





**CIHM/ICMH  
Microfiche  
Series.**

**CIHM/ICMH  
Collection de  
microfiches.**



**Canadian Institute for Historical Microreproductions**

**Institut canadien de microreproductions historiques**

**1980**

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured covers/  
Couverture de couleur
- Covers damaged/  
Couverture endommagée
- Covers restored and/or laminated/  
Couverture restaurée et/ou pelliculée
- Cover title missing/  
Le titre de couverture manque
- Coloured maps/  
Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black)/  
Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations/  
Planches et/ou illustrations en couleur
- Bound with other material/  
Relié avec d'autres documents
- Tight binding may cause shadows or distortion  
along interior margin/  
La reliure serrée peut causer de l'ombre ou de la  
distortion le long de la marge intérieure
- Blank leaves added during restoration may  
appear within the text. Whenever possible, these  
have been omitted from filming/  
Il se peut que certaines pages blanches ajoutées  
lors d'une restauration apparaissent dans le texte,  
mais, lorsque cela était possible, ces pages n'ont  
pas été filmées.
- Additional comments:/  
Commentaires supplémentaires:

- Coloured pages/  
Pages de couleur
- Pages damaged/  
Pages endommagées
- Pages restored and/or laminated/  
Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed/  
Pages décolorées, tachetées ou piquées
- Pages detached/  
Pages détachées
- Showthrough/  
Transparence
- Quality of print varies/  
Qualité inégale de l'impression
- Includes supplementary material/  
Comprend du matériel supplémentaire
- Only edition available/  
Seule édition disponible
- Pages wholly or partially obscured by errata  
slips, tissues, etc., have been refilmed to  
ensure the best possible image/  
Les pages totalement ou partiellement  
obscurcies par un feuillet d'errata, une pelure,  
etc., ont été filmées à nouveau de façon à  
obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/  
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X		12X		14X		16X		18X		20X		22X		24X		26X		28X		30X		32X

The copy filmed here has been reproduced thanks to the generosity of:

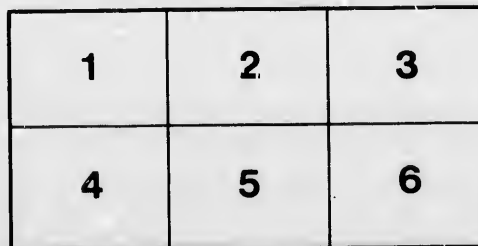
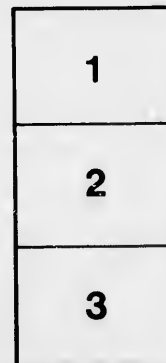
Saint John Regional Library

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol → (meaning "CONTINUED"), or the symbol ▼ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

Saint John Regional Library

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole → signifie "A SUIVRE", le symbole ▼ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

taills  
du  
odifier  
une  
image

s

errata  
to

pelure,  
on à

32X

FREE PUBLIC LIBRARY.

ST. JOHN. N. B.

PRESENTED

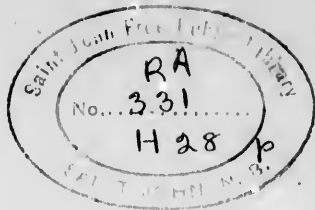
*from the library of the*

*late W. F. Hatheway, City*

*RA331*

Accession 24855 ✓ Class H28

This book is not to be kept out *p*  
longer than Fifteen days.



"Pallida mors aequo pulsat pede pauperum tabernas regumque turres."

---

# Poorhouse and Palace.

---

A Plea for a Better Distribution of Wealth.

24855

## CONTENTS.

---

	Page.
Introduction.	
Chap. 1. From Feudalism to Democracy, .. .. .	7
Chap. 2. Wealth and Wages in Great Britain, .. .. .	11
Chap. 3. Wealth in the United States, .. .. .	15
Chap. 4. Wages in the United States. .. .. .	19
Chap. 5. Combines and Monopolies, .. .. .	23
Chap. 6. Checks upon Concentration of Wealth, .. .. .	29
Chap. 7. Progressive Taxation, .. .. .	35
Conclusion, .. .. .	43
Opinions and Statements Worth Remembering, .. .. .	45



t  
d  
t  
o  
  
b  
s  
o  
i  
t  
  
i  
n  
t  
c  
  
S  
c  
f  
b  
  
s  
b  
f  
  
c  
t  
F  
  
n  
v

## INTRODUCTION.

"These struggling tides of life that seem  
In wayward aimless course to tend,  
Are eddies of the mighty stream,  
That rolls to its appointed end."

This was the thought of William Cullen Bryant, as he looked upon the various currents of human life that whirled and swung in the early days of the United States from 1815 to 1866. His poetic heart saw in all the throes and agonies of the young Republic, only the one sacred stream of life, hastening to its home of immortality.

I am not able to speak as the poet, nor to lift the veil of the prophet, but I do wish to stand as a helper, looking at "these tides of life," to see if we can not find some way, develop some plan, by which the masses of humanity, now struggling on the stairway of existence, will be able in the future, to get a more equal share of earth's comforts and joys than they have had in the past.

Cruel are the words of Herbert Spencer, when he says "the shouldering aside the weak by the strong, which leaves so many in shallows and miseries, is the decree of a large far-seeing benevolence. To step in between weakness and its consequences, suspends the process of weeding out those of lower development."

It is possible that when the last analysis is made, we will find Herbert Spencer seated on the pyramid of hecatombs, in which lie those of "lower development." This law of the "devil take the hindmost" cannot last forever in this country and although we may never realize a government by love, still our aim must be to approach that ideal.

Because one man has strength, pistol and sword, is no reason why he should compel his neighbor to relinquish his land and cattle. Likewise, because a man has ability and cunning to use the weaker ability of his fellows is no reason why government should aid him to do so.

It should be the wise policy of government to make it extremely difficult for men to become millionaires, and yet comparatively easy for all men to have a comfortable home and enough income to insure them against penury in their old age.

Wealth exists only by dint of labor and the savings of labor. The more of these savings appropriated by the capitalist, leaves the less for the wage earner.

It may be that the time is near at hand when the owner of inherited millions will be ashamed of his unearned wealth. Certain it is that the time is now come, when poorhouses stand as a stigma upon Christian civilization and when the palace is not an unmixed blessing.

Are the Josiah Bounderbys, with their loud voices and iron wills, to rule always? I think not.

In the ranks of the rich nobles and wealthy commoners of Britain, we see now and again a splendid character who feels the injustice of the wealth distribution and who really tries to remedy it. Britain has always been in the van-guard of reform and Canada must not be slow to follow.

We write of what we see. Life in the sixteenth century had its coarse comforts with its military splendor and revellings. Shakespear saw the evil of intemperance and gave us Cassio, apostrophizing the lurking devil that lay in the gleam of the wine cup.

Tom Hood in our later times saw the greater evil of poverty and gave us the Song of the Shirt.

I have written this pamphlet with the hope of showing that a fairer distribution of wealth can be effected by a system of progressive or graduated taxation. But I will be content if the reading of these pages will so stir the "rarity of christian charity," that we will erase from the statute book the law that permits the taxation of small incomes.

Graduated taxation as outlined in chapter six is a long step toward a more equitable distribution and will be a sure check upon the larger accumulation of wealth.

For statistics on wages I am indebted to Prof. Thorold Rogers' work, entitled "Six Centuries of Work and Wages," and I have also gained valuable information from Dr. Chas. Spahr's book, entitled "Distribution of Wealth in the United States."

W. FRANK HATHEWAY.

St. John, N. B., February, 1900.

## A PLEA FOR A MORE EQUITABLE DISTRIBUTION OF WEALTH.

### CHAPTER I.

#### FROM FEUDALISM TO DEMOCRACY.

And man, whose heaven erected face  
The smiles of love adorn,  
Man's inhumanity to man  
Makes countless thousands mourn.

If I'm designed yon lordling's slave  
By nature's law designed,  
Why was an independent wish  
E'er planted in my mind?

If not, why am I subject to  
His cruelty or scorn,  
Or why has man the will and power  
To make his fellow mourn?

—BURNS.

From the year 479 when the city of the Cæsars fell into the hands of the savage Goth, up to the present century, there appear to have been three distinct social periods. The first ending at the last of the 12th century, the second terminating with the Revolution of 1793, and the third still existing in our present day.

The rule of the monk and the priest was paramount in the first great period, beginning with the influence of Gregory the Great, in 600, reaching a high altitude in the eleventh century in the power attained by the energy and courage of Gregory Seventh, and culminating in the spiritual supremacy of the Church, when Urban the Second in 1095, at the town of Clermont, stirred his hearers to enthusiasm as he appealed for aid to rescue the Holy City from the hand of sacrilege.

"God wills it" cried his impassioned audience, and thousands rushed forward to take upon themselves the cross of the Crusade.

The second social period from 1200 to the close of the eighteenth century showed the rapid development of the feudal system, the increasing power of the noblemen, and finally in some countries the almost absolute power of the King. The fires of the Inquisition that sealed the fate of so

many in the southern part of France in the thirteenth century stirred to activity the thought of the British people.

The Lollard movement in England, of which John Wycliffe was the precursor was soon followed by the Hussite movement throughout Bohemia in 1400 to 1450. These paved the way for the severance of those relations between Church and State, which took place under Luther and the Reformation. Gradually, however, the extreme feudal laws, that of the *Corvée*, *jambage*, *dime* and many others nearly as bad, together with the absolute power of the sovereign, made the people of Europe restive.

As early as 1358 the *Jacquerie* in France, turned upon the nobles in an endeavor to free themselves from feudal exactions, and with a murderous strength, in a few weeks, repaid with most terrible revenge the oppressions of hundreds of years.

A "freemasonry of rhymes" rang throughout England in the fourteenth century, calling in quaint terms for the people to rise.

" Jack Miller asketh help to turn his mill aright,  
He hath grounded small, small,  
But the King's son of Heaven,  
Shall pay for all."

A hundred thousand Kentish men with Watt Tyler at their head in 1381, marched upon London to protest against the heavy poll tax, which made the poorest contribute as large a sum as the wealthiest.

Later on, in 1525, the peasants throughout Germany, rose in revolt against their feudal lords, and were only crushed after a bitter war.

All these struggles of the people against the crushing power of the nobles, showed that the people were growing, and that the time was rapidly drawing near when the whole feudal system would be rent asunder by the strong arm of democracy.

In 1476 the little country of Switzerland at the battle of Granson, where she beat back the bannered knights and chevaliers of Charles the Bold of Burgundy, laid the foundation of those principles of liberty, which for a long time were the envy of other states in Europe.

From her serfdom to Austria, brave Switzerland had sprung into a republic, and the daring spirit of the hardy mountaineer rapidly spread to the people of France, Germany and England. Cromwell and his Parliament sent Charles the First to the scaffold in 1649, but the pendulum swung too far.

The extreme rule of the Roundheads and their condemnation of the ordinary pleasures of life made it easy for the people to accept again

the thralldom of the Stuarts. Wearing at last, however, with the dissolute court of Charles the Second, the people and the nobles of England in 1688 made James the Second fly the country and, with William of Orange, welcomed a free Parliament and a free State.

At last in 1710 in the union of Scotland and England, the British people found their supremacy, which has lasted ever since.

In the last half of the eighteenth century, came the struggle between the people and the aristocracy in France. Louis the Sixteenth, and Marie Antoinette, who in 1774 young and in their prime, heard the joyous shout of a glad people, in 1792 expiated on the scaffold, near the garden of the Tuileries, the sins of their Bourbon ancestors.

The great feudal system that had held the people in chains, the long serfdom of centuries, that had made them believe their Kings and Queens to be divine, all these were broken into fragments, and the French people in their savage joy, steeped themselves in the blood of their oppressors.

The shattered hulk of feudalism struck its flag and sank in those revolutionary seas of 1649, 1688 and 1792, never to rise again.

At this time in the last half of the eighteenth century, a new force was come to the world, and was to create the third period, which I have mentioned.

James Watt, watching his mother's tea kettle, saw in the steam rising therefrom, the power that was soon to make England great. Arkwright and Hargreaves by their inventive aids to cotton spinning, laid the foundation of a giant industry. England stood in the centre, dominating Europe, and, by the concessions of the treaty of 1763, controlled in the East the valuable trade of India, and became a mother to that great nation of the west, which afterwards added to her expanding commerce.

The people of France in the beginning of the nineteenth century had virtually freed themselves of feudalism and monarchy, and democracy was triumphant. Aristocracy walked in wooden shoes, and it was often known to don the "bonnet rouge" and also to appear proud to be called "Citizen Philip Égalité," instead of the "Duc'd' Orleans.

Over the prostrate bodies of the nobles, democracy reared its head and aimed at riches. The inventions of the eighteenth century made this easy, and out of the middle class sprang hosts of people, who rapidly controlled great wealth.

The era of prosperity that came especially to Great Britain in 1750 to 1800, due to inventions and to the monopolies thereby created, and also due to the ever increasing trade with India and America, laid the foundation of that plutocracy, which the people now find much harder to contend

against, than was the aristocracy of the sixteenth and seventeenth centuries. Thus was the third social period inaugurated, where wealth became the god, before which the world trembled, and the servile crooked the knee. This is the period, the influence of which has spread here to America, and may rightly be called the "Century of the Almighty Dollar."

"There is an instinctive sense that the whole constitution of property, on its present tenures, is injurious, and its influence on persons deteriorating and degrading; that truly, the only interest for the consideration of the State, is persons,—that the highest end of government is the culture of men."

—EMERSON.

nth cen-  
e wealth  
crooked  
here to  
Dollar."

n its pres-  
ing; that  
e highest  
erson.

## CHAPTER II.

### WEALTH AND WAGES IN GREAT BRITAIN.

"The Poor House," said old Betty Higden, "Kill me sooner than take me there, Throw the pretty child under cart horses' feet and a loaded wagon, sooner than take him there. Come to us and find us all a-dying, and set a light to us all where we lie, sooner than move a corpse of us there!"

—CHARLES DICKENS.

In the consideration of the social forces, which contribute to make the State grow and expand, we would not in speaking of Canada or the United States, think of the three divisions, the nobles, the clergy, and the people for that would savour of Eighteenth Century feudalism and not of Nineteenth Century democracy.

In order that our Country shall grow to its highest development, the social forces should have that poise and finely settled adjustment, which would bear fairly in due proportion on each force, so that the whole in harmony would make the well balanced State.

What are the social forces in Canada and the United States?

First.—Pre-eminently, the Laborer, who gives us the products of the farm, the forest, the sea, the mines and the factory, all the results of toil. From these and these alone has sprung all the vast wealth now concentrated in millions in the great cities of this continent.

Second.—The Trader. The merchant who thinks out the processes of barter and exchange, and makes it easy for people in Dublin, Liverpool and Glasgow to eat the bread made from wheat grown on the prairies of the West.

Third.—The Capitalists, who are the bankers for the nation, who have saved their profits on labor's production, and now stand ready to invest their millions wherever it is most sure, in railway, telegraph, steamship or other stocks.

Fourth.—The professions,—lawyers, clergymen, doctors, soldiers, etc., who are the outcome of the first and second classes, namely Labor and Trade, which two classes combined, make the state and the city, and from the wealth made by them we are able to pay for the skilled labor of the physician and other professions.

These are the four classes that go to make our democratic State. Are they in Canada so neatly poised and adjusted as to make a harmonious whole, or does capital press too heavily on labor? In this last we are



touching the sub-structure of the State edifice. There lies in one of the old galleries in Germany a picture painted over 200 years ago. The rude and rough painting shows not the touch of a master hand, but it well illustrates the thought of the people. On his knees, the immense muscles of his thighs showing the strain, with his broad back bent over and the hands flat on the ground, is a giant German laborer, and on his back is seen the trader, the merchant; and on his back, again, is seen the lawyer, the doctor, the soldier; and on theirs is the bishop, the priest; and on theirs again, topping the pyramid, of which the base is the broad shoulders of the laborer, stands the king.

Carrying out the idea of this old picture, we will consider Class 2, 3 and 4, all under the head of capital, and Class I. under that of labor; and now let us look at the condition of British capital and labor, and after that, compare the same with conditions in the United States, and then we can answer the problem, as stated above, Does capital press too heavily on labor?

The wealth of the United Kingdom in 1800 was £1,800,000,000; 1840, £4,000,000,000; 1860, £6,000,000,000; 1883, £8,720,000,000. Thus the total wealth of the United Kingdom in 1883 was five times greater than it was in 1800. The income of the United Kingdom for 1883 was £1,265,000,000, divided as follows: 4,620,000 families of working classes, £447,000,000—£96 12s. to each family; 2,046,000 families of gentry, middlemen, professions, etc., £818,000,000—£400 to each family. Over four and a half million families had £96 12s. a year, whereas two millions families had £400 a year.

Prof. Thorold Rogers says: "In no period of England was the condition of manual labor worse than from 1782 to 1821, during which period traders, capitalists and manufacturers, accumulated fortunes rapidly, and rent of farm land doubled."

This "misery" is the result, Spencer would say, of a "large, far-seeing benevolence," and philanthropy should not interfere. There were, however, in the early part of this century those who saw the chasm broadening between the rich and the poor, and who heard in the low tones of discontent the possibilities of a time when capital might try to hide its head before the rush of a combined labor movement. Thackeray exposed, with his mild satire, the foibles of those who lived in the palace. Dickens, the immortal novelist, disclosed in *Oliver Twist* the horrors of the poor house. The stolidity of the British public was made to think, and the British workman to-day thanks God for the deep tenderness of Dickens, who, in his "*Tale of Two Cities*" and in "*Oliver Twist*," laid bare the

wrongs and miseries of two great nations. The gulf between the indigence of labor and the luxury of capital was so vast, and the Sheffield and Manchester disturbances in 1867 had been so significant, that parliament itself came to the aid of labor. The laws against trade unions were repealed, and labor was left free to get a rightful share of its products. Society may advance in wealth, but at the same time wages may be relatively low, causing general misery and discontent. Prof. Thorold Rogers says: "Relatively, the working man of to-day is not so well off as he was in the Fifteenth Century, when the population of Great Britain was not one-tenth what it is now (in 1894).

The steam that rose from James Watt's tea kettle took the gigantic forms of 5,000 and 10,000 ton steamers, that now ply the ocean under Britain's flag, but it did not give to the stoker and the deck-hand anything like his proportion of pay, as compared with the wealth it gave to the great capitalists.

The spinning jenny and cotton mule, that now with three hands, perform the work done in 1760 by 2,000 hands, sent their product to Europe, Asia and Africa.

Wealth poured into the coffers of Manchester, Liverpool, Birmingham, and other great cities, but the daily wages of the cotton spinner of the nineteenth century are no larger relatively than when he tended the hand loom 150 years ago.

Records show that in 1450 at Oxford, masons got four shillings a week. The cost of living then was only one-twelfth what it is today. Compare the prices of 1450 which follow, with those of today. Wheat was 5s. 10d. per quarter of 480 lbs., or say 18 cents a bushel; beef 4s. 1d. per cwt., or 90 cents per 100 lbs.; pork 5s. or \$1.10 per 100 lbs; fowls 1½d. each; pigeons 4d. a dozen; cheese ⅓ of 1d. per lb. or not quite 1 cent per lb.; butter ½d. a lb.; eggs 5 ¾d. for 120, about one cent per dozen; firewood 1s. 10¼d. a load; shirting 6d. a yard. Thus the mason of 1877 should receive 48s. per week, viz. twelve times the 4s. got in 1450, whereas in 1877, masons in Great Britain only got 7s. a day, or 42s. a week. Rents are much higher now than in the fifteenth century, which more than equals the low prices for clothing.

Charles Booth in 1891 in his Labor Report says that "30 per cent. of London families receive only £54 a year."

The Wages Report of 1886 in Great Britain, states that "the average wage of skilled trades is 25s. to 32s. weekly," say \$7.00 to \$8.00.

Mr. Dudley Baxter averages them in 1868 at 28s. to 35s. weekly, say \$7.00 to \$8.50.

We will leave Great Britain with its one thousand years of monarchy, its conservative dread of change, its abhorrence of 1793, when the awful democracy of Marat, Robespierre and Danton sent a chill to the heart of British workmen, and kept back by 50 years the Repeal of the laws against Trade Unions.

We will leave the old world and see what the free and enlightened United States did for the wage earners of that country.

"It is not to die or even to die of hunger that makes a man wretched. But it is to live miserable, we know not why, to work sore and yet gain nothing." —CARLYLE.

"Adequate livelihood is the one sure foundation of that honest independence which is not only one of the greatest of virtues, but the fruitful mother of virtues,—of courage, tenacity, endurance, self-reliance, thrift, cheerfulness, hope." —JOHN MACCUNN.

ears of monarchy,  
when the awful  
ll to the heart of  
the laws against

and enlightened

etched. But it is to  
r." —CARLYLE.

ndependence which  
rtues,—of courage,  
—JOHN MACCUNN.

## CHAPTER III.

### WEALTH IN THE UNITED STATES.

Gold! Gold! Gold! Gold!  
Hoarded, bartered, bought and sold,  
Stolen, borrowed, squandered, doled,  
Price of many a crime untold,  
Gold! Gold! Gold! Gold!

—THOS. HOOD.

The memory of 1776 and the struggle of a brave people for independence comes over us as we read the Declaration:

"We hold these truths to be self-evident, that all men are created equal, with certain inalienable rights, that among these are life, liberty and the pursuit of happiness, that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed, that whenever any government becomes destructive of these rights it is the right of the people to alter or to abolish it and institute a new government, laying its foundations on such principles and organizing its powers in such form as may seem most likely to effect their safety and happiness."

By the light of this liberty torch, we will examine into the distribution of wealth in the United States and see if that nation has recognized the fact so clearly shown in the old German picture, namely, that labor is the source of all wealth, and therefore it should have at least enough per centage of the value of its finished product to provide decent and comfortable living to those who toil.

Is wealth more evenly distributed in the United States than in Great Britain?

Do monopolies thrive in the cities of the United States, and does wealth easily concentrate there in the hands of a few?

Is labor better paid there relatively to the cost of living? Let us investigate, and endeavor to get an answer to these questions.

The New York Tribune a few years ago published a list of millionaires, in all 4,047 persons in the United States, who owned fifteen billions of wealth, or an average of three and three-quarter millions each.

The New York City Census of 1890 reports that only 6 1-3 per cent. of the population owned the dwellings where they lived. Thus 94 per cent. of that city's population, say 1,400,000 lived in rented houses. Evidently

here is a landlordism equal to that of Ireland, and not the result of a thousand years, but only the inheritance of the last seventy-five years.

The wealth of the United States in 1890 was estimated at sixty-five billions of dollars, divided as follows :—

Value Estate.	No. Families.	Total Wealth.	Average Wealth.
\$50,000 and up,	125,000,	\$ 33,000,000,000,	\$ 264,000 each.
\$5,000 to \$50,000,	1,375,000,	23,000,000,000,	16,000 "
\$500 to \$5,000,	5,500,000,	8,200,000,000,	1,500 "
Below \$500,	5,500,000,	800,000,000,	150 "
Twelve and a half million families }		\$65,000,000,000.	

Thus we see that nearly half the families in the United States are propertyless, owning only an average of \$150 each.

One per cent. of the families, namely 125,000 own thirty-three billions, more than half the wealth of the country.

And this is the result of the Declaration of Independence, and all the 4th of July orations, and all the fire works by sea and land, and still there rises no Dickens to pull down these rich palaces of marble and stone, nor to efface these poor houses where in New York city two and three families live in the same room, and where even the blade of grass cannot push its inspiring green, so foul and dark and narrow are the yards used in common by forty or fifty families. God's sunlight cannot enter there, so Hell's hate is nourished and grows, and the five and a half million families, with their \$150 look up, or is it down, on the 125,000 families with their \$264,000 each.

The chasm widens and deepens, and it does not require much prescience to say that some day that chasm will be filled with the groans and death cries of mortal combat.

Common sense and tenderness must avert this calamity, and develop some way by which the forces that labor, and the forces that aid labor and use its product, can run closer together, making a stronger, better state with more equality of gain to those who strive and toil.

Another official statement in 1893 made the total wealth about \$62,000,000,000. Ninety-one per cent. of population had \$17,000,000,000. Thus 54,600,000 people had \$310 each. Nine per cent. of the population owned \$45,000,000,000, or 5,400,000 people had \$8,300 each. Of these \$45,000,000,000, 18,000 persons owned \$12,000,000,000, or \$670,000 each.

Another report dated 1894 gives:—

Total Wealth of United States.	owned by	Of Total Population.
55%	1/100	
32%	"	11/100
13%	"	88/100
100		100

It would appear almost as if France and Germany show no more concentration of wealth than does the United States—and certainly Great Britain, where one per cent. of the population receive thirty-five per cent. of the income, shows a better result than that quoted above. Notwithstanding the natural selfishness of the mercantile classes and the nobility, from the year 1500 down, still the cities of Great Britain today show less concentration of wealth than do the great United States cities. Of course the distribution of wealth in the villages of the United States is more equal than in Great Britain, but that is largely the result of the law of entail in the latter country prohibiting the sale of the land.

In 1880 the Atlantic Monthly said: "We (the United States) are taking immense strides in placing our country in the position of Great Britain, and even worse." In 1880 the farms of the United States were worth ten billion dollars; city real estate the same value. In 1890 farms increased to \$13,000,000,000, and city estate to \$26,000,000,000.

We find in the United States,—

36 per cent. of homes,	{ cities of 8,000 }	owned by tenants.
64 " " "	{ to 100,000 }	rented.
23 per cent. of homes,	{ cities of 100,- }	owned by tenants.
77 " " "	{ 000 and up. }	rented.
66 per cent. of farms.		owned by tenants.
34 " " "		rented.

Thus in the cities, where wealth has increased much more rapidly than in the agricultural districts, we find that three-quarters of the people are subject to landlordism, and in the largest cities less than 10 per cent. live in their own houses. In the farm and village, labor is still the dominant power, and by the above returns nearly three-quarters of the farmers are ostensibly owners of those farms.

The great increase of wealth in the large cities, has not been retained by those who originally made it, and even the small increase of farm wealth can be reduced by the fact, that thousands of these western farms are covered by mortgages held by the capitalist of Chicago, St. Louis and the other great cities. I doubt if the small farms all over the United

States could today do as the people of France did in 1871, when the small farmers and trades people paid off in a few years the \$600,000,000 demanded by Prussia. But even in the farms of the United States, and particularly in the western portions, the influence of capital is so great, that it is rapidly tending to destroy that sympathetic home life of the farm, which builds up the State.

We hear much of the bonanza farms of the West, where there are no homes, and regularly every year, the farm helpers by the hundred migrate to them from the Eastern cities. The owners of these farms are wealthy men, who look on from a distance. They manage to combine with the railroads, and by getting a large reduction on freight rates, crush out the small farm.

These rich farmers buy their implements cheaper, get their freights cheaper, and by combinations are gradually able to get better prices for goods, than the hundreds of small farmers whom they are obliterating. The lower rates of freight and the lower cost of implements, that they obtain, force the railways and factories to get higher prices out of the small farmers.

The Atlantic Monthly of 1881 says: "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 6,000 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 farmer. Who are the large farmers? President Drake, of the road; General Bishop, its manager; President T. 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." No wonder that the Atlantic Monthly also says "that the position of the United States is getting even worse than that of Great Britain."

"The efficiency of labor always increases with the habitual wages of labor,—for high wages mean increased self-respect, intelligence, hope and energy. Man is not a machine that will do so much and no more,—he is not an animal whose powers will reach thus far and no farther. It is mind, not muscle which is the great agent of production."

—HENRY GEORGE.



## CHAPTER IV.

### WAGES IN THE UNITED STATES.

"Compel a man to drudgery for the necessities of animal existence and he will lose the incentive to industry and will do only what he is forced to do."

— HENRY GEORGE.

In Great Britain the reports of 1886 averaged wages of skilled trades at 25s. to 32s. a week, and also 28s. to 35s. a week, say \$7.00 to \$8.50 a week.

In thinking of the wage question in the United States, we must bear in mind that the workman can live more cheaply in Great Britain than he can in the United States.

In Great Britain there are no duties on provisions and clothing, whereas in the United States the heavy duties on sugar, butter, cheese, potatoes, fish and wool make the wage earner pay high for such articles, especially when controlled by a monopoly, as is now the case with sugar, cotton, woolens, oil, biscuit, lumber, beer, iron, etc., etc.

There is Protection and Protection.

For a country like Great Britain, where the population is dense, and where they are forced to import a large proportion of their food supplies, it seemed right fifty-four years ago to repeal the Corn Laws. It may have been wise in the United States immediately after the war, in order to raise the necessary large revenue and thereby decrease their debt, to impose very heavy duties, and thus encourage the growth of industries in that new country.

But now that these industries, the refining of sugar, the weaving of cloth, the manufacture of implements are established on fairly firm foundations, it would appear sound to gradually reduce these high protective rates, so as to prevent monopolies and combination prices.

This was the idea of the National Policy inaugurated by Sir Leonard Tilley in Canada, in 1878, and as the different industries, such as cotton, sugar, canned goods, etc., became thoroughly established, the aim of that Policy was to gradually reduce the higher protective rate.

This was done a few years ago in the reduction of the duty on sugar.

But to return to the question of wages in the United States. The Massachusetts Labor Report, 1890, gives, for city industries, 160,000 workers at \$330 a year, and 250,000 at \$350 a year. This is made up on a basis of continual employment while factories are running. No allowance

when the small  
e \$600,000,000  
ted States, and  
tal is so great,  
life of the farm,

ere there are no  
undred migrate  
ms are wealthy  
mbine with the  
, crush out the

t their freights  
etter prices for  
re obliterating.  
ents, that they  
ces out of the

ilt assured the  
made no special  
ks of the road

ts of land from  
's Congress for  
Dalrymples, the  
ns, and charges

City Railroad  
lf those charged  
t Drake, of the  
ne Metropolitan  
of David Dows  
r of Frankfort-  
that the Atlantic  
is getting even

ges of labor,—for  
gy. Man is not a  
whose powers will  
reat agent of pro-  
HENRY GEORGE.



is made for accident to mill, or to worker, or for sickness, etc., which would take at least 5 per cent. off above, making an average of \$330, or \$6.35 a week.

The Connecticut and Massachusetts Report of 1894 states that the rate of wages decreased 7 per cent. below the level of 1892, while the yearly incomes were still further reduced by lack of work; in fact the great majority of families in Connecticut in 1894 had incomes reduced 25 per cent. The burden of that period, from 1861 to 1866, when the country was plunged in a fratricidal war to free the negro, although slightly relieved by the graduated income tax, fell most heavily upon labor, to its depression and poverty, but at the same time it laid the foundation of the wealth of many of those 4,047 millionaires — a noble army (not of martyrs) of whom the Church and State should not be proud. Wages, as provisions, etc., were abnormally high during the War of the Rebellion, advanced rapidly. Therefore the wages of 1866-67-68 cannot be taken as a standard.

In 1873 we find the average at \$1.81 per day. This was the average of all kinds of factory labor, according to Dr. Spahr. Despite the activity of 1870 to 1880, the increased productivity and the rapid addition to wealth, to all of which the expansion of trade by railways and steamers had contributed so much, the average of labor wages per employers' returns, went down from \$1.81 in 1873 to \$1.69 in 1891. These rates apply largely to cotton, shoe, rubber, and such city industries.

The great strike that began in January, 1898, in the cotton mills of New Bedford bring to light these facts: that one weaver will run eight looms, and, even then, can only make \$7 a week. Ten years ago these weavers could earn \$10 to \$11 a week, and there were no fines. Now the weekly fines often cut down the wages to \$6.50. Scores of other workers who run four or five looms can only earn 90 cents a day. The attempt to cut these people down 10 per cent. on account of the competition from the South resulted in the strike. There is no doubt that the labor competition from the South is very keen, but here lies the kernel of discontent. Weavers and others at this work since 1880 have only been able to provide themselves with food and clothing, whereas the manager and his sons are in receipt of large incomes from the Combined Mill Association, and are also worth millions made during the last thirty years. If labor had had a fair share of its own product during the years of profit, then laborer and capitalist both could have lived a year on reduced wages. From 1850 to 1874 these mill corporations made a yearly profit of 12 per cent., besides leaving a large rest. There are now in New Bedford twenty-two mills, employing 9,000 hands. If the hands had been able to save 5 per cent. a

year of the yearly profits for ten years they could easily now submit to 10 per cent. reduction in wages. But labor has to live. Would it not have been right for the twenty-two mills to have paid full wages in 1898, and charged their loss against the past thirty years, when capital got 8 per cent, to 10 per cent. on its investment, and labor earned only enough to provide food and clothing?

From the wages of factories let us turn to those of mines. In 1873, seven years after the war, wages averaged \$1.90 a day, but declined to \$1.58 in 1891. Since then further reductions have taken place. Wages in two iron mills were reduced twenty per cent. since 1890. As compared with 1850 to 1860, all wages show a higher level in 1897, but the wages from 1890 to 1898 are fifteen per cent. to forty per cent. below the levels of 1870 to 1878, twenty years ago.

Since 1850 the telegraph, the cable, sugar refining, coal oil, the sewing machine, the telephone, electric lighting, railways and steamboats, have by their discovery, invention and improvement in machinery, remodelled America and have demanded more and more labor. While some inventions have curtailed labor, certain discoveries have demanded four-fold increase. Coal oil supplies a cheaper and better light than could be dreamed of fifty years ago, but the higher prices of vegetables more than equals this saving. Sugar is less than half the price of 1860, but meat is so dear that the city worker can scarcely afford it.

Notwithstanding all these discoveries and inventions the people of the United States have not received their full share, and the records prove that three-fourths of the people of the United States cities are living in rented houses, and that fifty-five per cent. of the wealth is owned by one per cent. of the population.

Today while we write and talk, the luxurious yachts of United States millionaires are anchored on the lovely bay at Monaco on the Mediterranean. There, during the winter, they meet to enjoy their ill-gotten millions, and to discuss how best to allay the discontent so rife in the land of the Stars and Stripes. How these 4,047 gained their wealth leads us to consider the question of combines.

It is fair to state that since writing this chapter last summer the wages at many factories have been advanced ten per cent., fifteen per cent. and possibly, in some cases, twenty per cent.

At the same time we must remember that steel is 100 per cent. higher in price than it was a short time ago, lead has advanced and iron and tin are thirty-five per cent. to forty per cent. higher than they were last March, canned meats are much higher, and only six months ago the butchers of

New York protested against the advance of two cents per pound, on meat, alleging the combination of the Western Meat Packing houses as the cause. Whether due to Syndicates or not, it is quite evident that the late advance in wages is far less than the advance in the price of many commodities.

The last and most serious advance is that of burning oil which last March was  $8\frac{1}{2}$  cents per wine gallon wholesale in Boston, and is now 12 cents per gallon, almost 50 per cent. advance. We do not hear of any sudden scarcity at the wells, nor of increased cost of production. It must be that this advance is made to recoup the Company for the cost of buying out the Canadian refineries, or perhaps it is an easy way to get back the large amounts given a few years ago to colleges and churches.

“The curse of gold upon the land  
The lack of bread enforces,  
The rail cars snort from strand to strand  
Like more of Death's White Horses,  
The rich preach “rights” and future days  
And hear no angel scoffing;  
The poor die mute --with starving gaze  
On corn-ships in the offing.”

—E. B. BROWNING.

nts per pound, on  
Packing houses as  
nite evident that the  
n the price of many

urning oil which last  
ton, and is now 12  
do not hear of any  
roduction. It must  
r the cost of buying  
away to get back the  
hurches.

B. BROWNING.

## CHAPTER V.

### COMBINES AND MONOPOLIES.

"Our blood splashes upward, O gold heaper,  
And your purple shows your path,  
But the child's sob in the silence curses deeper  
Than the strong man in his wrath."

—E. B. BROWNING.

Even though it were quite wise for the great republican party of the United States to start the wheels of industry by a protective tariff, it must be admitted that when the time came to reduce those duties and thus prevent monopoly and large profits, the spirit of that party was found to be controlled by the capitalists, and we know the result in the Dingley tariff of 1897.

Congress seems to be controlled by capital, and not by the people. But the people are growing. They have been but dull fools to let this go on so long unopposed. With all their American cleverness they, the seventy millions of today, have made that wealth, one-fourth of which (fifteen billions) is owned by the army of 4,047 millionaires. The laborer is worthy of his hire, but that hire must be enough to feed and clothe him and his family. The old war of 1866 had hardly finished before the new war began. The Demos that had fought, shouted and worked, saw a new king appear—Plutus.

Poor democracy! It knew not its powers: It was bribed and bribed, and up to 1890 the plutocrats, the 4047, held it firmly. But the people of the United States felt the decline in wages, and they saw the luxury and magnificence of the wealthy. They awoke, and in 1892 the people's party cast a million votes. The people's party had seen the national loss resulting from combines and monopolies, and therefore their platform demanded the nationalization of railways, banks and other monopolies. By 1896 this party had grown to such an extent that the nation began to realize the wide spread discontent in factory and farm. The people at last began to see where and how the profits of their labor went.

Read the history of the greatest monopoly of the 19th century.

In 1860 the Standard Oil Company had no capital. In a few years it amassed a capital of \$3,000,000. It is said to have paid dividends at the rate of \$1,000,000 a month. To-day it has a capital of \$97,000,000. The

men who comprise this company do not sell any stock. They are millionaires and have built palaces in St. Augustine, where board is \$10 to \$20 a day. Their officers in 1880 refused to testify before the Supreme Court of Pennsylvania, and the investigating committee confessed their inability to ascertain much about "this mysterious organization, of which the members declined giving a history, lest their testimony be used to convict them of crime."

Simon Sterne counsel for the merchants of New York in the New York investigation, declared "that the relations 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." 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 cents, and this was afterwards reduced to sixty cents a barrel. The railways agreed to carry the Standard Oil Co.'s freight at much lower rates than for other oil companies. In fact these railways at times refused to carry freight at all for other rival oil concerns. The Sun Oil Co. of Pennsylvania, a rival to the Standard, has now an appeal before the Railway Committee at Ottawa, against the freight preference given by the G. T. R. and the C. P. R. to the Standard Oil Co. Today the Standard Oil Company controls and owns almost all the oil wells of the United States, and now owns all the oil refineries in Canada. This is one vast monopoly, which has an agency in every city of Canada. It is not of the people, nor for the people, but it is the combination of the few for the few. It was well said by George Stephenson, the inventor of the railroad engine, "that when combination was possible, competition was impossible."

In 1878 the State of Pennsylvania was on the verge of revolt, which would have led to the burning of the property of this great company. At different times during that decade until 1880, hundreds of wells, at the dictation of the company were stopped, and the crude oil wasted all over the ground. It was only the definite appearance of revolution in 1878 that forced the officers to take away the surplus oil from the town of Parker. Time and again they have threatened to drive other companies to the wall unless they sold out. The fact that they are unwilling to allow their enormous profits to be known is some evidence as to the size of the profit, but the wealth of such gentlemen as Rockefeller and others is enough to satisfy anyone that their profit is immense. The whole American

. They are million- world has to use their oil; and it has been estimated by some that for board is \$10 to \$20 a many years they taxed the world five cents per gallon profit. Fortunately the Supreme Court of now the developed wells of Russia hold the company in check, else the next sed their inability to decade might have to pay the enormous profits of 1870-80. But , of which the mem even at last year's price of eight and a half cents in New York and be used to convict Boston, the owners of stock were reaping immense profits. Shares that were sold a few years ago at \$160 are now worth \$270, and most difficult w York in the New to buy at that high price. Thus between the coalition of railways and the railroads to the special companies the people are forced to contribute millions into the the duties of a com pockets of a few men. A natural advantage possessed by Pennsylvania in the history of the and its people is turned into unnatural advantages for a few. Competition d Pennsylvania rail is impossible against this monopoly, and today in 1900, right and left over to no other shipper the country, we see it forcing every other little company to the wall. king one concessio or other shippers a

only eighty cents, and Since the acquisition of the oil refineries of Canada by the Standard Oil Co., in January 1899, the price of Fuel Oil has advanced so much that The railways agreee thirty industrial concerns in Ontario waited on the Laurier Government rates than for othe last year, urging in vain that Fuel Oil be admitted free into Canada. ed to carry freight a storerooms and offices will be effected. It will be curious to note how Pennsylvania, a riva much cheaper bicycles will be in 1900. ilway Committee a

G. T. R. and the C We have now a Bicycle Trust by which a great saving of clerks, d Oil Company con storerooms and offices will be effected. It will be curious to note how States, and now own much cheaper bicycles will be in 1900. st monopoly, which

of the people, nor fo The great Sugar Trust was started some time prior to 1890. In 1898 he few. It was we The trust was shown to have a surplus of \$10,000,000, after paying its 10 the law has tried to get this company to reveal its business, so that the per cent. dividend. The New York World in January 8th, 1894, estimates the value of the refineries in the trust at about \$8,000,000, and yet the capital of this company was at that time considered to be \$75,000,000. The law has tried to get this company to reveal its business, so that the nation can tax its capital, but up to date the law is of no avail. ilroad engine, "tha

ossible." The Dingley tariff in 1897, increased the duty on sugar, and the trust erge of revolt, which made \$8,000,000. If the government had put on the duty at once without great company. A warning, as we do in Canada, the people would have received \$5,000,000 reds of wells, at the or \$6,000,000 of duty from the trust. The president of the trust says : le oil wasted all ove "I won't do business under 15 per cent," and of course the consumer revolution in 187 has to pay.

oil from the town c A Milk Trust has been formed in New York. The Biscuit Trust rive other companie formed in 1898 at once advanced their prices 1½ cents per pound, and are unwilling to allow to-day that Biscuit Trust envelopes almost the whole of the United States. as to the size of the

efeller and others Whiskey was not thought profitable enough, so that became a trust, and in 1888 all the important distilleries of the northern states, nearly The whole America eighty, excepting two, united in the great Whiskey Trust. The president



in his report (*Wine and Spirit Gazette*) said: "We own nearly all of the spirit distilleries in the country, and have at present seventy-eight idle distilleries."

A great telegraph company controls most valuable franchises in the United States and rules with a rod of iron. Some years ago it would not take the striking operators back until they signed a contract "never in the future to enter a lodge of the K. of L." For many years Western Union Co.'s shares, after that thinning out financial process of "watering," paid 5 per cent. yearly dividend.

Think of the combination of the Standard Oil Co., with the railways in Pennsylvania, and see what might have been. On November 4th, 1878, the *New York Sun* said: "The fact is the State of Pennsylvania has had a narrow escape from an internal civil war. Had certain men given the word there would have been an outbreak that contemplated the seizure of the railroads and the running of them, the capture and control of the United Pipe Lines property, and in all probability the burning of all the property of the Standard Oil Co. in the region. The men who would have done this, and may do it yet, are not laborers or tramps."

The people saw the great coal supplies, the highways of travel, the numerous oil wells, the telegraph and telephone services, the electric and gas lighting of the cities, all these and many more given over to great companies which were making the millions, whilst they, the people, were getting the bare cost of subsistence. Then they demanded that the nation control and manage these forces and improvements.

Prussia owns her railway system and runs it cheaply in the interest of the people. Great Britain owns the telegraph system, and twenty words cost only 6d. to any part of the United Kingdom. Belgium controls her railways, and charges thirty-six cents to go thirty miles. Canada and the United States manage their own postal system and lighthouses. Why should they not also own and manage the great railways, and why should not each city own and manage not only its streets, but its street railways and street lighting? Can we not lay down this law? All works for the general public use, which would involve a large outlay of capital, and which would easily become monopolies, should be owned and managed by state or city. We have seen the ineffectual rise of the people against the combines and monopolies of the United States, and it is for Canada to ponder over these records and set her house in order.

Hear what the *London Spectator* of August, 1897, says of the U. S.: "But it is certainly mortifying to find after more than a century has passed away, corruption and Mammon enthroned, and the very principles on

which the republic is based trampled under foot. It is not pleasant to see millionaires dictating their terms to subservient legislative bodies, and the whole policy of a great nation arranged expressly to coin wealth for a privileged and protected few. This is assuredly not the democracy to whose advent hopeful dreamers were looking forward a hundred years ago."

"The United States have scarcely succeeded in gaining the deep respect of the world, and have certainly not secured its affectionate regard. We cannot look with veneration or love on nascent oligarchy of oil, sugar, lumber and coal magnates, who pull the wires and make the political puppets dance to their sinister piping."

That is how the English mind views the combines and syndicates of the republic, but note the thought of the best minds in the United States. Lyman Abbott says in the *New York Outlook*, September 18, 1897 :

"That there is abundant reason to fear that what the *Spectator* writes as history may become so, can hardly be doubted. The levying of a needless tax on sugar, at the request of a sugar trust, and to increase the millions of those who are already multi-millionaires, the default of a great railroad corporation to the government and the very tender method with which the government treats its defaulting debtor, the extension of the powers of the courts beyond all historical precedent in order to give support to great corporations in their struggles with their employées, the notice by the trustees of a great college that the president should not teach what is objectionable to the holders of the purse-strings on whom colleges depend for endowments—these are some of the more recent and palpable aggressions of that money power against whose aggressions the conservative '*Spectator*' warns the American people."

"It is not true that corruption and mammon are enthroned, but it is true that they are seeking to possess themselves of the throne, and it is certain that a people which by revolution threw off the worthier yoke of kings and hereditary classes will not submit to the greater indignity of being ruled by money kings. The way to prevent the more dangerous revolution in which plutocracy would certainly involve us, is to be warned in time, and prevent it from gaining possession of a power from which it could be dispossessed only by a revolution."

Canada, in a smaller way, is in the same position as the United States.

We in New Brunswick have our proportion of the rich and of the poor. Have we guarded the interests of labor, which so often enters the poorhouse, or does our legislation favor capital and combines which live in our palaces?



Monopolies exist in St. John, and none of them are anxious to pay the taxation demanded by the city. One bank pays 12 per cent. dividend on its half million capital, and at the same time legally escapes taxation on \$600,000 of rest.

We should do now in the Maritime Provinces that which if done thirty years ago in the United States would have largely prevented the accumulation of wealth into a few hands, and would have distributed the product of labor more equally between the workman and the smaller capitalist. The true check for these evils is to place a bridle upon the rapid acquirement of wealth, by a graduated system of taxation and also by civic ownership of public lighting and street railways, and other public utilities.

“Government ownership would tend to avoid those dangerous extremes in private fortunes, which have been considered by political philosophers, from the time of Aristotle, to be dangerous and especially so in a republic.”

— PROF. RICHARD T. ELY.

e anxious to pay the  
er cent. dividend on  
escapes taxation on

which if done thirty  
vented the accumu-  
distributed the product  
e smaller capitalist.  
the rapid acquire-  
and also by civic  
ther public utilities.

ous extremes in private  
from the time of Aris

F. RICHARD T. ELY.

## CHAPTER VI.

### CHECKS UPON CONCENTRATION OF WEALTH.

"The profit on monopoly is in itself a tax levied upon production and to tax it is simply to divert into the public coffers what production must in any event pay."

— HENRY GEORGE.

It has been urged by some that the poverty of the laboring class is due largely to their ignorance, sloth and want of thrift.

When Canadian cities tax incomes of \$400 or \$500, the bare cost of subsistence, we help perpetuate all the sloth and ignorance, and we create vice. I have investigated and know that families in receipt of \$300 to \$400 a year can barely exist, and they cannot live on those incomes. The doctor and the corner grocery suffer at the end of the year. Every dollar taken from subsistence incomes engenders hatred to the state.

Walker in his "Political Economy" says: "Cheap labor is dear labor. Bare subsistence, ready on the pinch to drop into the jaws of destitution, is an economic mistake," and yet we have been taxing that "bare subsistence" for many years, and hesitate now to repair the wrong done.

"When a laborer drudges through life on a bare subsistence it is idle to think that all he and his family miss is comfort," says Prof. MacCunn, of Liverpool University.

We know that they miss the chance for full citizenship.

It has also been urged, but with little truth, that the profits coming to capital are its natural interest, and should not be confiscated by any special or progressive tax.

The interest rate in Great Britain is 2 to 3 per cent. It is 3 per cent. in the savings banks of the Dominion. It is 5 per cent. to 7 per cent. in the local banks of Canada.

It is 4 per cent. to 7 per cent. on loans secured by mortgages on real estate. Yet we know that the fortunes of the 4,047 millionaires in the United States and of the 47 in Canada have not been made by simply getting 2 or 3 or 4 per cent. interest on their capital.

Those aggregations of wealth have been obtained by rates of 10 per cent., 12 per cent., 15 per cent. and higher, by those "deals" with which both United States and Canada are getting too well acquainted.

These billions have been literally forced from labor by telegraph and telephone combinations, sugar and biscuit trusts, agreements between

steamship companies and connecting railways, whereby travel and freight pay the highest charges, by "deals" with governments, whereby valuable franchises are obtained for almost nothing, and by all other arts and devices which the selfishness of man in his desire for wealth can think of or plan.

Capital not only gets interest, but by its power of combination seizes from labor a large part of what belongs to labor, and the work people, poorly fed and poorly paid, have so far only made a slight resistance. In order to check this tendency to concentrate the wealth of the nation into a few hands, and also to assist in making labor as free as possible, I would urge as remedies :

First—That the patent office have more control over inventions, that the fee be nominal, but that the government always retain a definite control, so that within a certain number of years, the government would have the right to buy the patent for the people, at a price fixed by a properly appointed court.

This would help to prevent increase of monopolies, and would place the inventor in a better position. It is well known that the inventor rarely gets any considerable return for his skill and genius, and frequently the invention is bought up and pigeon-holed, to the disadvantage of the public. The larger share of his invention is almost always seized by syndicates or trusts, which afterwards force the public to pay large profits.

Second—Co-operation.—That all the wage earners seek to have a percentage, gradually as to salary, of each year's profits. This would tend to make the workmen more careful of the machinery, would cause less waste, and would make a lasting bond between employer and employees. This percentage of profits to be held by the employer, subject to the call of the worker when needed for investment in land, house, trade, etc. If there were no profits, then the workman would still get his regular wages, and if by any close competition the employer had to cut wages and salaries down 20 per cent., the workman would still have his former year's profits to help him tide that year over. I have had this "profit sharing" in my business for fourteen years, and find that it works admirably. I am glad also to learn that other business houses since the first of the year are adopting this system, thus making a closer feeling between employer and employed.

Third—That the government control and own the highways, telegraph lines, postal routes, railroads, and that every city or county control and own the street railways, gas or electric lighting, and telephone lines, on

travel and freight, whereby valuable other arts and desolized.

On the ground that it is best for the public to own and manage all works for general public use, which require large capital and could easily be monopolized.

With can think of or Civic control of such public utilities as gas and electric lighting and street railways, has succeeded so well in almost all cities of the United States and Great Britain that the citizens of St. John should this year decide to buy out all the rights, plant, etc., of the St. John Electric Street Railway Co. The lighting contract with that Company terminates July 1st, 1901, and I trust the Council will grapple this year with that question and take over the whole plant.

Toronto received in 1898 the sum of \$109,000 as its share of the Street Railway receipts. St. John received last year \$7,750.00 in taxes from its Street Railway.

St. John made a serious mistake in letting the franchise go so cheaply years ago, and we should hasten now to remedy that error. The right to use our streets for rail transit purposes was granted prior to 1890 for 40 years, but when the Act was amended slightly in 1894, those rights were extended to read 40 years from 1894. We pay \$1.75 per 1,000 feet for gas and yet there are many cities in Great Britain and the United States which make a profit while charging consumers below \$1.00 per 1,000 feet. Fares on the Toronto Street Railway are lower than with us and yet that Street Railway pays the City of Toronto 14 times as much as St. John gets from her Street Railway.

All the large towns in Scotland and all but six in England have a municipal water supply. In Great Britain 200 cities control their own gas service, two cities have municipal for every one that has private electric light and many of them own their street railway tracks.

Fourth—That all persons 21 years of age, residing here a year, who can read and write, and who pay a poll tax of \$2.00 or \$3 00, shall be entitled to the franchise.

Years ago, when we had no common school system in New Brunswick, it may have been wise at that time not to give the franchise to all, but now since education through our public schools has been thoroughly and widely given, there is no reason why we should withhold, at this time, the franchise from anyone who can read and write, and who has lived here at least one year.

Fifth—The adoption in this country of the progressive system of taxation. This, I claim, would put a decided check upon extreme concentration of wealth. The progressive or graduated system of taxation upon

large incomes and wealth tends to prevent the accumulation of millions and the consequent impoverishment of labor. This system has been tried most effectually in different countries of Europe. It should be adopted in Canada by each provincial government, so that each city, town or county council would have to apply the law, collect the taxes and expend it for the city, town or county purposes. This progressive system would be a special tax on wealth, and would be in addition to the regular local taxation of city, town or county.

For the Province of New Brunswick a scale like the following could be adopted:

$\frac{1}{8}$ p. c. on all persons, estates, etc., worth .....	\$ 50,000 to	\$100,000
$\frac{1}{4}$ p. c. on all persons, estates, etc., worth .....	100,000 to	200,000
$\frac{3}{8}$ p. c. on all persons, estates, etc., worth .....	200,000 to	300,000
$\frac{1}{2}$ p. c. on all persons, estates, etc., worth .....	300,000 to	500,000
$\frac{5}{8}$ p. c. on all persons, estates, etc., worth .....	500,000 to	700,000
$\frac{3}{4}$ p. c. on all persons, estates, etc., worth .....	700,000 to	900,000
$\frac{7}{8}$ p. c. on all persons, estates, etc., worth .....	900,000 to	1,000,000
1 p. c. on all persons, estates, etc., worth over .....		1,000,000
$1\frac{1}{4}$ p. c. on all incomes, (salaries) of.....	2,000 to	2,500
$1\frac{1}{2}$ p. c. on all incomes, (salaries) of.....	2,500 to	3,000
$1\frac{3}{4}$ p. c. on all incomes, (salaries) of.....	3,000 to	3,500
2 p. c. on all incomes, (salaries) of.....	3,500 to	4,000
$2\frac{1}{4}$ p. c. on all incomes, (salaries) of.....	4,000 to	4,500
$2\frac{1}{2}$ p. c. on all incomes, (salaries) of.....	4,500 to	5,000
$2\frac{3}{4}$ p. c. on all incomes, (salaries) over.....		5,000

This would be a mild and moderate progressive tax, as compared with those in Germany, Austria and Switzerland, which have met with such success. The special revenue to St. John from this tax would be about \$20,000 to \$25,000. It could be used by our council in the usual way for streets, parks, public buildings, etc. I will be surprised if our people do not use the ballot, directly and effectively to fix the progressive idea in every province of Canada. Progressive taxation is the aid to the prosperity of the laborer; it will not pauperize, as does charity; it will make the people prosper, for it gives them their due and encourages self-respect. It is also the potent curb, the culminating check on selfish capital, and under its beneficent sway the social forces of Canada need never fear becoming disintegrated, as is the case in such marked manner in the nation to the south of us.

Sixth—We should adopt in the Maritime Provinces the idea of the Ontario law, which is that all incomes below \$800 are exempt from taxation. Or at the most the wage earner should not pay on incomes of

H.  
 lation of millions  
 tem has been trie  
 ould be adopted i  
 ty, town or count  
 d expend it for th  
 ould be a specia  
 local taxation o  
 e following could

50,000 to	\$100,000
100,000 to	200,000
200,000 to	300,000
300,000 to	500,000
500,000 to	700,000
700,000 to	900,000
900,000 to	1,000,000
1,000,000 to	1,000,000
2,000 to	2,500
2,500 to	3,000
3,000 to	3,500
3,500 to	4,000
4,000 to	4,500
4,500 to	5,000
	5,000

s compared with  
 e met with such  
 ould be about  
 e usual way for  
 if our people do  
 gressive idea in  
 aid to the pros-  
 y; it will make  
 ges self-respect.  
 ish capital, and  
 need never fear  
 manner in the

the idea of the  
 exempt from  
 on incomes of

\$500 and below. The workman and clerk should make the Aldermen pledge themselves to relieve all small incomes. Our tax rate last year was low, \$1.55 per \$100. We got this low rate in St. John by taxing petty incomes of \$100 and upwards. Not a city in Ontario taxes incomes below \$800. There is no income tax in Maine. Boston and New York exempt all incomes below \$2000. Halifax has no income tax. Let us be just and wise about taxation, and make labor as free as possible. If it is impossible to get the different local assessment laws changed so as to exempt all small incomes up to \$500, then the trade unions of the Maritime Provinces should ask each provincial government to enact a law like that of Ontario, so that incomes (salary or wages) under \$800 would be exempt from taxation.

"Can a man make a million honestly," is often said. Does he not make it by combining to get labor below subsistence level, or by bribing the politician, or by crowding or stinting the market, or by falsifying market reports, or by pooling with railways? Does he not hide his wealth, so as to make others pay the tax rightly due by him? Does he not live in the country, or travel, so as to register as belonging to London or New York? Are these things honest? But worst of all, the monied men of a city get the assessment law so arranged that the mechanic and clerk, who earn \$300 to \$400 have to contribute yearly \$7.00 to \$8.00 taxes. Dozens of men who only earn \$300 to \$400 yearly, not enough to provide the food and clothing needed for their families, have to pay \$6.50 to \$8.00 every fall. Great Britain in her national income tax exempts up to £150, and even those incomes up to £400 have a rebate of £120. I regret that "well-to-do" citizens have permitted small incomes to be taxed, but I am surprised at the stolidity of the laborer and clerk that allows its continuance. Let us then urge upon our government the adoption of these or similar suggestions, so that the wrong of the past twenty-five years can be righted during the next five years.

State control, co-operation, full franchise, patent control and progressive taxation; all these would tend to prevent the London Spectator pointing with the finger of scorn and saying, Canada is ruled by an "oligarchy" of coal, lumber, grain and sugar. Liberty and monopoly sprang not from Jove's head, nor can they exist together.

"Thus the condition of the masses in every civilized country is, or is tending to become, that of virtual slavery under the forms of freedom. And it is probable that of all kinds of slavery this is the most cruel and relentless. For the laborer is robbed of the produce of his labor, and compelled to toil for a mere subsistence; but his task-

masters, instead of human beings, assume the form of imperious necessities. Those whom his labor is rendered and from whom his wages are received are often driven their turn, contact between the laborers and the ultimate beneficiaries of their labor sundered, and individuality is lost. The direct responsibility of master to slave responsibility which exercises a softening influence upon the great majority of men does not arise; it is not one human being who seems to drive another to unremitting and ill-requited toil, but "the inevitable laws of supply and demand," for which no one in particular is responsible. The maxims of Cato the Censor—maxims which were regarded with abhorrence even in an age of cruelty and universal slaveholding—that after as much work as possible is obtained from a slave he should be turned out to become the common rule; and even the selfish interest which prompts the master to look after the comfort and well-being of the slave is lost. Labor has become a commodity, and the laborer a machine. There are no masters and slaves, no owners and owned, but only buyers and sellers. The higgling of the market takes the place of every other sentiment."

—HENRY GEORGE.



## CHAPTER VII.

### PROGRESSIVE TAXATION.

"Taxes, in so far as they rob us of the means of satisfying our wants, impose a sacrifice on us. In order to impose equal sacrifices we must tax the richer man not only absolutely, but relatively more than the poor man." —PROF. SELIGMAN.

How has the progressive idea succeeded in other places, and who are they who commend its adoption? ask my readers, and naturally this question demands a review of that system of taxation.

"To tax and to be loved is not given to men," said Edmund Burke, and thus it will be that the men who are getting 12 per cent. interest from sugar shares, or eight per cent. from street railway or bank stock will look with derision upon any attempt to prove the justice and wisdom of progressive taxation.

If these capitalists wish to prevent Canada becoming the battle ground of contending factions, as now seen in the United States, let them listen to the opinions of the great men of this century, and think calmly over the absolute necessity of adopting the progressive idea in this country.

As early as the fifteenth century the principle of progressive taxation was adopted in Florence, Italy. A scale, four per cent. to 33 1-3 was applied to income, in order to correct the escape of the wealthy from taxation. This extreme tax resulted badly, as the Medici pandered to the people by the high rate against wealth, but the family of Cosimi di' Medici did not care so long as they grew in popularity and power. It was in the abuse of this progressive principle that bad results followed in Italy.

In the fourteenth century France, England and Germany knew little of the progressive principle. In fact the pressure of taxation in that century was heaviest on the small incomes.

During the period from 1450 to 1750, in all Europe, but more particularly on the continent, the social forces of the state were divided into the nobles, the clergy and the people, which latter trembled before the former. It was a saying that the priest gave his prayers, the noble gave his blood, but the people gave also their blood, as well as their labor and means, for they paid all the bills of the campaigns, the palaces and the lavish luxury. At last continental Europe woke on the 14th July, 1789, to learn that kings were no longer divine, that the people who had given their blood and their money were now giving their curses; that the Bastille had been



taken, and as its grim towers fell stone by stone from their dizzy height the people made a long stride towards freedom and equal rights. With a savage ferocity, born of the wrongs of centuries, they laid the foundation of that progressive principle which is now so successful in Europe.

In 1791 France adopted a progressive rental tax. Later on, since 1850, many towns have adopted the progressive rental tax, making rents exempt below a certain figure. In Paris rents of 500 francs were exempt. In 1890, 600 francs paid six and a half per cent. tax; 1000 francs, ten and a half per cent.; above 1000 francs, twelve per cent. In Belgium and Holland at this time many local taxes were progressive on income, often advancing from 1-2 per cent. to four per cent. Holland state property tax in 1892 varied one to five per cent. progressively. In the 18th century Holland had the progressive idea, but it only ran from one per cent. to two and a half per cent.

Saxony appears to have had a tax in the last century that ran from one per cent. to eight per cent., which was largely caused by war debt, but generally the progressive principle was not applied in Europe until after 1850. Both city and state in Germany adopted it since 1850. The development of the progressive income tax is specially noteworthy in Prussia. In 1891 below 900 marks (\$225) exempt. Above 900 to 100,000 marks the scale rises from 5-8 of one per cent. to four per cent. on the highest incomes. There are eleven classes from 900 to 100,000 marks. Most of the larger German States have the above graduated income tax. In Baden, Saxony and Prussia the tax increases rapidly. In Saxony :

500 mark incomes pay.....	1 mark
1,100 " " " .....	8 "
2,200 " " " .....	30 "
4,300 " " " .....	94 "
8,400 " " " .....	216 "
14,000 " " " .....	360 "
33,000 " " " .....	900 "
65,000 " " " .....	1,800 "

In Prussia 1,050 mark incomes pay six marks and increase (every 150 to 300 marks), until 5,000 mark income pays 118 marks, 10,000 mark income 300 and so on. In Baden the system is different, but the progressive result is the same. From 1870-'95 the local taxes of towns in Prussia graduate from one per cent. up to ten per cent. In Austria since 1868 the tax on incomes rises from two and a half per cent. up to ten per cent., and in some cases of stock companies is twenty per cent.

There are twenty-five different grades for taxation on corporations, of which I give a few.

Incomes under \$315.....	nil.
“ \$ ,315 to \$600.....	1 3-4 p. c.
“ 2,100.....	5 p. c.
“ 4,200.....	9 p. c.
“ 8,500.....	15 p. c.
“ 47,000.....	19 p. c.

Great Britain had the progressive principle in 1801, when rentals above £50 were taxed 1s. 6d. ; 2s. 3d. and 2s. 10d. as they rose higher. Pitt, no doubt influenced by the justice of it, and perhaps by its possible popularity, introduced in 1798 the progressive income tax—£60 exempt ; £60 to £200 one per cent. to ten per cent. ; over £200 ten per cent.

This tax allowed a rebate to those who had large families to support. He also added the rental tax of three quarter per cent. to two per cent. This complex scheme was cumbersome ; the graduation was too sharp and went too high. To this succeeded in 1799 the income tax, which finally developed in 1806 as follows :

Income.	Tax.
£ 50.....	nil.
51.....	3s.
52.....	6s.
150.....	300s.

This was gradually repealed, and since 1879 the income tax with the one rate for all has been the national tax. But even this shows the progressive principle, for £150 and below are exempt, and on incomes above £150 to £400 a rebate of £120 is granted. Switzerland is the stronghold of the progressive principle. We find all kinds of taxation in canton and city, but the progressive idea dominates. Some towns assess 1-10 to one per cent. on property, with 1-4 to 5 1-2 per cent. on income. Some fix the poll tax and others graduate it. But the effort of all appears to be to make it easy for the work people to get ordinary comforts, and difficult for the few to get very rich.

In 1848 Neuchatel adopted the progressive idea and put a rate from one per cent. to ten per cent. on property. In 1870 Zurich enacted a law to tax both incomes and property by the graduated scale of progression. Between 1870 and 1890 most of the other districts adopted this same

principle, and we find in 1894 that sixteen of the twenty-five cantons in Switzerland had adopted the progressive tax on both income and property.

In Baselstadt they assess one per cent. on incomes of 4,000 francs, two per cent. on F 5,000 income and so on up to four per cent. on F 12,000 income. On property Baselstadt taxes one, one and a half and two per cent.

Geneva taxes personal property :

F 50,000.....	1-10 of 1 p. c.
250,000.....	2-10 of 1 p. c.
1,000,000....	3-10 of 1 p. c.

Denmark and Sweden have partly accepted the progressive idea. The local income tax in Copenhagen only permits the full rate to be applied when the income amounts to \$700.

New Zealand, Queensland and other Australasian countries are adopting progression both in civic and inheritance taxation.

Canada is being taught a great lesson by the far off New Zealand colony. Her colonists, a mixture of English, Scotch and Irish, not only lead us in their patriotic feeling to the mother country, but almost make us envious of the way in which they treat the question of government ownership of public utilities and other equally important matters. Twenty-five years ago they adopted the Torrens system of land transfer so that the buyer and seller of land save the great expense and time of proving titles. The government provides a certificate of title at a very trifling cost.

Education in New Zealand is free and 20 per cent. of the whole population are at school. Compulsory attendance at school is a success there, and has swelled the muster rolls. Land monopoly is being fought out to the bitter end, the late graduated land tax has divided many of the large estates. Under it the peasant farmer pays no tax until value amounts to £500., and on all above that, one penny per £1 is charged yearly. Estates are large in New Zealand and frequently are valued at £100,000. Above £5,000 land value, the graduation or progressive taxation begins, mounting up by eighths of a penny until in estates valued at £200,000 the rate is three pence per £1.

The income tax is also progressive—up to £300—free. From £300 to £1300 six pence on the £1 and after that 1s.

In the United States the progressive income tax of the Civil War came to an end in 1872.

Secretary Fessenden in 1864 defended the progressive idea in the following words: "The adoption of a scale augmenting the rate of taxation upon incomes as they rise in amount, although unequal in one sense, cannot be considered oppressive or unjust, inasmuch as the ability to pay increases in much more than arithmetical proportion as the amount of income exceeds the limit of reasonable necessity."

North Carolina adopted the progressive idea in 1893, taxing all incomes (salaries)  $\frac{1}{2}$  per cent. on the excess over \$1,000, and all incomes from property were taxed 1-5 of 1 per cent. to 1 per cent. as they increased. Maine, Wisconsin and Michigan have graduated taxes on the earnings of railways, and New Brunswick has a progressive inheritance tax, which I hope will expand into the law suggested a few pages back.

This is a brief history of the progressive tax movement, for the facts about which I am indebted to Prof. Seligman of Columbia college, who says: "There is actually far more evasion, fraud and exodus of capital under proportional property tax in America, than under progressive property and income tax in Switzerland."

Those who will cheat to avoid payment of the present St. John rate of taxation, \$1.55 per \$100, would probably cheat if the progressive principles were adopted.

The only reasonable argument against this principle is that it may drive capital away.

But the fact is that our wealthiest men, even at the present low tax rate, invest their funds in foreign securities. Do not the very rich leave us and seek London or New York? But even though a few of the very rich should leave, is it not better for a city to have ten persons worth \$50,000 each than to have one worth \$500,000? Fifty families worth \$20,000 each help the state more than the family of one millionaire. And the competition of those fifty in trade or manufacture will tend to give the large number of laborers employed much better wages than if it were all controlled by one person.

Suppose we had one large flour store, and everyone in St. John had to buy of that one store. The aim of the owner, as in the sugar trust and oil trust, would bring millions to him out of the immense trade, and no competition. His clerks would be too dependent. There would be no other flour stores to compete for their labor. Would it not be better to have twenty stores in different parts of the city, each competing to get the best clerks, to keep the neatest stores and to have the best and cheapest goods to sell. And above all, the twenty stores would contentedly pay their yearly civic tax, but the one store would evade its full share. Wealth

when it is distributed in many hands cannot so easily be manipulated to seize a natural product and create those monopolies which become the factors of immense wealth.

The proof of benefit to the state from the progressive idea is its adoption by so many countries in Europe. Twenty years progressive tax in Switzerland finds wealth increasing rapidly and all classes satisfied with the result.

In Zurich

	Property.	Income.
1879.....	F 627 millions.	F 43 millions.
1889.....	F 906 millions.	F 88 millions.

This is proof that the progressive principle does not retard the wealth accumulating power of the Swiss people.

Courcelle Seneuil, a late writer, says "that a progressive tax that would simply attenuate and diminish the advantages of the rich would be useful and just, but to go beyond this, and to weaken the desire to acquire wealth would be a misfortune.

Professor Seligman says: "Progressive taxes are likely to figure largely in American politics, as the facts seem to be in that direction."

Professor Walker observes: "The undoubted fact that differences of property and income are due, in no small degree, to the failure of the state in its duty of protecting men against violence and fraud." And concludes his article with the following words: "Were the highest human wisdom, with perfect disinterestedness, to frame a scheme of contribution, I must believe that the progressive principle would in some degree be admitted." Most writers agree that the "minimum of subsistence" must not be taxed.

Sir Jas. Stewart, the first important writer of political economy in England, took this position:—"According to equity and justice all impositions whatsoever, ought to fall equally and proportionately on every one according to his superfluity." And again, "Whatever a people consumes beyond the necessary I consider as a superfluity which may be laid under taxation." Sonnelfels speaks of the minimum of subsistence as being that "sacred portion of mankind which should always be exempt."

Sismondi even goes further, "That the rich contribute, not only in proportion to their wealth, but something in addition, in order to maintain this order which is so advantageous to them."

This is virtually a system of progressive taxation. Condorcet, Garnier and many other writers of the early part of this century, both in France and in Germany, agree in the non-taxation of the minimum of

subsistence, and although advocating the benefit theory, still tend strongly towards progressive taxation. The faculty theory or that of ability is where we find the strongest advocates of progression.

Sir Chas. Dilke, in *Greater Britain*, chap I., part 6, says, "that the institution of private property has not been weakened, nor has capital been driven away by the Democratic influences which have led Australasian countries to accept the principle and spirit of progressive taxation."

Robespierre and the French convention in 1792, demanded progressive taxation: "In order to attain a more exact proportion in the division of public burdens, which every citizen should support according to his faculties, a graduated and progressive tax shall be established on luxury and property, real as well as personal." And likewise John Stuart Mill has the same thought when he says. "Each person shall feel neither more or less inconvenience from his share of the payment than every other person experiences from his."

Dr. Spahr of New York writes in 1896: "The doctrine that the very poorest classes should be deprived of needed food and shelter in order to pay the same percentage of their incomes to the state as the very rich, has now as little standing before the intellect of Europe as before the heart of this country."

A few French and German writers reject progression as dangerous. Others like Montesquieu adopt it, saying, "the size of the tax on the superfluous would prevent superfluity." J. B. Say says: "A tax which is simply proportional to income would hence be far from just. I shall go further and shall not hesitate to say that the progressive tax is the only just tax." And in another work, after stating that the protective theory logically leads to proportional taxation, he asks: "Is not a simply proportional tax heavier for the poor than for the rich? Ought the man who earns only enough to feed his family to be taxed in exactly the same proportion as the man who, because of his ability, his original capital or his landed property, earns enough not only to defray all expenses of a luxurious life, but who, in addition, yearly adds to his capital?"

Craig, an English writer, advocates the progressive principle as follows: "Taxes, if proportioned to wealth, occasion more severe privations to the poor than to the rich, and the proportion of the public burdens laid on each individual ought to increase in a quick progression, according to his wealth." Buchanan, the critic of Adam Smith, observes: "The injustice of fixing a common rate of contribution for all incomes, however various, is sufficiently obvious since an income of £10,000 per

annum might pay, without any great hardship, a proportion which, if exacted from a smaller income would force a retrenchment, not of comforts merely, but of absolute necessities. The rate of contribution to be equitable ought therefore to vary, gradually ascending, until it rises to its maximum among the highest incomes."

During the present century Held, Neumann, Schon, Stein, Wagner and many other Germans demand taxation on this basis of equal sacrifice or ability.

ci  
ha  
w  
si  
sh

gr  
ye  
th

ric

sy

sc  
13

et

De

a y

ro

on

eq

tea

in

co

inc

mi

str

## CONCLUSION.

Justice and wisdom all unite in demanding that the progressive principle of taxation be adopted in Canada. For years in St. John we have had a proportional system of taxation, and have forced labor to pay, even when we knew we were taking in many cases from the minimum of subsistence, and all that time capital secreted property and escaped its full share of taxation.

Would it not be just to make capital pay more, by means of a progressive tax, and thus return to the state the taxes defaulted for so many years, and which others have had to pay. Who get the most benefit from the parks, the good roads, the composition sidewalks, the electric lighting?

The rich, because they have time to enjoy and carriages in which to ride.

Who get the most benefit from police and fire departments?

The rich, because they need protection more than the poor do.

Who derive the most benefit from the expensive part of our school system, the higher branches of chemistry, botany, classics, etc.?

The well-to-do, because they can afford to let their children remain at school until they are 16 or 17, whereas poor children go to work at 12 and 13 years of age.

Does the average laborer possess \$1,000 worth of furniture, books, etc., that he asks the city to spend \$33,000 a year in fire protection? Does he need to be protected from robbery, that the city must pay \$50,000 a year for police and light? Does he want to drive to the park, or out the road, or go shopping, that the city thinks it best to spend \$43,000 a year on streets?

Clearly the progressive tax is only just, and will help to restore the equality that has been so long weighted in favor of the rich. Wisdom teaches the same lesson and demands this check upon wealth.

We see in that tumultuous march of Coxe's army to Washington, in the riots and bloodshed in Pennsylvania a few years ago, and the great cotton strike of January, 1898, something alarming.

The fingerboard of the press has warned the American nation that an industrial revolution may bring a great disaster to that country.

Have we no combines and syndicates in Canada? All the cotton mills, except two are under control. One company in this city controls the street railway and most of the street lighting.

A syndicate owns most of the coal mines in Nova Scotia.



A combine of the four sugar refineries in Canada would cost the people millions, and may take place at any moment.

Is there not a danger of our having in Canada within fifty years the same strife between the rich combines and labor that our neighbors are now having in the United States?

It would be wise then to avert it by enacting the provincial progressive law, so that each city and county could tax wealth by such an easy scale that small capital would not feel it, but still high enough to make it difficult for the millionaires to breathe freely in Canada. This potent check on money lords would enable the state to supply to the industrial classes those aids to livelihood which will tend to decrease ignorance and crime, and keep the working classes to the level of true citizenship.

Would it not be well to have this bridle placed on the avarice of the rich, and thereby create a fund of sure avail to give work to the pleading poor?

Let us be just and wise in our day, and urge upon all communities the need to adopt remedies against the too rapid concentration of wealth.

Even now there are those who say they would rather serve the nobility of 1750 than be slaves to mammon lords of 1900. Do we "crook the pregnant hinges of the knee" to this oligarchy of sugar, oil, lumber and coal, more than our forefathers did in the seventeenth century?

Wealth in its palaces on the land, or on the sea, strives to compass so much, earns an unhonored reputation, and goes at last in equality with its servant to the one narrow confine whose boundaries are broken only by the spirit of love and tenderness.

And away off, crying in the night of their poor houses, are millions calling, calling to take away the stone that we had given them, and give them back the bread that they had earned.

"For oh," say the children, "we are weary  
 And we cannot run or leap—  
 If we cared for any meadows, it were merely  
 To drop down in them and sleep.  
 Our knees tremble sorely in the stooping—  
 We fall upon our faces, trying to go,  
 And underneath our heavy eyelids drooping,  
 The reddest flower would look as pale as snow.  
 For, all day, we drag our burden tiring,  
 Through the coal-dark underground,  
 Or, all day, we drive the wheels of iron  
 In the factories, round and round."

—E. B. BROWNING.

## OPINIONS AND STATEMENTS WORTH REMEMBERING.

IAN MACLAREN on United States Monopolists.

"Legislature is simply the obedient servant of a great railway corporation. A wealthy trust has offered direct bribes to the law officer of another great Legislature, and in one Legislature after another, trusts, railways, rich men and private interests can control the making and changing of laws. It seems as if not merely coarse and unlettered men, whose souls have never been touched either by religion or by culture, but that all men, with a few delightful exceptions, bow the knee to this golden calf and do it homage."

PROF. R. T. ELY's View of Civic Ownership.

"Municipal monopolies, could under municipal ownership and operation, be managed with reference to the greatest good of the greatest number.

A special consideration could be shown to those who require help. The working woman who in cities trudges to and from her work, because she cannot pay a five cent street car fare, of which two cents represent economic surplus; could frequently ride instead of walk if the fare were reduced to three cents."

TORONTO GLOBE in 1899.

"In the last 20 years, Mr. Lee said, the Standard had absorbed more than 100 independent concerns. Many of these had been dismantled, others were permitted to stand idle. He thought if there had been fifty refiners instead of the Standard Oil Company, the market would have been just as extensive the consumer would have got his oil as cheaply or more cheaply and the producer would have been much better off. The balance he said, was explained by the \$500,000,000 profit that the trust is said to have made."

DAILY SUN, St. John, N. B., March, 1900.

"The Standard Oil Company paid \$5,000,000 more dividends in the last quarter than in the preceding one. Noting this fact that the price of oil was advanced three cents in the same period, a motion has been introduced in the United States House of Representatives affirming that the action of the company is a direct violation of the anti-trust law, and punishable by fine and imprisonment. The total quarterly dividend just paid was \$17,000,000."

PROF. GEO. D HERRON, on United States Money Makers.

"In no nation on earth is there such abject submission to mere money, in both church and state, as here in America. The emancipation of life, of our nation and its institutions, from the rule of money is our religio-economic problem in its first and political aspect.

It presents the national and social situation for which we are each responsible.

It points out the deliverance for which we must individually and collectively give ourselves, and that with divine urgency.

## THE INVESTOR'S REVIEW, (English Journal,)

Reports an eminent American citizen and politician, who is prominent in the great steel organization, as saying, "We have the mines and the mills, and the railroads connecting them, and the shipping facilities, and many subsidiary enterprises, and we are going to manufacture our steel with economies that will make it cheaper than before, and cheaper than it is anywhere else in the world. But we are going to raise the price. In the past we have had to make concessions to our workmen. As long as the mills were competitors, when one gave way as to hours or wages the others had to do the same. But there is an end to all that sort of thing now."

MAYOR JONES, Toledo, Ohio.

"In Great Britain, where they are older than we, they have come to understand that the good of the individual can only be found and conserved by seeking the good of all.

When Glasgow, Leeds and Plymouth adopted public ownership of the street railways, they bettered the service, reduced fares, shortened hours of labor and raised the wages of men.

Every city in this or any other country that municipalizes its work of improvement substitutes day labor for contract, gets better work, pays better wages and usually shortens the hours of labor, not only making money, but what is infinitely of more importance, making men."

GAZETTE, St John, N. B., September, 1899.

"We might well take a leaf out of the German book and try progressive taxation. On the basis that those who have plenty should pay generously, it seems not unwise to graduate taxation on income,—so that if incomes of \$1,000, pay 1 1-2 per cent., then \$2,000 incomes should pay 2 per cent., \$3,000 should pay 2 1-2 per cent., and gradually increase the rate as the income becomes larger.

We trust some spirit in the Common Council will consider this question and see that the new law, so urgently demanded by the people, embodies some of the features outlined above.

DAILY GLOBE, St. John, N. B., October, 1899.

"The gross receipts of the Toronto Street Railway for the year ending August 31st, 1899, were \$1,291,086.

The City of Toronto, under its arrangement with the railway company, is entitled to 8 per cent. of the gross receipts up to one million and to ten per cent. in the gross receipts over a million.

Under this the receipts of the year just closed were \$109,108 a very good addition to the city funds, and a gain of \$14,821 over the receipts of the previous year.

In St. John the Street Railway Company contributes nothing to the city funds, but it ought to do so. That it does not is due very largely to the lack of business management and skill of the entire corporation which allowed itself to be stampeded with hurriedly closing a bargain.

In this way mistakes are often made.

