Methods of Acquiring National Possession of Our Industries

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CO-OPERATIVE
Thus far, in the history of the Socialist movement in America, the general trend of propaganda has been to teach the lesson of the class struggle and to demonstrate the inevitable course of industrial evolution.

We have spoken and written much to prove the advantage of, and the necessity for, the collective ownership of all the various mediums through which labor is now exploited, commonly known as the means of production, transportation and exchange.

The inauguration of the Socialist state, or the establishment of a co-operative commonwealth, requires primarily that the system of private ownership that now obtains shall be changed to a thorough system of public or collective ownership, and hence the vast private properties now held in the exploiting mediums must pass from the control of the individual into that of the collective body.

The conviction that this change—that this revolution implied in the transfer of ownership and control of our nation's wealth—is necessary, is a part of the history of hundreds of our citizens every day. They are at least brought to feel the necessity for governmental ownership, even though their limited knowledge and experience may leave them very far from being Socialists.

To each of these and to thousands everywhere, the question discussed in this volume comes as naturally as effect follows cause: "How can public possession be obtained?"

This question has not received the attention that it merits. The time for its formal discussion is at hand—has in fact, already been too long postponed. The pandering of capitalistic parties and politicians to popular prejudices, as evidenced in their demands for governmental ownership of one or more industries; for municipal ownership of water, lightning systems and street railways—all, in the last analysis, but a fruitless effort to save the doomed "middle class"—is forcing a thorough investigation of this great question whether we court it or not.

The method of acquisition proposed by these old political mills are fraught with such folly and defended by such means for masking the truth and misleading the thoughtless that they must be combatted and exposed by open and honest appeal to the best judgment of men.
Methods of Acquiring National Possession of Our Industries.

In following this discussion of the various methods suggested whereby the nation may or should get possession of the means of production and distribution, or better, of every exploiting medium, it must be borne in mind that the author can not hold the Socialist party responsible for what he may say, because that party has not yet formulated a single expression upon the subject. He speaks solely as an individual and with no other authority.

Four methods have been suggested. For convenience, they may be denominated as (1) the confiscation method, (2) the competitive method, (3) the purchase method, (4) the pension method. No others have been suggested, doubtless because there are no others. That possession will be acquired through application of one or more of these plans is now apparent to all students of the subject. Our purpose is to present as fully and impartially as possible the arguments used for and against each method. Perhaps no other subject now before the world is more thoroughly clad in misinformation and prejudice than the one in hand. Education alone can disrobe it. In the near future, it is to be the one mighty question that will demand solution. The sooner we qualify to meet it, the better.

FIRST METHOD—CONFISCATION.

This method of obtaining collective possession of the means of production, including land, mines, etc.—in short, of obtaining possession of every means whereby or through which labor
is exploited—is commonly considered the "most radical" method. But we must avoid forejudging such matters until we have looked carefully into the other methods, and perhaps we shall learn that it is not more "radical" than they, and also that it does not differ very materially from them. This statement may impress the reader as being far-fetched, but the author asks only that investigation precede formation of opinion.

The advocates of the "confiscation" method contend that the collective body should simply take possession of every exploiting medium and operate it through thorough industrial organization and solely for the benefit of the whole people. Of course any thought of taking this "property" and dividing it among the citizens of the country is as foreign to their minds as is the thought of dividing up the "property" now held collectively in our postal system; or of dividing up the "property" in our railway system should the government come into possession of it. Collective ownership is of necessity the opposite of any form of division among possessors.

The advocates of this method contend primarily that all value is and of necessity must be the creature of labor—that labor alone can create value—and on this point they are in accord not only with all authority but with fact self-apparent. That which is created, of right, belongs to the creator. They argue with Crosby that one can not get a thing without producing it unless some one else produces it who does not get it.

Under the capitalist system of producing wealth, laborers have been and must be compelled to purchase access to the means whereby they must live. They must divide the product of their toil with an exploiter thereof; and as
a consequence of this division by the many (aided of course, by modern methods) with the one, the latter has accumulated the riches of a commonwealth.

But there is another point here that must not be overlooked. Under the law which vests the ownership, and hence the right to exploit, in an individual, and under the institutions that industrial evolution have brought into being, this division on the part of the laborers is compulsory. Therefore, the great fortunes are extracted from labor's product by process of law, and although not "appropriated to public use" (as the authorized definition of "confiscate" implies) yet they are appropriated to the use of others than the producer, and hence represent what is practically confiscated.

It it sometimes suggested that our law grants the laborer the right of contract and the right to quit when he pleases, etc. But neither the law nor the institutions that it upholds grants any laborer the right to any form of labor contract that frees him from the necessity of dividing his product with an exploiter—that frees him from what we may term "private confiscation." And his "right to quit" he enjoys equally with his right to cease to live. He may abandon one "confiscator," but he must submit to another.

When remuneration of the capitalist is suggested, the advocate answers: "To confiscate the means of production is at its worst but appropriating to public use that which has been appropriated to private use—is but confiscating the confiscator—is but giving back to the producer that which has been filched from him by process of law." And then the advocate asks some troublesome questions: "Who will compensate the laborer for what has been wrested from him while this same laborer is compensating the capitalists for what they have thus ac-
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quired? Who will pay for what labor has suffered at the hands of organized greed? Who will pay for the crimes of capitalism; for the anxiety, the suffering, the suicide, murder, theft, prostitution, starvation and death directly traceable as its work?

“But,” says an opponent, “honest acquisition is not a thing unknown. Some have it, as it were, dug homes out of the very earth, have acquired even land in spite of the exploiter.” The advocate answers: “True. But first, who is going to select the wheat from the tares? Second, the home is not an exploiting medium and none would be disturbed in its use or occupancy. Unexploited labor would soon be abundantly able to supply all necessity in that line. Third, the land would cease to have an exploiting value—would be useless as a private property where labor must be hired to work it. The possessor might waste his time and energy in efforts to dig a living out of it while he played at ownership; but in a thoroughly organized industrial system, where machinery was used wherever possible and on a scale that is yet in infancy, he would be subjected to a competition that would soon teach him that a co-operative commonwealth had something for each of far more value than assumed possession of a few acres of earth. Even capitalism, in a very few years, will destroy all such idolatry. If there is any profit to be reaped from his honest acquisition, the seekers for investment of billions in dividends will soon find it and it will be theirs; and the present owner will be seeking some place to make a small investment, and a little later for a job. If it yields no profit, or if the great investors can more thoroughly exploit him while he plays owner than in any other way, they will leave him in assumed possession. He can no more
escape the confiscator than he can death, and what does he get in return for what he surrenders? The best that capitalism can offer is a wage that suffices for a living that must adjust itself to a standard measured by absolute necessity. Fourth, on the other hand the "confiscating Socialist" offers every man all that any except the "professional" exploiter or gambler could ask. Socialism offers to every mortal free access to the means of production—the means of life; offers each the right to work as much or as little as he pleases and the enjoyment of the full equivalent of what his labor produces. Hence, what he enjoys will depend wholly upon his own efforts. The only compulsion about the matter is that he who eats shall work and pay for what he eats; for there will be no means whereby the able-bodied can compel others to support them in luxury or in penury. In short, Socialism frees the laborer from the grasp of the exploiter and by so doing offers him a reward for four hours' work far in excess of anything that capitalism can offer him for ten hours. Thus Socialism, far from robbing any, vests each with a "private property" whose value is far in excess of anything now enjoyed by the masses of mankind or that is possible for them to enjoy in the present system. It offers an absolute guarantee against any form of want or misery except such as is self-inflicted. Every thoughtful man knows that this country is fully capable of supporting in abundance many times its present population; that our resources are all-sufficient, our labor ample and our brain equal to any emergency. What we lack is organization that makes co-operative effort possible. Such organization cannot exist under

*This subject, "Labor's Reward under Socialism," is fully discussed in "Introduction to Socialism," and the reader's attention is especially invited thereto.
capitalism and hence the misery and want that must needs follow."

Thus far, we have dealt with this method abstractly; now let us test it by a few concrete examples.

The agents of a young English stripling sit at the mouth of one of the greatest coal mines on earth and collect toll from every ounce of coal that goes from that pit to the world; because the boy "owns" the thing. Did the boy have anything to do with the producing of the mine or with mining the product? So far as argument is concerned, he may never have even visited that spot of earth. How then is it his? Well, it belonged to his father and now belongs to the son. How did his father get it? In the same way that the son acquired possession of it—from his father. And the grandfather and great-grandfather and his father had the same title thereto. By that time the coal had not been discovered. Later, labor opened the earth and found it; but it was his who “owned” the land. And thus possession has passed from father to son until we get to William the Conqueror. And how did William’s contemporary, the ancestor of the present owner, get this property? Why, William’s soldiers cut the head from a Saxon nobleman, took his land and bestowed it upon the Norman. In other words, the stripling has the same claim to this land and to the great necessity that lies buried in it that Edward VII. has to England’s throne—the one because he is the oldest son of his father, the other because he is the oldest son of his mother.

A foreigner claims and owns a part of one of our great trans-continental railways. In consequence of a series of three circumstances, all of which are more or less accidental, he does not own it all. These are, first, the lack of
complete ownership by one man; second, more than one heir, and, third, a will. Barring these accidents or incidents, he could hold possession of it all against the world.

The radical or confiscator would bring this gentleman into a court of equity as defendant and the American laborers as plaintiff. They would, question the foreigner thus:

Question—You claim to own this property? Answer—I do.
Question—Did you produce it or have anything whatever to do with its production? Answer—I did not. I am not in the producing business.
Question—Were you ever in America?
Opposing Council—We object upon the ground that this question is irrelevant, incompetent and immaterial. Objection sustained.
Question—Then upon what do you base your claim? Answer—That property belonged to a man by the name of Huntington. He had an adopted daughter. I married her. Huntington died. She gave me a deed and the property is mine.
Question—You have no other claim to this property? Answer—None whatever.

Now let us call the other side.

Question—You claim the right to possess and operate this property now under dispute? Answer—We do.
Question—Upon what do you base your claim? Answer—We took every ounce of raw material from the earth and forest. We made every tie, every rail, every car, every wheel, every bridge and depot, every cut and fill. We made every part from start to finish with our own hands and the machinery constructed by them; and it is ours.

Question—Can you assign any other reason why this property should be yours? Answer—Yes, if any other were needed. We can show it has ever been used as a means of extortion. Through its private ownership every laborer that it employs, has been and is constantly exploited. To maintain this exploiting power its owners have polluted the very fountain of government, corrupted elections and bribed legislatures, councils and commissions. And in the present industrial system this must and will continue to be its history because it is operated solely for private gain.

Question—You do not propose to pay for it? Answer—Pay whom? Have we not built it and paid for it in dividends two or three times since?
Question—You say you built it; but were you not paid by the day in cash while you were doing that work? Answer—Yes, we were paid from capital—paid from that
which had been exploited from us. We worked a day and produced, say, five dollars' worth. We were paid one dollar for the labor and the "owner" (or confiscator?) of the other dollars paid them to us for building the road.

Count Boni de Castellane inherited a title. He sold an interest therein to Mr. Gould for a goodly number of millions of American labor product that had been acquired by methods which we need not at this time review. The Count being wholly unfit to make his own living in a capitalistic system, wisely concluded to let our laborers make it for him. Shall we call the hundreds of thousands that for years flowed from us to him extortion or confiscation; or shall we apply such terms only to the methods of those who would stop such things and tell him to go to work like an honest Frenchman? Are there not species of confiscation not defined in Webster's Dictionary? Ask the widow and her children who are turned out of doors because they cannot pay the rent that supports his titled humbug.

A citizen of Montana buys a legislature and bribes a judge to get possession of a mine reputed to be worth the assessed valuation of a state. Who would not remunerate him for his good work? Who would?

American miners delved into the earth and yielded twenty millions to Senator Fair. Seven millions of that now belongs to his daughter whose part in its production was absolutely negative just to the extent that she squandered her father's wealth before she married Vanderbilt. Is the real, practical confiscator in the ranks of the radicals or in a palace on Fifth Avenue?

What shall we say of the billions that are annually forced from our earnings to pay dividends upon water stock—stock that represents not one cent's worth of any form of actual
capital? Shall we bow down to the "sacred rights of property" or shall we modify our definition of confiscation?

SECOND METHOD—COMPETITION.

As a private property, a railway, a factory, a mine, a great farm or any other means of production or transportation has value on one condition, and one only; it must pay dividends or at least give assurance that it will do so in the not far distant future. If its operation can afford no net gain, neither present nor prospective, its ownership is unsought. In other words, if laborers cannot be employed to operate such a property and by so doing produce more than they are paid for their labor—if property cannot be used as a means for exploiting labor—it is valueless as a private possession.

Reference is, of course, here made to such property as must from its very nature be operated—the labor must be done—by other than its owner or owners. A small property that can be operated solely by its owner may furnish him the means for making a living and its value is proportionate to the return it yields for his time and effort. But if a railway, for instance, cannot be used as a medium through which to exploit the labor of others than its owners, it is valueless as a private holding. And the greater the degree of exploiting that can be practiced through it—the greater its dividends—the greater its value in private hands. The fact, however, must not be overlooked that a railway does not lose anything of its usefulness for transportation purposes because it must be operated at cost any more than does our postal system for purposes of communication. Its only loss is its value as private property. Whatever destroys its dividends in the present industrial
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system destroys all desirability to own or operate it.

We have now summed up the basis of the argument used by those who would have our government acquire possession of the means of production and transportation by the competitive method.

Suppose, for example, that our government should proceed to construct a transcontinental railway and connect it by spurs to our chief cities. Now, since the people of the United States—the government—built this road, it is wholly theirs. It might be noted here parenthetically, that these same people built all the other roads that are not theirs; but that is a subject foreign to this paragraph. But this road at least is ours; that, none will deny. And since it is ours we propose to run it just as all the railways are run—in the interest of the owners. To do this thoroughly we must run it at the cost of operation and maintenance. Suppose this were done, what would become of the dividends of the privately-owned roads? Certainly they would vanish and with them must go the railroad’s value as private holdings. Privately-owned roads in America would be very cheap indeed.

The defenders of this method justify it upon the following grounds: First, it is full and free competition. Second, it is practicable. Third, it is authorized by precedents as numerous and as far-reaching as can be found to sustain any other possible contention. For it is undeniable that the entire history of our industrial development is but a relation of these precedents. For instance, when the machine method of spinning and weaving came upon the scene, what value was left in the property invested in the hand looms? With the competition of a trans-continental railway, how fared it with the vast prop-
only of the stage lines? With the invention of hundreds of different machines for the manufacture of articles previously made by the hand of skilled labor only—machines operated in many instances by women and children—how many thousands have stood aghast as they saw years of apprenticeship and a means of livelihood that they had valued as a competency swept, as by a breath, into the gulf of uselessness? The finger of competition was laid upon them and their "property" vanished at its touch. A better method of doing things was put into operation and the inconvenience and suffering that might fall upon them was of no consideration when progress demanded that they submit. Witness the thousands of smaller concerns that greater ones have crushed to nothingness; and, finally, the march of the grand army of the trust that brooks no foe and offers no quarter.

To sum up this entire argument, the advocates of this method declare: Under existing laws and institutions, the owners of these vast means of production are vested with the right to enter the competitive field and exploit the masses; in the system we propose, the masses will vest themselves with the power to enter this same field and forever end the campaigns of the exploiters.

Now, what says the advocate of the first method, the confiscator, to the defenders of this second method? He admits the practicability of the competitive plan, and that it is at its worst but dealing measure for measure; that it is in perfect accord with the capitalistic method of doing business; that it is competition perfected and under that system—the system of war—to the victor belongs the spoils. Thousands are ready to cry out in its praise who would scoff at the suggestion of direct confiscation. But these thousands are the thoughtless who weigh
not their words. They are deluded solely by the relative euphony of terms. We confiscators propose to take the property entire and appropriate it to the service of the public from which it came. You defenders of the competitive method propose that the public shall not confiscate the property itself, but shall proceed to directly confiscate its value as a private holding. What is the difference between taking my property entire or taking from it all value to me as a property? Are you not plainly trying to mislead by juggling with words? If a prisoner is condemned to certain death, is it much relief to his stricken spirit to offer him a choice of a cotton rope instead of one made of manila because the former is softer to the touch? "There are more things in heaven and earth, Horatio, than are dreamed of in your philosophy;" and one of these things is the fact that there are more methods of confiscating than are enumerated in your dictionary. Your method is but one of them in a disguise that is all insufficient. It is confiscation and naught else.

David B. Hill, of New York, suggested, at a banquet in April, 1902, the idea of limiting dividends by law, and many democrats applauded who would scoff at the thought of confiscation. Look a little deeper for a moment. Here is a vast property whose value as a private possession depends upon the fact that it yields an annual dividend of, say, ten per cent. Let us apply Mr. Hill's suggestion and cut that dividend to two and one-half per cent. The property is now worth in the market just one-fourth of what it was before this was done. In other words, we have "confiscated" three-fourths of its private value—have stricken out that fraction of its exploiting power. And we have not yet even suggested the havoc such a proceeding would work in the financial world unless we at the
same time authorized a repudiation (confiscation) of a similar per cent of the debts for which the owners are held. These obligations are based upon the owner's power to pay—the measure of his dividends. Hill would reduce the dividend and leave the debts in full force. Did he overlook this point, or is he probably a holder of mortgages? He is certainly not a mortgagor. But, if he speaks seriously, he is a worse confiscator than the most radical of Socialists, for he would take much and give worse than nothing in exchange for it; the radical would take all and provide that which, as we have shown, would be a more valuable heritage than all else that could be taken.

Again, it is patent to every thoughtful man that the small concerns of our country—the supposed pets of Mr. Hill's party—maintain an existence solely because of low wages and high prices dictated by the greater concerns that can produce more cheaply. To reduce the dividends, prices must fall or wages rise; or both. What then becomes of the small institutions? But Mr. Hill is a statesman. Perhaps he can tell the "cranks" how he is going to save the weak and by the same stroke wound those far better fitted to survive. He has not yet done so and we are listening.

Let us close this discussion of the competitive method by suggesting the vast waste of national energy that its execution would entail. Why construct vast and unnecessary competing concerns for the sole purpose of confiscating those already in operation? If these things must be confiscated, why attempt it by such babyish, indirect and expensive methods?
THIRD METHOD—PURCHASE.

By this method it is proposed to buy the great industries and pay the present owners and their heirs for them in regular way.

This is at present the "popular method," but it must not be overlooked that the popular mind has had practically no training and has done little or no independent thinking on this great question and hence may not be well equipped for the formulation of final judgments. Let us consider the proposition in its various phases and at least try to unearth its defects and also discover its merits if it has any.

Of course, in the case of purchase, the first form of payment must be in government bonds: for all the coined gold and silver of earth would pay but a small fraction of the tremendous price.

The first objection that is usually raised to this method is of itself an evidence of the lack of due consideration of the subject. The objector argues that to buy the railways, coal mines, steel and oil industries, etc., would burden us with a national debt that would bankrupt any nation of earth. Some are even so thoughtless as to cite the relatively great debt of New Zealand as an instance, wholly forgetful that New Zealand holds property that she could any day exchange for her debt if she so elected. That island is one spot of earth that has something to show for her debt that is negotiable. What have Europe and America to show for theirs except history and dead soldiers?

Again, if one compares the actual amount invested in the Standard Oil property with the net gain—dividends—of that concern, he will readily learn that we now pay for it entire from once to twice each year and that each few years at most we pay the full face value
of its entire stock, water and all. Hence, if it were bought and we should continue such prices for oil as now obtain and that we certainly must continue to pay under the present system, for even, at the worst, a few years, the industry would, if we may use a common though senseless expression, "pay for itself."

If the annual gains from our railways are $3,000* per mile—and they are more than that—in how many years do we pay the cost of duplicating every foot of road in America? The average cost is admittedly not more than $25,000 per mile.* During the next twenty years we must, under private ownership, do again what we have done during the last twenty years—pay in dividends the full face value of every form of stock that capitalists have placed upon our highways. Is it not true that the number of times that we must pay for these things depends wholly upon who owns them?

Have we not paid in dividends during the last eighteen months every dollar actually invested in the property of the steel trust and, therefore, paid enough to duplicate that concern? Will we not do so again during the next year and a half? Yes; and during the last few years we have paid and during the next few years will pay again for it, water and all.

If paying for these things is a sure road to bankruptcy, how long are we to remain a solvent people? Or are we already bankrupt and don't know it?

The fallacy in the argument of those who fear bankruptcy arises from the failure to discern that there are more ways than one for paying for a thing, just as there are various ways through which confiscation may be accomplished. No, the Socialist cannot be bluffed by the

*See, "Railroads and Reform," by N. A. Richardson.
white feather of inability to pay. He knows that we have paid for all these things many times already and must continue the same game and keep on paying for them until the inauguration of his demands puts a stop to such folly.

And right here the "radical" injects a few questions: Reasoning from the basis of justice, how many times should a people pay for a thing and yet have no right to claim it as their rightful possession? Labor not only produced these things, but has already paid for them many times. Why should it do so again? No matter how payments have been or may be made; no matter how many times we have paid or may pay for these things, all payments, in their last analysis, must come from those who toil. Is this an endless chain or shall we break it at once and terminate such legalized robbery?

The advocates of this method may answer.

Again the meddlesome questioner asks: Of whom would we buy the oil, railways, coal, etc.? Of the present owners, is answered. Then to them should be issued the long-term bonds? Certainly. But in a few years these men will all be dead and we would then be paying our earnings to their heirs—paying men and women millions and billions of dollars solely because they chanced to be related by birth or adoption to some certain individual or had the good fortune to be named in a last will and testament. All question of deserving or merit or justice must be eliminated and only the insane methods of capitalism are to be acted upon. Is that your proposition? Who, in that case, would be confiscated? And who would be the confiscators?

We will let such editors as William R. Hearst and such statesmen as David B. Hill and William Jennings Bryan answer.

"But," says one, "you are assuming that these
industries if purchased should be run at present rates and thus made to 'pay for themselves.' Why not run them at the cost of operation and pay for them by taxation, letting the chief burden of taxes fall upon the greater incomes?"

By that method of paying we tax Rockefeller to pay Morgan and Morgan to pay Rockefeller and thereby establish a fool's method for, in reality, confiscating the property of both. And, furthermore, from what are these incomes derived? From the labor of those who toil; and from that source only is it possible for them to spring. Then labor supplies the dividend, hands it over to Morgan and then proceeds to tax (confiscate) it out of his possession and then to pay it back to him for his steel factories and railways. One beam from the lamp of intelligence suffices to reveal the intolerable folly of such a suggestion.

But there are other standpoints from which this purchase method must be considered of which as yet nothing has been said.

The radical Socialist treats the subject good-naturedly for two reasons: First, he says that he would like to face the positive assurance that these vast industries will be owned and operated by the people by the time we have paid for them once more. It would mean to him that the goal for which he is striving is very near. Second, he knows that while capitalism rules this country it will not and dare not take such a step as is necessary to carry out the purchase program.

We must now consider this method from the standpoint of, first, the people in general and the smaller holders of wealth; second, from the standpoint of the great capitalist.

A considerable portion of the democratic party (or side shows thereof) are today advocating the purchase by the government of industries
whose cost, with half the water squeezed out, would be many billions of dollars. These, of course, must be paid for in bonds of a low rate of interest—a payment that is better than any form of money in existence for any purpose for which money can be used.

They argue that these industries have grown into such vast monopolies and affect so many interests that, in private hands, they are a menace to our civilization. They must be purchased and paid for and thus safeguard our institutions and our national existence.

Now, while all admit that these vast monopoly-breeding concerns would be safer in the hands of the public than as private holdings, is it not also true that they have been built up and are now being constantly extended from capital that has sought and is now seeking investment? Is it possible that the American people would hand over such a sum as the purchase price of these things to Rockefeller, Hill, Gould, Vanderbilt, Harriman, Baer, Markle, Morgan and a few other such men without asking this very significant question: What are they going to do with it? We think not. And what answer would be given? Are these men going to lay away their vast holdings and be content with their low rate of gain? Is there anything in their past or present history that could warrant such a conclusion? Certainly there is not. Even the wayfarer can discern that they would at once reinvest their wealth, *if there were any sort of opportunity of making profits in excess of the government’s rate of interest*. And thus fortified for investment, what would they not monopolize? Every industry left to the competitive field would fall an easy prey and the small concerns everywhere would be swept as chaff before a gale. If the monopolies that now exist are a menace, what shall we say of those that
would spring from handing over to these men the purchase price of the present ones? Then we must buy the second crop for the same reason that we must buy the first. And where will this buying stop? And in what must it terminate?

It is suggested that this difficulty could be overcome by making the bonds non-transferable. Well, if they were made payable on or before 1975 and could not be willed to nor inherited by relatives, the plan would furnish quite a short cut to confiscation. But, in any event, such a plan must first, absolutely prohibit a person’s doing as he wills with his own, and, second, as it must force the present owners to exchange of property paying high rates of profit (interest) for one paying a low rate, it is absolute confiscation of at least part of said property. For instance, if the rate of interest that the owners thus would be forced to accept is but one-fourth of their present average profits, evidently three-fourths of their property has been confiscated. There seems to be a large body of people who believe in confiscation in spots—especially if their plan can be paraded under some other appellation. There seems to be much in a name. Would it not be a far more sensible plan to pension them for life and issue no bonds? “But that is another story.”

But if this purchase method is ever pressed to serious consideration, what will be the condition confronting the great investors? What will the capitalists say of it?

Suppose we buy the vast industries and hand over the many billions that they must cost in the shape of bonds bearing, say, two per cent annual interest. These bonds are, of course, far better than money for purposes of investment and they will naturally seek investment wherever present or prospective profits or rents
assure a higher rate of gain. Therefore, what has resulted from this purchase? We have placed billions of dollars upon the market seeking investment and at the same time, by taking vast industries from the investors' field have greatly reduced the opportunities to invest. We have vastly increased the supply of capital seeking investment and relatively diminished the demand for it. What then becomes of rates of interest? What would be the effect, even in existing opportunities, of launching such a vast sum upon our investment-seeking supply? The answer is obvious. It would simply paralyze industry as now organized and inevitably sweep the small holder as well as many of the larger ones entirely from the field. Concentration would go on as never before because a far greater necessity for it would be created.

It is only necessary here to suggest that this purchase method could but hasten the inevitable. For the amount of capital seeking investment—the vast annual gains of the great monopolies and wealth-concentrating concerns—must force the supply higher and higher while the opportunities to invest grow relatively less and less. The purchase of our present great monopolies could but hasten the end.

One other thought here commands attention. The purchase of our great monopolies and payment to their present owners presupposes not only the existence of, but a national victory by a party that demands the nationalization of these industries. And this premise has a very significant corollary—the transformation of production for private profit into production for use. But this transformation is the one great industrial step necessary to be taken in establishing a Co-operative Commonwealth—in the destruction of capitalism. How futile then to expect any capitalistic party—any party that ad-
vocates production for profit—how futile to ex-
pect any such a party to establish such a form
of state Socialism.

But grant for the sake of argument that the
democratic party could succeed in nationalizing
the railways, telegraph, telephone, coal, oil, steel,
fuel and meat industries—in nationalizing our
present great trusts—and paying for them in
low rate bonds, what is then left for the in-
dustrial captains to monopolize except the retail
business and agriculture? And it is certainly
reasonable to presume that before such measures
could be put through the people would be vested
with the right of initiative and referendum in
legislation. And does any one claim that they
would not then use that power to nationalize
the land also and abolish all rent, interest and
profit? When this is done what are the bonds
worth with which purchase has been made? The
Co-operative Commonwealth has been established
and the only purchasing medium (money) would
be the evidence of labor performed. All the
bonds of earth would not buy a biscuit. In short,
when we shall have reached that stage of political
development the giving of bonds to the trust
owners would again be but confiscation disguised
by a farce.

Then is it not strange that men who pose as
the friends of the small holders and the enemies
of the great monopolists suggest such a method
for the industrial salvation of the country? Is it
possible that they believe that the great capital-
ists as well as the small ones will not discern
the fallacy of such an act as the purchase method
suggests? The Socialist, of course, "looks on
and smiles" while the capitalistic horde play
their self-destroying game. But he has small
faith that it will ever be played at the rate
proposed by the purchase method advocates.
No, capitalism is too shrewd to fall into such
a trap of its own setting. When that method is up for serious consideration capitalism, whether it be labeled democrat or republican, will be heard from, and Hearst, Bryan and company will be asked some questions that they will have to answer or leave the field. For certainly it is as absurd a proposition as was ever forced to national consideration in the history of the world.

We cannot close this discussion without calling especial attention to an argument put forth by the advocates of the purchase method and upon which they dwell with great emphasis. It is also an argument through which the capitalist advocates of all creeds will appeal most eloquently to the prejudices of auditors.

It is argued that thousands of persons, including laborers, widows and orphans—all innocent purchasers—have invested their mite, in many instances their all, in stock of the railways, mines, oil, steel and many other industries. Their stocks have proven a source of revenue to them; in fact, may be their only means of subsistence. If this stock is not paid for “these laborers, widows and orphans are robbed of their honest acquisition.”

To this the advocates of the first and second methods answer: First, in all these great concerns named, and in which it is claimed that so many hold stock, it is an admitted fact that the capitalization is far in excess of the actual money invested in them—that from one-half to nine-tenths of the stock issued on these industries is “water,” and this is what the “laborers, widows and orphans” have purchased. Now, will any contend that, even in case the nation should decide to buy these things, it should pay in full the face value of this “property” that actually represents nothing but speculative gambling—that actually represents noth-
ing ever created by anything except the vote of a syndicate and the whirl of a printing press? And yet if these “innocent purchasers” are not to be “robbed,” this full payment must be made.

Second, thousands of “widows and orphans and laborers” have in the past invested in stocks and been swindled by these stock-gamblers out of their last cent. What said capitalism when complaint was made? “You took chances in the great game; you played and lost; the responsibility lies with yourself. Go nurse your wounds.” The gambler is solicitous regarding these poor dependent people when their welfare is in unison with his own.

Third, thousands of laborers, widows and orphans have invested their all in town and city property that the money kings have, to quote Senator Hoar, “made wither;” and these thousands probably outnumber the investors in stocks by from five to five hundred to one. Has anyone ever heard of any capitalistic solicitude in behalf of these investors? They were “innocent purchasers” and bought the property hoping for an increase in value. A capitalistic combination changed the line of development of values and the property went down to a small per cent of the former price. The investors were accounted “out of luck.”

Fourth, while the foregoing arguments portray the hypocrisy of capitalistic advocates when prating about laborers, widows and orphans, they do not set forth the final argument that the “radical” offers on behalf of these dependents. The best that capitalism has offered those who have thus invested their mite is a piece of paper that calls for a certain part of the dividends of the concern issuing it; that is, a chance in a big exploiting and gambling game. And who knoweth the hour when it will be as worthless as an old almanac? Ask the thousands who have
tried it and found it even so. Who knows how soon a combination of capitalistic bears will force an assessment instead of a dividend? On the other hand, what has Socialism to offer the laborer, the widow and the orphan? Verily, that beside which anything that capitalism can offer pales into insignificance. So much has already been said upon this question that it is not necessary here to repeat. But when capitalists talk of the establishment of Socialism robbing the poor who now depend upon dividends upon water stock, were it not for its surcharge of the ridiculous, it would smack of humor that would do honor to a Mark Twain.

FOURTH METHOD—PENSION.

The advocates of this method for acquiring the nation's wealth by the people of the nation contend that the nation should take the property and pension the present owners during their lives and when they are dead let that end the story.

The defenders of this method hold that some sort of compensation should be given the present holders of wealth; and as they readily discern the fallacies of the competitive and the purchase methods, they fall back upon this idea as a sort of last resort.

It certainly has more merit than some other suggestions that have been made in the author's presence. For instance, in one meeting while the subject treated in this volume was under discussion, the author had quoted Mr. Phillip's statement that Mr. Rockefeller's income now is $100,000,000 per annum. Later an opportunity was given for questions and general discussion and one ardent democrat arose and suggested that he did not believe in confiscation or any
of the other methods. He thought $25,000 per year was sufficient for any man, and that an income tax should be levied upon such as Rockefeller that would reduce his income to that sum.

Here we have an evidence of thoughtlessness that is very common among men: and as dense as it is common. In the first place, any sort of tax is confiscation and falls wholly within the authorized definition of that term. In the second place, Rockefeller's property possesses a private value based wholly upon what it is yielding and can be made to yield its possessor. Now this income-tax advocate would reduce the possible income to the holder of that property to just one four-thousandth part of what it now is; in other words, he would reduce the income from it all to just what can now be made from one four-thousandth part of it. What would that property bring in the market under the conditions thus proposed compared with what it would now bring? And yet, he would ask Mr. Rockefeller to manage it all just as he now does and pretend that it had not been taken from him by "process of law and appropriated to public use"—pretend that it had not been confiscated. Would it not be more sane and merciful to take the property entire—take the other four-thousandths—and then pay Mr. Rockefeller $25,000 per year, thus avoiding insuperable difficulties in adjusting demands and all-potent inducements to dishonest dealing with the public? Certainly the pension advocate has the better end of this argument whether we look at it from the standpoint of Mr. Rockefeller or of the public.

The opponents of this method of compensation, or of any other, argue that any such pension must be paid from labor's product, a fact that no one questions, and demand to know why labor that has already contributed its countless
millions for the support of the idle rich and for the upbuilding of these vast fortunes should continue to make any further donations for that purpose. Phillips tells us that Rockefeller makes many millions annually by utilizing refining processes and in the manufacturing of by-products of petroleum by methods that scientists gave freely to the world. Who then most deserves the pension? The laborers, the scientists or the man who monopolized the product of both brain and muscle and to whom the equivalent of a vast commonwealth has been contributed?

Again, they argue that if Socialism had nothing to offer in exchange for what a man must yield in order that a Co-operative Commonwealth be established, the proposition of compensation might in many cases be considered. But this is not the case, as we have previously shown. Instead of legally robbing men, its sole aim is to forever put an end to robbery by preventing the exploiting of the labor of the many by the few. In Socialism none can possibly be deprived of this world's goods for which he has any use, providing he is willing to render to society the equivalent of the labor necessary to produce them. And why should any one possess, in pension or in any other form, that for which he has given no equivalent? This, of course, refers to men who are able-bodied and of an age at which they should be self-supporting.

"But," says one, "some of these men have rendered very valuable service in the upbuilding of our country and hence should be rewarded accordingly." While it is true that a few have done much, it is also true that hundreds of others have rendered this country an equally, yea, more valuable service who would not think of asking for a pension, nor would any pension advocate suggest such a thing for them. Why?
Solely because the energies of these hundreds have not been spent in accumulating riches, in exploiting the labor of others. The statesmen, the poets, the authors, the journalists, the inventors, the teachers, the scientists—yes, they are in goodly numbers; and is their labor not as meritorious, as honorable, as worthy of any sort of consideration as is that of the average American multi-millionaire? But long contact with capitalistic teachings and environment has apparently steeped the American mind in the hideous conviction that the only true measure of merit is money-getting. Such an idea the "radical" will not tolerate for a moment. If any pensions are to be distributed, he would hand them to all the truly deserving or to none.

CONCLUSION.

We have made but a brief and incomplete review of the matter in hand; but have at least introduced subjects that will in the not far distant future command the attention of the entire world—questions whose solution will be fought out in parliaments and upon the political field. And the battle will be as earnest as any in which men ever engaged.

This strife will not all be between Socialists and capitalists; for even now part of the capitalistic organizations are assuming a threatening attitude. One wing of the so-called democracy, and even now and then a more or less influential republican, is openly advocating government ownership as a remedy for some of the monopolies that now exist. Government ownership is rapidly becoming a popular theme and national parties other than the Socialists are face to face with the necessity of taking a definite stand in relation thereto. When these
demands are subjects for discussion upon every political platform in our campaigns, the fallacies that lie buried in them will be brought to light and confiscation will be exhibited in new and varied forms. In all the previous history of the world there can be found no parallel either in extent or degree for the confiscation that is legally enforced through the capitalist system upon the laboring masses of today. True, it is called exploiting, not confiscating, but what it, in effect, is and not what it is called is what discussion will rapidly disclose; and then settlement will be demanded by labor between all parties concerned in the deal. And the claim that cannot stand the test at the bar of absolute justice will be turned down, as it should be, along with any and all political organizations interested in its making.

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