Lords of Industry
Henry Demarest Lloyd
1847–1903.

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Contents

Prefatory Note

The author’s literary executors make grateful acknowledgment to the publishers of the periodicals below specified for courteously according permission to include the following essays in this volume:

North American Review: “Making Bread Dear”; “Lords of Industry.”

The Atlantic Monthly: “The Story of a Great Monopoly”; “The Political Economy of Seventy-Three Million Dollars.”

The essay entitled “The Sugar Trust” originally appeared in *The Progressive Review,* London.

I. The Story of a Great Monopoly.[1]

When Commodore Vanderbilt began the world he had nothing, and there were no steamboats or railroads. He was thirty-five years old when the first locomotive was put into use in America. When he died, railroads had become the greatest force in modern industry, and Vanderbilt was the richest man of Europe or America, and the largest owner of railroads in the world. He used the finest business brain of his day and the franchise of the State to build up a kingdom within the republic, and like a king he bequeathed his wealth and power to his eldest son. Bancroft's *History of the United States* and our railroad system were begun at the same time. The history is not yet finished, but the railroads owe on stocks and bonds $4,600,000,000, more than twice our national debt of $2,220,000,000, and tax the people annually $490,000,000, one and a half times more than the government's revenue last year of $274,000,000. More than any other class, our railroad men have developed the country, and tried its institutions. The evasion of almost all taxes by the New York Central Railroad has thrown upon the people of New York State more than a fair share of the cost of government, and illustrates some of the methods by which the rich are making the poor poorer. Violations of trust by Credit Mobiliers, Jay Gould's wealth and the poverty of Erie stockholders, such corruption of legislatures as gave the Pacific Mail its subsidies, and nicknamed New Jersey "The State of Camden and Amboy," are sins against public and private faith on a scale impossible in the early days of republics and corporations. A lawsuit still pending, though begun ten years ago by a citizen of Chicago, to recover the value of baggage destroyed by the Pennsylvania Railroad; Judge Barnard's midnight orders for the Erie ring; the surrender of its judicial integrity by the Supreme Court of Pennsylvania at the bidding of the Pennsylvania Railroad, as charged before Congress by President Gowen, of the Reading Railroad; the veto by the Standard Oil Company of the enactment of a law by the Pennsylvania Legislature to carry out the provision of the constitution of the State that every one should have equal rights on the railroads—these are a few of the many things that have happened to kill the confidence of our citizens in the laws and administration of justice. No other system of taxation has borne as heavily on the people as those extortions and inequalities of railroad charges which caused the granger outburst in the West, and the recent uprising in New York. In the actual physical violence with which railroads have taken their rights of way through more than one American city, and in the railroad strikes of 1876 and 1877, with the anarchy that came with them, there are social disorders we hoped never to see in America. These incidents in railroad history show most of the points where we fail, as between man and man, employer and employed, the public and the corporation, the state and the citizen, to maintain the equities of "government"—and employment—"of the people, by the people, for the people."

Our treatment of "the railroad problem" will show the quality and calibre of our political sense. It will go far in foreshadowing the future lines of our social and political growth. It may indicate whether the American democracy, like all the democratic experiments which have preceded it, is to become extinct because the people had not wit enough or virtue enough to make the common good supreme.

The remarkable series of eight railroad strikes, which began during the Centennial Exposition of the prosperity of our first century and the perfections of our institutions, culminated on July 16, 1877, in the strike on the Baltimore and Ohio Railroad at Martinsburg, West Virginia. This spread into the greatest labor disturbance on record. For a fortnight there was an American reign of terror. We have forgotten it,— that is, it has taught us nothing; but if Freeman outlives us to finish his History of Federal Government from the Achaian League to the Disruption of the United States, he will give more than one chapter to the labor rising of 1877. The strike at Martinsburg was instantly felt at Chicago and Baltimore in the stoppage of shipments. In a few hours the Baltimore and Ohio, one of the chief commercial arteries of Maryland, Virginia, West Virginia, Ohio, Indiana, and Illinois, was shut up. The strike spread to the Pennsylvania, the Erie, and the New York Central railroads, and to the Great Western lines, with their countless branches as far west as Omaha and Topeka, and as far south as the Ohio River and the Texas Pacific. The feeling of the railroad employees all over the country was expressed by the address of those of the Pennsylvania Railroad to its stockholders. The stockholders were reminded that “many of the railroad’s men did not average wages of more than seventy-five cents a day”; that “the influence of the road had been used to destroy the business of its best customers, the oil producers, for the purpose of building up individual interests.” “What is the result? The traffic has almost disappeared from the Pennsylvania Railroad, and in place of $7,000,000 revenue this year, although shipments are in excess of last year, your road will receive scarcely half the amount. This alone would have enabled your company to pay us enough for a living.” The address also refers pointedly to the abuses of fast freight lines, rolling-stock companies, and other railroad inventions for switching business into private pockets. Other workingmen followed the example of the railroad employes. At Zanesville, Ohio, fifty manufactories stopped work. Baltimore ceased to export petroleum. The rolling mills, foundries, and refineries of Cleveland were closed. Chicago, St. Louis, Cincinnati, all the cities large and small, had the same experience. At Indianapolis, next to Chicago the largest point for the eastward shipment of produce, all traffic was stopped except on the two roads that were in the hands of the national government.’ At Erie, Pa., the railroad struck, and notwithstanding the remonstrance of the employees refused to forward passengers or the United States mails. The grain and cattle of the farmer ceased to move to market, and the large centres of population began to calculate the chances of famine. New York’s supply of Western cattle and grain was cut off. Meat rose three cents a pound in one day, while Cleveland telegraphed that hogs, sheep, beeves, and poultry billed for New York were dying on the side-tracks there. Merchants could not sell, manufacturers could not work, banks could not lend. The country went to the verge of panic, for the banks, in the absence of remittances, had resolved to close if the blockade lasted a few days longer. President Garrett, of the Baltimore and Ohio Railroad, wrote that his “great national highway could be restored to public use only by the interposition of the United States army.” President Scott, of the Pennsylvania Railroad, telegraphed the authorities at Washington: “I fear that unless the general government will assume the responsibility of order throughout the land, the anarchy which is now present will become more terrible than has ever been known in the history of the world.”

The governors of ten States—West Virginia, Maryland, New Jersey, New York, Pennsylvania, Ohio, Illinois, Wisconsin, Missouri, and Kentucky—issued dispersing proclamations which did not disperse. The governors of four of them —West Virginia, Maryland, Pennsylvania, and Illinois—appealed to the national government for help against domestic insurrection, which the State could not suppress. The President of the United States issued two national proclamations to the insurgents. The State troops were almost useless, as in nearly all cases they fraternized with the strikers. All the national troops that could be spared from the Indian frontier and the South were ordered back to the centres of civilization. The regulars were welcomed by the frightened people of Chicago with cheers which those who heard will never forget. Armed guards were placed at all the public buildings of Washington, and ironclads were ordered up for the protection of the national capitol. Cabinet meetings were continuous. General Winfield S. Hancock was sent to Baltimore to take command, General Sherman was called back from the West, and General Schofield was ordered from West Point into active service. Barricades, in the French style, were thrown up by the voters of Baltimore. New York and Philadelphia were heavily garrisoned. In Philadelphia every avenue of approach to the Pennsylvania Railroad was patrolled, and the city was under a guard of six thousand armed men with eight batteries of artillery. There were encounters between troops and voters, with loss of life, at Martinsburg, Baltimore, Pittsburg, Chicago, Reading, Buffalo, Scranton, and San Francisco. In the scene at Pittsburg, there was every horror of revolution. Citizens and soldiers killed; soldiers were put to flight, and the town left at the mercy of the mob. Railroad cars, depots, hotels, stores, elevators, and private houses were gutted and burned. The city has just compromised for $1,810,000 claims for damages to the amount of $2,938,460, and has still heavy claims to settle. The situation was described at this point by a leading newspaper as one of "civil war with the accompanying horrors of murder, conflagration, rapine, and pillage." These were days of greater bloodshed, more actual suffering, and wider alarm in the North than that part of the country experienced at any time during the Civil War, except when Lee invaded Pennsylvania. As late as August 3d, the beautiful valley of the Wyoming, in Pennsylvania, was a military camp, traversed by trains loaded with Gatling guns and bayonets, and was guarded by Governor Hartranft in person with five thousand soldiers. These strikes, penetrating twelve States and causing insurrections in ten of them, paralyzed the operation of twenty thousand miles of railroad, and directly and indirectly threw one million men temporarily out of employment. While they lasted they caused greater losses than any blockade which has been made by sea or land in the history of war. Non-sensational observers, like the Massachusetts Board of Railroad Commissioners, look to see the outburst repeated, possibly to secure a rise in wages. The movement of the railroad trains of this country is literally the circulation of its blood. Evidently, from the facts we have recited, the States cannot prevent its arrest by the struggle between these giant forces within society, outside the law.

Kerosene has become, by its cheapness, the people's light the world over. In the United States we used 220,000,000 gallons of petroleum last year. It has come into such demand abroad that our exports of it increased from 79,458,888 gallons in 1868, to 417,648,544 in 1879. It goes all over Europe, and to the Far East. The Oriental demand for it is increasing faster than any other. We are assured by the eloquent petroleum editor of the New York Shipping List that "it blazes across the ruins of Babylon and waste Persepolis," and that "all over Polynesia, and Far Cathay, in Burmah, in Siam, in Java, the bronzed denizens toil and dream, smoke opium and swallow hasheesh, woo and win, love and hate, and sicken and die under the rays of this wonderful product of our fruitful caverns." However that may be, it is statistically true that China and the East Indies took over 10,000,000 gallons in 1877, and nearly 25,000,000 gallons in 1878. After articles of food, this country has but one export, cotton, more valuable than petroleum. It was worth $61,789,438 in our foreign trade in 1877, $46,574,974 in 1878, and: $18,546,642 in the five months ending November 30, 1879. In the United States, in the cities as well as the country, petroleum is the general illuminator. We use more kerosene lamps than Bibles. The raw material of this world's light is produced in a territory beginning with Cattaraugus County in New York, and extending southwesterly through eight or nine counties of Pennsylvania, making a belt about one hundred and fifty miles long, and twelve or fifteen miles wide, and then, with an interval, running into West Virginia, Kentucky, and Tennessee, where the yield is unimportant. The bulk of the oil comes from two counties, Cattaraugus in New York, and McKean in Pennsylvania.[2] There are a few places elsewhere that produce rock oil, such as the shales of England, Wales, and Scotland, but the oil is so poor that American kerosene, after being carried thousands of miles, can undersell it. Very few of the forty millions of people in the United States who burn kerosene know that its production, manufacture, and export, its price at home and abroad, have been controlled for years by a single corporation, —the Standard Oil Company. This company began in a partnership, in the early years of the Civil War, between Samuel Andrews and John Rockefeller in Cleveland. Rockefeller had been a bookkeeper in some interior town in Ohio, and had afterwards made a few thousand dollars by keeping a flour store in Cleveland. Andrews had been a day laborer in refineries, and so poor that his wife took in sewing. He found a way of refining by which more kerosene could be got out of a barrel of petroleum than by any other method, and set up for himself a ten-barrel still in Cleveland by which he cleared $500 in six months. Andrews's still and Rockefeller's savings have grown into the Standard Oil Company. It has a capital, nominally $3,500,000, but really much more, on which it divides among its stockholders every year millions of dollars of profits. It has refineries at Cleveland, Baltimore, and New York. Its own acid works, glue factories, hardware stores, and barrel shops supply it with all the accessories it needs in its business. It has bought land at Indianapolis on which to erect the largest barrel factory in the country. It has drawn its check for $1,000,000 to suppress a rival. It buys 30,000 to 40,000 barrels of crude oil a day, at a price fixed by itself, and makes special contracts with the railroads for the transportation of 13,000,000 to 14,000,000 barrels of oil a year. The four quarters of the globe are partitioned among the members of the Standard combinations. One has the control of the China trade; another that of some country of Europe; another that of the United States. In New York, you cannot buy oil for East Indian export from the house that has been given the European trade; reciprocally, the East Indian house is not allowed to sell for export to Europe. The Standard produces only one fiftieth or sixtieth of our petroleum, but dictates the price of all, and refines nine tenths. Circulars are issued at intervals by which the price of oil is fixed for all the cities of the country, except New York, where a little competition survives. Such is the indifference of the Standard Oil Company to railroad charges that the price is made the same for points so far apart as Terre Haute, Chicago, and Keokuk. There is not to-day a merchant in Chicago, or in any other city in New England, Western, or Southern States, dealing in kerosene, whose prices are not fixed for him by the Standard. In all cases these prices are graded so that a merchant in one city cannot export to another. Chicago, Cincinnati, or Cleveland is not allowed to supply the tributary towns. That is done by the Standard itself, which runs oil in its own tank cars to all the principal points of distribution. This corporation has driven into bankruptcy, or out of business, or into union with itself, all the petroleum refineries of the country except five in New York, and a few of little consequence in Western Pennsylvania. Nobody knows how many millions Rockefeller is worth. Current gossip among his business acquaintance in Cleveland puts his income last year at a figure second only, if second at all, to that of Vanderbilt. His partner, Samuel Andrews, the poor English day laborer, retired years ago with millions. Just who the Standard Oil Company are, exactly what their capital is, and what are their relations to the railroads, nobody knows except in part. Their officers refused to testify before the Supreme Court of Pennsylvania, the late New York Railroad Investigating Committee, and a Committee of Congress. The New York Committee found there was nothing to be learned from them, and was compelled to confess its inability to ascertain as much as it desired to know "of this mysterious organization, whose business and transactions are of such a character that its members declined giving a history or description, lest their testimony be used to convict them of crime."

Their great business capacity would have insured the managers of the Standard success, but the means by which they achieved monopoly was by conspiracy with the railroads. Mr. Simon Sterne, counsel for the merchants of New York in the New York investigation, declared that the relation of the railroads to the Standard exhibited "the most shameless perversion of the duties of a common carrier to private ends that has taken place in the history of the world." The Standard killed its rivals, in brief, by getting the great trunk lines to refuse to give them transportation. Commodore Vanderbilt is reported to have said that there was but one man— Rockefeller—who could dictate to him. Whether or not Vanderbilt said it, Rockefeller did it. The Standard has done everything with the Pennsylvania Legislature, except refine it. In 1876 its organization was brought before Congress, and referred to a committee. A prominent member of the Standard, not a member of Congress, conducted the farce of inquiry from behind the seat of the chairman. Another member of the company, who was a member of Congress, came with the financial officer of the company before the committee, and sustained him in his refusal to testify about the organization, its members, or its relations with the railroads. The committee never reported. The facts they suppressed must be hunted out through newspaper articles, memorials from the oil producers and refiners, records of lawsuits, reports of chambers of commerce and of legislative investigating committees, and other miscellaneous sources of information.

The contract is in print by which the Pennsylvania Railroad agreed with the Standard, under the name of the South Improvement Company, to double the freights on oil to everybody, but to repay the Standard one dollar for every barrel of oil it shipped, and one dollar for every barrel any of its competitors shipped. This contract was produced in Congress, and was stigmatized by Representative Conger as "the most damnable and startling evidence yet produced of the possibility of railroad monopoly." Ostensibly this contract was given up, in deference to the whirlwind of indignation it excited. But Rockefeller, the manager of the Standard, was a man who could learn from defeat. He made no more tell-tale contracts that could be printed. He effected secret arrangements with the Pennsylvania, the New York Central, the Erie, and the Atlantic and Great Western. What influence he used to make the railroad managers pliable may probably be guessed from the fact that one quarter of the stock of the Acme Oil Company, a partner in the Standard combination, on which heavy monthly dividends are paid, is owned by persons whose names Rockefeller would never reveal, which Mr. Archbold, the president of the company, said under oath he had not been told, and which the Supreme Court of Pennsylvania has not yet been able to find out. The Standard succeeded in getting from Mr. Vanderbilt free transportation for its crude oil from the wells in Pennsylvania, one hundred and fifty miles, to the refineries at Cleveland, and back. This stamped out competing refineries at Pittsburg, and created much of the raw material of the riots of July, 1877. Vanderbilt signed an agreement, March 25, 1872, that "all agreements for the transportation of oil after this date shall be upon a basis of perfect equality," and ever since has given the Standard special rates and privileges. He has paid it back in rebates millions of dollars, which have enabled it to crush out all competitors, although many of them, like the Octave Oil Company and the Titusville refiners, had done all their business over his road till they went into bankruptcy, broken by his contracts with the Standard. He united with the Erie in a war on the Pennsylvania Railroad, to force it to sell to the Standard all its refineries and the great pipe lines by which the oil, like Croton water in the mains, was carried from the wells to the railroads. He then joined with the Erie and the Pennsylvania in a similar attack on the Baltimore and Ohio, which had to sell out to the Standard. So the Standard obtained control of all the pipe lines and of the transportation, of everything, in fact, as a witness said before the New York Railroad Investigating Committee, except the bodies of the producers. Mr. Vanderbilt began, as did the Erie and Pennsylvania railroad kings, with paying back to the Standard, but to no other shipper, ten per cent of its freight bills. He continued making one concession after another, till when he was doing the business for other shippers at $1.40 and $1.25 a barrel, he charged the Standard only eighty and eighty-one cents, and this was afterwards reduced to sixty cents a barrel. During the war against the Pennsylvania road to make it sell out to the Standard, the New York Central carried oil for less than nothing. Besides the other allowances, Mr. Vanderbilt paid the Standard through its alias, the American Transfer Company, a rebate of thirty-five cents a barrel on all the crude oil shipped by it or its competitors. When the oil producers, whom the Standard had cut off from all access to the world except through it, sought an exit through an out-of-the-way railroad and the Erie Canal, or down the Ohio River hundreds of miles to Huntington, thence by the Chesapeake and Ohio Railroad to Richmond, and so to the sea, Mr. Vanderbilt lowered his rates to the Standard so that it could undersell any one who used these devious routes. When the producers, June, 1879, completed their own tidewater pipe line, 104 miles long, to a junction with the Reading Railroad, obtaining in this way a direct connection with the seaboard, Mr Vanderbilt reduced his rate to the public from $1.40 to $1.25 a barrel to thirty-five and twenty-five cents, and charged the Standard twenty, fifteen, finally but ten cents. For ten cents Mr. Vanderbilt hauled for the Standard a barrel weighing 390 pounds over 400 miles, and hauled back the empty cars, at the same time that he charged forty-five cents for hauling a can of milk weighing ninety pounds for sixty miles. So closely had the Standard octopus gripped itself about Mr. Vanderbilt that even at the outside rates its competitors could not get transportation from him. He allowed the Standard to become the owner of all the oil cars run over his road and of all his terminal facilities for oil. As the Standard owned all but 200 of the oil cars run on the Erie, and leased all that road's terminal facilities, it could charge its rivals anything it pleased for the privileges of New York harbor. When Mr. Vanderbilt was questioned by Mr. Simon Sterne, of the New York Committee about these and other things, his answers were, "I don't know," "I forget," "I don't remember," to 116 questions out of 249 by actual count. At a time when the Standard Oil Company through its other self, the American Transfer Company, was receiving from the New York Central thirty-five cents a barrel on all oil shipped by itself or its competitors, and was getting other rebates which cost the New York Central over $2,000,000 from October 17, 1877, to March 31, 1879, Mr. Vanderbilt testified positively before the New York Investigating Committee that he knew nothing whatever about the American Transfer Company, its officers or the payments to it.

The Standard's control of the Erie was not less complete than its hold of the New York Central. The Erie shipped only ten cars for outsiders in a whole year, and those were given by mistake. Although a public corporation and a common carrier, the Erie let the Standard sink hundreds of wells on its roadbed, and steal the oil of the neighboring wells. After promising cars, of which it had hundreds idle, to independent shippers, the Erie withdrew them at the dictation of the Standard. One shipper had 10,000 barrels of oil brought down to the side of the track by pipe line to be put into cars promised him by the Erie. The agent of the Standard appeared and stopped the shipment. When this shipper told his story, months later, before the New York committee, the oil had not been shipped, though meanwhile the market value of oil had gone down thirty per cent. In giving the Standard special rates, rebates, and the like, the Erie followed the same course as the New York Central and the Pennsylvania railroads.

When the Pennsylvania Railroad began its discriminations against the oil producers, they appealed to President Scott for equal rates with the Standard. At the interview they obtained after repeated solicitations, he answered their petition by recommending them to make a compromise with the Standard Oil Company! He did not want, he said, to get into any trouble with that concern. Representing the greatest common carrier under the constitution of Pennsylvania, which expressly provides that everybody shall have "equal rights" on the railroads of the State, President Scott actually offered to get from the Standard Oil Company for the shippers the privilege of transportation over his own road. He volunteered his personal services to mediate between the Pennsylvania Railroad and the Standard. More American than he, they refused the proposed service. One of them, a New York refiner, in describing the scene, says: "We gave him very distinctly to understand that we didn't propose to go into any 'fix up,' where we would lose our identity, or sell out, or be under anybody else's thumb." President Scott told these outsiders that they could not have the same rate as the Standard, not even if they shipped the same amount of oil, and refused to tell them what discriminations were being made. He refused to give them transportation or to let them put their own cars on the road, although they had been his heaviest customers in the years when the Standard was an ally of his competitors in one of the fiercest railroad wars ever waged between the trunk lines.

Mr. Vanderbilt, Mr. Jewett, and Mr. Scott contracted with the oil producers in writing, March 25, 1872, “not to give any party the slightest difference in rates or discrimination of any character whatever,” and “to make no change in rates without ninety days’ notice in writing to the producers.” Among other features of the systematic and chronic violations of this compact, which began almost immediately, was a special allowance by the Pennsylvania road of twenty-two and a half cents a barrel to the Standard on all oil shipped by its competitors or itself. Vice-President Cassatt, of the Pennsylvania, said under oath, in the Pennsylvania suit against his road, that he did not think this special allowance was any violation of the agreement. But by it, Mr. E. G. Patterson, of Titusville, said, before the New York Investigating Committee, the Standard was able to sell refined oil at less than the cost of manufacture, and put its buyers of oil into the field, and crush out the business of any rival, by bidding this twenty-two cents and a half, or part of it, above the price any one not« getting this rebate could pay. In the end the rebate came out of the unfortunate producer. After the Standard had used the rebate to crush out the other refiners, who were its competitors in the purchase of petroleum at the wells, it became the only buyer, and dictated the price. It began by paying more than cost for crude oil, and selling refined oil for less than cost. It has ended by making us pay what it pleases for kerosene, and compelling the owner of the well to take what he can get for his product. For the producer of petroleum, as for the producer of grain, the railroad fixes the price the producer receives.

Mr. Roger Sherman, of counsel for the complainants in the suit brought by the State of Pennsylvania, hunted through the officers of the Pennsylvania Railroad to find someone who knew what rebates the Standard was getting. Most of the officers knew as little as Mr. Vanderbilt. Finally, Mr. Cassatt was put on the stand. He testified as to the rebate of twenty-two and a half cents, already referred to, and similar rebates of thirty-five cents a barrel from the New York Central, and twenty to thirty cents a barrel from the Erie. He showed that, while the open rate to the public was $1.90 to New York for carrying a barrel of refined oil, the Standard had the work done for $1.10 and $1.20 a barrel less, and that out of the seventy and eighty cents the Pennsylvania received it paid ten cents for storage and six cents for lighterage for the Standard. The public rate for transporting crude oil was $1.40 a barrel, but the Standard paid only eighty-eight and a half cents, and finally but ten cents. While the Pennsylvania was giving all these special allowances, carrying oil at one time, according to Vice-President Cassatt ‘s sworn declaration, for less than nothing, it charged shippers like George W. Cachaan, who were not in with the officers of the road, the extreme rate of $2.00 a barrel. The effect of these discriminations was well expressed by Mr. B. B. Campbell, a witness for the State of Pennsylvania, who when asked what profit there was in refining replied: “To any one paying the open rate of freight there would be a heavy loss, but with a $1.10 rebate on every barrel there would be a heavy profit.” The New York Central, the Pennsylvania, and the Erie railroads and their connections lost between January and October, 1879, about $13,000,000 of freight earnings they would have had but for their alliance with the Standard. The latest annual report of the Reading Company gives a great deal of space to these heavy losses. The President of the Baltimore and Ohio Railroad called the attention of the other trunk-line presidents to its statements. They could not, he said, fail to embarrass the railroads before Congress, and to do them “most serious damage” before the bar of public opinion. He appealed to the trunk-line presidents at their meeting on January 21, 1880, to reform “the wasteful and absurd rates on oil,” which virtually for the Standard amounted to free transportation. His appeal was without effect. The presidents decided at that meeting not to alter their rates. The rebates given the Standard extend to nearly every State in the Union. These rebates are about equal to the average value of the oil at the wells. The railroads of the United States virtually give the Standard its raw material free. The Western railroads favor the Standard in the same way that the Eastern ones do. They refused competing shippers, in the days before these had been killed off, equal rates with the

Standard, unless they did an equal business. The railroads create the monopoly, and then make the monopoly their excuse. When the Lake Shore charged nominally eighty cents a barrel and thirty cents a hundred pounds to carry oil from Cleveland to Chicago, it did the business for the Standard at seventy cents a barrel and twenty-five cents a hundred.

It seems incredible that the Americans should have been willing to do what the Standard, by means of these special privileges from the railroads, did to its competitors.

The refineries at New York had often to lie idle while the oil was running on the ground at the wells, because they could not get transportation The monopoly of the pipe lines which the railroads gave it made the Standard the master of the exits of oil from the producing districts. Producing themselves but one-fiftieth of the oil yield, they stood between the producers of the other forty-nine-fiftieths and the world. There was apparently no trick the Standard would not play. It delivered its competitors inferior oils when they had ordered the high-priced article, out of which alone they could manufacture the fancy brands their customers called for. The Standard received as a common carrier from E. W. Coddington oil for transportation through its United Pipe Line, but, when he sold it to a New York dealer outside the Standard combination, refused to deliver it, at the same time shipping oil to one of this dealer's competitors in New York. The Standard controlled the pipes by which alone Mr. Coddington and all other producers could get to market. When the flow from his wells had filled his tanks, and he had to have them emptied, his application to the Standard's United Pipe Line, a common carrier, was met by refusal to move his oil unless he sold it to the Standard. The following extract from the stenographic report tells the story plainly enough.

Ques. Upon what conditions would they run it?

Ans. Upon condition it was sold to certain parties—J. A. Bostwick & Co., members of the Standard.

Ques. At what price compared with the market price?

Ans. Below the market price.

Ques. Always below the market price?

Ans. Always below it.

H. L. Taylor & Co., of Petrolia, had wells producing 1600 barrels of oil a day. Their tanks at the wells were full. They owned other tanks, to which they could get their oil only through the pipes which the Standard owned and operated as a common carrier. They applied to it for transportation and were refused. The wells could not be shut down for fear of water, and so thousands of barrels of oil ran into the ground. The Standard carried its point, for after that the firm sold all their oil to it, always twenty-two to twenty-five cents a barrel below the market price. H. Caldwell was another producer who had flowing wells and empty tanks, which the Standard refused to connect, and who had to sell his oil to it at prices ranging from twelve and one-fourth to eighteen and one-half cents a barrel below the lowest market rate. Lewis Emery, Jr., a producer of oil, was an owner in six different companies, all of which were denied transportation by the Standard, and forced to sell to it at its price. He said: "We go down to the office and stand in line, sometimes half a day; people in a line, reaching out into the street, sixty and seventy of us. When our turn comes, we go in and ask them to buy, and they graciously will take it." This was known in the trade as the "immediate shipment swindle." Sometimes the Standard, after buying the oil this way, would take away a small part of it, and refuse to pay for the rest till it was shipped, months later. As an immediate result of these manipulations, the price of oil began a steady decline from $1.30 to eighty cents a barrel, in the face of an increased demand unequalled in the history of the trade. In 1878 oil went down to seventy-eight and three-fourths cents a barrel at the very time the shipments from the wells were 56,000 barrels a day, the largest ever made till that time. All this, as one of the largest producers testified, was because "we take our commodity to one buyer and accept the price he chooses to give us, without redress, with no right of appeal."

Hundreds and thousands of men have been ruined by these acts of the Standard and the railroads; whole communities have been rendered desperate, and the peace of Pennsylvania imperilled more than once. The thousands of men thrown out of employment in Pittsburg between 1872 and 1877 were actors in the Pittsburg tragedy of July, 1877. The oil producers, in their memorial to Governor Hartranft, August 15, 1878, for help, declared that “the Standard and the railroad companies leave to the people, whose creatures they are, but two remedies—an appeal for protection first to the law of the land, and next to the higher law of nature!” The very intelligent and fair correspondent of the New York *Sun* whom the Standard could not seduce, as it did the representative of another great New York daily, wrote from Titusville, Pennsylvania, November 4, 1878: “The fact is the State of Pennsylvania has had a narrow escape from an internal war, that would have required all its resources to control and check, and the danger is not over yet.... Had certain men given the word, there would have been an outbreak that contemplated the seizure of the railroads and running them, the capture and control of the United Pipe Line’s (the Standard’s) property, and in all probability the burning of all the property of the Standard Oil Company in the region. The men who would have done this, and may do it yet, are not laborers or tramps. They are men who believe in order and law, and have business to attend to.” Mr. B. B. Campbell, who described himself as the unfortunate owner of nearly a hundred producing wells, told a story before the Supreme Court of Pennsylvania that ought not to be uninteresting to the millions of consumers of kerosene. One day, returning to his home at Parker, near Pittsburg, the centre of a great oil district, he found the citizens in a state of terrible excitement. The Standard, through its pipe line, had refused to run oil, unless sold to them, and then declared it could not buy, because the railroads could furnish it no cars in which to move away the oil. Hundreds of wells were stopped, to their great damage. Thousands more, whose owners were afraid to close them for fear of injury by salt water, were pumping the oil on the ground. All the influence of a few leading men was hardly enough to prevent an outbreak and the destruction of railroads and pipe lines. Mr. Campbell telegraphed the railroad authorities: “The refusal of the Standard to run oil, unless sold upon immediate shipment, and of the railroads to furnish cars, has created such excitement there that the conservative citizens will not be able to control the peace, and I fear the scenes of last July will be repeated in an aggravated form.” The interview that followed convinced the railroad men that they had gone too far, and in a few hours afterwards hundreds of empty cars suddenly appeared at Parker, and for a week the railroad, which had said it could furnish no cars, took away from Parker fifty thousand barrels of oil a day!

If we turn to the experience of the refiners we find they fared as badly as the producers. The handful of New York refiners who survived the conspiracy against them testify that they had to keep their capacity limited and to do as little as they could. They did not dare to build large refineries, because they would not be able to get oil enough carried to them to keep them going. Mr. Alexander, of Cleveland, tells how he was informed by Rockefeller, of the Standard, that if he would not sell out he should be crushed out. The Standard had a contract with the railroads which made them master. He had to take their terms, and sell for $65,000, a refinery which cost him $150,000 and was making money. Refiner after refiner in Pittsburg, buying his crude oil in the open market, manufacturing it at his works, shipping it to the seaboard, met with a continued succession of losses, and was forced into bankruptcy or a sale of his works to the Standard, who always had a buyer on the spot at the right time. The great majority of these refineries, when bought by the Standard, were dismantled and the “junk” was hauled to other refineries. The Vesta and Cosmos refineries, which cost about $800,000, were sold at sheriff’s sale to the Standard for $80,000, and are now run vigorously by the company. The Germania, which was run to its full capacity as long as the Pennsylvania Railroad gave its proprietor transportation, is now leased to the Standard, but stands idle, as that concern can make more money by limiting the production and maintaining an artificial price than by giving the people cheap light. The Standard became practically the only refiner of oil in Western Pennsylvania, and its rule was bankruptcy to all attempting to lead an independent existence. D. P. Reichardt tells us how the agents of the Standard came to him with the threat that if he did not come into their combination they would drive him to the wall. The Standard called upon this free man to choose between financial ruin and joining them on these terms: he was to refine only half as much as he had been doing, and was to pay them a tribute of one cent a gallon, a tax of five to twelve per cent. The selling, storing, transporting, and price of his oil he was to leave entirely to the Standard. This testimony with regard to the regulation of prices by the Standard is confirmed by the unwilling evidence of Mr. J. J. Vandergrift, president of the Standard's United Pipe Line and a stockholder in the Standard, who said that the Standard fixes for the other refiners in the combination how much they shall produce each month, thus "keeping up the price." It is also proved to have manipulated the price of oil on the exchanges by the issue of fictitious pipe-line certificates to the amount of hundreds of thousands of dollars.

The Pittsburg Chamber of Commerce reported, 3, 1876, that there were twenty-one oil refineries idle in that city, owing to freight discriminations and combinations. There were $2,000,000 invested in these refineries, and if in operation they would have required the labor directly of 3060 men, besides the much larger number of carpenters, masons, bricklayers, boiler-makers, pump-makers, and other workingmen, who would have employment if the oil refining business were prosperous. A minute, prepared in 1879 by the Hon. Lewis Emery, Jr., a member of the Pennsylvania Legislature, shows that of the fifty-eight refineries in Pittsburg in 1867 twenty-eight have been crushed out and dismantled, and that of the remaining thirty, twenty-nine have been bought up or leased by the great monopoly. A partial list prepared by Mr. Emery of "the petroleum refineries in Pennsylvania bankrupted, squeezed out, bought up, leased, or dismantled" by the Standard contains seventy-six refineries, of which thirty-one were dismantled, twenty-four leased or bought, some to be run, and *sortie* to be shut down, and twenty-one were driven out of business.

Its genius for monopoly has given the Standard control of more than the product of oil and its manufacture. Wholesale merchants in all the cities of the country, except New York, have to buy and sell at the prices it makes. Merchants who buy oil of the Standard are not allowed to sell to dealers who buy of its few competitors. Some who have done so have been warned not to repeat the offence, and have been informed that, if they did so, the Standard, though under contract to supply them with oil, would cut them off, and would fight any suit they might bring through all the courts without regard to expense. At least one case is known where the deputy oil inspector, in a city to which oil had been shipped by an outside dealer, received from the State inspector peremptory orders by telegraph, before the oil had arrived, to condemn it. In the South, the Standard's control is absolute. It has now stretched out its hands to grasp the turpentine trade, and its peculiar tactics have already been disastrously felt in the turpentine market.

These oil producers and refiners whom the Standard was robbing with and without forms of law fought with every weapon they could command. The struggle has been going on continuously for nine years. All that men could do who were fighting for self-preservation was done. They caused to be introduced into Congress the first original bill to regulate railroads in interstate commerce. The outrages done by the roads and the Standard were proved before an investigating committee of Congress, but Congress did nothing. The Legislature of Pennsylvania was besought to pass laws to enforce the constitutional provision for equal rights on the railroads of the State, but the money of the Standard was more powerful than the petition of business men who asked only for a fair chance. Numbers of suits were brought, by individuals and nominally by the State, but by the harmonious efforts of the governor, the attorney-general, the courts, and the defendants they were prevented from coming to any conclusion. Indictments for criminal conspiracy were found by a grand jury, but when Governor Hoyt, of Pennsylvania, in due course of law, was called upon to issue requisitions for the extradition of the two Rockefellers and their accomplices, he refused to do so. Worst failure of all, the Supreme Court of Pennsylvania stayed the trial of the most important of the cases in progress in a lower court, and so brought the legal proceedings against the Standard and the railroads to an end, in striking agreement with the prediction of one of the defendants that "the case would never be tried." In short, the plundered found that the courts, the governor, and the legislature of their State, and the Congress of the United States were the tools of the plunderers, and were forced to compromise. This compromise, signed February 5, 1880, was a victory in forcing a pledge from the Standard and the railroads of the abandonment of the worst of their practices, but there lies in it, as in most compromises, a germ of disaster. It permits the Standard to receive any rebate the railroads have a right to grant, and allows the railroads to give rebates to large shippers, of whom there is but one,—the Standard. This is the relative position of the parties to-day. The Standard holds its vantage-ground, and America has the proud satisfaction of having furnished the world with the greatest, wisest, and meanest monopoly known to history.

To-day, in every part of the United States, people who burn kerosene are paying the Standard Oil Company a tax on every gallon amounting to several times its original cost to that concern. The average price of crude oil at the wells or at Cleveland, as the railroads carry the crude free to the Standard's refineries, was in December last about three cents a gallon. The price of refined at Cleveland was seventeen cents a gallon. Oil that the Standard sells in New York at a profit, at ten and one-half cents a gallon, they charge nineteen and three-fourths cents for in Chicago. The average cost, last December, of the one and a third barrels of petroleum needed to make a barrel of kerosene was $2.05 at Cleveland. The cost of refining, barrelling, and all expenses, including a refiner's profit of half a dollar a barrel, is, according to the testimony of experts, $2.75 a barrel. To bring it by rail to Chicago costs seventy cents, making the total cost $5.50 for a barrel of fifty gallons, or eleven cents a gallon. The price the Standard charges in Chicago is nineteen and three-fourths cents a gallon, in which, as the difference between eleven and nineteen and three-fourths cents, there is a tax on the public of eight and three-fourths cents. This tax is transmitted by the middle-men, jobbers, and retailers to the consumer. When at twenty-five cents a gallon the workingman buys kerosene because it is cheaper than gas, or the student because it is better, each pays the Standard this tax of eight and three-fourths cents a gallon. A family that uses a gallon of kerosene a day pays a yearly tribute to the Standard of $32, the income from $800 in the four per cents. In Pennsylvania the tax levied by the Standard above all expenses and legitimate profits is calculated by an expert at fourteen cents a gallon. This makes a yearly tax on the light in most general use in that State of $2,555,000. The whole country consumed last year, at a low estimate, 220,000,000 gallons of kerosene. Putting the Standard tax, to avoid all responsibility of exaggeration, down to five cents a gallon, we have a levy on the whole country of $11,000,000, besides the millions taken from the railroads in rebates. These, according to the sworn evidence of the officers of the railroads and the known figures of shipments, amounted in 1878 to $6,960,840, and in the period between October 17, 1877, and March 31, 1879, to $10,151,218. These figures make reasonable the current estimate that the Standard pays dividends of $1,000,000 a month. It can do this, and have millions left to pay the suits of refineries it has leased and keeps idle, its backsheesh to railroad men, the bribes it has had to give judges, State legislatures, and State inspectors, and its salaries of hundreds of thousands of dollars a month to men whom it has turned out of business, and who are acting as its paid agents. To-day the only visible hope of cheap light for the people of this country is the discovery, announced by the Atlantic cable on January 28th, that in the Hanover petroleum district in Germany a basin has been found, which is thought by experts to be, beyond doubt, as large and rich as the one in Pennsylvania. In Europe such alliances between the railroads and the refiners as created the Standard monopoly are impossible. German oil wells, German refineries, and the Canadian canals may yet give the people of the interior of this continent what the American Standard and the American railroads have denied them— cheap light.

It is the railroads that have bred the millionaires who are now buying newspapers, and getting up corners in wheat, corn, and cotton, and are making railroad consolidations that stretch across the continent. By the same tactics that the railroads have used to build up the Standard, they can give other combinations of capitalists the control of the wheat, lumber, cotton, or any other product of the United States. There is more than a suggestion in this in the action, last winter, of the railroads connecting the East and West, in raising rates at a stroke of the pen from fifteen and twenty cents a hundred pounds, between New York and Chicago, to forty and forty-five cents a hundred. The immediate result was a jam at Chicago of $26,000,000 of the products of the farm. Chicago was filled up, and word had to be sent back along the railroads to take no more grain for shipment. The roadside elevators filled up, and the farmers found their market gone. *As* it happened, on this occasion they had already sold the most of their crops, but the occurrence shows how the outlet for wheat could be cut off by a combination of railroad men and speculators, just as the outflow of oil was cut off by the Standard and the railroads. Some of the speculators most prominent in the recent wheat speculations are powerful railroad owners and directors. Given the power to raise and change the freight rate at will, these speculating directors can control the prices the West shall get for its grain and cattle, and those the East shall pay for its bread and meat. The New York Chamber of Commerce, on February 5, 1880, unanimously adopted a report—signed by Charles S. Smith, Jackson S. Schultz, Benjamin B. Sherman, Francis B. Thurber, Benjamin G. Arnold, Jacob Wendell, and Charles C. Dodge—in which these significant words occur: “What has happened in the case of the Standard Oil Company may happen in other lines of business. With the favor of the managers of the trunk lines, what is to prevent commerce in therest of the great staples from being monopolized in a similar manner? Already it has taken this course. One or two firms in Baltimore, Philadelphia, New York, and Boston, with their branch houses in the West, are, by the favor of the railroads, fast monopolizing the export trade in wheat, corn, cattle, and provisions, driving their competitors to the wall with absolute certainty, breaking down and crushing out the energy and enterprise of the many for the benefit of the favored few.”

The case of the Standard Oil Company brings the three great trunk lines and their magnates, Scott, Vanderbilt, and Jewett, a great national export and interstate commerce, into one condensed illustration of our subject, but otherwise it is not peculiar. Mr. Vanderbilt assured the public over his own signature that the New York Central made no special rates. Mr. Sterne’s examination of the officers and books of the road proved the existence of 6000 special contracts. The Northern Pacific, which has been built by grants of land from the people, and which is now an applicant before the people’s Congress for the extension of its land grant, gives special rates to the Dalrymples, the Casses, the Grandins, with their 30,000- and 40,000-acre farms, and charges the poor farmers full rates. The St. Paul and Sioux City Railroad furnishes the large farmers along its route with rates one half those charged the small farmers. Who are the large farmers? President Drake, of the road; General Bishop, its manager; President George P. Siney, of the Metropolitan Bank of New York; Mr. Orr, a partner of the great house of David Dows & Co., of New York; Goldschmidt, the rich German banker of Frankfort-on-the-Main; and every director on the road. The investments of these men average a return of twenty per cent the first year, and fifty-five per cent the second year.

One mind invented the locomotive, established the railroad, and discovered the law of this new force. All railroad history has been a vindication of George Stephenson’s saying that where combination was possible competition was impossible. To-day, wherever in this country there is a group of railroads doing business at a common point, you will find a pool. These pools are nothing more mysterious than combinations to prevent competition. They are continually breaking up into railroad wars, but as constantly forming again with improvements gained from experience. The Saratoga agreement, the Colorado pool, the Evening system, the Omaha pool, the Southwestern Rate Association, the Southern Steamship and Railway Association, accounts of which are continually appearing in the papers, to be always skipped by the general reader, are all experiments in this one direction—combination to kill competition. For three years our ablest railroad men have been trying to invent a pool that should put all railroad traffic between the Mississippi River and the ports of Europe under one control. The New York Central, the Erie, the Pennsylvania, and the Baltimore and Ohio roads, under the direction of Mr. Albert Fink, the greatest of our railroad experts, have formed a combination under the title of the Trunk Line Executive Committee, which besides themselves includes thirty-two Western roads and one great Southern road—the Louisville and Nashville. These roads tax the people in their territory $155,000,000 a year for transportation. This pool fixes for each of these roads the rates which it shall charge and the proportion of the entire business it shall do. Only two important Western roads east of the Mississippi do not belong to it, the Rock Island and the Northwestern, but they are both in the Gould-Vanderbilt system, and are operated in substantial harmony with the pool. Ex-Governor Seymour, of New York, in an interview at Utica with a special correspondent of the New York *World,* held that national regulation of the railroads ought to be opposed by New Yorkers, because it would take away from New York its advantage of position in the struggle with Boston, Philadelphia, and Baltimore for the business of the West. Governor Seymour is apparently not aware that the Fink pool has already done this. One of their main regulations is that rates from common Western points of shipment, like Chicago to Europe, shall be the same whether made through New York, Boston, Philadelphia, or Baltimore. Of this latest pool Mr. Albert Fink is the executive, periodical meetings of the representatives of the roads form its legislature, and a Board of Arbitration, composed of Charles Francis Adams, Jr., John A. Wright, and David A. Wells, is its judiciary. It has lasted a little over a year, and its members are bound to keep the peace till 1884. It is a stronger union than any of the roads have yet made, and is the most powerful, the richest, and the ablest trades union that has yet confronted any government or people. Its managers claim to have abolished all special rates. All shippers, Commissioner Fink said at the meeting of the pool legislature at Chicago in December, are treated alike in the territory of the combination. There must have been a big mental reservation as to the Standard Oil Company and its competitors in Mr. Fink's statement. He also says, rates are now fixed on a reasonable basis and a permanent one.

As to the reasonableness, it must be remembered that the increase in rates last winter excited a great deal of indignation in the West, and was everywhere claimed to be unreasonable in that part of the country. As to the permanence, it is too soon to speak. Mr. Fink dreams of taking into the pool all the railroads between the Mississippi River and the Rocky Mountains, and the Southern system, and so forming a great national federation of railroads. There must be one universal pool or no pool. To make these pools binding, he plans to ask Congress to enforce contracts between railroads, so that if a road violates its agreement not to compete, it can be brought to terms in the courts. Whatever merits it may have, the Fink pool is secret, irresponsible, and voluntary only. Reporters—that is, the public—were excluded from the annual meeting at Chicago. The pool is not of the people, for the people. Its judiciary arbitrate between the roads, not between the roads and the people. These pools must be either dispersed, as the Reagan bill proposed, or controlled, as Charles Francis Adams, Jr, would do, by legalizing the federation.

The cat must be killed or belled. In either case, it must be confronted by a power greater than itself. There is but one such power.

Our experience in the riots of 1877, in the countless cases of excessive and unfair railroad taxation fairly represented by the case of the Standard Oil Company, and in pools, which have culminated in the Great Trunk Line Executive Committee, makes it clear that an adequate power must be called in to secure these things:

(1) Railroad charges must be public. Publicity is the great moral disinfectant.

(2) They must be stable. In transportation, as in currency, taxation, and the law, it is indispensable that the citizen know what to count on.

(3) They must be reasonable. They must be based on the cost of the service, not on what people will stand. The community will not be taxed to pay dividends and interest on the $53,507,000 of water in the New York Central, the $63,963,881 in the Erie, the $13,000,000 in the New York Elevated roads, and so on through the list, or to fatten corrupt railroad officials, like the secret stockholders in the Acme Oil Company.

(4) They must be equal: for similar services, similar rates. If the absolute equality of the post-office, which sells stamps at the same price by one or one million, is not practicable, and there must be wholesale and retail rates, let the additional charge—as in the case of the single harvester of the small farmer along the Northern Pacific— in no case exceed the actual additional cost of handling and hauling.

(5) Railroads and railroad men must exercise their public functions. No road shall voluntarily stop running, as several roads did in July, 1877, and no railroad man or multiple of him shall desert his post or interfere with the operation of any road.

(6) There must be a national board to hear the complaints of citizens and railroads, with power to take testimony, to investigate abuses, to publish the results, and to call upon the legal officers of the government to prosecute where prosecution is needed.

(7) Under the constitutional right of Congress to pass laws and levy taxes, “to establish justice,” there must be such amendment of the law and its processes that all violations of the duties of common carriers, “in commerce among the States,” can be prosecuted by civil or criminal proceedings promptly and cheaply.

The costliness, the delays, and the technicalities of our law amount to a denial of justice that is eating deep into the hearts of the people. Only the rich can get justice; only the poor cannot escape it.

In less than the ordinary span of a lifetime, our railroads have brought upon us the worst labor disturbance, the greatest of monopolies, and the most formidable combination of money and brains that ever overshadowed a state. The time has come to face the fact that the forces of capital and industry have outgrown the forces of our government. The corporation and the trades-union have forgotten that they are the creatures of the state. Our strong men are engaged in a headlong fight for fortune, power, precedence, success. Americans as they are, they ride over the people like Juggernaut to gain their ends. The moralists have preached to them since the world began, and have failed. The common people, the nation, must take them in hand. The people can be successful only when they are right. When monopolies succeed, the people fail; when a rich criminal escapes justice, the people are punished; when a legislature is bribed, the people are cheated. There is nobody richer than Vanderbilt except the body of citizens; no corporation more powerful than the transcontinental railroad except the corporate sovereign at Washington. The nation is the engine of the people. They must use it for their industrial life, as they used it in 1861 for their political life. The States have failed. The United States must succeed, or the people will perish.

II. The Political Economy of Seventy-Three Million Dollars.[3]

Four years ago it was proposed to expel political economy from its place in the course of the British Association for the Advancement of Science, on the ground that it had failed to make good its scientific pretensions. In the speeches at the dinner given, 1876, by the Cobden Club, to celebrate the centenary of the *Wealth of Nations*, and in the eager discussion about political economy which followed in the English reviews, there was unmistakable despondency in the tone of the economists. Bagehot owns that political economy lies rather dead in the public mind, and confesses that it deals not with real men but imaginary ones. Jevons sees signs of the disruption of the orthodox school. Bonamy Price, of Oxford, declares its scientific method to be a mistake. To Cairnes one feature is prominent in all debate for the settlement of the Irish land question,—"a profound distrust of political economy." Harriet Martineau won no small part of her fame by popularizing the truths of political economy in her celebrated tales; but later in life, in her Autobiography, she tells the world that had so eagerly swallowed her sweetened doses of supply and demand that what she had first taken to be a science she has come to regard as no science at all. A great school of Continental students of the welfare of man in society has long rejected the dominant ideas and methods of what in England and America is called orthodox political economy; orthodox, probably, because no two of its expounders agree. The most philosophic mind that England has produced in this generation, capable of a few great generalizations, and capable of not making little ones,—Sir Henry Maine,— calls for a new political economy, which shall use the methods that have been so fruitful in the historical study of early human institutions. In these studies, price, rent, the market, property, competition, and freedom of contract are shown to have arisen in places and ways never even dreamed of by the deductive economist. Comte strenuously denied that political economy was a science, and he and his followers thought it immoral to waste good lives in elaborating hypotheses assuming the supremacy of self-interest and competition, when the crying want of mankind is to destroy that supremacy. The study makes little headway in our colleges. I asked a college boy what he and his classmates thought of it. "All the bright fellows," he said, "think it's scrubby; but all the dull ones believe it's a great thing." And Professor Dunbar, of the chair of political economy of Harvard, said, in 1876, that for one hundred years the United States had done nothing toward developing its theory. Our high thinkers, like Ruskin, Carlyle, and Emerson, have refused from the first to acknowledge its authority. According to Ruskin, nothing has ever been so disgraceful to human intellect as the acceptance among us of the common doctrines of political economy as a science. He holds that the economic principles taught to our multitudes, so far as accepted, lead straight to national destruction; that they are like a science of gymnastics which assumes that the human being is all skeleton, and that they found an ossifiant theory of human progress on the negation of a soul. Emerson says, nobly and simply, "The best political economy is the care and culture of men." Our great statesmen do not look on this science, which is supposed to be especially theirs, with more favor than the moralists. Gladstone said, at the Adam Smith dinner, that not much remained for political economy to do, except in regard to the currency; and yet so much has this science done to prevent man from understanding what man invented, that Gladstone has elsewhere declared that of all studies the currency question is most provocative of insanity. Bismarck told an American member of Congress, in 1879, speaking of the German monetary reform of 1873, “We listened to an eminent economist, and we now see that we have put only plain water into our soup-boiler.” No one has more happily anticipated the drift of recent criticism than Daniel Webster, who wrote to a friend in a letter lately published:

> For my part, though I like the investigation of particular questions, I give up what is called the science of political economy. There is no such science. There are no rules on these subjects so fixed and invariable that their aggregate constitutes a science. I have recently run over twenty volumes, from Adam Smith to Professor Dew, and if from the whole I were to pick out with one hand all mere truisms, and with the other all doubtful propositions, little would be left.

And yet this is the science the study of which Cobden declared to be the highest exercise of the human mind, and which drew from Buckle, in the *History of Civilization* which has already become an antique though not a classic, his often-quoted tribute to the *Wealth of Nations.*

Never more than now have we needed such a help as this political economy has pretended to be The reaction against it comes at a time when the body of the people are growing uneasy at the peril of a position between working men who combine and capitalists who consolidate. Rings and bosses are rising to the top in the evolution of industry as in that of politics. New facts, like the union in one person of the common carrier and the owner of the highway, are baffling our statesmen. A few individuals are becoming rich enough to control almost all the great markets, including the legislatures. We feel ourselves caught in the whirl of new forces, and flung forward every day a step farther into a future dim with the portents of struggle between Titans reared on steam, electricity, and credit. It is an unfortunate moment for the breakdown of the science that claimed to be able to reconcile self-interest with the harmony of interests.

Adam Smith modestly termed his great book, *An Enquiry into the Nature and Causes of the Wealth of Nations.* The political economy of his successors is taught, in the universities of England and most of the colleges of this country, not as an investigation to be pursued in the laboratory of facts, but as a body of settled truths, revealed by teachers, and to be applied as a universal solvent. It is what nothing can be,—an apostolic science. Mill’s language shows that he regards history as an arsenal from which to draw facts to reinforce his economic theories, not as a record in which the development of society may be observed, and its laws discovered by the methods that have given such practical and brilliant results in the hands of Maine, Von Maurer, Roscher, Nasse, De Laveleye, and Leslie. Mill says at the beginning of his *Political Economy* that the science is based on assumptions, and that its conclusions are only hypothetical. Senior, of Oxford, states that it depends more on reasoning than on observation, and that its principal difficulty consists not in the ascertainment of its facts, but the use of its terms. Its facts according to him may be stated in a very few sentences, and indeed in a very few words. Precisely the same view is taken by Professor Sumner, of Yale College. In a recent address in Brooklyn, on Revenue Reform, he said, “Unfortunately the economist can’t create facts, and history furnishes him but few. Consequently, hypotheses have to be used.” It is worth noticing that while the abstract economists are suffering for facts, the latest Parliamentary commission sitting in England to investigate one of the greatest economic conundrums of modern society—the relations of railroads to other business and the state—have been actually overwhelmed with facts. The political economy of the French Revolution and the Code Napoleon has still to be written; and it be full of facts. A generation of economists can find employment in Maine’s hint that they study the aberrations, accidents, friction, of political economy. Lieber says history moves along a rising spiral; let some economist determine the curve and velocity with which the modern world is apparently moving back to an era of custom and combination, that is, monopoly instead of competition. A work on money is needed that shall generalize its multitudinous facts from wampum to confidence in terms intelligible to common people, business men, other economists—and the author. The fact is, these hypothetical economists have done for the industrial descent of man what Haeckel and his evolutionists have done for the theory of his physical descent. They have substituted assumption and dogma for a Darwinian patience in accumulating facts and reserve in generalization. They deserve the same rebuke that Virchow administered to Haeckel at the Munich meeting, a few years ago. Virchow pointed out that in medicine, the only science which has a continuous history of three thousand years, the stream of dogmatism has been continually narrowing; warned Haeckel that he and his school were treating as a dogma proved, that which was only a problem to be investigated; and uttered these wise words, which should be branded into the mental cuticle of every disciple of the closet economists: We who support science, we who live in science, are all the more called upon to abstain from carrying into the heads of men, and most of all into the heads of teachers, that which we only suppose.

Though Mill's culture knew these limitations of the method he followed, his mind did not; at least, the James Mill side of his mind did not. The mental habit forced on him by his father, who, like a civilized Flat-Head Indian, put his little four-year-old boy's round head into a square frame, was too strong to be overcome. John Stuart Mill rebuked the economists for paying too much attention to the hypothesis of competition, but persisted himself in the attempt to discover truth by the processes of assumption, to the exclusion of what Roscher calls the physiological method.

In abstract political economy, wealth is the subject, desire of wealth the motive, competition the regulator, supply and demand the law, freedom of contract the condition, and equalization of rent, wages, other prices, and profits the result. If the critic looks with distrust on a science of human conduct founded on assumptions, and doubts the stability of a structure reared with syllogistic brick on imaginary foundations, to what a dead stop must he come before the unscientific vagueness of this term "wealth." Mill says wealth consists of all useful and agreeable objects which have exchangeable value. Accept this definition, and how vast the territory it covers. It reaches from the individual to the nation, from the family to the stock exchange, where the economist most nearly finds his ideal. What man wants of man varies with countless contingencies, from those of sympathy down. Adam Smith, the greatest expositor of the virtue of self-interest that ever lived, his editor, Thorold Rogers, tells us, impaired his fortune by his benevolence. His greatest disciple, Cobden, spent his life and his private means to give the poor cheap bread. Ideals of life determine whether iron shall be turned into artillery to teach Hindoos free trade at the cannon's mouth, or into ploughshares for American homesteads. The buccaneer looked for gold, and is poor; the Puritan sought freedom, and is rich. Fashion kills the manufacture of lustrous woollen dress stuffs. Government fixes whether land shall descend by the land law of the people, as in France, or by the land law of the nobles, as in England. Custom says that grocers may, but that doctors and plumbers shall not, undersell each other. According to the age, society will build cathedrals or railroads. Sex hedges one half the world with the gravest physiological and social limitations. If you are a Calvinist, free will must have nothing to say about your desire of wealth. This science of wealth is the science of man—and woman. Every note of the human voice, whether of preacher or pirate, mother or Magdalen, must be heard in the formulas of wealth. The world of wealth is the world of soul, over-soul, and under-soul; and yet its philosophers attempt to lay down its facts and terms in one sentence, or, as Senior says, in a very few words, and Sumner has to make hypotheses.

A generalization of all objects that have color would be as definite and useful as one of all objects that have exchangeability. Wealth is what men desire of each other; hence, the desire of wealth is the desire of what men desire. This is not a play on words, but is the exposure, in the language of real life, of the barrenness of the terms of the economists. They who cannot draw out leviathan with a hook have sought to catch the world of man in an abstraction, and have failed, because anything that would be true of so much must be a truism.

This kind of political economy has its counterpart in the theory of physical science, which attempts to explain matter on the assumption that it consists of atoms, absolutely equal and homogeneous. The equality of atoms in science, the equality of man in the state of nature, and the equality of profits in political economy are three face—physical, social, and industrial—of one fallacy. These theories may have served a pur-nose as systems of mnemonics or propaganda, but they have had their day.

All the machinery of the abstract political economist is driven by the force of competition. “Only through competition,” says Mill, “has political economy any pretensions to the character of a science.... Assume competition to be the exclusive regulator of rents, wages, profits, and prices, and principles of broad generality and scientific precision may be laid down according to which they will be regulated.... As an abstract or hypothetical science, political economy cannot do anything more.” The critic of this method wants a political economy that will disclose the actual, not the hypothetical, regulators of prices, wages, rents, and profits. By excluding all forces but those of competition, these economists shut themselves out from the consideration of the gravest problems of the day, which are questions of combination, and not of competition. On the other hand, their principle of competition does not fit the questions which they choose to attack. Their competition equalizes values with the cost of production, levelling the wages of laborers down to the cost of subsistence, and levelling the rent of landlords up to all the produce of the farm above the maintenance of the tenant. As to the facts of the theory, take an extensive view. The death of Babylon, the decay of Venice, the maturity of London, the growth of New York, and the rise of Chicago are not phenomena of equalization, but of inequalization,—tidemarks of a westward flood and ebb. Take a narrower range. McCulloch says that the principles of political economy and the forces of modern industry have obliterated the differences in the wages of British labor noticed by Adam Smith. Cliffe Leslie shows by the logic of facts that steam, new gold, and railroads have created new centres of wealth and industry, and have made the modern disparities of English wages greater than they were in the time of Adam Smith. The same forces that are inequalizing wages are inequalizing profits. He would be a bold man who could assert that there had been a process of equalization in the political economy of New England since the days when the Pilgrim Fathers, unconsciously reproducing the earliest ideas of the race, founded a society on the principle of the ancient village community. Competition shifts taxation, theoretically, upon consumers, but one of the strongest lobbies in Washington, during the recent session, was kept there by the proprietors of patent medicines, to procure the repeal of the stamp tax they pay. At a time when one hundred wedding-rings were pawned in one town in a single week for money to bread with, as Cobden tells us, English landlords were proving by Ricardo’s theory of competition that a tax on corn could not fall on the laborer. By the same theory Mill taught the laborers that to have large families was as wicked as to be guilty of habitual drunkenness, because wages would go down if population went up. But, as a matter of fact, population and wages have been rising together in England for many years. Their theory of rent is the achievement of which the English economists are most proud. It justifies the landlord in taking all the produce of the soil above the cost of subsistence. If the farmer tried to keep more for his share, competition, the force which, according to Mill, equalizes the profits of occupations, would take it away from him. The landlords of England, in the words of the editor of the *Pall Mall Gazette*, are starving the workers of their country to save their rents. Our faith that the theories of competition explain the facts of this kind of rent is shaken by the discovery that it appeared in East Indian political economy, where competition was unknown. The Mohammedan emperors of Delhi, the Mahratta princes, the Sikhs of the Punjab, different in many other things, were alike, Maine says, in this, that they took so much of the produce of the soil as to leave the cultivators little more than the means of bare subsistence. Cobden asserted that the English agricultural laborers were not one whit higher, intellectually, than in the days of their Saxon forefathers. Competition leaves some awkward gaps of inequality in the very heart of merrie old England. The Irish land courts have reduced rents by an average of eighteen to thirty per cent. Even Ricardo would have to admit that a sovereignty was working through the land courts that overtopped competition. American rent is generally fixed by custom at one third the produce of the farm. Belgian rent and French rent, where they exist, have their peculiarities. English rent is an historical product, whose determining forces have been of all kinds, from conquest to American competition. Among these forces are such legislation and lack of legislation in the interest of a dominant class as permit the landlords to continue paying taxes on land on the valuation of 1692, while their tenants and laborers are taxed on the value to-day of what they consume. Among these forces, too, must be counted the predisposition against change which keeps the British farmer growing wheat in the very shadow of London smoke, while the Belgian and French farmers supply the metropolis with its fresh vegetables. Rent, Mill asserts, is the result of a monopoly; but rent is paid in Dakota in the same counties in which the best government land can be had upon payment of a few dollars in fees to the land office. The theory of rent reduces the share of the tenant in the produce of the soil to the cost of subsistence, but in the Mississippi Valley a very large proportion of the tenant farmers grow well-to-do, and those who begin as renters usually end as land-owners.

These theories of population, wages, and rent are worse than bloodless. They are murderous. Profit, Ricardo claims, "is never increased by a better distribution of labor, by the invention of machinery, or by any means of abridging labor.... These operate on price, and are beneficial to consumers, but they have no effect whatever on profit; on the other hand, every diminution in the wages of labor raises profits." This doctrine gives employers the same hint that the theory of rent gives landlords. If competition, crueller than conquest, were "the exclusive regulator of rent" and of these other things, or if the principles of competition explained them, as we see is not the case, it would be no crime to lay down these laws. The man of science must tell things as they are, and leave it to the moralist to say how they ought to be. These doctrines of the desire of wealth, of exclusive regulation by competition, and of the irresistible laws of trade have been a royal road for shifting responsibility for injustice and legal selfishness from human shoulders upon the back of Nature. If these laws are proved to be no laws, and we see they are not laws, the orthodox economists are left in a bad plight. They claimed to be teachers of science; that is, of things as they are. They turn out to be teachers both of what is not and of what ought not to be. They are neither scientific nor moral. Hence it is that Mill's head, though not his noble heart, almost deserves the charge made by Ruskin, with deliberation and reaffirmation, of wilfully "aiding and abetting the cruellest form of murder on many thousands of persons yearly for the sake simply of putting money into the pockets of the landlords."

The competitive political economists ignore the natural history of their subject, its economic news. The differences of character and circumstances that make the English and French disposed to stay at home, while the Irish and Germans emigrate freely, are not to be explained by competition. The abstract economists dismiss as aberrations and exceptions to their cosmopolitan equilibrium those mysterious storms which burst with something like periodicity over the world of credit, scattering ruin within the areas of high tariff and low tariff, free trade and protection, specie payments and "fiat" money, and the single and double standard. Political economy of the competitive school is dumb before the railroad question, for it is one of combination. A Parliamentary commission reports that it has become more and more evident that competition must fail to do for railroads what it does for ordinary trade, and that no means have yet been devised by which competition between them can be maintained. Equally beyond the reach of this competitive science is the socialistic drift of modern government, which forbids self-interest to commit murder by the sale of adulterated food, which taxes property by a majority vote for the education of the masses and the regulation of their plumbing, and which in Great Britain offers to pay at the national expense the arrears of hundreds of thousands of Irish tenants. The labor question is the appearance among working men of the same spirit of combination that has given us railroad pools, the telegraph consolidation, the oil monopoly, and countless smaller "corners," and it cannot be solved by a science of competition. The professors assume that competition is the exclusive regulator of wages, but we see working men kill a working man for competing with them. Rumors are in the air of a general strike this summer. It will include the telegraph operators and the railroad men. Communication by wire is to be cut as well as communication by rail. Civilization, at the lifting of the finger of some Knight of Labor, is to be disintegrated. Chicago, which now sends its messages to Wall Street in forty-five seconds, is to be thrown back into the wilderness. A new organization of working men, the Knights of Labor, has sprung into existence within a year or two, and already numbers two hundred thousand members. Its principle is the unification of labor. Its motto, finer than the formulas of the] economists, is, Injustice to one is injustice to all. Its purpose is to settle the differences between employers and employed, without strikes, if possible, but if a strike must be made, to back it up with the strength of the whole body. Twenty-five years' experience has taught these men that individual trades-unions can be crushed out. They are going to "pool" like the railroads. Such a great fact as that in France the French Revolution was a turning point in the welfare of the laboring classes, whose condition, as Mill shows, has risen, and risen permanently, since then, is not on speaking terms with the theory of exclusive regulation of wages by competition. Laissez-faire theories of politics and political economy are useless in the treatment of the labor question, in the regulation of railroads, sanitary and educational government, and a multitude of similar questions. It is not to be denied that competition is an industrial force, and a mighty one, but it is only one. By neglecting the other forces, from sympathy to monopoly the abstract political economist deduces principles which fit no realities and has to neglect those realities for which we need principles most. When combination comes in at the door, this political economy of competition flies out of the window. It is a political economy of persons, not of the people.

There is not, says Comte, any purely industrial human being. But occasionally there flourish outside the jails, persons who are almost ideal exemplifications of the principles of the competitive political economy. America has produced the most successful of these practical political economists. His career illustrates what may be accomplished by a scientific devotion to the principles of competition, laissez-faire, desire of wealth, and self-interest, if not the harmony of interests.

While the Crystal Palace exhibition of 1853 was open in New York, there came to seek his fortune in the city a slender, black-eyed, black-haired boy, from the interior of the State. He brought with him a very handsome mahogany box. In the box was an invention: "a little thing," he once said, "I had brought from my country home, and thought was going to make my fortune and revolutionize the world. It was a mouse-trap." The unsophisticated boy left his treasure on the seat of a Sixth Avenue car, while he stood on the platform to stare at the crowd, and it was stolen. But he pursued and caught the thief, who was an old offender, for whom the police of New York were looking at that moment. The *Herald* of the next day, under the heading, "How a Mouse-trap Caught a Thief," gave his first taste of publicity to the youth who for the next thirty years was to be continually before the public, and, by a singular coincidence, always in connection with some kind of trap. The genius that had divined from afar that the great city was full of mice, and had contrived a trap to catch them, could not be stolen. Its first impulse grew to be a passion. Brains and strict attention to the laws of supply and demand have made the country boy the greatest mouse-catcher of America, and his traps have become the envy of every man of feline aspirations.

Four of his inventions were masterpieces. In the first of them he gained the confidence of his simple prey by assuming a position of trust as director, and afterwards as president, of the largest railroad but one in his native State. At once there began to turn before the eyes of the stockholders and the public a kaleidoscope of ruin: shower after shower of stocks and bonds issued to run the road, while the trustee and his pals—pal is Old English for fellow-trustee—drank dry the stream of earnings; a devil's dance of lawyers, judges, legislators, governors, and Tammany politicians, flinging themselves into every attitude of betrayal of trust,—an orgy of fiduciary harlotry, led by a great law reformer; a tangled web of injunctions and counter-injunctions, and more injunctions, contradictory orders of courts, perjured affidavits,—every thread spun by its poisonous spinner around and around a trust; a phantasmagoria of prosperity, of busy trains and steamers, crowded ferries, marble opera-houses, bursting warehouses, glowing mills, precious franchises, and rich contracts,—a fair but hollow scene, where all the expenses go to the owner, and all the receipts to the trustee.

Our economist, having been charged with a fraud upon his road, at once procured from one of his courts the place of receiver with a fund of $8,000,000, to protect his trust against himself. In one of his stock-exchange campaigns he locked up $12,500,000 of money,—other people's money. New York rocked in the preliminary throes of panic, and there would have been a crash had not Secretary McCulloch interposed with the announcement that he would issue $50,000,000 of legal tenders, if this hand were not taken off the throat of business. An honest editor, Samuel Bowles, who denounced the alliance of Tammany and Erie, was abducted and illegally jailed. Assassination was attempted upon Dorman B. Eaton, another fearless denunciator, who was left for dead on the streets of New York, for having dared to act out the courageous words of Emerson: "Good nature is plentiful, but we want justice, with heart of steel to fight down the proud."

When this student of the science of abstraction became trustee, his trust was in debt $51,065,943. Under his administration of the laws of competition, this became $115,449,211, while the mileage increased but 186 miles. In four months the increase was $23,500,000. The moral bankruptcy that festoooned this ruin could not be expressed in figures. These surprising achievements in the pursuit of wealth led the New York Legislature to order an investigation. The political economist of the mouse-trap was charmingly frank in his answers to the committee:

"I was first elected president of the Erie Railroad in 1868, and I was president in 1869, 1870,and 1871. I do not remember whether I approved payment to William M. Tweed of money for legal services, while he was Senator. I do not know whether he is a lawyer. He was a director of Erie and member of its executive committee. I would not have allowed pecuniary transactions with Mr. Tweed to be put in the shape of legal services, if my attention had been called to them. I do not contemplate going to Europe to-morrow. I should say that paper was in my handwriting. The name William M. Tweed is in my handwriting. The words in my handwriting are, William M. Tweed, legal disbursements as per order J. G., $35,000, April 25, 1871. The approval of voucher, April 5, 1869, name of William M. Tweed, legal expenses, $15,000, looks like my handwriting. Mr. Tweed's name at the top is my handwriting and I should say his name at the foot of the receipt is my handwriting. He was Senator in 1869; also in 1871 and 1872. The "legal account" was of an india-rubber character. I gave large amounts for elections in 1869, 1870, 1871, and 1872 in the senatorial and assembly districts. It was what they said would be necessary to carry the day in addition to the amount forwarded by the committee. I contributed more or less to all the districts along the line of the road. We had to look after four States, New York, New Jersey, Pennsylvania, and Ohio. It was the custom, when men received nominations, to come to me for contributions, and I made them, and considered them good paying investments for the company. In a Republican district, I was a strong Republican; in a Democratic district, I was Democratic, and in doubtful districts, I was doubtful. In politics, I was an Erie railroad man every time. We had friends who were on both sides,—friends in a business way. The amounts contributed for the elections were large, but I could not give any definite estimate. No names occur to me at the moment. I am a poor hand to remember names. I had relations in several States. I did not keep separate what I paid out in New Jersey from what I paid out in New York. We had the same ground to go over there, and there has been so much of it. It has been so extensive that I have no details now to refresh my mind. You might as well go back and ask me how many cars of freight were moved on a particular day."[4]

Entrenched behind the Tammany ring, controlling the courts, legislature, and executive of the State, and in his marble fortress on Twenty-third Street resisting by the brute strength of the Erie ruffians the ordinary processes of law and social coercion, all our political economist asked for was non-interference of government with industry, and he got it. But the English stockholders cared less for laissez-faire theories of economy and government than to get possession of their property. Rights which American courts and legislatures refused to enforce, these foreigners took by violence. March 11, 1872, was the date of the Erie *coup d'état.* British gold corrupted some of the followers of the arch-trustee. A foreign minister of the United States returned from his post abroad to strike the blow, and rectify by a street brawl, as in the days of old Rome, the injustice of the government of his native land. In one day, with force, without authority of law, by foreigners, the management of one of the leading railroads of the United States was changed by revolution. It was one of those bodeful days for a republic, which, having come once, is likely to come again, when law is on the side of wrong and force is on the side of right, and force breaks down the law. Once more in possession of their property, the stockholders sought to see if the laws of the land would not give back that which the laws of the desire of wealth had taken away. Civil and criminal proceedings were threatened. The ex-trustee surrendered. He agreed to make restitution, if there were no prosecution. Again he appeared with a box. It was not the handsome mahogany box of his first mouse-trap. It was, says an eye-witness, a light yellow sheet-iron box, about ten inches deep and twenty-eight inches square. In it was a miscellaneous lot of securities, to be restored by the trustee. A "partial" list of them, furnished to the Erie investigating committee of the New York Legislature, showed a face value of $9,021,545, and a cash value of over $6,000,000.

It was no ordinary trap in which Wall Street and the whole country were caught on that darkest day of all our financial history,—Black Friday, September 24, 1869. On one side it was supported by the New York Sub-Treasury, whose chief held his place for the purposes of the Gold Conspiracy. On another side it rested in the coffers of the Erie Railroad, whose president was the boy of the mouse-trap. At a third point, it had, apparently, a personal connection with the President of the United States. Through the Tenth National Bank, whose president was the president of the Erie, it had the facilities of the National Banking Association. The Stock Exchange was the pitfall. Black panic, which this conjurer of the irresistible laws of trade had before called to his aid, came, bringing ruin to thousands, madness and death to more than one. In the Stock Exchange, the wires melted undei the fire of dispatches. There are to-day men proud to tell you that in that moment of frenzy and horror they hunted, rope in hand, for this disciple of self-interest, and if they could have caught him would have hanged the maker of the mouse-trap that caught a thief only sixteen years before. But the president of the Erie road fled to his arsenal on Twenty-third Street, and was secure. He saved his millions, for while his partners, by his advice, were buying, he was selling, selling, selling. He was promoted from investigation by a committee of the New York Legislature to investigation by a committee of Congress. He told them, "I had my own views about the market, and my own fish to fry." He saved the millions of his magnetic lieutenant, Fisk, by teaching him to repudiate the orders given to his brokers. Before their victims could crawl out from under the ruins of Black Friday they were served, as Charles Francis Adams, Jr., in his *Chapters of Erie* tells us, with injunctions prepared in batches, by David Dudley Field, forbidding them "from pressing their pretended claims... by any proceedings." A law reformer devised a scheme and a judge supported it, by which the men who had been knocked down and robbed were prohibited, in the name of justice, from seeking justice. Physicians, licensed by the State to heal, preparing poisons for the use of assassins!

In December, 1880, what may be accomplished by steadfast faithfulness to the principles of competition was shown by a statement, made by the most trustworthy financial paper in the United States, that our political economist was in control of ten thousand miles of railroad, or more than one ninth the entire mileage of the country.

It was during the same month that the conflict between the Western Union and American Union telegraph companies was raging at its worst. The American Union had been started in 1879, by our hero, with an investment of less than five million dollars. Western Union stock tumbled to seventy-seven and one half in the last month of 1880. So little interest did he take in the stock market at this time that he did not visit Wall Street, but when not at home spent his time at the Windsor, across the street. Swinging his legs from a back-tilted chair, he would tell his friends that Western Union was a worthless bundle of expiring patents, uncertain contracts, and old wires, and that he should not buy a share above sixty. February 5, 1881, Western Union and the American Union and the Atlantic and Pacific telegraph companies were consolidated, and the telegraph capital of the three, which was then sixty million dollars against four hundred thousand in 1856, was increased to eighty millions. The stock had never gone below seventy-seven and one half, but the inventor of the American Union snare was the owner of most of it. The price advanced to one hundred and thirty-seven and seven eighths, and the public found that the ex-trustee of Erie, the ally of the Tammany ring, the corrupter of justice, and the artificer of panic was master of the rapid transit news and confidence within the United States, and between them and the rest of the world.

Hardly had the details of the telegraph consolidation been announced, February, 1881, when a flutter in the New York Stock Exchange followed the publication of a letter from the president of the Manhattan Elevated Railroad Company, begging the State to remit the taxes due from the company. It was a piteous plea for escape from ruin, and the stock began to fall. Next rose into view the highest judicial officer of the State, who declared with great indignation that Manhattan had forfeited its charter by insolvency, by failure to build roads, as stipulated by its charter, and by its shameless watering of stock. He began suit to wipe it out of existence. The public applauded with a thrill of satisfaction, and more stockholders sold. The hidden hand pulled another wire, and the editor of the *New York World* began to launch forth through its columns startling exhibits of the financial rottenness of the company, and editorial, that is virtuous, indignation at its abuse of the public and its franchises. Then came another can-can in the courts, led by lawyers, who danced long and well, according to the New York code of legal ethics that if a lawyer is not a judge he need not be a gentleman, and if he is a judge he need not be investigated. Receivers were appointed, more stock-watering was authorized by the courts, and affidavits poured forth from insiders that the company was hopelessly and irretrievably bankrupt, and its stock worthless. Manhattan stockholders flung their certificates away for what they could get. The price sank to fifteen and one fourth. Suddenly what had seemed a mass of ruin crystallized into the symmetrical structure of a monopoly, and on its peak, but a few days after he had sworn that Manhattan was hopelessly and irretrievably insolvent, sat the manufacturer of mouse-traps, master of the rapid transit of the greatest city of America. The prentice hand that had fashioned the Erie trap had become the perfect instrument of an artist in the science of exchange. A suit, begun in the name of the people by the highest officer of justice, was set up as a rack on the floor of the Stock Exchange, and used there for six months as an instrument of torture. A judge of the Supreme Court sat in the manipulator's rooms, and turned the screw by which the victims were forced to surrender their property. Receivers were appointed and dismissed, injunctions given and denied, orders issued and rescinded, and stock exchange arguments made in the guise of decisions : all this was done just as was demanded by our expert in the theory of the value of judicial honor. He bought his law in the courts where it was cheapest, and sold it in the Stock Exchange where it was dearest. Ninety thousand shares of Manhattan stock were shaken out in eight days, at an average price of twenty. The same judge did this who appointed his relatives to places among the wreckers of the Continental Life Insurance Company of New York. Judge Barnard signed an Erie order in the rooms of a wanton; Judge Westbrook has repeatedly held court in a worse place,—the private office of this dealer in judicial virtue.

When receivers were appointed for Manhattan, they were two hired men in the employ of him who was known to the court to be suing the company privately, and their bonds, signed by his associates, were ready in advance of the action of the court. The lawyer who was conducting the private suit against Manhattan was retained as assistant in the people's suit by the attorney-general, and the company he was suing was compelled to pay his fees. The attorney-general began his public suit on the same day the wrecker of Manhattan began his private suit. When the attorney-general dismissed his action, not a single day had been given to the people for the trial of their case against the company on its merits. In July, 1881, suits were pending against the three elevated railroad companies in all the courts of New York in which they could be brought. Every appeal for relief to the courts by those whose property was being forced out of them was met by rebuff, and by the victory of the men in whose private offices the court sat to decide a public action, brought in the public name by a public officer. One of the reasons given by the attorney-general for discontinuing his suit was that arrangements had been made for the payment of the taxes in dispute. The latest incident in this extraordinary history is the appearance at Albany of a powerful lobby to procure from the Legislature release from these taxes. This lobby is described by the *New York Times*— which has attacked the Manhattan iniquity with a brilliant intrepidity equal to that with which it overthrew the Tammany ring—as the most dangerous which has appeared in Albany for many years.

Procuring one hundred shares of Metropolitan Elevated Railroad stock, the manipulator of Manhattan solicited the position of director of Metropolitan, and, under promises that he would build this company up, obtained for himself and his associates the control of the Metropolitan board of direction. Then, owning in all but one sixty-fifth of the property, they deliberately proceeded to rob it. Owners of Manhattan and trustees of Metropolitan, they stripped the latter company of the ten per cent annual dividend guaranteed by Manhattan, and substituted for it a contingent dividend of four per cent, which may or may not be paid. This they did against the protests of the Metropolitan stockholders whose agents they were. In all this work a prominent part was taken by a great philanthropist, who, having sworn that the New York elevated railroad company of which he was president was earning ten per cent net a year, accepted for its stockholders a six per cent annual dividend guaranteed by Manhattan, which he had sworn to be bankrupt; and after he had sworn Manhattan to be bankrupt, allowed it an annual dividend of four per cent. The same willingness to call up the spirit of panic showed itself as in the Gold Conspiracy. To make certain stockholders of Metropolitan surrender their property, attacks were make in the *World* on the credit of the Shoe and Leather Bank and the Tradesmen's Bank, behind which they were supposed to have found financial refuge. When a property owner of New York remonstrated with Vice-President Galloway of the Manhattan about some encroachments by the elevated roads, he received this reply, which embodies the whole of one of the latter-day theories of wealth: "We have the legislature on our side, the courts on our side, and we hire our law by the year."

A man who braves the heart-broken rage of fifty millions of men, and in daylight shoots then-President, we call an assassin. George Washington hanged as a spy the man who travelled the high road as an instrument in Benedict Arnold's treachery. We teach our children to execrate as traitors the men who stood up in a fair fight to divide the Union. What shall we call the man and the men who seduce, but do not assassinate,—Guiteaus of political economy who would overcome, not one, but all departments of our government; who travel by night and underground to betray trusts they have invited; who, living among us as fellow-men and neighbors, loyal to the covenants of society, are traitors to all the ties of honor, justice, and mercy that make the American community possible, and the want of which makes the Paris commune? By what title do these men hold their acquisitions? Private property is sacred, but plunder must not be private. A philosopher of the commune said, “Property is theft.” American self-government must have a philosophy to say, Theft shall not be property.

It is March 13, 1882. The boy who brought his mahogany box and his mouse-trap to New York in 1853 sits in an office rich with plate-glass and precious woods. He opens his box, which like him has grown, and shows a group of friends twenty-three million dollars of Western Union stock, twelve millions of Missouri Pacific stock, eight millions of elevated railroad stocks and bonds, ten millions of Wabash common and preferred, and other stock. “Morosini,” he says, “can bring you down twenty millions more, or so, in bonds and other things.” This, like the Erie restitution, was a “partial list.” Seventy-three millions, and more, accumulated by an enthusiast in competition in twenty-nine years of office work! Never before in the history of the desire of wealth had such a sight been seen. The mouse-trap man’s wires told the news to the people of two continents, and the world held its breath.

On the same day, while the president of the Wabash road, which had appropriated for dividends to stockholders the wages due its men, was thus spreading out his millions, a day laborer, in the employ of the Wabash at St. Louis, said to a reporter:

“The delay in the payment of my wages has reduced me almost to beggary. Had not the grocer helped me with credit in January and February, my children would have starved.”

An engineer said:

“My family were sick in January. They had no doctor and no medicines. I could not get the money due me from the Wabash road.”

An old man, who watched a crossing,—an infirm old man, with a family,—said:

“My rent is six dollars a month; my groceries are eighteen dollars. This leaves us one dollar a month for clothing, medicine, and other necessaries. My pay is twenty-five dollars a month, and I have to wait two months for that. We are on the edge of starvation.”

It is a solemn truth, that of Ruskin’s, that every man has to choose in this world whether he will be a laborer or an assassin. There are men who murder for money, but there must be no science of assassination.

III. Making Bread Dear.[5]

While only one bushel in seven of the wheat crop of the United States is received by the Produce Exchange of New York, its traders buy and sell two for every one that conies out of the ground. When the cotton plantations of the South yielded less than six million bales, the crop on the New York Cotton Exchange was more than thirty-two millions. Oil wells are uncertain, but the flow on the Petroleum Exchanges of New York, Bradford, and Oil City never hesitates. Pennsylvania does well to run twenty-four millions of barrels in a year, but New York City will do as much in two small rooms in one week, and the Petroleum Exchanges sold altogether last year two thousand million barrels. When the Chicago Board of Trade was founded, its members were required to record their transactions. The dance of speculation has nowadays grown to be so rapid that no count is kept of the steps. The Board was lately reported to have turned over as much wheat in one day as the whole State of Illinois harvests in a twelve month. Its speculative hogs outnumber two to one the live hogs in the United States, and it is safe to say that the Board raises five bushels of grain to every one that is produced by the farmers of the West. Securities have become as staple an article of production with us as wheat, cotton, oil, or hogs. One million dollars' worth a day of new stocks and bonds is needed in prosperous years to supply the demands of the New York Stock Exchange, and its annual transactions are nearly thrice the taxable valuation of all the personal property in the United States.

One of the things that would be new to Solomon, if he lived to-day, is the part played by the modern Exchange in the distribution of the products of labor and the redistribution of wealth. The honest industry that builds up our greatest fortunes is raising wheat and pork on the Chicago Board of Trade, mining on the San Francisco Stock Exchange, building railroads in Wall Street, sinking oil wells in Williams Street, and picking cotton in Hanover Square. While the text-books of the science of exchange are describing in infantile prattle the imaginary trade of prehistoric trout for pre-Adamite venison between the "first hunter" and the "first fisherman," the industry of the cotton plantation, the oil fields, and the farm is being overlaid by an apparatus of Exchanges which will prove an extremely interesting study to the Ricardo of, say, the twenty-fifth century. These Exchanges are the creameries of the world of labor. The prices of the speculative wheat and the spectral hog of the Board fix those of the real wheat and the actual hog of the field. The negro planter of Georgia who raises his bale and a half must sell it for what the Cotton Exchange says it *is* worth. The man who works in the ground must take the price fixed for him by the man who works in the air. No one can understand the "corner" who does not comprehend the development and reach of the Exchanges of our time.

The manufacture of prices, like other modern industries, is being concentrated into vast establishments, and these are passing under the rule of bosses and syndicates. The markets, like political parties, are run by the Machine. The people are losing the power of making prices as well as nominations. The "Free Breakfast Table" pays tribute to some clique, whether railroad pool, trades-union, match monopoly, coal combination pottery tariff infant, or Board of Trade corner, on pretty much everything upon it. The coffee market of the country has lately gone out of the region of unorganized supply and demand into the hands of a Coffee Exchange, with all the modern improvements for speculation. A price factory to make the quotations of butter and cheese has been established in New York. It deals in brokers' eggs as well as hens' eggs, and has all the approved facilities to enable it to count and sell the chickens that are not yet hatched out of eggs that are not yet laid.

The concentration of news, capital, and middlemen in a focus; steam, electricity, and credit; the specially modern means of finding out the "statistical situation"; the development of the corporation; the multiplication of huge private fortunes and their union in syndicates; and the lupine standard of business morality, make the modern market a thing new in development if not in kind. These Exchanges are cosmopolitan legislatures. Their enactments are prices, and their jurisdiction extends beyond that of Congress, Parliament, the Assembly, and the Reichstag. They are more than negative registers of prices determined by a conflux of forces external to them. Under the manipulation of cliques they have become positive agencies of mighty influence, and are the scenes of operations that menace the lives and happiness of nations. The "strong man" now builds corners instead of castles, and collects tribute at the end of a telegraph wire instead of a chain stretched across the Rhine. Money, knowledge, and energy are nearing the boundaries of exploration, and are turning back to monopolize the provinces. The whole world is platted. Such appliances as ours for exchange have never co-existed before, in the history of business. The criminal rich,—those who appropriate the labor of others in one age by brute strength, and in another by brute wealth,—who are to-day degrading competition into a rivalry of adulteration, are seizing upon them for speculative purposes. The control of the machinery of the Exchanges is the control of prices, and the control of prices is the control of property. In markets where the cotton crop, and the wheat crop, and the pork product of the whole country can be turned over half a dozen or a dozen times in a year, it is an easy thing for a combination to get hold of the marketable surplus and dictate its price. The "fittest" in the trade world are those who have learned the magic art of the manufacture of prices, and the Exchanges are shifting the property of smaller men into their hands.

The greatest of these price factories is the Chicago Board of Trade. Thirty years ago, its thirty-eight members were scouring the country back of them to persuade the farmers to send their stuff to Chicago for sale. Cheese, crackers, and ale were spread out in the Board room to induce the members to attend, but for days in succession the minutes of attendance read "none." Last year the Board received and paid for, in cash, three hundred and eighty-two millions of dollars' worth of farm produce; and the total of its transactions was not less than three thousand million dollars. It has become not only the chief of the food markets, but "the greatest speculative market in the world," as an authority on speculation testified last winter before the New York Legislature. It is the only market to which all the world goes to trade. Orders to buy and sell come to it daily from London, Liverpool, Glasgow, Edinburgh, Dublin, Cork, Bordeaux, Marseilles, Zurich Havre, Antwerp, Amsterdam, Berlin, Hamburg.

No other farmer has such a market as this which mobilizes and cashes the crops of the Mississippi Valley. Its scores of railroads fetch and carry. Its banks, stretching from the Zuyder Zee to the Yellowstone, bring the capital of the Bank of England and of the Hopes of Amsterdam to meet the farmer when he drives up to the country station with a wagon-load of grain to sell. Its telegraph wires inform him of the prices, the weather, the supply and demand of the world. Its every opinion of value is substantiated by cash. Its warehouses will hold two days' rations for every man, woman, and child in Europe and America. Packing-houses that can, singly, kill ten thousand hogs a day in summer and twenty thousand a day in winter are there to receive all the live stock that the prairies may forward. A cargo of grain lately sold in Liverpool on Chicago account had to be disposed of on six months' time. Chicago, whether in harvest time or midwinter, will any day buy all that any one may wish to sell, and sell all that any one may wish to buy. Liverpool is, in comparision, an awkward country market, where every consignment of grain must be handled and sold as a separate parcel. But here the State inspects all the grain that arrives at Chicago, and gives a ticket of quantity and quality which is a negotiable security, and passes into commerce to be sold and bought, and borrowed upon, while the wheat itself is run with more of the same kind into the graded bins of the elevators.

Farmers and country grain buyers who want to take advantage of high prices, but are too busy to ship their wheat to market, can telegraph a broker on the Board to sell for future delivery. The miller, if wheat looks cheap, can buy for future delivery. These contracts are "futures." It is by their agency alone that the strain on the banks for money to move the crops is so distributed that we do not have a commercial crisis every fall. The fellah of Egypt and the Slav of Bulgaria habitually sell their growing crops while green in the field. The distance between their misery, at the mercy of their own ignorance and the greed of the usurer, and the affluence of our own farmer is as good a measure as any of the unapproachable superiority of the market which fate has given to the American farmer alone of all the tillers of the soil, but which the greed of the cornering syndicates threatens to destroy.

Wheat Adam Smith declares to be the least liable of all commodities to be engrossed "by the power of a few great capitals which buy it all up," because "its owners can never be collected in one place." But that, impossible once, is easily done now by the Board of Trade. By the perfection of its apparatus and the magnitude of its transactions, it is now possible for a clique, almost in one day, to obtain speculative possession of the surplus of *a* crop, and to insist that it all be delivered to them within an impossible time under a ruinous penalty, or to put it out of reach, and then demand an impossible delivery under a ruinous penalty. Every "future" bushel sold must be made good by the delivery of a real bushel when the buyer calls for it, and every purchaser of a "future" bushel must take and pay for a real bushel when the seller brings it to him. In olden times, when it was a prison offence all over Europe to buy wheat to sell again, it was the buyer who was mobbed and jailed. Nowadays, by a strange reversal of public sentiment, it is the seller who is treated with violence, that is, the "future" seller, the man who, in order to realize present prices, sells the wheat that he is holding in the country awaiting shipment, or which he expects to receive in the regular course of trade. It is obvious that, in the debate on prices on the Boards and Exchanges, both sides must be represented. There cannot be cash buyers without cash sellers; there cannot be buyers of "futures" without sellers of "futures"; there cannot be prices made, stocks accumulated, and crops moved without both, and without all this there could be no Board of Trade. Cornering commodities is only half the modern corner. The better half is cornering contracts. Most of the profit of corners is made up of the damages extorted in the shape of fictitious prices from the country shippers and from the traders on the Board, for not fulfilling contracts which the syndicates have made with them, intending to render them impossible of performance. And every such fictitious price so made within the Board is a real price to the consumers in the world beyond the Board.

The market is in these days no longer the mystery of the few; it is the mystery of the many. After giving men crop reports, market advices, banks, telegraphs, and brokers, it is too late to tell them not to try to use them for their legitimate profit. If the buyer helps the farmer, the seller helps the consumer, and in the world of commerce the consumer is just as good a man as the producer. The "future" seller is the offspring of the modern facilities for business. It is only in a highly organized market, with its supplies of commodities steadily flowing to him, that he could live. A highly organized market could not exist without him. No aspect of the corner is more ominous than that it aims at crippling the seller as well as the bread-eater, and with them the market in which they are as important personages as the farmer.

The "wealthy criminal classes" have been quick to seize on the Exchanges, at the risk of breaking them down, as the best of all instruments for depredation. With the machinery of the Liverpool Cotton Exchange a year ago they stopped fifteen million spindles and took away the livelihood of thousands of men, women, and children. Hardly a month passes on the New York Produce Exchange, one of the witnesses said before the Legislative committee investigating corners, without a corner or a squeeze. But it is the Chicago Board of Trade which offers the largest and the favorite field for the cornerer. It is willing to give or take unlimited quantities at the figures it makes. It can put the combination of rich men in instant possession of the crop that is in market and of contracts for all that is to come. The *morale* of the Board permits the millionaires who have solicited these contracts, and “forestalled” the market for the purpose of making others break them, to put prices to any height in order to exact fatal damages from their victims. It is the code of honor among wolves that no high-minded lamb will squeal. The same class that administers trusts for the trustee, runs corporations to wreck the small capitals they were intended to consolidate, and finds only a private use in franchises, is burrowing into the Board of Trade to kill trade. The passion for enslaving, forbidden by a squeamish civilization to buy men, finds a vent in capturing the raw material of human life.

Corners used to come on the Board of Trade once in a year or two. Now there are corners almost all the time. The Chicago corner used to be the venture of some local Titan, and was felt only within the then provincial jurisdiction of the Board. Now, it is often the cosmopolitan work of the combined capitalists of half a dozen cities, and its effects, as the *London Times* said of the pork corner of 1880, are felt in advancing prices all over the world. When six million bushels of wheat were handled by a syndicate, ten years ago, it was felt in predatory circles that the civilization of the nineteenth century had about reached its grandest heights; but sixty million bushels of corn and twenty million bushels of wheat are now pocketed almost without exciting remark. Corners generally used to fail; but the accumulated experience of many collapses has not been in vain. Such mistakes are not now made as that of the wheat corner of 1872, which was begun in the face of the harvest and was drowned out by the rush of wheat from the farmers, who dropped all other work and dried their green wheat in stoves, pots, tin cans, anything in which it could be heated, with the result of forcing down prices on themselves forty-seven cents in twenty-four hours. Now, while the farmers are selling the markets are kept down. It is after the crops are out of their hands that the manipulators put prices up. The corner of last July followed upon the smallest surplus the farmers have had in their hands for many years. The Board has sometimes had rules to prevent corners, but with the beginning of this year the corner rule was abolished through the influence of the wealthy operators. The radius of the combinations of capital to corner the crops is lengthening year by year. The great corner is still to come.

The late disastrous shortages of the crops of Europe caused the machinery of the Board to be promptly set in motion. A series of corners in wheat, pork, and other articles began, which have not yet ceased, and have produced almost every kind of evil. The wheat corner of 1879 was commanded by a New Yorker. It began with an inspired chorus of prophecies of low prices, which continued as long as the clique were buying of the farmers. The price was run down to eighty-one and a half cents a bushel. When all the wheat and wheat contracts to be had were obtained, the price was raised to one dollar and thirty-three cents. In every way the results of this corner were deplorable. The markets were crazed. The clique held, according to their own statement, twenty million bushels, and, according to the estimate of close observers in the trade, seventy million bushels.

At one time their wheat was piled up in the elevators and on the railroad tracks, intentionally stopping the way, so that no other wheat could be got to market by the farmers and dealers. Wheat was refused to exporters at prices they could afford to pay. The English buyers went to Bombay and Calcutta; and the East Indies, which sent their first sample to Liverpool not ten years ago, have, in consequence, taken a place next only to us in supplying the British market. During the winter, four hundred vessels lay for months in New

York harbor, the owners pleading for wheat, even at ruinously low rates. Many of them ran into debt, and the majority of them finally had to sau away to seek cargoes elsewhere. When the time came to dispatch this wheat from Chicago and New York to Europe, to put it out of the way, the head of the clique said to the railroads: “I will give you so many million bushels to carry; if you do not take it at my rate, I will ship it all by lake in the spring.” The cutting of rates which ensued was one of the irritating causes of the war that followed among the trunk lines. In the same way syndicates have repeatedly forced the navigators of the lakes to take such rates as they chose to pay, for there was no one to compete with the engrossing shipper. Transportation, overtasked at one time and at another idle, is hopelessly deranged; and all the banking and other business that must attend the movement of the crops goes by fits and starts. Three out of every four flouring mills of the country were kept idle for over two months. One of the oldest members of the Produce Exchange prepared for the Legislature an estimate that this syndicate, by not selling, and by not letting others sell, and by fleecing those who had been inveigled into dealing with them, and by the injury that had been done to the millers, the shipping interest, the exporters, and the consumers of flour, had caused a loss to the country of not less than three hundred million dollars.

The pork corner, which came at the same time as this in wheat, was described as follows by the *London Times*:

> Amid the turmoil of the Presidential election, there has been closed one of the largest and most successful speculations which has ever excited the brain of Chicago—the Armour pork corner. Its influence in advancing prices was felt in every part of the world. A Chicago despatch of November 5th says: “In July, 1879, after one member of the firm of Armour & Co. had returned from Europe, where he had been taking observations of the pork market, the firm began buying pork (at eight dollars a barrel), and in December, when it had risen to fourteen dollars a barrel, closed out, making a profit of two million dollars. Not satisfied that it had reached the highest price, they continued buying until pork had dropped to nine and a quarter dollars a barrel, absorbing their profit and an additional million. In April of this year they again began buying at ten dollars a barrel, and bought up three hundred and fifty thousand barrels of pork, and one million two hundred and fifty thousand barrels of ‘futures.’ For the last three months they have been closing out their gigantic purchases at prices ranging from sixteen to eighteen and a half dollars. They cleared over seven million dollars on this deal, and are winners on the two deals to the extent of six million dollars.”

There are giants in these days, and their caves are in the Exchanges.

The price of pork was more than doubled, flour was put up an average of two dollars a barrel and beefsteak at least one cent a pound, as the result of these manipulations. This increase in the cost of living has not subsided. Pork and meat continue to advance. They were higher the next year and higher still last year, when pork sold for twenty-four dollars and seventy-five cents a barrel. Wheat, too, though it has fluctuated violently, has remained in the hands of the manipulators, and every year since the corner of 1879, the average price the miller has had to pay has been higher than that of the year before. The universal strikes into which the laboring people have been forced in the last two years are traceable directly to the increase in the cost of living, which these corners have done so much to produce. The loss from these strikes has been incalculable. That at Pittsburg alone is estimated to have cost us at least ten million dollars. The following sentence is from a petition to Congress to which a member of the Produce Exchange personally obtained the signatures of “a thousand substantial men”: “As only men of large means or extensive credit are capable of engaging in these enterprises, they become essentially an array of capital against the industrial classes, wherein the banks and moneyed institutions are almost invariably drawn to the support of the former against the latter."

This is the communism of the syndicate, and it is the only communism the United States have yet produced.

One summer afternoon, a year ago, as a party of Chicago business men were idling in their yacht over the cool waters of Lake Michigan, one of them pointed out a great lake propeller shouldering its way eastward. "There goes some of our 'corner' wheat to Liverpool," he said. Propellers, sailing vessels, railroad cars were hurrying millions of bushels away from Chicago to put it out of the reach of the millers, the exporters, and the traders on the Board. It must, at any cost, be made scarce and dear for everybody. It was wanted for flour and as the stock-in-trade of the Board. But, as far as the bread-eaters and the traders of this country were interested, it was thrown away, as the Dutch threw away the spices of the Moluccas. Such of it as Liverpool would take was sold at an average loss of ten cents a bushel in order to extort twenty cents a bushel from the American consumer. Much of it lay for a long while stored in England unsold, while the working men and women from one end of the United States to the other question whether it is better to work for wages on which they cannot live, or not to work at all. One of the "business" men of New York testified before the Corner Committee that he sold corn to go to Europe for twenty-five cents a bushel less than he made the buyers in New York pay him. Another member of the New York Produce Exchange said that he had seen the agents of the cornering cliques standing at the doors of the flour mills bidding away the wheat that was needed for bread. None but a free people would submit to such wrongs.

A great many, perhaps a majority, of the farmers believe that to them, at least, corners are beneficial. They see only the high prices, though these usually are made after the grain has left their hands, or when they cannot get it to market because the wheat of the clique stops the way. During the Chicago wheat corner of 1872, the elevators combined to rent out their bins and keep them empty in order to prevent any more of the farmers' crops from coming to market to embarrass the cornerers. High prices were paid during a short-lived excitement, but they were more than offset by the break that followed. The men most injured in that corner, aside from the consumer, were, as in most corners, those who buy from farmers at the country stations and make up carloads to ship to the city. These men had bought large quantities of wheat, which they had sold for "future" delivery at prices that would have paid them only a fair profit. The collapse of the corner inflicted upon them a loss of thirty and forty cents a bushel, and swept away in a moment from hundreds of them the accumulations of years of patient trading, during which many of them had never made a speculative deal, though they were often "future" sellers. The commercial reports of the Chicago papers show that, during the corner of 1881, shipments were stopped, elevators gorged, the lake marine paralyzed, sailors and laborers thrown out of work, and a blockade of the entire grain business threatened. Receivers of grain were ruined, and so lured into speculation. "Some of the houses which have bought and sold most heavily for speculative customers," said a Chicago journal at the beginning of 1882, "have been those who, previous to last midsummer, had done very little except in buying and selling for actual exchange between the producer and the consumer."

The commercial editor of one of the leading New York dailies, who had been on the Produce Exchange for eleven years, says: "Since these corners began, there is a large proportion of merchants who had a good receiving business who are now simply brokers in options and get all their business from the cliques. At the time I went on the Exchange, there was not a broker in the grain trade, except those who bought and sold actual stuff for export. Now there are a few of these, and, I should judge, over one half or three fourths of the members engaged in the grain trade are men who were once engaged in legitimate business out of which they have been driven by cornet operations." If there were any advantage to the farmer from such operations it would not be a natural advantage, but there is no advantage. These corners put prices down when the farmers want to sell, and put them up when the miller needs to buy. They exaggerate gambling by intensifying the fluctuations of price and they cripple legitimate business. They derange the rail, lake, and ocean transport of the farmers' crops to market. They drive away the foreign buyers to patronize the Hindoo ryot, who is happy, our Consul at Calcutta says, if he can earn ten cents a day. They convert the exporters and legitimate dealers on the Board into brokers and claquers for the syndicates. They will surely, if unchecked, destroy the Board, which, with all its faults, is the finest piece of mechanism commerce has yet invented, and without which the American farmer could not retain his command of almost antipodal markets. The farmer who thinks corners are a benefit should consider well the fate of the oil producer at the lands of the oil corner, which has become one of the established institutions of the country. The cornerer is a middle-man who leaves nothing for the end-men.

The most remarkable fact in the development of these Exchanges, that which completes the corner, is still to be pointed out. One of the managers of the New York Produce Exchange told a committee of the New York Legislature that, if the State should pass a law the Exchange did not like, and a member attempted to take advantage of it, they would expel him, and he added that men were constantly turned out for appealing to the law. Members are therefore practically compelled, contrary to their by-laws, whether they desire to do so or not, to submit their differences with their fellows to the summary tribunal of a committee of members, perhaps interested parties, and forego recourse to the law. When the proceedings by which the New York Stock Exchange expelled Mr. W. J. Hutchinson last year—whether justly or not is beside our purpose—were taken into court, the President of the Exchange refused, day after day for months, to answer any of the inquiries of the court as to the action of the Exchange. A member had been deprived of his seat, worth thirty thousand dollars, and his means of livelihood; but the Exchange insisted that neither in this nor in anything else was it subject to the jurisdiction of the courts. The New York Stock Exchange, which is the most powerful instrumentality in the world of finance, thus took its stand outside the law. The courts have decided that the seat of a member is property that can be seized by a creditor and sold for his benefit; but the creditors who seized Mr. Ketcham's seat have been trying for three years to sell it. Those who might buy are given to understand that the Exchange does not recognize the right of the courts to make any such decision, and will nullify it by refusing to accept the purchaser as a member, when he comes up for his election, which is ordinarily a matter of course. The courts of Illinois, hastening to do for the Board of Trade what the New York Stock Exchange is trying to do for itself, have decided that seats on the Board, which are every week bought and sold, are not property. The social consequences of this status of these Exchanges scarcely need be pointed out. These are the greatest markets in the world, but they are not open markets. No one can come in who comes in by way of the law. No one can remain who summons an associate before the courts of justice, under the delusion that there is no spot under the Constitution where the laws of the land are not in order. The public must buy its securities of the Stock Exchange; the world must go to the Board of Trade to buy its food, and the American farmer must sell his crops there. But, for all that, they claim to be "voluntary associations," intrenched within lines picketed against the law.

The sovereignty to which the Produce Exchange and the Stock Exchange aspire has been conferred upon the Chicago Board of Trade by an unbroken line of decisions by the Supreme Court of Illinois. Year after year, those who have been cornered on the Board by its rich syndicates have appealed to the Supreme Court, sometimes for prevention of the wrong, sometimes to remedy it. The monotonous response of the judges has been that the Board was a voluntary association, and that it was not amenable to the courts. The latest decision, just handed down, is a complete abdication of all the rights of the State to exercise any judicial supervision over this corporation, though created by it. Its effects will be felt to the farthest point where a bushel of American wheat or a barrel of Chicago pork seeks a consumer.

The victims of the wheat corner of last July appealed to the court for help on these grounds:

(1) That, expecting to receive the wheat and intending to deliver it, they had bargained to supply it to certain persons, who had secretly formed a clique, and who, in order to make the performance of their contracts impossible, as well as to extort an outrageous price from the public, had bought up all the wheat in the market, and ten million bushels more.

(2) That the clique had done this, criminally and fraudulently, and then demanded ruinous damages of them, under the guise of fictitious prices.

(3) That they had been compelled by the Board against their will to submit the settlement of this claim to a special tribunal of the Board, outside the arbitration committee.

(4) That this tribunal was instituted in violation of the constitution of the State, the charter of the Board, and under an illegal by-law.

(5) That it had not been made up even as required by this by-law, and that its procedure had not followed the rules of the Board.

(6) That it had excluded necessary evidence, had admitted improper evidence, and had been guilty of gross misconduct and fraud.

(7) That it had made an unjust decision contrary to the rules of the Board and the laws of the land, awarding heavy damages to those who, by conspiracy, had made it impossible for them to fulfil their contracts.

(8) That from this decision there was no appeal.

(9) That unless the court would immediately interfere to prevent the Board from acting on this decision, they must either pay these cruel and fictitious damages or be expelled without charges, trial, or notice; be deprived of their membership in the only Exchange where they could carry on their business, worth at least $15,000 a year to them; that their seats, worth $3,800 each, would be taken from them, and with these their share in the capital of the Board—$200,000—and its surplus of $275,000; and that the consequences of this to them, their families, their reputation, and their business, would be irreparable, and not to be made good by any money compensation.

To all these statements the Board, in serene reliance on the previous decisions of the court, made answer, in three lines, that all these things might be so, but that it was none of the court's business; and the court said the Board was right, and denied the petition. By this decision the court declared itself the ally of the makers of unnatural prices for food. Hundreds of thousands of dollars were paid, the next morning, to the clique as a penalty for not delivering to it wheat which was already in its possession. Nothing remains for this court but to decide that it could not interfere if the Board decreed that the bodies as well as the fortunes of the cornered should be divided up among the cornerers.

It seems incredible that this should be law in any civilized community, but it is law in the whole food world. This is more than Illinois law. There are years when one man in every three in England, and one man in every twenty in France, must live on American wheat, and every one of them is deprived, by this decision, of the protection of the law in buying his food. Buyers have no rights if sellers have none. Dante saw written over the door of hell: "All hope abandon, ye who enter here." On the threshold of the Board of Trade, the Produce Exchange, and the Stock Exchange, is inscribed: "Your rights resign within these walls."

This ends an era. Not even the Witch of Endor could have made Adam Smith believe, when he was laboring to prove that men did not deserve to be pilloried for buying and selling wheat, that within a century trading in food would be carried on with this absolute license in markets of this power and finish. The jail, which was the habitat of the distrusted grain trader of his day, has become this palace of exchange,—capable of handling the world's surplus in an afternoon; fixing the price of real wheat by that of fiat wheat; connected by telegraph with the stomachs and bank accounts of Christendom; bringing all the owners of the crop into one place, and then overcoming them by a combination of capital, banks, and the courts; created to apportion the food of nations, and perverted to make artificial famines; a field for free contract, where the most profitable business is conspiracy to make the performance of contracts impossible; a creation of the State but declared officially to be above the law. "Progress" can go no farther than this. It is of no use for generous souls in search of a Cause to take the stump for freedom of contract here. They are a century too late. The fatality of their environment is against them. Freedom has o'er-leaped herself.

If courts of summary jurisdiction, picturesquely called Courts of the Dusty Feet, were a necessity of the mediaeval fair, which was the chrysalis of the modern Exchange, they are a thousand times more necessary now when business is done by electricity. No Exchange could survive the delays of the ordinary courts. But these summary tribunals must be courts of justice, not of injustice. They are to exist only as quicker ways of affording the same remedy for wrong as would be afforded, but with less celerity, by the courts. They must not be handed over to the cliques for purposes of spoliation. The rights of the farmers, the traders, the consumers, are of too vast importance to be abandoned to tribunals above the law, and composed of the members of the guilds that allow such uses as we have described to be made of them. The members who are "the judges" of these tribunals are men preoccupied with their own business. They are ignorant of the law and the rules of evidence. They are constantly trading in the market, and are almost certain to be interested in one way or another. They may sometimes be the brokers of the very cliques who appeal to them to secure the results of their own conspiracy. They are certainly swayed by the false notions of business honor and morality which prevail in these Exchanges. Contracts are sacred, but the obligation is mutual. When you bind me to deliver you wheat or pork, it is you who break the contract if you prevent me from getting it.

"But these are gamblers." Too many of them are. But their dice are loaves of bread. The chances they take are the chances of human life. Real prices all over the world rise and fall with their gambling prices. That they may play their game of forfeits inside the Board, thousands who cannot get enough to eat must act tragedy outside. Civilization forms an acquiescent ring around these thugs of the Board and Produce Exchange, when it knows that every movement of their struggle within intensifies the universal struggle for existence without. It is unendurable that the courts of the Board and the courts of the State should permit one set of gamblers—even to punish another set of gamblers—to force the prices of bread and meat to starvation figures.

By the use the Exchanges have made of this privilege of having courts of their own—which, in the case of the food markets, under pretence of settling differences among the members, literally permit them to rob the world of its daily bread—they have invited the indignant interference of the public. Summary tribunals the Stock Exchange, the Board of Trade, the Produce Exchange must have, but they must not be such tribunals as these. The trunk line railroads have put railroad civilization ahead a generation by abandoning private war and referring their quarrels to the arbitration of such a man as Charles Francis Adams, Jr., an outsider, expert and just. Something like this must be done to civilize the combats on the Board of Trade. All the markets are being paralyzed by manipulation. They can be saved only by the establishment of tribunals, of competent and disinterested men, to settle the disputes that arise in the course of business and cannot wait for the courts. These official arbitrators could be assisted, if need be, by arbitrators chosen by the disputants. They should be empowered not only to receive evidence as our judges do, but, unlike them, to send out for any evidence that they wanted. Above all, the supremacy of the law should be acknowledged, and the sacred principle enforced that he who asks equity must do equity. If an outsider can solve railroad disputes,—the most intricate that arise in any business,—Board of Trade issues can be settled as easily. Those who desire to prevent gambling and plundering from becoming the chief ends of the Exchanges can do nothing more useful than to bring them back within the jurisdiction of the law. The courts have disciplined the Common Carrier for generations; it is time to bring the Common Trader within the fold. None but national regulation will do this effectually. If New York attempts to control the evil, it will emigrate to Chicago, and Illinois could only drive it to St. Louis. When capitalists combine irresistibly against the people, the government, which is the people's combination, must take them in hand. One of the unmistakable signs of the inability of the legislative committee that recently investigated corners in New York to grasp their subject was their failure to see anything out of the way in the attitude of the Exchanges toward the law.

Dr. Drysdale, of London, at the last session of the Social Science Congress, pointed out how the death-rate rose with scarcity of food. The mean age of the rich in England, at the time of death, is fifty-five; among the poor it is not thirty. The death-rate among the children of the comfortable classes is eighty in a thousand; among the working people of Manchester and Liverpool it is three hundred in a thousand. Dr. Farr shows that the death-rate of England decreases three per cent, when wheat declines two shillings a quarter. As food grows dear, typhus grows plenty. Scarcer bread means more crime. An increase of one larceny to every hundred thousand inhabitants comes with every rise of two farthings in the price of wheat in Bavaria. The enemies of the men who corner wheat and pork could wish for no heavier burden on their souls than that they should be successful. As wheat rises, flour rises; and when flour becomes dear, through manipulation, it is the blood of the poor that flows into the treasury of the syndicate. Such money costs too much.

The following from the records of the Chicago market shows how the wheat corners of the last four years have enhanced the price of bread. The coincidence is doubly significant, because flour is not one of the speculative commodities of the Board. It is bought and sold only for use. But its prices are glued to the speculative quotations of wheat:

The Corner of 1879
Wheat lowest, January, 81½ cents; highest, December, $1.33
Flour lowest, January, $4,00; highest, December, $6.50

The Corner of 1881.
Wheat lowest, February 96 1/8; highest, October, $1.43
Flour lowest, February, $4.75; highest, September, $7.50

The April Corner of 1882.
Wheat highest, April, $1.42; falling to 91¾ in November.
Flour highest, May, $6.25 falling to $4.75 in December

The return of the price after the corner does not fill the stomachs that have been pinched for months Every moment the corner lasts there is a mouthful of food the less for the laboring man. Every hour of its continuance some child in Pittsburg or Manchester grows more faint, and every day hundreds of little hands let go another finger from the slippery edge of existence. One of the iron manufacturers of the West, President O. W. Potter, of the North Chicago Rolling Mills, the employer of many thousands of men, when questioned in May about the strike of iron-workers, then believed to be impending, and promising to be the worst that had yet taken place in this country, said:

> The laborers oppose the reduction of wages for the very good reason that they cannot live upon any lower wages. And that is true. They cannot stand the reduction with the high price of

> living. There are some things that are not to be talked about in public that bring this about, and one of them is the cornering of food on the Board of Trade. A few men manipulate the foods of the workingman, and create a corner in wheat and meats, and the laborer has to pay the increased cost. They turn the screws, and up go the prices a notch or two. And they may let up so that the market goes down a little; but all the time a few men are making money, and the laborer gets no better fare and pays no lower price for the necessaries of life. I am apprehensive of the results that all this will bring about, and there is more anxiety in certain quarters about the future than people dare to imagine.

Carlyle has handed down Louis XV to us as "the great regrater of bread." The sweetest epitaph on any tomb is on the stone to the memory of Sir Robert Peel: "He gave the poor cheap bread." The Carlyle who hunts through the newspapers of this generation for the history of its people will dig the regraters of our Boards of Trade and Produce Exchanges out of their obscurity, to write against their names, "They made bread dear."

IV. Lords of Industry.[6]

When President Gowen, of the Reading Railroad, was defending that company in 1875 before a committee of the Pennsylvania Legislature for having taken part in the combination of the coal companies to cure the evil of ‘’ too much coal” by putting up the price and cutting down the amount for sale, he pleaded that there were fifty trades in which the same thing was done. He had a list of them to show the committee. He said:

> “Every pound of rope we buy for our vessels or for our mines is bought at a price fixed by a committee of the rope manufacturers of the United States. Every keg of nails, every paper of tacks, all our screws and wrenches and hinges, the boiler flues for our locomotives, are never bought except at the price fixed by the representatives of the mills that manufacture them. Iron beams for your houses or your bridges can be had only at the prices agreed upon by a combination of those who produce them. Fire-brick, gas-pipe, terra-cotta pipe for drainage, every keg of powder we buy to blast coal, are purchased under the same arrangement. Every pane of window glass in this house was bought at a scale of prices established exactly in the same manner. White lead, galvanized sheet iron, hose and belting and files are bought and sold at a rate determined in the same way. When my friend Mr. Lane was called upon to begin his speech the other day and wanted to delay because the stenographer had not arrived, I asked Mr. Collins, the stenographer of your committee, if he would not act. He said no, it was against the rules of the committee of stenographers. I said, ‘Well, Mr. Collins, I will pay you anything you ask. I want to get off.’ ‘Oh,’ said he, ‘ prices are established by our combination, and I cannot change them.’ And when we come to the cost of labor, which enters more than anything else in to the cost of coal, we are met by a combination there, and are often obliged to pay the price fixed by it.”

Adam Smith said in 1776: “People of the same trade hardly meet together even for merriment and diversion but the conversation ends in a conspiracy against the public or in some contrivance to raise prices.” The expansive ferment of the New Industry, coming with the new science, the new land, and the new liberties of our era, broke up these “conspiracies,” and for a century we have heard nothing of them; but the race to overrun is being succeeded by the struggle to divide, and combinations are reappearing on all sides. This any one may see from the reports of the proceedings of the conventions and meetings of innumerable associations of manufacturers and dealers and even producers, which are being held almost constantly. They all do something to raise prices, or hold them up, and they wind up with banquets for which we pay.

Four years ago (1880) the Chicago Lumbermen’s Exchange adopted a resolution declaring it to be “dishonorable” for any dealer to make lower prices than those published by it for the control of prices in one of the greatest lumber markets of the world. Monthly reports are required by this Exchange from dealers, so that accurate accounts may be kept of stock on hand in order to regulate prices. The price lists of the Exchange are revised and made "honest" at monthly banquets. In February, 1883, it was found that members who ostensibly adhered to the price lists dipped into the dishonorable practice of competition on the sly by giving buyers greater than the usual discounts. This was then forbidden, and another pathway of competition closed. The effect of this price legislation was attested by the address of a dealer of Minneapolis at one of the price-list banquets of the Exchange, who said that his firm, which made sales as far off as Manitoba and Dakota, had never sold a foot for less than the published lists. A delegation of dealers from the Mississippi River district spoke feelingly of their labors "for harmony" and their willingness that Chicago should make prices. A secret meeting of lumbermen from all parts of the West was held in Chicago, March 8, 1883, to discuss means for advancing prices, restricting production at least thirty-five per cent, and in general, in the language of one of them, putting themselves into a position like that of the coal producers of Pennsylvania, who by combination dictated the prices of coal throughout the whole country. In May, last year, the national association of lumber dealers met in Chicago. It represents over five hundred and fifty retail dealers in the West, and its principal purpose was to prevent wholesale dealers at Chicago, St. Louis, and other centres from retailing lumber to carpenters, farmers, and scalpers in the territory of the retailers. There are too many sellers, and so any wholesaler who persists in competing in this way with local dealers is, when found guilty, named to all the retailers and punished by losing their trade. The mills of Puget Sound, which supply a large proportion of the lumber consumed in the Pacific States, formed a combination last year to regulate the production and sustain prices. It is said by the local newspapers that the mills which do not belong to the association are hired to stand idle, as there are too many mills, and the association finds it profitable to sustain prices at the cost of thousands of dollars paid out in this way. The lumber market of the Pacific coast is ruled by the California Lumber Exchange, and that is controlled by a few powerful firms. The prices of redwood are fixed by the Redwood Manufacturers' Association, and those of pine by the Pine Manufacturers' Association. During the past year the retail dealers of San Francisco have had to sign contracts with these associations binding themselves to buy only from members of the associations, to buy and sell only at prices fixed by them, to give time and discount only according to rule, and to keep accounts so that every item will be clear to the inspectors hired by the associations to look after the retailers. Finally, the retailer binds himself, if he is "found guilty" of committing any of the forbidden sins, to pay a fine which may amount to one thousand dollars, to be divided among the faithful. The literature of business can show no more remarkable productions than the printed forms of these contracts. This system is in imitation of the "special contracts" with shippers which have been put in force by the Central Pacific Railroad.

Western ranchmen complain that the competition of buyers is disappearing. They declare that there exists at the Chicago stock-yards combinations of buyers who, by their ability to make large purchases and their agreement to offer but one price, get cattle at their own figures. One member of the "ring'' does the buying to-day; another to-morrow, and so on. The cattle kings have combinations to defend themselves from cattle thieves, State legislatures, and other enemies, and propose to extend this category so as to include the middle-men at the stock-yards. The Stock-growers' Association of Wyoming have $100,000,000 in cattle. At the recent convention held by this body in Cheyenne, it was unanimously declared that its business had been "seriously injured by the pooling arrangements prevailing among buyers at the Chicago stock-yards," and the executive committee were instructed to obtain the fullest possible information as to the means by which cattle might be shipped direct to the European consumer.

Last July Messrs. Vanderbilt, Sloan, and one or two others out of several hundred owners of coal lands and coal railroads met in the pleasant shadows of Saratoga to make "a binding arrangement for the control of the coal trade." "Binding arrangement" the sensitive coal presidents say they prefer to the word "combination." The gratuitous warmth of summer suggested to these men the need the public would have of artificial heat, at artificial prices, the coming winter. It was agreed to fix prices, and to prevent the production of too much of the raw material of warmth, by suspensions of mining. In anticipation of the arrival of the cold wave from Manitoba, a cold wave was sent out all over the United States, from their parlors in New York, in an order for half-time work by the miners during the first three months of this year, and for an increase of prices. These are the means this combination uses to keep down wages—the price of men,—and keep up the price of coal—the wages of capital. Prices of coal in the West are fixed by the Western Anthracite Coal Association, controlled entirely by the large railroads and mine-owners of Pennsylvania. This association regulates the price west of Buffalo and Pittsburg and in Canada. Our annual consumption of anthracite is now between 31,000,000 and 32,000,000 tons. The West takes between 5,000,000 and 6,000,000 tons. The companies which compose the combination mine, transport, and sell their own coal. They are obliterating other mine-owners and the retailer. The Chicago and New York dealer has almost nothing to say about what he shall pay or what he shall charge, or what his profits shall be. The great companies do not let the little men make too much. Year by year the coal retailers are sinking into the status of mere agents of the combination, with as little freedom as the consumer.

The coal combination was investigated by the York Legislature in 1878, after the combination had raised the prices of coal in New York to double what they had been. The Legislature found that private mine-operators who were not burdened like the great companies with extravagant and often corrupt purchases of coal lands, heavily watered stock, and disadvantageous contracts, forced on them by interested directors, and who have only to pay the actual cost of producing the coal, "can afford to sell at a much less price than the railroad coal-producing companies, and would do so if they could get transportation from the mines to the market." This is denied them by the great companies. "The private operators," says the report, "either find themselves entirely excluded from the benefits of transportation by reason of the high freights, or find it for their interest to make contracts with the railroads, by which they will not sell to others, and so the railroads have and will keep the control of the supply of the private operators." To those who will not make such contracts rates are fixed excluding them from the market, with the result, usually, of forcing them to sell their property to the lords of the pool. "The combination," the committee declared, "can limit the supply, and thereby create such a demand and price as they may deem advisable." The committee found that coal could be laid down on the dock in New York, after paying all charges, for an average of $3.20 a ton. It was at that time retailing in the city for $4.90 to $5.25 a ton. "The purposes of the combination are solely to advance the price of coal, and it has been successful to the amount of seventy-five cents to one dollar a ton. Its further advance is only a question whether the combination can continue to repress the production." An advance of only twenty-five cents a ton would on 32,000,000 tons be $8,000,000 a year, which is not a bad thing for the combination.

Some excitement was caused by the report in August, 1882, that there had been formed in New York and Philadelphia a combination of buyers to control the markets, and "that it was far more autocratic than that of operators and railroads had ever thought of being." Nothing has since been heard of this combination. The only combination of buyers of coal that now exists is called the State, but its members have not yet learned to knowtheir rightsor their power. Thetotal amount of anthracite coal land is estimated by President Gowen, of the Reading, to be between 260,000 and 270,000 acres. Of this the Reading Coal & Iron Company owns 95,000 acres, and also holds under a lease of the Central Railroad of New Jersey about 14,000 acres, making in the neighborhood of 110,000 acres. The Lehigh Valley Railroad controls about 25,000 acres; the Delaware, Lackawanna & Western about 20,000; the Delaware & Hudson about 20,000; the Pennsylvania Coal Company 8000 to 10,000, and the Pennsylvania Railroad 5000 to 10,000. The rest of the coal lands is held by individuals, firms, and corporations, and is "necessarily tributary" to the railroad lines of the companies above named, with all that that implies. The capitalization of the coal companies with that of their satellites is upward of $500,000,000. This capitalization was declared by the New York legislative committee to be excessive. Mr. James B. Hodgskin explained, some years ago, in *The Nation*, how this inflation was brought about. A generation since, the most important coal lands were covered by the prettiest farms and the wildest mountain forests in the United States, then worth fifty cents to fifty dollars an acre. They were bought up by speculators who sold them to the companies at ten to twenty times the real cost. When railroads were found to be necessary for the development of the mines, railroad schemes were taken in hand by the same class of men, who had acquired experience, skill, and money by their manipulation of the mining companies, and similar tactics were employed to make money out of the new roads. Roads were built costing but one half or three quarters of the first mortgage bonds issued on them, and were then saddled with additional stock capital equal to the bonds, making the nominal capital of the roads three or four times the real cost. Of course the road was expected to earn dividends on the seventy-five dollars of fictitious cost as well as on the twenty-five dollars of real cost. The swollen total at which the capitalization of the coal companies now stands was obtained by adding the dropsical mining stocks to the dropsical railroad stocks. This is one of the cases in which like has not cured like.

One of the sights which this coal side of our civilization has to show is the presence of herds of little children of all ages, from six years upward, at work in the coal breakers, toiling in dirt, and air thick with carbon dust, from dawn to dark, of every day in the week except Sunday. These coal breakers are the only schools they know. A letter from the coal regions in the *Philadelphia Press* declares that "there are no schools in the world where more evil is learned or more innocence destroyed than in the breakers. It is shocking to watch the vile practices indulged in by these children, to hear the frightful oaths they use, to see their total disregard for religion and humanity." In the upper part of Luzerne County, out of 22,000 inhabitants 3000 are children, between six and fifteen years of age, at work in this way. " There is always a restlessness among the miners," an officer of one of the New York companies said, "when we are working them on half time." The latest news from the region of the coal combination is that the miners are so dissatisfied with the condition in which they are kept, by the suspension of work and the importation of competing Hungarian laborers in droves, that they are forming a combination of their own, a revival of the old Miners' and Laborers' Association, which was broken up by the labor troubles of 1874 and 1875.

Combination is busy in those soft-coal districts whose production is so large that it must be sent to competitive markets. A pool has just been formed covering the annual product of 6,000,000 tons of the mines of Ohio. Indiana and Illinois are to be brought in, and it is planned to extend it to all the bituminous coal districts that compete with each other. The appearance of Mr. Vanderbilt, last December, in the Clearfield district of Pennsylvania, at the head of a company capitalized for $5,000,000, was the first entry of a metropolitan mind into this field. Mr. Vanderbilt's r61e is to be that of producer, carrier, dealer, and consumer, all in one. Until he came, the district was occupied by a number of small companies and small operators, as used to be the case in the anthracite field in the old days. But the man who works himself, with his sons, in a small mine, cutting perhaps from twenty to forty tons a day, cannot expect to survive the approach of the Manhattan capitalist. The small Clearfield producers, looking at the fate of their kind in the anthracite country, greeted Mr. Vanderbilt's arrival with the question, "What is to become of us?" "If the small operator," said one of the great man's lieutenants, "goes to the wall, that is his misfortune, not our fault." In March last the prominent Clearfield companies gave notice that wages must be reduced on the 1st of April, and immediately thereafter a union of their employees resolved that if the reduction, which they declared to be "without reason," was made they would strike.

Powerful syndicates are at work to control the coke industries of Pennsylvania, which will require from ten to fifteen millions of dollars. March 23, 1884, it was stated that the efforts of a year or more to consolidate the large and small coke-makers of the Cornellsville district had succeeded. Nearly 8000 ovens joined the pool, which is under the command of the four largest firms. The smaller men agreed to shut their ovens whenever the heads of the pool ordered. It was announced, two days afterward, that one oven out of every seven had been closed "until further orders," that the price of coke would be advanced at once from ninety-five cents to $1.15 a ton, and that farther advances would be made until the price had been raised to $1.50. In March, 1883, the St. Louis *Age of Steel* had news that a combination had been made of all the coke iron furnaces, with one exception, in Tennessee, Alabama, and Georgia, to fix uniform prices and prevent indiscriminate competition and "trickery" of all kinds, which is the disrespectful language in which the coke iron economists speak of the sacred law of competition.

There has been since 1872 a national combination of the manufacturers of the stoves into which the combination coal must be put; and its effect, the founder said, in his speech at the annual banquet in Cleveland, last February, had been to change the balance from the wrong to the right side of the ledger. Until lately, at least, combination matches lighted the fire of combination coal in these combination stoves, and it is combination oil which the cook, contrary to orders, puts on the fires to make them burn faster. The combination of match manufacturers was perfected by the experience of sixteen years of fusions, till lately it shared with the coal combination the pleasure of advancing the price of fire by proclamation on the approach of winter. It is now at war with the new companies which have gone into the manufacture since the repeal of the internal revenue tax. These it is attempting to conquer by underselling them, tactics which have hitherto never failed. The Government of the United States, before which all men are equal, helped this combination to kill off its competitors, shielding it from foreign competition by a tax of thirty-five per cent, on the importation of matches from abroad, and shielding it from domestic competition, by administering the internal revenue tax so as to make its small competitors pay ten per cent more tax. This drove them into bankruptcy, or combination with the ring, at the rate of one or two every month. The railroads, like the Government, helped to transfer this business from the many to a few, by carrying the combination's matches at lower rates than were given to its little competitors.

When the housemaid strikes a combination match on the wall-paper, she leaves a mark on an article the manufacture, sale, and price of which are rigidly regulated by the American Wall Paper Manufacturers' Association. A recent writer has described this oath-bound combination which has established a wall-paper monarchy in the United States. When the cook takes the paper from off the express package, the hardware, the dry-goods, the groceries, the candy, the ham, which have been sent home, she is still handling an article the price of which is fixed by private enactments. The Western Wrapping Paper Association, ever since 1880, has, with more or less success, been struggling to keep down the deluge of too much wrapping paper, and to fix the prices of all kinds, from the paper under the carpet to that which is used in roofing. It recently failed, but was at once reorganized on a firmer footing than before, and its mills are now allowed to turn out but one half as much as they could produce. Besides this, the wood pulp and straw paper industries have been amalgamated. The American Paper Association aims to control the prices and production of paper for newspapers and books and for writing. The dealers in old rags and old paper formed an association in Cleveland three years ago to deal with the "old-rag" problem of how to cut down the enormous profits the women of our country are making out of the contents of their rag-bags. In January, 1883, the trade met again at Rochester, formed two "national" associations, and solemnly agreed upon the prices to be paid for mixed rags "that we gather from house to house," and for brown paper and rag carpet. "No change of price for rags or paper," runs the decree of the old-rag barons, "is to be made without consultation of every member of the executive committee.” The Western Wooden Ware Association discovered, last December, that there were too many pails, tubs, and bowls and ordered its members to manufacture but one fifth of their capacity. In February it gave them permission to increase this to one half. The Western Cracker Bakers’ Association met in Chicago in February to consider, among other things, “the reprehensible system of cutting prices.” They first had a banquet. After their “merriment and diversion” the revellers, true to Adam Smith’s description, turned to consider “some contrivance to raise prices.” “The price lists were perfected,” said the newspaper report, and then they adjourned.

The men who make our shrouds and coffins have formed a close corporation known as the National Burial Case Association, and held their national convention in Chicago last year. Their action to keep up prices and to keep down the number of coffins was secret, lest mortality should be discouraged. The largest manufacturers of quinine in the world are the Boehringers of Milan, Mannheim, and Paris. The next largest are Powers & Weightman of Philadelphia. The latter have just leased the Boehringer factory in Maumeim. New York druggists say that these two could force up the price of quinine very high by combination, but do not believe they will do so. A pool of the seventeen leading quinine manufacturers of the world was formed last July. It included the manufacturers of America, Great Britain, and the continent of Europe. It advanced prices for a time twenty cents an ounce, but went to pieces at the beginning of 1884. The manufacturers of patent medicines organized in 1883, and the wholesale and retail druggists have followed with organizations to prevent the sale of these nostrums at cut prices, or by any persons who were not regular druggists. A “drug war” has broken out and threatens to rage over the entire Union. The combination of the wholesale druggists and that of the manufacturers have mutually agreed to divide the United States into districts, each of which shall be under a superintendent, who is to watch the druggists and report all those cutting prices, who are thereupon to be boycotted.

Every one knows about the thirty-million-dollar steel combination, which has not kept the price of rails from declining from $166 a ton in 1867 to $32 a ton in 1884, but during this decline has kept the price of rails, that is, the price of transportation, that is, the price of everything, higher in this country than anywhere else. Chairman Mor-rison of the Committee of Ways and Means is a witness to the fact that the chimneys of the Vulcan Mill at St. Louis stood smokeless for years, and meanwhile its owners received a subsidy reported at $400,000 a year from the other mills of the combination for not making rails, with, however, no payment to its men for not working. The steel-rail makers of England, France, Belgium, and Germany are negotiating for an international combination to keep up prices. The *Age of Steel* startled the country last January by the statement that a monster pool was to be formed of all our pig-iron manufacturers. The country was to be divided into six districts. As many furnaces were to be put out of blast *as* were necessary to prevent us from having too much iron, and these idle furnaces were to share, like the Vulcan Steel Mill, the profits of those that ran. This has not yet proved to be history, but it may turn out to have been prophecy.

There are too many nails for the nail-makers, though no such complaint has been heard from the house-builders. There is a nail association, which at the beginning of the year advanced prices ten cents a keg. Last November it ordered a suspension of the nail machines for five weeks, to the great distress of eight thousand workmen, who are also machines—self-feeders. “We hope,’‘ said the nail-men, according to a Pittsburg dispatch of December 29, 1882, “to show consumers that we can not only control production, but that we can do so unanimously, and at the very time when nails are the least wanted.” On April 9th of this year, the nail manufacturers of the West met again at Pittsburg, and adopted the most modern form of pool, with managers having full powers to regulate prices and restrict production. “An early advance of prices may be expected,” we are told. Every mill in the West is in the pool. Nail-buyers are not allowed to converse with nailmakers. All business must be done through the Board of Control.

There is too much barbed wire for the wire manufacturers, though not for the farmers, and a pool, under the "entire control" of eleven directors, has, within a few weeks, been formed, in which are enrolled all of the chief manufacturers. Its members met in March in St. Louis, and advanced prices. They met again in Chicago, April 4th, and advanced prices ten per cent, and adjourned to meet in thirty days for the purpose of making another advance. This combination cuts off competition at both ends. It confederates the makers, so that they shall not sell in competition with each other, and it buys all its raw material through one purchasing agent, so that its members do not buy in competition. The Western Pig Iron Association regard "the cutting of prices as the bane of business," and do what they can to stop it. Thirteen concerns making wrought-iron pipes in this country met in December last to unite under the very appropriate name of the Empire Iron Company. Each was to deposit $20,000 as security that it would adhere to rules to prevent the calamity of too much iron pipe. One feature of the pool was that it proposed to keep men on guard at each mill, to keep account of the pipe made and shipped; and these superintendents were to be moved around from one mill to another at least once every eight weeks. April 1, 1882, when the rest of us were lost in the reckless gayety of All Fools' Day, forty-one tack manufacturers found out that there were too many tacks, and formed the "Central Manufacturing Company of Boston," with $3,000,000 capital. The tack-mills in the combination run about three days in the week. When this combination, a few weeks ago, silenced a Pittsburg rival by buying him out, they did not remove the machinery. The dead chimneys and idle machines will discourage new men from starting another factory, or can be run to ruin them if they are not to be discouraged in any other way. The first-fruits of the tack-pool were an increase of prices to twice what they had been.

One of the objections raised thousands of years ago in Greece against the union of people of the same trade, was that their meetings degenerated into political conspiracies, and Trajan, for the same reason, refused to accede to the request of Pliny that he might enroll a fire company out of the workmen of Nicomedia. No precautions, said the shrewd Emperor, can prevent such associations from becoming dangerous conspiracies. The whiskey distillers' pool is a combination of all the distillers north of the Ohio River from Pittsburg to the Pacific Ocean. It regulates production, export, and prices. Its success at Washington, in securing legislation several years ago granting whiskey-makers the privilege, given to no other tax-payer, of a postponement of the time for payment of taxes, is a significant reminder of Trajan's saying. The demand for whiskey so far falls short of the capacity of the pool to produce, that a large number of distilleries are kept idle, drawing pensions from the combination, in some cases as high as $500 a day. The Brewers and Maltsters' Association of New York fixes the price of beer by combination, and claims to control 35,000 votes. It takes to itself the credit of the defeat, last year, of Mr. Maynard, candidate for Secretary of State of New York. At the last session of the association the suggestion was made by one of the speakers that if the brewers would see that the foreigners in their employ took out naturalization papers, they would, no doubt, "cast their votes properly."

The publishers of school books do not like competition—that is, what they call "dishonest competition." Nineteen of the leading firms of the country have formed a combination, by which they are bound to obey the orders of an executive committee as to prices and other matters. This, says the *Age of Steel*, will be cheerful news to the heads of families, who already have enough half-worn school books in the house to have stocked a whole township forty years ago. A heavy penalty is imposed upon any publisher who supplants the books of another house in the pool by reducing prices or otherwise. The successful man has to hand over to the unsuccessful one the value of the book for three years. The Ohio Senate recently discussed means of overcoming this combination and securing competition in the supply of school books to the State as of old.

The competition of the fire insurance companies, which broke out in 1875, upon the collapse of their pool, cost them in New York City alone $17,500,000 in seven years, and in 1882 they made a new combination which covered the whole country and is, in point of wealth and cohesiveness, one of the most powerful and most successful in the country. The combination of makers of stamped tinware, formed in 1882, expelled members who sold at lower than the fixed rates, and refused to allow any one in the pool to sell to the offenders. The situation was so uncomfortable, that the expelled deliberated whether to prosecute the association for conspiracy or to pay the penalty and go back into the fold; they chose to do the latter.

Two years ago it was found that there was too much milk in New York and Boston. The "embattled farmers" of Orange County, which supplies New York with two thirds of its milk, declared a milk-war. The New York dealers were cut off from their regular supplies. Committees of farmers waited at every railroad station, and offered to buy all the milk that was brought down for shipment by those who did not join in the combination. When bought it was spilled. When not bought it was usually spilled just the same. Two Italians with performing bears were in Goshen on the night when the first milk was spilled. The farmers said the bears did it, and while the "milk war" lasted the spillers were known as "the bears." When the superintendent of the Lehigh & Hudson Railroad allowed milk to be shipped against the protests of the farmers, they threatened to tear up the tracks, and the sheriff of the county had to be called in to protect the road. Sheriffs' deputies, appointed to protect the shippers, helped the bears to spill the milk. At Warwick all the streets leading to the depot were barricaded by the bears with ropes. It took eight men armed with clubs, guns, and pistols to guard one man collecting milk. Peace was declared March 24, 1883. A committee of the farmers and a committee of the milkmen, representing eight hundred dealers in New York, Brooklyn, and Jersey City, agreed upon a fixed price for each month until April, 1884, ranging from two and a half to four cents a quart, according to the time of the year. The organization of farmers spread until it covered Delaware, Orange, and Sullivan counties in New York, and Hunterdon and Sussex counties in New Jersey. March 22d of this year, the farmers' committee and that of the milk dealers' organization, known to the honest farmers as the "Pump Handle Association," met again, agreed on prices for another twelvemonth, and this year there will be no milk-war.

The trade in milk at the point of largest consumption in the United States now rests in the hands of these combinations. The same thing is going on at other places. The New England Milk Producers' Association met in Boston, last January, for the purpose of thoroughly organizing the milk farmers. Representatives from New York who had led the farmers there were present to point out the way. The Secretary of the Massachusetts Board of Agriculture read a letter from a gentleman in which *a* check of one hundred dollars was inclosed, to pay for milk to be poured on the ground to help the success of the producers' cause. The membership was increased from 86 to 291. Resolutions were adopted calling upon all the farmers who supplied Boston with milk to join the association and do all in their power to solve the "milk problem." On March 22d, the day of the similar meeting in New York, the association met again in Boston, conferred with the representatives of the milk dealers, fixed the price of milk from April to October at thirty-four cents for eight and one half quarts by a vote of 91 to 39, and adjourned. The ballot is a new force in the manufacture of prices, and one well worthy the attention of those who are curious about the developments of universal suffrage.

Other combinations, more or less successful, have been made by ice-men of New York, fish dealers of Boston, Western millers, copper miners, manufacturers of sewer pipe, lamps, pottery, glass, hoop-iron, shot, rivets, sugar, candy, starch, preserved fruits, glucose, vapor stoves, chairs, lime, rubber, screws, chains, harvesting machinery, pins, salt, type, brass tubing, hardware, silk, and wire cloth, to say nothing of the railroad, labor, telegraph, and telephone pools with which we are so familiar. On the third of April the largest and most influential meeting of cotton manufacturers ever held in the South came together at Augusta to take measures to cure the devastating plague of too much cotton cloth. A plan was unanimously adopted for the organization of a Southern Manufacturers' Association for the same general purposes as the New England Manufacturers' Association. The convention recommended its members to imitate the action of the Almighty in making a short crop of cotton by making a short crop of yarns and cloth, and referred to a committee the preparation of plans for a more thorough pool.

Such are some of the pools into which our industry is eddying. They come and go, but more come than go, and those that stay grow. All are "voluntary," of course, but if the milk farmer of Orange County, the iron moulder of Troy, the lumber dealer of San Francisco, the Lackawanna Railroad, or any other individual or corporate producer, show any backwardness about accepting the invitation to join "the pool" they are whipped in with all the competitive weapons at command, from assault and battery to boycotting and conspiracy. The private wars that are ravaging our world of trade give small men their choice between extermination and vassalage. Combine or die! The little coke burner of Connellsville works or stops work, the coal dealer of Chicago raises his prices or lowers them, the type-setter takes up his stick or lays it down, as the master of the pool directs. Competitors swear themselves on the Bible into accomplices, and free and equal citizens abandon their business privacy to pool commissioners vested with absolute power, but subject to human frailties. Commerce is learning the delights of universal suffrage, and in scores of trades supply and demand are adjusted by a majority vote. In a society which has the wherewithal to cover, fatten, and cheer every one, Lords of Industry are acquiring the power to pool the profits of scarcity and to decree famine. They cannot stop the brook that runs the mill, but they can chain the wheel; they cannot hide the coal mine, but they can close the shaft three days every week. To keep up gold-digging rates of dividends, they declare war against plenty. On all that keeps him alive the workman must pay them their prices, while they lock him out of the mill in which alone his labor can be made to fetch the price of life. Only society can compel a social use of its resources; the man is for himself.

On the theory of "too much of everything," our industries, from railroads to working men, are being organized to prevent milk, nails, lumber, freights, labor, soothing syrup, and all these other things from becoming too cheap. The majority have never yet been able to buy enough of anything. The minority have too much of everything to sell. Seeds of social trouble germinate fast in such conditions. Society is letting these combinations become institutions without compelling them to adjust their charges to the cost of production, which used to be the universal rule of price. Our laws and commissions to regulate the railroads are but toddling steps in a path in which we need to walk like men. The change from competition to combination is nothing less than one of those revolutions which march through history with giant strides. It is not likely that this revolution will go backward. Nothing goes backward in this country except reform. When Stephenson said of railroads that where combination was possible competition was impossible, he was unconsciously declaring the law of all industry.

Man, the only animal which forgets, has already in a century or two forgotten that the freedom, the independence of his group, of the state, and even of the family, which he has enjoyed for a brief interval, have been unknown in most of the history of our race, and in all the history of most races. The livery companies of London, with their gloomy guildhalls, their wealth, their gluttony and wine-bibbing, their wretched Irish estates, exist to-day, vain reminders to us of a time when the entire industry of Europe was regimented into organizations, voluntary at first, afterward adopted by the law, which did what our pools of railroads, laborers, manufacturers, and others are trying to do. Not only prices but manners were pooled. "The notion," says Cliffe Leslie, "that every man had a right to settle where he liked, to carry on any occupation he thought fit, and in whatever manner he chose, to demand the highest price he could get or on the contrary to offer lower terms than any one else, to make the largest profit possible, and to compete with other traders without restraint, was absolutely contrary to the spirit of the ages that preceded ours." This system existed for centuries. It is so unlike our own that the contemplation of it may well shake us out of our conceit that the transitions, displacements, changes, upheavals, struggles, exterminations— from Indians to sewing women—of the last two hundred and fifty years were the normal condition of the race.

Those were not exceptional times. Our day of free competition and free contract has been the exceptional era in history. Explorer, pioneer, pro-testant, reformer, captain of industry, could not move in the harness of the guild brother, the vassal, the monk, and were allowed to throw away mediaeval uniforms. But now "the individual withers; the world is more and more." Society having let the individual overrun the new worlds to be conquered, is re-establishing its lines of communication with him. Literary theorists still repeat the cant of individualism in law, politics, and morals; but the world of affairs is gladly accepting in lieu of the liberty of each to do as he will with his own, all it can get of the liberty given by laws that let no one do as he might with his own. The dream of the French Revolution, that man was good enough to be emancipated from the bonds of association and government by the simple proclamation of Liberty, Fraternity, and Equality, was but the frenzied expression of what was called Freedom of Self-interest in a quieter but not less bloody revolution, if the mortality of the factories, the mines, and the tenements be charged to its account. A rope cannot be made of sand; a society cannot be made of competitive units.

We have given competition its own way, and have found that we are not good enough or wise enough to be trusted with this power of ruining ourselves in the attempt to ruin others. Free competition could be let run only in a community where every one had learned to say and act "I am the state." We have had an era of material inventions. We now need a renaissance of moral inventions, contrivances to tap the vast currents of moral magnetism flowing uncaught over the face of society. Morals and values rise and fall together. If our combinations have no morals, they can have no values. If the tendency to combination is irresistible, control of it is imperative. Monopoly and anti-monopoly, odious as these words have become to-the literary ear, represent the two great tendencies of our time: monopoly, the tendency to combination; anti-monopoly, the demand for social control of it. As the man is bent towards business or patriotism, he will negotiate combinations or agitate for laws to regulate them. The first is capitalistic, the second is social. The first, industrial; the second, moral. The first promotes wealth; the second, citizenship. These combinations are not to be waved away as fresh pictures of folly or total depravity. There is something in them deeper than that. The Aryan has proved by the experience of thousands of years that he can travel. "But travel," Emerson says, "is the fool's paradise." We must now prove that we can stay at home, and stand it as well as the Chinese have done. Future Puritans cannot emigrate from Southampton to Plymouth Rock. They can only sail from righteousness to righteousness. Our young men can no longer go West; they must go up or down. Not new land, but new virtue must be the outlet for the future. Our halt at the shores of the Pacific is a much more serious affair than that which brought our ancestors to a pause before the barriers of the Atlantic, and compelled them to practise living together for a few hundred years. We cannot hereafter, as in the past, recover freedom by going to the prairies; we must find it in the society of the good. In the presence of great combinations in all departments of life, the moralist and patriot have work to do of a significance never before approached during the itinerant phases of our civilization. It may be that the coming age of combination will issue in a nobler and fuller liberty for the individual than has yet been seen, but that consummation will be possible, not in a day of competitive trade, but in one of competitive morals.

V. Servitudes Not Contracts.[7]

Is the President Corbin, of the Reading Railroad, and the Reading Iron Works, who has given public notice that no working men will be employed unless they abandon their trades unions, the same President Corbin who testified before the Committee of Congress which last year investigated the labor troubles in Pennsylvania? Before the committee of Congress, he says:[8]

> I do not object to labor organizations. It is not my business and men can belong to any labor organization that he [*sic*] may choose, just as he can belong to the Church, or vote for the Republican party, or vote for the Democratic party. That is none of my business. If he wants to belong to the Knights of Labor, or the Amalgamated Association, or any other association, he has the right to do it.

This was what the President Corbin of 1888 said to Congress.

Now within one short year, President Corbin says to his employees, in the notice printed in the *Philadelphia Record*, of July 10th, issued upon the resumption of work in the Reading Iron Works, which have been purchased by the Reading Railroad:

"No member of any labor organization (except such as are purely beneficial or benevolent) will be employed by the Company, and every man engaging with the Company must sign a written agreement that so long as he is in its employ he will not belong to such an organization."

Like Caliban in *The Tempest,* President Corbin has "two voices; a most delicate monster, his forward voice is to speak well of his friend"— himself before Congress—"his backward voice is to utter foul speeches" to the members of working-men unions, and to detract from their rights as freemen.

President Corbin who makes this un-American attack on the rights of his fellow-citizens is himself administering the Reading Railroad in daily violation of the supreme law of Pennsylvania as declared in its constitution. The new constitution of 1873 forbids railroads from acquiring coal lands and from engaging in the joint business of a carrier and miner, and this constitutional prohibition President Corbin treats with daily contempt. The committee already quoted from state that "it is an undeniable fact that the Reading Railroad in particular has acquired some of its most valuable mines since that date"—1873.

To this violation of law by the Reading and the other coal-mining and coal-carrying railroads, the committee unanimously ascribe most of the labor troubles in the anthracite regions of Pennsylvania.

The committee were not very favorably impressed by the testimony of President Corbin and his associates. They say:

> Judging from the evidence taken, and especially from the tergiversations, evasions, and general conduct of the present controlling officials of the road while testifying before your Committee, there is hardly a doubt but that most of those officials have long been much more intent upon paying themselves princely salaries, and manipulating the stock of the Company, than they have been in reducing its debts, or realizing dividends for its stockholders.

The Reading's "avaricious grasping at a monopoly of both carrying and mining, causes it," the committee say, "to treat the miners and their help with gross injustice in many ways."

The committee plainly intimate their belief that "the authorities of the Reading road deliberately brought about the strikes " (of 1888) "both among its miners and its railway employees... partly to have an excuse to put up the price of coal generally,... partly to get rid of supporting surplus laborers for a time, both in the mines and on the railway, and partly to crush labor organizations among their employees."

Robbing the public and the miners is not the greatest offence of this company and its confederates in the coal complot. They are also guilty of gross political crimes. The committee say: "They all plunder the public, they all stint and oppress the miner, and they all combine to dominate the State government in every department in the interest of corporations against the people." The employees of these companies are declared to be "little better than political as well as industrial slaves."

These companies flood the coal country with helpless laborers, Italians, Poles, and Huns, as well as Americans, in order to create a condition of "supply and demand" in which wages will steadily tend downward, and "to terrify them into subjection whenever they should be moved to strike or refuse to submit like angels to lockouts." The companies have by law obtained an extraordinary police power.

> Every railroad, every colliery, iron furnace, or rolling mill, is granted by statute liberty to employ as many policemen as it sees fit... clothed with all the authority of policemen in Philadelphia,... paid such wages and armed with such weapons as the corporations determine, usually army revolvers, sometimes Winchester rifles, or both!... They report to nobody but the heads of the corporations employing them, from whom they get their orders, which they execute usually with a mailed hand.

Mr. Corbin testified that he had several hundreds of these "policemen" in service.

> The only riot that occurred during the great and prolonged strike which your Committee was appointed to investigate was needlessly provoked, as the testimony clearly shows, at Shenandoah by the railroad and coal and iron police. And the chief of that police during this riot added as many ruffians as he pleased to club the people at two dollars a day, and hired them himself without applying to the Governor for that purpose. In a boastful manner he admitted this to your Committee on the witness stand, and appeared to feel that he had more authority than the executive at Harrisburg.

The law requires that all of these pretended policemen should be appointed and commissioned by the Governor and sworn in by the Recorder. This safeguard to the people and State was ruthlessly shattered by the company's Chief of Police. He said in his evidence in answer to the question (page 436):

Q.—"Did the Governor appoint all these policemen?"

A.—"No, Sir, the men were employed by me."

Q.—"You commissioned them then?"

A.—"No, Sir, I did not commission them."

Q,—“Did you swear them in?”
A—“No, Sir.”
Q—“Were they sworn in as officers of the State, or of a city, or of anything else?”
A.—“Some of them were by the Recorder.”
Q.—“What proportion of the men were sworn in?”
A.—“About one half the men that we have here.”
Q.—“And the other half were not sworn in?”
A—“No, Sir.”
Q.—“Simply selected and detailed by you and armed by you to do this work?”
A—“Yes, Sir.”

Full details are given in this careful and courageous report of the means by which more labor than is wanted is constantly kept at the mines, of how the poor miners are swindled on the prices of the labor they sell, and the goods they buy, and kept in ignorance of proposed suspensions of work, so as to prevent them from seeking work elsewhere. Their wages are made proportionate to the selling price of coal in New York, but they are denied all knowledge of this selling price in New York, “which is not determined by an open market as is the case in wheat or cotton but by three men selected in 1875, and hidden from the public gaze under that mysterious secrecy which characterizes the pool. Were all the laboring men of America similarly in the clutch of the employer, revolution would instantly follow the refusal of a legislature or Congress to assure them legal protection.” The last two sentences are from the special report by one of the members of the committee, the Hon. John A. Anderson, of Kansas, prepared at the request of the Chairman. He shows that the coal miners are paid by the “yard” or the “wagon,” and that the yard and wagon are varied by the employers to suit themselves. Under pretence that the coal is not clean,—that there is too much dirt, too much slate—the employer docks the miner five to fifty per cent, of his coal. The coal miners are kept from doing a full day’s work by having wagons to load withheld from them, and are kept from working steadily day by day by periodical lockouts when the companies want to manipulate the coal market. Congressman Anderson gives a detailed account of the relations between President Corbin and his employees. He proves clearly that President Corbin just before the great strike, in an “open letter” to the miners, garbled the agreement which had been made between himself and them in such a way that “neither the miners nor the public could imagine that it was done at all,” and “the real agreement was thereby violated and mangled.” “How should honorable men characterize such an act by the President of a great corporation dealing with 22,000 miners, unskilled in construing legal instruments.” While leading his employees to believe that he approved of the contributions they were making to support the striking Lehigh miners, and that he wanted to force the Lehigh operators to pay the same wages to miners which the Reading was paying, President Corbin was aiding the Lehigh mine owners by supplying them secretly with Reading coal to fill their orders. Meanwhile with incredible duplicity he was giving his employees repeated assurances that he wanted the striking miners of the Lehigh region to win their fight. By ingenious tactics he forced his own employees, both on the railroad and in the mines, into a strike, and a lockout, “breaking his agreement with them, without notice.” As part of his tactics, he also suspended the usual train service as to coal for months—“a deliberate and official refusal by the carrier to perform his legal duty.” By these strikes and lockouts the company “saved in the payment of miners’ wages, royalty, and railway men, not less than $1,000,000 a month. It is not necessary,” pursues this report, “to detail the effect of the lockout upon the 100,000 mining population in the two regions, upon the 6500 railway employees, nor upon the consumers of coal. That one man as President of a railroad corporation should have the power to produce such effects at will is dangerous to the welfare of the

Republic."

This glimpse into the treatment of its men by what the report calls "the Corbin-Morgan syndicate" makes perfectly intelligible the determination now avowed to break up the trades unions.

Why does this employer of labor, pursuing this policy, and resolute to continue it, feel it to be absolutely indispensable that the trades unions shall be smashed? Because, as Professor Thorold Rogers of Oxford puts it, the unorganized laborer cannot make a free contract. The only possible explanation of this policy is that it is intended that the employees of the Reading Company in its iron works, its coal mines and railway service shall not be free. They are to be divided that they may be conquered.

The fact is indisputably established by the evidence that the organizations of the miners and railway men, iron workers, and the like were not predatory movements to trespass on the rights of employers, but were a measure of self-defence forced on the men who saw their rights to life, liberty, and the pursuit of happiness being taken away one by one. The railways crushed out the independent mine owners by lowering the price of coal and raising freights, until now, "seven coal-carrying railroads which are at the same time coal miners, may be said to own or control all the anthracite of the United States." Consequently,

> as competition between employers for labor diminished, the safeguards of laborers disappeared, and wages were reduced. From the beginning of this absorption these thousands of workmen have manfully struggled for fair pay and humane treatment. A combination of employers would as certainly beget a combination of employees for self-protection as that a setting sun insures darkness. It would indeed be a sad commentary upon American manhood if 100,000 men passively and willingly yielded their bodies and earnings to 100 men.

The circular issued by President Corbin contains this further sentence:

"The company will always give a patient hearing to any of its employees, in relation to any matter affecting their interests, but it will under no circumstances recognize or treat with representatives or committees of any labor organization or with any person not an employee of the Company."

There could be no more instant proof of the correctness of the dictum of the Oxford Professor of Political Economy that the unorganized workman cannot make a free contract. Every act done by the employer of these men—the Reading Company—is done with all the prestige and power of associated capital, and by "representatives" and "committees." The capitalists have "walking delegates" innumerable, but the laborers must renounce all benefits of organization, of brokers to market their commodity, and of attorneys to negotiate their bargains. A trades union, says Professor Rogers, does for that which workmen possess—their labor—precisely what a joint-stock company does for those who use it to combine their capitals, their energies, and their experience.[9] American rich men say to American poor men: Union is right for us; it is wrong for you.

Whatever name President Corbin may choose to give the arrangements he makes under this circular with his men he cannot call them contracts. They are devoid of the essential attributes of contracts. They will be simply servitudes imposed by wealth on poverty, by strength on weakness, by knowledge on ignorance, and by plutocracy on the people.

The air in America is growing thick. Let a final extract from the report of the committee complete this picture of American industrial freedom.

"From the cautious and anxious manner in which some of the witnesses testified, and from a bated breath in which they privately discussed their wrongs, and from the subdued appearance of the population generally, there was a forcible reminder to an intelligent man of the state of affairs in Russia."

VI. What Washington Would Do To-day.[10]

If Washington were with us he would not spend much of his time in celebrating Washington's birthday but would set about doing a Washington's work. He would not fight over again the battles of Stillwater and Brandywine. He would seek out the new measures demanded of new men by the new times. Washington was a republican when there was no republic except that which has kept the flag of human freedom and personal rights flying above the Alps of Switzerland for five hundred glorious years in the face of the kings of Europe. He was a republican when to be a republican was to be odious and an outcast from all the genteel society of the world. In Washington's day the republic was an experiment and an innovation and the boldest scheme of social regeneration under debate. Monarchy was law and order then, but in the words of the Declaration of Inde-pendence, he staked his "life, his fortune, and his sacred honor" on the ability of the people to get along without the kind of law and order which had to be imposed upon them from without by an authority foreign to them, and which they hated.

What Washington's head believed, his hand did. In reform he practised the principle that Charles H. Ham calls Manual Training. Like Jefferson and many other leaders of that day he advocated the abolition of slavery by law. But he did not wait for the laws. Of his own free will he did what the law did under bloody compulsion nearly a century later. He freed his slaves, and he did for his enfranchised what this nation has not yet done for its freedmen, black or white, he provided for the support of all the old and the helpless, and the education of the ignorant. We preach the equal rights of all to life, liberty, and the pursuit of happiness, but we practise an undemocratic, un-republican, unchristian, and inhuman luxury and monopoly created for us by the people at the cost of dehumanizing hardship and poverty for countless thousands. We do not dare look straight into the honest eyes of Washington. That was not the way he lived his belief. Before the war of the Revolution, he was, as Edwin D. Mead says, "admired by everybody; he was famous; he was rich; he was happy; he was the most successful and fortunate of all young Virginia squires." Four years later the rebellion was at its darkest hour; he, the arch-rebel, was as near despair as such a man could go. It is at this moment history credits him with the only humorous remark he is known to have made. Putting his hand to his neck, he said: "I wonder how it would feel to have a rope around here." His neck was the forfeit this gallant Virginia squire was willing to pay for living up to his belief that the Americans were fit for a social system far in advance of that they or any other people had hitherto enjoyed.

As usual, the dreadful and despised heresy of the last century has become the fashionable opinion of to-day. We see an Empire dissolve into a Republic in a night. We hear whispers of a Spanish Republic, a Portuguese Republic, a Latin Republic. We see the Kaiser running a race with the Socialists for votes at the polls of Germany, and we hope for a German Republic. We speculate whether the next ruler of our elder brother across the sea will be the Prince —or a President. To some of us it is not an impossible dream that the day may come of the United States of Europe. But Washington, and those who made him their head in peace and war trod this path plain for the world a hundred years ago. They made this republican egg stand up. These men, whom Gladstone declares to have been the most remarkable group that ever appeared together in history, if they were here to-day would be republicans, but they would be a good deal more. They would be republicans plus a hundred years' growth in their belief in liberty; in their belief that if one people are fit for it, all people are fit for it, because no people are fit for anything else; in their belief that if liberty is good in one thing it is good in all things.

Washington and the Fathers saw that the Americans had outgrown monarchy. If under monarchy men could grow to be fit for the Republic, for what still more glorious destiny is the Republic educating us? Political liberty is but the beginning of liberty. The freeman like the farmer must plant afresh every year if the world is not to starve. Our fathers put an end to the abuse of government by kings. We must put an end to the abuse of government by classes. If the Presbyterians—the Elect—can revise their creed, the charter that regulates their relations with God, we common people can revise the creeds, constitutions, and contracts which regulate our relations with the Lords of Industry. America it was seen a century ago had become too wise, too good, too strong, to endure any longer the abuse of the kingly power. Who will be the Washington to believe—and live his belief—that America has grown too wise, too good, too strong, to endure any longer the abuse of the money-power—the King George of our day? Caesar had his Brutus, Charles I his Cromwell, George III his Washington, and the money-power may profit by their example. Divine rights have been succeeded by vested rights which look on government as a kind of cow which no one has the right to milk but themselves. As long as it fills their pails with special privileges, land grants, contracts, railroad charters, tax bounties, we hear nothing about the old saw that that government is the best which governs least. But when the people want to get hold of the teats to squeeze out a few drops of justice, to prevent the new wealth and power of the new industry from oppressing the weak, and to establish a broader cooperation for the common good, then vested rights discover that a government which does anything is very dangerous. The only government which the new patriotism will tolerate is that which uses the co-operation of all to enfranchise the individual. Let the individual do what the individual can do best. Let the government do what the government can do best.

When Washington was being educated, every gentleman wore a sword. Now the nation wears the sword. The defence of the frontier and the maintenance of internal order are better done, and the rest of us are free to do other things. In the roads, the post-office, the public school, the people have set free an immense volume of individual power—of individualism—by co-operating to do what had anciently been done by each for himself. A traveller who has visited all parts of the world declares that in no other country do the faces of the people show so much intelligence and cheerfulness as in America. America has produced the highest type of individualism because its social cooperation is the completest. The greater the cooperation, the higher the individualism. And this co-operation of all for the enfranchisement of all is the Union, which must and shall be preserved. But the co-operation of all for the benefit of the few we are going to put into the rag-bag where Reform keeps the other old clothes of history. Government is but one branch of industry. It is the social industry. True government is the union of the labor of all for the protection of the life, liberty, and happiness of all. But living under a high death-rate in tenement houses, in full view of the unoccupied prairies, with wife and children forced to work to get enough food for the family, is not life; working ten to twelve hours a day, when the citizen wants to work but eight, signing ironclad contracts because he is hungry, and going without justice because justice is too dear for the poor, is not liberty; and getting a taste of concert music, and protection against accident, poverty, and old age only by the charity of the rich is not happiness.

The Fathers renounced the King George who taxed them on their tea without their consent. What would they do to-day when they found that there was a King George in every important industry, taxing the people without representation or consent? A sugar King George, whose sugar puckers a free man's mouth; an oil King George, a very slippery monarch; and a coal King George, quite a different fellow from old King Cole, who was a merry old soul; and a whiskey King George, who does not distill the spirit of freedom; and a steel King George, who is a great thief; and a twine King George, who will have rope enough left on hand some day to hang himself with; and so many other King Georges that we begin to understand the ancient fable of the Hydra which got two new heads whenever one was cut off. Washington cut off one head, but King George will not stay killed until it is finally settled in all industry as well as in the industry of government that no human being has a right to share in the product of another's life and labor without his consent, and that there is no consent where there is not a perfect understanding and as perfect freedom to say No, as to say Yes, as perfect freedom to withhold as to give.

In their remonstrance to the government of Great Britain, the Continental Congress said: "We will never submit to be hewers of wood or drawers of water for any ministry or nation in this world." For ministry substitute monopolist, trust or privilege, capitalist, and you have the battle-cry of this generation.

"The Parliament of Great Britain," said Washington, "have no more right to put their hands into my pocket without my consent than I have to put my hands into yours for money." Now almost every business has its Parliament which asserts its right to tax us without representation and to-day he would use precisely the same language regarding these persons or combinations of persons who are putting their hands into our pockets without our consent. Faint hearts who doubted the people proposed to Washington to make things right by getting a good king instead of a bad one. But his principle was the very simple one that there could not be a good king. Andrew Carnegie says to the monopolists of the world: Let us be good monopolists and we can reign forever. But the world replies: There can be no good monopolists. It is we the people, not you the privileged, who have the right to decide what is "good" for us, and to do it for ourselves. No comparison can be made between the arbitrary power against which our forefathers rebelled, and that which is grinding us. That was one tax without consent. Now scores of such taxes are laid upon us. That was not burdensome. These are driving the farmers and working men and business men of small capital to desperation. That was foreign oppression; this is worse because it is a domestic oppression by brothers who have been rocked in the same cradle of Liberty with the rest of us. Oppression is oppression whether it is foreign or domestic. King George was as hateful to Chatham and Fox and Burke as to Washington and Adams. The English cut off Charles I's head, although he was an Englishman. "Give a man power," said Alexander Hamilton, "over my subsistence, and he has power over the whole of my moral nature." That power the Fathers declared they would not submit to, and they would rebel against it today all the more quickly because it was sought to be enforced by Americans against Americans.

King George defended himself on the ground of cheapness. Threepence a pound on tea was nothing to make a fuss about. Cheapness is the defence made by our King Georges of the markets. Washington's healthy conscience and common-sense told him that if a thing was wrong it could not be cheap. When we buy these so-called cheap things the sellers make us throw in our honor and liberties "to boot" and that makes the bargain very bad and very dear. Monopoly we are told is economy. The destruction of free competition, the seizure by usurpation of irresponsible power, whether in government or other industry, the possession of privilege through force and fraud never have had and never could have any other effect than to enable the ruler to abuse his subjects. There never has been a monopoly which was not formed for the express purpose of arresting and reversing the tendency to cheapness. There is not in existence a monopoly, from the Western Union Telegraph Company to the Coffin Trust, which cannot be shown on overwhelming evidence to be drawing its dividends from dearness instead of cheapness. It is an insult to the intelligence of the American people to suppose that they believe that these buccaneers of trade are blowing up competitors, as the oil monopoly has done; shutting up works and throwing working men out of employment, as the sugar monopoly has done; selling the machinery of rivals for junk, as the nail monopoly has done; paying big bonuses to others not to run, as the steel monopoly has done; restricting production, as the coal monopoly has done; buying up and suppressing new patents, as the telephone monopoly has done; and conspiring in dark closets every month or so about price lists as they all do, with the intention or with the result of making things cheaper to the people than they would be if there were a fair field for every one. In the days of honest competition there was a certain rough justice in the maxim, The devil take the hindmost. The kind of competition the monopolies give us demands a change in its wording. Nowadays the devil ought to take the foremost. The men who succeed are just the kind of men the devil wants. And we who are the hindmost can well spare them.

The tax on tea did not make tea dearer in the American colonies than it had been. It was cheaper after the tax than before. But George Washington said: What is it we are contending against? Is it against paying the duty of threepence a pound on tea because burdensome? No, it is the right only we have all along disputed. The plea of cheapness made for our monopolies, even if true, would still be morally monstrous. It condones any crime which may be committed by those who conquer supremacy in a trade provided they let us share the proceeds. It says to the merchant, the manufacturer, the common carrier, Take possession of the property and business of your rival by any means you find handy. We will ask no questions provided you will sell us cheap what you get. The conscience which can be satisfied by this argument of cheapness would applaud King Ahab in murdering Naboth, and stealing his vineyard provided he would sell the stolen grapes at five cents a pound.

The Americans loved Washington because he loved them. It was said of Peter Cartwright, the revivalist, who shook the lightnings of Sinai over the campmeetings of the Great West—when there was a West—that it was not so certain that he loved God as that he hated the devil. The Americans love their country and hate those who are working its ruin. The Americans love their country, their government, the memory of the Fathers, and with rising wrath they are keeping watch over the treasonable practices which now threaten the sanctity and perpetuity of these memories and institutions. As intensely as they love Washington they hate those who would now destroy his work, and desecrate the glories of his Republic by making its dignities the decorations of their ill-gotten, worse-spent wealth. Deep into the hearts of his people have sunk his words: “The preservation of the sacred fire of liberty and... the Republican form of government are... finally staked on the experiment... of the American people.” And his warning: “The dangers to it come from ourselves!” The uprising of 1861 will be nothing to the whirlwind in which the American people will descend upon the new brood of traitors, when once they comprehend their purposes of destruction.

The rotten-ripe prosperity of America has bred a swarm of millionaire microbes, pestilence germs of plutocracy, the worst kind of grip, which are eating out the heart of our liberties. “You are a villain,” said Othello to Iago. “You,” replied Iago, “are a—senator.” Before our eyes we see beginning to revolve again, as before in human history, the vicious circle in which liberty turns in upon itself to be self-consumed. Liberty produces wealth, wealth destroys liberty. Ingersoll said lately that what a republic has most to fear is mobs. All the mobs that have ever raged in all the cities of America have not done half the damage to life, liberty, and property that is wrought every year by the coal conspirators of Pennsylvania who rob mankind of the stored-up sunshine of millions of years of the past. “The real enemy of the Republic is the foreigner,” cries Know-nothingism. All Americans are foreigners more or less; America was discovered by a foreigner, the founders of the government, when it was at its weakest and when the world did not know what a republic was, found foreigners good enough material to build up the Union with. Now we are told all our troubles are due to the foreigners. There is one comfort in such statements. They prove that those who make them are forced at last to confess something is wrong in the social life of America. The guilty conscience characteristically puts it on the foreigners, the most innocent, the most helpless, the weakest class of our people. The railroads of Chicago, nullifying the law at their crossings, killed more people, destroyed more values, and practised more anarchy than all the foreigners who ever came to America. The men who fought to destroy the Union were natives. Foreigners fought Americans to save it. One of our great pulpit orators said in this hall last Sunday: “The foreigners cry, ‘Down with the law,’” and he continued, “What law? We have none that impedes men or interferes with their liberty. Such laws went down in 1776.” But the guns of 1861 called our attention to some laws that had not gone down in 1776. To-day the discontent mingling with the hum of toil in field and shop gives notice that the growing people find themselves shut in on all sides by class laws which make our currency, roads, lands, franchises, labor, like the Roman provinces which were put at the mercy of a few proconsuls. If we are true Americans we must sustain all citizens whether of native or foreign birth in their right to cry, Down with such laws. And we who have been Americans for hundreds of years ought to have the courage to admit that these class laws are practically all the creation of Yankee greed, and that their most helpless and most numerous victims are our foreign fellow-citizens. A foreigner is an alien. The real aliens of America are not the poor and oppressed of other nations who accept our promise of protection and liberty and become Americans by choice. The real aliens of America are the natives, who, reared at the breast of liberty and endowed with all the treasures of freedom, are betraying their country for a few pieces of silver, and in our courts, legislatures, and markets are playing the parts of Judas and Benedict Arnold. These natives are the real foreigners, for they are alien by choice; the immigrant who becomes a citizen by choice because he loves and believes in liberty is the real citizen and brother. Our American Judases use the name American as a trademark “for revenue only.” They are the only foreigners whom the American Republic has to fear.

The conscience of the world has been appalled by the scandals which have of late years disgraced the politics, the finances, the administration of justice, the markets of this country. In not one of them has the leading part been taken by a foreigner. It is not the lawless foreigners, it is the lawless Americans who gave us the Pacific Railroad swindles, the Erie and Tweed rings, and all the others of that dreadful list. The central fire in the faith of the Fathers was that a free republic could absorb and assimilate and ennoble all the downtrodden, poor, and ignorant who sought its shelter. If our Republic has no longer this power it is no longer the Republic of Washington. A country in which the little boycotter, the working man who distributes circulars, goes to jail, while the big boycotters who suppress entire industries run the government, is not the Republic of Washington. A country in which the miners of Illinois and Pennsylvania are forbidden to dig coal, and grow thin for the want of corn, while the farmers burn corn to keep warm, is not the Republic of Washington. A country in which the public highways are private property operated for private profit and public robbery is not the Republic of Washington. A country which is owned by 250,000 millionaires is not the country of Washington.

A country in which more than one king has an income of hundreds of dollars an hour, day and night, weekdays and Sundays, while the farmers of Kansas get only fifteen cents a bushel for the grain it takes a year’s hard work to raise, is not the Republic of Washington. A country in which the hired man of the Union Pacific Railroad, chartered, built, and supported by the people, dares to say to the people of Nebraska: “Don’t you farmers make us railroad men mad,” is not the Republic of Washington. A country in which the people have at the elections only the right to be crucified between two thieves—who are not crucified—is not the Republic of Washington. A country in which so much as one office is bought and the sellers and buyers go unpunished, is not the Republic of Washington. A country in which seven railroads have by force and fraud become the owners of all the anthracite coal, and in which half a dozen men meet once a month to determine how much of the coal shall be dug for 60,000,000 free men, and how much tribute the free men must pay the coal barons for their artificial winter, is not the Republic of Washington.

A country in which the right of free speech and free assembly are regulated by the private temper of the policeman instead of the public policy of centuries of constitutional freedom is not the Republic of Washington. A country where people submit to industrial piracy, because the pirates sell their stolen goods cheap, is not the Republic of Washington.

What the people of America believe in, what the people of Europe came here for, is the Republic of Washington. And they mean to get it back from the plutocrats who are stealing it away like thieves in the night. They mean to get back the old and they mean to win the new. In what Lowell beautifully calls “that angel heart of all—the heart of man” is growing a new sympathy; a new susceptibility to wrongs hitherto unfelt, done by brother to brother, a new science which declares that these wrongs are a social evil which can be righted by social efforts, a new conscience which says since they can be, they must be so righted. There is rising a consciousness of a new social power which can do for the common good many things hitherto done for private greed only. With malice towards none, with charity for all, the union of the people, ever resistless, ever rising, moves forward to pay the debt it owes God and mankind for its hundred years of freedom and happiness. It goes to express the new pity, the new self-interest, the new patriotism in a Commonwealth fit to be the child of the Republic of Washington—more glorious than any the world has yet seen. When the American militia ran away from the British at Kip’s Landing, Washington called out to Heaven in anguish: “Are these the men with whom I am to defend America!” Yes, the gods replied, you shall make them such. To-day as he looks down to see us whom he loved so well passing by on the other side the poor, crushed by a new oppression, and holding our craven hands while the old enemy in a new dress destroys his Republic, we can hear him cry: “Are these the men with whom I am to defend America?” From millions of throats will come the answer. Yes. We will defend America. The eternal fires of your love and sacrifice lead us on.

VII. Uses and Abuses of Corporations.[11]

When the Pilgrims fled from England to the Netherlands for religious liberty, three hundred years ago, they found that almost everything in business and industry was done there by means of corporations. Holland was then the great storehouse of the western world, treasures of things and thoughts,—the halting place for the caravan of civilization and liberty on its way from the Roman Republic to Washington. The few carpets the English had at that time they used mostly as table covers; they ate with their fingers and threw the scraps into the rushes under the table. Englishwomen had not yet learned to starch their clothes, and the better class of farmers slept on straw on the floor with logs for pillows. Few gentlemen's houses had more than two beds. This general use of the corporation which the Pilgrims found in Holland dated about two hundred years before Adam Smith said in the *Wealth of Nations* depreciatingly, that the corporation—or joint stock company—could be used for banking, insurance, canals, and water supply only. Other corporations, he declared, could hardly fail to do more harm than good.

America in its institutions is quite as much the heir of Holland as of England, and in America today, to even a greater extent than in the Netherlands then, nearly everything is done by corporations. The corporation is the individual writ large. It makes it possible for the little person to become one with the mighty artificial person which works enterprises too vast even for kings. It makes it practicable for us to divide our wealth among as many baskets as we have eggs and to partition ourselves out almost infinitesimally. The stock-exchanges are the "delicatessen" shops where corporations are sliced up and sold in quantities to suit. By their help, the genteel citizen, or the unsophisticated widow or orphan staying at home in London or Boston, can be spinning cotton at Bombay, brewing beer in Chicago, and mining gold in Mashonaland, all at the same time, and with an equally impartial ignorance of all the processes in any of them. The corporation enables us mortals to put on immortality—for our works if not for ourselves. Banks never die, says Wendell Phillips, and railroad corporations never have any diseases. The corporation is a meeting place more tolerant than any church, more cosmopolitan than any nation, and more democratic than any state. Monarchs and republicans, the faithful and the infidel, Greeks and barbarians, Jew and Gentile join together on its common ground in cutting a canal between the Mediterranean and the Red Sea, or supplying New Zealand with railroads, or "Syndicating" the grain elevators of Buffalo and Chicago. In the corporation, only, so far, have been realized the dreams of international co-operation. Through it, the wizard inventor, the great administrator, an Edison, a Brassey, a de Lesseps can be the employee simultaneously of a multitude in all parts of the world.

William T. Stead's noble project for the union of all who love in the service of all who suffer is still being looked at by the philanthropic world much as the friends of Columbus looked at the egg he told them could be made to stand on its end. But meanwhile, the unaltruistic corporation plods along bringing together by millions those who wish to serve and those who need to be served. This new individual, the corporation, composite photograph of thousands of individuals, is the typical figure of American industry. To discuss corporations is to discuss the economic life of America in its most advanced aspects. As it is the perfected form for the conveyance of financial, commercial, or industrial energy, the corporation is the preferred instrument for the most active and aggressive of our industrial leaders. The corporation question is the social question at its sharpest edge.

It is said that a clergyman who appeared in one of the pulpits of Buffalo as a candidate was rejected by the congregation when they learned that though he had been in the city two weeks he had not had the curiosity or love of nature to go and visit Niagara Palls, and quite right the congregation were. Many parallels between nature and society would be revealed to the mind which made a sympathetic study of that mill-stream of the gods. Those who venture in boats above the Falls must keep ceaseless watch lest they be caught before they know it by the at first imperceptible, suddenly irresistible current. Nothing but unconsciousness of their danger born of ignorance of the facts, can explain the indifference with which our people are floating along on certain not less dangerous currents of American wealth and industry. This ignorance of the facts is hard to understand, since the people are reading these facts every day in their newspapers, government reports, and books, and in their lives. But to have eyes is not always to see. For many thousands of years did ships go sailing down below the sky-line, before there came out of the multitudes that watched them out of sight one with an eye able to see that the earth was round.

A million young men will be voters in America in 1896, within whose lifetime there has not been in several great livelihoods any freedom for the people. They were born, and have grown up to manhood, and during that time neither they nor their parents, nor you, nor I, have seen a day when the citizen was "free" as he would have been free in the generations before to choose any calling to serve his fellow-man. When these young men were born in the early seventies, no insignificant number of the bread-winning avocations of America had become and more were becoming enclosures for a few corporations or groups of corporations. In coal this movement was well along in 1871 in the anthracite regions of Pennsylvania. The great oil trust was practically complete in 1874, as its Secretary has told Congress. Every year since scores of other occupations have been driven into a similar corral. As early as 1875 when the coal combination was called upon to justify itself before an investigation by the State, its representative pleaded in excuse that almost every market in which they bought their supplies, from gunpowder to rope, was in the hands of a combination. When these million voters who cast their first Presidential vote in 1896 and 1900 were born, the number of these closed markets was perhaps a score. When the alarm was raised by a few scouts who thought it better political economy to record new facts than to thresh over old theories, the public was given the soothing syrup of the let-alone philosophers. The score has grown until now it would consume much time to merely read the list of these combinations and the commodities covered by them. The movement towards monopoly has not broken up as the theorist promised us. It has spread until now there are hundreds of things, absolutely necessary to modern life, which our 65,000,000 people can neither make for themselves nor buy of others except on terms as to which they have no voice. No pretence of denying this to be the fact is made. In his report for 1893 the Attorney-General of the United States, who was counsel for one of the most important of these market monarchies before taking the official place which he did not use to prosecute them, described these "aggregations of capital" as "so common at the present day" and as sometimes on "so large a scale as to practically control all the branches of an important industry." It has been the corner-stone of our society, the very breath of our industrial life, the gospel of our daily bread that the people should have "the right to work" at the occupation of their choice, and be protected in every market by the right of every one to serve every one else. This is the industrial basis on which our laws and institutions have been built, and it no longer exists. There is no longer the fact of competition. The protection of the public as laborers, producers, consumers by competition has come to an end. We go to the market but no longer as free men. It was announced a few weeks ago by the President of the Sugar Trust to "bulldose" Congress that all its refineries would be closed and fifty thousand men would be thrown out of work. The next day this was modified: half only were to be shut down. There was an anxious assembling of the men and their wives and children about the doors of the refineries in Brooklyn to see if there was to be a lockout. When the great doors swung open for the men to enter, they began their march with three grateful—and slavish —cheers. These sugar workers might migrate to Boston, Philadelphia, even across the continent to San Francisco, they would still be within the jurisdiction of the same employer, with the same plans, as at New York.

Coal, it has been shown by Congress, has been for years kept at an average of one dollar a ton more than a fair competitive market price which would pay full value for the coal, labor, capital, land, and transportation used to bring it to market. If you use twenty tons a year you pay twenty dollars more than you should. You pay it under compulsion; you must have the coal; you are not allowed to buy of any one but the members of the combination; you are given no choice as to the price. Your income is $2000 a year. On that single item of domestic supplies, one dollar in every hundred has been taken from you. You have two weeks' vacation; and work in your office or store fifty weeks in the year. For one half of one of those weeks you work to make twenty dollars to pay over for no consideration to the members of the hard coal combination. That is the excess price. You have already worked three weeks, nearly a month of your ten working months, to pay them the $100 your twenty tons are worth. But you must work half a week more to give them twenty dollars of your money to add to their pile. When the coal trust raised the price of warmth and life at the opening of winter a few years ago,—$1.50 a ton in a few weeks,—a sentence of death upon more men, women, and children than perished under the guillotine during the whole of the French Revolution, some of the unsophisticated English papers predicted a revolution. They did not know how strong are the backs, and how long the ears, of their American cousins. It is of no use for God to try to give the people of this country a light winter, except for His own amusement. These members of the coal trust are themselves creators—creators of winter, and they can make it as heavy as they want to, no matter how much He may try to make it light for His creatures. You eat meat, unless you are a vegetarian, and if you are a vegetarian, the fruit pool, and the flour combination, the prune cornerers, the local milk exchange, and the grocers' guild will collect their income tax of you. Your butchers' bill is perhaps thirty dollars a month, three hundred and sixty dollars a year. Your meat comes from the Big Four packers of Chicago—whom the investigations of Congress have shown to control the dressed meat business of the country; your butcher has to buy of them, and they regulate with mathematical precision, by the price they charge him, the price he must charge you. Not less than another twenty dollars of your year's income goes as unearned increment to the Big Four. If you don't like to pay it you can buy a "beef critter," as the farmers say, kill it yourself, and salt it down. That was good enough for your grandfather. There goes another half of a week. Forty dollars of your income gone, and yet you have satisfied the claims of only two combinations. You have done forced labor for them for a full week. You might have needed to rest that week; you could perhaps have found some way of spending that forty dollars on yourself. There are some books you have felt as if you could not quite afford; your wife has possibly denied herself something—what wife does not? Have you been able to give the children every advantage you would have liked them to have? You can call on some magnate in Delaware, Lackawanna & Western, some one of the tenderloin millionaires of Chicago to back up your prattling declaration to your little boy and girl that you would like "ever so much" to give them that pony, or that bicycle, or that party, but you have n't the money. *Their* pocket-books will vouch for it that you have not the money. A week of your year has gone to satisfy the overcharges of two syndicates, and there are hundreds.

When the memorable storm against monopolies broke out in the last Parliament of Queen Elizabeth, a list of them was read. It would do today for a list of our monopolies, except that it is not long enough for us. We have more things, and consequently more monopolies. The House of Commons, says Hallam, was amazed. “Is not bread among the number?” asked one of the members. “If no remedy is found for these,” he said, “bread will be there before the next Parliament.” Our bread is on the list. For all the snowy whiteness of its wheaten drifts, not a loaf comes to our tables which is not black bread, black with the curse of the only labor that is cursed, forced labor, —labor forced out of us, since we must pay a price made arbitrarily and artificially by those who control almost every movement of it from the Red River Valley to every household,—the railroads, elevators, millers, bakers. In the attempt to form a California wine trust we have the beginnings of an American family of Dukes of Burgundy, and the whiskey trust, twenty years old, was the installation of a republican dynasty of Bourbon kings.

In Austria you can travel in a luxurious corridor express from Vienna to Fiume, 750 miles, for $4.90, second class, the equivalent of our day coaches. Under the zone system in Hungary, you can travel 900 miles first class for $5.40. At those rates you should pay less than $6.00 to go from Chicago to New York instead of $20.00. Our railroads, said Howells, one of the most distinguished American men of letters, are highways and their owners are highwaymen. The Western Union Telegraph Company raised its rates 300 per cent after the close of its war with the American Union. You can have a telephone in New Zealand for $25 a year; in Norway, for $15 to $25 a year. The American government at Washington runs its department telephones at $10.23 each. In Toronto, Canada, $25 a year in a private house, and $45 for a business office is the maximum charge. This is made by the same Bell Telephone Company which in New York has been charging $180 a year for residences, and $240 for offices. Some of us have telephones both at home, and at our place of business. Where our Canadian friend pays $70 for both, New York pays $420 for the same service by the same corporation. This difference of $350 is an item large enough to be considered even by a very rich man. If the telephone company can afford to do its work in Toronto for $70 a year, and besides pay five per cent on its gross receipts to the municipality, if it takes $350 more in New York, from you, it is because it can; and you pay because you must.

A working man in Toronto can ride to his job in the morning and back at night for 6¼ cents. In Chicago he must pay 10 cents. I was one of the arbitrators in a disagreement two years ago between the carpenters and employers of Chicago. The evidence we took showed that the average annual income of the men was $600 and that of this about $20, one dollar in every thirty of their earnings, went to the street car companies. The difference between this and the fares in Toronto is roundly three days’ wages in a year, and that for men who ride only 200 days in the year. Half a week must the carpenter.work to pay the traction syndicate the sum it demands of him because it has the power, and for which it gives him no equivalent whatever. The Toronto company out of the 4 cents it charges the general public, buying twenty-five tickets at once, the 2½ cents it charges children, the $3\ {}^1/_8$ cents it charges for working men’s tickets, provides accommodations of a character beyond anything we know in this country, pays $800 a mile yearly on every mile of single track, runs no Sunday cars, and pays a progressive tax on its gross receipts amounting to $600,000 if they reach $3,000,000 a year, and distributes handsome profits to its stockholders. In Detroit, the Detroit Railway—operating in the least profitable part of the city, the outskirts, in the streets that the other company had not thought it worth while to gobble up—found the cost of hauling a passenger only about $2^1/_3$, cents, and it made a profit of $5^1/_3$ per cent on its total outlay, though it sold its tickets at an average fare of only about $3^1/_3$ cents. Mayor Pingree transmitted to the Council an offer from this company to do all the street car business of Detroit at 2½ cents a passenger, if the city would put it in possession of all the tracks by condemnation: and it agreed to pay the city a full rental on what it might cost the city thus to get these tracks.

All these facts support the opinion of Dr. Albert Shaw, editor of the *Review of Reviews*, our chief authority in municipal science, that our cities, great and small, “are entitled to terms quite as favorable as those that the business-like Mayor and Council of Toronto have secured for their municipality.” To thousands of little working girls in our cities the difference between what the street railway company charges them and what they would have to pay in Toronto or Glasgow or Detroit is about half a month’s wages. Manifestly the political economy of Detroit comes nearer than ours to enforcing the law of freedom in the market,—the law that both sides shall have a voice in fixing the price,—the law that the service which is given shall be equal to that which is demanded, the law that price shall cover only a just compensation,—the law which is the cornerstone, and all the foundation, and most of the superstructure of the freedom of man in society.

We are told in the name of the “scientific” method that we must get “more facts” before proceeding to the work of “reform.” There are too many facts already. This demand for “more facts” comes loudest from those who will neither use nor interpret the facts they have. Their only use of facts is to shelve them. Germany has a school called the political economists of the chair. America has the political economists of the pigeonhole. When the fact that the house is on fire is known, the “scientific” thing is to put out the fire. We can resume our researches for “more facts” as to the science of combustion afterwards.

Free citizens cannot be made out of market slaves. We go on repeating, as if we were back in the days of Adam Smith, the formulas of competition, as the protector of society and the individual. We cry Competition, Competition! But there is no competition. We boast of freedom but do forced labor, without receiving any return, at the dictation of those who have obtained the power to deprive us of the necessaries of life, and of luxuries even more important. Is not this to have masters, and what is the proper name for people who submit to work without pay, under force, for those who have no rights over them? We fill our magazines, and economic quarterlies, and daily editorial pages with expositions of the perils of concentrated wealth, and yet go on building up, by our daily toil, its vast pyramids. This extra cent on every street car ride, this cent a pound on sugar, this two or three cents a pound on the beefsteak, these thousands of exactions great and little on our eating, drinking, working, playing, travelling, studying, resting, from our cradle to the grave,—these are the concentration of wealth. That which discloses itself to the public view as a gigantic fortune rolling into one strong hand has its sources in rivulets flowing from every household and place of business.

Eminent political economists and publicists admit that numbers of industries have passed under the predominance of great capitalists and corporations, and defend them as having made their wares cheap. “The scholar who defends monopoly,” says Emerson, “is a traitor.” If it were true that cheapness is ever the result, it is not to the point. Freedom is the first cheapness. Louis Napoleon could plead that one *coup d’état* was cheaper than a presidential election every few years. But these arguments and statistics of “cheapness” are full of fallacies of fact and logic. These commodities are cheaper: therefore they are cheap—a *non seguitur*. They are cheaper: therefore these combinations have made them so—another *non sequitur* of the *post hoc ergo propter hoc* variety. These combinations have given us cheaper things: therefore they are right—worst *non seguitur* of all; uneconomic, unethical, to the last degree. Piracy also brings “cheap” things to market. One of the most distinguished advocates of the trusts writes me: “I say nothing about their interference with legislation or their method of dealing with legislators. They may be bad, or they may have been forced upon them by the interference of legislators with their legitimate work. I have given no special attention to this side of the question.” To praise a seller as the giver of “cheapness,” to hold up his achievements to the admiration of mankind and the emulation of the oncoming generation of business men, and at the same time to ignore the libraries of evidence that this market power, in not one alone but in almost all cases, has been largely gained and is maintained by perverting legislative, judicial, executive, and social functions from the service of the public to that of privilege, and sometimes even by grosser crime,—is this economic? Would a true political economist have to wait for the moralist to learn that a nation does not buy its fuel, transportation, light, etc., cheap at any price when it has to throw in the virtue of its government, the independence of its citizenship, and the market freedom of the people? One of the defenders of the system of market control by our great syndicates said once in a public discussion in Boston that if one did not want to pay the price asked by them, he need not; he could go without the commodity. As this movement is strongest in articles that are necessaries of life, physical and social, this means simply and baldly that the people have the remedy in their own hands for these wrongs, and that the remedy is to do without the necessaries of life—self-extinction! This philosophy and that of Tolstoy in the *Kreutzer Sonata* agree in the recommendation of solving the problems of existence by withdrawing from existence. It is only a question of time when the people will perceive it to be intolerable to buy their commodities of those who allow them no voice in the bargain but that of suicide.

Nor is that cheap from the point of view of the whole society—the only true economic point of view—which gives lower prices or more things to some of the people at the cost of want, bankruptcy, and loss of hope to others. These have been the prices which have been paid by millions of the producers for the so-called cheapness of which our market manipulators boast. But even the "cheapness" which these defenders allege, and for which they are willing to swap all virtue and all safety is fairy's gold, turning to dead leaves in the hand. There is no such cheapness. We can believe in the cheapness of these vast aggregations when we see it distributed to the people in still lower prices instead of being piled up in unparalleled fortunes. The mother-wit of the people knows that prices are not cheap which produce ten-ply millionaires. The decline of prices has been universal and severe in all commodities. Statistics prove that prices after syndicate control was obtained have gone down less rapidly than before; that such a price has declined less than the average; that a combination has widened the margin of profit between cost and selling price. Hundreds of cases are known where cheapness in the case of a market combination has been brought to communities by competition; and hundreds of cases where, when this competition was destroyed, prices were raised. David A. Wells, in *Recent Economic Changes* (1889), elaborates the familiar contention that "the tendency and the interest of every successful manufacturing combination is to put the prices of its product down to a figure where it will not pay for speculators to form new competitive stock companies to be bought off or crushed by it." This assurance to the people that they are fully protected by the possibility of competition is constantly given by those who minimize the dangers of market domination by great aggregations of capital. The assurance assumes that if competitors did desire to enter the business they would be free to do so. But there is no such freedom. Repeatedly—repeatedly is too weak a word; habitually, the railway managers of the country are seen forbidding competitive coal, oil, elevator, grain and cattle, dry goods and other enterprises, which would interfere with the established business of their rebate-receiving favorites. It has been shown only this year by an investigation before the Interstate Commerce Commission that two of the greatest railroads in New England were thus driving out of business a small competitor of a great trust by charging him twice as much freight as they charged the trust. This railway discrimination is a universal feature of private ownership of the railroads in America; and where it exists— that is, everywhere—not only actual competition but the prospective competition which the political economists tell us will protect us from dictation in the markets, is shut off.

Even if it were true, which has never been proved, that these powerful market rulers give us cheapness, no self-respecting people, no prudent people would accept cheapness as a gift, or a concession, or a display of moderation or shrewdness. This is a question of wits; not of statistics. If the wits of the American people are such that they are willing to see arbitrary power to fix prices pass into any hands—no matter how pious or philanthropic, or moderate—they may be sure of one thing: prices will not remain cheap.

But prices are not cheap. A very large number of the necessaries of life are now controlled in price by combinations of capitalists. If they have made things cheap, living is getting easier in this land of sunshine, fertility, riches of nature, and the most intelligent and industrious people in the world. Is living growing easier? Is employment getting easier? Is property for old age, is independence for middle life, easier to get? The truth is the people of this country are being bled to death by the exactions they are forced to pay on their food, fuel, power, heat, light, telegrams, telephones, freights, travel, street-car rides, insurance, and hundreds of other things without which life in this modern world would be impossible.

It is only lack of wit and lack of civilization that lead the community to buy cheap of a market invader who puts prices down only to ruin a rival and gain the power of putting them up afterward. Authentic cases, innumerable, can be recited in which this has been done, not by one combination but by scores. This cheapness is a Grecian gift; this competition is a finer kind of assault and battery; these cuts in prices are homicidal. The orthodox scientific political economy is that there must be service for service. The man who by force of arms takes from his fellow brings himself within the sphere of the criminal law, but he is no worse than they who use superior money-power to sell below cost to get the business of a competitor and deprive the public of an open market. It was once not only honest but admirable to get property by physical violence; but this regime is now the Old Regime—except between nations. The world-wide discussion of market ethics proves that civilization is awakening to the fact that there is an economic violence as well as physical, and is on the point of advancing to the higher law which will find a suitable terminology and effective penalties for those who appropriate the property of rivals and of the community by fiscal force, without the service due for service and to the injury of their brothers and the people.

"We do not pretend," the men who have elected themselves our price legislators say, "to be benevolent; but we claim that we are shrewd, practical business men, sharp enough to keep prices down so that although competition is killed off, the public shall have cheapness while we make our millions out of a narrower margin between cost and price than the smaller man could afford." To which there is but one answer possible to a true American:—All human experience teaches that power without control cannot be trusted—economic power even less than ecclesiastical or political. "Monopoly," says Gibbon, "has always been barren, greedy, and oppressive." "Whoever controls a man's means of living," said Webster, "controls his will." In any age where uncontrolled power is, there is the crisis. In our times it is in the market that uncontrolled power has arisen—and there is our crisis. A people who pay prices in which they have no voice are doing a servile and degraded thing—whether the prices be cheap or dear; and if they continue paying such prices-—taxation without representation—they will become a servile and degraded race. To this syndicate you give an hour of your bread-winning time; to that a day; to that a week. Each of these is the payment of an indemnity because, like the Chinese at the end of the war with Japan, you are at the mercy of a conqueror. Each of these is a servitude. Adding these days and weeks and hours of peonage together, you will begin to realize how large a part of the income of the average American family is thus taken from it as tribute. This is why times are hard, employment scarce, careers closed to college graduates, in the richest country the sun shines on. You have no voice, no representation. No one is allowed to get near you with an alternative price or an article that might suit you better. You know the story of the old cobbler who was told by his restive apprentice one June day, that "the trout are biting now," and who replied that if he kept close to his work, they would not bite him. He could not give us the same assurance as to these big fish of our waters. It is precisely when and where we stick to our work that they bite us. The whole elaborate fabric of mediaeval contrivances and regulations by which our ancestors made a good show of holding their rights in the market is gone. Its successor, our system of protecting our market rights by the interplay of competitors, is gone, and the competitors have become conspirators. The conspirators have made themselves masters of our means of industry, and our means of life, and decide without asking us what we shall produce, and how much, and what share of our product they will take for themselves, and what they will leave for us. This is the plain English of the "uses and abuses of corporations." This is what the control' of markets and industries by great corporations means to us. This is the translation into our daily experience of the statistics recently published by a high official of the United States Census showing that seven tenths of our wealth is owned by less than one tenth of our families. "If Christ came to Chicago," says Mr. Wm. T. Stead. If Washington came to America, what would he say to the descendants whom he found submitting to this? What would John Adams say who wrote such entries as this in his diary from 1765 to !775: "Christmas.—At home, thinking, reading, searching, concerning taxation without consent"?

There was once a Boston which would not surrender to a tyranny because it was "cheap." When the stamp tax was put on tea, the price fell. Nothing could be cheaper than that—a tax of less than nothing. But you can read in the *Memorial History* how the people of Boston, with the selectmen at their head, compelled the stamp-tax Commissioner Oliver to burn the hated stamps in the public square and promise never to try to give the Boston of that day any more of that kind of cheapness. There will be such a Boston again.

Nothing is more singular than the impression which is practically almost universal in "society" that what is called the "labor question" is the laborers' question. The inhabitants of the graveyards of the world in all ages, with many ingenious variations of phrases, have invited the living—

To view the place draw nigh,
Where you must shortly lie.

The working men in their suffering and resistance are only the pioneers of all the rest of us. As the weakest class they have felt first and worst the pain caused by the ossification of competition into consolidation. But we are all caught in the same current. Merchants and manufacturers once independent men pass from the place of competitors to that of employees; and employees are made superfluous by consolidation on consolidation and turned out to tramp the streets in answer to "Help Wanted "advertisements. There can be only a few millionaires; and the country that begins by producing millionaires will end by reducing every one else to the proletariat. There can be no middle class.

Murder, says De Quincey, in one of his inspired paradoxes, leads to stealing, and stealing leads to lying. The people that surrenders its livelihoods will come to find that its parties like its livelihoods are being run by syndicates, and they who run the parties in government by parties, run the government. Such a people within its parties will have as little to say about who shall be County or State or National Committeemen, or who the nominees, and what the platform shall be, as they have had about who the Captains of their Industry should be, or what proportion these should consume of the wealth created by all. Such a people will see its own money taken from it in the markets by industrial taxation without representation, used by the takers for campaign contributions to both parties, to bay the government away from the citizens.

In the late New York Constitutional Convention at Albany (1894), the place of President was held by the attorney of one of our great market combinations. He was also a member of the combination. He had the appointment of the committees, and of the chairmen of the committees. Nothing could get to the convention except through the committees. It was found impossible to bring the subject of the protection of the people in their livelihoods from these great combinations to a vote before the convention, and the new constitution of New York therefore is silent upon an issue so great that sixteen of the States have amended their constitutions in the hope of providing a remedy. Such a people will find that those who accumulate hundreds of millions by crime, adjudicated crime, are not troubled by attorney-generals and judges, and can laugh at requisitions and extraditions. No one goes to prison, some one has said, because he has stolen, but only because he has not stolen enough. Such a people will be easily persuaded that the immigrants, foreigners, anybody but itself, is the author of its woes. *Humani nihil a me alienum puto*—"Nothing human is foreign to me," said the ancient lover of men. *Alieni nihil a me humanum puto*—"Nothing foreign is human to me," says the modern American Know-nothing. Finally the earth beneath the feet of such a people will begin to quake with the convulsions of insurgent misery, and it enters upon that last stage,—the standing army stage,—in which peace by force takes the place of peace by reform. This is the stage at which a people, as one of its historians said of Rome, is unable to endure either its evils or the remedies.

On this side of our social evolution we are not yet a people. There is not yet in its industrial life an American people. The general body of citizens is not yet an association capable of common action for common purposes, and by an immutable law of social mechanics, until the people learn thus to unite they will be ruled by those who can unite. There is a stove trust "people," a National Bankers Association "people," a steel-rail pool "people," and several hundred other "peoples" of that kind,—not yet the people's "people." But this has been conceived, and will be born in the fulness of its time.

"I observe," Edmund Burke said, "that the generality of men are fifty years behindhand in their politics," a truth which Disraeli flashed at a slightly different angle when he said: "Predominant opinions are opinions that are passing away." This is the situation of the American people today. They are, to use the expressive phrase of our friend, Rogue Riderhood, "Poll-parroting" the formulas of fifty years ago, while the facts on which those formulas were based have flown forever. This change of circumstances is the fundamental fact of our situation to-day, economically. The economic fault of our" situation is that a few have obtained unchecked power: the ethical fault is that every one would like to get it: the political or social fault is that those who have this industrial control are driven by the necessity of their situation to add to it control of everything by which it could be attacked,—Congress, the judges, presidents and governors, newspapers, schools and colleges, social leadership. Education is as fatal to a monopolist as to a priest; he must dominate it. But, courage! Voltaire and John Knox and Martin Luther were educated priests!

All the money losses, market, political, and social tyrannies and miseries we feel, and those we see coming, are the results that any student of history would know must result wherever unchecked power over the many has slipped into the hands of a few. Power can never halt itself. Market power stands to-day unchecked by mediaeval regulation or modern competition. It has become arbitrary power, with all the progressive appetite for everything in sight that arbitrary power has always shown. These are our real up-to-date politics. But like the generation Burke observed, our social philosophy is fifty years behindhand. Even the Englishmen of three hundred years ago would not submit to pay prices in the making of which they had no representation nor endure the abolition of the right to work. When Queen Elizabeth opened her last Parliament in 1601, the members who had been accustomed to receive her with loud welcome stood sullenly silent while the Speaker kissed her hand. The Queen asked for money; the Commons replied by presenting a little bill of a dozen lines—a popgun bill—for the abolition of the monopolies, which the kings and queens of England had been in the habit of granting to their favorites. A debate of unprecedented freedom broke forth in which every tongue was unloosed. The members vied with each other in describing the extortions which were practised in the prices of the monopolized articles—many of them of general necessity— and dwelt on the ruin which was creeping over nearly every branch of industry. The debate lasted four days, and it was the hottest Parliament had ever heard. The scene was a remarkable one; it was the first serious assertion of the rights of Parliament as representatives of the people against the Crown. "It was the herald," says Douglas Campbell, "announcing the dawn of English constitutional liberty." These members of Parliament were doing a brave thing. A dungeon in the Tower for the members who dared to raise questions of public grievances, and the summary prorogation of the whole body were the usual methods by which the Throne in those days kept its prerogatives out of discussion. When the Speaker of the preceding House of Commons asked Queen Elizabeth for liberty of speech for the members, she replied that they should have liberty to say Yes or No, no more,—"Not to speak every one what he listeth or what cometh into his brain to utter." Their privilege was aye or no! But the people had found the loss of their freedom in the market unbearable, and that Parliament was *a* congress which represented the people. The theatre, holding the mirror up to nature, reflected the feeling of the people on this subject. Several of the most popular play-writers gave the general hostility to industrial privilege a voice on the stage. Ben Jonson did this in his well-known play, *The Devil is an ass,* as the devil certainly is if he thinks he can keep his preserve to himself. The courtiers tried to divert the angry House into petitioning the Queen, instead of legislating. But it refused. It had petitioned without result, it said, now it would have a statute. The Commons would not be put off or put down. These privileges, they said, brought "the general profit into a private hand." While some had no practical effects, "all monopolies were hateful in principle." We know where some of the logic of to-day came from when we hear Sir Walter Raleigh "in a sharp speech" defend his exclusive right to mine tin because it enabled him to pay the miners better wages. Elizabeth had to retreat. She saved the Crown the danger and ignominy of the passage of the bill by promising to revoke the obnoxious grants and make no more. The members of the Commons then went down on their bended knees to the Queen and poured out the thanks of the nation, as if they were addressing the Deity, in language, says Lingard, "little short of blasphemy." Elizabeth did not keep her promise. But this uprising of Parliament was the real death-blow of the system, and it was finally put out of the way by the Statute of Monopolies of 1624. Burke said the people were fifty years behind in their politics. This episode shows that we are more than fifty years behind. Mark Twain once met a friend in front of one of the churches of Hartford just as the latter was looking at his watch. "What are you doing?" said the wag, with make-believe anxiety. "Only looking to see the time." "That's all right," replied Twain; "I was afraid you were setting your watch by that church clock, and that is three hundred years behind time." Like that clock we are three hundred years behind.

It makes no practical difference to the people whether the reason they are not free to go into the tobacco business is because an exclusive privilege has been granted by a queen to her favorite, or because it has been won by a group of capitalists using rapid-fire bank accounts in a market war as batteries to destroy competitors and compel the community to pay perpetual indemnity.

Queen Elizabeth had to yield because she was visible and tangible. Our purveyors of market privileges and domination are legislatures and corporations where individual responsibility and get-at-ableness is lost in multitude. But the concentration of wealth is bringing forward into view again the responsible few, so great and conspicuous that their forms show above the corporation vesture. And the methods of these dictators as in Elizabeth's day are exciting the popular anger, which will again rise against them irresistibly. The one thing the tyrant, in economics and politics, can always be sure of accomplishing is the education of his own destroyer.

This is not a question between the good and the bad. We are all of us good; we are all of us bad. This crisis is not the old issue of the elect and the damned, presenting itself in the economic instead of the spiritual world. Chicago and San Francisco are connected by three thousand miles of an unbroken wire, and messages placed on one end of the wire are received at the other literally in the same second in which they are sent. Time has become so precious that it is cheaper for a Chicago business man to talk to his clerk in New York by telephone by the hour at the rate of forty dollars an hour, than to communicate by mail for two cents. The masses of men have become so docile, peaceable, and trustworthy that they can be left by absentee owners in the possession from year's end to year's end of properties like our railroads worth thousands of millions, and entrusted with the collection of hundreds of millions of revenue. Business honor and responsibility are so developed that bankers as a regular thing, every day, loan millions on call without security, by certifying the checks of brokers dashing in and out of the rapids of Wall Street. Mankind is grown to a high power of collective action. The great facts of business are collective. The conquering minds have appropriated this new social power to their own advantage. Seen first by the few, these powers have been used for the few. The many will come to see them and use them for the many. Our task is not to destroy the individual or his self-interest, both of which are sacred, but to set over against it, in the composition of forces, society and a social self-interest.

It is only from the public, as Howells has finely said, that the public has a right to demand public spirit. Even in violating the Interstate Commerce and Anti-Trust laws and coining crime into income, our great business criminals are no worse, in the light of the higher law, than we who violate the laws of brotherhood and humanity by our daily struggle to get wealth and luxury for ourselves out of the co-operation with us of those to whom we leave and mean to leave only the starvation share like the ten cents an hour of the workers in the steel mills near Chicago or the sugar refineries near New York. Too much of the public talk against wealth, combinations, syndicates, trusts, even the crimes of competition, is the voice of a dog barking at himself in a looking-glass. When he takes himself off, the other dog will disappear, and there will be nothing left to bark at. Society gains nothing, says Emerson, while a man not himself renovated attempts to renovate things around him. The true reformer does not come to discourage men with the false news that they are worse than they were, but to wake them to the new powers to which they have grown while they slept. No sun rises that does not see the world better than it was when it rose the day before. It is hard to make the people believe in their divine origin and divine destiny. They are possessed with a vague terror, more animal than manly, that to reform we must pass on into some new regions of nameless perils. One of the noble inscriptions on the peristyle of the World's Fair said:

> But bolder they who first off-cast
> Their moorings from the habitable past,
> And ventured chartless on the sea
> Of storm-engendering liberty.

To the masses the chartless sea of liberty is like the encircling ocean of imagined monsters and death, which kept our ancient mariners close to shore till there came hearts high enough to lead the way to prove that in the unknown there were the same sun and sea, and life and hope as in the known. Reform requires no new human nature, no Utopia. Human nature has always pitied, loved, aspired, created, emancipated. "Human nature is looking up a bit." There is but one man on this earth, and all history is the record of his self-emancipation. Every age produces its due percentage of reformers. The legends of Perseus and Theseus show us the reformer hard at work in the pre-historical mists. "To the souls of fire," said the helmeted Pallas Athene to Perseus, "I give more fire,... I drive them forth by strange paths, that they may fight the Titans and the monsters, the enemies of gods and men." Hercules killed all robbers and evil beasts, and drained great lakes and marshes, breaking the hills through with his club, and Theseus cries: "Where can I go to do as Hercules has done? Where can I find robbers and monsters and the children of hell, the enemies of men?" The nymphs danced and sang by the springs on the Spider mountains, and begged him to stay but he would not. "I have a great work to do," he said. Every age has its Gorgons, that turn men to stone, and its beasts that live on tribute of maidenhood, its Minotaurs who feed upon the flesh of men, and every age has its Theseus and Perseus, aspiring to say as Theseus said: “Have I not slain all evil-doers and monsters that I might free this land?” Hampden and Pym “wasted their bodies” the contemporary chronicles tell us, in going about to stir the people against the ship-money tax. “I will not retreat an inch, and I will be heard,” said William Lloyd Garrison, two centuries later. The literature of Europe and America to-day deals to an extent no literature ever did before with the economic affairs of its day—sure sign of change.

Our crisis is made by the fact that a great change has taken place in the facts of our environment in industry. “The industrial revolution,” Toynbee calls it. Our facts and philosophy have parted company. The freedom of the markets has gone, but the everlasting will to be free never goes. “The Frisians,” said their statute books, “shall be free as long as the winds blow out of the clouds.” Not because they were Frisians, but because they were men. Wealth, corporations, property, division of labor, machinery, competition, individualism, combination, self-interest, all of these are excellent, and “as God lives, what’s excellent is permanent.” But they must all be for man, not man for them. Their present administration by a few with claims of arbitrary and exclusive power constitutes a situation which has never arisen in history but that the people have begun the very first day to break it down. Monopoly, either in politics, religion, or industry has always been intolerable. No people has ever submitted to it. For though it is the human nature of the individual to seek monopoly, it is the human nature of the many to defeat it.

VIII. The Sugar Trust and the Tariff.[12]

One of the optimistic things about this day of ours is the number of its institutions that are breaking down, and the breakdown of government by politics, evident everywhere, has received no sharper illustration in any parliamentary country than in the United States in the special session of Congress just closed. This Congress was literally not allowed to do anything outside the usual appropriations but pass a Tariff Bill. When the lower House was organized, its Speaker,[13] who could have given points on the training of refractory assemblies both to Charles I. and Cromwell, refused to allow it to organize for any other purpose than the passage of the tariff. It was a body sovereign to itself in its own procedure, but the Speaker had the initiative in the appointment of the committees through which alone business could be brought before Congress, and these committees he refused to appoint. Once in the early days of the Republic when the clerk of the House sought to prevent its organizing by refusing to call the roll, and kept the members for four days in helpless turmoil, old John Adams, when the last moment of endurance had come, rose and said, "I will call the roll." He called it, and under his lead, the House, throwing its anarchistic clerk to one side, got itself together and went to work. But there was no heroic John Adams in this Congress, and apparently none of the old spirit he appealed to. Some of the members of this House sputtered about "Czar" and "Tyrant," but no one did anything, and the plotters for whom the Speaker thus acted had everything their own way. The Tariff Bill the House passed was not prepared by the House. No one pretends that it was. The House never really debated it, for the bill went to the Senate only a fortnight after it was first reported. The bill was not prepared by the Ways and Means Committee but for it. It was the careful creation of the experts of the special interests which demanded it as the *quid pro quo* of the campaign contributions they had made. The House was not allowed by the Speaker to attend to anything but the tariff until that was ready to send up to the Senate; after that, it was not allowed to do anything. The Tariff Bill went through the House in two weeks and got to the Senate early in April, but it was debated there until the end of July. In the long interval of more than three months, the popular branch of the national legislature went through the farce of meeting every other day in the week to potter over an Appropriation Bill, and adjourn to meet "the day after to-morrow." There was no lack of pressing and burning questions in the political affairs of our 75,000,000 of people demanding the attention of the legislators. But the real rulers had determined that there must be no disturbance of business by interference of the people's representatives in the people's concerns, and there was none. The House was as really dispersed for all practical purposes as if some one of the Lord Protectors of monopoly, who are kindly running for the people the industries which they feel sure the people are not capable of running for themselves, had entered the House of Representatives, stationing Pinkertons instead of Puritans at the doors, and had bade the members begone. The inactivity of the House and the activity of the Senate were equally subservient to business. The tariff as passed by the House was to take effect immediately. The first thing the

Senate did was to put off the date until June and later to July. Why? To gain time to improve the measure for the benefit of the taxpayers? For a Senate which in every vote decided against the public and for the privileged, and which in every move was a vane to the breath of monopoly, some more practical motive must be sought. In a tariff full of scandals the greatest scandal was the sugar schedule, which put all the revenue machinery of the government at the service of the Sugar Trust, to assist in depriving the people and the government alike of revenue. The use the Sugar Trust, as a matter of fact, made of this postponement of the day on which the tariff was to take effect, illuminates with the vividness of one of our men-of-war searchlights the reason for the delay. It enabled its shrewd managers to rush all the raw sugar that could be found on sale in foreign markets through our custom houses before the higher duties were levied. One of the clearest explanations of all this was made to the public by a remarkable petition sent to Congress by General George A. Forsythe, of the regular army. General Forsythe served with conspicuous gallantry through the Civil War, and he has displayed, perhaps, a greater bravery in facing, with this exposure, the displeasure of the all-powerful interests at Washington on which, as an officer of the army, his future so much depends. Unwilling to rest in silence before the betrayal of the people by their sworn trustees, and unable to endure the apathy with which this seemed to be met, General Forsythe led a forlorn hope of one, and laid before Congress the results of a thorough investigation of the whole matter in the shape of a very earnest petition to it, not to put the people again at the mercy of these cornerers of sugar. He presented convincing evidence which he had gathered that once before during a debate on the tariff the Sugar Trust had been able to pocket between eight and nine millions of dollars at the cost of the government and the people. This they did by hurrying forward special importations of raw sugar during the preparation of the Wilson tariff of 1894. He proved also that at the moment of his petition the trust had its buyers in every market of the world to purchase raw sugars which were being imported and stored in American warehouses to escape the higher duty expected. He showed that its accumulation had already reached twice that of its former coup of the same kind, and amounted to a nine months' supply, and that on this, if the Tariff Bill as it then stood in the Senate was passed, the Trust would make a profit, in addition to their other profits of manufacture, of not less than $16,000,000 to $18,000,000 by evading the new customs tax. General Forsythe had some unusual facilities for informing himself, and he stated to the Senate that he had reason to believe that the enormous profits thus made by anticipating the Wilson tariff in 1894, and those about to be made by anticipating the pending tariff, were the plum of an inner ring in the trust. This ring made these anticipatory importations in the individual names of its members, and afterwards sold them as required to the Sugar Trust at a price to which the new duty was added. Its managers, that is, were appropriating to themselves the revenue not only of the government and the people, but also of their own fellow-stockholders! An influential element of the independent press was making similar remonstrances and exposures, but it all had no more effect than the official publication by Congress in 1894 of the evidence to prove that the managers of the trust were guilty of the "corrupt" and "dangerous" practice of making contributions to both political parties, as the report well said, "not for the purpose of promoting certain political principles but to establish an obligation to the giver of whichever party comes into power." How well the real government that was putting this sugar tariff through from its place behind the Speaker's chair knew its business, and how little the ostensible government knew that sat in front of the chair, appeared after it was all over in the astounding fact that every effort in Congress to lessen the license of the Trust to steal and oppress had increased it. When the tariff started in the House it gave the Trust $55\frac{7}{8}$ cents per hundred pounds protection.

The Senate Bill "reformed" this by raising it to 58 cents per hundred. This called out such a clamor of public protest that the Senatorial caucus took the matter out of the hands of the Finance Committee and prepared a new schedule which "reduced" the Trust to $63\frac{1}{3}$ cents protection. When finally the two Houses could not agree, and a Conference Committee had to settle it, its members "overthrew" the Trust by giving it in the schedule which is now the law no less than $1.10 protection. This was probably just what it had been aiming at from the beginning, and it got it shrewdly through a series of parliamentary manoeuvres which, seemingly contesting its aggressions, gave it progressively more and more, but leaked no hint of the supreme depredation planned and did not spring it until the last minute of the session, when every chance of preventing it or even understanding it was lost in the closing whirl. During the Senate's jockeying with the sugar schedule, the price of the sugar monopoly's stock had been steadily rising. During these three months, from April to July, it mounted step by step from 109 to 135 on the eve of the passage of the bill. But the morning after it rose at a bound from 135 to 145, and reached a point or two above this. In other words the value of the action of the Conference Committee and the acceptance of it by Congress was worth, Wall Street thought, no less a sum to the Sugar Trust than $7,500,000 above what it had been promised by the previous concessions, every one of which had been appraised instantly in the daily enhancement of its stock. The only tariff debate in which the members of Congress were privileged to take part was in the debate on values which was carried thus upon the stock market. The only good times, and the only place exceptional to the prevalent dulness and stringency, were in this territory of speculation where government and business clasped hands. Brokers came on from New York and opened expensive offices in Washington where members of Congress could have the facilities of "special wires" to Wall Street to buy and sell there on the strength of the votes they were about to cast. While this was going on a broker was sent to prison to luxuriate on champagne and terrapin because he had not given the investigating committee of a previous Congress the names of Senators and Representatives who had speculated through him. The country rejoiced that so terrible a lesson was being given to wrong-doers, but the initiated saw that the imprisonment was only an advertisement to members of this Congress that they need have no fears of being betrayed if they speculated. That they did speculate, and furiously, was charged explicitly on the floors of both Houses by members who demanded investigation. But no pressure could get this Congress to examine the charges, although the fact of this trade of members in their own votes was as well known to men of the world as any of the other forms of prostitution and gambling in the capital. The work thus begun by our National Houses of Congress, Limited, under the compulsion of an autocratic Speaker, who would let only that single job be done which the business men who had bought his party—and the other, too—by their campaign contributions wanted to have done, was finished in the same spirit by a stroke of pure revolution and appeal to physical force by the presiding officer of the Senate. It was the afternoon of July 24, 1897, in the Senate. Nothing remained to be done but to bring the bill to a vote there. The House had passed it. It was sure of a majority in the Senate if a vote could be taken. But in the elaborate and considerate ceremonial of that body any member or number of members could by an objection prevent it from being brought to an immediate vote. The traditions of the Senate are firmly set against closure. But the presiding officer of the Senate, the Vice-President of the United States,[14] was as equal to this emergency at the end as the Speaker of the other House had been at the beginning. He had to have unanimous consent, by the rules of the Senate, and he knew there were Senators before him waiting eagerly and resolutely to refuse it when asked for. The due procedure is for the Vice-President to say, "Is there objection?" and then pause for the Senators to speak, and if there is no objection to announce, "The Chair hears none," and enter the corresponding order on the minutes of the Senate. Many millions of dollars were waiting in Wall Street and the bank accounts of the Sugar Trust, and scores of other trusts favored by this tariff, for the consummation, by whatever manoeuvre, of the strategy of three months' beleaguerment of the people and the government. The Vice-President rose, and speaking suddenly and swiftly said all in one breath, "Is there objection? The Chair hears none." He withheld the usual pause which gives the Senators ample time to make their objection. There was a storm of protests, but they were met with the suave and imperturbable ruling of the happy Vice-President that they were “too late.” Unanimous consent had been given. By this act of violence, in the name of government, was carried forward the concentration of hundreds of millions more of the wealth of the common people in the hands of the millionaires.

IX. National Ownership of Anthracite Coal Mines

Argument in Support of the Petition Before the Massachusetts and Maine Legislatures in Favor of the National Ownership of the Anthracite Coal Mines.[15]

We support this petition for the following reasons:—

First:—A practical monopoly exists in the ownership, mining, transportation, and marketing of anthracite coal.

Second:—This monopoly is, as all monopolies always have been, in the words of Gibbon, “greedy, barren, and oppressive.”

Third:—The coal industry has been taken out of the hands of real merchants, or captains of industry, and placed under the control of corporation consolidators and stock exchange manipulators, men who have proved themselves incompetent to manage business either for their stockholders or the public of laborers and consumers.

Fourth:—The results of these monopolies have been, and will continue to be, destructive to the prosperity, the liberty, and even the life of the people.

Fifth:—No people who care for their safety or their self-respect can submit in government or industry to a power that claims the divine right to make both sides of their contracts, its side and the other side.

Sixth:—Relief by competition has been tried repeatedly and found impossible.

Seventh:—Relief by the enforcement of the laws against combination and freight discrimination has also been tried and found impossible.

Eighth:—Failing competition and regulation, ownership by the people is the only agency which the people can use to restore their market rights and all their other rights. If we cannot have freedom by competition, we must get freedom by the Commonwealth.

Ninth:—Germany, England, Switzerland, New Zealand, Australia and a multitude of municipalities furnish illustrations of the successful recourse to public monopoly as an escape from the evils of private monopoly.

Tenth:—The desired protection of the public can be secured summarily, immediately, successfully, easily, by due process of law and with no violation of public faith or private right.

Within the last thirty years ninety-five per cent of the anthracite coal of America, practically the entire supply, it was reported by Congress in 1893, has passed from the ownership of private citizens, many thousands in number, into the possession of the railroads controlling the highways of the coal-fields.

These railroads have been undergoing a similar process of consolidation, and are now the property of eight great corporations. This surrender of their property by the individual coal-mine owners is a continuing process, in operation at this moment for the complete extinction of the individual and the independents in this field. It is destined, according to the report of Congress of 1893,[16] to end "in the entire absorption... of the entire anthracite coal-fields and collieries by... the common carriers."

Anthracite coal is geographically a natural monopoly contained in three contiguous fields which, if laid close together, would not cover over eight miles by sixty. But bituminous coal, although scattered in exhaustless measures all over the continent, is being similarly appropriated by the railroads, and its area is being similarly limited artificially by their interference.

"Railroad syndicates," says the investigation of 1888,[17] "are buying all the best bituminous coal lands along their lines in Missouri, Kansas, Colorado, Arkansas, Tennessee, Alabama, and other Western States and Territories, no doubt with a view of levying tribute upon the people's fuel and the industrial fires of the country."

Canada remains unannexed politically, but its best coal deposits have become a part of the United States. In 1892 a syndicate of American capitalists obtained the control of the principal bituminous coal mines of Nova Scotia. Among them were men connected both with the anthracite pool and with the combination which seeks control of the oil market of Canada and the United States.

The process of consolidation is shown by official and judicial investigation to have been in progress in the bituminous fields at least as far back as 1871, with the same purposes, methods, and results as in the anthracite fields, though more slowly on account of the greater number and vast-ness of the deposits.

The investigations by Congress in 1888 and 1893 both state that the railroads of the country are similarly becoming the owners of our iron and timber lands, and both call upon the people to save themselves. A new law of industry is rising into view. Ownership of the highways ends in ownership of everything and everybody that must use the highways.

The railroads compel private owners to sell them their mines or all the product by refusing to supply cars for their business, and by charging rates for the transportation of coal so high that every one but themselves loses money on every ton sent to market. When the railroads elect to have the output large they furnish many cars, when they elect to have the output small they furnish few cars, and when they elect that there shall be no output whatever they furnish no cars.

One of the few surviving independent coal producers who is losing heavily on every ton he sends to market, but keeps on in hope that the law will give him redress, was asked by a committee of Congress why he did not sell out and give up the business. He was willing, he said, to abide the time when his rights on the railroad could be judicially determined. There was another reason. "It might be considered a very sentimental one. I have spent, sir, considerable time and a large amount of energy and skill in building up my business, and I rather like to continue it."

"In other words, you don't want to be forced to sell out?"

"No, sir, I don't want to be forced to sell my product any more than I want to be forced to sell my collieries."[18]

Though coal is an article of commerce greater in volume than any other natural product in the United States carried on railroads, amounting to not less than 330,000,000 tons a year; and though the appliances for its transportation have been improved and the cost cheapened every year, so that it can be handled with less cost and risk than almost any other class of freight, the startling fact appears in the litigations before the Interstate Commerce Commission and investigations by Congress, that anthracite freight rates have been advanced instead of being decreased, are higher now than they were in 1879, and that coal is made by these confederated railroads to pay rates vastly higher than the average of all other high and low class freight, nearly double the rate of cotton or wheat. These high freight rates serve the double purpose of seeming to justify the high price of coal, and of killing off year by year the independent coal producers. What the railroad coal miner pays for freight returns to its other self, the railroad. What the independent coal producer pays goes also to the railroad, his competitor. "This excess over just and reasonable rates of transportation constitutes an available fund by which they (the railroads) are enabled to crush out the competition of independent coal producers" (same, 1893, p. iv.).

By these means, as Congress found in 1888 (Report, p. xiv.), the railroad managers have forced the independent miners to sell to them or their friends at the price they chose to pay. They were the only possible buyers, because only they were sure of a supply of cars, and of freight rates at which they could live.

The private operators thus being frozen out are able, as the investigation by the New York Legislature in 1878 showed, to produce coal more economically than the great companies, because not burdened with extravagant salaries, royalties, and leases, interest on fictitious bonded debts, and dividends on false capitalization of watered stock. By the laws of supply and demand they would compete out the unwieldy corporations, but these administer a superior political economy in their supply and demand of cars and freight rates. The unfittest, economically, survives.

"The railroad companies engaged in mining and transporting coal are practically in a combination to control the output and fix the price." They "have a practical monopoly of the production, the transportation, and sale of anthracite coal."[19] This has been the finding in all the investigations for thirty years. "More than one, if not all, of the anthracite monopolies" Congress reported in 1888, "run several of the mines in the name of private operators to quiet the general clamor against companies having a monopoly of mining also."

The anthracite collieries of Pennsylvania could produce 70,000,000 tons a year. The railroads restrict them to 60,000,000, nine or ten million tons less than they could furnish to ward off the frosts of winter and to speed the wheels of the world, and this creation of artificial winter has been in progress from the beginning of the combination.

The extortion in the price fixed by the coal railroads was found by Congress in 1888 to be an average of one dollar a ton; "considerably more than a dollar a ton" on all consumed in the United States or $39,000,000 in that year, and now $60,000,000 a year, as the industrial commission shows the same extortion continuing. The investigation of 1888 found that between 1873 and 1886, $200,000,000 more than a fair market price was taken from the public by this combination.

This is anthracite alone. How many hundreds, perhaps thousands of millions more have been taken by the railroads which control the bituminous coal-fields from Pennsylvania to the Pacific there are no adjudicated means of estimating.

By the same power which has crushed out the independent coal miner, the retailer in the cities is being reduced from a free man to an instrument to despoil his neighbors, with whom he is often a fellow-victim, for the benefit of absentee capitalists; is made a compulsory member of a secret oath-bound society to "maintain prices."

> Combinations exist [says the Canadian Parliamentary report] among coal dealers in Toronto, Ottawa, Montreal, and London. Detectives are employed and the dealers placed under surveillance.... Oaths of fidelity to the constitution and rules are required not only of the members but also of their salesmen, and the oaths in the cases of the employees are made in some instances retroactive as well as prospective. All violations of oaths are adjudicated upon by the executive committee referred to, the penalties being heavy fines or expulsion.... In accordance with arrangements made with the American coal dealers those who were in default of membership, either from inability to pay fines or from other causes, were prevented from purchasing coal in the United

States.[20]

The retailer dare not urge his wrongs even in the committee room of Congress; “your committee,” says the report of 1893 to Congress, “experienced great difficulty in obtaining testimony from retail coal dealers, who apparently labor under fears of injury to their business in case they should appear and give evidence.”

> During the first forty years the mines were worked by individuals, just as are farms. The hundreds of employers were in active competition with each other for labor. The fundamental law of supply and demand alike governed all parties. As to engagement, employer and employee stood upon a common level of equality and manhood. Skill and industry upon the part of the miner assured to him steady work, fair wages, honest measurement, and humane treatment. Should these be denied by one employer, many other employers were ready to give them. The miner had the same freedom as to engagement, the same reward for faithful service, and protection against injustice that the farmhand possesses because of the competition between farmers employing hands.... This virtual combination of all employers into one syndicate has practically abolished competition between them as to wages: and gradually, but inexorably, the workmen have found themselves encoiled as by an anaconda until now they are powerless.[21]

There was an investigation of the coal combination by the Pennsylvania Legislature in 1871 the testimony taken in which showed that when, after a thirty days’ strike by the men, a number of private coal-mine owners acceded to their terms, and wished to reopen their mines and send coal again to market, the railroads by which alone they could get to market raised their freights, as their men were still on strike, to three times the previous figures.

> These great corporations had determined not to yield to their men, and as they were mine-owners and coal sellers as well as carriers, they refused to take coal for their competitors.... The result was that the price of coal was doubled, rising to $12 per ton; the resumption by the private mine-owners was stopped, and they, the workmen, and the consumer were all delivered over to the tender mercies of the six great companies.[22]

The coal companies in the anthracite regions keep thousands of surplus laborers on hand to underbid each other for employment and for submission to all exactions, hold them purposely ignorant when the mines are to be worked, and when closed, so that they cannot seek employment elsewhere; bind them as tenants by compulsion in the companies’ houses, so that rent shall run against them, whether wages run or not, and under leases by which they can be turned out with their wives and children on the mountainside in midwinter if they strike; compel them to fill cars of larger capacity than agreed upon, make them buy their powder and other working outfit of the companies at an enormous advance on the cost; compel them to buy coal of the company at the company’s price, and in many cases buy a fixed quantity, more than they need; compel them to employ the doctor named by the company, and to pay him whether sick or well; “pluck” them at the company’s stores, so that when pay-day comes around the company owes the men nothing, there being authentic cases told before the Anthracite Coal Strike Commission where “sober, hard-working miners toiled for years or even a lifetime without having been able to draw a single dollar, or but a few dollars in actual cash,” in “debt until the day they died.”

The companies dock the miners’ output arbitrarily for slate and other impurities, and so can take from their men five to fifty tons more in every hundred than they pay for.

In order to keep the miners disciplined and the coal market under-supplied, the railroads restrict work so that the miners often have to live for a month on what they can earn in six or eight days; and these restrictions are enforced upon their miners by withholding cars from them to fill as upon competitors by withholding cars to go to market.[23]

Labor organizations are forbidden, and the men intentionally provoked to strike, to affect the coal market.

The laboring population of the coal regions, finally, is kept down by special policemen enrolled under special laws, and often in violation of law, by the railroads and coal and iron companies practically when and in what numbers these companies choose. These coal and iron policemen are practically without responsibility to any one but their employers, are armed as the corporations see fit with army revolvers or Winchester rifles, or both, are made detectives by statute, and not required to wear their shields. They provoke the people to riot, and then shoot them legally.[24]

"By the percentage of wages," says the same report of Congress, "by false measurements, by rents, stores, and other methods the workman is virtually a chattel of the operator." It says to summarize: "The carrier drives out both operator and owner, lowers wages by the importation of Huns and Italians, restricts the output, and advances the price of coal to the public. It is enabled to commit such wrongs upon individuals and the public by virtue of exercising absolute control of a public highway."[25]

The people of Pennsylvania in 1873 adopted a new constitution. To put an end to the consolidation of all the anthracite coal lands into the hands of the railroads, this constitution forbade common carriers to mine or manufacture articles for transportation over their lines, or to buy land except for carrying purposes. These provisions of the constitution have been disobeyed "defiantly." "The railroads have defiantly gone on acquiring title to hundreds of thousands of acres of coal as well as of neighboring agricultural lands." They have been "aggressively pursuing the joint business of carrying and mining coal." So far from quitting it they "have increased their mining operations by extracting bituminous coal as well as anthracite."[26]

Instead of enacting "appropriate legislation" as commanded by the new constitution to effectuate its prohibitions, the Legislature has passed laws to nullify the constitution by preventing forever any escheat of the State of the immense area of lands unlawfully held by the railroads. Every effort breaking down to meet the evil of State action, failure was finally confessed by the passage in 1878, by the Pennsylvania Legislature, of a joint resolution asking Congress to legislate "for equity in the rates of freight."

In 1887 Congress passed the Interstate Commerce Law and established the Interstate Commerce Commission to enforce justice on the railway highways. The independent mine-owners of Pennsylvania appealed to it. Two years and a half were consumed in the proceedings. The Commission decided that the rates the railroad charged were unjust and unreasonable and ordered them reduced.[27] But the decision has remained unenforced and cannot be enforced. The railroads treat the Commission with the same contumely they visit on the constitution of Pennsylvania, and two years after the decision Congress in 1893 found their rates to be fifty cents a ton higher than what the Commission had declared to be just and equitable.[28] The Interstate Commerce Law provides for the imprisonment in the penitentiary of those guilty of the crimes it covers. But the only conviction had under it has been of a shipper for discriminating against a railroad.

Ten years later the Industrial Commission reporting in 1902 said:

> It cannot be long before the anthracite coal business of the United States, in all its enormous extent and commercial value, will be entirely monopolized by a few powerful financial interests. The only safeguard for the public against exorbitant prices must be found either in the competition of other fuels, in enlightened self-interest on the part of the railroads, or in the immediate application of governmental regulation. Competition between either the producers of anthracite coal or the railroads which transport their product can no longer be regarded as of the slightest

> effect. Any discussion which does not proceed upon this assumption is bound to be futile and misleading. Competition cannot be perpetuated. It has disappeared apparently once and for all.[29]

Making allowance for the competitive effect of the bituminous coal in keeping prices down, the Commission says, "On the other hand, it is not clear whether, despite the fact that the maximum price is thus fixed, the price for domestic use may not range from 30 to 50 cents higher than it otherwise might, by reason of the existence of wholesale combination among the producers." And again: "With a greater and greater concentration of mining in the more difficult portions of the field, the price may naturally be expected to rise."[30]

As to the cause of the bankruptcies and lack of profits in the anthracite business which are pleaded as justification for the high price of coal, the Commission found that these financial difficulties were due in large part to the speculation of the companies in coal lands. To make their monopoly good for all time the companies have bought up all the coal lands though they could not use them for generations to come. They are charging to the present generation the cost of this monopoly upon unborn generations by taking the cost out of present income. The Commission says, "It is indubitable that the financial distress of the Reading Company and the long chronicle of bankruptcy, receivership, and reorganization of others of the anthracite coal roads, have been due in part to the fact that the companies have made their reserves for future years a charge upon the present income."[31]

As to the future the Commission says:

> The public has a right to expect that the actual capital invested shall be considered as a basis, and not that maladministration in the past, or future profits dependent upon monopolistic extortion, shall be made the basis either of capitalization or of dividends. A liberal policy in this respect on the part of the railroads does not seem altogether probable, judging by the events of the last thirty years, but it is always possible that enlightened self-interest may recognize that any continuation of the present experiment of monopolistic control must depend upon the toleration and acquiescence of the public. A shortsighted policy of extortion must certainly lead to remedial legislation at the hands of Congress and of State Legislatures. Outraged public opinion would speedily demand redress in some form or other.[32]

The Honorable Thomas W. Phillips, in his minority report, quotes among other facts furnishing conclusive proof of the establishment of the coal monopoly through discriminating freight rates the testimony of Mr. H. G. Brooks:

> Mr. H. G. Brooks, an independent coal operator of Pennsylvania, testifies[33] that 43,000,000 tons of anthracite coal are yearly carried by rail to market at ¾c. per ton per mile in excess of the rates charged for carrying bituminous coal. This is $322,500 per mile of excess charge for the year's product, or $46,762,500 annually for the average haul of 145 miles to the general market, or ver $1 a ton. This overcharge, which is greater every year than the interest on our national debt, is made possible by the railroad monopoly, now euphoniously called "community of interests," and by the limited area of the hard coal supply. By discriminating against independent operators the railroads have forced them to sell their properties, until at the present time more than 9/10 of the anthracite coal deposits is owned, and more than ¾ of the entire yearly product is mined, by eight lines of railroad that are substantially in entire union of interests.[34]

The report of the companies themselves and the standard financial journals show that this monopoly thus officially reported still continues. Thus in the annual report of the Delaware, Lackawanna & Western Railway Company, for the year 1900, we read:

> The present condition of the trade is such that together with the changes which have recently taken place in the ownership of large anthracite properties, this company, with all others affected, should be able to secure a price for its coal that will make good to it the increase in cost of mining its coal in future by reason of the increase in wages it must pay as result of the strike. [So again in 1901:] The outlook for the future seems most promising. The recent transactions whereby certain important anthracite coal properties have changed ownership or control, concentrates this important industry in fewer hands than ever before and places it on a permanently better basis than hitherto.
>
> These changes, the prices paid for the properties transferred, the strength and conservatism of the interests acquiring same, all would seem to promise future market conditions that amount almost to a guaranty to this company of highly satisfactory results to its stockholders from both its extensive coal properties and its railroad operations.

In August, 1901, the *Commercial and Financial Chronicle* says:

> The anthracite coal roads are enjoying a period of great activity and their prospects for the immediate future are better than for a long time past. The price of coal is being steadily advanced each month, according to a graded scale announced some time ago, and evidently the roads are working together in complete harmony.

The Report of the Reading Railway for the year ending June 30, 1901, notes as an event of far-reaching importance the acquisition of the Central of New Jersey. It states that "the Jersey Central is not only of enormous advantage, because of the additional facilities given to the Reading system, but through its acquisition the latter now owns and controls about 63% of all the unmined anthracite coal in the State of Pennsylvania." And the *Chronicle* adds: "It hardly needs to be said that such concentrated ownership makes it possible to exercise more effective control over the anthracite trade. Evidently the Reading is being developed along broad lines."

November 23, 1901, the *Commercial and Financial Chronicle* states:

> Circular prices seem to be absolutely maintained. The concentration of control makes this possible. Even before the operations which marked the event of 1901 and which placed the Central of New Jersey under the wings of the Reading and the Pennsylvania Coal Company in the control of the Erie, the situation as to prices had been greatly improved as the result of the harmonious relations which had been established between the different interests, always limited in number. Now discord seems to have wholly disappeared. The effect on profits has naturally been marked. Any one can judge for himself how much more the companies are getting for their coal by comparing his coal bills for this year with those of last year and the year before.

On January 25, 1902, on the eve of the demand of the miners for an increase of wages, the *Commercial and Financial Chronicle* says, in its review of the anthracite coal production of 1901:

> The year was in many respects a remarkable one, with a record of prosperity which has rarely, if ever, been equalled in the anthracite trade. The amount of coal mined was, of course, the largest ever reached,— far in excess of the best previous year. But what is particularly noteworthy

> is that prices were at the same time well maintained. Quotations for the year were fixed in the spring circular issued April 1st. These schedule figures were rigidly maintained.
>
> We should judge that as a result of this maintenance of prices, the various companies must have realized an average of 30 to 40c. a ton more for their coal than in the year preceding.

The subject of monopoly in the anthracite business was not investigated by the Anthracite Coal Strike Commission. The Commission, in order to expedite its findings and the establishment of peace between operators and miners, excluded from consideration everything not immediately bearing on the questions in dispute. It admitted no evidence with regard to the extent of combination or discrimination or extortion of freight rates or profit of the companies. It excluded from consideration the history of the business before 1890. Objection was made even to the mention of the word "freights." But the fact of monopoly though shut out of the door came back through the cracks. For so simple a matter as increasing the age at which children should work in the breakers, one of the representatives of the coal roads said, "All the companies would have to agree." Also the evidence discloses every company at every stage of the proceedings previous to the strike, during the strike, and before the Commission acting in accord with every other company like a regiment keeping time to the same tune. They all refused to meet their men and in practically the same language. At the same time they all posted at the same places, the gates of the collieries, identically the same notices to their men that instead of raising wages, "The rates of wages now in effect will be continued until April, 1903, and thereafter subject to sixty days' notice."

March 22, 1902, after repeated failures to obtain settlement by arbitration, after the men had voted to strike, John Mitchell, still hoping to stay the impending calamity, wired each of the presidents of the coal roads asking if they would meet to discuss the matter, asking not for wages or hours, not for his terms, but only for consultation. Every one replied with refusal and, curiously enough, all used about the same language, in informing him that they adhered to the position indicated in their previous correspondence. "My letter of February 20th," telegraphed Mr. Thomas of the Erie, "My letter of February 18th," was wired from Mr. Truesdale of the Delaware, Lackawanna & Western, "My letter of the 19th inst.," said Mr. Walters, President of the Lehigh, "My letter of February 19th," from Coxe Brothers, "My letter," telegraphed Mr. George F. Baer, "My letter of February 18th," said the Vice-President of the Pennsylvania Coal Company. Each one, moreover, telegraphed on the same day, each waiting two days. All the telegrams came March 24th. This looks a little like consolidation, does it not? Would an energetic prosecuting attorney find it hard to convict a poor man of conspiracy on such evidence?

To say that eight railroads, the Reading system; Central Railroad of New Jersey; Erie Railroad; New York, Susquehanna & Western; Lehigh Valley; Delaware, Lackawanna & Western; New York, Ontario & Western; Delaware & Hudson; do practically all the coal business in the State of Pennsylvania, is but a partial statement of the truth.

There is a ring within the ring. The Reading controls the Central of New Jersey; the Erie owns the New York, Susquehanna & Western; the Erie and Lehigh Valley have practically the same management, the president of the latter being chairman of the Board of Directors of the Erie.

How closely these systems are related to each other is shown by the fact that many men are directors in two or more of them simultaneously.[35]

Thirteen men hold forty-two directorships in ten companies. But there is a ring within the ring within the ring. The Erie, Lehigh Valley, and Reading, owning 77%, three fourths of all our anthracite, are in a voting trust controlled by one banking house, that of J. Pierpont Morgan & Co. The control of the monopoly is in the hands of one man. Even though that man be, as is well understood, only a high class clerk of still richer men behind him, this fact of one man control is sufficiently startling.

This recital of facts shows that a state of affairs of deadly import to the people as producers and consumers, employers and laborers has arisen in this country and shows how it has arisen. In Pennsylvania to-day there is practically but one employer from whom the miner can obtain that necessity of life—work; for the regions and industries dependent upon anthracite, there is but one seller of that necessity of life—fuel. The official evidence gathered for an entire generation shows practically all the capitalists engaged in the coal business welded into one combination with power over the people as supreme as that over would-be competitors. Power to control is always abused and this power is no exception. An unbroken line of evidence for nearly forty years discloses the transportation, mining, and marketing of coal moving, and to-day as strongly as at any time, towards an ever and ever increasing monopoly. We do not attack the principles of combination, we claim the right of combination for ourselves. But here is an abuse of combination with the greatest economic, social, political, and vital effects. These conditions are the result not of natural economic forces playing in freedom, but unnatural combinations produced by force and violation of law. This has been found to be so by every official body, legislative or judicial, state or national, to which it has been brought either by the people or by individuals for an entire generation.

The level of wages and prices and morals in this industry is unnatural because unnatural economic conditions have been at work. The ownership and operation of an entire industry, the employment of labor, the selling of the commodity, the enactment and enforcement of law, the management of highways, have all been passing into one set of hands regulating prices and wages and terms, fixing the output, deciding who shall and who shall not be allowed to engage in the business as laborer, miner, carrier, merchant, or capitalist and on what terms. They have been blacklisting money as well as men. Under such a regime, it is inevitable that the working men and all men shall be forced down to a lower industrial and social life that would not have been the case otherwise. To the unnatural monopoly of anthracite coal in these valleys has been added this unnatural monopoly of mining, transportation, and marketing. It has therefore come about that there is but one employer of labor, but one seller of the commodity, and this employer and this seller have taken full advantage of their monopoly, as employers and sellers and all men will always do when they have the power.

If it were necessary to occupy my time in describing to you in detail the results which have followed the creation of this monopoly, it would not have been worth while to come here at all. These results have left scars on the life of the people during the past winter that will never be effaced. Lives have gone out that never can be recalled. But a summary of these results cannot but have a staggering effect upon public opinion. These have been some of the results:

There has been established a system of chronic illegal and extortionate freight rates to divide up the property of the people among the law breakers, taking their coal mines from competing coal mine-owners, their money from consumers of coal, and their life from the working men.

"We have not many leases [of coal lands to independent operators], in our territory; nor many individual operators—very few, they all starve to death early," was the testimony of the general superintendent of the largest of the coal companies before the Industrial Commission.

The coal market has been manipulated by the sale of coal below cost to drive competitors out of business and above cost to fleece the public.

The law has been broken and is broken whenever and wherever the convenience of these men is to be suited. The combination of the roads and the roads with subsidiary companies is in defiance to the constitution of Pennsylvania. The law of Pennsylvania declares that in certain districts the miners shall be paid according to the actual weight of the coal they mine, but no pretence of paying the slightest attention to this law has ever been made. The latest instance of the disregard of the constitutional prohibition in Pennsylvania against the combination of coal-mining and coal-carrying companies, and one especially ominous to New

England for which it has destroyed the last hopes of competition, will be given later.

The greatest strike in the history not only of America but of the whole world has been brought about by this monopoly. The recent coal strike was the greatest in the number of men engaged, in the number of days of labor lost, in the value of product lost, in the amount of money spent for relief. It was the greatest in the disturbance of business and the greatest in the losses to the public; it was, that is to say, the greatest calamity that has yet happened in our modern industrial civilization. With this calamity schools, factories, homes have been closed in all parts of the country. The state of affairs into which we were brought and which immediately threatened, was described by President Roosevelt in his letter to the Anthracite Coal Strike Commission in such words as these: he spoke of the "terrible catastrophe impending," "The situation has become intolerable," "the already existing coal famine," "the future terrors we can hardly yet appreciate," "evil possibilities so far reaching and appalling."

These appalling, intolerable terrors may recur at any moment.

The Chicago Health Department issued a bulletin January 12, 1903, in which it said:

> In the eyes of the Department those responsible for the coal shortage are guilty of constructive homicide for every resulting death.
>
> Fully 10 per cent or nearly 200,000 residents of Chicago are to-day suffering from ailments of a grave character caused by privation and exposure resulting, from the coal famine. Already these ailments are reflected in the enormous increase of deaths among those at the extremes of life—the youth and the aged,—in both of whom the powers of vital resistance are at the lowest.
>
> Since the first of the year there has been an increase of nearly 20 per cent in the number of deaths among those under five years of age. Among those over sixty year of age the increase is much greater, 24 per cent last week over the previous, and 36.7 per cent over the normal rate of the corresponding period of 1902.

The Bulletin of the Chicago Board of Health, issued February I, said:

> Unrevised returns of mortality for January, 1903, show an increase of 10.4 per cent in the actual number of deaths from all causes and at all ages, and of 11.4 per cent in proportion to population as compared with January, 1902, when coal was abundant at half the price or even less than it now commands,—where it can be obtained at all.
>
> These two facts are cited together because, in the judgment of the Health Department, the latter is the principal if not the sole cause of the former. A large proportion of the excess deaths is, as was stated in the Bulletin of January 12, due to cold and exposure caused by the coal famine, and which at that date had affected the health of fully 10 per cent or nearly 200,000 of the population of the city.

Law-abiding people were forced in many instances in different parts of the country, in desperation to save their lives, to step aside from the conventions of the law and take forcible possession of coal that did not belong to them. At Arcola, Illinois, a train-load of coal was seized by a carefully and peacefully organized body of citizens. They were without fuel in zero weather, almost within sight of inexhaustible coal deposits. The coal was weighed and the full value of it at the highest price was collected from each citizen who supplied himself and handed over to the railroad who was the owner. The men who did this were not tramps, not slum dwellers, nor ignorant foreigners; they were Americans, they were intelligent law- and liberty-loving Americans, and their leaders were the mayor of the city; the presidents of two of the leading banks; one of them a national bank; the two principal clergymen, Methodist and Presbyterian, the latter having been

Moderator of the Assembly of his district; a member of the Board of Education, the commanding officer of a regiment of the State Militia, and all the principal business and professional men.

"This is anarchy!" declared an excited travelling man. "Arcola has a military company, why are they not called out to protect the company 's property?"

"Why!'' yelled an equally excited business man; "because the militia are too busy laying in coal for their own use."

At Tuscola, Illinois, another train-load was taken in the same way. The mayor obtained a certificate from the Board of Health of the county that the seizure was necessary for the public safety. The coal was then taken and distributed in an orderly manner under the direction of three hundred of the best citizens.

Coming events cast their phrases before. The phrase, "The Higher Law," was heard years in advance of the Emancipation Proclamation. Now with these new events a new phrase gains currency, "The Higher Property." What is that the herald of?

The men who have obtained this absolute power are incompetent to manage it, either for their own benefit or that of the public. It is too large for them. It was shown before the Anthracite Coal Strike Commission by a witness who understands the coal business, which he has made the study of his life, Mr. John C. Haddock, that the demand of the miners for an advance of wages last spring could have been met without the loss of a cent to the companies. The simple device of mixing pea coal with chestnut would have yielded the necessary amount. The burning qualities of the chestnut would have been improved; the companies would have got thereby for their pea coal the price of chestnut; this would have increased the receipts of the company sufficiently to pay the new wages bill.

Coal merchants would have known this and could have avoided the enormous losses of the strike for themselves and for the public. But the managers of the coal roads were not coal merchants. They are corporation jugglers and stock-exchange "athletes," experts in the manufacture of Wall Street values, out of hot air, water, and ink, baby farmers of competition, and tax farmers of the public. They are incompetent to manage their own interests. These men threw away tens of millions of dollars of the earnings of their corporations because they said the questions between them and their men could not be arbitrated,—then they arbitrated. The miners did not ask for 20 per cent increase of pay, eight hours a day, weighing of the coal, and recognition of the union. They asked only for such of these concessions as they might be found entitled to after conference, discussion, and, if necessary arbitration. These incompetent men said these questions could not be discussed, and afterwards they found that they could be discussed. If they had been competent to be stewards of their great business, captains of their great industries, they would have found this out without war.

They are incompetent. For the business which moves alone by cars; they have not provided enough cars to keep going,—and that is not good business. They are incompetent. They engaged in the enterprise of breaking up the union of their men and failed, losing tens of millions of dollars for their stockholders,—and that is not good business. They are incompetent. For thirty years they have been sowing the wind of fear, hatred, and contempt among the workingmen and the public, and now are beginning to reap the whirlwinds they have sown,—and that is not good business, for good will is worth money. There are millions in it. They are incompetent, for they have made the property of their stockholders liable to forfeiture under the Anti-Trust Law,— and that is not good business. They have made the property of their stockholders liable to forfeiture under the common law of ouster for misuse and non-use of their franchises,—and that is not good business. They are incompetent, for they could not find the best way to market, but hauled their coal over the mountains when they could have taken it on the level, and when a better way was found by others they took it from them and even then did not use it, but continued to haul their coal over the mountains to the great loss of ths stockholders and to the public,—and this is not good business.

There are some men who can manage their own business; there are some men who can manage the business of others, but there are no men who can manage all of their own business and the business of every one else. That is what the monopolists attempt and what every monopolist fails in. That they fail does not remove the evil and is no correction of the wrong. Merely that they attempt it is ruinous to every one concerned. The people have a right to be protected from the attempt as well *as* from the monopoly. The sufferings of the country through the last strike were like those of war. If an enemy had invaded our land and taken possession of the mines our plight could not have been worse. People woke in the morning not knowing whether they would freeze to death before night or not.[36]

The incompetence of these men continues. In the papers we read that they are even now unable to get to market the coal the miners bring forth. They have not been able to organize even so small a matter as an adequate supply of cars. The statements made by these men cannot be trusted. They deny that they are in any combination at the same moment that they argue for the beneficence of combination. They deceived the public about the causes of the strike, about the amount of coal they were mining with the help of non-union labor during the strike. They told the President and the people that there had been twenty-one murders committed by the miners, but were unable to prove before the Anthracite Coal Strike Commission a single murder and only four killings.

In the Annual Report of the Reading Company for 1900, says the Industrial Commission: “It is almost impossible to unravel the complicated cross accounts and to determine what is the actual financial condition of the several corporations.” They can not or will not keep their accounts in good shape.

Time and again the wage statements they produced before the Anthracite Coal Strike Commissions had to be taken back to be made over again. The figures they gave to be the earnings of their miners they had to confess were not the earnings of actual men, but of what they called “composite men,” or were the earnings of many men represented by one number. They have sophisticated public opinion and prejudiced the case of the miners by declaring that they earned fabulous sums, and when these statements were submitted to the experts in the arbitration, it came out that these earnings of $1500 to $4000 a year on which such stress was laid, were the earnings of three, four, six, sometimes eighteen or twenty men. When the strike was declared off and the miners went to work producing more coal than ever before had been brought out of the earth, it piled up along the tracks and at the terminals at every important point. These geniuses of private enterprise tangled up their cars in inextricable confusion and blockade and then declared it was all the fault of the “Independents” who would not unload the cars. The newspapers helped them to spread this preposterous yarn to fool the people—preposterous because it is the duty of the railroads to unload the cars; they only can do it, because they own the terminals and machinery. Senator Tillman did not speak too strongly when he said that the willingness of certain newspapers to be prostituted in this way was an infamy. These men were not only incompetent themselves, they were the cause of incompetence in others, as will be shown later in describing how they have prevented the opening of the best route for the supply of coal to New England.

We do not know at what moment another coal famine may be upon us. There was not a word said by the representatives of the coal roads before the Anthracite Coal Strike Commission justifying the belief that these men in any way have reconsidered their policy, or that they feel the slightest responsibility for the horrors and ruin they have brought upon the country. They lost their tempers in their conference with the President of the United States and the people he represented, and some of their words and actions since the strike has closed indicate that they are nursing a vindictive and studied spirit of revenge. The treatment of their men by the coal roads after the strike was over is an illustration. With the country crying for coal, hundreds, perhaps thousands of men have been denied work for no known reason. They were charged with being “gross agitators,” with being “criminals,” but in no case has the charge been proved.

One of the incredible episodes in this history is the evictions which were proven before the Anthracite Coal Strike Commission. These evictions were made after the strike was over, and when there was no reason except revenge for any such proceedings, and the victims were men against whom no wrong-doing had been proven, and their wives and children who were certainly innocent.

Mr. Markle evicted thirteen men against not one of whom does the record show any offence. One of these men had been thirty years in his and his father’s employment. These people occupied “Company houses,” held under the most extraordinary leases perhaps in America. Their tenure was at the will and pleasure of John Markle, and the rent was 15½ cents a day. Nowhere else in the world, so far as I know, do such leases exist, except in one place, and the coincidence is appropriate. In the Whitechapel district in London I have seen houses where the rent is collected every night at ten o’clock. These Markle leases contained a clause by which the tenant made the landlord his agent to confess judgment in any controversy between himself and his landlord. One of these tenants had served the Markles for thirty-one years. There was not one black mark against his name; only a very faithful and very obedient and very competent man could have had that record, but his son had been a member of the relief committee and had fed women and children who were starving during the strike. Others of the thirteen evicted men had been officers and leading men of the union. They had made Mr. Markle’s lawyer their lawyer, and so when the eviction notices were served, judgment was confessed by his lawyer for them and all the requirements of the conscience of the law were satisfied. Mr. Markle’s lawyer went to Wilkesbarre at 12 o’clock at night to get the papers and ordered the sheriff to be there early in the morning. The men had had six days’ notice but they had not moved, not believing it possible that the employer most famous of all in the coal regions for his philanthropy would do this thing. His lawyer said before the Commission that these men had put up a job to get turned out. When the lawyer came in the morning these men begged for time. One of them had a wife who was lying sick in bed, and a mother-in-law a hundred years old, blind and sick in bed. This man, Henry Coll, begged for time,—only two hours’ time—to find a place of refuge. The sheriff went to Mr. Markle. Mr. Markle said, according to one account, “No”; according to another, “Not ten minutes.”

They got some wagons and then carried the household goods of these people out in the highway, the only place they had to lay their heads. It was two miles from any other village; it was a November day, by this time it had grown to be six o’clock at night and a cold rain was coming down. The Superintendent left these people on the road in the rain and the dark,—men, women, and children, the well, the sick, the blind, the infirm, the helpless, two miles from any shelter, and then having done his good work, he drove away, went home, and got his supper.

It was one o’clock in the morning before Henry Coll found a place to go to and a wagon to take him and his wife and his mother-in-law to it. They had to enter their new home through a window as the door could not be opened. Some kind of a bed was made of the wet things they had; Coll got some medicine for his wife who was growing worse; she sat up to take it and as she swallowed it she choked, fell forward—dead!

These evictions were more sensational but they were not a whit more cruel than other evictions which have taken place for a generation in the coal country,—evictions of independent American citizens who believed that their “sacred right to work” as owners and operators of coal mines, belonging to them, would be protected by the laws of their country. Not less cruel were they because more invisible and accomplished by the hidden hand of that refined and secret violence which can work robbery and murder by wholesale by “advice of counsel,” betraying the law to serve the law-breaker, and shedding blood of entire valleys so quietly that not a splash of red is seen. As cruel as the evictions of these miners, and such scenes in these counties of Pennsylvania have been known for many years; as cruel as the eviction of the independents from their business and the eviction of their wives and children from the comfort and prosperity of their homes; as cruel as the cynical indifference with which this country was plunged into the horrors of the coal famine of last year, so cruel will be the eviction, by the same men, of the American people from their rights and their properties in the future in the coal market and other markets.

As cruel as the grave these men have been, as cruel as the grave they will be. These men are not different from us. Our human nature is the same as theirs, but neither our human nature nor theirs can stand the temptation of absolute power, neither in market nor in government, nor anywhere. It was the human nature of the slave owner, not the slave, which broke down under slavery. We need not think we can save ourselves trouble by letting these problems wait until to-morrow; the longer they wait, the more trouble.

Whatever else may be doubted it cannot now be doubted that relief by competition is impossible. The coal monopoly is at last demonstrably complete. All but 2½ per cent of the production is in the hands of the combination, and that 2½ per cent is, first, too small to count, and, second, helpless because bound hand and foot by contracts with the dominant railroads, as will be shown. These have so manipulated the rates and charges in their arrangements, explained by the Industrial Commission, that no independent or, as they should now be called, dependent operators, refusing to sell coal to them, can get within 5 per cent of the market price realized by the vassals of the combination.

The last two efforts of the independents to break through the lines of their besiegers are especially interesting and important to this body. It shows how the welfare of New England has been sacrificed every day that this combination is allowed to exist.

The first of these last two efforts was in 1898. The majority of the independents in the Wyoming region made active, co-operative effort to procure a lower rate of freight on coal, but the railroads refused to lower the rates. These independent dependents then organized the New York, Wyoming and Western by which to carry their coal over their own road to tidewater. Practically all the independent operators in the Wyoming district pledged the entire output of their mines to this enterprise. They actually bought rails for fifty miles of road. To defeat this formidable and well-considered project, the six principal anthracite roads co-jointly or conspiringly, as you choose, bought out the principal independent operator, the back-bone of the scheme, and of course killed it. The proof of joint action in this case and that the motive was to kill a shrewd and business-like enterprise, the success of which would have endangered monopoly, is overwhelming. The six companies acted together in buying up an old Pennsylvania charter given before the adoption of the constitution of 1873, and therefore free from its prohibitions. This concern, The Temple Iron Company, was not in the coal business. It had an iron furnace, one stack, and its capital stock was only $240,000, but it had a very valuable asset in its charter. This charter was free from all anti-monopoly limitations of the new Pennsylvania constitution, and authorized this company to develop the material interests of Pennsylvania, and left it entirely free to follow out its own peculiar notions of what it might be “to develop the material interests of Pennsylvania.” The capital of $240,000 was immediately raised to $6,000,000, with provisions for further increase to any sum needed. These men think *in* millions but not *for* the millions. Of this $6,000,000, $4,500,000 was given to the firm of independents who had sold out. One of them afterwards sat as the appointee of Presiident Roosevelt on the Anthracite Coal Strike Commission. Six per cent dividend on the stock and interest on the bonds of this company were guaranteed by the six principal coal roads, which made their liability about proportionate to their coal tonnage and coal acreage.

The President of the Temple Iron Company is George F. Baer, who is also President of the Reading Company, the Philadelphia and Reading Railroad Company, the Philadelphia and Reading Coal and Iron Company, and of the Central Railroad Company of New Jersey. The directors of the Temple Iron Company are the respective presidents of the railroad companies as follows:

Geo. F. Baer, President of the Reading Company and of the Central R. R. Co. of New Jersey.
Eben B. Thomas, President of the Lehigh Valley R. R. Co., and Chairman of the Board of Directors of the Erie R. R. Co.
F. D. Underwood, President of the Erie R. R. Co.
William H. Truesdale, President of the Delaware, Lackawanna, and Western R. R. Co.
R. M. Oliphant, President of the Delaware and Hudson Co.
Thos. B. Fowler, President of the New York, Ontario, and Western R. R. Co.
Irving A. Stearns, President of the Delaware, Susquehanna, and Schuylkill R. R. Co.

The following are the proportions of the railroads in the guarantee of the Temple Iron Company.

Lehigh Valley R. R. Co., 22.88%
Central R. R. Co. of New Jersey, 17.12%
Delaware, Lackawanna, and Western, 19.52%
Erie Railroad Co., 5.84%
N.Y., Susquehanna, and Western R.R. Co., 4.68%
Reading Company, 29.96%

Weaker men would have given up the struggle after this crushing blow, but the independents who were left closed up their ranks and reformed their lines for another attempt to save themselves.

It must be said for Pennsylvania that if it has produced the most corrupt politics and the most rotten municipal government in the United States, it is also the mother of the bravest, most practical, indefatigable, liberty-loving resistance to monopoly that has arisen anywhere in America. The independents in the oil fields and coal fields of Pennsylvania have fought the battle against tyranny in their hills with the spirit of Alpine mountaineers. In the markets, at the State Capitol, at Washington, before the Interstate Commerce Commission, before the Industrial Commission, before committees of Congress and state legislatures, before the courts of their own state and before the United States courts, in the arenas of business and financial contests, with desperate enterprise these men have struggled to remain masters of their own business, the owners of their own private property. They have poured out their money, energy, life itself, in the forlorn hope to secure the enforcement of the law and the maintenance of justice and the punishment of crime committed by the richest men in the world.

Pennsylvania was the birth-place of our political independence. If these independents had succeeded, Pennsylvania would have had the further title of mother of industrial liberty. Is it destined in the failure of these efforts to be the scene of the death of industrial independence and of political independence also? The one cannot survive if the other fall.

The failure of these men was not because they refused to employ the modern methods of combination; it was not the old story of the machine displacing the hand. They did not go down because they persisted in the eighteenth-century use of the individual efforts against the twentieth-century use of combination. They also used combination. The struggle was not between combination and individualism, but between combination and dishonest combination; between combination on the one side and on the other side combination plus crime.

The second of these two most recent attempts to escape was in 1900. The independents who had been beaten in 1899 by the desertion of their most important member, tried again in unison in 1900 to get lower rates of freight. Failing in this, as before, they organized another railroad company for a free outlet to tidewater. This was the Delaware Valley and Kingston Railroad, —the last hope of the independents in Pennsylvania, and the people outside of Pennsylvania, of New England especially. This was not only the best of all the schemes for escape, but it would have brought into existence a road superior to any road now in use. The details of this project and the story of this failure are especially interesting to New England, for this road would have brought anthracite coal to you by a better and quicker and cheaper route than any of these by which you are now supplied.

This road was to run from Kingston on the Hudson River to Lackawanna, connecting there with the Erie and Wyoming Valley Railroad which has branches through the Wyoming anthracite region, and reaches Scranton, the heart of the coal regions, where it has connections in every direction.

There was a capital route available for the new road,—the bed of the old Delaware and Hudson Canal. The independents went to work surreptitiously, as they had to do, in the dark and under cover to keep their secret from the combination. They got a local merchant at Roundout, under pretence of procuring accommodations for himself, to secure terminal facilities on the Hudson. The route they were to use was the oldest and best between the coal country and tidewater,—this disused bed of the Delaware and Hudson Canal Company. It is the shortest route by a great many miles from the anthracite coal regions to the Hudson River. It is the only existing pathway that nature affords of getting to tidewater there without having to cross the mountains. The only adverse grade on the line as the coal traffic moves towards tidewater is one of fifteen feet to the mile for four miles, near Summitville, so slight that to a person standing on the track it would be imperceptible. Where an Erie train would toil and strain up the mountains with thirty cars instead of seventy, a locomotive in front and another behind, a locomotive on this road would easily and rapidly haul seventy loaded cars. It had almost no highway crossings on the grade and the small crossings were all overhead above the canal. It would have had exceptional connections with the East from its Hudson River terminal. The entire manufacturing interests of New England were within easy access. At Kingston connections would be made with the New York Central and the central New England roads. Connections could be made with the Boston and Albany by boat to their terminus at Hudson or a transfer on the New York Central, and there are a number of other points along the Hudson River to which coal could be taken by boat to give a market in New England and the northern partof New York State. At Fitchburg connections could be made with the Fitchburg Railroad or, farther up, with the Central Vermont Road. The road had almost been built already by the Delaware and Hudson Canal Company at a cost of $12,000,000. The route had been made, the excavations had been completed, and the filling had been done, and nearly all that was left to do was to lay the tracks. For fifty miles the road would have run along the bed of that canal at an absolute level, and it was estimated that this road could be laid and equipped in the most modern manner with all the best improvements, at an outside expense of not exceeding $40,000 a mile. The existing railroads are capitalized for four or five times that amount per mile.

The New York, Ontario, and Western road which was a competitor is capitalized at about $300,000 a mile. Cheaply built and operating over these grades of the old canal bed, the road would have been one that could have been operated at vastly less expense than any other now emerging from the anthracite coal regions. It was a better enterprise than the previous one of the same men— the New York, Wyoming, and Western, which had heavier grades and a longer line and would have been more costly to build and operate.

The scheme was not a paper one. It was organized, the money paid in, the right of way secured. It had behind it a large portion of the anthracite output. Its principal member, the Pennsylvania Coal Company, mined 2,400,000 tons of coal a year, and paid $2,900,000 in freight. As the Industrial Commission reports in its account of the affair, it controls some of the most valuable properties in the heart of the richest field. Its proportion was about 5 per cent of the total shipment for 1900; but its greatest importance was due to the fact that its reserves for future production were very large, and that it was also the largest of the single companies still independent of the railroads. This company's business alone would have much more than paid the expense of operating the road. Those interested in the project mined nearly one-third of the entire output of the year 1899. The company under the New York law was required to deposit in advance, to obtain its certificate, $1000 a mile, or $81,000. It had paid in $250,000. It had acquired the terminals and the right of way. It had ordered 7000 tons of steel rails.

Here was a plan on the eve of success which would have brought cheap coal and escape from monopoly to New York and New England and the whole country, for the benefits would have been diffused everywhere.

The coal roads fought the application for the charter before the New York Railroad Commission and were defeated. They fought the project through the courts and were defeated. Then, just after the independents had bought their steel rails for the new highway on which they hoped to travel out of the house of bondage, precisely the same thing happened that wrecked the other well laid plan of two years before. Mr. J. Pierpont Morgan, the head of the voting trust, which controls the most important members of the coal combination, and therefore virtually the head of the coal trust, bought out the principal member of the independent party, the Pennsylvania Coal Company.

"The agents of Mr. Morgan's banking house traversed the entire northeast region of Pennsylvania," says the Industrial Commission report "for months purchasing shares in the Coal Company for whatever price was necessary to give control."

The stock, which had sold between 1893 and 1898 from $260 to $350 a share, went up to $750 a share. Then Mr. Morgan transferred his bargain to the Erie at a profit stated before the Attorney General of New York to have been $3,400,000.

This purchase of the stock of the Pennsylvania Coal Company by the Erie was in direct violation of the constitution of 1873 of Pennsylvania, and if there were any enforcement of law in Pennsylvania its charter would be forfeited.

The company had cash assets in its treasury worth more than $10,000,000. These were not transferred to the Erie Railroad but were divided as a plum among those from whom the Erie made the purchase. In other words, the Erie Railroad Company paid $27,600,000 for the interest in the mines, coal lands, and railways, which, on the basis of the sales of stock before this operation, were worth only $11,500,000.

> This was [says the report of the Industrial Commission] the highest price paid for such properties in the history of the business, judged on the basis not of acreage but according to ton of output. On a basis of a similar valuation the coal lands of the Reading Company would be worth $125,000,000 as against a present estimate on the books of the company at the last reorganization of $70,000,000. (Vol. xix., p. 460.)

If we turn to the report of the Erie Railroad for the year covering this transaction, we find that

> during the year under review the debt was further increased $32,000,000 by the issue of the Erie R. R. Pennsylvania Collateral Trust 4 per cent bonds to pay for the cost of the purchase of the Pennsylvania Coal Company, the Erie and Wyoming Valley R. R., and the Delaware Valley and Kingston R. R. properties, acquisitions essential to confirm the road in possession of its anthracite coal tonnage and strengthen its position generally. With this additional issue, the total funded debt has been raised to $175,904,100.

The $32,000,000 thus paid to cut us off from cheaper coal are added to the stocks and bonds of the Erie on which we have to pay interest and dividends. These dividends and interest, the Industrial Commission figures out for us, will add 60 cents a ton to the cost of production of the coal affected.

These securities thus created by the happy dispatch method of the men who can unload their bargains on the companies they control, took their place as a permanent addition to the securities of the Erie on which it will always feel entitled to claim the right of earning interest and dividends from the people. At the same moment this was done, the Reading bought the Central of New Jersey as we have already described.

Thus was frustrated the best and the last possible construction of an independent outlet to the sea and the East. Thus went out the hopes of the independents for their "right to work." This was the last hope of New England for an escape from its suzerainty to New York. But this was not all, nor the worst, at least in quality, if not in quantity. There were a few independents left controlling a mere fraction of the coal deposits. They were absolutely at the mercy of the coal roads for they had no way to market except over their rails. These helpless men were compelled to sign contracts of a kind never before known, even in that business. These contracts bound the conquered men to sell the coal of their mines forever to the coal roads. This put them out of the way forever, as the Industrial Commission says, "as a disturbing factor in any attempt by the railroads to fix among themselves both the amount of output and the price." (Vol. xix., p 460.)

Even that was not all. By these contracts the poor creatures who lived in a land that always grows white hot and hysterical if the sacred "right to work" of a scab is interfered with, were compelled to leave it to the coal ring to determine just how much coal they should mine. Thus the "independent" had to sell all his product to them forever; he had to take whatever price they fixed from time to time; and then he had to stop mining altogether whenever they told him to. If the coal companies made up their omniscient minds that the people of this country needed, or perhaps deserved, only 40,000,000 tons a year instead of 60,000,000 these "independents" would be cut down correspondingly and allowed to produce only two thirds of their capacity. Copies of these contracts were shown to the Attorney General of New York at a hearing in January. The clause in question reads:

First, the seller hereby sells and agrees to deliver on car at breaker to the buyer [the railroad company] all the anthracite coal hereafter mined from any of its mines now open or operated or which it may hereafter open or operate, on the premises intended to be covered by this contract, and any which shall be reclaimed from culmbanks on such premises, as follows: Shipment to be made from time to time as called for by the buyer. The quantity to be ordered monthly shall be a just proportion of the entire quantity of coal agreed to be purchased by the buyer, measured by the colliery capacity of the respective sellers.

Thus these men deprive you of access to coal and make you pay interest and dividends forever on the money they spend in depriving you of it. There are hundreds of millions of dollars literally in the capitalization of the coal roads which represent nothing but the cost of evicting the people from their fire-places. They rob us and then make us pay tribute to them for all time on what they have robbed us of. And quite right they are; we deserve it.

We find as a result of an unbroken and unanimous line of official investigation for an entire generation, that the coal business in all its departments, mining, transportation and marketing has passed into the hands of those who own the highways of the anthracite country. We find all the important roads, except the Pennsylvania Railroad and the Delaware and Hudson, united in the charter of the Temple Iron Company to "develop the material interests of Pennsylvania," according to the peculiar notions of development entertained by these men. We find the two exceptions, the Pennsylvania and the Delaware and Hudson acting throughout in complete harmony with the other roads. We find the few operators left after the defeat of all the campaigns for independence compelled to sign contracts, putting the prices of their product and the product itself at the mercy of the combination. Down to this moment we find that the railroads are all charging uniform prices at New York and other primary markets. The prices in their circulars are uniform. They are even identical in the amount of discount they allow dealers. These circulars appear within twenty-four hours of each other, month after month, giving the same terms. In the face of all this Mr. George F. Baer in New York at the conference called by Mayor Low to ask the coal men what they would and could do to relieve the fuel famine in that city, said: "The unfounded assumption that there is a coal combination of which I am the reputed head is daily made by certain newspapers. There is no such combination. I am responsible for the acts of the companies of which I am president, but I am powerless to control the action of the other companies and of the individual operators."

If we want to understand why this man, who is President of the Temple Iron Company which holds the key of the coal monopoly in its hands, refused to admit that there is any combination, we will not have to look further than that section of the Sherman Anti-Trust Law which makes the coal of such a combination, and its cars and locomotives, liable to seizure and forfeiture. Fortunately he cannot disprove the combination by denying it.

The Pennsylvania Railroad and the Delaware and Hudson Railroad did not enter the Temple Iron Company. They are not members of the voting trust by which Mr. Morgan controls the Reading, Lehigh Valley, the Erie, and with them much the largest part of the anthracite field. It is quite conceivable that the lawyers of these gentlemen have advised some of them to keep out of any formal union in order to avoid the appearance of a combination. But we find these roads all through the record co-operating with the others in their treatment of their labor, in their treatment of the public, and the national, state, and judicial investigations found them implicated as fully as the others in the conspiracy.

In the face of the record, the denial by Mr. Baer can only be characterized as a unique specimen of hardihood. It is not even shrewd, but these men have shown all through their career that they are not shrewd. Their escape so far has not been due to any cunning of themselves, but to the inertia of the people. Mr. Baer's denial is not shrewd because it is a challenge to the common sense of the people. The people know they do not have to prove the existence of a combination to the satisfaction of the monopolists; they need only to prove it to their own satisfaction.

When Chancellor McGill of New York in 1892 annulled the lease of the Jersey Central by the Philadelphia and Reading on the grounds that it tended to a monopoly, he declared in his decision: "To say that these conditions do not tend to a disastrous monopoly in coal would be an insult to intelligence." That was when only one competitor was to be silenced. Since then this one competitor and the Philadelphia and Reading, the Lehigh Valley, and the Erie controlling 77 per cent of the anthracite of Pennsylvania, have all been fenced into one enclosure, and all the other roads also are within the same fence. We can now paraphrase the remark of the Chancellor: "To say that these conditions have not created a disastrous monopoly would be an insult to intelligence."

Relief for the people from the coal monopoly has been sought through the Interstate Commerce Commission and has failed. The legal representatives of the people refuse to have recourse to the Anti-Trust Law for reasons indicated in a moment, although Senator Edmunds, one of its authors and as able a constitutional lawyer as we have, has lately repeated his opinion that its provisions are ample and that we need not a new law but an enforcement of the law we have.

Relief we must have, for relief means life, liberty, and prosperity.

The same human nature is at work now as always. The same everlasting passion for tyranny and the same everlasting passion for liberty still in the same everlasting conflict. To-day the struggle is a step higher than one hundred years before. Then it was as to the right of men as men to a voice in the management of that industry we call government,—dealer in forts, coinage, courts, harbors, postage stamps. Now it is the right of men as men to a voice in any other industry which has become of supreme social importance, for the right of the people to be free from taxation without representation in any business which has so great a power over us that it governs us, to have a voice in any industry so great that those who own it own us, to a vote in any property so great that it is a government, whether it be the control of the railroads or the light of the cities, or the supply of the necessaries of life, like coal, oil, salt, steel, or anything else.

The essence of Democracy is that the Democrat submits to no power of which he is not a constituent part and partner. No non-representative government. No power to which we submit shall be more than the sum total of the powers which have flowed from us to it. No government can be free, no society can be free, in which any power whatever over the citizens is greater than, or different from, the powers existing in them, and voluntarily delegated by them to the centre. As much centralization as you please, but always over against it an equal decentralization. Over against empire, home rule. Over against the authority of the flag the consent of the individual. No power over us that does not flow from us neither in industry nor in government. The power to make a price is a power to tax. We must be represented in the one as well as in the other. If we cannot control the price by our freedom to play competition against competition, then we must control it by some other freedom. If we cannot control it by competition, then by politics in the State-house, if not the Market-house—that is, by discussions, elections, laws. We must control it if we will be free.

The men who think that they can permanently hold a free and intelligent people like the Americans subject to taxes or prices in the making of which they have no voice, no representation, no consent, are the craziest fools in history. They are the barbarians whom Macaulay did not prophesy but who have come. There are such fools, such barbarians of society among us with their saddles on our backs. “Things are in the saddle and ride mankind.” This is precisely the storm centre of the situation,—that there are men over us who dream that they can repeat in the world of prices, of industry, of human association in the market, those claims of absolute power which our race has never submitted to and never will submit to.

The men who came telling the people that they had been entrusted by God in His infinite wisdom as the keepers of their conscience, have been relegated by the contempt and common sense of every free people to the limbo from which the crank never returns. The men who came telling the people that God in His infinite wisdom had entrusted them with the government have been relegated to the same limbo. The same limbo has its jaws wide open for the cranks who come telling the people that God in His infinite wisdom has entrusted them with the care of the property interests of the country.

This is the crisis that is upon us and it is a crisis. A new absolutism is rising, but over against it by a sure law of nature, human nature, is rising that master of all the absolutisms,—The People. Against the absolutism of government rose democracy of government. Against absolutism of property will rise the democracy of property.

For the general line on which the remedy must be sought there are plenty of precedents. Not because of abuses, but simply for convenience, the English people took national possession of their telegraphs a generation ago.

“Since 1869, when the British Government took possession of the telegraph, the number of messages in that country has increased thirteen-fold and the population has increased 30 per cent, while in the same time in this country the number has increased eight-fold and the population has increased 100 per cent. In the past decade the population in England has increased 5 per cent and the number of telegrams 28 per cent, while in the United States the population has increased 21 per cent and the number of messages 26 per cent. The number of messages per capita in each country in 1869 was one fifth of a message, while now the per capita use in England is twice as great as here.”[37]

The Swiss people at this moment are transferring their railroads to national ownership from private ownership. The abuses which led them to this step are so insignificant in comparison to those which we are considering that the contrast is ludicrous. The roads were well managed in private hands, but two incidents occurred which disturbed the unsophisticated Swiss.

A rich merchant of Zurich obtained by purchase the controlling interest in one of the principal lines. In accordance with his undoubted legal right, he turned out the board of directors and replaced them with new men of his own choice. There was no wrecking of the road, no increase of rates, no creation of monopoly by discriminating rebates, only this exhibition of the power of a citizen to control a highway. Then there was a strike on one of the roads. The company would not settle with its men and they fixed the date for going out. A member of the Swiss Cabinet took a special train to the scene of dispute and informed the management that if they interrupted the service for one hour the government would take possession of the road. They settled with their men. These two events had a profound effect upon the public opinion of Switzerland. The people demanded the purchase of the roads. Three of the principal lines have already been acquired and the two others are about to pass from their private ownership to that of the people (1903). There is a precedent which applies to the special industry we have under consideration— the coal business.

The people of New Zealand four years ago began to complain of the prices they were forced to pay for coal. Their supply came from their own country and from Australia. The transportation companies there, as here, had become large owners of the coal deposits, and there, as here, were charging extravagant and erratic prices. An investigation was made. The committee reported that the methods of production were not as economical as they might be, and that the poor consumers were charged prices out of proportion to those paid by the larger consumers. There was nothing worse than this. In a debate upon the report, Premier Seddon said, the time would not be far distant when the state would be working its own coal mines, and he did not see why it should not do that as successfully as it at present worked the railways. There was a suspicion of a combination and the Premier's idea grew in favor. After a year of discussion in Parliament and on the platform the law for a National Coal Mine was passed.

Appropriations have been made and powers delegated to enable the general government to establish state coal mines. These will supply first the needs of the state, as for its railroads, navy, and government buildings, and then the needs of the public. And this political economy of all by all for all puts it into the law that as rapidly as the net receipts increase above 5 per cent. the price of coal to the public shall be lowered. Here, as in its railroad service, in the loans of public money to farmers and artisans, and in the subdivision among the landless of great estates resumed for the people, this New Zealand Democracy eschews profit-mongering and does business on the plane of a social exchange of service for service at cost.

The state coal mines are so new a venture that they have nothing as yet to exhibit more tangible than the prompt determination of the people to use their common powers in this way for their common defence. Theirs is a public opinion which knows how to take to itself all it needs of the public force,—a public opinion plus a public policy, plus the public power. In the financial statement just submitted to the New Zealand Parliament by the Colonial Treasurer is the following relative to the state coal mines:

> In accordance with the decision of Parliament at its last session to establish state coal mines, prospecting operations have been carried out on a portion of the land formerly held under lease by the late Westport Cardiff Coal Company (limited) at Seddon-ville. It affords me pleasure to state that these operations have so far proved satisfactory. The coal leases formerly held by the Greymouth, Point Elizabeth Railway and Coal Company, and the partially constructed railway, have been acquired by the government. Prospecting operations for the purpose of furnishing data for the development of this property have been commenced.

> In the laying out and working of the state collieries due consideration will be given to safety, economy, and the efficient extraction of the coal with the least possible waste. To insure this, it is absolutely necessary for the mines to be opened out on a systematic and comprehensive plan.

And in the law itself the government is authorized in these sections to go into the coal business even though it involve competition with other coal producers.

> It shall be lawful for the Minister, on behalf of His Majesty, to open and work coal mines—and generally to carry on the business of coal mining in all its branches,—after state requirements have been provided for, to sell, supply, and deliver coal and other products, the result of mining operations; and enter into and enforce contracts and engagements; and generally—do anything that the owner of a coal mine might lawfully do in the working of a mine.

Our coal capitalists have found it perfectly safe to flout laborers, consumers, dealers, officials, press, clergy, the public generally, and the President of the United States, during these bitter weeks of their manufacture of artificial winter. Individuals and volunteer committees, however distinguished, seeking to make peace, have been rebuffed with an assured conviction that the public had no business with the business of those "to whom God in His infinite wisdom has given control of the property interests of the country."

But a very weak imagination is powerful enough to picture what would have been the behavior of the same gentleman had there been such sentiments as the above in the last report of our Secretary of the Treasury, and a section in some Federal law giving similar powers to the national government concerning the public's coal on the public lands, to say nothing of the assumption of private mines. The coal companies of New Zealand never say, "There is nothing to arbitrate."

The nervousness with which our coal mine owners protest that "no politics" must be brought in reveals their vulnerable heel and their consciousness of it. "Politics" and the use by the people of their irresistible weapon, public co-operation, have made lambs of the coal monopolists on the other side of the globe.

A recent cable dispatch announces that all the preliminaries have been completed and the government coal mine is about to open for business.

Of course New Zealand and Switzerland are smaller countries than ours, but then our provocation is a thousand times bigger than theirs.

We are in an emergency and it is not safe to wait. Our fuel supply is in the hands of cruel and incompetent men. Like Markle's tenants, we live "at their will and pleasure." With all that the Anthracite Coal Strike Commission can do, and it can do very little since its powers are limited by the submission of the two parties, civil war may relight its fires in the coal industry at any moment. There are intimations in more than one direction of something worse brewing than anything we have yet experienced. It has been found by Congressional investigation that the same process of consolidation which has at last reached consummation in anthracite is in progress throughout the whole field of the fuel supply of this country. The same railroads are becoming owners of hard and soft coal-fields. Vast plans are afoot for gigantic aggregations of soft-coal interests. These schemes are cropping out at widely scattered points. At Portland, Toledo, Chicago, New York, and Boston, scores of places, indications are coming to the surface that the retailers are being organized according to a common plan for common purposes. This is in startling resemblance to the scheme by which the oil business has been "harmonized." The manipulation of the bituminous supply and the bituminous prices during the recent anthracite famine was inexplicable except on the theory that mighty influences were at work in both, with the same object.

Bituminous coal was held back from the market by the great railroads, although the anthracite famine gave bituminous merchants, if they were merchants, such an opportunity to market their wares as seldom comes to a merchant. We can see coming the most appalling campaign for our conquest to which any people have yet been summoned to surrender. It is something infinitely more disastrous than the coal famine or the present coal monopoly. It is something which will work its mischief all through our common life for many years, a fuel trust, including oil, gas, hard and soft coal. It will extend from the mine to the consumer and embrace everything from deposits which cannot be used for generations to the delivery wagons of the retailers. One purpose of permitting the recent strike appears to have been to accustom the public through the strike to scarcity and permanently higher prices for its fuel. The people of this country will never see coal cheap again unless they make it cheap. By the consummation of this scheme hundreds of millions of dollars will be added in stock-exchange values to the fortunes of the devotees of this kind of co-operation, and tens of millions of yearly tribute will be taken from the people for the privilege of warming themselves at their own fires. The loot of the descent of the allied powers on China is a bagatelle in comparison.

The prospect is for as absolute a monopoly in fuel as that we already suffer in our oil and steel. A greater calamity than any which could befall, except a monopoly of our food, and that is already under way, as every housekeeper knows.

When this monopoly is complete, its contrivers will be able to fix by the tariffs of a few railroad managers and a half dozen trustees what men shall be permitted to own and operate coal mines, how much coal shall be mined each year, which mines shall be operated, which closed, what price the public shall pay, what wages the miners shall receive, and at what points the industry of America dependent on fuel shall or shall not be permitted to expand. The men who have this power in the coal market will have much to say, also, along with similar lords of industry in other markets, about who shall be senator, president, judge, and what laws shall be enacted, and how taxes shall be apportioned among the people. Only a fool can suppose that the Republic of the United States of America will survive the continuance of such a system as this, which before our eyes is being set up in the most important departments of the life of the American people.

Only by instant action can the country be saved from the catastrophe towards which its rights, prosperity, and liberties are being hurried by the greed and lust of a small body of the richest and most disloyal men popular government has ever been threatened by.

In this first short half-century the enthusiasts for improved transportation, who so humbly begged the State for charters to permit them to take away other men’s lands without their consent for little experimental railroads, and who so thankfully solicited and received every gift of bonds, lands, money, or “county aid,” have grown to be these giants, getting from the strong meat of highway monopoly the strength to reach out for land monopoly and market monopoly. If these are the fruits of the first fifty years, what will be those of the next fifty years? If these are the winnings of the inaugural era, which has seen only the consolidations of local lines into trunk lines, what will be the winnings of the period already begun, which will be signalized by the union of the trunk lines into one or two great railway trusts, operated by private citizens for private profit, claiming the highways of the nation as private property, and using this private property as the jimmy with which to get possession of all other property?

If the fuel famines of Kansas and Dakota, if the extortions of the coal rings and trusts of Chicago and Pennsylvania, if the pitiable poverty of the miners of Pennsylvania and Illinois, and the “division of property” taken from them, among their powerful destroyers, if these denials of the “sacred right to work” and of “private property” are the fruits of these first years, when these properties and privileges are still managed by men who have sprung from the people, what will the fruits be in the second and third generations, when all this power has passed into the hands of those who, by experience, education, and habits of life belong to another world than the commonalty, and who have acquired a taste for power and luxury that must be satisfied by greater and greater levies on the people? If these are the fruits of the grasping of coal mines by the owners of the highways and the Napoleons of commercial conquest, what will be the fruits of their ownership of the other mines, the forests, and the factories, and farms, all of which must in time be surrendered to the "progressive desire" of the Lords of Industry?

We cannot wait for a law of Congress, and we do not need it; we cannot wait for constitutional amendment, and we do not need it; we cannot wait for further investigation, and we do not need to wait. A simple, practical, legal, cheap, and kindly remedy is within our reach. An unbroken series of decisions in English and American courts, and especially the decisions in the United States Supreme Court in the Illinois Elevator case, establishes the right of the consumers of coal in the United States, and especially in the Eastern States, the very existence of whose people is involved, to a supply of coal from these mines in a steady volume and at a reasonable price. This is a right which may be enforced by all the powers of the courts without the need of any statute. Any one interested, whether a private consumer or a public official representing the whole body of consumers from the President of the United States to the governor of a State, or the mayor of a city, or the superintendent of an almshouse, an attorney-general at Washington, or an attorney-general of a State, can go into the United States courts and apply for a receiver to take possession of the coal mines of Pennsylvania and operate them for the benefit of all concerned. The rights are familiar and indubitable. The remedies are plain and in use every day in the courts. Though this ordinary remedy is ample, there is an extraordinary remedy also available. The Anti-Trust law expressly authorizes the seizure and forfeiture of property of such combinations as those in coal, and gives the initiative in enforcing the rights of the people against such combinations to their legal representatives, or to any individual.

These remedies, the ordinary and the extraordinary, can be pursued separately or together. Let the Legislature of a State authorize its Attorney-General to proceed at once to apply either or both of these remedies, as a preliminary of purchase. The United States courts have found no difficulty in running thousands of miles of railroads through their receivers. The coal business is a railroad business, and can be as easily handled in the same way.

Once these mines are in the hands of the public and we are certain they will be operated without interruption and without extortion, there will be plenty of time to discuss at our leisure all the other questions involved. Mr. Jenkins's Judiciary Committee in the House can be as slow as they choose in studying whether and how the Federal Government can own and operate the mines. The powers of these receivers of the coal roads would be ample to permit them to revive that admirable scheme of the independents—the Delaware Valley and Kingston Railroad,—snuffed out a year ago by Mr. Morgan. If not, they could procure the necessary authority from Congress, and bring into existence the best, shortest, easiest, and cheapest line between the coal fields and New England. In this way the plans of the independents could be realized on a larger and better scale than they had planned. Public spirit and a true democratic political economy would open the highway which has been so uneconomi-cally and unpatriotically closed by private greed. Coal would move to your firesides and factories over a route apparently planned by nature itself for your benefit.

First seize the mines, then pay for them— if we are to pay for them. That these properties are morally and justly forfeitable, the people at least will not doubt when they have digested the record we have traversed to-day. These corporations are outlaws, self-outlawed. They have obtained their power, their property by violation of the laws of private property, public order, and common welfare. That all coal in transit from these coal roads and cars and locomotives are forfeitable under the Anti-Trust law, if there be an Anti-Trust law, no lawyer can doubt. Here perhaps we strike the secret of the evidently invincible determination of very powerful men behind the throne of affairs, that the Anti-Trust law shall not be given any chance. Here may be the secret of the extraordinary behavior of attorney-general after attorney-general, Republican and Democrat, sitting in their places in Washington and making no move to bring this law into court. It is too good a law for the people; too bad a law for the plunderers to be enforced. If it is kept out of sight, ignored and falsely declared to be useless, the people may lose faith in it, and submit to see it repealed or emasculated.

First seize the mines then debate the questions of payments. If we pay for them, it will be only because the people show these men more mercy than they have shown either the people or the workingmen.

Possession prior to payment.

Such men as these cannot be trusted with the possession of the mines during a debate in Congress concerning new legislation. Their tempers are not good enough; their public spirit is not trustworthy enough; their common sense is not strong enough. What they might do we can judge from what they have done, from the respect they have paid to the laws of the nation and State, and to the courts, and to the written and unwritten laws of truth, mercy, justice, and fair dealing between man and man. To defeat so simple a thing as the request of their men for a conference, they were willing to throw the whole country into a polar purgatory. Possession before payment also because the people would thus have a practical means of ascertaining the real value of the property. The people, through their receivers, would take in hand not only the mines and roads, but also the books, records, and accounts. Possession first, payment afterwards. Then we shall have every needed opportunity to decide whether to pay, and what to pay, and how to pay.

For this remedy, simple, just, the whole cost will be less than that of one week of the coal famine. Nothing is needed but one thing, no new laws nor investigations by Congress, no amendment of the Constitution, nothing but public opinion. Here lies ready to the hands of the people every tool they need. They have but to resolve to use it and the problem is solved. “With public opinion,” said Lincoln, “everything is possible”; without public opinion, nothing is possible. “Anything for human rights,” said Charles Sumner, “is constitutional.” And William Penn, before the hard coal of Pennsylvania was discovered, said what is still more true now that we have discovered it and its hardness: “The path of peace is justice; the path of justice is government.” Have the people of to-day leaders as brave and wise as these men of the past and as ready to lead? If not, the people must lead themselves.

X. The Failure of Railroad Regulation.[38]

As you are aware, the gentlemen who have been most active in the management of the anthracite coal business have been under examination lately, in New York, before the Interstate Commerce Commission, and are so still. So far, not much has been learned from them in the way of facts. Under the present system, we are as dependent upon them for their facts as their coal, and are lucky if we escape a famine in either. Pending this investigation, it would not be discreet to make any resume of the coal situation. However well that might be done, it would deservedly have little weight with any one, since the same task is now in the abler hands of the Commission, with access to every source of information, except such as are withheld by "advice of counsel." After all the essential facts, those which have been burned into us as by fire, or, more accurately, the lack of fire—we know.

In what these "masters" of the coal business (to use their own words) have been stating the last week or two, there is much suggestion of the medley of the variety performance. There has been no pool, they tell us, no combination to regulate the price or output of coal. But they meet at lunch, sometimes in couples, sometimes all together, and may discuss the question of the market informally. But they are very careful never to cross the line of combination—the line that divides lunch and conspiracy. Here is progress. In the good old times they would not have been so good. In 1776, Adam Smith complained that "people of the same trade hardly meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public or in some contrivance to raise prices."

Our "masters" easily acquit themselves of crossing the line of combination, that is, of conspiracy, because they are judges in their own case. The God who had the infinite wisdom to entrust these Christian gentlemen with the care of the property interests of the country has had also, evidently, the infinite wisdom to know that He must entrust them with the care of the administration of criminal justice. Otherwise, there might be state's attorneys too heretical to accept their new revelation of the appropriation of other people's property by plenary inspiration.

There is no agreement, they assure us, to fix prices. It is not necessary. The prices attend to this matter spontaneously. Our prices, they say, seem to agree, and so well that it is known to-day what the price of coal will be next July. Unrestricted competition, we are warned, is one of the greatest dangers that threatens this country; unrestricted combination—well, that is another point of view. They confess that there is not much honor in the freight business. Still, they believe in fair and square competition, they being the judges of "fair and square." They compete in building lines to new collieries. But when the few remaining independent individual coal-mine owners sought an outlet to New York and New England and to their "right to work" and perfected an admirable plan to build between their own collieries and the Hudson River a new road along the shortest, levelest, and cheapest route (one designed, apparently, by nature herself for the benefit of New

England), these believers in fair and square competition throttled the enterprise by every means within their power and at an expense of millions of dollars, which they have added to the capitalization on which we must pay interest and dividends. The people, they think, are paying, not too much, but too little, for their coal; and one of them said in New York before the Interstate Commerce Commission that our complaints are the whining of “whipped dogs.” If the Commission does its duty to them, it will order the price of coal advanced, but if it does not —never mind; they are doing it themselves.

If there is no other combination, the principal personage among the coal men is himself a combination. He is the president of so many companies he cannot even remember their names, and personally is at the head of the production, transportation, and marketing of the largest part of all our anthracite. One of his concerns controls sixty-three per cent of all there is, and, with those it is tied up with, controls seventy-seven per cent. He thought, he told the Commission, that they were the strongest people. He fixed the price and compelled the other dealers to do the same. He admitted that perhaps he was arbitrary, but he felt it was necessary. Several of the other companies had to come down to the price he fixed, as the consumer, when he waves his baton the other way, will have to come up. His company is making no money, but it is always willing to buy more railroads and more coal mines if there is the same kind of a profit in them. This more-than-three-persons-in-one claims the same power to lock out the public from their coal as to lock out the miners from their employment. What protects us is his sense of duty. If the Reading Coal and Iron Company desired to forget its obligations to the public and its stockholders, it could, of course, said this gentleman, shut down all its mines and stop its trains from carrying coal from the other mines.

“Have you such power?” asked Commissioner Prouty.

“As the executive officer of the company, I have,” said Mr. Baer.

There is a sacred mystery about coal freights which no state or national or judicial investigation has ever been able to penetrate, but it is as well; for, if the price of transportation were reduced, the Commission was informed, the price of coal would be raised. Their spokesman likened their right to get more for their coal as the public need increased, to the right of John Jacob Astor to exact higher rents for his New York real estate. The companies acknowledge that they are looking forward to the possibility of another coal war and are planning for it as for a state of siege. Their remedy is not prevention and justice. They are building large storage plants in order to have coal to sell when the strike, or lockout, comes.

All the gentlemen who took part in the “fair and square competition” they practise with each other, declined, by advice of counsel, to produce the contracts by which they lunched, sometimes in couples, sometimes all together, steering safely between collation and collusion. In all this, which, considering the claims it makes on the patience of the people, certainly can with extreme accuracy be called the policy of Baer and forbear, there is not much that is new. In fact, it is very old. It has the strange echo, so familiar to all, of something we have known before in some other stage of existence. Up to date, these men have had little reason to doubt that they know the American people better than the reformers do. They push forward the consummation of their plans for complete control, paying public opinion the delicate compliment of virtuous and perpetual disclaimer. They sit at ease in their assurance that we will stand the thing, but not the name. All this raises one of the profoundest legal, economic, sociological, and constitutional questions of our times. This complex question is none the less profound because it takes this simple form. Do you like it? It is interesting to be able to mark a new step in any evolution—in social evolution most of all. Such a step, there can be little doubt, we have recently witnessed in this State. First of any of the great commodities or necessaries of life, coal has reached the dignity of being authoritatively recommended for transfer from private ownership to public control. First of any legislative body, the Massachusetts House of Representatives has voted for such a transfer. This is wholly normal and evolutionary. The world expects initiation from Massachusetts. Coal is the first of the great necessaries of life which has fairly arrived where all seem to be tending. It is the first commodity to pass into the ownership of those who own its highways, but it will not be the last. Soft coal, iron ore, timber lands, and other things are travelling the same road to the same terminus. First, nature consolidated this coal geographically; man built upon that the consolidation of ownership, and with that the consolidation of the highways. Lastly, he bound all these together in the first illustration of what is perhaps the manifest destiny of all the great commodities in these days—a unified ownership of goods, highways, and markets; all the processes of production, distribution, and exchange in one hand.

It is a decisive indication of the trend of public opinion that the Massachusetts House votes by an overwhelming majority in favor of the national supervision of the anthracite business, a large minority standing for government ownership. In this, public opinion is shown to have advanced beyond the need of any discussion as to whether or not there was any need of interference with this property.

We hear nowadays much disparaging comment on the apparent torpor of the American people in the face of great problems which are being made ready while they wait; much pessimism as to the likelihood that we will find a remedy. Is it not the reverse of discouraging to find that the first instance of consummation of the evil in a concrete and final form is followed by this stir among the citizens and their representatives, and this resolute turning to the constitutional and legal instrumentalities which organized society has created to assert its supremacy over business and property?

"The reason of the law is the law," said Blackstone. The laws of property are waves of public opinion. Ask the southern slaveholders; ask the friars of England, France, Italy, even Spain— but not the friars of the Philippines. Grover Cleveland gave us the saying, "Public office is a public trust." Private property, also, is a public trust. In addressing the New York Bar Association, its President said, in 1900: "The only foundation of the right of private property, the only justification for its continuance, is the general acquiescence of the community." "Constitutions as well as statutes can be amended." "The will of the people will have to prevail, and the title-deed of the property owner has no other final sanction than said will."

During his visit to America, Lord Chief Justice Coleridge, of England, in one of his charming addresses, called attention to a rare little book, published in 1700, *Grants and Resumptions*, by Dr. Charles Davenant, son of the Sir William Davenant who claimed to be the son of Shakespeare. Its full title is: "*A Discourse upon Grants and Resumptions, Showing how Our Ancestors Have Proceeded with Such Ministers as Have Procured to Themselves Grants of the Crown Revenues, and that the Forfeited Estates Ought to be Applied toward the Payment of the Public Debt.*" It is a history of English forfeitures, put together, as Chief-Justice Coleridge says, "with an unusual amount of ability and literary skill." In this book, Davenant shows how easily and lawfully the people of England recovered their own property from their kings and ministers when these abused, to private use, that which the people gave them for public use. His volume is a library of precedents, in which we need not change a word to find how easily and justly the American people may recover their property from those "trustees" who have put to their own uses that which the people gave for the general advantage. "On this general advantage," says Lord Coleridge, "all laws of property must stand." He quoted a remark made in England by an English coal owner like that we have just heard in New York. The English mine owner told his workmen that the coal was his, and that if they did not do as he wished, not a pound of it should be mined.

"That fifty or a hundred gentlemen, or a thousand, would have a right, by agreement to shut the coal mines, to stop the manufactures of Great Britain and to paralyze her commerce, seems to me, I must frankly say, unspeakably absurd."

In answer to the argument of "free contract," Lord Coleridge pointed out that there can be no free contract between parties who are not free. He cites the very case of company stores which is so flagrant in our own coal business, and quotes with admiration the vigorous language of the great authority on jurisprudence, Austin, who says: "We hope we will not have our throats crammed with rubbish of this sort."

The present owners of the anthracite mines have failed in the first duty of the property holder, to manage his property so as to please the neighbors. There is no constitutional right of property, except to serve and be served. It is a favorite note of our great business men to sneer at politicians because they court popularity. The property holder needs a longer popularity than the politician, and more of it, for the property holder seeks his office for life and for his children after him. The warranty deed of all property is the good will of the neighbors. Coming events cast their phrases before. The phrase, the "higher law," heralded the Gettysburg speech. A new phrase has lately been heard on the lips of the people —"the higher property." What is that the herald of?

Our trillionaires are fond of telling us that they are trustees of their wealth. We read the law of trusteeship and notify them that we, the wards, are come of age and will take our own. After thirty years of trusteeship, for the benefit of the trustee, in anthracite, Commissioner Wright reports to the President that there is no confidence existing between the employes and their employers, and that suspicion lurks in the minds of every one and distrust in every action on either side. This is as true of the relations between the mine owners and ourselves, the consumers. We were brought to the verge of a situation last year which President Roosevelt described as "intolerable" and "appalling." Now, these men in New York are talking to us as they talked to their workmen last spring and many other springs. They made their contracts with their workmen by ukase, posting on the gate-posts of the collieries the price of labor, as if their men were run-away slaves for whose return they were offering a reward. In the same way, they are posting the price of coal we must pay. We, the consumers, have still to prove if we can establish as successful a manhood in our market as the miners have demonstrated in theirs. Can we find our Mitchell?

The American public stands in the coal market, not as a free public, but, as the representative of the coal companies accurately described us, as "whipped dogs." People who submit in that market, or any other market, to part with their labor, their money, their goods, with no fair return, with no representation in the bargain, with no voice, but to forego a necessity of life, with no right, but to suffer, accepting by compulsion the assertions of the other side as to all the facts; denied access to any competing supply, nerveless to use the immemorial remedies offered by the law, are accurately and scientifically described as this coal man described us in New York the other day—"whipped dogs."

"The masters of the coal business" meet us in the market as they meet the Interstate Commerce Commission in court, with their tongues in their cheek. They may be the most dramatic elocutionists that Wall Street has produced, but they are not safe business men for themselves, or the stockholders or us. Charged by their investors— their widows and orphans—with the care of hundreds of millions of dollars of property, they are not truly men of affairs who in this way "bluff" the public—a public which has a life interest, in more senses than one, in this property. They are not really business men. They are the vaude-villists of the world of values. The action recommended by the Massachusetts representatives in favor of taking from these men a trust it is not safe to leave in their hands, is in square accord with the letter and spirit of the law and the practice of all free peoples. "Things become constitutional," Lincoln said, "by becoming indispensable." This trumpet call from Massachusetts is the most notable utterance of the organic voice with regard to the right of property that has been heard since the close of the great controversy which preceded it about another form of property—also black.

The initiative of Massachusetts has made the issue. What is the remedy? The first vote is for regulation. What is the history of regulation? The solar plexus of the control of the coal is the control of the coal roads.

The coal question is a railroad question. It is *the* railroad question. In his *Figures of the Past,* p. 350, Josiah Quincy tells us that the powers of the railroads are too great to be trusted to private management. “Railroads have come to hold a power,” he says, “which should only be committed to the state, unless, indeed, some way can be devised to hold their managers to strict accountability.” From the Duke of Wellington down, that has been the unvarying attitude of all public men. The proposal to meet the evil of the coal situation by national supervision falls flat. The whole country is veneered with railway commissions. Their efforts to reform the evils of the transportation system have had the same success that Mark Twain tells us missionaries have had with the sins of the Sandwich Islanders—they no longer exist in name, only in reality. In New York the railways pay the railroad commissioners salaries, and the railroads get the worth of their money. In Wisconsin, the governor tells us the commission can recommend anything and everything, and do nothing. England has regulation of the railroads, and Hadley tells us that even the War Department is afraid to incur the hostility of the roads. English industry is being borne down in the competition with foreign countries by the burden placed upon it to pay interest and dividends on enormously swollen capitalization. In Ireland the people are moving their produce to market in traction wagons alongside railroad tracks.

From the Atlantic to the Pacific, and from New England to Texas, there are railroad commissions, but in not one State of the Union has the consolidation of highways and of business dependent on the railways been halted. In not one has the small shipper been placed on an equality with the large shipper. Not one trust has been stripped of its preferential rates. In not one community has the American citizen been able to work at the business of his choice, safe from the risk of being shot down at his desk by the smokeless rebate. Why is it, by the way, that the eminent divines, the university men, and great journalists who grow red in the face over the “right to work” of the non-union workman, never say a word about the “right to work” of these other non-unionists who will not join the trusts—the “scab” capitalists, the independents of the coal, oil, iron, and other industries? The railroads know how to turn every effort of the public against the public; when injunctions are issued to prevent them from cutting down the rates, they put their rates up; when the State of Wisconsin increases their taxes, again they raise the rates to get the money to pay with. Always the public suffers.

The people of Pennsylvania went so far as to change their constitution in 1873 to put an end to the intolerable wrongs of shippers, especially those in this very field of hard coal. They forbade common ownership of the coal mines and coal roads—but in vain.

The agitation of a generation which swept some of the communities of the West and of the East, with passion rising to the verge of a revolution, as in the Granger States and in Pennsylvania itself, ended in the creation of the Interstate Commerce Law in 1887. There could be no doubt what the people wanted to do, and what Congress, which has unquestioned power, meant to do. The Interstate Commerce Law went even to the extent of providing for the criminal punishment of those violating its provisions. What has been the result? The Interstate Commerce Commission—all that I am about to state is taken from them—has now been in existence for sixteen years. In the report for 1902, recently issued, the Commissioners reaffirmed all that they have said in previous years as to the futility of the law and the helplessness of the Commission. Commissioner Prouty began his address before the American Economic Association last December[39] upon “National Regulation of Railways in the United States” with this sentence: “There is none.” The result of sixteen years of legislation by Congress, of investigations and effort on the part of the Interstate Commerce Commission, and of litigation in the courts is that “to-day, with respect to interstate transportation, that is, the great body of transportation, the public has no safeguard.”

One of the railway associations raised the rates on hay, exacting at least two millions of dollars a year beyond what the Commission found would have been just. The Commission issued an order to the carriers to desist. The manager of the association met this by a counterblast, sending word to the railways to pay no attention to the order of the Commission, for it had no authority to make it and no power to enforce it if they had the authority.

The Interstate Commerce Law was not drafted until after the most complete investigation into the whole field of transportation wrongs and remedies. The report and testimony of the Cullom Committee[40] stands by the side of the Hepburn investigation in New York in 1879, as among the classic sources of economic information at first hand. Some of the leading lawyers of the United States were among the Senators who assisted in perfecting it in Congress. When the Commission began its reports, there was at the head of it the Hon. T. M. Cooley, the greatest of our constitutional lawyers, and the ablest interpreter of the law in the United States. The Commission in its investigations and decisions followed the lines mapped out by him. Senator Edmunds, the peer of Cooley, was employed by the Commission as its counsel, but when the railroads appealed to the Supreme Court against the rulings of the Commission, the Court found that Congress, the Commission, and Judge Cooley and Senator Edmunds had all been wrong, and that Senator Cullom and all the able lawyers who had helped him in Congress had also been wrong, and that the law did not give the Commission any power to cure the evils for which the whole country had sought relief. "To-day," said the Interstate Commerce Commission before the Senate Committee in 1900, "we employ no lawyer. We have concluded that we can guess what the Supreme Court can say of this act about as accurately as the best lawyer in the whole country."[41]

The independent coal and oil men were among the first to appeal to the Commission, as their grievances were among the most sensational of those which moved the country to the establishment of this tribunal. In proceeding after proceeding they proved their case. The Commission made ruling after ruling in their favor, but the railroads do not obey, and one by one the independents drop away and go into bankruptcy or the insane asylum, or struggle on in poverty, or unite with the mysterious men who have been able so to use the roads. The law of Congress provided that men who violated it could be sent to the penitentiary. For seven years the Commission, in its zeal, employed a detective. He was "a remarkably good man," they told the Senate Committee of 1900. "He spent his entire time in attempting to ferret out and bring to punishment offenders against the law. The fruit of this labor was one conviction by a jury, two or three pleas of guilty, and the imposition of insignificant fines."[42] In the meantime, the evolution of the evil progresses, while that of the remedy goes backward. "Five years ago," says Commissioner Prouty, "the crying evil was discrimination, mostly between individual shippers." It was the period of competition, and the general level of rate was low. "Little apprehension was felt of any general unreasonable advance" of rates. "Not so to-day." The business of the country has largely passed into the hands of gigantic consolidations. The discrimination has done its work. The property and business of their competitors have become their property and business, as in the coal regions. The rate on grain at Buffalo is made one cent a bushel higher; this gives the railroads one and one half million of dollars a year at Buffalo alone. In December last, there were applications before the Commission from scores of associations of shippers, protesting against increases of rates which would amount to fifteen millions of dollars a year. This is equal to four per cent on a capitalization of four hundred millions of dollars—the value, approximately, of all the railroads of New England appropriated by a few men coming together in a room,—probably to lunch.

When the transcontinental railroads defended their consolidations before the Interstate Commerce Commission, they argued that consolidation reduced rates. When the consolidations were made, one of the first results was a public announcement of higher rates. To carry grain from the Mississippi River to New York cost twelvecents in 1899, twenty-two and one half cents in 1902.[43] An increase of two or three cents in the grain rate means the confiscation of five to ten dollars an acre in the value of the farms of Iowa. A planter who has cotton or a farmer who has grain going only to New York has to pay more for the freight than those whose stuff goes through New York to Europe. Some of the shippers get the lower export rate to New York by simply saying that their grain or cotton is going abroad, although it is never to leave this country.

The latest effort of the Interstate Commerce Commission has been recourse, through United States district-attorneys, to injunctions against railroads, forbidding them to charge any shipper less than the published rates. The railroads were in a position, new to them, of desiring to be thus enjoined. But these injunctions do not prevent them from raising their public rates to any figure in their power. The Commission points out that the rates announced since the injunctions have been asked for, make very decided advances. Moreover, the injunctions have been sustained only in the lower courts. The railroads are contesting this remedy in a case now before the Supreme Court. Pending a decision, the effect of this remedy is that the producers of the country have to pay more than ever for the transportation of their products to market. On one effort to correct rates by injunction, the Commission has already spent seven years, and the end is not yet.[44]

Every reader of the newspaper is familiar with the items now constantly appearing, chronicling the appeals of individual shippers, all sorts of associations of shippers and boards of trade, to the Interstate Commerce Commission, for relief from the new advances of transportation charges in all parts of the country. The rapid disappearance of railway competition, the maintenance of rates established by combination, and the substantial advances in these charges on many articles of household necessity are facts of the situation, as pointed out by the Interstate Commerce Commission, which belong all together, and are becoming, as they say, “increasingly grave.”

For six years there has been a vigorous, intelligent movement to secure an amendment of the Interstate Commerce law. It was participated in by nearly every important board of trade, chamber of commerce, and shippers’ organization in the United States, including the National Board of Trade and National Association of Manufacturers, hundreds of farmers’ associations, the National Grange, large numbers of trade organizations devoted to particular lines of traffic. More than thirty great national associations and thousands of individuals, firms, companies, and corporations asked Congress and their own representatives to secure its amendment. As a result last session Congress passed the Elkins amendment. Whatever else it does or does not do, as in its prohibition of rebates, one thing it distinctly fails to do—it still leaves the railroads without any control in the making of rates. It fails to clothe the Interstate Commerce Commission with a single detail of new power to insist that rates shall be just and reasonable. The Commission asked for the strengthening of the criminal features of the law, and these are now repealed.

The Elkins law is incompetent to do the work for which it was ostensibly framed. Purporting to be designed to put an end to rebates, it withholds the power by which alone that purpose could be achieved. Government inspectors, with the powers of bank examiners to overhaul books, accounts, and the methods of carriers in their offices, without notice, are a necessity for any adequate discovery of the facts. But there is no such provision. Railroads should be required to make their returns under oath, so that the penalty of perjury might attach to misrepresentation. But this is not done. The Interstate Commerce Commission has repeatedly proved that the statements of the railroads are false, but there is no method of compelling true returns. There are indications, here and elsewhere, that the Elkins law has been framed more to put into the hands of the great corporations more facilities for raising rates by keeping the weaker roads from undercutting, than to put a stop to the giving of preference to the large shippers, who are stockholders and directors in all the important railways. The Elkins law means more railroad consolidation, higher rates, increased extortion, stock-exchange speculation.

Here is the appalling fact to which the public has not yet awakened. Under the decision of the Supreme Court, the railroads may now establish their own rates and charges and decide for themselves, with no interference by any court or other authority, what rate shall be reasonable and just. All that the Commission can do is to "investigate" wrongs done in the past and report the results of its investigations to itself. We have no remedy to-day for extortion on the highways; for past extortion, no remedy in damages, none by criminal prosecution; for future extortion, no prevention, either by Congress or the Interstate Commerce Commission. The courts have no power to fix rates, but they have taken away the power Congress gave the Interstate Commerce Commission. Some of the aspects of this conflict have been almost scandalous: the Supreme Court, on one side, for instance, emphasizing the billions of railroad property at stake; leaving it to the Interstate Commerce Commission, on the other side, emphasizing the still greater billions of the property of the whole people at stake.

Damages are no remedy. The man who pays the rate is not the man who loses. It is not the shipper of grain, but the farmer out of whose pocket comes the railroad charge. All that is recoverable in damages is the excess, and no one can afford to sue for that. An extortion that will take millions from the public takes from the individual shippers or association of shippers too little to inspire or reward them to proceed for redress. The injured party, says the Interstate Commerce Commission, can not sue. He will not sue. If he does sue, he gets no relief.[45] Between 1887 and 1897 there were 225 cases before the Commission, in which it was found that the shipper had been charged too much. In only five of the cases did the shipper make any effort to get reparation through the Commission, and in only one of these five cases was the amount to be recovered more than one hundred dollars. In no case has a recovery of an excessive freight rate ever been obtained in any court of the United States. "Although the wrongs under which the people of this country have labored in the past, by reason of unjust exactions from the railways, have raised up and overturned political parties, and although railway rates have been enormously reduced by the direct enactment of legislatures and the action of commissions, still there is no case on record where the courts have been resorted to for relief."

In cases where the remedy by suit for damages has been tried, the courts have actually held that the published rate is presumably a reasonable rate and that no action will lie to recover on the ground of unreasonableness. "As the law stands to-day," says Commissioner Prouty, "there is absolutely no remedy for the exaction of an unreasonable rate."

Even if the Supreme Court had not taken away the power of the Interstate Commerce Commission, the result must have been the same; only it would have come more slowly. For ten years after its organization, the Interstate Commerce Commission did exercise the right which the Supreme Court afterward took from it, of correcting unjust and unreasonable rates and declaring what were just and reasonable rates in the future,—which is the only cure for extortion.[46] And yet, during that halcyon period, the slaughter of the independents and of the small men and the discriminations between persons and localities and the extortionate rates went on to their consummation. Colonel Sellers invented a stove which gave the appearance of heat. At its best, the Interstate Commerce Cc emission was only a tribunal which had the appearance of justice. A young friend of mine to whom I had given a certain task explained why he had not done it. The first day it was too warm; the next day too cold; yesterday was too medium. The policy of regulation is too medium. "It was its half-reformers," Mommsen tells us, "who ruined Rome." When confronted with this situation, an eminent champion of the railroads, asked what remedy he would suggest, admitting the evils, replied that he would trust "to the interaction of the correlated forces." Whatever that may be it is a safe prediction that if the people betook themselves to it, they would find that it belonged to the railroads.

If a generation of agitation, legislation, and adjudication, with the combined efforts of the best journalists, economists, statesmen, constitutional lawyers, Congress, and the Supreme Court, backed by the most energetic public sentiment and private efforts to employ all these means of redress, ends in such a fiasco, what life can we believe is left in the idea of regulation? The record pulverizes the argument for supervision as a solution of the railroad question—and the coal question is the railroad question.

For our purpose it matters not who are right or wrong—the Supreme Court, or the Interstate Commerce Commission, or its lawyers, or Congress, or the railroads, or the shippers. Fifty years of regulation have come to naught and the public can never again be roused to repeat the effort. Ownership has the floor. The power to make their own rates and the power to decide for themselves whether they are extortionate, rests in the hands of the railroad combinations of the country. What manner of men are they who have this power over us? What the evil of rebates has been, every intelligent man knows. Freight-rate favoritism has been the most potent factor in the establishment and continuance of the great combinations of capital during the present time. The Interstate Commerce Commission says it is doubtful if there is a great trust in the United States which does not stand upon a preferential freight rate.[47] "There is not a railroad manager in the United States," they say, be he "great or be he small, who could not, by the simple fiat of his command, absolutely stop the payment of rebates upon his roads." This the railway officials themselves have admitted to the Commission. "With but one single exception, no railroad company has ever given the Interstate Commerce Commission one scintilla of evidence that would help it to stop these unlawful practices." That exception was in the case of a traffic association in the Southwest, which made it one of its articles of association that its members and officers should call the attention of the Interstate Commerce Commission to any violation of the law that came under their observation. When their manager (who was young, fresh, and enthusiastic, and did not know as much about traffic associations as he did later) reported a flagrant violation of the law to the Commission, he was not only discharged by the association, but was blacklisted. He is looking for a job, and he can never obtain a job with any railroad company, because, in obedience to the oath which the railroads themselves had put upon him, he called the attention of the Commission to a violation of the Interstate Commerce law.[48]

The head of the Joint Traffic Association in New York, comprising all the important railroads in the East, testified before the committee of Congress that 270,000 cases of false billing were called to its attention. About not one of them had he given the Commission any information. His testimony before the Senate Committee of 1900 showed that the roads defiantly broke their own contracts as well as the laws.[49] The Commission has travelled all over the country, from Chicago and Minneapolis to Oregon; it has examined hundreds of railroad men as to rebates which every one knew were being given, which were proved by the daily announcements of freight rates in the newspapers; "the gentlemen swore, one and all, that no rebates of which they had any knowledge had been paid." The Commission abandoned the investigation, for the only result was to stultify it in the eyes of the public and to belittle the sanctity of an oath.[50] Business men of importance, whose virtue rose to the point of sending information, confidentially, to the Commission, afterward begged that the matter be dropped, for fear of unpleasant consequences that might result to them if they should appear as the complainants against the men from whom they have to obtain the transportation without which they could not live. The leading traffic officials of many of the principal railway lines, occupying high positions, charged with most important duties, deliberately violate the statute laws of the land. They agree with each other to do so. They destroy vouchers and so manipulate bookkeeping as to obliterate evidence of the transactions. The business of railroad transportation (the most important but one in the country to-day) is conducted in open disregard of the law. Men whose names are known throughout the commercial world augment their gain with the enormous amounts which they receive in plain defiance of Federal statutes. So says the Interstate Commerce Commission of 1901.[51]

Do you remember the outburst of satisfaction with which the country hailed the decision which declared unlawful the combination known as the Trans-Missouri Freight Association? The Justice who wrote the decision was nominated for President in every section. The Joint Traffic Association of New York was also covered by the decision. Well, this decision, the Commission informs us, "has produced no practical effect upon the railway operations of the country. Such associations, in fact, exist now as they did before, and for the same general effect."[52] The Trans-Missouri Association changed its name; that was all. One of its first acts under the new name was to issue a new tariff, raising the freight charges over a region of one hundred thousand square miles.

In a case affecting Chicago, the Commission ordered a reduction of one dollar per car. The roads fought the order in the courts for four years. The Commission was sustained. Whereupon the railroads reduced the rate one cent. This left it still ninety-nine cents above what the Commission had found to be just, and gave the shipper no other remedy than another suit, occupying four years more. By this he might get a decree, the only effect of which would be another reduction of one cent, or perhaps, this time, a quarter of a cent. It would require from four hundred to sixteen hundred years of this procedure to give the public a relief which is no relief unless it comes immediately.

The law requires the railroads to publish their tariffs so that all may know what the rates are. Railroads sometimes publish them by hanging them behind their back doors, or they make them so complicated and obscure that they are of no use. To understand what a certain tariff specified by the Commission would charge, the shipper had to consult seven other tariffs.[53]

When the Commission reduced rates to restore equality between two cities, the railroads reduced their rates still more, in such a way as to restore the inequality. To give one great trust control of the New England market, the railroads shut its competitors out of that market, depriving themselves of the transportation these competitors would bring, and they did this for the benefit of the trust, which shipped its product into New England by water. If this is not the world of *vice versa*, what is it? The New England roads used their power over the highways of New England to put the entire section under tribute to a group of capitalists who refused them transportation and sent it by the competing water route.

When it became evident that the country would have an Interstate Commerce law, several of the great railroad systems were converted opportunely, and were not only ready to admit that there should be a law, but even to suggest what that law should be. Some astute lawyer was always ready to offer, at every vital point, an innocent-looking amendment. These innocent-looking amendments bore fruit in the decisions of the Supreme Court that the act gave the Commission no power over the rate. (May 24, 1897.)

The railroads keep one set of attorneys to appear before Congress to contend that the law needs no amendment, because it is already all that it should be. They keep another set of attorneys to appear before the courts to prove that the law is wholly worthless and wrong. If, in some rare case, a railroad obeys the Commission's prohibition on interstate rebates, it makes it good to its favorite by giving him a rate within the State that restores his unfair advantage. The president of one of the most important railroad systems in the country, the Louisville and Nashville, stated it frankly to be his position that there should be no authority anywhere which has power to inquire whether a rate on the Louisville and Nashville is reasonable or unreasonable. Asked what remedy the shipper or traveller would have for an unreasonable rate, he replied:

"He can walk. He can do as he did before he had a railroad, as thousands now do who have no railroad."[54]

This gentleman was so proud of this solution of the railroad problem that he published this testimony in pamphlet form and circulated it widely.

The same railroad argued through its attorney, before a Circuit Court of the United States, that the only test of a reasonable rate was the price of haulage by team, and that the railroad could charge, at its discretion, any price above that for the transportation of freight.[55]

Congress in 1893 ordered the railroads to equip their cars with automatic couplers and air brakes, to save the worse-than-war slaughter of the men. When the limit set by the law had been reached, December 1, 1897, most of the railroads were found to have failed to comply with the law, and were asking for extension. One of the most important was the road which gave its patrons this alternative of walking if they did not like its charges. It had equipped its lines with but a very small fraction of what was required—only four or six cars out of each hundred. Its president fought for an extension of time on the ground of the financial depression. The company was shown to be earning over one million surplus yearly, at that time. As Commissioner Prouty expresses it, his conception of his duty was that he must earn money for his stockholders, no matter how many men he might kill and wound in the operation. His obedience to the statutes of the United States was a secondary matter. We who are not interested because we are not switchmen, must remember that the switchman may be the victim to-day, the passenger the victim to-morrow. The same gentleman testified before the Interstate Commerce Commission that, in his opinion, all railway rates were too low, as the representative of the coal roads said the other day in New York. At the moment at which he made this claim, his road was paying seven per cent on its preferred stock and earning twelve per cent, on its common. When the railroads announced the almost universal advances last fall (1902) and this spring (1903), whichhave thrown the shippers all over the country into a panic and overwhelmed the Interstate Commerce Commission with complaints, the Commission called upon the railroad men, among them the most important in the country, for an explanation. One said he had made the advance because his president had told him to do so; another, because his superiors said they must have more money. The advances were determined upon at a meeting of the traffic men in New York, but none of them could remember how they were determined upon. Some said it was an “agreement”; some said it was an “understanding”; some simply that it was an “announcement.” Some of the increases, like those on iron and meat products, the Commission allowed to pass without objection, but the increase in the rate of grain between Chicago and New York of fifteen and fifty per cent proved to be a different matter. One witness justified this on the ground that the crop had been very large, which would seem, in ordinary arithmetic, to support the expectation of a lower not a higher rate. The Lake Shore and New York Central railroads were among those which joined in this movement to raise the rate at the expense of the Western farmer and the Eastern consumer, from seventeen and one half to twenty cents. The Commission showed that it cost the Lake Shore and New York Central roads to move a standard train of fifty cars from Chicago to New York five hundred and twenty dollars for the total train expenses. This train earned at the old rate seven thousand dollars for one trip. This, the Commission thinks, is enough to pay all terminals, maintenance charges and other expenses, and leave the stockholders all the profit that is healthy for them, without raising the price of transportation over fifteen per cent.

The Michigan Central is another of those roads which participated in this levy upon the business of the country. Its representatives defended the increase, on the ground that it should be allowed to earn four per cent, on its capital. The Commission found, by expert examination of its accounts (which they tell us were not kept in such a way as to make a fair exhibit of its condition), that this road pays four per cent in dividends and earns ten to twelve per cent. Its stock has doubled in value under the old rate. Its representative said that the rise was “the beginning of an attempt to adjust the revenues of this company.”

The principal member of the special group of the railroad world we have before us to-night, the Reading, is another corporation which so manipulates its bookkeeping as to defeat investigation either of the stockholders or of the public. The Industrial Commission investigating the Reading, reported that, even with the help of experts, it was “almost impossible to unravel the complicated cross accounts and determine what is the actual financial condition of the several corporations.”[56] Its stock has increased in value many millions of dollars in the last three years, during which two disastrous strikes have occurred. That of last year (1902) alone cost the coal companies the Anthracite Coal Strike Commission has estimated) nearly fifty millions of dollars, of which the Reading loses the larger part. But its president declares that he would not be content with coal prices and freight rates which earned only four per cent on the market value of the stock. It is worth, he says, a great deal more than the books show. The movement of the price of coal and of the stock of the companies in Wall Street indicates that it is the public, not the owners of properties, who are to pay for the recent strike.

The Lake Shore keeps its accounts in an even blinder form than those of the Michigan Central, but the Interstate Commerce Commission is able to show that, after paying seven per cent to its stockholders, the company has surplus enough, each year, to buy the control of a very considerable railroad. In 1902, it thus bought out of surplus the Indiana, Illinois and Iowa Railroad for $4,728,000. It owns the whole or the control of half a dozen important connections. Before admitting that it should be allowed to raise its rates to the public to buy more roads, the Commission thinks it would be well for the people to consider what the "bearing of this process, continued for half a century, will be upon the great economic problems before the country—the distribution of wealth and the control of transportation."

The stock of the Lake Shore, which wanted this two and one half cents more for each one hundred pounds of grain, sold at 340 in 1902. The Pennsylvania Railroad, another member of this group, after paying everything, including six per cent on the stock, had a surplus last year (1902) of eleven millions. In brief, as to these roads, the most important of those which have taken part in the advance, the Commission found that this advance was in rates already profitable, and had been sought by lines in a condition of the highest prosperity, as shown by an advance of fifty to one hundred per cent in the values of their stocks, and that their dividends could be maintained without any advance. The movement to raise rates continues. Since the hearing we are now describing, the Commission reports that "important advances of wide application upon rates long unchanged have been made in various parts of the country." The Commission called attention to the fact that there are six traffic managers who control the traffic operations of more than one half our railroad mileage. Such unification permits an advance of rates and maintenance of rates which has never before been possible. To understand the moral character of this demand upon the public purse, or, if you will not concede that a moral character applies to such acts, to understand its bearing upon the general advantage and the common welfare, it needs to be made clear that these advances now being made are all profit. Slight increases mean enormous gains, as they are additions to net earnings without additions to expenses. That is to say, they mean enormous taxation of the people. "A very slight increase in all rates," says the Interstate Commerce Commission "if it should be permanently maintained, would enhance enormously the value of railway securities."[57]

Wall Street robs us, waters and capitalizes the plunder, and sells back to us at high prices what it took from us for nothing, and then we fondle the quotations as evidence of our wonderful prosperity. The standard of value of these securities and the measure of such prosperity is the length of the public ears and the limit of its submission.

The men who, in the stead of the state, construct our highways and levy taxation for traffic and travel, own property worth twelve thousand millions of dollars. They collect sixteen hundred millions, yearly in such taxation—three times as much as the national government,—and the men who exercise this sovereign power do it, as the Interstate Commerce Commission has told us, in the coal business and all other interstate traffic, at their own discretion, without control by the courts or Congress, or any representative of the courts or Congress. They are judges in their own case in all questions between themselves and the people.

This is the manner of men who are in charge of our highways and have the right of taxation without representation, and this is the manner of their discharge of their function. Their record reaches its climax in the deliberate increases now being made of rates already profitable, in order to enhance profits above the average and to capitalize this oppression in new flotations of securities to be launched in their own water in wave after wave of stock-exchange speculation.

However, like other men in their origin, these men have been specialized by their environment. They have become what uncontrolled power over the many has always made the few. The French have a phrase—impossible women. Here we have "impossible men" made so by us. "Our railroads are highways," one of our most eminent literary men once said to me, "and their owners are highwaymen." It is with such men as these that the American people are asked to continue to play the game of regulation. These are not revelations of personal peccadilloes; they are the official disclosure of deliberate policy, contrived and operated by the most important men in the business world of America, and affecting values, industries, morals, and liberties over imperial areas.

We do not wish to pursue to humiliate these men, but we must domesticate them into good citizens—fellow citizens. The depravity of the situation is not in them, but rather in us, who have betrayed them by thus betraying ourselves to them, or, rather still, it is in that brute nature of things which it is the mission of human nature to change.

The psychological moment for regulation has passed. It makes no appeal to the social imagination, which is weaving poverty into hope, even in the slums.

> "The prophetic soul
> Of the wide world dreaming of things to come."

Regulation has had its chance; more accurately, these men have had their chance to be regulated and have lost it. We have had thirty years of regulation, and it has been a thirty years' war, the people losing all the time, and knowing it. Special interests are admirably fitted for such a contest; the people wholly unfitted for it. Regulation asks the state to play a double part: to give away its power and retain it; to bestow grants and recall them. Regulation is a people divided against itself. When regulation, as in early social development, is accomplished by the attritions of competition in an open market, it is as if a law of nature did the work and no one feels aggrieved; but when you regulate the property of others, even if you are the state, you multiply resentment and every force of nature plays against the state, including its own inevitable tenderness. A little girl wanted a new dress. " It is last year's dress, papa," she said, "but this year's legs." Regulation is last year's dress; our problem is this year's legs.

Democracy found that the only way to regulate kings was to make every citizen a king. The only way to regulate these owners of our highways is to make each one of us an owner of the highways, as the Swiss have done. It is not the mere transfer to the state that we mean by public ownership. The least democratic countries in the world have state coal mines and state railroads, but they have no ownership by the people. The socialism of a kingly state is kingly still; of a plutocratic state, plutocratic. We mean to transform at the same moment we transfer. The corruption of capitalism, the invasion of the private greed of railroads, express companies, contractors, party spoilsmen, are covering our post office with scandal and loss. We will not abolish the post office; we will abolish the parasites.

Government by the people is only a half truth; the other half is industry of, by, and for the people. If brotherhood is the true "spirit of the hive" here, it must be so there. "The new thing of our day is democracy, the coming forward of the people." This demand for nationalization of the coal mines and coal roads, and for other nationalizations and municipalizations is the first breath of a new spring of democracy. It is not a scheme to get a majority for some interest, and then rule in favor of the majority. It is an aspiration of the people for more of the life together which they have begun, however imperfectly, in the democratic state. It is the hope to emancipate all—the slaveholder as well as the slave. "But," says a great editor, "this is socialism, and socialism will not be permitted." There, again, is the voice of the old broadcloth mob which said that abolition should not be permitted, and with its right hand put a rope around the neck of William Lloyd Garrison, and with its left hand pulled the trigger at Fort Sumter; and which is now building armories and consolidating militia and regulars, teaching the riot drill, and making buckshot cartridges for its next-door neighbors—and this will be its second failure.

The bee has made its "spirit of the hive"; ours is still in the making. The hope of ages for a better world is becoming the conscious will to create it in our own day.

The church, which once had wooden chalices and golden bishops, but now has golden chalices and wooden bishops, has become less sacred to the people than the state, through which all can serve and be served. For the greatest of their hopes, the people are turning the world over to the greatest of their instruments—the state. They will purify it and quicken it, by giving it more of its real work to do. The remedy for the shortages of democracy *is* more democracy. Liberty needs new liberties more than new markets. The Declaration of Independence is growing dim, and has had to be locked up. We will make it unashamed of the light of day by rewriting it in the more indelible blood of a completer brotherhood—completer because carried into the wider field of the common toil. Many and powerful are the "friends" who seek to turn the people aside or call them back. They love the people, but not yet can they trust the people. The people do not ask them to, and are content with the trust of their Washingtons, Lincolns, Christs, who did not live on them. In one breath the people are told that they are too good to need reform; in the next, that they are too bad to make it work, then, that this new democracy is not "practicable." But the people did not stop in 1776, though they knew every republic had been a failure. They press forward, not to love, liberty, and equality, but to more love, more liberty, more equality.

> "A music heard by them alone
> To deeds as noble leads them on."

Notes.

1. Published in the *Atlantic Monthly*, March, 1881.
2. Since this was written the discovery of new oil fields in the South and West has greatly extended the territory of production.
3. Published in the *Atlantic Monthly*, July, 1882.
4. Testimony of Jay Gould. Report of the Select Committee, appointed by the Assembly of the State of New York, May 11, 1873, to investigate alleged mismanagement on the part of the Erie Railway Company, together with the testimony taken before said Committee, p. 545, *et seq.*
5. Published in the *North American Review*, August, 1883.
6. Published in *North American Review*, June, 1884.
7. This was written in 1889. No memoranda found to indicate where or whether it was published.
8. House of Representatives, 50th Congress, 2d Session, Report No. 4147, page 101.
9. See *Work and Wages*, pp. 400, 401.
10. Address delivered at Chicago Central Music Hall, February 22, 1890.
11. Delivered before the Liberal Club, Buffalo, N. Y., December 20, 1894.
12. Published in the *Progressive Review*, London, September, 1897.
13. Thomas B. Reed.
14. Garret A. Hobart.
15. Hearing before the Committee on Federal Relations. Augusta, Maine, March 12, 1903; Boston, Mass., March 13, 1903.
16. Coal Combination, Congress, 1893, p. ii. See also Wealth against Commonwealth page 11, etc.
17. Labor Troubles in Anthracite Regions, 1887–1888. House of Representatives, 50th Congress, 2nd Session. Report No. 4147, p. xxii.
18. Coal Combination, Congress, 1893, Testimony of John C. Haddock, p. 247.
19. Coal Combination, Congress, 1893, p. iii., p. vi.
20. Combinations, Canadian Parliament, 1888, pp. 5, 6, and 7.
21. Report, Congress, 1888, p. lxx.
22. Investigation by the Senate of Pennsylvania into the Anthracite Coal Difficulties. 1871.
23. Congress, Report 1888, pp. lxxvi, lxxvii.
24. Same, pp. ix., xciv., and following.
25. Same, p. xlv.
26. Congress, Report 1888, p. xiii.
27. Coxe case before Interstate Commerce Commission, Coal Commission, Congress, 1893, p. 183.
28. Same, p. v.
29. Industrial Commission, vol. xix., p. 463.
30. Same, pp. 464, 465.

31. Industrial Commission, vol. xix., p. 465.
32. Industrial Commission, vol. xix., p. 466.
33. Same, vol. xii., p. 163.
34. Same, vol. xix., p. 564.
35. Mr. George F. Baer is a director in the Central of New Jersey; Lehigh Valley; Philadelphia & Reading Coal & Iron Co.; and the Reading.

    Mr. Joseph Harris is director of the Central of New Jersey; Philadelphia & Reading; Philadelphia & Reading Coal & Iron Co.

    Mr. L. Lowber Welsh in the Central of New Jersey; Philadelphia & Reading; Reading Company; Erie; and the Philadelphia & Reading Coal & Iron Co.

    Mr. E.B. Thomas in the Central of New Jersey; Lehigh Valley; Erie; and the New York, Susquehanna & Western.

    Mr. George F. Baker in the Central of New Jersey; Lehigh Valley; Delaware, Lackawanna & Western.

    Mr. J. R. Maxwell in the Central of New Jersey; Lehigh Valley; Delaware, Lackawanna & Western.

    Mr. Charles Steele in the Central of New Jersey; Lehigh Valley; Philadelphia & Reading; Reading; Erie; Philadelphia & Reading Coal & Iron Co.; New York, Susquehanna & Western.

    Mr. H. C. Fahnestock in the Central of New Jersey; Delaware, Lackawanna & Western.

    Mr. H. McKay Twombly in the Lehigh Valley; and Delaware, Lackawanna & Western.

    Mr. Alexander E. Orr in the Erie; and Delaware & Hudson.

    Mr. C. M. Depew in the New York, Ontario & Western; Delaware and Hudson.

    Mr. George C. Thomas in the Philadelphia & Reading; Reading.

    Mr. Harry P. McKean in the Philadelphia & Reading; Reading.
36. See also *Men the Workers,* pp. 247–250, by the same author.
37. Industrial Commission, Vol. xix, p. 675.
38. Address before the Massachusetts Reform Club, May 15, 1903.
39. 15th Annual Meeting, Philadelphia, Dec. 26–29, 1902. American Economic Association, Feb., 1903, vol. iv., p. 71.
40. Report 46. 1st Session, 49th Congress, 1885–1886. Report of Senate Select Committee on Interstate Commerce, S. M. Cullom, Chairman.
41. Hearings before the Committee on Interstate Commerce of the United States on the Bill (S. 1439) to Amend an Act entitled “An Act to Regulate Commerce,” approved February 4, 1887, and all Acts amendatory thereof. Senator S. M. Cullom, Chairman, 1900. Testimony of Charles A. Prouty, Interstate Commerce Commissioner, p. 394.
42. Hearings before Committee on Interstate Commerce, 1900, p. 388.
43. American Economic Association, 1903, vol. iv., pp. 72, 73.
44. 16th Annual Report of the Interstate Commerce Commission, 1902, pp. 7–11.
45. 11th Annual Report, 1897.
46. Report of 1897, p. 11.
47. Cullom Report, 1900, p. 394.
48. Hearings before the Committee on Interstate Commerce of the United States, 1900. S. M. Cullom, Chairman. Testimony of Charles A. Prouty, 386, 387.
49. Same, pp. 387, 383.
50. Same, pp. 388, 389.
51. 15th Annual Report, 1901, p. 6.
52. Same, p. 16.
53. 16th Annual Report, 1902, p. 14–15.
54. Testimony of Milton H. Smith, quoted in Amendments of Act to Regulate Commerce Hearing before Senate Committee on Interstate Commerce, February 20, 1900, p. 61.
55. Interstate Commerce Hearing before Senate Committee, 1900, p. 391.
56. Industrial Commission Report, 1902, vol. xix., p. 448.
57. 14th Annual Report, 1900, p. 9.