MAKING MONEY
VERSUS
PRODUCING WEALTH.

To the casual observer looking only upon the surface of things, making money and producing wealth seem synonymous terms; and many who do enquire somewhat more deeply into the reason of things will be found to endorse this view.

This is not to be wondered at, for if we regard money in the form of coin or paper certificates as a medium of exchange representing varying amounts of different things which labor has fashioned out of this world's ample stock of raw material, it seems but natural that he who makes things should be able to exchange those things for other products, or for money representing such products.

Following out the same train of reasoning, it would seem that he who possesses money mus first have produced things to the value of that money. If we at this stage were to follow the time-honored style of reasoning, "it ought to be, therefore it is," we could come to no other conclusion than that to make money is to produce wealth and vice versa.

To go back to first principles the case would stand thus: A man working six days at producing any one thing finds that he can produce in those six days more of that particular article than he himself can consume in many weeks, and consequently desires to exchange his surplus product for different articles produced by the labor of others. He does so, and after satisfying all his wants, finds he has still one day's surplus labor product on his hands.

It is at this stage that the institution of money cemes specially to his aid, for instead of making a present exchange for goods which he does not require, or allowing his surplus stock to waste, he parts with the results of his spare labor, and receives from some other individual who can exchange or use this particular class of product to advantage, a certificate in the shape of coin or paper documents, that will enable him at some future date to obtain an equivalent for his original labor in the shape of things yet to be produced.

This is plainly what was intended by the institution of money; it arose from a natural desire upon the part of the producer to receive the whole of his product or its equivalent, in whatever form and at whatever time he should choose to consume it.

As this custom of using money became universal, the value of any product of past labor came to be estimated by the amount of present labor measured in money for which it would exchange rather than by the amount of labor riginally required to produce it. And very often money is regarded as of real intrinsic value, instead of being as it really is, only the representative of things produced or to be produced by labor.

So far all our investigations bear out this idea, that in order to acquire money we must produce wealth, and consequently, of course, the inference is clear, that only those who have produced wealth should be in possession of money; or, in other words, that drafts upon future production should represent a corresponding actual addition to the wealth of the present.

But do the facts of tne case in our present day civilization bear out this idea. To test this let us gauge the possible accumulation of money by the actual production of wealth.

Take the case of a young man starting in life at the age of 20 years. Let us suppose that he works 300 days per year, and receives two dollars per day, or $600 per year in return for producing things which the community desire. Taking one year with another, let us snppose that he has one-sixth of his product unconsumed, which he accumulates in the shape of money, in order that he may be able to draw upon future production for such things as he will require when he shall be past work. After half-a-century of toil he will, by actual accumulation of his unconsumed product, be in possession of $5,000, or enough to keep him for ten years without working. This is clearly all that the average man can do under the most favorable conditions, and as a matter of fact, far more than he can hope for in almost any civilized nation in the world.

But when we turn from the actual possibilities of the many to acquire money by means of producing wealth, to the actual facts respecting the money held by individual persons, a strange and startling discrepancy is apparent.

We have, for instance, the case of a solitary individual, who, in less than half-a-century is said to have accumulated $250,000,000, or an amount equal to the possible savings of 50,000 men for 50 years.

At the outset there seems only two ways of explaining this fact; either one man has actually done the labor of 50,000. or 50,000 men have handed in all their surplus products to one individual. The first, of course, is impossible, and the second, though possible, is not true, for, as a matter of fact, this army of 50,000 artisans have never had the opportunity of producing the wealth neccessary to accumulate such a surplus.

That one man has the money may be true, but that a like amount of wealth has ever been accumulated is false. It could have been produced if every one of these artisians had always been at liberty to produce wealth when they chose.

The vast accumulations of money in the hands of the privileged few in any civilized country cannot be accounted for either by personal accumulation, by legitimate production, or by appropriation of the fruits of others toil, for they are out of all proportion to the possible savings of the industrial population under present conditions with labor fenced off from natural opportunities by unjust laws.

If no actual production of tangible wealth has taken place to represent the money said to be made by the Roth childs, the Vanderbilts, and the great landlords of the world, what, then, do these fortunes represent? Partly, it is true, wrongfully appropriated labor products; but the major portion of the great fortunes of the world consist of long dated promissory notes drawn against the earnings of future producers, who, by some mysterious process, are supposed to have endorsed documents drawn long before they came into existence, and which, because of such imaginary endorsement can be exchanged for money.

For example, the possession of a slave was (and is now in some cases) equivalent to the possession of money. The estimated amount of the slave's future productions (less such amount of his products as would be required to keep him in health) could be capitalised, discounted, and drawn against at any time.

The Duke of Westminster, for example, is said to be worth 16 millions sterling, yet in all probability all the tangible assets in the shape of labor products in the Duke's possession would not reach one-fifth of that amount. The Duke's fortune, like most of a similar character, consists of the aforesaid promissory notes drawn upon the Bank of future production, into which Bank no deposits have ever been, or will ever be, paid to meet the same by the original drawer, and which must inevitably be dishonored unless the future producers recognize and admit their imaginary endorsement of such documents.

And because money is more easily made by drawing in this manner against (and preventing) future production, than by actually producing wealth, so the making of money has come to be a distinct and separate thing from the production of wealth, and is in fact distinctly antagonistic thereto.

In the making of things which all men desire and are not too well provided with, we are all interested; but in the making of money, which means in too many instances the creation of barriers to production, the interest of some few individuals are frequently at direct variance with those of the whole community.

A curious instance of the extraordinary character of our financial operations has recently been disclosed in connection with a well known financial institution.

In the case referred to, a large number of depositors entrusted their savings to the directors of a financial institution, which ostensibly existed for the laudable purpose of assisting the inhabitants of this colony to build houses.

Instead, however, of applying the depositor's money to that purpose and having tangible assets in the shape of bricks, stone and mortar, to represent the savings entrusted to their care, these building society directors went largely into the land speculation business, with this singular result, that the depositors find that their assets consist of certain pieces of parchment conferring the right upon the holder thereof to prevent the building of houses on certain portions of our territory—except upon certain conditions. At present the persons who want to build houses refuse for the most part to accept the conditions, and consequently these magical pieces of parchment are of so little real value that they cannot be exchanged for as much money as would represent the original savings of the depositor.

The same thing is going on everywhere, and until our whole system of finance is remodelled in such a fashion that making money will actually be synonymous with producing wealth, there can be no real safety for the savings of industry.

And where the individual landowner does gain to a small extent by the possession of a right to prevent future production, he and all other landowners lose to an infinitely greater extent by the fact that progress is barred, industry fettered, and the actual producer robbed of his products by the same process.

K. of L.

The general convention of the Knights of Labor is now sitting in Toledo, Ohio.

The following amendment to the 12th article was unanimously adopted;—

And all children over the age of seven and under the age of 15 be compelled to attend some institution of learning at least ten months of each year, or such part of a year as may be offered to them.

The amendment intended to place the selection of the general executive board in the hands of the General Assemaly instead of the Master Workman was defeated. This was another victory for Mr. Powderly. A resolution was adopted requiring secretaries of district, state and national trade assemblies to check the reports of local secretaries as to membership, per capita taxes and dues.

The report of a committee appointed at the last session at the request of the General Secretary, Mr. Hayes, to investigate the treasurer's books, which they found unsatisfactory. The committee reported that the ex Treasurer, Turner, refused to appear before them or give up the bank deposit books, cancelled cheques and other documents in his possession. They made the best investigation possible in the absence of these documents and find that there is over $31,000 unaccounted for. Even crediting Turner with $15,000, which his statements show has been expended but which the books of the order do not show, there is a balance of over $14,000 unaccounted for. The report was ordered printed.

Jacques Poirier, a laborer, has been authorized to proceed in forma pauperis against George D. Roach and John McGillivray, stevedores, to recover $2,000 alltged damages, said to have been caused by an accident which happened to plaintiff whilst he was at work unloading the steamer Thornetholme in September last, in this port.

In the conspiracy trial at Ottawa Wednesday afternoon Magistrate O'Gara committed Larose and Talbot for trial, but discharged Dionne. Larose was allowed out on bail himse f in $2,000 and two sureties of $1,006 each. Talbot is in custody, bail not having been found.

DIEU ET MON DROIT

SEALED TENDERS addressed to the undersigned, and endorsed "Tender for Post Office, Laprairie, P. Q.," will be received at this office until Friday, 27th November, 1891, for the several works required in the erection of Post Office, Laprairie, P. Q.

Plans and specifications can be seen at the Department of Public Works, Ottawa, and at the office of A. Raza, Architect, Montreal, on and after Monday, 9th November, and tenders will not be considered unless made on form supplied and signed with actual signatures of tenderers.

An accepted bank cheque payable to the order of the Minister of Public Works, equal to *five per cent. of amount of tender*, must accompany each tender. This cheque will be forfeited if the party decline the contract or fail to complete the work contracted for, and will be returned in case of non-acceptance of tender.

The Department does not bind itself to accept the lowest or any tender.

By order,
E. F. E. ROY,
Secretary.

Department of Public Works,
Ottawa, 9th November, 1891.