The Thieves' Book

Most Startling Facts Ever Collected
Compiled from Official Sources
by the Appeal to Reason

Price Five Cents

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APEAL TO REASON
Girard, Kansas

BEST FOR PROPAGANDA: Appeal Books, 32 pages, $2.00 per 100. Appeal Leaflets, assorted, $1.00 per 1,000.
In the United States the people's wealth has been stolen from them. Often the theft was in accordance with law, because the law-makers betrayed the people and made legal the steals. The object was clearly to make a few the owners of America so that the rest might be placed under everlasting tribute to them. Following is a partial summary of the steals that have been consummated, as shown from the official records that follow:

Land grants made to various railroads, depriving the people of their heritage, 439,000,000 acres. If this was capitalized according to its future earning power, as the industries were capitalized, the value of the land so given away would be forty-three billion dollars .................. ......................................... $ 43,000,000,000

Waterways belonging to the people, but seized by corporations and used almost exclusively by them; capitalization value ........................................... 50,000,000,000

Water powers seized and controlled by corporations, sometimes obtained by franchise and under forms of law, yet nevertheless a part of nature that cannot be rightfully alienated from the people who must live on earth, more than 2,513,000 h. p.; capitalization value .......................................................... 25,000,000,000

Timber obtained by corporations through grants, frauds and purchase at nominal figures, 744,000,000,000 feet, worth, when the fact is considered that the land may continually grow timber, not less than ........... 10,000,000,000

Currency steals effected through eight financial conspiracies, which have put control of money and credits into the hands of the few and in doing that have enabled them to swing the grants and effect the other control mentioned, considering the earning power, valued at not less than ........................................ 50,000,000,000

Steals from watered stocks, as reported by Moody ...... 19,000,000,000

Total .................................................. $ 197,000,000,000

One hundred ninety-seven billion dollars! The fact that this is more than the present total valuation of all the property in the United States does not disprove the accuracy of the figures. They are based on the future "earnings" of the stolen property, the way in which modern capitalism measures values.

On these steals, and the further power of levying tribute that was acquired through large and small investments of wealth created by the workers and through profit, interest and rent diverted into the hands of capitalists, there is now levied an annual tribute off the American people of not less than ten billion dollars, and this tribute will be increased as the productivity of the people increases if capitalism, which engineered the steals, is permitted to still control industry and the property it seized upon.

It means that, though others may nominally possess property, the power of exploitation has already been so thoroughly lodged in the hands of a few through a series of gifts and actual thefts that they cannot reap returns from that wealth, so are as though they really possessed nothing.
The Thieves’ Book

I. STEALING THE PEOPLE’S LAND.

From the Report of the U. S. Commissioner of Labor, 1913—Direct quotations.

The original federal grants to the Northern Pacific and to the railroads of the present Union Pacific-Southern Pacific system alone amounted to more than ninety million acres of land; a small empire in itself. Of this, nearly 69,000,000 acres have already been patented and most of the remainder will ultimately be obtained. Much of the land received has, of course, been sold. The Weyerhauser Timber company now owns 1,945,000 acres of land. In Florida 182 holders have 16,990,000 acres of land, of which 3,200,000 acres are owned by only three holders. Finally, the timber holdings of the 1,802 holders having each more than sixty million board feet in the investigation area involve 79,092,000 acres of timber land. Practically all that portion of this acreage which lies in the Pacific-Northwest, and, with comparatively unimportant exceptions, all that in the lake states, is owned in fee. In the southern pine region a considerable proportion is owned by these holders as timber rights; that is, they do not own the land, but have a certain period of years in which to remove the timber.

In addition to the above acreage, these holders own in fee 10,852,000 acres of land which lies in the timber sections of the investigation area, but which does not now bear merchantable timber. It is important to note that this figure does not include millions of acres of Northern Pacific and Southern Pacific lands in non-timbered areas.—Pages 28-29.

Besides the 190,000,000 acres of special land grants for railroads and the 8,090,000 for wagon roads, canals and river improvements, the federal government made general grants to the states amounting, roughly, to 170,000,000 acres. Most of the grants were to the public land states, which include Wisconsin, Michigan, Illinois, Indiana, Ohio, Mississippi, Alabama and Florida, and all states west of the Mississippi river except Texas. They comprised grants for common school purposes,
the sixteenth section out of each township in states admitted
before 1848, and the sixteenth and thirty-sixth sections in states
admitted after that date; grants for general internal improve-
ments, in most cases 500,000 acres to each state; grants for
drainage purposes, giving to the states all swamp lands within
their borders; grants for colleges of agriculture and mechanic
arts, and others less important in amount.

Some of the states sold direct to lumbermen without limitation
of amount. Others allowed entries only in limited amounts
by persons alleging intent to settle and taking oath that they had
made no agreement to transfer the land to others. Yet even in
such states, either by the looseness of the laws or by violation of
them, large holdings were built up from the state lands. The
price received by the states was commonly only $1.25 per acre,
though in recent years prices have been sharply raised. In these
ways many of the states have disposed of their lands rather
freely and in such manner that valuable tracts of timber were
eventually acquired by large holders at a low price. In Oregon
two large timber holdings consist entirely of state school lands
in sections 16 and 36. The state has already disposed of by far
the greater part of its grants, much at low prices. In certain
large areas in northeastern California it was found that, out of
360,000 acres selected by the state under its various grants, al-
most two-thirds is now owned by large timber holders. One
holder, Thomas B. Walker, has more than 125,000 acres of this
land; three others together have 65,000 acres of it. In Idaho
the state has sold the timber on large tracts to lumber compa-
nies, but has retained the fee.

The agricultural college scrip was often sold outright in
large blocks. As early as 1867 a company advertised that during
the two preceding years it had bought all the scrip issued to the
states of Kentucky, Indiana, Maryland, North Carolina and New
Hampshire, and the greater part of that issue to Massachusetts,
Ohio and Pennsylvania; enough, with smaller lots, to make a
total of over 3,000,000 acres. The amount of this scrip granted
to all the states was only 7,800,000 acres; by 1867, according to
this statement, two-fifths of it had passed to a single company.
This company, no doubt, resold the scrip instead of itself locat-
ing the land.

Some states gave large amounts of their swamp lands and
internal improvement lands directly to railroads. Florida, whose entire area is less than 35,000,000 acres, received a swamp grant of over 20,000,000 acres. Up to 1910 its grants to railroad, canal, and drainage companies, and compensation to state agents for selecting swamp lands, together with a single sale of 4,000,000 acres, had absorbed about 16,000,000 acres out of not quite 19,000,000 acres disposed of. Much of the swamp grant outside of the everglades was covered with pine and cypress; and a great part of the present high concentration of timber ownership in the state is due to the policy adopted in disposing of the grant. Michigan also granted large amounts of its swamp lands to railroads. The Cleveland Cliffs Iron company interests now own 890,000 acres of swamp land in the Upper Peninsula, purchased from the railroad to which the state had granted it.

The original swamp land grant (act of September 28, 1850, 9 Stat., 519) granted the lands with a provision for their drainage and reclamation. The great bulk of the land, however, still remains undrained. What effect the failure to drain may have on the present title seems to be an undetermined question.

In Minnesota, according to Samuel G. Iverson, state auditor, whose office is charged with the administration of the state lands, the federal land grants to the state (excluding the federal railroad grants) amounted to 8,150,000 acres, of which about 2,955,000 acres were common school lands and 4,460,000 acres swamp lands. The state has sold or granted nearly 5,670,000 acres. Of this over 2,850,000 acres was swamp land granted by the state to various railroads.—Pages 253-254.
II. STEALING WATER WAYS.

From report of U. S. Commissioner of Corporations, on Transportation by water, Part IV, Dec. 23, 1912.

On the Atlantic and Gulf coasts, where the volume and variety of traffic are exceptionally favorable to active competition, practically every important carrier engaged in regular through-line business, whether passenger or package freight, is either under the control of railroads or has been acquired by one or the other of two shipping consolidations—the Atlantic, Gulf and West Indies Steamship lines and the Eastern Steamship corporation. Furthermore, on several of the principal routes there is only a single regular steamship service.

The extensive water traffic between New York City and the New England ports is almost completely controlled by a single railroad—the New York, New Haven & Hartford (New Haven system)—or by the Eastern Steamship corporation, in which the New Haven system is at present a considerable stockholder, though claiming to have no voice in the management. The only line from New York to Portland, Me., is owned by the Eastern Steamship corporation, and this is true of the only direct water line from New York to Boston. In the Long Island Sound traffic all the regular lines are controlled by the New Haven system, except five companies, with a few small boats, and two of these are controlled by other railroads—one of the Central Vermont Transportation company, a subsidiary of the Central Vermont railway, and the other the Montauk Steamboat company (Ltd), controlled by the Pennsylvania railroad. The New Haven system, moreover, owns a majority of the stock of the Merchants' & Miners' Transportation company, itself a shipping merger, operating, among other services, lines between Boston and Philadelphia and between Boston and Newport News, Norfolk and Baltimore. No other steamship line operates between Boston and the ports named.

Most of the steamship interests of the New Haven system are held by an intermediary holding company, the New England Navigation company.

Between New York and Norfolk there is only one steamship line, the Old Dominion Steamboat company, and a controll-
ing interest in this is owned by five railroads—the Atlantic Coast
line, the Southern railway, the Seaboard Air line, the Chesapeake & Ohio and the Norfolk and Western.

Between New York and Savannah there is only one steam-
ship line, the Ocean Steamship company of Savannah. This is
owned by the Central of Georgia railway, control of which is
held by the Illinois Central. About one-fifth of the latter’s stock,
in turn, is owned by the Union Pacific railroad.

Between New York and New Orleans there is now only
one steamship line, that of the Southern Pacific company, which
long ago bought up two formerly competing lines. A working
control of the Southern Pacific company has for years been held
by the Union Pacific railroad, but this has recently been declared
illegal by the supreme court of the United States.

Between New York and Galveston there are two water
lines. One of these is a railroad-owned line (Southern Pacific),
while the other, the Mallory line, is owned by a shipping consoli-
dation, the Atlantic, Gulf & West Indies Steamship lines. This
consolidation also owns the Texas City Steamship company, op-
erating between New York and Texas City, which on through
traffic is virtually a part of the port of Galveston. The acquisi-
tion of this line was preceded by a severe rate war.

The principal local lines on Chesapeake Bay and its numer-
ous tributaries are owned by the Pennsylvania Railroad com-
pany, through railroad subsidiaries, while the three through lines
between Baltimore and Norfolk are also under railroad control.

Again, nearly all the important anthracite coal fleets engaged
in the North Atlantic coastwise trade are owned by the few
great anthracite railroads.

On the Great Lakes all the important through-passenger and
package-freight lines are owned by railroads. In the local pack-
age-freight traffic there are a large number of independent water
 carriers. In the transportation of bulk freight (other than
 grain), such as ore, coal and lumber, the railroad boat lines
have practically no part. Several of the principal lake fleets
handling these products, however, are under the control of im-
portant industrial concerns, the largest being that of the Pitts-
burg Steamship company, controlled by the United States Steel
corporation.

On the Mississippi river system steamboat lines have largely
succeeded to railroad competition or to natural difficulties. Most of the few remaining packet lines are independent of railroads, but are usually feeble competitors. The principal item of traffic today on the Ohio and Mississippi rivers is bituminous coal, and the great bulk of through traffic in this commodity is handled by a single industrial consolidation, the Monongahela River Consolidated Coal & Coke company, a controlling interest in which is, in turn, owned by the Pittsburg Coal company.

On the Pacific coast independent steamship lines are a much more important factor in domestic coastwise traffic. Several important water lines, however, including the Pacific Mail Steamship company (chiefly engaged in foreign trade) and the San Francisco & Portland Steamship company, are controlled by the Union Pacific-Southern railroad system. The Southern Pacific company also controls a fleet of oil vessels belonging to the Associated Oil company, in which it owns a majority stock interest. There are also other water lines under railroad control.

Considering only water lines directly operated or in which railroads own a majority of the stock, and excluding harbor craft, this report shows that twenty railroads control steam vessels engaged exclusively in domestic trade of approximately 610,000 gross tonnage and line barges with about 200,000 gross tons, or a grand total of 810,000 gross tons. The tonnage of the New Haven system is the largest, aggregating a little over 200,000 gross tons, of which 156,500 tons is in steam vessels and 43,600 tons in barges and miscellaneous craft. Next in importance is the Union Pacific-Southern Pacific, with a grand total (excluding tonnage engaged in foreign trade) of over 150,000 gross tons. The Pennsylvania Railroad company's water lines have 68,500 gross tons in steamers and 8,500 tons in barges; the New York Central, over 50,000 gross tons; the Central of Georgia railway over 40,000 gross tons.

The total capitalization of water lines controlled by these railroads (this not covering holding companies and several very important unincorporated services) aggregates $53,339,375 in stock and $31,263,887 in bonded debt. Of the stock $40,223,800 and the bonds $19,211,137 are owned by 18 railroads or their subsidiaries. In most instances railroads own practically all the stock of the separately incorporated water lines which they control. Important exceptions are the Pacific Mail, in which the
Southern Pacific owns only a trifle over one-half the $20,000,000 stock, and the Merchants' & Miners' Transportation company, in which the New York, New Haven & Hartford railroad owns only a bare majority interest. Instances where railroads own stock in a water line, but less than a majority interest, are comparatively few.

Of the regular line traffic on the Atlantic and Gulf coasts not controlled by railroads the great bulk, as stated, is controlled by two important consolidations, the Atlantic, Gulf & West Indies Steamship lines and the Eastern Steamship corporation. With few exceptions the constituent companies of these consolidations had been subsidiaries of an earlier merger, the Consolidated Steamship lines, which collapsed shortly after its formation in 1907.

The larger of the consolidations—the Atlantic, Gulf & West Indies Steamship lines, a holding company—controls, chiefly through subsidiaries, 72 vessels (exclusive of harbor craft) with 226,736 gross tons. Nearly one-third of this tonnage, however—that the New York and Cuba Mail Steamship company (Ward line)—is engaged in foreign trade with the West Indies and Mexico. The domestic lines owned by this consolidation are the Clyde Steamship company, with 54,700 gross tons; Mallory Steamship company, 46,500 gross tons; New York & Porto Rico Steamship company (of Maine), 337,100 gross tons; Texas City Steamship company, 13,300 gross tons; and the Southern Steamship company, 6,200 gross tons. In addition there are a few subsidiary terminal or lighterage companies. The issued capital stock of the Atlantic, Gulf & West Indies Steamship lines is $29,993,400; its bonded indebtedness is $12,623,000 and that of its subsidiary companies $17,432,000.

Except for railroad-owned lines and services to Porto Rico, there is hardly a competing line of importance operating between the domestic ports served by the Atlantic, Gulf & West Indies Steamship lines.
III. CORPORATE CONTROL OF WATER POWER.


In California six great power corporations, of which the most important is the Pacific Gas & Electric company (with 118,343 h. p.) together control 375,000 h. p., over 86 per cent of all the developed water power in the state.

In Washington two companies control 210,000 h. p., or about 70 per cent of all developed water power.

In South Carolina the Southern Power company owns about 101,000 h. p., or 75 per cent of the total commercially developed, with 73,000 h. p. undeveloped.

In the Southern Peninsula of Michigan the Commonwealth Power, Railway & Light company controls 52,000 h. p., or 73 per cent of the commercially developed, together with probably 71,000 h. p. more undeveloped.

Practically similar conditions exist in Montana, Colorado, Georgia and at Niagara Falls.

There are 10 groups of interests each controlling, or influencing though mutual directors and officers, over 50,000 h. p., developed and under construction. By far the widest sphere of influence is that of the General Electric company, primarily an electric equipment concern. The General Electric influence takes three forms: First, by absolute control; second, through the interownership of stocks and community of directors; third, simply community of directors. In the first class there are six companies, with about 83,000 h. p., in the second class eight, with 419,000 h. p., and in the third class 10, with 437,000 h. p.; a total of 939,000 h. p., of developed water power in 18 different states. In addition, this group controls about 640,000 h. p. undeveloped, a grand total of over a million and a half horsepower.

Next are the Stone & Webster interests, which own or strongly influence 278,000 h. p., chiefly in connection with public service concerns. They exercise control, largely through management rather than township, over 55 or 60 companies. Eight have water power, the largest being on the Mississippi river and in the Puget Sound region.

The other groups are Hydraulic Power company of Niagara...
Falls, 144,000 h. p.; the Pacific Gas & Electric company, with over 118,000 h. p. developed and the dominating factor in a large portion of California; the group known as the Clark-Foote-Hodenpyl-Walbridge interests, 104,000 h. p., largely dominating the water power situation in Michigan and also active in Maine and Oregon; the Southern Power company, 101,000 h. p., which owns the great bulk of the commercial developed power in South Carolina; the S. Morgan Smith interests (Georgia), 76,000 h. p.; the Brady interests (Tennessee), 70,000 h. p.; the United Missouri River Power company, 65,000 h. p., which, with the Butte Electric Power company (General Electric group), practically dominates the power situation in Montana; and the Telluride Power company (Colorado, Idaho and Utah), 56,000 h. p. These last named nine interests also include under their influence 887,000 h. p. undeveloped.

Thus ten interests, excluding duplication, control or strongly influence 1,881,000 h. p. developed water power, about 60 per cent of the total commercial power in the United States, together with 1,449,000 h. p. undeveloped.

There is a still wider community of interest. Some of these groups show more or less relationship with each other. The two greatest, the General Electric and the Stone & Webster groups, have directors in a number of the same corporations, and the S. Morgan Smith, Westinghouse and Brady interests are similarly connected.

The reason for this is obvious. Control of the chief consumers of power both assures a market for power and excludes others. This connection between great groups and the agencies that directly serve the public is of serious public significance.

The whole concentration movement is still going on. This report has, as far as possible, been brought up to date, but since we went to press new mergers have occurred.

A more general relationship, of a sort not peculiar to water power, but nevertheless of broad public significance, is best illustrated in the General Electric company. Men who are officers or directors in that company, or of its three wholly controlled subsidiaries, are also officers and directors in many other corporations. These other companies, with their subsidiaries, and with the General Electric and its subsidiaries, make a far-reaching group thus interconnected by active personal and finan-
cial relationship. This one group of interrelationships control or influence twenty-four corporations that operate hydroelectric plants; over fifty public service corporations, not counting as many minor subsidiaries; and, finally, this one group of interrelationships includes numerous railroads, industrial corporations, and over fifty banks and financial houses, many of them in the first rank of importance. About 20 "General Electric" men in all constitute most of this chain of connection, three of these being members of the firm of J. P. Morgan & company, which is generally regarded as the dominant interest in the General Electric company.

The same report in its fuller discussion shows that more than two-fifths of the total power derived from water wheels by manufacturing establishments is found in New England. More than one-quarter of the total power of all kinds used in New England's many factories is supplied by water wheels. No such showing is to be found anywhere else in the United States. If this showing has been made with the old form of power transmission, revealing as it does how readily her rivers, by reason of their great fall and flow, have lent themselves to man's purposes in this respect, what must be the opportunities for her industrial growth in the new method of harnessing the steam, a method by which the power represented by the river's fall is taken and converted into electrical energy and distributed throughout a territory many miles in extent?

As already indicated these water powers are even now largely in the hands of corporations that are more or less related, and the power has been practically seized or stolen. It means that New England is tied up to long tribute by the control of "white coal," so called, and not only so, but that the entire country is similarly condemned to exploitation because of a control of water power in a small territory that contains as much such power as practically the rest of the whole country. To figure out the continuous steal that must follow because of this control will afford an interesting study that would astonish and appall the reader.
IV. STEALING THE NATION'S TIMBER.

Verbatim quotations from report of U. S. Commissioner of Labor, the lumber industry, part 1, January 20, 1913.

The three largest holdings of standing timber in the United States are those of the Southern Pacific company, the Weyerhaeuser Timber company, and the Northern Pacific Railway company (including their subsidiary companies). They aggregate the enormous total of 237.5 billion feet, or practically eleven per cent of the total privately owned timber in the United States and over 13.5 per cent of the privately owned timber within the bureau's investigation area. In the Pacific-Northwest, where the whole of these holdings lie, they represent almost one-fourth of the total privately owned.

Southern Pacific company holdings.—The holdings of the Southern Pacific company (including subsidiaries) amounts to 105.6 billion feet. This is the largest single holding in the United States. It exceeds the total of all private timber in Michigan, Wisconsin and Minnesota. It represents nearly one-twentieth of the total privately owned timber of the country, practically six per cent of the total in the investigation area, and over ten per cent of all the privately owned timber in the Pacific-Northwest. About 71 billion feet of the Southern Pacific's timber is in Oregon and about 35 billion feet in California.

It is difficult to give an adequate idea of the immensity of this holding. It stretches practically all the way from Portland, Ore., to Sacramento, Cal., a distance of 682 miles. The running time of the fastest train between these two points is thirty-one hours; yet during all that time the travel is passing through lands a large portion of which for thirty miles on each side of him belongs to the corporation over whose tracks he is riding, and in almost the entire strip, 60 miles wide and 682 miles long, this corporation is the dominating owner of both timber and land. This holding consists of the unsold part of government land grants in Oregon and northern California held by the Oregon

*Thirty-one hours is given by the Commissioner of Labor, but it should be not over fifteen.
and California Railroad company and the Central Pacific Railway company, subsidiaries of the Southern Pacific company.

A very significant fact in connection with this enormous holding is that the Southern Pacific company is not selling its timber, but is holding this valuable supply, evidently in the confident hope of a further great advance of price.

Weyerhaeuser Timber company holding.—The holding of the Weyerhaeuser Timpany company (including its directly owned subsidiary concerns) is the second largest in the United States, amounting to 95.7 billion feet. This is only about ten billion feet less than that of the Southern Pacific. Most of this timber—nearly 77 billion feet—is in Washington; about 18.7 billion feet is in Oregon, and an insignificant fraction in California. It is chiefly Douglas fir.

It should be repeated that this holding, enormous as it is, includes only the timber directly owned by the Weyerhaeuser Timber company and its subsidiary corporations. It does not include further very extensive timber interests of members of the Weyerhaeuser family and their close associates. This great holding, also, is nearly all being held off the market for the future rise in timber values.

The timber in these two largest holdings, those of the Southern Pacific company and the Weyerhaeuser Timber company, therefore, reaches the enormous total of 201 billion feet, or one-fifth of the total timber in the Pacific-Northwest, and almost exactly one-eleventh of the privately owned timber in the United States. At the present area of cutting the timber in these two holdings would supply the 46,583 saw-mills in the United States for 4½ years, and would supply all the sawmills in Washington, Oregon and California for no less than 29 years.

Northern Pacific holding.—The timber holding of the Northern Pacific Railway company, which ranks third in importance, amounts to 36.2 billion feet. This, it will be seen, is much less than either the Southern Pacific or the Weyerhaeuser holding. Most of it is owned by the Northern Pacific or the Weyerhaeuser holding. Most of it is owned by the Northern Pacific Railway company directly, but a small part is owned by a subsidiary concern, the Northwestern Improvement company.

Summary.—These three holdings together contain 238 billion feet, or nearly one-fourth of all the privately owned timber
in the five states of the Pacific-Northwest, the most important remaining source of timber supply for the United States; they contain three-eighths as much as all the timber in the southern pine region.

An impression of the vast amount of timber represented by these combined holdings may perhaps be given by the statement that if it were sawed into lumber it would load a train about 100,000 miles long. Or, again, these three holdings have enough standing timber to build an ordinary five or six room frame house for each of the 16,000,000 families in the United States in 1900.—Pages 15 to 17.

These three principal holdings based upon government land grants.—Before proceeding further, it is worth pointing out that THESE THREE IMMENSE HOLDINGS WERE VIRTUALLY MADE POSSIBLE BY THE LAND GRANTS OF THE FEDERAL GOVERNMENT TO GREAT RAILROAD CORPORATIONS.

Under these grants enormous tracts of land were acquired by some of the leading transcontinental railroads. Thus there had been patented to the subsidiaries of the Southern Pacific company, in Oregon and California, up to June 30, 1910, no less than 12,180,000 acres of land—not all timber, of course—while the Central Pacific Railroad company, one subsidiary, has secured in the states of Idaho, Nevada and Utah 4,878,000 acres more. The Union Pacific, which now controls the Southern Pacific, has also secured patent to no less than 19,136,000 acres of land in various states, while there have been patented to the Northern Pacific the enormous total of 32,664,000 acres. This is a total acreage patented to the Northern Pacific and to the several railroads now in the Union Pacific-Southern Pacific system of 68,858,000 acres, or over 107,000 square miles, an area nearly as large as the land area of the six New England states and New York. Furthermore, LANDS ARE STILL BEING PATENTED IN LARGE AMOUNTS, especially to the Northern Pacific.

Practically all of the acreage of the Southern Pacific company was secured through government land grants. The enormous holding of the Weyerhaeuser Timber company, aggregating 1,945,000 acres, is based on the Northern Pacific, it having
been bought from the Northern land grant, no less than four-fifths of it having been bought from the Northern Pacific.

In addition to the very extensive acreage thus sold to the Weyerhaeuser Timber company, the Northern Pacific has also a vast amount of timber land to a subsidiary of the Amalgamated Copper company and smaller yet important tracts to other large companies, in many of which the Weyerhaeuser family and their associates are interested. Notwithstanding the fact that the timber land which it now retains is thus but a remnant of its original holding, the company nevertheless ranks third in the list of the company's timber owners.

The character of the Northern Pacific's timber, and, in consequence, that of the Weyerhaeuser Timber company, was considerably improved through the "forest lieu" legislation. This was a provision included in an appropriation act of June 4, 1897, which allowed a settler or owner (thus including land-grant railroads) whose lands fell within the boundaries of a forest reserve to exchange such lands for an equal area to be selected from unoccupied and non-mineral lands anywhere in the public domain; these selections were subsequently restricted to surveyed lands. Under this legislation (since repealed) the Northern Pacific made very extensive relinquishments of poor land within the national forests, securing an equal acreage, selected especially for timber value, elsewhere in the public domain.

A special lieu-selection law affecting the Northern Pacific was passed in connection with the creation of Mount Rainier National Park by act of March 2, 1899. This provided for the relinquishment of the Northern Pacific lands within the national park area and within the Pacific Forest Reserve, giving the railroad the privilege of selecting surveyed or unsurveyed non-mineral lands in any state into which it extended. Under this act the railroad relinquished about 450,000 acres, obtaining in exchange heavily timbered lands in other portions of the northwest, of which at least 300,000 acres was sold to the Weyerhaeuser Timber company and to other companies in which the Weyerhaeuser family is interested.—Pages 18 and 19.
Map showing land granted to railroads, most of it to a few New Yorkers.  
—From report of the Commissioner of Labor. Shaded portions are land grants.
V. LOOT—FROM THE RECORDS.

THE United States treasury has for fifty years been systematically looted by those who were supposed to be servants of the people. The steals have been covered up by false book-keeping, by mixing of funds, by erasures, by tearing from the records many pages that revealed the story of perfidy. The total steals in this time have aggregated hundreds of millions of dollars. Startling as these statements are, they are absolutely true and matters of record. The facts in the case appear in an official volume *Reports of committee of the senate of the United States for the first and second sessions of the Forty-sixth congress, 1878-'80.*

The extent of the steals is almost unbelievable. The following is only a portion of it, as appears from the official reports:

<table>
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<th>Description</th>
<th>Amount</th>
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<tr>
<td>Pacific railroad debts (p. 32)</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>Discrepancies in six reports (p. 32)</td>
<td>93,000,000</td>
</tr>
<tr>
<td>Further discrepancies (p. 33)</td>
<td>331,409,634</td>
</tr>
<tr>
<td>Missing warrants, 1869 (p. 34)</td>
<td>400,000,000</td>
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<tr>
<td>Bond sales disappeared, 1879 (p. 38)</td>
<td>1,720,670</td>
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<tr>
<td>Overcharges on pensions (p. 42)</td>
<td>12,000,000</td>
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<tr>
<td>Scratched (fraudulent) warrants (p. 42)</td>
<td>230,000,000</td>
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<tr>
<td>Pacific railroad steals (p. 53)</td>
<td>58,638,320</td>
</tr>
<tr>
<td>Warrants disappeared (p. 36)</td>
<td>1,387,969,962</td>
</tr>
</tbody>
</table>

Total ........................................... $2,584,738,586

Following are some direct quotations from the volume mentioned, which is so rare it is doubtful if it can be found outside of congressional libraries:

*Mutilating Public Records.*—William Woodville, a treasury employe, testified (p. 27):

Q. Do you know of leaves being entirely cut out of the books that appeared to have been cut out? A. Yes, sir. In the beginning the treasurer's accounts are that way, about 1861 and 1862.

Q. To what extent were these alterations of record? A. In the treasurer's books from 1860 to 1867, inclusive, the alterations, scratches and cancelled warrants amounts to above twelve hundred in round numbers.

Thus it appears that in these three ledgers from the register's office there are 428 erasures and apparent alterations; in six ledgers of the secretary's office 2,099 erasures and apparent alterations; making a total
of 2,527 in nine ledgers. It will be seen that the secretary's ledgers have
many more of what appears to be changes and alterations than the reg-
ister's books have, and that the number is not a few hundred involving
small sums, but reaches to thousands involving millions of dollars; and
they do not appear only in the day book or journals, but extend to the
great ledgers of final entry (p. 28).

The erasures and apparent alterations upon the ledgers of the sec-
retary, treasurer and register extend to thousands, some of them affecting
millions of dollars. Entire leaves are cut or torn from some of the books,
but no evidence taken by the committee discloses the fact that these
erasures, apparent alterations and mutilations were made with a fraudu-
lent intention.

Official reports from the war, navy and interior departments of the
amounts received and expended by them respectively do not agree with
the amounts charged by the treasury department to them, but the commit-
tee did not investigate into the causes of such discrepancies (p. 53).

Millions Disappear.—The difference between the reported decrease
of the public debt and the Pacific railroad debt and sinking fund is nearly
$70,000,000. The reports furnished no explanation what became of this
$70,000,000 or how it is accounted for. By comparing the debt statement
of the register with the secretary's tabulated statement in the finance
report of 1870 it will be seen that the secretary's statement increased the
debt $12,000,000 (page 32).

In the finance report of 1870 this amount is dropped from the state-
ment as part of the public debt, and stated as a debt of the Pacific railroad
companies. The public debt ought to have been reduced by this $58,638,-
320, but an examination of the figures in the statements disclose no such
specific reduction (p. 53).

It appears that six different statements of interest paid disagree with
each other; the register's statements do not agree with each other nor do
those of the secretary, and there is about $83,000,000 difference between
the highest and lowest for the ten years included in this table. This
shows either that there is an error in the accounts kept in the different
offices as to the interest paid, or that there is something yet to be ex-
plained (p. 32).

It has been repeatedly alleged that the books and accounts of the 34
secretary, comptroller, register and treasurer, are checks on each other.
But it appears that the treasurer's statements between 1860 and 1870 in-
clude $331,634.10 more receipts than the secretary of the register charges
him with (page 53).

It's apparent that the books and accounts of the secretary, comptroller
and register do not agree with each other and are not a check upon the
treasurer, for the latter, as already stated, accounts for over $331,000,000
of receipts more than appear from the statements of the other officers,
and the accounts also for $330,981,109.65 more expenditures, from 1860 to
1870, than the secretary or register seem to charge to him (p. 34).

Q. (By the chairman). There were two warrants covering the per-
manent and indefinite appropriations for 1868 and 1870 that we asked for
to produce to us when you were last before us. Have you not been able to find them? A. I have not.

So your committee were unable to obtain in the treasury department these two large warrants, No. 895 and No. 947, for 1867 and 1870, respectively, covering the permanent and indefinite appropriations, amounting:

For year 1868 to ........................................ $ 847,209,450.80
For year 1870 to ......................................... 540,760,511.95

Total ................................................. $1,388,969,962.75

No Check on Bonds Issued.—Thus it will be seen the chief of the warrant division, the chief of the loan division and the treasurer of the United States all say that there is no check upon the loan division in issuing bonds, and that upon the integrity of one man in the loan division may depend whether or not the bonded debt of the government is reported. If there was a return of the bonds to the treasurer to see if the amount agreed with the money received, this would be a check on the division. As it is now that division can increase the treasurer's order or originate an order on the register for the issue of bonds, and there is no check. Many hundred million dollars in bonds have been issued and no other check than the integrity of the officer in the loan division of the secretary's office” (page 24).

Printing Money at Pleasure.—“According to the present system of issuing bonds there is no sufficient check on the loan division of the secretary's office. Legal tender notes, national bank notes, bonds and revenue stamps are delivered by the printing bureau of the treasury department to the treasurer, comptroller of the currency, loan division and commissioner of international revenue, respectively (p. 53).

Falsifying Statement of Debt.—The secretary's table, which appears in the finance report for the first time in 1870, shows a large increase of the public debt over the statement of the register. In 1870, by order of the secretary, the register's office went back nearly forty years and changed the statement for each year from 1833 to 1870, largely increasing the amount of the public debt statement; for the year 1846 ten million dollars in round numbers; for the year 1863, twenty millions; for 1864, seventy-five millions; while for 1865, 1866, 1867 and 1868, there is a total decrease of about twenty-five millions and an increase for 1869 of $99,000,000, and for 1870, of $94,000,000, or nearly 100 million in each of the latter years. Notwithstanding these large differences between the statements of the secretary and register in the official reports of 1870, the finance report of 1871 as made to congress is found to contain agreeing statements from the secretary and the register, by the register changing and increasing his amounts so as to correspond with those of secretary, and these changes and increases still exist (p. 21).
VI. TWO NOTABLE STEALS.

With the beginning of the twentieth century came what is known as the watering of stocks. Before a senate commission, Russell Sage, the New York financier, testified that in his opinion 75 per cent of the commercial stocks consisted of fictitious values. This shows something of the extent to which the practice has gone.

The creation of the steel trust, which set the example for watering of stocks, furnishes a splendid illustration of the process. Not a dollar was invested in the steel trust. Instead stocks were issued against the amalgamation of various companies and corporations so as to give each company a larger amount of stocks than it held before. In addition, enough stock was sold to carry on all necessary improvements and Morgan received $40,000,000 commission for the organizing of it. Not only so, but bonds were issued against the steel trust far in excess of the original capitalization.

The stocks and bonds issued under these provisions became the basis on which dividends and interest were to be paid in the future. Therefore, they were burdens that were fastened on the productive labor of the people of the United States.

Moody's "Truth About the Trusts" gives the combined capitalization and bonded debt of 315 of these organizations in 1911, at $7,246,342,533. The total trustification of America this standard work estimates (page 488) at $20,379,162,551.

The Alton Steal.—A splendid illustration of how these fictitious values are created with the consent of the officers is shown in what has become widely known as the Alton steal.

The interstate commerce commission in 1906 investigated the Chicago & Alton railway among others and made the following remarks in its official report:

"In about seven years, to June 1, 1906, the outstanding capital indebtedness of this company was expanded from $33,951,407 to $114,610,937, or an increase of about $80,000,000, and there was expended in actual improvements out of this capitalization only about $18,000,000, leaving an increase of its stock and liabilities, without one dollar of consideration, of about $62,600,000, or $66,190 per mile on the 946.66 miles of road owned by this company on June 30, 1906. Mr. Harriman, then chief owner of the road, on the stand testified that there were about sixty millions
of stocks and liabilities issued, against which no property had been acquired. Subsequent investigation by the Appeal to Reason led to the discovery that the issuance of this excessive stock was made legal by a special bill passing the New York legislature, February 26, 1900, making the securities of the railroad legal securities for savings banks. This law enabled the Chicago & Alton to float the stocks. It transpired, too, that Theodore Roosevelt, then governor of New York, signed the bill which made the steal possible. This was interesting, from the fact that Roosevelt had severely denounced the steal when it was exposed. The Appeal secured a photograph of the bill and his signature, and offered $5,000 for proof that he did not sign it, but there were no takers. After much prodding Roosevelt, in an article in the Outlook, admitted that he did sign the bill, but tried to excuse himself on the ground that he did not know it involved a steal. But it was his business to know. The watered stock made possible by this bill is still in existence and cannot be told from the honest stock of the road.”

T. C. and I. Co. steal.—In 1909 the Appeal to Reason printed the story of the absorption of the Tennessee Coal and Iron company by the steel trust, under the heading, “The Greatest Single Steal in History.” After reciting how it was brought about the Appeal quoted from John Pierpont Morgan an alleged remark to the effect that he considered the properties absorbed as worth a BILLION AND A HALF DOLLARS. It was so arranged the properties in the fall of 1907 the T. C. and I. Co. secured orders from the Harriman interests for steel rails which made it a formidable competition of the steel trust. It was determined by the latter company to either put the rival out of business or absorb it, though the law made the merging of such interests illegal. A titanic struggle for control was staged. At the beginning of the fight a big bank failed, and a panic became imminent. The steel trust sent agents to Theodore Roosevelt, then president, representing to him that it was necessary to absorb the Tennessee company in order to avoid the panic and save his administration, and, he, as he afterward stated under oath, permitted the merger, although he knew it to be contrary to law. The panic, however, was not stopped. The merger was investigated by what is known as the Stanley committee during the special session of congress in 1911, and the committee officially reported that agents of the steel trust had “misled” Roosevelt, and “by hammering the Tennessee stock” and “threatening a general financial calamity” had “unlawfully acquired a power which is a menace to the welfare of the country.”
VII. HOW “BIG BUSINESS” CAPTURED AMERICA.


Not until civilization began to be equipped with power machinery and modern inventions began to change the whole aspect and outlook of industry and wealth production, was there much change in the conception of the word “capitalist.” Even as late as sixty years ago, a capitalist was a man, who, like George Washington, was “worth” so and so much in cash, real estate or other property capital, in common parlance, still continued to mean an aggregation of money, goods or other forms of wealth which had been gathered together for use in the production of further wealth.

This is still, of course, the economic meaning of the term. But in its everyday uses, “capital” has, within the past half century, taken on a far different meaning. For no sooner did the modern corporation arrive in response to the demand for carrying on production and distribution on a large scale than the seeds began to be sown from which has grown the world-wide custom of capitalizing earning power—that is, massing in concrete forms, in the tangible shape of stocks and bonds, the value of possibilities for profit under the newly invented methods.

In the earlier days, by the crude processes then prevailing, a given manufacturing plant might produce enough goods and sufficient profit to make net earnings of from ten to fifteen per cent on its total cost; but with the introduction of the improved methods and the further development of efficiency among the workers, this net profit was in many cases increased to from thirty to one hundred per cent or more on the invested capital. It was then realized that through the instrumentality of the corporation, a concrete valuation could be put upon this increased profit-producing power, and the “value” of a given property, instead of being based on its original or replacement cost, could be measured by its capacity to show increased profits.

Thus, “capitalism,” which was formerly regarded as only genuine when it stood as the representative of an equal amount of property, became a new thing. Corporate capital, as represented by the creation of stocks and bonds, now began to be
appraised mainly on the basis of earning power. On this new basis, "capital" was created by leaps and bounds. As the labor of the community became more efficient, and the unit of effort brought forth greater results, corporate securities were issued in an ever-increasing ratio.

But as the new custom became more firmly established, it was found that the possible limits of "capitalization" were by no means reached when current earning power is alone considered. In a growing country like the United States, with population practically doubling in each generation, the future earning possibilities of industry were a foregone conclusion. So the process of "capitalization" quite naturally took the further step, and future earning capacity also began to be reflected in the creation of corporate stocks and bonds.

Naturally, this new method of pre-empting or capitalizing the wealth production of workers yet unborn or still in infancy, was at times overdone. Such a process essentially invites speculation, and during "boom" periods the possibilities of future growth, were often overestimated and overvalued. This was the case in the period following the civil war which culminated in the year 1873; it was the case during the period of inflation which began in 1879 and finally culminated in 1893; it was again the case in that remarkable era which began in 1898 and received its first real setback in 1907, only to be resumed in new and more subtle forms since the latter date.

It was natural, with this far-reaching process at work, that there should be recurring setbacks and relapses, and, interspersed between the major relapses, as illustrated by the panics of 1873, of 1893, and of 1907, minor periods of reaction, dullness and stagnation in the general movement which was under way; and these periods of halting and hesitancy, preceding or following equally extreme expansive movements, have been a distinct characteristic of the times.

From the capitalists themselves these recurring interruptions in the general process called forth much solicitude and study. For if this new capitalism was a normal evolution, growing out of the rational development of natural laws, as the capitalist class persistently contended, then it ought not to be interrupted or shaken by periodical quakes and storms. Thus, the doctrine grew up and was promptly visualized in statutory en-
actments, that the new capitalism, reflecting as it did the current and future earning power of the community, generally, must be aided and directed by processes of regulation. It was all well enough to be satisfied with the normal growth of the community's labor power, and the normal increases in wealth producing population, so long as the oncoming masters of capital had not over-appraised these things; it was fairly remunerative to absorb through the creation of stocks and bonds the apparent probabilities in the value of labor power of the coming decade or generation; but when the natural over-appraisement of these things was inevitably followed by industrial and banking crises, or crop failures and other accidents took place, it was recognized that capitalized earning power might fall to such a basis as to seriously jeopardize the continuance of this new system for reaping and garnering the fruits of industry.

This situation naturally led to a widespread demand among capitalists—large and small—for legislation which would insure the integrity of the values which had already been capitalized, as well as those which would continue to be capitalized for generations into the future. Customs tariffs were made more rigid than ever before; legislation in state and nation was promoted for preserving the status quo of this new dispensation. Thus, the railroads, which in the decade after the civil war, were the most conspicuous beneficiaries of the new system, were given enormous grants of lands, the steadily increasing values of which have been progressively capitalized to this day; railroad rights of way were guaranteed and protected in many ways; terminal sites were furnished under the most favorable conditions; natural resources, such as coal and iron deposits, mineral lands and water power rights, were in every conceivable way surrendered by the people and given to the railroads for their own private use and profit.

But the tendency was not limited to the railroad field. As the new inventions came in, such as the Bessemer process, the telephone, electric light and power and electric traction, the current profits and potential possibilities from the operation of these new industries were likewise capitalized. For as in the case of the railroads, it was promptly realized that not only current but future value could easily be capitalized in these new fields. In the public utility field the basis of capitalization was the
FRANCHISE VALUE, and in the twenty years from 1890 to 1910 the total capitalization in the form of stocks and bonds of public service corporations in the United States, grew FROM LESS THAN TWO HUNDRED MILLIONS OF DOLLARS TO NEARLY TWENTY BILLIONS.

The efforts to influence public opinion in favor of paternal and regulatory legislation during the remarkable period under review were unceasing, and for a long time signally successful. An entirely new school of political economy was brought into being. For the first time since the general acceptance by the civilized world of the fundamental truths of Adam Smith, our schools and colleges began to show an increasing tendency toward a reversion of the old mercantile system. The teachings of John Stuart Mill were thrown to the scrap heap of departed things, and were replaced by the "new economy" of Henry C. Carey, Alfred Marshall and George Gunton. The doctrine of protection was made the cornerstone of the most powerful political party of the times, while the opposition party abandoned its historic position as an advocate of a low revenue tariff, and stood for the protective principle also. Hence, the rising generation was being steadily inoculated with the theory that the protective policy was the backbone of the republic and that to abandon it would be fatal to our civilization.

In other directions the doctrines of regulation and protection to industrial development were aggressively asserted. But while the theory of protection flourished to a large extent as a result of plausible argument, other legislation looking to the conservation of monopoly power was not so amenable to argument. Hence, very early in the development of the new capitalism, it became necessary for big business to go into politics. "Business administrations" began to be advocated; movements came into existence favoring the selection of "successful" and practical business men for seats in congress and in high office; political organizations, both local and national, came more and more under the control of business interests; money began to be more and more powerful in the selection of candidates and in the general elections. Shrewd, able men, directly allied with the beneficiaries of big business, were sent in increasing numbers to congress, and shortly the United States senate began to be regarded as the "bulwark of the business interests of the country." Presi-
dential candidates were selected by big business, millions were
furnished by big business to elect them, and a NEVER ENDING FLOW OF GOLD WAS EMPTIED INTO AND STUCK TO THE HANDS OF THE POLITICIANS AND POLITICAL BOSSES FROM ONE END OF THE COUNTRY TO ANOTHER.

For a long series of years this heavy investment by big business in politics proved very profitable. Not only was the protective system maintained and strengthened; not only were countless laws passed in Washington and in the various states which directly aided the capitalization movement of the times, but in the great majority of cases all antagonistic legislation was either defeated or relieved of its dangers. Thus, in 1887, a law looking to the regulation of interstate railroads was passed, but before it received the president's signature its teeth were extracted, and it remained largely impotent, so far as big business was concerned, until further amended in 1906. In 1890, in response to an insistent public demand for an investigation of the rapidly rising trust movement, a senate committee was appointed to investigate trade and prices, but this committee, selected by the friends of big business, whitewashed the situation in an effective way, and for the time being succeeded in quieting public opinion. The same year, an anti-trust law was passed, but it was framed in words which defeated its own purposes, and it was not until 1910 that the supreme court interpreted it in an intelligible way, and even then they rendered it largely null and void by reading into it meanings which had never occurred to its original framers. In 1900, an industrial commission was named, in response to the rising protest among the people, to investigate the entire industrial situation, and seek the causes of the social unrest of the times; but this commission, like that of ten years before, succeeded in whitewashing the situation, to the eminent satisfaction of big business.
VIII. THE TRIBUTE WHICH COMES OF CONTROL.

In the early nineties a booklet called "Seven Financial Conspiracies" had a circulation of 500,000. While the financial arguments that grew out of this agitation may have been more or less faulty, the fact of the steals through conspiracies was never confuted. These steals were as follows:

Two Conspiracies—Inducing congress to except from the legal tender function of its own money, interest on public debts and duties on imports. The result was the depreciation of government notes, until $1 in gold would buy government notes to the amount of $2.80. When the government needed equipment it was, under the provisions of the law, required to borrow from the holders of the gold. It is argued by the author of the book that the civil war was encouraged by American capitalists in order to force a public indebtedness on which enormous returns might be made.

Third Conspiracy—Creation of national banks. Attempts had been made at various times for nearly a century to create a currency that could be controlled by private banks, and from Washington down the effort had been fought. It was accomplished in 1863, during the stress period of the war, when banks were empowered to issue bank notes as money, instead of the government notes that had been employed before. Government bonds, created before this and after, were made the basis of circulation. The bank bought them, deposited them with the government as a basis for security of its notes, still owned the bonds and drew interest on them, yet was empowered to issue the bulk of their value in bank notes that circulated as money.

Fourth Conspiracy—This was contraction of the currency through the destruction of the greenbacks or government notes. It removed the government from competition with the banks, and made the bank money more valuable.

Fifth Conspiracy—Making bonds issued before this time payable in coin. This meant that the government was still further tied up to the banks. Later on, the word "coin" was interpreted to mean gold, so that the government, out of all the money in circulation, could pay only in the scarcest kind, and the banks refused to accept their own notes in payment of obligations to them.

Sixth Conspiracy—Under this scheme the whole national debt was refunded, made payable in "coin," and so arranged
that it should draw interest for a longer period than had first been agreed upon. In fact, no provision was made for ever paying the debt itself. It was tantamount to perpetuating a burden of interest. And the national debt is greater today than it was at the close of the civil war.

Seventh Conspiracy—The much discussed demonetization of silver. This wrote into the law, by means of a rider to an appropriation bill, that all debts and interest must be paid in gold alone, something that had heretofore been done only on authority of "rulings" by the authorities.

Since this time we have had two notable currency bills. Either might be classified as a conspiracy. The Aldrich-Vreeland currency bill made "other securities," such as trust stocks and banks, available as security on which to predicate national bank note issues. In other words, the bill contemplated that the watered stocks and bonds might be practically doubled through the issuance of bank notes against them; for a congressional investigation showed that the big bankers and the great trust magnates were identical in person as well as in interest. There was such strong objection to this scheme that a new currency bill set it aside.

The Wilson Currency Measure is notable for the fact that the very things complained of in the seven financial conspiracies are nominally set aside, as if to acknowledge the pertinency of the criticism. Paper money is no longer issued by the banks, but government paper is used. Insincerity in the change is shown in the fact that, though the government now has banks of its own, it refuses to compete with the private banks, but rather merely collects small amounts through the postal savings banks and redeposits them with private banks for them to use in dominating business, and delegates to private banks the handling of the whole financial system of the country.

Through the manipulation of the currency has come, very largely, the control of obligations; and it must be remembered that the people are obligated for interest on trust bonds, even though they knew nothing of their being issued. The World Almanac for 1914 gives the following statement of the bonded indebtedness of the people of the United States:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>National debt</td>
<td>$2,020,141,866.27</td>
</tr>
<tr>
<td>State debts</td>
<td>234,314,190.00</td>
</tr>
<tr>
<td>County and municipal debts</td>
<td>1,629,881,636.00</td>
</tr>
<tr>
<td>Bonded debts of the trusts</td>
<td>14,119,349,446.00</td>
</tr>
<tr>
<td><strong>Total bonded indebtedness</strong></td>
<td><strong>$18,601,687,118.27</strong></td>
</tr>
</tbody>
</table>
This is an average bonded indebtedness of more than $200 for every man, woman and child in America, for most of which they had nothing to say. Every child is born into this country with that burden resting on him. In addition, there is a stupendous private indebtedness. Edward Lyal Fox, writing in Pearson's for August, 1913, says: "Two hundred million dollars are loaned in this country every year at rates of usury. One out of every five voters is paying interest that ranges from 100 to 1,000 per cent per annum. The loan sharks—as the men who practice this usury are called—infest every city that has a population of over 25,000. Their offices number about 2,500. They establish them in proportion of one for every 5,000 people. Their grip on the country is appalling. In New York City, for instance, it was found recently no less than 150,000 salaried men were their victims. In every case nearly the unfortunate borrower, tricked and cajoled, was paying over 600 per cent a year. Estimates from commissioners who have investigated the evil throughout the United States state that over five million souls are being crushed with the burden of usurious loans."

Here is the setting of the tables for tribute that reaches every toiler in the land—for all wealth comes from him—together with the tribute that he is bonded for. In addition, he is held, because of the tying up of things through legal and illegal conspiracies, for profits to the amount of from three-fourths to four-fifths of the purchasing price of all he buys. Nor is this all. If he works for wages, he does not get the full value of his toil and if he produces things for sale he is dependent on the market and often gets but a fraction of the value, even of the cost, of his product. Nor is this all. Between a third and a half of the people of the United States, whether living in the city or the country, pay rent. Here is a tribute that statistics are very silent about, but it must run up to billions of dollars a year.

The conclusion, borne out by experience, is, that a master class has, through fraud and theft and deception, so gained possession of the wealth of the country that they who do the work are held to an annual tribute which gives some incomes of millions without producing any value whatever, and keeps the many on the verge of want, though producing more wealth than was ever done before by the same number of people in any age of the world.
EVERYBODY knows the folly of "locking the stable after the horse is stolen." If it were true that the thefts recorded in this book were wholly matters of the past it would not be worth while telling about them.

But the question presents itself, How can we prevent the great thefts of the past from continuing to exploit the people today and tomorrow? And the answer comes inevitably: By restoring to the people the property that was stolen from them, so that it shall not be the basis on which further profits and interest shall be collected. A stolen horse should be restored to the owner; no difference in whose hands he may be found.

Of course, that is the Socialist idea. But can you think of any other solution of the problem? And would not that be a solution? Is it not just? Is it not right? Would anything but that be right?

A century ago a rich continent was left to Americans. The guardians of that property—the public officials—gave that heritage to a few individuals. The gift was a fraud. Must the rest of the people suffer forever because of this breach of faith, while the recipients of this stolen property and their heirs are permitted to levy a perpetual tribute from the whole people because of the theft of years ago? That is the problem that faces us. How do you propose to solve it? You can express yourself in protest against the thefts and the slavery that must follow the continuation of the fraud only through voting the Socialist ticket and working for the triumph of Socialism. You can secure justice for yourself and children in no other way.
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