposed a tax of something like a dollar a head

upon cattle marched across Holland to a seaport. The Dutch king, believing that soldiers farmed out to fight were no more than "cattle," imposed the tax, which the Hessian prince was required to pay from the sum that England gave him.

William IX and his father who preceded him together received from England \$1,290,000,000 for selling Hessian soldiers to fight against America. It was the necessity for handling this large sum of money that brought the landgrave and Rothschild into close relationship. We thus see how the fortunes of the Rothschilds and America are and, from the beginning, have been peculiarly intertwined. The house was not founded upon American money, but it was founded upon money that Rothschild could not have reached if America had not gone to war with England. Years later it became the policy of Nathan, the next head of the Rothschild house, never to lend money to an American State. The present investments of the Rothschilds in American industries is estimated at \$100,000,000. In other words, the Rothschilds having forgiven us for being poor, are now willing to attach their pipe lines to our pockets and draw off their interest. And we, of course, have no grudge against them because their fortune is founded upon money stained with American blood. Indeed, it is pleasant to see brethren dwelling together in harmony.

I may say, parenthetically, that Maier Rothschild is drawn into this picture of national debts because, with William Pitt, he is primarily responsible for the load of debt under which the world is staggering. Before Pitt's time the national debt, as we know it to-day, did not exist. Most of the borrowing was done by the kings themselves upon their own security. Parliaments raised what they could by taxation and by short loans, but no-

body mortgaged much of the future. England's wars — particularly her war with us in 1775-83 — plunged her into debt. Pitt, as her prime minister, was put to his wits. The nation's borrowing capacity along old lines was exhausted. Pitt then conceived the idea of using his country's revenues, not to meet current expenses, but to pay the interest upon loans. He laid down the doctrine that England belonged to the Englishmen then living — not to those who had not yet been born. He therefore declared the right of England to mortgage unborn generations by borrowing as much as current income would pay the interest upon. And Maier Rothschild and his later tribe were the ones who helped Pitt and his successors to do it. Thereafter a million of annual income no longer meant a million of annual income. It meant as much as a million of annual income would pay interest upon. At 4 per cent. it meant twenty-five millions to be kept forever and ever. If income could be increased a hundred millions, it meant that twenty-five hundred millions more could be borrowed — merely by paying interest upon it forever. It was bad financiering — but it produced the wanted money.

Since that day no child has been born under the British flag except to a heritage of debt incurred for wars waged before it was born. Inasmuch as the system of deferred payments spread to all other "civilized" nations, no child has since been born in any one of them except to a heritage of debt. Unless these debts are paid or repudiated, no child can ever be born — not even until the crack of doom — in any civilized nation except to a heritage of debt. Economists now tell us that Great Britain cannot pay her debt and knows it. France is even more deeply in debt than Great Britain. Germany is plunging into the mire as rapidly as her kaiser can

build dreadnoughts to send her there. We are somewhat behind in the race to ruin, because we started late, but, having started, we are going strong.

We may now with more understanding resume consideration of Maier Rothschild. He loaded Great Britain up with debt, piled as much debt as he could upon the back of Denmark, yet found time to manage the enormous fortune of William, the Hessian prince. William hated Napoleon with a hatred that knew no bounds. He farmed out Hessian soldiers to England to fight against France. He said publicly that he would rather be a Prussian general than a king by Napoleon's favor. So when Napoleon headed William's way William knew precisely what to expect — and to do. He knew that Napoleon would make him a prisoner and confiscate his wealth if he could get his hands upon him and his money. Napoleon confirmed the first part of the prince's expectations by issuing the following bulletin:

“The house of Hesse-Cassel has sold its subjects to England for many years, and the prince has made large sums of money by this means. This shameful avarice puts an end to the house. It has ceased to reign.”

Having ceased to reign, there was nothing to do but run, and William ran. Before he fled he entrusted more than \$3,000,000 to Rothschild. A legend declares that Rothschild secreted this sum in wine casks in his cellar, but this is not true. Money in a wine cask draws no interest. Rothschild sent \$3,000,000 to his son Nathan to be lent in London. How much more the prince left in his keeping no one knows.

We shall now see how the gods play into the hands of the pure and good. Before the Hessian prince deemed it safe to return Maier Rothschild died. The

prince believed he should never see his money again. To his great surprise and delight, Rothschild's sons — of whom he left five, by the way, together with five daughters — returned all of the money entrusted to their father, together with the interest thereon. Every king in Europe heard the good news and became more than ever convinced that the Rothschilds were good men to tie to.

Maier Rothschild, when he died in 1812, was worth many millions of dollars — at any rate, he had many millions. He enjoined his sons to stick together, to consult their mother on business affairs, and to marry only their own relatives. Each son was to manage a bank in each of the five great capitals of Europe. Nathan was assigned to the management of the London bank, and by virtue of his ability became the head of the family.

History records that there was only one Napoleon at the battle of Waterloo — and that he was too small for his job. The fact is there were two Napoleons at Waterloo, and the second one was big enough for his job, with some to spare. The second Napoleon was Nathan Rothschild — the emperor of finance. During the trying months that came before the crash Nathan Rothschild had plunged on England until his own fortunes, no less than those of the warring nations, were staked on the issue. He had lent money direct. He had discounted Wellington's paper. He had risked millions by sending chests of gold through war-swept territory where the slightest failure of plans might have caused its capture. He was extended to the limit when the fateful hour struck, and the future seemed none too certain. The English, in characteristic fashion, believed that all

had been lost before anything was lost — before the first gun bellowed out its challenge over the Belgian plains. The London stock market was in a panic. Consols were falling, slipping, sliding, tumbling. If the telegraph had been invented, the suspense would have been less, even if the wires had told that all was lost. But there was no telegraph. There were only rumors and fears.

As the armies drew toward Waterloo Nathan Rothschild was like a man aflame. All of his instincts were crying out for news — good news, bad news, any kind of news, but news — something to end his suspense. News could be had immediately only by going to the front. He did not want to go to the front. A biographer of the family, Mr. Ignatius Balla,<sup>1</sup> declares that Nathan had “always shrunk from the sight of blood.” From this it may be presumed that, to put it delicately, he was not a martial figure. But, as events came to a focus, his mingled hopes and fears overcame his inborn instincts. He must know the best or the worst and that at once. So he posted off for Belgium.

He drew near to the gathering armies. From a safe post on a hill he saw the puffs of smoke from the opening guns. He saw Napoleon hurl his human missiles at Wellington's advancing walls of red. He did not see the final crash of the French, because he saw enough to convince him that it was coming, and therefore did not wait to witness the actual event. He had no time to wait. He hungered and thirsted for London as a few days before he had hungered and thirsted for the sight of Waterloo. Wellington having saved the day for him as well as for England, Nathan Rothschild saw an opportunity to reap colossal gains by beating the news of Napoleon's

<sup>1</sup> The Romance of the Rothschilds, p. 88.

defeat to London and buying the depressed securities of his adopted country before the news of victory should send them skyward with the hats of those whose brains were still whirling with fear.

So he left the field of Waterloo while the guns were still booming out the requiem of all of Napoleon's great hopes of empire. He raced to Brussels upon the back of a horse whose sides were dripping with spur-drawn blood. At Brussels he paid an exorbitant price to be whirled in a carriage to Ostend. At Ostend he found the sea in the grip of a storm that shook the shores even as Wellington was still shaking the luck-worn hope of France. "He was certainly no hero," says Balla, "but at the present moment he feared nothing." Who would take him in a boat and row him to England? Not a boatman spoke. No one likes to speak when Death calls his name, and Rothschild's words were like words from Death. But Rothschild continued to speak. He must have a boatman and a boat. He must beat the news of Waterloo to England. Who would make the trip for 500 francs? Who would go for 800, 1,000? Who would go for 2,000? A courageous sailor would go. His name should be here if it had not been lost to the world. His name should be here and wherever this story is printed, because he said he would go if Rothschild would pay the 2,000 francs to the sailor's wife before he started; because he expected to be drowned on the way across.

But he was not drowned. He landed Rothschild in Dover. By express post he hastened to London. The next morning he was at his usual place in the stock exchange. With consummate art he acted his part. He was as pale as death and his knees shook.

"The stock brokers, usually so cold-blooded," says

Balla,<sup>1</sup> "walked about restlessly, speaking little to each other, every man shuddering in body and soul as if in presence of some dread unknown. Dismal news passed from mouth to mouth. In a low tone they discussed the defeat of Blücher, and it was whispered about that Napoleon's heavy guard had beaten Wellington's army. Rumors that they had no means of checking sufficed at such a time to make them lose their heads altogether, and the state of things was made worse by the lamentable spectacle that Nathan Rothschild presented. He leaned against a column like a man who was condemned to death, and seemed hardly able to stand upon his feet; the placid, cold-blooded Cæsar who had never before lost his balance in the most furious storms of the financial world.

"What they had regarded as idle rumor seemed now to take the shape of undeniable truth, for the countenance of Nathan Rothschild told more than the vague whispers of the crowd. A fear amounting to panic broke on the entire exchange like a flash of lightning; the passionate and irreconcilable enemy of England was once more free, and no one could now restrain him if he chose to fall on Europe again as the scourge of God.

"The fear fell on the city like a devastating cyclone. The news increased in volume and terror and filled men with alarm. A wild panic ensued. The rate of exchange fell from minute to minute until it reached its lowest point, and, when it was seen that both Rothschild and his agents offered securities for sale in large quantities, even flung them on the market, nothing could arrest the disaster. It was as if a mania had seized the crowd; in a few minutes the strongest banks began to waver and the value of the most solid securities sank

<sup>1</sup> The Romance of the Rothschilds, p. 90.

alarmingly as if they were images of false gods which the disillusioned faithful, thirsting for vengeance, cast from their pedestals and trod under foot.

“Meantime the deathly pale man at the column laughed in his sleeve. While sympathetic souls expressed their concern for Nathan Rothschild, whose great firm, it was thought, must now sink into the dust, destroyed by its colossal losses, he was quietly buying up all the securities offered by means of secret agents whom no one knew. . . . In a single day he had gained nearly \$5,000,000. The next day came the news of Napoleon’s defeat. Rothschild himself told it at the opening of the exchange, with radiant countenance.”

Such was the man who helped Great Britain increase her debt, which, in 1790, was little more than \$1,000,000,000, to more than four billions at the close of the Napoleonic wars. The Napoleonic wars could not have been fought without the device born in the brain of Pitt and put into practice by the first Rothschild. The living could be killed in such colossal numbers only by mortgaging the earnings of the unborn. And these earnings were mortgaged far into the future, not only in England, but in all of the other nations concerned.

Wars are supposed to be declared by governments. Parliaments and kings are supposed to decide whether hostilities shall begin. Never, since the device of the modern national debt, has this been true. The great capitalists decide whether there shall be war. If they want war, they force it. There are several ways in which they can do this. They can do it by direct action of their representatives in government. Or they can do it by fomenting disorder and yelling for help to save the lives of “innocent citizens” who are temporarily residing in the country that is to be attacked. And if they are op-

posed to war they refuse to advance the money with which to wage it.

So long ago as during the lifetime of Nathan Rothschild's mother she herself was aware of this fact. A woman once came to her in tears. War was about to break out, she declared, and her only son would be killed because she had no money with which to buy his relief from military service. "Do not be alarmed," the aged Mrs. Rothschild replied. "There will be no war. My sons will not provide the money for it."

Yet these men—these rich men of the Rothschild type—who hold in their hands the fates of little peoples, are exceedingly common clay. We are always told that they are exceedingly remarkable men, but except for their remarkable greed and their unusual capacity for satisfying it this is not so. Nathan Rothschild was a bold gambler, and at the London stock exchange, the day following Waterloo, he turned a very pretty trick, but a cheap stockbroker once tricked him to a finish.

The stockbroker, passing Rothschild's house outside of London one night, noticed a light burning at an unusual hour. His suspicion that some plot was under way was increased when Rothschild and a number of men entered a coach and ordered the driver to take them to Rothschild's London house. The stockbroker ordered a carriage and hastened after them, planning by trick and device to get into the house, hear what they were talking about and, with the information thus gained, gamble on the stock market. The best way he could think of to get into the house was to burst into the room in which they were holding a conference and fall to the floor in a pretended fit. This he did, hitting the rug like an ox struck with an ax. Rothschild himself was one of the first to pick him up and help carry him to a

sofa. Rothschild himself chafed the poor gentleman's legs in an effort to restore circulation, and also sprinkled him with cold water. While the man did not appear to regain consciousness, he did not seem to be dying, so the conference continued. At the conclusion Rothschild told his servants to take the man away as soon as he recovered. Then Rothschild and his friends departed. They had no more than turned the corner before the invalid jumped from the sofa and bounded out of the house like a rubber ball. The next day he plunged on the stocks that Rothschild and his friends were prepared to buy and made a fortune while they made nothing. Worse than that, he told the story and Rothschild became, for a brief moment, the laughing stock of the stock market.

Nor was Nathan Rothschild happy. He jeered at friends who suggested that with his wealth and standing he should be in the enjoyment of great bliss. Like all rich men, he received many threatening letters. The letters frightened him. He lived in constant terror of assassination. He suspected every caller whom he did not know of being a possible maniac bent upon his destruction. It is related of him that two men suddenly presented themselves before him in his office. He spoke to them and they did not reply. Instead, one of the men began to fumble in his pocket. Rothschild instantly began to hurl at them every portable thing he could lift, while at the same time calling loudly for help. The men were country bankers who, at sight of the great banker, suddenly lost their tongues. The man who fumbled in his pocket sought only a letter of introduction that he had brought with him, but which, owing to stage fright, he could not find.

Bismarck, with all his "blood and iron" foolishness,

knew how to detect other kinds of foolishness in other people.

“I have known a good many members of the Rothschild house,” he said, “and what strikes me about all of them is their love for money. Each of them is always anxious to leave to each of his children as much as he himself inherited, and that is nonsense.”

Almost a hundred years ago the Rothschild millions caused the emperor of Austria to “ennoble” the five Rothschild brothers by “creating” them barons. From that day to this no male member of the family has lacked a title. The present head of the English Rothschilds is a lord. That does not indicate what he is so much as it indicates what the English people are. Being a Rothschild no longer requires conspicuous ability. The family is so rich that if it were composed of imbeciles it could hardly avoid making money. As “Baron” Albert Rothschild once said: “The House of Rothschild is so rich that it cannot do bad business.” And yet most people in the world are so poor that they cannot do good business.

## CHAPTER IX

### REPUDIATE ALL WAR DEBTS

**W**HEN in doubt about a supposed truth, measure it by man. See if it fits him as he is. See if it fits him as he hopes to be. If it does not fit him both ways, it is not truth. The full stature of man is the standard measure of truth. When in doubt, we must go back to it as navigators, betrayed by false compasses, go back to the stars. We must go back to it because there is no other place to go. Whatever is best for man is the greatest truth. Whatever is worst for man is the greatest error. Nor can there be any higher morality than this. Any plan or purpose that helps the race cannot be immoral. Any plan or purpose that hurts the race cannot be moral.

I have laid down these principles, at the moment, for a particular purpose. Upon the basis of these principles, I am going to advocate the repudiation of every national debt in the world. I do not expect, as a result, that any national debt will soon be repudiated—the mass-mind, unfortunately, does not act so quickly. But I do hope, more fervently than I can express, that the idea will take root in the minds of the working people to whom I give it. I hope that working men and women, in knots of two and three, will begin talking about it. I hope the groups will grow both in number and in size. I hope that every national debt pot-pie will become thoroughly and strongly saturated with the flavor

of repudiation. With this flavor, the bones and the fat of the working class will not make such nice picking. Rich men will not furnish war funds to fighting governments if the reverberated threat of repudiation make them doubt whether they will ever receive the interest upon their bonds — let alone, the face of the bonds themselves. And, when rich men become afraid to stake fighting governments, wars will end, because wars can no longer be fought with the revenues that can be derived from current taxation. They are too expensive for that. Wars can be fought only by mortgaging unborn generations to the day of doom.

I assert that it is immoral (as well as stupid) even to pay the interest upon national debts and that it would be the highest morality to repudiate the debts themselves. "The national debts of the world," says David Starr Jordan, President of Stanford University,<sup>1</sup> "when fully analyzed, are war debts, pure and simple." War debts, no more than wars, are ever pure and simple. They are always impure and complex. Wars are always conflicts for advantage between ruling classes, in which the working classes do the fighting and the paying while the ruling classes do the winning.

These debts, which were immorally made, cannot be morally paid. They cannot be morally paid, because even to pay the interest upon them means to tap the veins of the working class until the end of time. I say "until the end of time," because it is manifestly the intention of the exploiting classes to keep these debts intact to the end that they may draw interest forever. Who knows of a great nation on earth that is paying its debt? The debt line of every nation proceeds along a zigzag course, but its general direction is upward.

<sup>1</sup> "Unseen Empire," p. 26.

It is monstrous that the working class of Great Britain should pay interest, until the end of time, upon debts that were contracted, not for the benefit of the working class, but to the great harm and injury of that class. It is also inconceivable that it should do so. It will probably be a long while before time ends. Some time in the interval people are going to wake up. There will be talk of repudiation. More than that, there will be repudiation. The time to begin the talk is now. The time to begin the actual repudiation will be the earliest moment at which the working class can be made to put its shears to the knot. And, what is true of Great Britain is true of the United States as well — and of every other nation. They are all in the same boat. The amount of their respective debts differ, but the principles that underlie them do not differ. Nor will there be any difference in the consequences that will follow eternal recognition of the debts.

We have all been educated, it is true, to shrink at the sound of the word “repudiation.” We have been taught to believe that the word is stained with shame and steeped with dishonor. Who so teaches us? Do we never ask ourselves that? Why is repudiation necessarily shameful? Do we never ask ourselves that? Is it shameful to repudiate wrong to take up right? Is it shameful to repudiate a criminal arrangement that was foisted upon us by men intent upon robbing us? Is it shameful to repudiate a criminal arrangement that will keep the world embroiled in wars so long as it endures? Ought this arrangement to be permitted to exist forever, even though the price of its existence be wars forever and greater robbery than ever — greater robbery as war debts become larger and larger? The United States government, after the Civil War, certainly did

not hesitate to compel the South to repudiate its war debt. It forbade the South to pay the debt. The government thus sought to protect its life by making rebellion dangerous even to money-lenders. Why then, may not a whole people, or a whole world, with equal propriety, repudiate war debts that are intended to rob them for all time?

Oh, Mr. Taft will tell you that you should bend to your burden and protect your "honor." Every rich man in the United States will so tell you. Some of them may even whimper a little about the "widows and orphans" who would be thrown into the poorhouse if the national bonds upon which they are now living were to be repudiated. They may even most carefully explain to you that these widows and orphans are "innocent persons"; that, regardless of whether there was ever any chicanery in the creation of war debts, these "widows and orphans" are nevertheless not guilty. But why should you have the slightest interest in what Mr. Taft and these other gentlemen may say? Who is Mr. Taft? Who are the other gentlemen? Who are you? Can you not think for yourself? Do you need to have Mr. Taft think for you? Do you need to have anybody else think for you? Cannot you measure supposed truth by yourself once in a while? Do you never know how you feel about anything? Have you no respect for your own feelings when you know what they are?

What this world needs more than almost anything else is independence of thought. The average man has no confidence in his own judgment unless his judgment happens to coincide with that of somebody whom he believes to be wise. If the average man has a thought that is different from the prevailing thought of the day, he suspects both himself and his thought. He believes

he cannot think straight and he decides that his thought is crooked.

The result is that a few men do the thinking for all the others. And who are these few men? Most of them are gentlemen who have some sort of connection with the coffers of the rich. These gentlemen teach us what is moral and what is immoral. We do not let burglars tell us that it is immoral to hire policemen to chase burglars, but we let capitalists tell us that it is immoral to repudiate fraudulent debts that capitalists have foisted upon us for their own enrichment. It is not immoral for a capitalist to repudiate an obligation that has been fraudulently placed upon him by another capitalist. Indeed, it is not. It is entirely moral to repudiate such an obligation. The courts are always listening to such wrangles. A fraudulent contract becomes moral only when it is aimed at no capitalists — when, instead, it is aimed at the people and capitalists are at the trigger.

Each of these statements is true. Mr. Taft is feeding at the capitalist crib and has so fed all his life. At present, he happens to draw his sustenance from Yale, an institution in which a poor boy of any sensibilities would feel about as much at home as a tramp would feel at an Astor coming-out party. Prior to his Yale engagement, he had spent his adult life drawing some sort of a salary from the government. He could not hold his Yale position, nor could he have held any of his other positions, if he had not expressed the capitalist view with regard to the "sacredness" of national debts. Unquestionably, he believes national debts are sacred. But the point is, that if Mr. Taft had never been dependent upon capitalists for his sustenance, he might not have been dependent upon them for his opinions. If

his way through life had been hard, he might have given some thought as to why it was hard. And, if rich men were not the beneficiaries of the system that creates national debts, these rich men, too, might have entirely different opinions with regard to the "immorality" of repudiating debts that were never incurred for the benefit of the people, but which will, unless repudiated, run to the end of time to the great harm of the people.

Indeed, we need accept no lesser authority than William Pitt himself, the originator of the modern national debt, to justify the repudiation of all national debts. William Pitt conceived the idea of spending national income, not for current expenses, but to pay the interest upon as much money as he could borrow. The conception was precisely what he needed, because it enabled him to lay his hands upon approximately twenty times as much money as he could otherwise have obtained. The only questionable feature about it was that it left great debts for posterity to pay. Pitt said he did not care about posterity. David Starr Jordan declares Pitt's view to have been that "the owners of England were the people actually alive at any given time. The past had no stake in it; the future had acquired no interest. Therefore, if the men of Great Britain chose to mortgage their nation to secure some present good, it was their right."

I perceive no flaw in Pitt's logic. But I respectfully call attention to the fact that he is dead. As a dead Englishman, he has no rights. Nor have his friends any rights, because they, too, are dead. Most of the Englishmen who followed Pitt and helped pile up four thousand millions of national debt are also dead. They are now in a position to be treated precisely as Englishmen now living were treated by Mr. Pitt and his

friends before the present generation were born. Mr. Pitt contemptuously snapped his fingers at what unborn generations might think of the debts that he had piled up for them to pay. Why may not the present generation as logically snap its fingers at Mr. Pitt's debts — and all the other debts that have been contracted since his time? Why may not the present generation of Englishmen as consistently snap their fingers at what unborn generations of capitalist grafters may think of the repudiation of bonds upon which they would have drawn interest if the bonds had been permitted to exist? And, what Englishmen may consistently do, why may not all other peoples in like circumstances also do?

It is a poor rule that will not work both ways. Too long have the common people of this world been the victims of rules that were permitted to work only against them. Our whole code of financial morals is composed of such rules. The common people are taught by the capitalists who exploit them that nothing is more reprehensible than to buy something from a capitalist and not pay for it. The twin brother of this rule would be that no capitalist should ever sell anything to the common people that was not precisely what it purported to be, and which was not also actually worth the money paid for it. Do you see this twin brother around very numerously in the stores? Do you see him in real estate offices? Indeed, you do not. The rule of the capitalist world is to sting the buyer as badly as he can be stung. The stinging is done in two ways. Either the price is right and the quality is not, or the quality is right and the price is not. In either case the customer is flimflammed. In one case he pays too much for a poor article, and in the other he pays too much for a good article.

In neither case, of course, is the customer compelled to buy — oh, no. He may starve or freeze to death if he should prefer. The capitalist always virtuously falls back upon the principle of the common law: "Let the buyer beware." Let the buyer exercise "judgment." Let him not be deceived by tradesmen who charge too much. Let him remember, above all things, that he has the blessed privilege of "freedom of contract" and that nobody, therefore, can coerce him into buying anything at a price that does not suit him.

But no capitalist ever entertains the thought that anything dishonorable attaches to a mercantile fortune composed of dollars charged in excess of the real value of the things sold. The test of virtue that capitalists apply among themselves is simply, "Can we get away with it?" If a merchant can charge too much and "get away with it," his fortune is an honorable monument to his business sagacity, and he, himself, is a credit to his community. But this test is for capitalists only. For a workingman it is always wrong to cheat — the capitalist. Even if the workingman "gets away with it" it is wrong. If he cheats his grocer, dodges rent by moving nights, buys his clothes on credit and never pays for them — in short, if he manages his affairs so "shrewdly" that, in the course of a dozen years he is able to buy a \$2,500 cottage, even then he is not hailed by the local capitalists as a "prominent citizen." He is only a dead beat. But, in actual fact he differs from the merchant prince dead beat only in the circumstance that the merchant prince has made a million out of his knavery while the workingman has accumulated only \$2,500.

Why should the common people of this world any longer permit such a class to tell them what is moral and

what is not? Why should not the common people begin to build a code of business morals of their own? As a matter of justice, there is no reason why the common people should not at once begin to dead beat tradesmen to the extent that tradesmen charge them more for goods than the goods are worth; nobody now pays the prices demanded for coal and meat because he wants to or because he believes those prices are just. I do not advocate the cheating of tradesmen because nobody knows where to draw the line between what they are entitled to and what they charge. Lacking a line, one form of robbery would simply be exchanged for another. Instead of the tradesman robbing the customer, the customer would rob the tradesman. That, perhaps, would be a delightful change to many customers, and, in principle, it would be no worse than the present system. But what this world needs is not more or different robbery, but more honesty. We shall progress only as we become more nearly fair in dealing with each other. We should only intensify robbery by becoming a world of dead beats. We should have no right to withhold from tradesmen what we might happen to believe they wrongfully extort from us, because we have no means of knowing how much this extortion is. But we know exactly how great is the element of robbery in the thirty-seven thousand millions of national debts that are charged up against the world. The element of robbery is precisely thirty-seven thousand millions, because the debts all represent the cost of wars waged by groups of capitalists for their own enrichment.

The greatest reason, however, for repudiating national debts is to make war impossible. Please consider what would be the present situation in Germany if there were abroad in the land a strong sentiment in favor of the

repudiation of the five billions owed by the imperial and state governments. Germany is preparing to go to war. The historian of the Prussian army, Lieutenant-Colonel Baron von der Ostensacken in 1913 wrote a book in which he declared that "a world-wide war is unavoidable." In this, of course, he may be in error, but he is not in error in declaring that the governing class in Germany believes a great war is coming. Germany is extending itself to the limit to be ready. She is increasing one of her war chests from \$30,000,000 to \$90,000,000. She is raising \$250,000,000 by a special tax. She is adding \$50,000,000 to her regular annual outlay for military expenses, which is already \$318,000,000. She is preparing for a war that Edgar Crammond declared in a recent issue of the *Nineteenth Century*, would cost Germany one billion eight hundred millions during the first six months.

Of course, the war, if it comes will be only a colossal curse to the common people of Germany. It could not come if the capitalists of Germany and the capitalists of some other nations were not bent upon the robbery of each other. As it is, no such war could come if it were incumbent upon the German government to tax one billion eight hundred millions out of the people as rapidly as the guns burned it up—or keep the peace. No nation in the world could raise so great an amount of money in so short a time—not at least, without hurling the nation into certain and terrible bankruptcy. But any great nation can raise this sum by mortgaging its unborn generations until the end of time. It is therefore entirely possible that the Prussian army officer whose book was stamped with the "complete approval" of the unofficial organ of the German war office, may be right. Germany, indeed, may be embroiled in a world-

wide war, because under the deferred payment system of national debts, Germany can raise the money to fight it.

How much could the Kaiser raise for war if his working people were talking noisily and rather carelessly about the repudiation of all war debts? Do you believe, if such were the talk, that the gentlemen who are already bleeding Germany out of the interest upon five billions which they have already lent — do you believe they would be willing to lend almost two billions more, only to have the whole seven billions repudiated? Do you believe that if repudiation were threatened all around the world that any nation could borrow enough money to attack Germany?

Don't forget: war cannot be fought without money — thousands of millions of it. War too, with the rest of the world, has changed. Men are not enough. Guns are not enough. The modern machinery of war has made it so expensive that the living cannot pay the cost. The cost can be paid only by charging it against those whose hearts have not yet begun to beat and which will not, perhaps, begin to beat for half a century. The fraudulent system of incurring national debts that can never be paid is intended to prolong this misery until the last heart on earth has stopped beating.

Is it not worth while to take the weapons away from these brawling marauders and compel them to keep the peace? Oh, of course! Everybody is against war. But have you noticed how strangely the capitalist gentlemen who are trying to spare us from further wars are going about it to execute their benevolent designs? Suppose these gentlemen, instead of trying to end war for us, were trying to stop drinking whiskey. Let us imagine these gentlemen as the town drunkards of their

respective communities. As town drunkards they have shot up their streets, beaten inoffensive citizens, robbed wayfarers, and generally made themselves spectacles. The carousing has not been without compensation, however, because robbery pays — and they rob. But eventually, they profess a change of heart and become declared advocates of total abstinence. They beat their breasts and call upon all men to witness their sincerity. But, with their beating, they also do a little qualifying. Whiskey, of course, is bad — but then. It is sometimes necessary, you know. People have been known to drop dead because there was no whiskey near at hand to save them. It is always best to be prepared. What should you say if, upon examination, you should discover that each of these gentlemen, who, when he was a common drunkard, had a jug of whiskey in his cellar, now had eight barrels? If each of the gentlemen were continuing to drink and rob as much as ever, should you pay much attention to their pleas for temperance, or their explanations that the eight barrels of whiskey in each cellar were merely for emergency use in case of sudden heart failure?

Why, then, does any sane person concede the slightest sincerity to the protestations of our capitalist statesmen, philosophers and flunkies in general, that they are opposed to war? They are preparing for war as they never before prepared — not only in the United States, but in every other large nation. Twenty-five years ago — in 1889 — Congress appropriated \$44,000,000 for the Army and \$21,000,000 for the Navy. For the fiscal year that began on July 1, 1913, Congress appropriated \$94,000,000 for the Army and \$141,000,000 for the Navy. In 1899 we did not have a battleship. Now we have thirty-eight. We went into the Spanish War

with only five battleships that cost \$3,000,000 apiece. Now that we are trying to rid ourselves of the horrible curse of war, we are paying \$7,500,000 apiece. In fifteen years, the price will very likely be \$12,000,000. In fifteen years, each of our present thirty-eight battleships will be obsolete, precisely as the battleships of the Spanish war period are now obsolete. Also, in fifteen years, the capitalists who are trying so hard to end war will undoubtedly have so far succeeded that we shall then require no more than 100 battleships to "protect our interests." A hundred battleships at \$12,000,000 apiece will cost only one billion two hundred million dollars, which none of us, of course, will miss. Also, it will cost a few dollars now and then to keep those 100 battleships in commission.

As a matter of fact, while our national debt is not yet so large as that of Great Britain, France or Germany, we are racing more rapidly than any other nation toward the cataclysm that the crime of militarism invites. In other words, this government is devoting a greater proportion of its expenditures to wars, past and future, than is any other nation. The congressional appropriations for the year ending June 30, 1914, for instance, are, in round numbers, \$685,000,000. Our appropriations for army, navy, fortifications and pensions are \$433,000,000, or 64 per cent. of our national expenditures. I have not the latest figures for foreign nations, but in 1911, Germany spent only 43 per cent. of her appropriations for war, Great Britain 34, France 31, Russia 23, and Japan 32.

Here are some other facts that anybody who regards them as worth while may ponder over:

The military expenditures of the leading seven mili-

tary nations increased from 1881 to 1911 from \$656,000,000 to \$1,800,000,000 a year.

The public debts of the five great military nations of Europe have more than doubled during the last twenty years.

The interest charges of these nations have quadrupled during the last thirty years.

Every man, woman and child in the United States must pay \$4.70 in 1914 to make up the appropriations for wars, past and future. In other words, the head of a family of five must pay, when he buys groceries, and other supplies, \$23.50 to the war fund. A French family of the same size pays \$35; an English family \$38. Moreover, the poor people who do the paying in time of peace, do the fighting and the dying in time of war.

The plain fact is that the rich men of the world cannot be depended upon to prevent war. If the working men and women want war stopped, they will have to stop it. In what better way can they stop it than to begin to agitate in favor of the repudiation of all war debts? Let the talk become loud enough — let enough men and women take part in it — and a cloud will at once be cast upon every war bond in existence. The capitalist, so far as lending money is concerned, is a fair-weather bird. He is afraid of clouds. If he believes public sentiment is swerving toward the repudiation of war debts, he will be exceedingly slow to invest his money in more war bonds. That will dry up the wellsprings of the fighters. If they cannot borrow, they cannot engage in war. Then we shall have peace.

How long shall we, of the United States, have peace, with the government able to mortgage unborn generations? Who can tell? Nobody. The second war with Mexico came upon us like a midnight peal of thunder.

We had long heard the distant rumbling. We had long known that war might come. Yet when war actually began, nobody was more stunned than the people of the United States.

No war better illustrates the danger of great military establishments. President Wilson is a man of peace. When war came, probably no one was more stunned than Mr. Wilson. Yet history will place upon Mr. Wilson the responsibility for bringing about the war. He did not intend to bring it about, but he did bring it about. If the United States had not been powerfully armed, he would not have done so.

Let us not blink the facts. General Huerta overthrew and usurped the powers of government in Mexico. Unless current history does him great injustice, he went into office with blood on his hands. As a mere matter of international law, he was undoubtedly entitled to recognition as the head of the Mexican state. Great Britain recognized him as such. France recognized him as such. Germany recognized him as such. The United States did not. Woodrow Wilson stood in the way. He said, in effect, that he would enter into no governmental relationships with a man who rose to power over the body of his murdered predecessor.

President Wilson shall not here be criticised because he refused to recognize the government of General Huerta. International law may not have been on President Wilson's side, but every instinct of decency was on his side. Rulers of states often set aside international law to express their personal preferences in such matters. Mr. Taft never recognized the republic of China, though the republic of China, when Mr. Taft went out of office, had been in existence more than a year. Mr. Wilson was entirely within his rights when he speedily recog-

nized the Oriental republic that Mr. Taft had refused to recognize, and withheld his recognition from the Mexican dictatorship that Mr. Taft was about to recognize.

So far, so good. But a different aspect was placed upon the situation when Mr. Wilson set about it to drive General Huerta from power. A different aspect was placed upon the situation when Mr. Wilson sent John Lind to Mexico, with instructions to set in motion the machinery for General Huerta's elimination. What those instructions were, perhaps the world will never know. We may judge what they were, however, from the inspired reports that soon began to find their way into American newspapers. Persuasion was first tried. Then an effort was made to starve Huerta out by cutting off his money supplies. Mr. Wilson once believed and said that General Huerta was tottering to his fall as the result of inability to get money with which to carry on his government, but Mr. Wilson was wrong. General Huerta obtained money — money by the million.

As it became evident that Huerta could not be starved out, Mr. Wilson's determination to drive him out of office seemed to grow. Mr. Wilson's iron jaw was not put on him by mistake. He is not a man to come to quick conclusions, but when he makes up his mind to do a thing and has the power to do it, he does that thing. Nor is he a man without a temper. The more that Huerta resisted him, the more he disliked Huerta. I was in the White House during February before the war began and saw Mr. Wilson's hatred of Huerta flash up like a flame. "What can General Huerta do," inquired a visitor, "to obtain recognition from this government?" Mr. Wilson's jaws went together and bit off the one word "Nothing." He did not storm as Mr. Roosevelt might have done. He hardly raised his voice.

But in his quiet demeanor was packed all the determination that can be put into the human intellect. If I had been Huerta, I should have feared that man.

Huerta did not know Mr. Wilson, but hated him. Huerta had every reason to hate Mr. Wilson. Unless we know better, we always hate those who are in our way. Mr. Wilson was in General Huerta's way. Mr. Wilson stood in the way of the complete realization of General Huerta's greatest ambition. And, quite naturally, Huerta's hatred of Wilson was reflected, more or less, by the officers who served under Huerta.

It was the reflection of Huerta's hatred by his subordinates that caused the insults that precipitated war. Never before did we go to war (unless the war of 1812 be considered an exception) as the result of an insult to our flag. Benjamin Franklin once said that no cause was sufficient to create war between two nations that wished to keep the peace and that no cause was too small to provoke war between two nations that wished to fight each other. More than a hundred years after Franklin's death, his wisdom comes back to us. Huerta apologized (orally and by proxy) for the insults that had been offered through his government, to our flag. Mr. Wilson said he must salute the flag.

Why came the second war with Mexico? Because two men fell out, and one of them, having the power to destroy, by force of arms, the power of the other, determined to resort to war. Starting with the best intentions, Mr. Wilson gradually became enmeshed in the most tactless actions. If Mr. Wilson had contented himself with the refusal to recognize Huerta, the second war with Mexico would have been indefinitely postponed. But the moment Mr. Wilson sent Mr. Lind to Mexico for the purpose of driving Huerta from power — that moment Mr. Wilson set his feet upon dangerous ways.

Mr. Wilson's state of mind being what it was, from the moment the demand was made upon Huerta to retire the question of peace or war passed to the hands of Huerta. No nation can make a demand without suffering humiliation if the demand be refused. Mr. Wilson placed himself in a position where, in the event of opposition, he must fight or be humiliated. General Huerta provided the opposition and Mr. Wilson provided the war.

• Mr. Wilson's misfortune — and the misfortune of the American people — was due to the fact that he had at his elbow too many great military weapons. If he had known, at the beginning, that he could not force Huerta out, he would not have demanded that he go. Switzerland never demands that the reigning dynasty of Great Britain shall renounce the throne. But Mr. Wilson had the men, the ships and the money with which to whip Mexico, and, without realizing it, events drove him into a position where he determined to use his power.

The possession of weapons always carries with it the temptation to use them. When we were practically unarmed, thirty-five years ago, we were in no danger. Nobody tried to attack us. Nobody dared to attack us. Everybody knew that, if attacked, we could overwhelm any nation that should attempt to land an army upon our shores. We could do the same to-day. We need no navy. We need no more than the skeleton of an army. With such land fortifications as we have, or could easily provide, nobody could capture a city, and certainly no nation would be so foolish as to try to land an army among us.

With the money that we are wasting upon military expenditures, we could annually build a double-track railway across the continent at an average expenditure of \$50,000 a mile.

With the same money, we could annually establish

twenty great universities, at a cost of \$20,000,000 each.

Or, with one year's military expenditures, we could establish national stock ranges, produce our own beef cattle, slaughter them and pack the meat in government institutions and sell meat to the people at the cost of production. The beef trust might not like this, but other people might.

Or, with one year's expenditures, we could build 144,000 houses at \$3,000 each. If we desired, we could sell these houses at cost, instead of \$4,500 or \$5,000 each, as the real estate gentlemen do, or we could rent them for just enough to keep them in repair.

The government of New Zealand is already doing practically this, though in a small way as yet.

Or, with one year's military expenditures, we could build 50 flour mills at \$50,000 each, and sell flour to the people at cost; 50 shoe factories at \$50,000 each, and sell shoes to the people at cost; 100 furniture factories at \$100,000 each, and sell furniture to the people at cost—and still have spent only \$15,000,000 of the \$433,000,000 that we are this year expending for wars past and present.

With the remaining \$418,000,000 we might establish other industries to compete with the grafters.

The foregoing are but illustrations of what the working people of the world could do if they would repudiate the world's war debts, end war forever, and then take over the control of their own governments. Perhaps a "widow" or "orphan," here and there, would miss the interest upon a war bond, but what of it? Granted that injustice would actually be done in some cases, is it not better that injustice should be done to a few than that war should curse the world indefinitely and war debts rob the world until the end of time?

## CHAPTER X

### HENRY FORD'S BOMBSHELL

**H**ENRY FORD, in 1914, did what the best constitution could not have done — he cracked the shell of hell. He who will may put his eyes to the crack and look out. Everyone in the world is putting his eyes to the crack, though not all of them are looking out. The whole world is talking about Ford. Wherever men and women toil most, there is the talk most earnest. Five dollars a day for floor sweepers — think of it. Twelve millions a year given to employees — can we be dreaming? And daily hours cut from nine to eight — will not somebody kindly wake us up?

Nobody can wake us up. We are not asleep. All that we have read about Ford is true. The great automobile manufacturer is giving away money by the million — not as Rockefeller gives it, to universities and churches; not as Carnegie gives it, to found libraries in his own honor — Ford is giving the millions back to the men who hammered them out with their bones. He might have kept them all. He voluntarily chose not to. For Ford, as a human being, I am strong. He is a man.

I should like now to have you look through the crack that Ford has put into the shell of hell as I look through it — and then ask yourself whether I have pointed out anything that is not there. But to see through this crack clearly it will be necessary for you to keep Ford's millions a little away from your eyes. A silver dollar,

held within half an inch of your eye, you know, will shut off the view of a valley a thousand miles long.

I said I was strong for Ford. I am. I am strong for him because he wears no bristles upon his back. I am strong for him because he is doing what no other man of his income ever did — giving back to his employees half of his profits. But I am strongest for him because he has proved many things that Socialist writers have been telling you for years. When we wrote you yawned. You said we were dreamers. Some of you said we were fools. No matter what you said. The point is, you did not believe us. We pictured to you a world for which you did not dare to hope. You did not believe a world so much better than this could exist. But you were wrong. Ford has proved you were wrong. You were wrong because you did not dare to hope enough. The human race never dares to hope enough. So long has it been harnessed to hardship that it scarcely dares hope at all. A politician who promises next to nothing — and does not deliver that — is usually believed. We Socialists, who promise what the earth really holds, are set down as idle dreamers or malicious demagogues.

It is time now to get down to brass tacks. Money talks. Ford's money is talking. We Socialists told you that under a just system of industry even the lowliest worker need not lack a decent living. Ford has not established a just system of industry, even in his own factory. He is returning only half of his profits. But the lowliest man who works for Ford receives not less than \$5 a day: That is \$1,565 a year. Ford is paying many of his workingmen more than \$2,000 a year. The average annual wage of the American workingman is less than \$500 a year.

The difference between what Ford is paying and what the others are paying indicates part of the robbery that the others are practising upon their victims. It does not represent all of the robbery, because Ford is not yet paying his employees what they earn. Ford's employees, like all other employees, earn all that is produced in excess of what is actually produced by the proprietors themselves. Most great proprietors produce nothing. Ford is an exception. He is entitled to his just reward. But his just reward is not what he is getting. His plant, in 1913, produced \$25,000,000 of profits. Ford took more than half of this sum and his six partners took the rest. No man on earth can earn \$12,000,000 or \$15,000,000 a year.

No man on earth can wisely use so much a year. Ford knows this as well as anybody. The fact that he has chosen to surrender half of his profits shows that he knows it. The fact that he has chosen to return half of this money to his employees instead of using it to found libraries and endow colleges shows that he knows to whom it belongs. Ford has been a workingman himself. He is not entirely blind. He knows what it means to work and get only a part of what one earns.

But let us hurry along. We Socialists told you that under a just system of industry even the lowliest workingman need not lack a decent living. You hooted at us. You said we were fools. The rich men said we were crooks. What does Ford say? He says he can afford to pay and will pay floor sweepers not less than \$5 a day. What do you think of a minimum of \$5 a day? You, Mr. Average American Workingman, who receive less than \$500 a year, what do you think of \$1,565 a year? Could you live in comparative decency on that? Would your family feel a little more comfortable than it now

feels on less than \$500 a year? How would you like to work for Ford? Would you accept a job in his factory if he were to telegraph you? Would you suspect his money of being counterfeit?

Then, why do you always suspect Socialist promises of being counterfeit? Can nothing but the actual sight of money convince you? All that Ford has told you in terms of money we have told you in words. We have told you even more. We have told you that you may have all your labor produces if you will but go about it in a sensible way to get it. Ford has told his employees they may have half of the additional \$25,000,000 a year that they should get. When Ford promises to return ten or twelve millions a year you take him exceedingly seriously. If you are near enough to his factory, you crowd around the gates and howl for jobs. You block the streets until the police have to come and chase you away. But when Socialists tell you that you could just as well have the whole \$25,000,000 as half of it, you yawn and declare you believe you will vote the Democratic ticket and keep the tariff down or vote some other ticket and put the tariff up.

The man who perpetually yawns is exceedingly likely to dislocate his jaw, but he is not in great danger of yawning a new suit of clothes upon his back, or a barrel of flour into the kitchen. It is time that we, as a nation of working men and women, began to give some serious thought to the problem of how we may best go about it to make life more nearly worth living. If nothing can convince us except the actual sight of money, let us thank God that Ford has money. He has put a crack in the walls that even a donkey should be able to see through.

But we should ask too much of Mr. Ford if we were

to require him to pull us through the crack. Ford has done enough for us. We should now do something for ourselves. He has shown us that half of his profits are enough to enable him to reduce daily hours from nine to eight and increase the pay of all men more than 22 years old to \$5 a day. We should be able to do the rest of the problem ourselves. It is nothing but a problem in mental arithmetic. We have only to divide the remainder of Ford's annual profits by the number of his employees to ascertain how much more Socialism would increase wages.

The remainder of Ford's profits are \$12,500,000.

The number of his employees is 25,000.

Enough profits are left to increase by \$500 a year the wages of each man, woman and child who works for Ford.

That would be a little more than \$2,000 a year for floor sweepers and still more for others.

If Ford should say to his employees that he would give each of them \$500 more a year, you would believe him. You would believe him because you know he has the money. Yet Ford cannot divide \$12,500,000 by 25,000 more accurately than I can. I know what the result is as well as he does. I know that if Ford's employees, in common with all the rest of the people in the United States, owned the Ford factory, precisely as they do the parcel post, that the employees, instead of Mr. Ford and his partners, would get the remaining \$12,500,000 a year. All this is but the simplest truth, and the sooner the working class of the United States awoken to its truth the sooner will "Ford wages"—and better—be paid to everybody in the United States.

But every industry in the United States is not a Ford automobile factory—this from our friends the grafters

who want to keep things precisely as they are. Hardly anybody, they say, is making so much money as Ford and almost nobody could afford to pay so much wages as he is paying.

Nonsense? Every great industry in the United States can afford to pay as much as Ford is paying. Little business men could not afford to pay as much, because they are doing business in a wasteful, picayuneish way, but the great industries are as well able as Ford to pay what he is paying. The automobile industry is highly competitive. Ford's business seems an exception to ordinary industries only because his dividends are so large. Let me tell you why his dividends are so large.

The Ford Automobile Company in 1913 made profits of \$25,000,000. The rule among big business men is to issue as much stock as the profits will pay dividends upon. That is the way business men estimate values. Earning power is the test. If a concern can produce profits of \$1,000 a year, the concern must be worth \$25,000, because \$1,000 is 4 per cent. of \$25,000. The advantage of this scheme is that it gives the insiders an opportunity to get their own profits quickly. They do not wait weary years for dividends. They simply start the presses to printing stock. The stock is sold to the public at high prices and bought back, in panic times, at low prices. The insider cannot lose. The outsider cannot win. The insider does not intend the outsider shall win.

The Ford Automobile Company, as I have said, produced in 1913 profits of \$25,000,000. It was known far and wide as a highly prosperous concern. According to all the rules of high finance, it should have been capitalized at an enormous sum. According to all the rules of high finance, its stock should have been touted broad-

cast as a great investment and sold to everybody who could be induced to buy. If Henry Ford had been the ordinary big business man, he would have done these things. Upon the basis of his \$25,000,000 of profits he would have capitalized his concern at \$625,000,000 or thereabouts. Upon a capitalization of \$625,000,000 he could have paid an annual dividend of 4 per cent. As the owner of more than half of the stock he could have put more than \$300,000,000 into his own pockets and become another Carnegie. He could have reduced wages, starved his employees into strikes, shot them down if necessary, and virtuously resisted all demands for more wages by declaring that he was already paying so much wages that he could pay only 4 per cent. interest upon his stock.

But Henry Ford did none of these things. The Ford Automobile Company, instead of being capitalized at \$625,000,000, is capitalized at \$2,000,000. The stock of the company, instead of being scattered broadcast through the country, is owned by seven men, Mr. Ford himself owning more than half. Mr. Ford, in other words, has been and is engaged in the making and selling of automobiles rather than in the making and selling of stock.

Therein Ford differs from the conventional big business man. Because his company is honestly capitalized, his books in 1913 showed a profit of more than 1,200 per cent. It is because his books showed a profit of more than 1,200 per cent. that the Ford company is pointed out as an unusually successful enterprise. If the Ford company were capitalized for seven or eight hundred million dollars, the very men who now regard it as a gold mine would regard it as a gold brick.

And it would be a gold brick to everybody except the

men who sold the brick. They would have the seven or eight hundred millions and would be so respectable that their respectability would shed censure as a duck's feathers shed rain. But the cheated stockholders would be dissatisfied with the small return upon their investment, and the workers would be dissatisfied with their wages. The wages of floor sweepers would not be increased from \$2.34 a day to \$5, nor would \$12,000,000 be handed out each year to other employees. More likely the wages of everybody would be reduced. And the reduction would be based upon the excuse that is everywhere given by big business men: "We must reduce wages in order to pay our stockholders a fair rate of interest."

We hear this cry every day. The railroad companies want to reduce wages or increase freight rates — they do not much care which. The mining companies cannot afford to pay their employees living wages. No millionaire will admit that he is making a dollar in excess of necessary household expenses. Ford is the only millionaire in the United States who is crying to his employees to help him spend his money.

Yet common sense should tell us that the Ford plant is not the only industry in the United States that is making much money. Why should the Ford plant be so considered? The Ford plant makes nothing but automobiles. Automobiles are not necessary to life. Most people do not have them. Most people never will have them. Concerns that make and sell what everybody must have should be much more prosperous than a concern that deals in what only a few can have. A great railroad system should be much more prosperous than an automobile plant. The Beef Trust should be more prosperous than an automobile plant. The Woolen

Trust should be more prosperous than an automobile plant. The Steel Trust should be more prosperous than an automobile plant. Yet not one of these trusts declared a dividend in 1913 of 1,200 per cent. Not one of these trusts has since established a minimum wage of \$5 a day and reduced daily hours from nine to eight. Not one of these trusts pays anything but the lowest wages upon which its employees will consent to exist. They are all doing business — feeding, transporting and otherwise serving the American people, but they are all paying wages that Ford's employees would not look at, and calling upon the police, if necessary, to prevent their employees from using force to get more.

The American people are being fooled — that's all. The business buccaneers of this country are concealing their profits behind watered stock. What Ford is doing all the great business interests of the United States could do if they would.

The railroads could decrease freight and passenger rates and increase wages.

The Beef Trust could increase wages and reduce the price of meat.

The Woolen Trust and the Steel Trust could sell their products for less and pay their employees more.

Ford wages can be duplicated by any trust that is willing to retire its watered stock and return to its employees half or more of the profits.

But there comes the rub. To get the desired result both of the foregoing conditions must be brought about. Capitalization must be brought down to an honest basis and capitalists must be found who will give half of their profits back to their employees. The fulfillment of either of the conditions without the other will not be enough. It is theoretically possible, though highly im-

probable, that the trusts will be forced to an honest capitalization. But what if the trusts were to be forced to an honest capitalization to-morrow? What good would that do the men and women who work for the trusts?

That is a question that is not answered by gentlemen who would settle everything by squeezing the water out of stock. Squeezing water out of stock, while a highly meritorious proceeding, does not necessarily amount to anything to the employees of stockholders. Squeezing the water out of stock merely prevents rich men from gold-bricking small investors. It does not compel stockholders to pay wageworkers more wages. Ford's honest capitalization did not amount to anything to his employees until he coupled with it a determination to return to his employees half of his enormous profits. Without undermining the very foundations of the capitalist system, what law can be passed to compel capitalists to return half or more of their profits to their employees? No such law can be passed. Therefore, the squeezing out of water from stock is no remedy for insufficient wages. It is a remedy only for a certain class of bad investments.

The only remedy for the miserable conditions under which labor exists is Socialism. Ford's plan, splendid as it is in comparison with the policies of other capitalists, is defective in many particulars, of which I shall mention two. It gives his employees only half of the \$25,000,000 annual profits, when they should have all of the profits except what might justly be paid to him as compensation for his services, which are of undoubted value; and, being entirely voluntary, it may be withdrawn by him at any moment.

No man should have the right to withdraw at any time anything to which any other man is entitled.

Either Ford's employees create the wealth that is produced in his plant or they do not. If they do not create this wealth, it would be interesting to discover who does create it. If they do create it they are entitled to all they create all the time. If they did not create the \$25,000,000 of profits that the plant produced in 1913, then Ford and his six partners did create it and are now doling it back to their employees in the form of charity. If the workers of this country, in demanding higher wages, are seeking charity, I have not heard their cry aright. If Ford, in announcing his profit-sharing plan, branded it as an act of charity, I did not read his announcement aright.

"All our men," said Henry Ford to the *New York Times*, on January 11, 1914, "have helped us in our business. We feel they are entitled to share in the profits."

Not a word about charity in that. Nor in this:

"I do not believe in prolonging the conditions which, ever since the Civil War, have been developing into a curse upon the country—the conditions which have built up a few millionaires and actually pauperized millions or kept them poor. Such conditions are out of date."

Such conditions certainly are out of date. Such conditions were never *in* date. They were never just. They are not just now. But to declare them "out of date" accomplishes nothing. Even if they are out of date, the conditions still exist. What we need is to put them out of existence. How can we do that? Ford's plan will not do it. Ford's plan is voluntary. If we wait until the great capitalists of this country voluntarily offer to relinquish half of their profits to their employees, we shall probably wait until Gabriel blows his horn.

Who is willing to wait so long? If every capitalist should voluntarily follow Ford's example to-morrow, what could prevent them from changing their minds day after to-morrow?

Don't let your mind buckle up at this point. Here is where you should do your thinking. It is because you always stop before you get to this point that you never get anywhere. We have uncovered the loot — how are we to recover our property?

We have shown that stock watering is a device by which profits are concealed — how are we to get what we have lost?

You cannot do it by decreasing the tariff.

You cannot do it by increasing the tariff.

You cannot do it by fussing with the currency.

You cannot do it by passing more foolish laws against the trusts.

Only one law can be enacted against the trusts that will do the people any good. Pass a law compelling the trusts to sell their plants to the government, at a just price, and you will have done something. You will then be in a position to know that you will get the profits made by the trusts. Owners never have any difficulty in collecting the profits that their industries make. Outsiders are the only ones who have difficulty in collecting profits on other people's property.

The American people are outsiders. They should be insiders. The people of the United States should own the industries of the United States. They do all the work in these industries. They have need for all the products of these industries. Why should they let a few insiders own everything while all the rest of the people stand outside and pay everything? It is not be-

cause industry would cease if the insiders ceased to own. Owners are not workers. They used to be, a hundred years ago, but they are not now. Business has grown too big. Owners now merely own. Morgan makes no steel, nor helps move a railway train. Rockefeller only plays golf. Not a great captain of industry works anything but the public. With rare exceptions, such energies as they devote to business are devoted only to the business of profit-making.

Profit-making does the public no good. If the public must be buncoed out of a profit, the public has no interest in the destination of the profit. It is immaterial to the public whether the profit goes to Morgan, to Rockefeller or to the Vanderbilts. The public should not, therefore, be compelled to pay Mr. Morgan for so arranging matters that a certain profit goes to him rather than to somebody else. That kind of "work" does not constitute public service and should not be paid for by the public.

Yet it is the only kind of work these gentlemen do. To do this "work" is the only excuse they have for owning the country's industries. If they were to get out, the industries would go on. The men who are making steel would continue to make steel. The men who are digging coal would continue to dig coal. The men who are weaving wool would continue to weave wool. Nothing would happen except that a few grafters would no longer be permitted to fatten at the expense of everybody else. What Ford has done for his 25,000 employees would be more than duplicated for every other working man and woman in the United States. Ford is giving only half of his profits back to the men who originally created them. Socialism would

hand over the other half. Socialism would leave nothing for the mere owner — for the man who did nothing but stand at the pay window with a club.

Men like Henry Ford would be taken care of. Men like Henry Ford are as easy to take care of as they are scarce. In the *New York Times* interview that I have quoted he said: "I don't expect to leave much of a fortune when I die." He knows how little money can do toward the making of happiness. Yet he knows how necessary it is that everybody should be able to receive for his labor enough money to enable him to live comfortably. "I believe it is better for the nation," he said to the *Times*, "and far better for humanity, that between 20,000 and 30,000 men and women who work for me should be contented and well fed than that a few millionaires should be made."

The needs of all the rest of the people are as great as the needs of Ford's employees. He believes — and quite rightly — that he has helped humanity by giving half of his profits to his employees. I believe humanity would be helped tremendously more by giving all of the profits that now go to capitalists to the working men and women who are creating them. That is what Socialism stands for.

And that is what we need in this country. We need to widen the margin between income and necessary expenditure. It does no good to increase wages if the cost of living be also increased so much that nothing is left of the increased wages. Nor does it do any good to reduce the cost of living if wages be so reduced that the worker can pay only for the cheaper living. The people of this country will never be any better off until the cost of living can be tremendously reduced without reducing wages at all, or until wages can be tremen-

dously increased without increasing the cost of living at all. Which brings us to the paltry promises that the other political parties make — and don't keep.

How miserable are the promises of the Democratic party — empty though they have proved to be — beside what Henry Ford is actually doing. The Democratic party promised to reduce the cost of living by reducing the tariff. If anyone can show that the cost of living has gone down since the Underwood tariff law became effective he will have accomplished something that *Bradstreet's* has been unable to do. The Democratic party promised that it would increase prosperity by "reforming" the currency. The winter after the currency was reformed 325,000 men were idle in New York City alone, and millions more were idle throughout the country. The Democratic party promised to stop extortion by "strengthening" the laws against the trusts, but when Mr. Wilson outlined his anti-trust program to congress Wall street smiled and declared publicly that the President's statesmanship was superb.

Nor is that all. What if the Democratic party had actually kept its promise to reduce the cost of living? What if the Democratic party had made the average man's living cost nothing? The average man's living must cost less than \$500 a year, because his total income is less than that sum. What if the Democratic party had enabled the average man to live for nothing and save his whole income of less than \$500 a year? What would that achievement have amounted to beside the act of Ford in paying even his floor sweepers \$1,565 a year? If Ford's floor sweepers want to live on less than \$500 a year, as most American workingmen are compelled to live, each of Ford's floor sweepers can save more than \$1,000 a year. Ford actually increased the wages of

each of his floor sweepers \$833 a year. He more than doubled their wages, swelling them from \$732 to \$1,565. The Democratic party never promised the working people of the country more than a paltry reduction in the cost of living, with no guarantee whatever that wages would not be correspondingly reduced. As a matter of fact, the Democratic party has not reduced the cost of living at all. Yet Mr. Wilson continues to enjoy worldwide renown as a great statesman.

Nor did Mr. Roosevelt, in his most extravagant moments, ever promise anything that could be compared with what Henry Ford has done and is doing. Mr. Roosevelt, if he be read carefully, never really promised much of anything. He talked glibly about "social justice," but he never took the trouble to translate his phrases into terms of beef and potatoes. Any political phrase that cannot be translated into terms of beef and potatoes is poor politics for those who consume the political phrase but cannot consume the beef and potatoes.

What we need in this country is more food, more clothing, better shelter, more leisure and less political hot air. Mr. Roosevelt, willing, as he always is, to promise at least all he believes he can deliver, really never promised anything that was definite enough to be identified by an adding machine. If he had promised to the people of the whole country even half of what Ford is actually delivering to his employees, it is a grave question whether he would have received as many votes as he did. It would have seemed too much. Nobody would have believed the country's industries could stand the drain. Yet Ford, honestly capitalized as his company is, has turned the trick and is still paying

an annual dividend of 600 per cent. upon his \$2,000,000 of stock.

We who live in this country should dare to hope. We are living in both a marvelous country and a marvelous age. We have the men, the machinery and the materials with which to produce everything we need. We should no longer be content with a bare living. We should live well and live easily. We should work less and consume more. We should demand much and insist upon getting it. We should have no patience with politicians who promise us trifles and give us nothing. Any politician who promises us trifles is either crooked or lacking in realization of what are our just deserts. We who do the work of this country are entitled to everything that is produced in this country. We should have no multi-millionaires here. We should have no paupers here. We should have neither if everyone were to have the value of what he creates and no more.

We need only to go about it sanely to satisfy our needs. The industries of this country are no longer suited to private ownership. Anything that cannot be run by its owners is too large for its owners to own. Lincoln said no man was good enough to govern another man without that other man's consent. We say that no man has a moral right to own what he cannot operate, but which other men must operate if they are to live. The small group of men who own the industries of this country cannot operate them and do not need them. The great group of men who operate the industries of this country do not own them, but must have access to them if they are to live. They cannot obtain access to them except by making terms with their owners. The terms are always the lowest wages upon

which the workers will consent to exist. These must be the terms because there are always idle workers ready to take the jobs for wages that will yield a bare living. Democrats declare these statements are false. Progressives declare these statements are false. Republicans declare these statements are false. We Socialists respectfully call attention to the fact that the capitalists who are robbing you are financing each of the parties that declare we Socialists are liars. We also call your attention to the conditions that now exist and have existed since you were born—and long before. The workingmen of this country, like workingmen the world over, have been and still are poor.

If you want to fill your pockets, you must open your eyes. Two classes are struggling for the possession of the wealth that is being produced in this country. The workers are trying to keep what they make. The capitalists are trying to get all they can. Strikes are an expression of this conflict. Politics is an expression of this conflict. Of the two politics is the more important. The gentlemen who are relieving you of so large a proportion of what you produce are proceeding according to law. They know, because they made the law. They are exceedingly particular as to what the law shall be. They would like the law always to be on their side. It is easier to do anything when the law is on one's side. You should know this as well as they do. You should know it so well that you would go about it intelligently to make the law as you want it.

That is precisely what you do not do. When you strike you do not choose J. Pierpont Morgan or John D. Rockefeller as your leader. You choose one of your own men. But when you go after something of much more importance—that is to say, political power—you

always choose J. Pierpont Morgan or John D. Rockefeller as your leader. I mean you always vote with some party that is controlled and financed by the rich men whom you wish to conquer.

You see Roosevelt, but you do not see George W. Perkins.

You see Wilson, but you do not see August Belmont and Thomas F. Ryan.

You are solemnly assured that Perkins, Belmont and Ryan do not count, but when your hero has finished his term in the White House they are always more enthusiastic about him than you are. You may not know why, but they do. You believed he belonged to your side. They knew he did not. Some of the men who recently built a monument in Princeton, New Jersey, to the memory of Grover Cleveland are the men whom Cleveland was elected to put out of business. It is always so. A man who is elected by the capitalist class cannot be depended upon to prevent that class from preying upon the people.

The Socialist party is trying to take possession of this country on behalf of the men and women who are doing the work of this country. It is not financed by any capitalist. Its only source of income is the 25 cents a month that each of the workers who belong to the party pays into its treasury. It has no other purpose than to promote the public welfare. It knows not how the public welfare can be promoted except by urging the people to take over the ownership of the country's industries and operate them for the public benefit. We believe we can pack meat without Mr. Armour. We believe we can do everything there is to be done without the help of anybody. We know we can do everything that is to be done, because we have always done it and

are still doing it. We should only miss the activities of the gentlemen who keep us poor while we are working. We believe we could endure their absence. We also believe we could endure the absence of their agents in congress. We believe congress, without any trust agents in it, would be quite a respectable body. We should not trust it too far—we should hold it in check with the initiative, the referendum and the recall—but we believe it would do very well. Since the government has succeeded in digging the Panama Canal, we believe it could be trusted to dig coal and grind wheat, weave cloth and smoke hams.

In short, we believe so much in our country that we are exceedingly anxious to take possession of it. We should like to place everybody, not merely on a level with Mr. Ford's floor sweepers, but up with his \$3,000 or \$4,000 year mechanics. At present each of Mr. Ford's floor sweepers is annually in receipt of an income that is more than three times as great as that of the average American—and Mr. Ford has enough left to pay a dividend of 600 per cent. upon his stock. Mr. Ford and his floor sweepers may be proud of this fact, but how do you feel about it?

Join the Socialist Party. Vote the Socialist ticket. Get in line. It is unthinkable that present conditions can forever continue. The ownership of the earth cannot forever be kept in the hands of a few. The workers must be the owners. Do you believe otherwise? If not, vote the only ticket that will express your desires. Dare to hope—and then vote as you hope.

## CHAPTER XI

### SOCIALISM

**S**Ocialism has been variously defined as a disease, a crime, and a sport, while the simple truth is that it is nothing but a program combined with a passion. The program of Socialism is as prosaic as that of a dog that has fleas. We merely propose to shake off the gentlemen who are riding upon our backs and relieving us of our tissue. We passionately present our program because it is a program to bring about social justice. We do not apologize for becoming somewhat in earnest in our efforts to rid the world of social injustice.

Perhaps the master fallacy of the American people is that this country contains no classes — that we are all little brothers working together to fulfil some sort of glorious mission, and that “the interests of capital and labor are identical.” If anybody can demonstrate to us that the interests of burglars and householders are identical, we Socialists shall be willing to concede that the interests of capital and labor are identical. In the sense that burglars and capitalists are both engaged in the pleasant occupation of appropriating wealth created by others, capitalists and burglars are alike. They are unlike chiefly in the particulars that burglars always work outside of the law and do not have the effrontery to contend that the interests of themselves and their victims are as nearly alike as two peas.

Yet this is no new event in the world's history. Since man first learned to convert his labor-power into wealth, there has always been a struggle for its possession. This struggle, from age to age, has taken various forms.

Precisely as rapidly as the oppressed have compelled their oppressors to abandon one form of pillaging they have adopted another. In the beginning, the method was plain highway robbery. Then came the pretense to actual ownership of men's bodies which was followed by serfdom. Afterwards came capitalism, under which a small class of men own the natural resources and industrial machinery of the world and give those who do the work only enough to enable them to come back in the morning for more work.

In fact, this dodging from pillar to post has gone on so successfully and at such great length that we Socialists should have no interest in trying to interfere with it were it not that we remember the old story about the coon that ran from one hole to another as rapidly as it was smoked out. The coon finally came to the last hole, and was caught. We Socialists believe we can demonstrate that the capitalists have come to their last hole.

Seventy years ago, Socialist thinkers and writers predicted the coming of trusts and accurately described them as they exist to-day. Nobody paid any attention to these gentlemen. There was not a trust in the world. Not until more than thirty years later was there a trust in the world. But these Socialist gentlemen were uneasy. They believed they could see something. The steam engine had been invented. For the first time in the world's history, man was beginning to harness the forces of nature for the production of wealth.

The Socialist gentlemen figured it out this way: manufacturing will prove to be a profitable industry. The

profits of the industry will attract capital to it. For a time the volume of production will not outrun the buying-power of the people. When the volume of production, increased by the desire of capitalists to get profits, does exceed the buying-power of the people, profits will become smaller. As profits become smaller, the competition among capitalists for profits will become more intense. As competition becomes more intense, the capitalists that are economically weakest will go under. But the capitalists that remain will not be of equal strength and again the strongest will compete with the weakest to drive them out of business. Thus the struggle will go on until competition shall be proved to be not the "life of trade," but the death of trade. Then the competitors will go about it to restore profits by combining into great corporations and ceasing to compete. In other words, they will form monopolies, primarily to end competition, but having been formed, they will also be used to practice extortion. And the monopolists will use their financial power to control government and public opinion, to the end that their monopolies shall not be destroyed by government and public opinion.

But the Socialist prophecy of seventy years ago did not stop quite there. It looked ahead and asked: "What will the people of seventy or a hundred years hence do when great combinations of private capital own everything and rob everybody?" It was a fair question. What could the people do? Obviously they could do only one of three things. They could destroy the trusts. They could let them remain in private ownership and try to regulate them through the government. Or they could take over the ownership of the trusts, through the government, and operate them for the public good.

The destruction of the trusts was considered so remote a possibility that it was discarded. These early Socialists could not believe that the world would deliberately go back to small competitive production, with all its waste of human energy and natural resources. Nor did they believe the people would be satisfied to let the trusts remain in private hands. They did not believe the people, through the government, would be able to regulate the trusts. They believed that the trusts so long as they existed, instead of being regulated by the government, would regulate the government. So these early Socialists reached the conclusion that the people would ultimately be compelled to organize politically upon the basis of their working-class needs, capture the powers of government from the capitalist class, take over the ownership of all the great industries, and operate them for the public good rather than for private profit.

That is the Socialist program: government ownership of the trusts together with public ownership of the government.

Many gentlemen declare that the public never has owned the government, does not own it, and never can own it. Such gentlemen declare that if the government owned the trusts we should have such an era of fraud, corruption, deviltry, and despotism as the world has never seen.

We Socialists admit that if capitalist government should own all of the trusts we should doubtless regret that Columbus ever discovered America. But we respectfully point out to such gentlemen that they derive their views of government from the sort of government we now have and from the sort of government we have always had. We respectfully point out to these gentle-

men that the sort of government we have and the sort of government we have always had, is capitalist government. Capitalist government is government by a small class for the benefit of that small class.

The kind of government that we Socialists are trying to bring about is government by the working class for the benefit of the working class. And when we say "working class" we do not wish to be understood as meaning only gentlemen who wear patches upon their trousers and work for \$1.50 a day. We mean all of those persons who are expending either mental or physical effort — or both mental and physical efforts — to bring about the production of wealth. We mean railway superintendents no less than railway trackmen. We mean everyone who is producing wealth as distinguished from those who are trying to extract profits from the wealth that others have produced.

But how do we propose to make government responsive to the will of the people ask our opponents? It has never been responsive to the will of the people. Are we miracle-workers?

We are not. Neither are we blind. Do we not see congress heavily peppered in both branches with the representatives of trusts? Do we not see the supreme court composed of nine gentlemen whom we neither chose nor can dismiss? Do we not see these black-robed gentlemen handing the trusts what they want, and taking from us what we want? Do we not see them declaring the laws we want unconstitutional, and declaring the laws we do not want constitutional?

Therefore, when we gain control of this government, as we confidently expect to do before many years, we shall call a constitutional convention and do a few things to our constitution. We shall take from the President

and the corporations the onerous duty of selecting justices of the United States Supreme Court and entrust this task to the people. We shall install the initiative and the referendum upon a national scale so that the people can enact any law they want that their representatives may refuse to enact, and kill any law that they do not want that their representatives refuse to kill. And we shall apply the recall to every elective official from the President down. We shall proceed upon the theory that if the people may be trusted to elect a man whom they do not know they may also be trusted to fire a man whom they do know to be bad. Doubtless we shall be very revolutionary and very incendiary in all of this, but we are going to do it. We shall expect to bring about no Utopia, but we shall expect to bring about a government that is as wise as the people.

“Ah, but the capitalists will bedevil you still,” say our opponents. “They will get into office by hook or crook and put your plans awry.”

Kind Christian friends, you are wrong again. You have forgotten about the boy who wanted the core of the other boy's apple. There ain't going to be no capitalists under Socialism. Under Socialism the people, through the government, will furnish their own capital. No possibility will exist for private capitalists to exist. Government will not be corrupted by the senators of the steel trust because the government will be the steel trust. Had you never thought of that? Will you not please think of it again before you say that under Socialism corrupt men would dominate the government. Private profit is what makes men corrupt. We are going to do away with private profit. We are going to make things for use instead of for profit.

“A beautiful dream,” say gentlemen who feel that

it is almost a shame to wake us up. "Let us grant," they continue, "that government could wisely manage industry if it could become the owner of industry, but have you figured out where you could get the money to buy the trusts?"

Indeed we have. It is a poor trust that does not make an average net profit of 10 per cent. per annum. Most of them make much more. When we gain control of the government we shall enact laws compelling the trusts to sell to the government at prices that represent actual values; no wind, no water — just values. We shall not try to buy all the trusts at once. We shall acquire them one at a time and take over the reins of one before we grasp for the reins of another. And to all of these trusts we shall give in return for their properties United States bonds payable in 50 years. That will spread the cost of the trusts over two and a half generations. Then we shall establish a sinking fund and put into it each year two per cent. of the face value of the bonds. We shall also establish sinking funds to provide for deterioration, but that will be a private matter among ourselves and need not concern the trusts. And we shall get the money we put into these sinking funds by selling goods at a little more than two per cent. in excess of what it costs to produce them. In other words, we shall make the trusts pay for themselves. And while they are paying for themselves the people will be enabled to buy goods almost at cost instead of paying the exorbitant profits that the trusts now exact.

At any rate, such is the substance of the plan that Representative Victor L. Berger embodied in a bill that he introduced in congress, and without doubt some such plan will be ultimately adopted. Only one development can prevent it. If Socialism shall be too slow in com-

ing, the tyranny of the trusts will undoubtedly compel the people to confiscate them, precisely as Lincoln confiscated the slaves. Henry Clay, twenty years before the Civil War, wanted the government to buy the slaves at double their market price and thus avoid the war that he saw coming. But the slave owners did not want to give up their good thing. So their good thing was taken from them by a very good man, and they received not a cent of compensation. We Socialists prefer to pay — and we know how we could pay. We want no war. We live here, and we want this to be a good place in which to live. It can never be a better place in which to live until the common people learn how to use the government, to promote their own interests and obtain a constitution under which this can be a real republic.

## APPENDIX.

### NATIONAL SOCIALIST PLATFORM

(Adopted at Indianapolis, May, 1912)

**T**HE Socialist Party of the United States declares that the capitalist system has outgrown its historical function, and has become utterly incapable of meeting the problems now confronting society. We denounce this outgrown system as incompetent and corrupt and the source of unspeakable misery and suffering to the whole working class.

Under this system the industrial equipment of the nation has passed into the absolute control of a plutocracy which exacts an annual tribute of millions of dollars from the producers. Unafraid of any organized resistance, it stretches out its greedy hands over the still undeveloped resources of the nation—the land, the mines, the forests and the water-powers of every State in the Union.

In spite of the multiplication of labor-saving machines and improved methods in industry which cheapen the cost of production, the share of the producers grows ever less, and the prices of all the necessities of life steadily increase. The boasted prosperity of this nation is for the owning class alone. To the rest it means only greater hardship and misery. The high cost of living is felt in every home. Millions of wage-workers have seen the purchasing power of their wages decrease until life has become a desperate battle for mere existence.

Multitudes of unemployed walk the streets of our cities or trudge from State to State awaiting the will of the masters to move the wheels of industry.

The farmers in every State are plundered by the increasing prices exacted for tools and machinery and by extortionate rents, freight rates and storage charges.

Capitalist concentration is mercilessly crushing the class of small business men and driving its members into the ranks of propertiless wage workers. The overwhelming majority of the people of America are being forced under a yoke of bondage by this soulless industrial despotism.

It is this capitalist system that is responsible for the increasing burden of armaments, the poverty, slums, child labor, most of the insanity, crime and prostitution, and much of the disease that afflicts mankind.

Under this system the working class is exposed to poisonous conditions, to frightful and needless perils to life and limb, is walled around with court decisions, injunctions and unjust laws, and is preyed upon incessantly for the benefit of the controlling oligarchy of wealth. Under it also, the children of the working class are doomed to ignorance, drudging toil and darkened lives.

In the face of these evils, so manifest that all thoughtful observers are appalled at them, the legislative representatives of the Republican, Democratic, and all reform parties remain the faithful servants of the oppressors. Measures designed to secure to the wage earners of this nation as humane and just treatment as is already enjoyed by the wage earners of all other civilized nations have been smothered in committee without debate, and laws ostensibly designed to bring relief to the farmers and general consumers are juggled and transformed into instruments for the exaction of further tribute. The growing unrest under oppression has driven these two old parties to the enactment of a variety of regulative measures, none of which has limited in any appreciable degree the power of the plutocracy, and some of which have been perverted into means for increasing that power. Anti-trust laws, railroad restrictions and regulations, with the prosecutions, indictments and investigations based upon such legislation, have proved to be utterly futile and ridiculous. Nor has this plutocracy been seriously restrained or even threatened by any Republican or Democratic executive. It has continued to grow in power and insolence alike under the administrations of Cleveland, McKinley, Roosevelt and Taft.

In addition to this legislative juggling and this executive connivance, the courts of America have sanctioned and strengthened the hold of this plutocracy as the Dred Scott and other decisions strengthened the slave power before the Civil War.

We declare, therefore, that the longer sufferance of these conditions is impossible, and we purpose to end them all. We declare them to be the product of the present system in which industry is carried on for private greed, instead of for the welfare of society. We declare, furthermore, that for these evils there will be and can be no remedy and no substantial relief except through Socialism, under which industry will be carried on for the common good and every worker receive the full social value of the wealth he creates.

Society is divided into warring groups and classes, based upon material interests. Fundamentally, this struggle is a conflict between the two main classes, one of which, the capitalist class, owns the means of production, and the other, the working class, must use these means of production on terms dictated by the owners.

The capitalist class, though few in numbers, absolutely controls the Government—legislative, executive and judicial. This class owns

the machinery of gathering and disseminating news through its organized press. It subsidizes seats of learning—the colleges and schools—and even religious and moral agencies. It has also the added prestige which established customs give to any order of society, right or wrong.

The working class, which includes all those who are forced to work for a living, whether by hand or by brain, in shop, mine or on the soil, vastly outnumbers the capitalist class. Lacking effective organization and class solidarity, this class is unable to enforce its will. Given such class solidarity and effective organization, the workers will have the power to make all laws and control all industry in their own interest.

All political parties are the expression of economic class interests. All other parties than the Socialist Party represents one or another group of the ruling capitalist class. Their political conflicts reflect merely superficial rivalries between competing capitalist groups. However they result, these conflicts have no issue of real value to the workers. Whether the Democrats or Republicans win politically, it is the capitalist class that is victorious economically.

The Socialist Party is the political expression of the economic interests of the workers. Its defeats have been their defeats, and its victories their victories. It is a party founded on the science and laws of social development. It proposes that, since all social necessities to-day are socially produced, the means of their production shall be socially owned and democratically controlled.

In the face of the economic and political aggressions of the capitalist class the only reliance left the workers is that of their economic organizations and their political power. By the intelligent and class-conscious use of these they may resist successfully the capitalist class, break the fetters of wage slavery, and fit themselves for the future society, which is to displace the capitalist system. The Socialist Party appreciates the full significance of class organization and urges the wage earners, the working farmers and all other useful workers everywhere to organize for economic and political action, and we pledge ourselves to support the toilers of the fields as well as those in the shops, factories and mines of the nation in their struggle for economic justice.

In the defeat or victory of the working class party in this new struggle for freedom lies the defeat or triumph of the common people of all economic groups, as well as the failure or the triumph of popular government. Thus the Socialist Party is the party of the present day revolution, which marks the transition from economic individualism to Socialism, from wage slavery to free co-operation, from capitalist oligarchy to industrial democracy.

As measures calculated to strengthen the working class in its

fight for the realization of its ultimate aim, the Co-operative Commonwealth, and to increase the power of resistance against capitalist oppression, we advocate and pledge ourselves and our elected officers to the following program:

#### COLLECTIVE OWNERSHIP

1. The collective ownership and democratic management of railroads, wire and wireless telegraphs and telephones, express services, steamboat lines and all other social means of transportation and communication and of all large scale industries.

2. The immediate acquirement by the municipalities, the States or the federal government of all grain elevators, stock yards, storage warehouses and other distributing agencies, in order to reduce the present extortionate cost of living.

3. The extension of the public domain to include mines, quarries, oil wells, forests and water power.

4. The further conservation and development of natural resources for the use and benefit of all the people:

(a) By scientific forestation and timber protection.

(b) By the reclamation of arid and swamp tracts.

(c) By the storage of flood waters and the utilization of water power.

(d) By the stoppage of the present extravagant waste of the soil and of the products of mines and oil wells.

(e) By the development of highway and waterway systems.

5. The collective ownership of land wherever practicable, and, in cases where such ownership is impracticable, the appropriation by taxation of the annual rental value of all land held for speculation.

6. The collective ownership and democratic management of the banking and currency system.

#### UNEMPLOYMENT

The immediate government relief of the unemployed by the extension of all useful public works. All persons employed on such works to be engaged directly by the government under a workday of not more than eight hours and not less than the prevailing union wages. The government also to establish employment bureaus; to lend money to States and municipalities without interest for the purpose of carrying on public works, and to take such other measures within its power as will lessen the widespread misery of the workers caused by the misrule of the capitalist class.

#### INDUSTRIAL DEMANDS

The conservation of human resources, particularly of the lives and well-being of the workers and their families:

1. By shortening the workday in keeping with the increased productivity of machinery.
2. By securing to every worker a rest period of not less than a day and a half in each week.
3. By securing a more effective inspection of workshops, factories and mines.
4. By forbidding the employment of children under 16 years of age.
5. By the co-operative organization of industries in federal penitentiaries and workshops for the benefit of convicts and their dependents.
6. By forbidding the interstate transportation of the products of child-labor, of convict labor and of all uninspected factories and mines.
7. By abolishing the profit system in government work, and substituting either the direct hire of labor or the awarding of contracts to co-operative groups of workers.
8. By establishing minimum wage scales.
9. By abolishing official charity and substituting a non-contributory system of old age pensions, a general system of insurance by the State of all its members against unemployment and invalidism and a system of compulsory insurance by employers of their workers, without cost to the latter, against industrial disease, accidents and death.

#### POLITICAL DEMANDS

The absolute freedom of press, speech and assemblage.

The adoption of a gradual income tax, the increase of the rates of the present corporation tax and the extension of inheritance taxes, graduated in proportion to the value of the estate and to nearness of kin—the proceeds of these taxes to be employed in the socialization of industry.

The abolition of the monopoly ownership of patents and the substitution of collective ownership, with direct rewards to inventors by premiums or royalties.

Unrestricted and equal suffrage for men and women.

The adoption of the initiative, referendum and recall and of proportional representation, nationally as well as locally.

The abolition of the Senate and the veto power of the President.

The election of the President and the Vice President by direct vote of the people.

The abolition of the power usurped by the Supreme Court of the United States to pass upon the constitutionality of the legislation enacted by Congress. National laws to be repealed only by act of Congress or by the voters in a majority of the States.

The granting of the right of suffrage in the District of Columbia with representation in Congress and a democratic form of municipal government for purely local affairs.

The extension of democratic government to all United States territory.

The enactment of further measures for general education and particularly for vocational education in useful pursuits. The Bureau of Education to be made a department.

The enactment of further measures for the conservation of health. The creation of an independent Bureau of Health with such restrictions as will secure full liberty for all schools of practice.

The separation of the present Bureau of Labor from the Department of Commerce and Labor and its elevation to the rank of a department.

Abolition of the federal district courts and the United States Circuit Courts of Appeals. State courts to have jurisdiction in all cases arising between citizens of the several States and foreign corporations. The election of all judges for short terms.

The immediate curbing of the power of the courts to issue injunctions.

The free administration of justice.

The calling of a convention for the revision of the Constitution of the United States.

Such measures of relief as we may be able to force from capitalism are but a preparation of the workers to seize the whole powers of government in order that they may thereby lay hold of the whole system of socialized industry and thus come to their rightful inheritance.



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