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THE IMPENDING CRISIS

CONDITIONS RESULTING FROM THE
CONCENTRATION OF WEALTH
IN THE UNITED STATES

By BASIL BOUROFF



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CONCENTRATION OF WEALTH
IN THE UNITED STATES.

BY
BASIL A. BOUROFF,
GRADUATE STUDENT OF THE UNIVERSITY OF CHICAGO.

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1900.

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PREFACE.

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This is not a novel, nor a work of fiction; it is based on the facts of the Eleventh Census and other statistical reports, and on the most reliable authorities on these subjects. This book represents the most essential and fundamental features of the nation's situation. It shows the reasons why your cities rapidly become the property of a comparatively very few persons; why the American farmers lose their ground, and the urban population lose liberty; and why all become absolutely dependent upon a few multi-millionaires. It exposes the conditions in consequence of which the whole nation becomes a nation of mere tenants of farms and homes, paying rents; and, while the wealth increases, the greatest majority of the people come into desperate struggle not for pleasure, but for simple existence.

In order to impart as much knowledge in regard to the situation of the nation as possible, it was found necessary to supply the readers with a sufficient comparison of statistical facts, pointing to the differences of averages made by different authorities on the subject. This comparison has also been introduced for the purpose of indicating certain truths of special value, and for finding the true bases of reasonably dealing with the most vital problem of the national existence. This problem involving conditions that cause the commonly recognized social unrest of the present time is a problem which grows in intensity.

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Recognizing the difficulty in solving the problem and the danger of the situation, we should not wonder, if the very persons who are always inclined to make discounts in established truths, will be profoundly surprised to know from the final conclusions here presented, that the time of discounts has passed away, and that it is now too late to ignore the facts of so serious significance.

If this work should come to be regarded as a general diagnosis of the diseased situation, we may rest assured that there are many thousands of people who will count it their sacred duty to find the proper remedy for curing the disease of the national organism. For it will be seen that the situation is rapidly growing worse every year with the increase of population, and there must be an end to the disease. Surely, if the increase of the national wealth is becoming less than the continual net incomes of the private monopolies, trusts and combinations, it is not difficult to recognize that the situation is already very bad. It is therefore desirable that every one should carefully learn the situation.

THE AUTHOR.

Chicago, April 1, 1900.

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DISTRIBUTION OF WEALTH IN THE UNITED STATES.

When a heavy mass of clouds suddenly rises in a clear sky, every one thinks that a terrific storm is to follow, displaying a great store of pent up forces. And many people never make a single mistake in predicting from so ominous a summer sky what is going to take place. Some similar forecasting is now going on within the consciousness of the people. For nearly every one more or less clearly feels that he is heavily pressed upon by some portent in the national life. And every one whose mental horizon is clear enough and wide enough sees, beyond the outward appearance, that something dangerous is stored in the nation. It may be something so unusually great in its force, something so explosive, something so combustible, that with the new century it may terribly shake the world.

**SIGNS OF THE
TIMES.**

It was quite recently when the "North American" of Philadelphia asked the question, "What has the Nineteenth Century in store for Philadelphia?" And by its own admission the replies received were amazing. In summing them up, before spreading them at large before its readers, it said:

"Substantial business men, whose names are almost household words, solemnly affirm that with opinions of the new century will come revolution and bloodshed. Leading lawyers say the tendency will be toward socialism. Bankers join with labor leaders in forecasting the triumph of the single-tax theory and the consequent overthrow of existing social conditions. That such a tremendous undercurrent of dissatisfaction and unrest exists in this city will undoubtedly come as a shock to thousands of conservative citizens. The opinions given are not those of labor agitators or anarchists. They are the careful expressions of men of wealth and of broad education. The revolutionary suggestions were not shouted upon the street in time of riot and excitement, but were given deliberately while the speakers sat in their well furnished offices, surrounded by comforts and evidences of prosperity.^[1]" So then the Nineteenth Century has stored up in the social organism of the nation enough material to produce revolution and bloodshed in the Twentieth Century.

**OPINIONS OF
BUSINESS MEN.**

And Mr. Louis Post says in "The Public" of Chicago: "Our leisurely friends of Philadelphia, who are to be envied, by the way, and not sneered at, for being philosophical enough and sensible enough to keep so much unwholesome hustle out of their lives—these slow and sober people must have been 'startled' by the above 'revelations' of the Philadelphia North American, that ancient landmark, now in its 128th year.^[2] It was undoubtedly an amazing surprise in view of its age that the answer of its readers was, as you see, 'revolution and bloodshed.'

If similar questions were presented to the thinking public of the various cities of the United States, we might have thousands of like opinions and all of them would be conditioned by sufficient reasons.

One of the most prominent thinkers of the city of Chicago^[3] also quite recently said that "the Twentieth Century will bring to us the bloodiest revolution that human history ever witnessed." And his assertion was not less amazing than was the affirmation of the substantial business men of Philadelphia. If it were honest and right to expose the names of men whose confidential conversations led to the same or similar assertions, I alone could make a long list of these names.

**OPINIONS OF
LEARNED MEN.**

They all admit that the nation, as an organism, has long been diseased; its nerves have long been abnormally strained. But, like the friends of Philadelphia, they speak about revolution and bloodshed which is but the last and most convulsive stage of any nation's serious disease. And it is true that, when this stage is reached, it is impossible to avoid the most intolerable operation.

But the amazing feature of such opinions is that different men agree in affirming that revolution and bloodshed is almost unavoidable; yet different men, as I know, assign different causes for such an undesirable event.^[4] Some say it must come because the population increases and the unemployed laborers increase. Others say that the trusts, combinations, and monopolies must ruin the nation. Still others say that progress and poverty, being very rapid in their diverse directions, must rapidly bring the wealthy and the poor into the state of cut-throats against each other. And only very few men understand that all these causes are but secondary, though working to the same horrible end. While the real, effective cause for revolution and bloodshed, with the nation, is the exceedingly unequal distribution of wealth, and its rapid concentration in a very few hands.

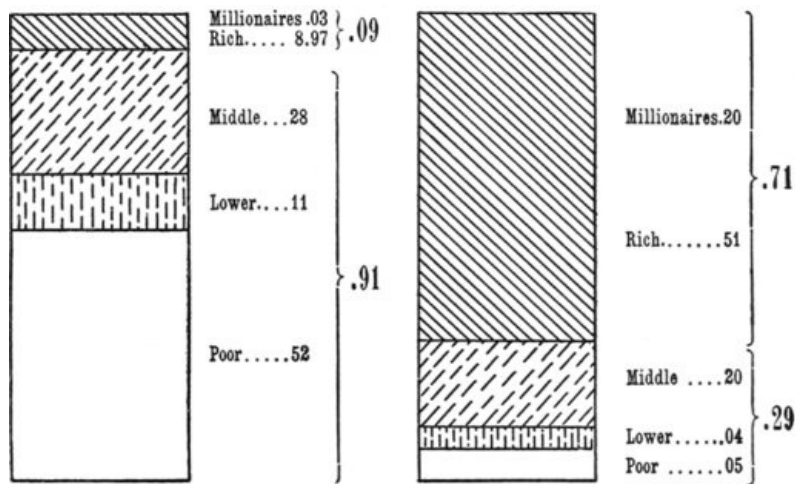
**CAUSES OF
UNREST.**

It is this situation that our democratic people will not be able to endure, because they are born free, whereas the storing up of wealth in a few hands makes them all economic slaves; deprives them of the privileges they enjoyed; makes them absolutely dependent upon the mercies of the rich, which, if shown to them, they may live; if withheld from them, they must starve to death.

**PEOPLE THINK
THEY ARE BORN
FREE.**

Let us see, then, what it is that the Nineteenth Century has stored up, which is to result in such a terrific convulsion in the Twentieth Century.

The following diagrams present the Logical Premises from which the "revolution and bloodshed," as a conclusion, must inevitably follow, provided their action is not checked.



“These diagrams showing by percentages the population and wealth distribution in the United States, according to tables compiled by George K. Holmes, U. S. Census Expert on Mortgage Statistics, are from the Encyclopedia of Social Reform.”

The contents of the above diagrams show on the bases of statistics that in 1890 three hundredths of one per cent of the population, which are the millionaires, held 20 per cent of the nation’s wealth. Eight per cent and ninety-seven hundredths of one per cent of the population, which are the rich, held 51 per cent of the wealth. The middle class, consisting of 28 per cent of the population, held 20 per cent of the wealth. The lower class, consisting of 11 per cent of the population, held 4 per cent of the wealth. And the poor class, consisting of 52 per cent of the population, held but 5 per cent of the national wealth,^[6] as this table shows:

PERCENTAGES OF WEALTH AND PEOPLE.

Table I.

Percentages of People.	Population in Groups.	Percentages of Wealth	Aggregates of Wealth in Dollars.	Distribution of wealth per head in Dollars.
00.03	18,786	20	13,007,418,274	691,867
08.97	5,617,172	51	33,168,916,461	59,041
28.00	17,534,216	20	13,007,418,253	741
11.00	6,888,432	4	2,601,483,644	377
52.00	32,563,644	5	3,251,854,565	99
100.00	62,622,250	100	65,037,091,197	1,036

This illustrative table represents the exact value of the diagrams on p. 5. And nothing is more interesting in this table than the sad differences in the worth of the groups, and especially when their respective wealth is divided per every head. The right-hand column shows that there are 18,786 persons whose aggregate wealth, if divided equally among them, would give \$691,867 to each man, woman, and child. And there are 32,563,644 persons^[7] in the last group, whose wealth, if equally divided among them, can give but \$99 to every person. These two groups present the greatest possible extremes of group-poverty and group-opulence.

The other three groups, as their averages clearly show, are intermediary between the two extremes. And if all the wealth of the nation were equally divided among its population, we could have \$1,036 to every man, woman, and child. This per capita wealth indicates that the nation is very rich on the whole, but its riches, as you see, belong to a very few persons.

PER CAPITA WEALTH.

What then is the difference between a rich man and a poor man, between a rich woman and a poor woman?

If the 32,563,644 men, women and children had \$100 per capita wealth, then one rich man of the first group of the above table, would be worth more than 6,918 men of the last group of the same table. A rich man’s horse often worth more than 10, 20, 30, or even more, poor men taken together. A rich woman’s finger alone worth more than 10 or 20 poor women taken together, because that finger is often embellished with the diamond rings that cost thousands of dollars. A complete ladies’ dress or a costume often amounts to more than \$5,000, and hence it is worth more than 40 or 50 women taken together with their dresses. Such are the differences between the rich and the poor people when they are valued by the dollar.

WORTH OF MEN.

But the dollar differences cause a great many other differences between the rich and the poor. The poor man is not only poor in wealth, but he is poorer still in social rights and privileges. And there is no possibility for the poor to rise up out of his poverty. For he has no resources of wealth which the rich people have; and he has no property of his own; for if he is worth but \$99, which is really his house-scarb,^[8] he has no productive

POOR IN SOCIAL RIGHTS.

property at all; he is then absolutely dependent upon the mercy of the wealthy, without which he cannot exist even for six months. He cannot acquire higher education and training, because he is encompassed with poverty which furnishes no means for the education that helps men to acquire wealth. Hence, the lack of education keeps the poor in poverty; and this poverty prevents him from getting the helpful education. So that, poverty and ignorance become the bitter enemies of the above millions of individuals in the modern world of progress. Yet the modern poor have a far more potent enemy than poverty and ignorance combined, which we shall see later on.

Meanwhile, we will say here, that the rich are the masters over the poor in the sphere of law, in the sphere of politics, in the club, in the theater, in the church, at home and abroad—everywhere; as if all power were given unto them under the heavens over the poor. And how many church-ministers would not give them the same power and the best places in the hereafter? For the very character of sermons in our days depends upon the pleasures of the rich in many churches, because the ministers depend upon the wealthy few more than they depend on the millions of the poor. While all these poor are the rich men’s economic slaves, spending half of their labor energy in favor of the wealthy. That is what the Nineteenth Century has provided for the nation.

DOMINANCY OF THE RICH.

But the above statistical conclusions were by many regarded as “roseate” and “extremely moderate conclusions.” And it was in consequence of this that Dr. Spahr was obliged to reiterate the expression: “Since the completion of this study, a volume has appeared that must set at rest all question as to the extreme moderation of the estimates reached.”^[9] For it was clear that every new investigation of the distribution of wealth confirmed the fact of a more and more rapid concentration of the national wealth in fewer hands than before. And it is the question of poverty, that spreads like contagion, that the American people have now to deal with, in view of a phenomenal increase of the national wealth which concentrates in the few hands. And it is this question that cannot be set at rest while millions grow poorer and poorer and the propertyless increase in numbers, as we shall soon see.

CONCLUSIONS ARE MODERATE.

The people cannot set this question at rest until they know the truth of the different statistical tables, indicating the nation’s situation and destiny. And we cannot rest until we make a series of propositions for the purpose of producing more equal distribution of wealth in this country. And even then we cannot rest, until our propositions be applied to the irrational life of the nation, with the purpose of working out justice for the people. When we see all this in their actual life, then we shall rest, as the people shall be regaining their freedom, their property, their resources of income, their rights to work and to enjoy the fruits of their toil. The intelligent people cannot and must not rest before they reach a resting place. They cannot always be deceived by the shallow and selfish arguments which prove that the national wealth increases enormously,—for it so increases only with the few and rapidly decreases with the entire people. But the time will come when the tens of millions will no longer vote for men who deprive them of all rights, self-respect and liberty.

As we shall see later on, the 32,563,644 persons of the last group of the table I possessed no real wealth at all even at the census in 1890. For though the diagrams represent them as having had \$99 worth of wealth to every head, yet this wealth was personal and not productive.

UTENSILS AS WEALTH.

STATISTICAL CONCLUSIONS OF MR. SHEARMAN.

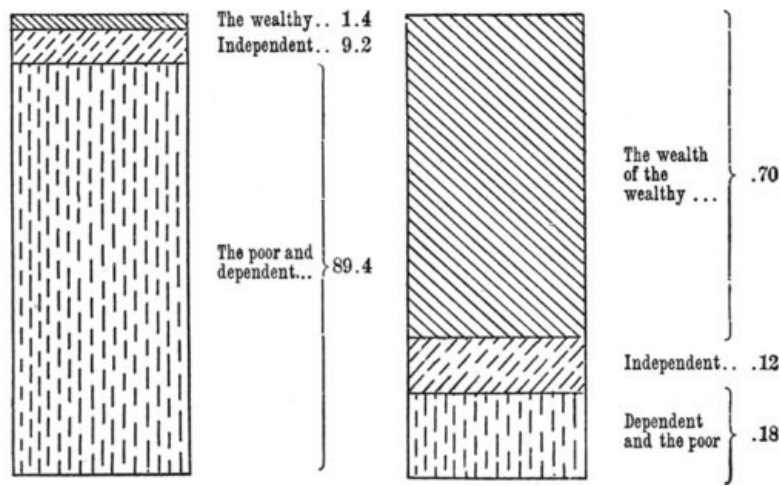
“An estimate of the distribution of wealth in the United States was made by Mr. Thomas G. Shearman in the ‘Forum’ for 1889, and for January, 1891. It was based on careful estimates of the wealth of the very wealthy, a list of which he gave, and estimates of the division of the remaining wealth of the country between the middle class and the poor based on assessors’ returns.”^[10]

RESEARCHES OF MR. SHEARMAN.

“Mr. Shearman came to the conclusion that 1.4 per cent of the population own 70 per cent of the wealth; 9.2 per cent of the population own 12 per cent of the wealth; and 89.4 per cent of the population own only 18 per cent of the wealth.”^[11]

In these conclusions, we have a still greater twist of facts by wrong handling. Now, to illustrate these conclusions as they stand by another set of diagrams, they will be as follows:

Population: 62,622,250. Wealth: \$65,037,091,197.



These diagrams indicate by percentages the exact conclusions of Mr. Shearman in respect to the population and the wealth distribution in this country. The author of these conclusions obviously put too much salt of his own into his averages; for, by parceling out the wealth of a number of the well-to-do and rich people, he succeeded in persuading his readers, that, in America, the body of tens of millions of propertyless people, the paupers and the tramps, do not possess, on an average, less than \$200 worth of wealth for each person, including women and children of all ages. Whereas, in reality, the wealth from which he made the fictitious averages, belongs to a very few persons of the nation. While an astonishing majority of the people, as we shall see, have no rights whatever to this wealth.

LOOSE AVERAGES.

Let us again illustrate the conclusions in a tabular way for the sake of definiteness:

Table II.^[12]

Percent. of population.	Population in economic groups.	Percent. of wealth.	Aggregates of wealth per group in dollars.	Wealth per head in dollars.
1.4	876,710	70	45,525,973,867	51,928
9.2	5,761,242	12	7,804,450,932	1,354
89.4	55,984,298	18	11,706,676,398	209
100.00	62,622,250	100	65,037,091,197	1,036

The first glance at this table and a glance at the table on page 6 show the reader that Mr. Shearman divided the population into three groups; and Mr. Holmes divided it into five groups. The bases of division are economic in both tables; but the lines of division are very different with the one statistical authority and the other. If we examine these lines, we shall find that Mr. Holmes' fifth group consists of over 32½ million persons who, taken together, had been worth a little over 3 billion dollars; so that, each person of the group could have about \$99 worth of wealth, as the average of table I shows. The next higher group of the same author, which comprises nearly 7 million persons, had, on an average, more wealth to each person, than each person could have in the fifth group, hence the per capita wealth of the fourth group of people was \$377. While the group still higher up in wealth, which consists of little over 17½ million persons, and which had over 13 billion dollars' worth of wealth, could have \$741 to every head, that is, if this wealth were equally divided among them. The second group of Mr. Holmes' division consists of over 5½ million persons, among whom the poorest ones had, probably not less than \$5,000 worth of wealth, as their average worth of over \$59,000 shows. Such a division of the population into five economic groups, if every family is rightly and honestly valued, presents an immense amount of truth to the public judgment.^[13]

But what Mr. Shearman really did with his estimates and conclusions is this: Seeing that the extent of poverty is appalling, he made the division line in the group of well-to-do people; he thus made the group of the very poor extend so far as to comprise nearly 56 million persons; and then, by dividing the wealth of the well-to-do persons among all these millions, he obtained an average of \$209 worth of wealth to every pauper, to every tramp, to every man, woman and child,—who have had no wealth, and have had no rights whatever to the wealth they are nominally represented as entitled to.

SWEEPING AVERAGE.

Consequently, his distribution of wealth among the third group of people is merely on paper, is nominal, is showy, and it does not correspond to reality with reference to more than 35 million persons as represented in Mr. Holmes' distribution of this wealth. Mr. Shearman might as well follow the example of Mr. Carroll D. Wright^[14] and, by a single effort in calculation, divide among all individuals the 70 per cent of wealth that belongs to his 1.4 per cent of the people. In doing that, he might apportion more than \$1,000 worth of it to every penniless individual, and then might say, Why, we are all rich, we are the most civilized and righteous people in the world! But such an effort, and such an assertion, however, would not at all alter the real situation; no more than Galileo, when in view of the danger of death, signing the Jesuit verdict in favor of the non-revolution of our planet round the sun, could thereby stop the actual revolution of the earth; for the earth's

ONLY NOMINAL DISTRIBUTION.

JESUITS AND GALILEO.

progressive motion went on, in spite of the ardent desire and policy of the Jesuits to make it stand still by a verdict. Nothing but an indescribable shock of the earth against another heavenly body can change its principles of motion.

The same is true of the nation. Once the principle of concentration of wealth is left unimpeded in its action, it must work out its end; it must of living necessity produce revolution and bloodshed. And neither the extremely moderate statisticians, nor the false averages, of even of the meanest falsehood, can prevent its action toward such a horrible result. "You remember the French revolution?" asked Hon. Jno. S. Crosby of his audience in Binghamton,^[15] N. Y., and then he said: "In France all the lands had come into the hands of a few people, the king and nobles, and a majority of the people were depending on them for a living. The time came when these down-trodden people rose up and Paris streets ran with blood. Your country will have the same experience if you keep on fooling with the laws of God.

DANGER.
**FRENCH
REVOLUTION,
ROME.**

17

"Rome was once the mistress of the whole world. She lorded it over the other countries. But she fell, and Pliny, her historian, lays the cause of her downfall to land monopoly."^[16] And so it was with ancient Egypt; so it was with ancient Assyria, and so it was with the Byzantine Empire, those great and powerful nations that perished for similar misconduct in relation to themselves.

Exactly so, this young nation also irrationally strides in the way of Rome. The concentration of her wealth in a few hands is now more rapid than it was before the last census. That census brought about astonishing conclusions, yet the nation rushes as fast as she can to her ruin. And who can locate the weight of responsibility for her end? Every one seems to think about his selfish interests. Consequently, nothing has been done in the past to evade the ruin; nothing but the greatest national harm is being done in the present; and no fundamental measure, no rational remedy, no serious means appear for delaying it in the future. While the Logical Premises^[17] for revolution and bloodshed have been established in the nation's life, and their forces have been working to that inexorable end.

**RUSH OF THE
NATION.**

18

**LOGICAL PREMISES
FOR THE YEAR
OF....**

Now we are ready to present another conclusion that the statisticians of 1890 reached. It deals with the numbers of families, leaving out the individual inhabitants.

We have been assured that the U. S. nation in 1890 consisted of 12,690,152 families, and that each family, on an average, consisted of little less than 5 members, namely: 4.93 members.^[18] The distribution of the national wealth among families, therefore, was expressed as follows:

"Less than half the families in America are propertyless; nevertheless, seven-eighths of the families hold but one-eighth of the national wealth," and vice versa. *"While one per cent of the families hold more (wealth) than the remaining ninety-nine,"* says Dr. C. B. Spahr.^[19]

HALF THE NATION.

19

At last we have struck in these conclusions a piece of more serious reality. "Less than half the families in the United States are propertyless." Here you are! "Less than half." Yet even here, we are far from the fulness of truth. It seems as if the statisticians themselves were afraid to reveal the full truth to the people. And there are many intelligent persons who believe that the pure and complete truth should be known only to God Omniscient, while His creatures must be content to know but particles of truth mixed with falsehood.

**CONCLUSIONS OF
REALITY.**

As long, however, as the U. S. nation remains a democratic nation, and as long as responsibility for its prosperity or distress and disaster rests upon a majority of its people, this people ought to know not particles, but the whole truth of the conditions of their existence. Otherwise the least possible minority of the sharks in human form or the wolves in sheep's skin, may devour or ruin the greatest bulk of the people.

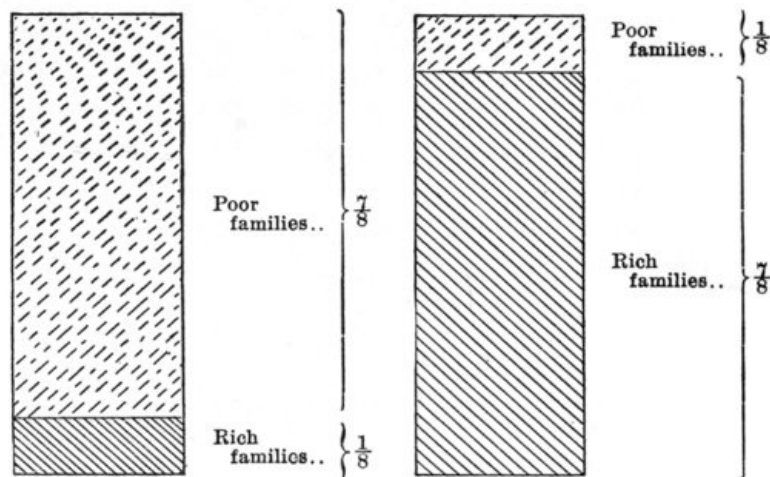
**RESPONSIBILITY OF
THE PEOPLE.**

Let us then illustrate here one of the above conclusions, while leaving the two others for later discussion.

"Seven-eighths of the families hold but one-eighth of the national wealth," and vice versa, as the diagrams on the following page indicate, where the 12,690,152 families represent 62,622,250 individuals as in the preceding diagrams.

Population: 12,690,152.^[20] Wealth: \$65,037,091,197.

20



These diagrams represent exactly the truth of the conclusion: "Seven-eighths of the families of this nation held but one-eighth of the national wealth;^[20] or seven-eighths of the nation's wealth was held by but one-eighth of the families.

The table on the next page illustrates some of the details of the above conclusion.

The upper division of that table presents the distribution of wealth among the families, where the two "per family" averages indicate a difference in the worth of more than 11-million families that held \$732 each, and the worth of little over 1½-million families that held \$35,875 each. So that, each family of the latter group was worth as much as 49 families of the former. While the general average of \$5,125 shows that, if the national wealth had been equally distributed among all families, every one of them would have had this average amount as its own.

21

Table III.

Proportions of	Number of families in groups.	Proportions of	Aggregate wealth per group, in dollars.	Average wealth per family.
7/8	11,103,883	1/8	8,129,636,399	\$ 732
1/8	1,586,269	7/8	56,907,454,798	35,875
8/8	12,690,152	8/8	65,037,091,197	5,125
	Number of individuals.		Wealth—the same in dollars.	Wealth per head.
7/8	54,794,468	1/8	8,129,636,399	\$ 148
1/8	7,827,782	7/8	56,907,454,798	7,269
8/8	62,622,250	8/8	65,037,091,197	1,036

The lower division of the table represents the same amounts of national wealth, the same population, only individually considered; and both the wealth and the population were divided into eight parts each, in order to carry out the proportions between numbers of the individuals and the wealth they possessed. The result in this division is that 7,827,782 individuals have had an average wealth of \$7,269 each man, woman and child, and 54,794,468 individuals had but \$148 worth of wealth to every head.^[21] The difference between the worth of one person of the one group, and one person of the other group, is \$7,121 in favor of the rich person. And that, again, one person of the wealthy class, on an average, is worth more than 49 persons of the poor class.

INDIVIDUALS.

22

But the most astounding fact is that we have over 54½-million inhabitants of this poverty-stricken class, and we have only a little more than 7½-million inhabitants of the wealth-swollen class. So that, these 54½-million individuals appear to be totally dependent upon the mercies and motions of 7½-million persons who are steadily growing richer and decreasing in numbers, while the poor are growing poorer and rapidly increasing in numbers. For such has been the growth of economic slavery that the above millions have to combat with.

NUMBERS NEAREST TO THE TRUE ONES.

Besides all this, we have seen the statistical conclusion that, "Less than half the families in America are propertyless," which certainly means, that these propertyless families must be found included among the 54-millions of the poor. So that the present average wealth of these millions, which is \$148 per every head, was made of the wealth of the upper classes, which average was not at all possessed by the poor.

THE PROPERTYLESS FAMILIES APPEAR LITTLE BETTER OFF.

The economic conditions of the poor must be still worse than Table III represents them. But we shall find this out in the next chapter; while the conclusion that, "1 per cent of the families hold more wealth than the remaining 99 per cent of them," nearly corresponds with the conclusion of Mr. Shearman, as represented on pp. 12 and 13.

23

STATISTICS OF WEALTH OWNERS.

In the preceding chapter, we have dealt with ready-made conclusions of different statistical authorities, which, by the way of analysis, revealed to us, that 32,563,644 persons^[22] of the population had on an average \$99 worth of wealth, according to Mr. G. Holmes; that 55,984,298 persons^[23] had on an average \$209 worth of wealth, according to Mr. Thos. Shearman; and that 54,794,468 persons^[24] out of 62,622,250 inhabitants, with \$65,037,091,197 worth of wealth, had on an average \$148 worth of wealth apiece, according to Dr. Spahr.

RESULTS OF THE FIRST CHAPTER.

These differences in conclusions indicate that the national wealth is very strongly concentrated with a few persons, and that in order to obtain the nominal average of \$148 worth of wealth to every poor person, one has to move the line of division of wealth so far up toward the wealthy few as to include nearly all the people among the masses of the poor. While, without this unfair moving of the line, more than 30-millions of the population would have no real wealth at all. For \$56,907,454,798 worth of the wealth actually belongs to one-eighth of the population, or to 7,827,782 individuals, including men, women and children. And among these, we are told, "1 per cent of the population held more wealth than the remaining 99 per cent held together."^[25] So that the day is not far off when these 99 per cent of the people shall absolutely depend upon the 1 per cent of the rich and far reaching.

WEALTH IN THE HANDS OF FEW.

25

Regarded as the Logical Premises of the life of the nation, this extremely unequal distribution of wealth cannot be other than extremely dangerous for the existence of the nation as it is, for the logic is inexorable: Whatever you have sown, that shall you also reap, is a saying that cannot be mistaken either by the wealthy or the poor. The situation indicates that this apparently polished nation presents only an enormous working mechanism, made not of steel and iron, but a mechanism of wood, which may be broken into pieces at any future time, in consequence of any insignificant occasion, if it continues to work heedlessly on with a wrong speed against itself. A rational regulation of its speed is absolutely necessary, in order to save it from an otherwise unavoidable destruction. A civilized nation cannot live long without a highly intelligent regulation of all its working principles. For, to live a national life is not to play a childish game.

THE SITUATION IS DANGEROUS FOR THE FUTURE.

26

Yes, we have examined the above conclusions, but we have not realized the entire truth of the situation. For we were told that, "Less than half the families in America are propertyless,"^[26] which clearly means that the distribution of wealth among the people is much worse than we have a right to suppose upon the basis of the stated conclusions of 1890. As these conclusions differ from each other in contents, we have the moral right to re-examine the varying statistical tables that testify of the same distribution of wealth. And we have a right to find the naked truth in the mass of materials we have, and to look it straight in the face, if we can.

THE SITUATION IS WORSE THAN INDICATED.

But before proceeding to compare the main tables of statistics, it will be well to show what the wealth of the nation in 1890 consisted of. Accordingly, the table on the next page represents eight items into which the wealth was classified. And it represents the summary of all kinds of wealth that was found existing in the United States in the year of the 11th census. While the next table, following it, represents the history of the accumulation of wealth, by application of the labor energy of the people upon various resources of land.

27

STATISTICS OF WEALTH.

"The census valuation of real and personal property in the United States (Alaska excluded) in 1890^[27] was prepared by J. K. Upton," as follows:

Table of Wealth.

Real estate with improvements thereon	1	\$39,544,544,333
Live stock of farms, farm implements and machinery	2	2,703,015,040
Mines and quarries, including product on hand	3	1,291,291,579
Gold and silver coin and bullion	4	1,158,774,948
Machinery of mills and product on hand, raw and manufactured	5	3,058,593,441
Railroads and equipments, including street railroads	6	8,685,407,323
Telegraphs, telephones, shipping and canals	7	701,755,712
Miscellaneous	8	7,893,708,821
Total (United States)		\$65,037,091,197

Accumulation of Wealth.

Years.	Aggregates of wealth.	Per capita wealth.
1850	\$ 7,135,780,228	\$ 308
1860	16,159,616,068	514
1870	30,068,518,507	780
1880	43,642,000,000	870
1890	65,037,091,197	1,036 ^[28]

28

The last historic table shows that the accumulation of wealth by the nation has been phenomenal, and equal to the expense of labor energy which was embodied by the people into that wealth. And if the amount of wealth existing in 1890 had been equally distributed among the people, every man, woman and child, would have had more than \$1,000 of it, or exactly \$1,036 as the nominal per capita distribution of it by

INCREASE OF WEALTH PHENOMENAL.

Mr. Carroll D. Wright indicates.

Let us, however, see the actual distribution of wealth, as it was in 1890:

The United States, 1890^[29]—1st Table.

ESTATES. ^[30]	Number (of families).	Aggregates of wealth per class in dollars.	Average wealth per family.
The wealthy classes, \$50,000 and over	125,000	33,000,000,000	264,000
The well-to-do classes, \$50,000 to \$5,000	1,375,000	23,000,000,000	16,000
The middle classes, \$5,000 to \$500	5,500,000	8,200,000,000	1,500
The poorer classes, under \$500	5,500,000	800,000,000	150
Totals	12,500,000	65,000,000,000	5,200

29

It is difficult to understand why this important table has been published in round numbers almost throughout. It is, however, not at all difficult to see that it represents an extremely unequal distribution of the wealth among the American people.

And in order to restore the figures of this table so as to bring the whole into accord with the last census, it is necessary to regard the size of each family at 4.93 members, as the census represents them. In doing this, it is also necessary to restore the round numbers, supplying all omissions in the aggregate totals and in the wealth of the groups. Before giving a further explanation, then, the restored table will appear as follows:

EXTREMES TO BE EQUALIZED.

1st Restored Table.

Economic classes of families.	Number of families.	Aggregates of wealth per class in dollars.	Average wealth per family.
The wealthy classes, \$50,000 and over	126,750	33,000,000,000	260,355
The well-to-do classes, \$50,000 to \$5,000	1,394,250	22,676,863,197	16,264
The middle classes, \$5,000 to \$500	5,584,576	8,522,541,600	1,526
The poorer classes, under \$500	5,584,576	837,686,400	150
Totals	12,690,152	65,037,091,197	5,125

30

Now, this restoring has been made up by borrowing \$323,136,803 from the wealth found in the 2d group; and again by adding \$37,091,197 worth of wealth which was omitted in the round numbers of the total aggregate of wealth. These two amounts, consisting of \$360,228,000 in the restored table, have on the basis of the original averages been distributed among the families of the 3d and the 4th groups. So that the 3d group of families appears to be richer by \$322,541,600; while the 4th group by \$37,686,400; and the 2d group appears to be poorer by \$323,136,803 worth of wealth. Hence, we have made the 1st R. table represent the distribution of wealth by \$360,228,000 more equal than the author of the original table has actually found it to exist.^[31]

On the other hand, in restoring the numbers of family-members to the census average of 4.93, we add about 7 members to every 100 families of five members each, as Dr. Spahr represents them. This addition of 190,152 families to the whole renders the average-family and the total number of families in the United States exactly as they were given by the census in 1890.

FAMILIES MADE EQUAL TO CENSUS.

But in restoring this table to the census status, we do not for a moment disregard its original value, as the most reliable work, nor do we think of making an argument, or anything of the kind, in favor of anybody, upon the ground of the surface restoration. No, there is a deeper sense and a deeper ground in the restored and the next table, and we have an abundance of other material for our purpose of showing the truth. Meanwhile, this restoring of the 1st table that had omissions, has

31

been necessary for many reasons, and because it seemed to many thinkers as probably an extreme representation, though it was true to the facts. For these thinkers desired that the distribution of wealth should be more equal than it has really been.

And, further, holding a conservative position, it was necessary too to avoid a serious disturbance in the original averages of the family wealth found by Dr. Spahr, thus making the table comparable with another table, which is the most important one, because it indicates the tenants of farms and homes and the owners of mortgaged farms and homes.

Furthermore, the restored table may serve as a means of comparison of its classes of different worth with the corresponding classes in the following table, based upon the eleventh census facts. Accordingly, the next table represents the families of different worth which were classified upon the same economic bases as in the table of Dr. Spahr.

U.S. 2d Table, 1890.^[32]

Holders of Wealth.	Number.	Value in Dollars.
Tenants of farms and homes	7,871,099	2,837,049,500
Owners of mortgaged farms and homes worth less than \$5,000	1,483,356	2,614,955,764
Owners of free farms and Homes worth less than \$5,000	3,078,077	10,946,616,952
Owners of farms and homes worth \$5,000 and over	1,257,620	48,600,000,000
Totals ^[33]	13,690,152	64,998,622,216

32

We have read on pp. [11](#) and [12](#) that, when Mr. Shearman made his list of statistics of wealth distribution, “that his table was based on careful estimates of the wealth of the very wealthy; while the wealth of the poorer classes was estimated on the bases of assessors’ returns;” just as the table of Dr. Spahr, p. [28](#), which represents the very wealthy families in the 1st group, the well-to-do in the 2d, and the poor families in the 3d and 4th groups. This arrangement and representation of the families evidently agrees with that of Mr. Shearman, and proves the fact that both distinguished authorities used the same or similar methods in studying the actual distribution of wealth, and in representing their conclusions to those that were anxious to know of the distribution.

METHODS OF RESEARCH.

33

But the 2d statistical table, on the preceding page, was based upon the carefully averaged conclusions of Mr. G. K. Holmes, the U. S. Census Expert on Mortgage Statistics in 1890.

“Mr. Holmes,” as the author of the 2d table says, “follows a method contrary to that of Mr. Shearman, and by estimating the wealth of the poor, arrives at the wealth of the rich. He finds that .03 per cent of the people own 20 per cent of the wealth; 8.97 per cent of the people own 51 per cent of the wealth, and 91 per cent of the people own only 29 per cent of the wealth.^[32]”

“The fact that Mr. Holmes is not a partisan either of conservatism or radicalism, gives to his estimates an unwonted value. As published in the Political Science Quarterly,” says the Editor of the Encyclopedia of Social Reform, “and in the Journal of the Royal Statistical Society, these estimates have resulted in these four groups of families seen in the 2d table, p. [32](#).”

We agree with Rev. W. Bliss and others in regarding the estimates of Mr. Holmes as exceedingly valuable, because without them we could neither have known the number of *the tenant families*, nor the number of *the mortgagor families*, in the United States. And hence, we could not have known the seriousness of the situation in the economic conditions of the nation. While having the table based upon his estimates, the reader may, at the very slight examination of the first two groups of it, reflect and know the great danger implied in them for the nation. And it is this table that can tell the number of the propertyless families in the United States, even without regarding any further material on the subject.

IMPORTANCE OF HOLMES' WORK.

34

But the first trouble about this table^[34] is, that the author of it has omitted \$38,468,981^[35] worth of wealth from the aggregate wealth of the group 4, for the sake of roundness in the great numbers, I suppose. Otherwise it is impossible to admit that the omitted wealth did not belong to anyone in the United States at the time of his making up the table. So that, restoring the \$38,468,981 worth of wealth to the 4th group, we find its aggregate amounting to \$48,638,468,981 worth of wealth. And it thus begins to correspond with the great masses of wealth owned by the first two groups in the 1st table, p. [28](#) or [29](#). This omission cannot be regarded as a serious one; but, to reach a definite conclusion, we must restore it.

FIRST DIFFICULTY.

The second trouble in the same table, p. [32](#), is, that the total of families in it contains exactly 1,000,000 families more than the nation consisted of in the year 1890. For there were 12,690,152 families in the United States, whereas the second table represents 13,690,152 of them, an absolutely round number having been added to some group of the families. As this table has been published since 1896, it may be that the author of it had a reason to add one million families to the 1st group, because, as the population has increased, so the families without property have also greatly increased during the seven years since 1890. And he is undoubtedly right in his calculations as to the growth of the propertyless. The statistics of 1890, also, represented an ample ground for similar calculations on the part of anyone who has studied them.

SECOND DIFFICULTY.

35

The estimates of Mr. G. Holmes, however, do not warrant the conclusion that there were 7,871,099 family-tenants of farms and homes in the United States in 1890. For, whatever degree of moderation might be in his estimates, this number of the propertyless families could not have

existed at that time in the United States. For, if so many propertyless families had been in existence ten years ago, a thousand presidents at this time might lose their heads in view of the national troubles that could result from that abnormal situation of so vast an extent. The individuals that now howl about an unusual prosperity might be the indirect butchers of human flesh before they themselves are butchered. No, we drop out the surplus million families from the 1st group of the 2d table, and the table will be more correct as follows:

**NOT SO MANY
TENANTS.**

36

2d Table Restored.

Holders of Wealth.		No. of Farms.	Value in Dollars.
Tenants of farms and homes	1	6,871,099	2,837,049,500
Owners of mortgaged farms and homes worth less than \$5,000	2	1,483,356	2,614,955,764
Owners of free farms and homes worth less than \$5,000	3	3,078,077	10,946,616,952
Owners of farms and homes worth \$5,000 and over	4	1,257,620	48,638,468,981
Totals		12,690,152	65,037,091,197

The conclusions in the first two groups of families of this table now appear as trustworthy as the entire conclusions of Dr. Spahr in the 1st table, p. 28 or 29; and, that the first two groups, made up on the basis of Mr. Holmes' estimates, actually surpass everything in statistical importance for this country, no one will doubt, when he has read this work. For the first group represents the tenant-families that hire their farms and homes from others, being themselves propertyless. And the second group represents families that are in debt, and that are also rapidly becoming propertyless, as we shall see in Chapter V.

**TRUSTWORTHY
CONCLUSIONS.**

37

The differences between the 1st and the 2d tables, however, appear very great. The 1st table shows that the national wealth is quite abnormally concentrated in a comparatively few hands, represented by the first two groups. The 2d table shows that the same wealth is more equally distributed among the families of the last two groups, than is true in the 1st table. And it is the 2d table which was compiled from the estimates that by some men were regarded as extremely moderate, and, therefore, inconsistent with the real situation of the people.

**DIFFERENCES IN
THE TABLES.**

It is certainly not difficult to misrepresent the whole situation even without intending to do any wrong to the nation. For the right or the wrong representation of realities depends very greatly upon the handling of the averages in the distribution of wealth among the people. The census facts or the assessors' returns may be right, as well as the classifications of these facts or returns. And yet the final representations of them may be twisted, either according to the desire of the statisticians or according to the abstract rules of arithmetic. So that these rules and desires may be satisfied, but the realities may easily be obscured, and even the greatest national dangers may be concealed under an improper use of the averages.

**COULD BE MADE
UNINTENTIONALLY.**

38

Thus, we have seen the average of Mr. Shearman, which, including some of the well-to-do families among millions of the poor, makes these poor appear as if every one of them possessed \$209, because Mr. Shearman's average covered nearly 56-millions of individuals.^[36] While Mr. Carroll D. Wright,^[37] describing the problem: "Are the rich growing richer and the poor poorer?" makes a single average on the basis of the entire population. His sweeping average actually and correctly makes, not only the 56-millions of the poor of Mr. Shearman, but every pauper, every tramp, and everyone in hundreds of the lunatic and other asylums, worth \$1,036 of wealth. Whereas, in reality, 1 per cent of the population held more wealth than the remaining 99, as Dr. Chas. Spahr has proved.^[38]

**OR WITH A BIAS OF
WILL.**

Now, something similar has taken place in the 3d group of the 2d table, where more than 3-million families are represented as the "owners of free farms and homes worth less than \$5,000." And, consequently, the difference between the 1st table and the 2d table in the wealthy groups appeared. The 2d table contradicts nearly all statistical authorities and has been spoken of as based upon extremely moderate conclusions. It is, therefore, necessary to show the degree of moderation implied in its distribution of wealth.

**A DEGREE OF
MODERATION.**

39

The fact that all families in the United States were classified according to their economic worth, as families worth \$5,000 and over and \$5,000 and under, gives us the best basis for a comparison of the two contradictory tables of the great authorities.

**FIRM BASIS OF
CLASSIFICATION.**

Let us first see the inconsistency in the groups of families which represent the middle classes in the two tables.

Reciprocal Comparison.

Families worth \$5,000 and under.	Number	The wealth of	Averages.
Difference from the number below		\$2,424,075,352	
Middle classes of the 1st R. table ^[39]	5,584,576	8,522,541,600	1,526
Free owners of the 2d orig. table ^[40]	3,078,077	10,946,616,952	3,556
Difference from the number above	2,506,499		

Now, the restored group of the middle classes of the first R. table should be absolutely in favor of diminishing the differences in the worth of the identical families and in their number. Yet the two groups reciprocally exclude each other by their opposite terms. So that, the comparison shows that the greater number of families has much smaller amount of the aggregate wealth; and the lesser number of families has much larger amount of the aggregate wealth; and that the difference in family-numbers is greater than 2½-millions in favor of the group of the 1st table; and the difference in the wealth, nearly 2½-billion dollars worth is in favor of the group of the 2d table. Hence, the opposite terms of the two economically similar groups can in no way coincide with one another.

This being so, it is not difficult to find out the true situation as to the actual distribution of wealth which ought to have been represented by the 2d table. The alleged moderation of this table has been brought about by the same influence of averages which we have seen in the conclusions of Mr. Shearman.^[41] One average of this gentleman has covered 89.4 per cent of the population, and thus made the wealth of the richest of them to be distributed among the millions of the very poor. The 89.4 per cent includes nearly 56-millions of individuals, whose aggregate wealth amounts to 18 per cent of the national wealth, and apportions \$209 worth of it to every individual. But if you exclude only 20 per cent out of the 89.4 per cent of this great mass of people, selecting the wealthiest of all for the exclusion, you will thus have 69.4 per cent of the people left with less than 9 per cent of the national wealth. Your average then will be altogether different; it will cover masses of the poorest people, and every one of them will have less than \$99 worth of wealth.

It is by a similar inclusion of a number of the well-to-do families among the group of "owners of free farms and homes" that the more equal distribution of wealth has been obtained in the 2d table. Otherwise, this table could represent a more melancholy array of facts than the presentation of these facts which appeared in the first table. But, however bitter the truth may be, it is always better to taste it than to be ignorant of its existence, because one falsehood must create thousands of other falsehoods, and, accumulated and multiplied into a tremendous mass, these falsehoods may lead the nation to self-destruction even as many other nations were led to it.

Dividing again all families of the nation into the families worth less than \$5,000, and families worth over \$5,000, we shall now compare these two classes of families in both tables upon their common basis. And, as this basis presents the very bottom of statistics, the comparison therefore cannot fail to show us the very naked truth as to the actual distribution of wealth which has partly been obscured by the 2d table.

THE SAME ECONOMIC BASES OF THE AUTHORS.

SOME OF THE RICH AVERAGED WITH THE POOR.

Comparison of the Poor.

Families worth under \$5,000.	Number of families.	Aggregates of wealth in dollars.
First three groups of the 2d table ^[42]	11,432,532	16,398,622,216
Last two groups of the 1st R. table ^[43]	11,169,152	9,360,228,000
Differences from the 2d table	263,380	7,038,394,216

Comparison of the Rich.

Families worth \$5,000 and over.	Number of families.	Aggregates of wealth in dollars.
Two first groups of the 1st R. table ^[43]	1,521,000	55,676,863,197
The fourth group of the 2d restored table ^[42]	1,257,620	48,638,468,981
Differences from the 1st R. table	263,380	7,038,394,216

As you see, the comparison of the families of the same worth in the different tables shows that the poor classes of the 2d table are larger by 263,380 families, and richer by \$7,038,394,216 worth of wealth, than they are in the first table. On the contrary, the comparison of the wealthy classes that consist of families worth \$5,000 and over, shows that the 1st table is larger by 263,380 families, and richer by \$7,038,394,216 worth of wealth, than the same families in the 2d table. Hence, the concentration of wealth in the first table is by \$7,038,394,216 worth greater than it is in the 2d table. And it is clear that this amount of wealth is closely connected with the 263,380 families of the well-to-do classes. The question, therefore, is, Where could Dr. Spahr find so many more families worth \$5,000 and over, than Mr. Holmes has found?

DIFFERENCES REVEALED.

We know that both these great authorities dealt with the same primary facts of statistics, though Dr. Spahr dealt with them as they appeared in the Surrogate Courts, thus raising the value of the facts. And we know that these facts or returns represent the worth of every family, just at it actually was at the time of the 11th census. Supposing then that the above families were represented as worth \$26,723 each, could Dr. Spahr make each one of them worth \$4,000 of wealth, with the purpose of including them among the millions of families worth \$5,000 and under in each case? And could he thus rob the 263,380 families of their ownership of wealth, in order to make the distribution of wealth so abnormal as his table shows it? No, sir; this is an utter impossibility on anyone's part. And Dr. Spahr represented the above families among those that were worth \$5,000 and over in each case, and that is what anyone ought to have

BASAL FACTS UNALTERABLE.

done in his place.

While in the case of the second table, the little more equal distribution of wealth appeared not because it was actually so, but because the above 263,380 families, with their \$26,723 worth of wealth on the average, unintentionally or accidentally, were included among the families worth less than \$5,000. Consequently, their aggregate wealth, amounting to \$7,038,394,216 worth, has been nominally distributed among the group of "owners of free farms and homes worth less than \$5,000" to every family. This inclusion was as easily performed as was the inclusion of the well-to-do among the poor by Mr. Shearman. We therefore subtract the above families and their wealth from the 3d group and add them to the 4th group of families worth \$5,000 and over, in order to show that these families and wealth belonged to another class of the people, as follows:

UNREAL BASIS OF MORE EQUAL DISTRIBUTION OF WEALTH

2d Right Table.

Holders of Wealth.	Number.	Value in dollars.
Tenants of farms and homes	6,871,099	2,837,049,500
Owners of mortgaged farms and homes worth less than \$5,000	1,483,356	2,614,955,764
Owners of free farms and homes worth less than \$5,000	2,814,697	3,908,222,736
Owners of farms and homes worth \$5,000 and over	1,521,000	55,676,863,197
Totals	12,690,152	65,037,091,197

Now this table represents the very essence of statistics on the distribution of wealth which was worked out by the two contradictory authorities. The 4th group of it contains the 263,380 families with their aggregate wealth, and equals the first two groups in the 1st R. table, these two and that being made of the families—each worth \$5,000 and over.

TABLE MOST VALUABLE.

It should be noticed here, that neither the 263,380 families that we have now included in the proper group of the table, nor their aggregate wealth, had anything to do with the groups of mortgagors and tenants in the 2d table. These two groups of families have been separated from the influence of the free owners of wealth, by being debtors and tenants, who have a definite significance of their own in the statistics. And this is the reason why the subtracted families worth \$5,000 and over could only be lodged in the 3d group of families worth below \$5,000 under its wholesale average.

GROUPS SIGNIFICANT.

It should also be remembered that, though the 4th group of the last table represents an enormous amount of wealth, yet there are hundreds of thousands of families in it which are worth but few dollars over \$5,000 worth of wealth. So that, the real concentration of that enormous amount of wealth remains in the possession of less than half a million families, as these facts have been represented by Mr. Shearman and the others in the first chapter. And nothing can be said against the accuracy of the careful estimates of the wealth of the very wealthy by Mr. Shearman and the other authorities.

THE WEALTHY ONLY FEW.

In order to have a more definite idea of the distribution of wealth, let us compare both tables on one page, and remember that if the group wealth were equally divided among the group-families, each family could have such amount of it as the averages indicate. And mind that the next two tables, being based upon the same census facts, represent the results of careful comparison of the original ones.

The 1st Table as Restored.

Owners of Wealth.	Number.	The wealth of	Average.
The poorer classes under \$500	5,584,576	\$ 837,686,400	\$ 150
The middle classes \$500 to \$5,000	5,584,576	8,522,541,600	1,526
The well-to-do classes \$5,000 to \$50,000	1,394,250	22,676,863,197	16,264
The wealthy classes \$50,000 and over	126,750	33,000,000,000	260,355
The totals.	12,690,152	65,037,091,197	5,125

The 2d Table as Restored.

Owners of Wealth.	Number.	The wealth of	Average.
Tenants of farms and homes	6,871,099	\$ 2,837,049,500	\$ 413
Owners of mortgaged farms and homes worth less than \$5,000	1,483,356	2,614,955,764	1,762
Owners of free farms and homes worth less than \$5,000	2,814,697	3,908,222,736	1,388
Owners of farms and homes worth \$5,000 and over	1,521,000	55,676,863,197	37,117
The totals.	12,690,152	65,037,091,197	5,125

It should be noticed again, that the differences in the family averages of the corresponding groups of the two tables, depend on the differences in the numbers and in the aggregate wealth of the same groups of the tables. And these differences could not be avoided, since the two authorities have made a different classification of the

AVERAGES OF FAMILIES' WORTH DIFFER.

families of different worth.

But the comparative importance of the two tables consists in the fact, that the last group of the 1st table shows the extremely abnormal concentration of wealth in the hands of 126,750 families, which possess more wealth than the remaining 12,563,402 families do, on the one hand. While, on the other hand, the first group of the 2d table shows that there have been 6,871,099 families without real property; and the second group shows, that there were 1,483,356 families in debt and in danger of losing their properties, and that both these groups of families have been in the state of economic slavery to the wealthy few. But we shall examine their conditions of existence later on.

THE RICH AND THE POOR GROUPS.

GREAT BRITAIN, FRANCE, AND GERMANY.

“The distribution of private property in Great Britain and Ireland in 1891,” was such that it was said “that less than 2 per cent of the families of the United Kingdom hold about three times as much private property as all the remainder, and that 93 per cent of the people hold less than 8 per cent of the accumulated wealth. There remains, therefore, nearly 6,000,000 families”—i. e., 30,000,000 individuals—“or more than three-fourths of the people of Great Britain and Ireland, without any registered property whatever. They have indeed their household goods, but the total value of these can hardly exceed £100,000,000,”^[44] which is little over \$16 to every individual.

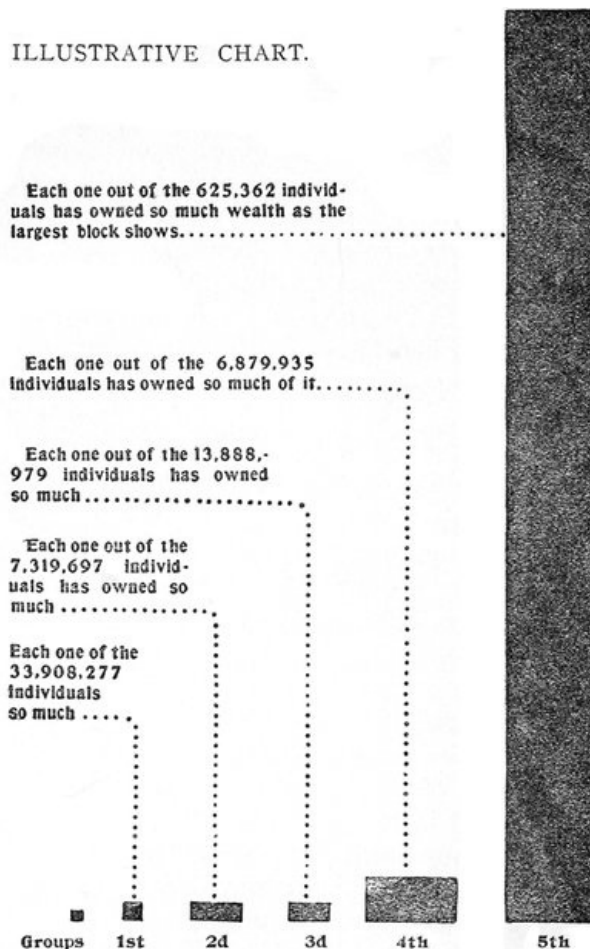
THE PROPERTYLESS IN BRITAIN.

“The ownership of land is an important factor in the social condition of a people,” says Mayo Smith.^[45] And “if we contrast the peasant proprietorship system of France, with more than 4,500,000 owners of land, with the landlord system of England, with its 325,000 owners, the social as well as the economic influence must be very different”^[45] in the two nations. Certainly the French people feel and enjoy economic freedom, while the British people are pressed down by an economic slavery.

DISTRIBUTION OF LAND IN FRANCE AND ENGLAND.

In fact, the statisticians seem to agree that the distribution of wealth, even in Paris, the capital of France, and in Berlin, the capital of Germany, is proportionally much more equal than it is in the nation of Great Britain or in that of the United States, although it is natural that the largest cities, as a rule, have the distribution of wealth much worse than the nations behind them.

ILLUSTRATIVE CHART.



ILLUSTRATIVE CHART.

Every block here represents a comparative average wealth of one man, woman, or child of the respective groups in the 2d Corrected Table, p. 51; while the figures above show the numbers of individuals owning one block each, as indicated.

While the thirty millions of British people have on the average \$16 worth of wealth, the American people of the same class have somewhat more of this kind of wealth than the British, as the last table, individually regarded, shows the average property of every person of the families. It is as follows.

The 2d Corrected Table, 1890.

Holders of Wealth.	Individuals.	The wealth of	Average.
Tenants of farms and homes	33,908,277	\$ 2,837,049,500	\$ 83
Owners of mortgaged farms and homes worth less than \$5,000	7,319,697	2,614,955,764	357
Owners of free farms and homes worth less than \$5,000	13,888,979	3,908,222,736	287
Owners of farms and homes worth \$5,000 to \$50,000	6,879,935	22,676,863,197	3,296
Owners of farms and homes worth \$50,000 and over	625,362	33,000,000,000	52,769
The totals.	62,622,250	65,037,091,197	1,036

The average of \$83 worth of personal property in the 1st group of individuals here is a little too large, because, subtracting the surplus million families from this group,^[46] we have left the wealth of it untouched. In any way, this group contains 27,117,000 individuals having on the average \$30 worth of property each, according to the last group of families in the table of Dr. Spahr.^[47] It does not, however, make a great difference on the whole, because the group of tenants, since 1890, has undoubtedly increased up to 38,837,849 without having been able to add anything more to its aggregate wealth.

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THE POOREST CLASSES, 1890.

The increase of the propertyless accrues from the natural increase of the population, and from the loss of the mortgaged properties by foreclosure of the mortgages in the 2d group, and from the immigration of the propertyless foreigners^[48] without special means; while the people of the 3d group have sunk by thousands into debt from having mortgaged their properties; and only about a million families of the last two groups have been exceedingly prosperous, as we shall understand the situation later on.

CAUSES OF THE INCREASE OF THE PROPERTYLESS

PROPERTIED AND PROPERTYLESS PEOPLE.

The statistical authorities told us that "Less than half the families in the United States are propertyless,"^[49] and we desire to know the chances for, and resources of, their living; and what it means to be a propertied person or to be a propertyless person upon earth.

Let us see the clear distinction between the state of a property owner and the state of a propertyless person; between the conditions of life of the former, and the conditions of life of the latter, and how both are affected by and related to these conditions.

**CONDITIONS OF
LIFE OF THE
PROPERTIED AND
PROPERTYLESS.**

First of all an owner of property and a propertyless person, are, on an average, perfectly equal in that they have physical strength, and in that they have equal rights to use or to apply that strength somewhere upon the wealth of an owner of wealth. And here we meet the first difference between them: An owner of property has a chance to apply, and to spend his strength upon his own property; if, for instance, this property is land

**EQUAL IN PHYSICAL
STRENGTH.**

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that gives him any kind of returns in exchange for his labor and toil. The propertyless person has neither this chance nor this right to toil anywhere, unless he pays for the opportunity of using his strength, by dividing the results of his labor between himself and the owner of wealth who permits him to draw some income from the resources of his own property or wealth. So far, the advantage of the propertied person is such that he has twice as much right in his strength, and twice as much chance to profitably use his personal strength.

**THE ONE HAS, THE
OTHER HAS NO
CHANCE.**

Now, every one knows that whatever the wealth of a nation may be, it is primarily derived from land which is the only inexhaustible source of riches, or, of derived wealth. And when a person gets into his possession a portion of land, whether it will be in a city, town, or in the country, he then obtains a number of resources for his life; he becomes a propertied man, and he can apply his strength, his skill or his intellect upon his own property and thus reap the fruits of his labor. The land then is the first store of wealth; but it almost never yields anything to man, unless he labors, works upon it, with a hoe, a plough, a scythe or some other implement that aids him to draw greater returns from his land.

**LAND PRIME
ORIGIN OF
WEALTH.**

Again, if iron, for instance, is primarily derived from land, then when it comes to the forge, where the hammer, the anvil and the other tools aid the blacksmith to make an ax out of the rough iron, the ax will be of a greater value than the material he used for it. But what really made the ax is his personal strength and the skill that were aided by the tools he used. These tools with the blacksmith, and those implements with the farmer are economically called "capital," because they aid to draw more wealth by the labor of man. It follows, that land is the main factor of wealth; that human energy or labor is the next factor of wealth; and that capital, as aiding labor and land to produce more wealth than they can yield without it, is the third factor of wealth. Money is not regarded as direct capital here.

**LAND MAIN FACTOR
OF WEALTH.**

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**SKILL SECOND
FACTOR OF
WEALTH.**

As *capital* is a very important source of income to a propertied man, and as it is perhaps not clearly understood by all, let me illustrate this factor of wealth by introducing more examples of it.

Capital from an economic standpoint is that wealth which produces farther wealth, or simply aids to create farther wealth. A needle is capital, because it aids to make a shirt that costs more than the material used for it. A sewing machine is capital of more effective kind than the needle used by hand, because it aids to produce more wealth than the tailor or the seamstress can produce without it. A lathe is capital,

**CAPITAL THIRD
FACTOR OF
WEALTH.**

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because it not only shapes the round forms of any material more accurately than the artizan would ever be able to make without it, but it greatly saves his time on every piece of the work; thus saving time it aids in producing more wealth. A factory, as a whole (including the building and machinery), is capital, because all the machinery, all tools and instruments used in it produce farther wealth from the raw materials, and serve as sources of income to the owner of this property. Under the care of the stock-raiser, cattle are capital, because they grow and multiply; but the meat or beef is utility, because it may be unproductively consumed.^[50] Agricultural implements, as well as the fertilizers, like guano, phosphates and many others are capital, because they increase fertility and increase the produce of land, which makes a greater income in favor of its owner. A thousand different machineries and special instruments might be introduced here to show that each one of them has been invented for the purpose of aiding to create more wealth out of less wealth. And that all of them and every one, when used by an owner of wealth, is a definite source of income and of profit to him, because it aids his own skill and energy to obtain greater returns in exchange for his labor and mind, than he can obtain without it.

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But the most effective factor in aiding to produce more wealth and a much greater income for an owner of wealth is the energy of steam or any other mechanical force, applicable to various forms of labor and completely obedient to the bidding of man. "Steam power has increased in the United States from 3½-millions, in 1860, to 17-millions horse power in 1895; while in Great Britain and Ireland it has increased from 2½- to 13-millions; Germany from ⅞- to 7⅓-millions, and in France from 1 to 5-millions horse-power. The increase of this capital has been most manifest in manufactures," says Dr. Henderson.^[51] But it should be remarked at once that no one of the families worth below \$5,000 could apply these

**MECHANICAL
FORCE; INCREASE
OF STEAM.**

millions of horsepower of steam force upon their properties. This energy has all the time been a profitable source of great income in favor of the families that made the wealthiest group in the tables of statistics, whereas the others have had but little crumbs of its increase of wealth. The mechanical force, as every one knows, is in service of the capitalists.

But when we look into the limits of towns and cities, we find millions of rentable properties of all possible kinds; and every factory, every storehouse, every shop and every dwelling house there is a sure source of income to the propertied man. The very sweatshops, where the working people can not, on an average, live longer than 28 years—even these dens of poison and pestilence are inexhaustible sources of income and profit to their owners.

SOURCES OF INCOME.

As to the town and city lots, they are all sources of greater or less income to the men who own them. Whether these lots of land are occupied by anything or are remaining waste, makes little difference, because as the town population increases, their values also increase in proportion as the city population and its business increase; the owners of properties towards centers of the cities are usually bound to be rich out of the resources of rent. Even a simple house, somewhere about the marginal line of a city or town is usually a source of indirect income to its owner, because he and his family may have a comfortable shelter in it, without which they would pay the rent for another's house,^[52] and would carry on all other expenses of life, just as they do in their own house, in which they save the rental money for some other purposes of living.

SOURCES OF INDIRECT INCOME.

Now then, whatever property you may think of—whether natural or artificial, whether animate or inanimate, that a person has possession of—it is always wealth, and a source of income in his favor. The natural wealth is the land, wherever it may be in convenient places, it may always provide one or more resources of income in exchange for the application and expense of strength or skill of labor upon it. The artificial wealth includes all capital, whatever it may be, it is capital, if it can assist the labor energy to double, triple or multiple the income and profit, drawn from the natural resource to which the labor-strength is applied. The rentable house or any other building is artificial wealth. And it is also a source of income to its owner who, by a use of skill and by an application of labor energy, can make his source of income give a multiple yield, in return for the expense of his personal strength upon it.

WEALTH CREATED BY LABOR.

Thus, the indirect and direct resources of a propertied person, therefore, are always many and complete when he works out the wealth himself. By complete I mean this, that whatever his intelligence and strength can draw out of the source they are applied to, it is always his and is always to his benefit. An incomplete income or yield from a source of wealth, to its owner, will be this, that, if he hires the energy, or the skill of another person to apply upon his property, then his income is incomplete, because he has to pay for the hired labor energy as well as for hired skill. In this way an owner of wealth of any kind may even divide the yield and the product of the source of income into halves.

COMPLETE AND INCOMPLETE INCOMES OF PROPERTY OWNERS.

But as long as a person is an owner of wealth, an owner of capital, and an owner of physical and mental energy, he is a possessor of resources; his labor energy and his existence are then fully guaranteed for himself, his wife, and children by his wealth, because wealth or property becomes a direct source of income, when he himself labors on it, and an indirect, when he rents it to others. A propertied man, therefore, is safe forever by the resources of his property, which yield incomes and profits for sustenance of the highest possible life, highest education, freedom, and enjoyment.

PROPERTY GUARANTY OF LIFE.

But what about the propertyless man? How many resources, or how many sources of income has he for his own life, the life of his wife and children? What sources of income has he for education, for bread and butter, for clothes and dress, for their shelter and his own? What resources has he for his sustenance in this world, when the entire world tends rapidly to be the property of a very few persons?

HAS THE PROPERTYLESS ANY SOURCE OF INCOME, ETC.?

He has neither land, nor capital, nor house; he has neither natural, nor artificial wealth to serve him, and hence, has not a single one of the above described sources of income and profit which the Creator provided for man's enjoyment. On the contrary, the propertyless man himself is a source of multiple expense; he has but a store of labor energy within himself, which store must be supported by its own effort, and that too while his life is guaranteed by nothing but by his physical strength and natural mind. And it is only these two that unite to support him who is the single source of the following manifold expenses in favor of many owners of properties and wealth, who sometimes make enormous fortunes by the efforts of the propertyless.

THE PROPERTYLESS HIMSELF IS A SOURCE OF MULTIPLE EXPENSE.

If a propertyless man desires to exist at all in the sight of his God in this quasi-civilized world, he must spend his life in the following ways:

1. He must pay from it for a shelter to one or another property owner, when this owner has a rentable house, which house serves as a source of income and profit to the owner. So that the tenant of his house becomes a permanent resource for the owner's well-being, because he cannot avoid paying rent to the one or the other.

2. He must pay for his clothes to another property owner or an owner of wealth, who gets income and profit from selling the goods, and who gets incomes and profits for making and producing the goods. And as a consumer, the propertyless man is relied upon as a source of income by these owners of wealth, and hence, he is a resource of

EXPENSES FOR CLOTHES, ETC.

their own well-being. He must also pay for laundry to another owner of wealth and must be a real source of income and profit for him, because he too is a propertied man and has many resources for life.

3. He must pay for his board, whether in a boarding house or in a restaurant, it makes some difference; but by boarding in either one or the other, he must be a source of income and profit to servants and waiters every day, and to a crowd of owners of wealth who are ever ready to draw all from him they can. But if he boards in the house he rents, and if his wife performs the domestic duties in his case, then the expense of his life is reduced through this channel in favor of the wife. Nevertheless, he must continue to be a source of income in favor of the butcher, the baker and grocer, and some other propertied men who derive their profits from him at a certain per cent in the way of his nourishment.

EXPENSES FOR NOURISHMENT.

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4. The propertyless man is another source of expense in favor of the support of the general government of the nation, a state government, a county government, and perhaps a municipal one. And he pays the taxes in the prices of the goods and clothing he wears; in the prices of food and the drinks he consumes,—these expenses make him a sure source of income to many other owners of wealth, and so on. And to this channel of drain must be added his expenses for education, for different asylums, for churches and other institutions; expenses for the books and newspapers he reads; expenses for the carfare, etc., he cannot avoid; expenses for the physicians he is cured by, and the drugs his strength is invigorated with, and so on. Thus every one of these propertied persons obtains his own percentage of income from the resourceless man. And certainly there are many other channels of expense for him in the society he comes into contact with. It is really impossible to number here even the unavoidable expenses of the propertyless man.

EXPENSES FOR GOVERNMENT, ETC.

It is then in the above directions that the physical and mental energy must run out of the propertyless person. And of course it runs out in the form of currency or the money by which he pays for shelter, for clothing, etc., for services and all utilities, to the owners of wealth. But, if the propertyless man himself is only a source to be drained by the others, and if he has neither land, nor capital, nor any other natural or artificial wealth to draw an income from, then his very strength is good for nothing. For the strength itself can neither be eaten nor can he pay with it any one who has the right to draw on it. His energy must, therefore, be first exchanged either for money or for some other utilities of value which are derived out of wealth, out of property that he does not possess. How then can this persistently drained source become filled or supplied again? Where is the resource of his own income? Surely he can not exist without one at least. And, being propertyless, he naturally does not have even the single one outside of himself. Yet he has to live from without or he must die of starvation from within.

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HIS ENERGY IS DRAINED BY THE PROPRTIED MEN.

Now, the only chance for the propertyless man to live is to go again to an owner of wealth, and to hire some one or another resource of income from him and to apply his energy to it, paying for the permission. Again paying, paying is the only hope for the propertyless man. And this is the most important point after all, because he must pay even for the application of his personal energy to all natural and artificial resources of wealth, or income. Has any one understood what it means—to pay for an application of labor energy to wealth that the merciful Creator provided for man? I am sure that the politico-economists do not understand it. A few of them hit this point, sometimes, but unconsciously, without conceiving its significance.

HE MAY HAVE BUT ONE CHANCE FOR A PAYMENT.

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The propertyless person, then, who is drained in all directions, and who has but one chance to restore his expended energy from a single source of income—this man again becomes an additional source of expense in favor of an owner of wealth, an additional source of income and profit to propertied men.

But where, and how, can this unfortunate creature of God, this multiple source of income and profit for men, further pay and expend his strength, for becoming a still further source of income in favor of the propertied men?

This question, after the four previously explained series of drains of the propertyless man, demands the next point.

5. The propertyless man can not even make himself the source of income and profit to others without paying an exorbitant price for it to an owner of wealth. If, for instance, he labors for wages, his employer and others finally obtain from 25 to 50 or 75 per cent or even more profit out of the results of his labor. If he works on a farm, in a plant, or any other wealth with capital, or works in making capital, he must in any way divide the results of his work between the owner of wealth and himself. His portion is usually paid by time in money, as wages, as a salary, or in some other way; while the whole result of his work remains, and is dispensed by the owner of wealth who is profited by him. If the propertyless person serves to an owner of wealth as a clerk, a bookkeeper, salesman, or in any other capacity, he cannot serve unless he or she is a profitable source of income to the propertied master who gives him the chance to supply his ever drained source of multiple expenses. If, further, the propertyless man leases a farm or any other wealth of a propertied person, he has always to divide the results of his labor between himself and the owner of wealth. Whereas, if the owner of it himself labors on his wealth, then, the whole result of his toil must remain as a reward to himself. And there is the difference: The tenant or the lessee is obliged to labor twice as hard as the propertied man in order to derive so much income for himself, as the owner of wealth can derive by working half as hard; and that is because the owner of property is drawing all income of his labor

HIS EXPENSES FOR EMPLOYMENT IN ANY SPHERE.

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for himself, while the propertyless man is drawing income for himself and for the propertied man, to whom the former is a source of income by paying rent. If, finally, the propertyless man labors upon a rentable source of income, and then borrows money for improvements, in addition to the paying for that source, he thereby makes himself a source of income in favor of the creditor, by paying per cents for the loan; and, consequently, he must divide the results of his toil between himself and between two owners of wealth. The improvements, being a capital, must aid him to produce more wealth than he can produce without it; but the high rate of percentage which exists in America must surely ruin the debtor, because per cents in favor of lenders of money, etc., generally run from 6 to 12 per cent per annum; and in some cases the money sharks obtain even from 15 to 18 per cent.

What then are the advantages of the propertied person and the disadvantages of the propertyless man?

From the preceding it is clearly seen that both men are on an equality merely in the physical energy. And the propertied person has an absolute advantage for developing his mental energy or skill. We have, therefore, to regard their physical energy as an equal in both. But, with the propertied man, this energy is surrounded by multiple resources of income; so that to whatever resource he applies his energy, it always yields him the whole results of his labor. An application of capital in his power multiplies the yield in his favor. An application of the hired labor energy still farther multiplies the yield and increases his income.

ADVANTAGES AND DISADVANTAGES.

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A PROPRTIED IS A MAN OF MULTIPLE INCOMES.

His physical energy, therefore, must be regarded as a source of multiple income even in relation to a small amount of wealth or income-bearing property.^[53] On the contrary, when there is plenty of employment, the energy of the propertyless person is itself a source of multiple expense in favor of the propertied men. And again, when there is employment, he is permitted to apply his energy but to a single resource of income; and when permitted to do so, the propertyless man can only draw about half the income that this resource can yield to his energy, while the other half of it must go to the multiple incomes of the propertied men who employ him as the people call it. Hence, being surrounded with the inexhaustible

A PROPERTYLESS IS A MAN OF MULTIPLE EXPENSES.

wealth of nature, with innumerable resources of income, the propertyless man is only a semi-sourced man—a man of semi-sourced income. He is a man who is entitled to a portion of the yield, for the expense of energy which is equal to two or more portions of it. And there is nothing more in the whole realm of wealth than a semi-income from one source for the man who himself is a source of multiple expenses in the favor of many owners of wealth. A greater injustice than this could not be fabricated by mankind under the heavens.

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But what about the propertyless, when there is no employment at all? Or, when the caprice of the propertied is not satisfied by the halves of the yields produced by the labor energy and skill of the propertyless people? What, when they demand still more impossible efficiency in product from the emaciated energy of their victims? The answer is clear and but one. These economic slaves, these victims of the greatest injustice and absurdity are thrown back by thousands into the sphere of humiliation under public relief. And who constitutes this public? Nearly all the same propertyless millions, who relieve the others, when they themselves are not yet on the point of starvation.

PROPERTYLESS OUT OF EMPLOYMENT.

And who is after all accused? Who is searched? Whose character and history of life is mercilessly scrutinized at the bars of charity? Again the same propertyless victims, the same economic slaves, whose lives have been spent in working for the owners of wealth, owners of property, of fortunes.

HE IS REGARDED AS INFERIOR.

70

It is certainly not with Japan, nor even civilized England, where primogeniture persists to reign, and where the hereditary noblemen equally continue to suck the energy of the British and Irish people and of the peoples of their colonies that we have to deal with. "In 1891 Great Britain and Ireland had had nearly 6,000,000 propertyless families^[54]," and they have been accustomed for centuries to spend more than half of their energy in favor of the lords of property, who are the lords of nearly all resources of wealth in Britain and in many other parts of the world. But we have to deal with the people of the United States, whose fathers tried by all means to escape the influence of primogeniture, and whose children have now reached the same economic condition of slavery, but under a different title, viz., that of dividogenesure.^[55] As its definition here shows, the principle of dividogenesure involves both the individual and class dependence of the needy upon the wealthy and applies to the entire millions of the group of tenant families, as well as to the group of mortgagor families of the 2d table.^[56] For all these families have been dividing the sole results of their labor or toil, in one way or another, between themselves and their economic masters that they wholly or partly depend upon. The subsequent chapters, however, will better explain the situation of their dependence.

PRINCIPLES OF INJUSTICE.

DIVIDOGENESURE.

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While here we shall but briefly indicate that dividogenesure, as a principle of tacit reality, separates the people into two classes: 1st, into individuals of multiple expenditure in each case, but with a possible semi-income for supplying this expenditure; and 2d, into individuals of also multiple expenditure for living, but at the same time of multiple incomes sufficient to leave a considerable net profit or balance for their future. This balance or profit, in some cases, gradually amounts to millions of dollars' worth of wealth, remultiplying further incomes most rapidly; while the individuals of the first class become absolutely dependent upon the second even for the semi-income which may at any time be refused them on account of too many individuals in need of resources for incomes belonging to the second class.

ECONOMIC CLASSES.

And it further follows, that when the resourceless are admitted into the sphere of dividogenesure, then their multiple expenditure is meagerly supplied. But when they are refused admittance into this sphere, then their unavoidable fate is starvation or falling back into the realm of public relief for the unemployed.

ONE SPHERE.

As to their fate under the public relief, Dr. Amos G. Warner says: "The most difficult problem in the whole realm of poor-relief is this of Providing for the unemployed. England has worked at it intermittently from the time of Elizabeth" (1558-1603) up to date without success. For there were more than 30-millions of individuals without property in Great Britain and Ireland, when Dr. Warner was writing, and he continued as follows:

CHARITIES ANOTHER SPHERE.

"The most careful investigation made in this country regarding enforced idleness was probably that conducted by the Massachusetts Bureau of Labor during the depression of 1885. There were during that year in Massachusetts 816,470 persons engaged in gainful occupations; of these 241,589 were unemployed during part of the year.

LOSS OF TIME.

The time lost, if we consider only the principal occupation of each individual, was 82,744 years; but many persons, when unable to work at their principal occupation, had some subsidiary work. Making the proper deductions for the time thus put in, the net absolute loss of working-time amounted to 78,717.76 years. * * * Averaged among those who lost a certain amount of time, the loss per man was 3.91 months."^[57] or nearly four months.

This description shows the absolute helplessness of the resourceless people in the State of Massachusetts alone, while there were 48 other States and Territories besides Massachusetts in this country. In all these States and Territories, therefore, not only millions of years of working-time must have been lost during the depression of 1882 to 1885, but millions of dollars of public and private money was unproductively spent for the relief of the propertyless from starvation, cold and from other distresses. And after all, that was a comparatively mild reality. For the same Dr. Warner further writes:

LOSS OF MONEY.

"This present chapter passes from my hand in March, 1894, when special relief-work for the unemployed is being carried forward on a *scale never before known or needed in this country.*^[58] It is therefore not possible to give the results of this emergency work." * * * But the relief must be given. "The present chapter is concerned especially with *the problem of the homeless poor as a constant factor in the administration of charities.*^[59] The question of how to deal with the tramp is said to be of special urgency in every locality in the United States with which I am at all acquainted. From Boston to San Francisco, and from St. Paul to New Orleans, complaints come of a number of tramps, which is alleged to be 'especially' large in each case."^[60]

HOMELESS CONSTANT FACTOR.

In fact, Dr. Warner's book of more than 400 pages is one that represents the saddest spectacle of human misery on the largest scale. It treats all possible causes of the misery, excepting the main, and all-powerful, cause of all the minor causes, which I have named dividogenesure, because it is the sister of primogeniture, the one being as iniquitous for millions of families as the other.

TWO SISTERS OF INIQUITY.

As a universally pernicious principle, dividogenesure is always working in behalf of a few favorites. It has always been unjust to the employees, even when those favorites commanded an equal number of places of employment to the number of the employees in a nation, because the latter have always been obliged to divide the results of their toil at an unjust rate of per cent with the former. The injustice of dividogenesure, however, intensifies as soon as the number of the employees becomes greater than the number of the places of employment, and this injustice grows especially intense when these employees appear to be the propertyless individuals. And when a nation has so many propertyless individuals as to outnumber by millions the places of employment, then, the great injustice of dividogenesure changes into the very foundation of iniquity. For its favorites, then, make all possible devices, like the blanks with tens of scrutinizing questions, and other humiliating devices for the purpose of selecting the most efficient applicants for employment at the cheapest possible rates of payment. Thus, the employed ones become harder and harder economic slaves of these favorites, while the unemployed are cast out of the sphere of the slavery without bread, etc., into the sphere of starvation and the public relief.

IMPLIES DEGREES OF INJUSTICE.

Further, dividogenesure is not a system of ordinary slavery, where the slaves are dependent upon their masters for living and dying. It is not the slavery that imposes a moral obligation upon the masters in favor of the slaves who are subject to them. No, no, dividogenesure has made millions of families absolutely dependent on its favorites, but it has removed from these favorites all moral obligations in favor of the modern economic slaves. The modern master of hundreds of the slaves can extort the last inch of labor energy from each of them, and yet can live in perfect peace under the shield of dividogenesure without responsibility and without the slightest remorse of conscience. He does not compel any of the slaves to make applications for employment, for working out his wealth and fortune. But he

IT IS NOT AN ORDINARY SLAVERY.

knows very well that there are invisible, omnipotent and omnipresent forces, namely: Hunger and thirst, or the multiple expenditure in every individual case, which mightily push the slaves to his commanding mastership. And the only duty dividogenesure bids him to perform, is to choose the most efficient applicants for the lowest pay, as they would seem to be the most profitable for himself. As to the rejected ones, it is neither his business nor his duty to care whether they live or perish by fire, by cold, by disease, wither away or starve to death.

UNSEEN FORCES.

ABNORMITY OF THE SOCIAL SITUATION.

The preceding chapter has shown the differences between the conditions of life of the propertied and of the propertyless people. It has explained the multiple expenditures of the resourceless, and how they are obliged to labor under the principle of dividogenesure without ever being able to appropriate the full results of their labor to themselves. The present chapter will reveal the astonishing number of the propertyless in the United States, and the places where they are mostly to be found.

**DIFFERENCES IN
CONDITIONS OF
LIFE.**

However, before proceeding to examine the investigations about the people without property, we must add here, that the propertyless are those that occupy houses, or rooms, or simply little cells in the rentable properties of the propertied, paying rent for them. They are, therefore, regarded as the tenants of homes, and when occupying rentable farms, they are regarded as the tenants of farms. And as long as they are able to earn and to pay the rents on time, they are regarded as good people, good families and respectable persons, because they constitute the real sources of income to the owners of the rentable properties. But as soon as they cannot find a situation, cannot find employment, cannot find work, cannot find a job, cannot borrow money, cannot pawn anything, hence cannot pay rent at the well defined times, then they are gently or ruthlessly kicked out of the rooms, and regarded as "no good," as degenerates.

**THE PROPERTYLESS
PAY RENT OR ARE
EXPELLED.**

Expelling them from the tenement houses or farms, some gentlemen or lady-proprietors sometimes even express sympathy or sorrow to lose their tenants; and sometimes they anticipate further sufferings and privations for their unfortunate roomers, etc., but cannot help them under the existing conditions. The expelled tenant then wanders about, suffers privations, humiliations, till he falls into prison, or she falls into prostitution, and into all the miseries of the world. And it is only at the point where these propertyless lose their real manhood and womanhood that they cease to be the sources of income for the propertied.

78

Now let us deal with the homeless and landless in the statistical accounts, where the tenants and mortgagors are described together, but with greater details in respect to the mortgagors than to the tenants. For the sake of clearness, therefore, I must prominently represent here the tenant families, as the propertyless, and must leave the mortgagor families for the next chapter.

79

The following census statistics represent only percentages of families occupying farms and homes in the United States, while I have supplied the figures implied in the relative percentages of these families.

STATISTICS OF THE TENANTS.

"Extra Bulletin No. 98 of the United States Census, 1890, says:

"There are 12,690,152 families in the United States, and of these families 52.20 per cent," or 6,624,259 families, "hire their farms or homes, and 47.80 per cent own them."^[61]

"In regard to the families occupying farms the conclusion is, that 34.08 per cent," or 1,624,655 families, "hire, and 65.92^[62] per cent own, the farms cultivated by them." So that "among every 100 farm families 34 hire their farms," being landless.

FARM FAMILIES.

"The corresponding facts for the families occupying homes are, that 63.10 per cent," i. e., 4,999,396 families "hire, and 36.90^[62] per cent," i. e., 2,923,560^[62] families, "own their homes." So that "in every 100 home families, on the average, 63 hire their homes, and 37^[63] own them."

HOME FAMILIES.

80

"There are 420 cities and towns that have a population of 8,000 to 100,000, and in these cities and towns 64.04 per cent of the home-families hire and 35.96^[63] per cent own their homes." So that in these cities and towns, 64 out of every 100 families hire their homes, and 36 own them, or as the Bulletin states: "in 100 home families, on the average, are found 64 that hire their homes, and 36^[63] own them."

**CITIES 64.004 PER
CENT. HIRE.**

Besides this, "the cities that have a population of 100,000 and over," i. e., cities up to millions, like Philadelphia, Chicago, New York and so on, "number 28, and in these cities 77.17 per cent of the home families hire their homes and 22.83^[63] per cent own them." It follows, that in these large and very populous cities of the United States more than 77 families out of every 100 are tenant families or those that hire their homes, and 23^[63] own them. Or, as the Bulletin says: "In these cities among 100 home families, on the average, 77 hire and 23^[63] own their homes."^[64]

**LARGE CITIES 77.17
PER CENT. HIRE.**

Now then, what this Extra Bulletin reveals to us is as follows:

1. That in 1890 we had 1,624,655 families hiring farms. The difference between hiring a farm and owning a farm is this, that an owner of a farm reaps all the benefits of his own farm; whatever amount of energy he spends upon his farm, he obtains all the results of it by himself and for himself, remaining all the time an independent man. A farm tenant is just the contrary. He is a dependent being and is a subject to dividogenesure. He works upon a rentable property and must first of all satisfy the rightful owner

**NUMBER OF
FAMILIES HIRING
FARMS.**

81

of the farm. He must divide the results of his labor between his master and himself, by paying rent. And in order to be equally well off with the farmer that works upon his own farm, the tenant must exert almost twice as much of labor energy as the owner of a farm. But this is impossible. And this impossibility rests upon all the tenants of farms. They are economic slaves of their masters, slaves under the principle of dividogenesure. If they don't wish to divide the sole results of their labor, then they must starve, and there is no other alternative for them, because they are propertyless and hence resourceless.

2. That at the same time we had 4,999,412 other families that were hiring not the farms but rentable homes of the propertied men. And these nearly 5-million families were not only the sources of income and profit in favor of the owners of the homes, but also the sources of income for the employers that permit them to labor. So that a farm tenant is a direct^[65] source of income to one lord of property; while a home tenant is a direct^[66] source of income for two owners of wealth. And a great injustice hangs on the neck of every one of these millions, because they have no property of their own. But the principal point is this, that neither one of them has the right to expend or apply his labor energy anywhere without paying for it to those that may not labor at all and live.

**NUMBER OF
FAMILIES HIRING
HOMES.**

82

**NUMBERS
COMBINED.**

Adding now the two classes of tenant families, we have 6,624,259 of them; and regarding their numbers individually, we have 32,656,808 propertyless persons who are in bondage of dividogenesure, because they have neither the right to expend their strength nor to restore it without paying for both to the propertied.

The question now is, Do these numbers show that we had "less than half the families in the United States without property?"^[67] Even without examining the numbers of the propertyless in cities and towns, the Extra Bulletin proves that there were 279,023 more of the propertyless families than the half of the entire population. And this little more than the half represents 1,345,683 propertyless individuals who could build and could inhabit yet another one of the largest cities in the world, while under the unjust principle of dividogenesure they have neither a farm, nor a lot, nor a single house of their own.

**COULD BUILD A
LARGE CITY.**

83

But what do you think about the whole number of the propertyless? We had fully 32,656,808 individuals of them in 1890, according to this Bulletin, and they could likewise build and inhabit 32 great cities having in each more than a million of good citizens. A million population in one city, as you know, constitutes one of the most populous cities in the world; and we could have thirty-two such cities in the possession of these now propertyless people. These millions of people could make one of the finest nations on earth with 32 of most populous cities which they could erect by their labor energy. How is it, then, that they are obliged to remain homeless, landless, propertyless, resourceless? Have they been lazy to work? Have they been incapable of doing anything for themselves? Have they been degenerates? No, no, these tens of millions have been working hard, but they have been deprived of the results of their labor by the unjust principle of dividogenesure that compelled them to labor for the few families of the wealthy group of the two tables on p. 47, which own the results of their labor and toil.

**COULD BUILD 32
LARGE CITIES.**

84

And do you realize what it means to have 420 cities and towns with the population of 8,000 to 100,000 individuals in each? Do you know what it means to have nearly seven-tenths of their population without property, when they cannot exist without it? And what it means to have 28 cities whose population is above 100,000, and which goes up to millions in some of them; and yet nearly four-fifths of their people are without homes, without property, and without any resources of their own? And do you know that these very cities (and towns) have almost all been built out of the realized labor energy or on account of the results of labor of these slaves of dividogenesure?

**CITIES BUILT BY
LABORERS.**

And this is not all, for, according to the Bulletin, we had 32,656,808 of the propertyless individuals, while the 2d R. table, p. 36, which resulted from the 2d table on p. 32, and which was published in 1897—this table authoritatively demands that we should add 1,251,469 more propertyless people to the number found in the Bulletin. This additional number of the propertyless could make yet another one of the most populous cities in the world. And, being added together, these people could inhabit not 32 but 33 cities, with the total population of 33,908,277 individuals or nearly 34-millions of souls.

**COULD BUILD 33
GREAT CITIES.**

85

Imagine! The whole nation in 1865 was made up of this number of people, whose wealth aggregated over \$24,000,000,000 worth. Now the principle of dividogenesure required but 25 years to render the number of the propertyless equal to the entire nation of 1865. Is it not an astonishing fact that while this great number of the propertyless people grew up, the national wealth actually increased by the worth of about \$41,877,475,129? For in 1860 the total aggregate of it was \$16,159,616,068, whereas in 1890 it aggregated to \$65,037,091,197 worth of wealth.

**WHOLE NATION OF
1865
PROPERTYLESS IN
1890.**

**BY INCREASING
PROPERTY MEN
LOST PROPERTY.**

In view of these contrasting facts, can any one say that the 33-millions of the property-losers were idle? or that the phenomenal increase of the wealth was produced by the very few owners of it because they had the most effective capital at their own hands? No, sir, the capital itself is dead in every respect and form, and not a single piece of it can produce anything by itself. But, being effective aid, assistant in production, capital only helps *the living human energy* to increase the results of its labor. And it follows that whatever the increase in production due to mechanical forces or to other capital may be, it must be attributed to the activity of human energy which manipulates all invented forms of capital. And surely *the blessings of the various inventions* consist in the fact that the inventions *can*

**HUMAN ENERGY IS
THE INITIAL
OPERATOR IN
PRODUCTION.**

86

aid the labor energy to produce more wealth than it can produce without them. Hence the real blessings of the invented capital ought to have been preëminently in the fact of its increasing the well-being of the millions of laborers in the various grades of industry.

How is it, then, that the wealth of the United States nation, from 1865 to 1890, increased by more than 42-billion dollars worth, while the well-being of its producers greatly decreased? How is it that the tens of millions of the workers not only could not obtain the due share of the wealth they increased, but many millions of them in addition lost their own properties? How is it that the great blessings of the inventors have been changed into great curses against their well-being, because now they appeared to be absolutely dependent for life on the wealthy few, having nothing of their own? No explanations of minor causes can answer these questions, but the great injustice of dividogenesure explains them.

**IS IT LOGICALLY
CORRECT OR
MORALLY RIGHT?**

How is it that the tens of millions of the workers not only could not obtain the due share of the wealth they increased, but many millions of them in addition lost their own properties? How is it that the great blessings of the inventors have been changed into great curses against their well-being, because now they appeared to be absolutely dependent for life on the wealthy few, having nothing of their own? No explanations of minor causes can answer these questions, but the great injustice of dividogenesure explains them.

But what can the propertyless people do when they increase and when all the wealth and capital produced by the people are monopolized by a few families, as even the 1st and 2d tables, p. 47, show the facts? What can the 33,908,277 individuals without property do, when they have nothing to hope for but labor under the principle of dividogenesure for the wealthy few that consist of less than a million families in the enlarged nation?

It is evident that their fate condemns them to labor, as slaves, on permission, and to satisfy first the demands of dividogenesure and afterward take for themselves what may be allowed from the results of their toil on the rentable farms, while the millions of families which hire homes in the 448 cities and towns are still harder slaves of dividogenesure than the families that hire their farms. They are harder slaves because they are more liable to be freed even from the oppression of dividogenesure, and liable to remain months and months in the sphere of starvation without employment.

**THE CLAIMS OF
DIVIDOGENESURE
REGARDED FIRST.**

Can there be a greater iniquity in the world than the iniquity that proceeds from the abnormal system of dividogenesure?

No! No nation in human history has seen an iniquity that can be compared with the results of dividogenesure as they are at present, for it now deprives men of their fruits of toil to the utmost degree; it deprives them of their energy, of their rights, and of their property; it deceives them by the medium of exchange of commodities and products; it makes them economic slaves of the very few masters or throws them out of the region of the slavery into the region of resourceless starvation and degeneration; it concentrates masses of the people's wealth into a few hands, leaving millions of families without income in despair and casts them out of the rentable homes; it drags them into the courts, throws them into prisons, drives them into penitentiaries, fits them for and chases them into the lunatic and insane asylums. And not only this, but nearly all causes of murders, of parricides, of infanticides, etc., and of the suicides perpetrated by the people, can indirectly be traced to the abnormal system of dividogenesure, which most fundamentally conditions almost all national, social and private crimes, because sound life always depends upon sound economic basis of a nation.

**DIVIDOGENESURE
IS A FOUNTAIN OF
GREAT EVILS.**

The system of dividogenesure, however, is pernicious not only to the tens of millions of the propertyless people alone, but it has enslaved millions of families that have homes and have other little properties not bearing direct incomes for subsistence. These families therefore are also compelled to be in gainful pursuits under the same conditions with the landless and homeless. And Mr. Carroll D. Wright, onesided and severely criticised, wrote about some of them as the American bread-winners, as follows:

**IT COMPRISES THE
PROPERTIED
EMPLOYEES.**

The system of dividogenesure, however, is pernicious not only to the tens of millions of the propertyless people alone, but it has enslaved millions of families that have homes and have other little properties not bearing direct incomes for subsistence. These families therefore are also compelled to be in gainful pursuits under the same conditions with the landless and homeless. And Mr. Carroll D. Wright, onesided and severely criticised, wrote about some of them as the American bread-winners, as follows:

"Bread-winners in 1870 engaged in supporting themselves were 12,505,923, or 32.43 per cent" of the population. "The bread-winners in 1880 were 17,392,099, or 34.67 per cent of the total population" of that time. "The bread-winners in 1890 were 22,735,661, or 36.31 per cent." By "bread-winners" he meant "wage earners, salary receivers ... or any one who was engaged in gainful pursuit," including "proprietors of whatever grade or description, and all professional persons."^[68]

I must here make a diversion to examine this author's argument.

For the purpose of proving that the poor, the producers of wealth, were getting better off from 1870 to 1890 by their gainful pursuits, Mr. Wright has placed in the same class individuals of incomparable description, and, by making averages upon equally incomparable basis of their gains, logically arrived at the false conclusion that the wages in general had risen during that period of time. And hence, he added that "the rich are growing richer and the poor are getting better off." He thus arrived at the same nominal conclusion at which Mr. Shearman has arrived in making nearly 56-millions of individuals appear to be in possession of \$209 each.^[69] And it is exactly in the same way Mr. Wright himself made the per capita wealth in the United States, as a whole, amount to \$1,036 for every inhabitant of the nation. The rules of arithmetic are accurate in every calculation. But the nominal distribution of wealth has never made the millions of the people better off; and it has never altered the fact, that in 1890 we had nearly 34-millions of them without property; and we had a little over 7-millions of other individuals owning more than 55½-billion dollars worth of wealth.^[70] Whereas, at the same time, there were more than 27-millions of individuals whose aggregate wealth was only \$825-millions, which is but \$30 to each person.^[71]

MR. C. D. WRIGHT.

This little diversion from our main thought once more testifies that the increase of the 42-billion dollars worth of wealth which accrued from 1865 to 1890 did not in the least raise the wages of those producers of the wealth who were compelled even to lose their own properties. On the

contrary, while the salaries and incomes of some professional persons had decidedly increased, the wages in general had fallen, as we shall see later on. Consequently, the tens of millions of the creators of that wealth appeared to be all the worse off, as we have seen on pp. [85](#), [86](#).

And when Mr. Wright adds "that the transportation has been so perfected," during the same time, "as to bring to the door of the poor man and the rich the results of industry of far away people" in order that they may buy them from different monopolists; this sentence really sounds like a mockery to the 34-millions of individuals who had in 1890 neither their own door nor even window, and who were absolutely dependent upon chances for a semi-income under the oppressive dividogenesure.

**THE PROPERTYLESS
HAVE NEITHER
DOOR NOR
WINDOW.**

But as to how many people were engaged in the gainful pursuits and how many of them were entirely subject to the system of dividogenesure, we can better know from the researches of Prof. Mayo Smith. He says as follows:

"Persons in gainful pursuits, United States 1890, by classes of occupations, in ten years of age and over, were 47,413,559. Out of them 24,352,659 were males and 23,060,900 were females." After this statement he innumerates their respective occupations and adds "That 9,013,201 persons were in gainful pursuits in agriculture, fisheries and mining, and that 8,333,692 of these last are males and 679,509 are females."^[72] So that out of 62,622,250 inhabitants of the country 47,413,559 individuals of 10 years of age and upwards were engaged in the gainful pursuits.

**PROF. MAYO
SMITH.**

Now these nearly 47½-millions of persons in gainful pursuits could not all be the slaves of dividogenesure. For some of these persons serve its favorites for very high salaries and their services are well remunerated. Nor could this number include many of the favorites of this unjust principle. For its real favorites are those that possess extensive rights in natural and artificial resources of wealth; they are those that earn their enormous incomes even in their comfortable beds, by simply speculating on and relying upon the energy and productivity of the subjects to dividogenesure. And as the productivity of the American people is very high, it therefore becomes as easy for them to grow very wealthy under the favor of dividogenesure as for the millions of makers of their fortunes to grow very poor and emaciated.

**FAVORITES OF
DIVIDOGENESURE
SPECULATE.**

Reviewing then the various occupations of the people in the United States as these are represented by different authorities, we have sufficient reason to judge that since the year 1890 there have been about 38,837,849 persons who may be regarded as positive slaves to dividogenesure on the one hand. And there have been about one million families that were more or less profited by their highly productive labor and skillful energy on the other hand. The above number includes nearly all the homeless and landless of the last census, and includes about six millions of those who had their little homes and other properties of no importance.

**1,000,000 FAMILIES
AND 38,837,849
INDIVIDUALS.**

The productivity of these people may be exemplified by the following reports:

"Mr. Mulhall, in the 'North American Review,' for June, 1895, says:

"An ordinary farm-hand in the United States raises as much grain as three in England, four in France, five in Germany, or six in Austria, which shows what an enormous waste of labor occurs in Europe, because farmers are not possessed of the same mechanical appliances as in the United States." (Enc. of Soc. Ref. p. 1093.)

**PRODUCTIVITY OF
FARMERS.**

"Mr. Edward Atkinson gives the following statements on the industrial productivity of the United States." He says:

"One thousand barrels of flour, the annual ration of 1,000 people, can be placed in the city of New York from a point 1,700 or 2,000 miles distant with the exertion of human labor equivalent to that of only four men, working one year in producing, milling and moving the wheat. It can then be baked and distributed by the work of three more persons, so that seven persons serve 1,000 with bread."^[73]

**7 PERSONS SERVE
1,000 WITH
BREAD.**

"The average crop of wheat in the United States and Canada would give one person in every 20 of the population of the globe a barrel of flour in each year, with enough to spare for seed. The land capable of producing wheat is not occupied to anything like one-twentieth of its extent. We can raise grain enough on a small part of territory of the United States to feed the world."^[74]

**ENOUGH TO FEED
THE WORLD.**

"The general conclusion at which I have arrived is that in the year 1880, the census year, when the population of the United States numbered a little over 50,000,000, the annual product had a value of nearly, or quite \$10,000,000,000 at points of final consumption, including, at market prices, that portion which was consumed upon the farm, but which was never sold. Omitting that consumed upon the farm, it was about \$9,000,000,000."^[75]

**GROSS INCOME IN
YEAR 1880.**

"At an average of 200 pounds per head in the United States, the largest consumption of iron of any nation, we may yet find that the equivalent of one man's work for one year, divided between the coal-mine, the iron-mine and the iron-furnace, suffices for the supply of 500 persons. One operator in the cotton factory makes cloth for 250; in the woolen factory for 300; one modern cobbler (who is anything but a cobbler), working in a boot or shoe factory, furnishes 1,000 men or more than 1,000 women with all the boots and shoes they require for a year."^[76]

**ONE OPERATOR
SERVES HUNDREDS
WITH GOODS.**

These paragraphs sufficiently indicate the general capability of the American people for

production under the existing conditions.

If an Austrian wine-producer or a farmer is six times less capable to produce than an American farmer; and if this Austrian farmer can easily defray the multiple expenses of his family and his own out of the results of his less capable labor and live comfortably every year, the American farmer ought to have five times as much of net profit from the results of his capable labor energy as the Austrian farmer can spend every year for his living. So that, living in the same way as the Austrian, the American farmer ought to be in six years fully thirty times wealthier than an Austrian farmer of an ordinary type.

POVERTY IS IMPOSSIBLE.

How is it then that the wealth of the sturdy American farm tenant consists on the average of but \$360 per family of nearly five members each; while an Austrian farmer is incomparably better off, being almost always a propertied man?

And if seven American laborers are able to serve 1,000 persons with bread and feed themselves every year, it is perfectly legitimate, then, that every one of them should have a yearly profit of his labor, which is equal to the value of bread, yearly consumed by nearly 143 men. And this yearly profit must quickly make a considerable amount of wealth in his store.

How is it then that the millions of American producers of bread, each supplying hundreds of persons, are obliged to live from hand to mouth, having neither property nor land, nor any other wealth in store for their future? And if their productivity testifies that they are able to feed and clothe the world, as Mr. Atkinson very reasonably affirms, is it not highly important to find out who profits by their remarkably efficient labor energy? Or, who yearly devours the surplus of their products, leaving them in poverty?

POVERTY EXISTS.

Further, the work of one American miner, "for one year, divided between the coal-mine, the iron-mine and the iron-furnace," ultimately "suffices for the supply of 500 persons" with the metallic goods and utilities they consume in a year. "One operator in the cotton factory can provide goods for 250, in the woolen factory for 300, in a boot or shoe factory for 1,000 men or more than 1,000 women"—one worker in any of these industries, in one year, can work out the respective goods these numbers of consumers require for a year, thus showing that the productivity of every operator is simply phenomenal.

NO ROOM FOR POVERTY.

How is it then that these very operators who can and do supply hundreds and even thousands of consumers with different utilities for living and enjoying, are unable to support their own families for six months after they cease to be in their exceedingly productive employment? And why are nearly all of them homeless? Is it the essential and necessary demand of modern ethics, that the more one produces the poorer one must be? Or is it exactly the demand of modern justice that millions of human beings should only toil and work for others, without having the right to work for themselves and to partake of the fruits of their own labor? And where is the court of justice to be found which can vindicate their cause in view of their unusual productivity?

YET POVERTY EXISTS IN THE ABSENCE OF JUSTICE, ETC.

Many consumers are convinced that these operators as well as all other American laborers are always paid what they deserve, though they cannot provide for their future. Many other consumers think that they could not be so productive if it were not for the highly efficient aid of costly capital under their operations. And as a logical inference, these consumers further think that this capital must be highly paid for its own productivity. Hence the capitalist must have a lion's share from the results of the active energy of every operator with the mechanical forces in production. And, although the error of such reasoning is transparent from beginning to end, yet it seems that justice itself is thus often satisfied.

ILL-BASED REASONING.

These reasoners seem to never ask, Whose energy is embodied in the capital that the inventors have left as great blessing for working humanity? And whose energy has realized, or rather materialized, the existing inventions after they had been created in the minds of the great men? Has all this been done by inanimate dollars or money, or by the same animate and intelligent beings whom we now regard as the mere operators in every sphere of human activity? Is it not their energy that flows like a river into all things of utility?

JUSTICE CLAIMS A DEEPER BASIS FOR REASONING.

Then they say that the organizers, the managers, the superintendents must be paid manifold for their superior work and intelligence. All right, nobody denies that.

But will you show me a single article in use, in existence, or an object in the process toward use and existence, which does not represent the energy of the laborers in need of some of the necessaries of mere existence? Show me a brick or a stone in its use, an iron-bar, a steel-rail, a machine or an engine, a steamer or cable, or whatever you please, which has not been washed with the sweat of the brow of their makers in need? Show me that building, that palace or mansion, a house or home, which does not directly imply, or does not testify of the energy of the propertied poor and the homeless?

THE WHOLE ARTISTIC WORLD IMPLIES EXPENDED HUMAN ENERGY.

Or show me that article, a heavy stone in a structure, a lump of iron or coal, a coin of silver or gold, or show me anything in the world, which should prove to have been only stained with the sweat of the brow of a mere speculator in motions of values, in rentable farms and homes, or in products of the workers in need? I am sure you cannot.

While as facts I can show that the crystallized energy of the homeless, the poor and the landless, in possession of others, floats on the rivers, the seas and the oceans; it fills up the land, builds up the towns and cities, heats them in winter, lights them at night. In possession of others, their energy is sold on the markets, and is laid in the stores and the banks of others. Further, their energy stands in the forms of the plants and the factories

IT HAS NOT BEEN JUSTLY PAID FOR.

working in speed throughout the country; and it burns in the stoves, in the furnace of the various works; it steams in the boilers and moves the machines of its own making; and it pulls on the cables and the cars upon the roads made by its muscle and bone. It crystallizes in goods and all objects of use; it then moves on in masses upon the lines of rails, and runs on from cities to cities, obeying speculators' commands. So, having been shaped into millions of different forms, and having escaped from the working hands of its genuine owners, the energy quickly changes into more and more durable forms; and after several motions, it finally rests in the clean hands of the speculators, as if it were their righteous net profit and wealth.

Even this picture indicates the true basis where one should look for justice and rights, for losses and profits.

"The profits of the Wall street kings the past year were enormous," says Dr. Josiah Strong,^[77] about January, 1880. "It is estimated that one of them made \$30,000,000; another, \$15,000,000; two, \$10,000,000 each; one, \$8,000,000; and four, from \$1,000,000 to \$2,000,000 each; making a grand total for 10 or 12 estates of about \$80,000,000"^[77] in one year.

While "Mr. F. C. Waite, special agent of the Eleventh Census, in charge of True Wealth, makes the following statement as to the gross and net earnings of important natural monopolies for the census year 1890."^[78]

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Items.	Gross Earnings.	Net Earnings.
RAILROADS:		
From operation	\$1,051,877,632	} \$331,373,057
Other sources	126,767,064	
Unreported roads (about)	50,000,000	
Express companies ^[79]	53,000,000	11,000,000
Street railways	90,000,000	28,000,000
Water transportation	191,000,000	31,000,000
Telegraph companies	25,000,000	7,000,000
Telephone companies	16,404,583	5,260,712
INSURANCE COMPANIES:		
Life	90,000,000	59,000,000
Fire, etc.	54,991,613	19,000,000
BANKS:		
National	144,614,053	72,055,564
All others (estimated)	200,000,000	
ARTIFICIAL GAS COMPANIES:		
(Estimated)	25,000,000	
Total earnings ^[80]	2,118,654,945	553,689,333

Now, these totals show what an enormous amount of the people's crystallized energy accrues to the monopolists in one year, and in every year, besides covering all yearly expenses. No wonder, then, why we find that the highly productive people, of which Mr. Atkinson speaks and which could even in 1880 put upon the market, "at final points of consumption," the annual surplus of \$9,000,000,000 worth of various kinds of products, appeared in 1890 to be in possession of only about \$10,000,000,000 worth of aggregate wealth, belonging to more than 55-millions of individuals. Whereas, on the other side, there appeared less than 7½-millions of individuals in possession of more than \$55,000,000,000 worth of wealth.^[81]

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It is certainly understood that all products, while reaching the "points of final consumption," rise in their value, on account of the enormous earnings derived from them by the speculators in the products of human energy, while they move these products by the cheapest possible labor of millions of employees, under the principle of dividogenesure. The rising of their value is, of course, inevitable from beginning to end. For as the raw materials, or the products of any kind, continue to acquire their consumable state in the hands of the operators, more and more energy is being spent upon them or added to them. And it is just and meet that the persons who thus add their energy to the products should be paid for it, whether engaged in the factory, in the plant, in transportation or in the final distribution among consumers.

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Yet what do we find? We find that the 38,837,849^[82] slaves of dividogenesure, who work in the whole field of production and distribution, are losing a great amount of their energy in favor of about one million^[82] families that employ them for less payment than these families finally derive from the results of the labor energy of these employees. By "less payment" I mean that net profit which is called the undue concentration of the producers' wealth in the employer's hands; and I mean what is absolutely due to the laborers and not what is undue. The facts of the undue concentration of wealth in the hands of these few families will be shown in chapter VI.

**THEY LABOR FOR
LESS THAN THE
DUE.**

If we now regard one million families of the wealthy group of one of the tables^[83] as the employers of the 38,837,849 propertyless and the propertied poor, the daily injustice of the million families will be expressed in their daily incomes from every individual as follows:

**THE RATES OF
INCOMES.**

Obtaining daily from each individual

104

worker:

1c.	they	derive	\$ 388,378.48
2c.	"	"	776,756.96
3c.	"	"	1,165,135.44
4c.	"	"	1,553,513.92
5c.	"	"	1,941,892.40
6c.	"	"	2,330,270.88
7c.	"	"	2,718,649.36
8c.	"	"	3,107,027.84
9c.	"	"	3,495,406.32
10c.	"	"	3,883,784.80
11c.	"	"	4,272,163.28
12c.	"	"	4,660,541.76
15c.	"	"	5,825,677.20
20c.	"	"	7,767,569.60

So that, if only 20c is obtained from each of the propertyless and the propertied poor in any employment whatever, then every one of the million families on the average gets daily more than \$7 of the unjust income. And that is simply because the resourceless people cannot apply their energy anywhere without oppression. But, if the principle of dividogenesure allows these families to squeeze out of every one's energy daily 25c, then the daily dividend of these families will amount to \$9,709,462.25, which is nearly \$10 to each family among the million. And this is one way how the rich are growing richer and the poor are growing poorer. While the next chapter will show another way of getting rich and the poor.

No one ought to suppose, however, that the million families, variously employing the above number of the absolutely dependent people, obtain equal shares of the unearned profits from the workers in the United States. Nor ought one to suppose that these workers lose equal amounts of energy in favor of the owners of capital, means of transportation, or distribution of products, in favor of landlords and houselords, etc. No, some of the workers lose more than others, just as some of the families get much more than others. The net profits of the different monopolies, p. 101, as represented by the census agent, illustrate these differences in the gains of several families connected with the monopolies.

THE LOSSES AND PROFITS ARE UNEQUAL.

105

But, notwithstanding the differences in the detailed gains and losses, there cannot be any doubt or discrepancy in the general fact, that if "the natural" and other^[84] "monopolies" shall continue to earn billions of dollars worth of wealth every year, all the nation will soon be absolutely enslaved by a very few families of the wealthiest type. The economic slavery of the nation then will grow harder and harder upon the people absolutely dependent on the principle of dividogenesure.

For if each one of the 38,837,849 individuals now daily loses, on the average, 25c worth of wealth produced by his energy, the continual increase of these dependents must bring about a continual increase in the rates of the daily incomes in favor of the wealthy few—at the rates shown on p. 104, which shall then go higher up. The concentration of wealth will go on, and from the standpoint of dividogenesure, these rates will indicate a continual increase or decrease in the unjust concentration of wealth in a few hands.

DEPENDENT INDIVIDUALS.

106

No one must suppose, however, that by the rates of dividogenesure we mean only the underrated wages and salaries. No, we mean here the losses of the people in all stages of productive and distributive activity and the final gains of those that unjustly profit by this general activity of the people. And I view the nation as a whole with its future.

If the situation be left, as it is at present, many possibilities can unmistakably be predicted for the nation's future.

When the nation is rapidly growing into the economic slaves of a few favorites of dividogenesure, there is no use to think about the freedom and political power of the enslaved people, because such thinking or talking will only be a general mock-flattery against the helpless by the ignorant or dishonest men who may also be slaves over the slaves. And this modern dependence of the people will certainly be to their own harm. The tens of millions of families together shall neither be able to support the public schools, colleges, churches, nor any other public institutions without the means of the wealthy few. Then it will be that the very teachers, professors, ministers and every one else in the public service will also be in bondage. Then it will be that they shall be bound to educate the people by so shaping their nervous system as to bear even greater economic slavery than any savages could tolerate. Then it will be that they shall be unable to teach any truth valuable for the well-being of the people even if they know it perfectly well.^[85] And then it will be that every one shall feel his impotency and littleness in attempting to throw off the heavy yoke of the few rich families.

107

Besides, we may see here a type of the Venetian Republic with all its inherent miseries, on a large scale; while the people shall continue to groan even as the Venetians did under a few prosperous families. But the American groaning and misery may undoubtedly be even greater than theirs, because they were oppressed and labored as beasts of burden, but they were never compelled to work on a par with the modern mechanical forces. And as the misery of the American Republic will be greater, the oppression heavier, and the economic

VENETIAN REPUBLIC.

108

and other forms of slavery will be more degrading, it will be necessary to have a greater Napoleon Bonaparte in order to liberate the future Americans from their oligarchic plutocracy than the one who spoke to the Venetians: "I am your liberator; I am not your enemy; I am your friend; don't be afraid," and so on.

It is, however, to be hoped that the present American fathers will not hesitate to provide something better for their children.

MORTGAGOR FAMILIES.

It must be borne in mind that in this chapter we have to consider only those families of the nation which were in possession of real or artificial^[86] property before and after the year 1890. And we have especially to consider those of them whose properties were mortgaged; and those whose properties were to be lost in consequence of the mortgages they were encumbered with. While the propertyless or the tenant families, that were treated in the preceding chapter, will now be kept in the background of the statistics with which we have to deal.

When, however, we are through with the statistics, we may make references to and may even make special statements about the tenant families treated before; while the prominent position will now be given to the mortgagor families, showing how they fall from the class of property owners, become debtors to the owners of greater wealth, lose their properties and increase the numbers of the propertyless.

It is important to note here that the loss of the rights to property always precedes the actual loss of property itself; and that the fall of the propertied into the sphere of dividogenesure, also precedes the actual economic slavery of those that become propertyless.

110

The very day in which a propertied person mortgages his property he loses his rights for the wealth he has owned, because his property goes from him as a security for the loan he makes. And while losing the rights, he takes upon himself the obligation to divide the results of his labor between the lender and himself, and thus falls under the influence of dividogenesure. For, henceforth, he spends his active energy in favor of the creditor and himself, and is obliged to regard the interests of the creditor as of more importance than his own. The rate of interest to the creditor must be accurately paid so much per cent per annum for the loan. Hence, the mortgagor at once appears in the position of a tenant of farm or of any other property. And it depends on the rate of the percentage he agreed to pay out of the results of his labor whether he is better off or worse even than a mere tenant. It also depends on the fact whether his mortgaged property is a large one or small, and whether he has mortgaged one part or the whole of his resources of wealth. In any way, a mortgagor, according to the degree of his indebtedness, is an economic slave of the owners of greater wealth. And he must have a supernatural ability and must use an extraordinary effort in order to pay his debt or to redeem his property. Otherwise his property must pass into the absolute ownership of the wealthy families that millions of other individuals already labor for under the modern type of slavery.

111

But let us now see the statistical facts and then we may better judge of what mortgages signify and what they mean to the nation. We shall take the other class treated in the same bulletin out of which we extracted the 6,624,259 tenant families for the preceding chapter.^[87]

STATISTICS.^[88]

“Extra Bulletin No. 98 of the United States Census, 1890,” (of the mortgagor families) “says:”

That out of the whole 4,767,179^[89] farming families in the United States only “65.92 per cent,” or 3,142,414 families “own the farms cultivated by them.” And “that 28.22 per cent,” or 886,839 families out of the 3,142,414 owning ones, “own subject to encumbrance,” i. e., they are in debt; “and 71.78 per cent,” or 2,255,575 families, “own free of encumbrance.” So that among every 100 farm owning families 72^[90] own without encumbrance and 28 own with encumbrance.

FARM FAMILIES IN DEBT.

112

And the same Bulletin further says: That “on the owned farms there are liens^[91] amounting to \$1,085,995,960, which is 35.55 per cent of the value of the encumbered farms, and this debt bears interest at the average rate of 7.07 per cent,” which is more than 7 dollars for every \$100 borrowed. It is at this rate per annum that the farmer’s labor energy is drained by the wealthy creditors or by the bankers. “Each owned and encumbered farm on the average is worth \$3,444.” This average, of course, includes the families far above \$3,444 worth and far below it—“and” each, on the average, “is subject to a debt of \$1,224.”

DEBT AT 7.07 PER CENT.

Hence it follows that the principle of dividogenesure, in these cases, has a yearly demand that every debtor should, on the average, pay about \$86.53 worth of the results of his labor energy to his creditor. And it is a question whether even a highly effective capital worth \$1,224 is really able to increase the yearly results of the debtor’s labor to the extent of \$86.53—I mean an increase in his product absolutely due to the aid of the borrowed capital on which he is to pay this sum as the annual interest charge. It is rather probable that the majority of the mortgagors pay more than half of this annual percentage at the expense of their personal energy, even under the condition of the most effective use of the borrowed means. For the rate of 7.07 per cent is unconscientiously exorbitant and is generally abnormal.

INTEREST.

113

As to the families owning homes, the corresponding facts are “that 27.70^[92] per cent,” or 809,831 families, out of the 2,923,577 home-owning families, “own their homes with encumbrance, and 72.30 per cent,” or 2,113,746, “own them without encumbrance.” So that in every 100 home-owning families 28 are in debt and 72 are free of debt. “The debt on owned homes aggregates \$1,046,953,603, or 39.77 per cent of the value of the encumbered homes, and bears interest at the average rate of 6.23 per cent. An average debt of \$1,293 encumbers each home, which has an average

HOME FAMILIES IN DEBT.

DEBT AT 6.23 PER

value of \$3,250." This average again includes the family homes worth far above and far below the indicated value. While the homes below this value may have greater encumbrances than the others; and it is certainly the poorer families that lose their properties first, if they attempt to get rich by means of the loans they can obtain at the rate of exorbitant per cents.

CENT.

114

If then the average debt of these 809,831 families is \$1,293 and the rate per cent for it is 6.23 per cent per annum, every one of them is, therefore, a subject to the principle of dividogenesure at the rate of \$80.55 a year. It must, however, be understood that the averages indicate only the general truth, and always conceal the particular miseries and distress of many millions of the people. And I understand that many of these debtors have been in the gainful pursuits spoken of by Mayo-Smith, and hence the dividogenesure presses upon them from two or even more sides. But it is only the next census that will show us the situation these debtors are in.

AVERAGE OF INTEREST.

Let us now speak about the cities and towns with one side of which we have become acquainted in the preceding chapter.

CITIES AND TOWNS.

"There are 420 cities and towns that have a population of 8,000 to 100,000, and in these "cities and towns 64.04 per cent," i. e., 1,120,433 "of the home families hire and 35.96 per cent," i. e., 629,146 families "own their homes, and of the home-owning families 34.11 per cent," i. e., 214,602 "own with encumbrance and 65.89 per cent," i. e., 414,544 "own free of encumbrance. The liens on the owned homes are 39.55 per cent of the value of those subject to lien. Several averages show that the rate of interest is 6.29 per cent; value of each owned and encumbered home is \$3,447; lien on the same is \$1,363." (See Appendix I.)

OWNERS OF THE CITIES FOUND AMONG 414,544 FAMILIES.

115

So that these debtors of the 420 towns and cities are also subject to the principle of dividogenesure at the rate of \$85.73 each per every year, as long as the mortgages remain in force and are not foreclosed.

"The cities that have a population of 100,000 and over" (up to millions) "number 28, and in these cities 77.17 per cent," i. e., 1,503,911 "of the home families hire and 22.83 per cent," i. e., 444,923 "own their homes; 37.80 per cent," i. e., 168,179 of the latter families have encumbrance and 62.20 per cent," i. e., 276,744 families are free of encumbrance. Averages for owned and encumbered homes are: Encumbrance, \$2,337; value, \$5,555; rate of interest, 5.75 per cent. Homes are encumbered for 42.07 per cent of their value." This is the largest average encumbrance among all encumbered homes and farms.

OWNERS OF THE LARGE CITIES FOUND AMONG 276,744 FAMILIES.

So that every debtor in these 28 large cities (and there are 9 of them in every 100) is a subject to the principle of dividogenesure at the rate of \$134.37 each in every year as long as the mortgage is in force and is not foreclosed. It is after the foreclosure that the debtor cannot even redeem his mortgaged property; he has then to remain propertyless. Let us now sum up the preceding conclusions in a tabular way, as follows:

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United States Farms and Homes.

The Farm-Families.	Per Cent.	Number of
The total of families occupying farms		4,767,179
(1) out of them: The families hiring farms	34.08	1,624,765
(2) and the families owning farms	65.92	3,142,414
Out of the last 65.92 per cent. of them are those owning farms with encumbrance	28.22	886,839
And those owning them free of encumbrance	71.78	2,255,575
The Home-Families.		
The total of families occupying homes		7,922,973
(1) out of them: The families hiring homes	63.10	4,999,396
(2) and the families owning homes	36.90	2,923,577
Out of the last 36.90 per cent. of them are those owning homes with encumbrance	27.70 ^[93]	809,831
And those owning them free of encumbrance	72.30	2,113,746
Total of farm and home families with encumbrance		1,696,670

This double table shows clearly enough that there were 8,320,831 tenant and mortgagor families that have been subject to the principle of dividogenesure. And that these families had 41,061,563 individual members, including children that have now grown up to the same fate of the drain of labor energy, under which their unfortunate parents have been. For all these individuals, of course, cannot exist without working in favor of the few money lenders and propertied men, because the tenants have no resources to apply their energy to, and the mortgagors cannot profit themselves by the loans of exorbitantly high per cent of interest. Hence, they are all drained and all are economic slaves of the wealthy few.

SUBJECT TO DIVIDOGENESURE.

117

Besides, the necessary life-expenses of every one, subject to a strong dividogenesure,^[94] are

absolutely greater than the same expenses of any one in the wealthy group. While the incomes of the rich that the millions of other individuals and the forces of capital work out, cannot even be compared with the semi-incomes of the poor that are obliged in any way to work for the wealthy, when these are disposed to give them a chance to work.

Further, is it not an abnormal reality that the 420 towns and cities in the United States should belong to less than 24 per cent of the entire population in them? And is it not strange that the remaining 76 per cent of the inhabitants in these cities and towns should live and labor with the purpose of feeding, fattening and enriching these 24 per cents of the people who are really the owners of these towns and cities? And is it not abnormal in the extreme to have 28 cities, populated by hundreds of thousands and by millions of individuals; and that these cities, including all kinds of buildings, machines, houses, etc., etc., should actually be possessed by less than 14 per cent of their population? And that, in addition to this extreme abnormality, the remaining 86 per cent of their people should be obliged to divide all results of active and creative energy with these few owners of the great cities?

But what is inconceivably strange is that this extremely abnormal situation should be produced in a nation governed by the people's representatives chosen by their good will and purpose; and that this will and purpose should bring about the results of so great injustice and wickedness against this people, is only possible on the basis of ignorance, neglect of duty and selfishness.

Let us now have an idea of the progress of development of the principle of dividogenesure in the United States, and of the rapidity with which the people fall under its oppressive influence, thus gradually becoming propertyless or the absolutely helpless economic slaves of those that capture them within the extensive nets of that principle.

"Extra Census Bulletin No. 71 gives the statistics on mortgages by amounts, length of mortgage, rate of interest for the United States from 1880 to 1889."

It says: "That during that time 9,517,747 real estate mortgages, stating amount of debt incurred, were made in the United States, representing an incurred indebtedness of \$12,094,877,793. The number of mortgages made during one year^[95] increased from 643,143 in 1880 to 1,226,323 in 1889, or 90.88 per cent, and the yearly incurred indebtedness increased from \$710,888,504 in 1880 to \$1,752,568,274 in 1889, or 146.53 per cent."

INCREASE OF MORTGAGES.

"With regard to mortgages on acre-tracts, the number made during 10 years was 4,747,078, representing an incurred indebtedness of \$4,896,771,112." The increase in making them was as follows: "The number of these mortgages made in" the year "1880 was 370,984; in 1889, 525,094." So that during the years between these "an increase of 41.54 per cent" was made; "while the incurred indebtedness increased from \$342,566,477 in 1880 to \$585,729,719 in 1889, an increase of 70.98 per cent.

ACRE-TRACTS.

"The increase was relatively larger in the case of mortgages on lots. They numbered 4,770,669 during the 10 years, and the indebtedness incurred under them amounted to \$7,198,106,681. From 1880 to 1889 the annual number made increased from 272,159 to 701,229, an increase of 157.65 per cent. During the same time the amount of annual indebtedness incurred increased from \$368,322,027" in the year 1880, "to \$1,166,838,555" in the year 1889, "an increase of 216.80 per cent."^[96]

ON LOTS.

As you see, the yearly increase in the numbers of making new mortgages was astonishingly great on all sides. This progress of falling under the influence of dividogenesure, falling into debt, indicates that the people could not avoid becoming slaves to the percentages for loans. This progress indicates that they were compelled by the generally abnormal conditions of existence to take the risk of losing their properties. And all cities thus grow as "New York City," where "but 6½ per cent of the families owned their homes"^[97] in 1890.

"AMOUNTS:"

"During the decade 622,855,091 acres were covered by 4,758,268 mortgages stating and not stating the amount of indebtedness incurred under them. The number of acres covered by mortgage in 1880 was 42,743,013; in 1889, 70,678,257; an increase of 65.36 per cent. In the case of lots covered by mortgage the increase was 198.25 per cent. The number" thus "covered by mortgages stating and not stating amount of indebtedness in the former year being 429,955; in the latter year 1,282,334.

"At the end of the decade, January 1, 1890, the real estate mortgage indebtedness amounted to \$6,010,670,985," on the whole, "represented by 4,777,698 mortgages,"^[98] which were divided into the mortgages on the acres and the mortgages on the lots.

ON ACRES AND LOTS.

It was also computed that the average length of a mortgage in the United States is longer than four and a half years, or exactly "4.660 years." The Bulletin calls it a "life of a mortgage," which may last "as much longer without being paid off;" that is, a mortgage may last as long as the creditor gets his rate of interest, or as long as his increasing interest is secure in the whole value of the mortgaged property. Otherwise a mortgage is foreclosed.

LIFE OF MORTGAGE.

But what is specially important for us is whether the mortgagors are able to extinguish their debt

with the same rapidity with which it was incurred by them? If they are able to pay off their debts at the proper times, then mortgaging of property would at least appear uninjurious to their well being, though it could not be regarded as profitable to them.

The same "Bulletin No. 71," however, states that, "since mortgages in force were made, 12.68 per cent of the original amount of indebtedness incurred under them has been extinguished by partial payments." Now, it was time to extinguish all the original amount on mortgages in force. Yet 87.32 per cent of the original indebtedness could not be paid off by the debtors. And this is a sign of the most forcible argument, showing that the greatest majority of the mortgagors have been on the way to ruin, and on the way of losing their properties. It is thus the millions of tenants appeared in 1890.

**ORIGINAL DEBT
PAID: 12.68 PER
CENT.**

**ORIGINAL LOSS OF
PROPERTY: 87.32
PER CENT.**

THE PER CAPITA DEBT.

Instead of being paid off at proper times, the mortgage debt was accumulating so far that if it were divided among the entire population in 1890, every man, woman and child would have been in debt of \$96. Just as the Bulletin says that "the mortgage debt per capita in the United States is \$96; the three largest state averages (omitting the District of Columbia) are \$268 in New York, \$206 in Colorado, and \$200 in California. The smaller ones are found in the south and the Rocky Mountain region."^[99] Such is the per capita debt in these three States.

**PROPORTIONS ON
STATES.**

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"In 41 States 28.86 per cent of the taxed acres are covered by mortgages in force. The largest proportion of mortgaged acres is in Kansas, where 60.32 per cent of the total number of taxed acres are mortgaged. Nebraska stands next, with 54.73 per cent; South Dakota third, with 51.76 per cent.^[99]

"In the five States, Illinois, Kansas, Missouri, Nebraska, and South Carolina, 23.99 per cent of the taxed lots are covered by mortgages in force,"^[99] and so on in the other States. But the most important fact is the annual interest the people have to pay to the wealthy few for their loans.

AVERAGE RATE PER CENT ON THE DEBT.

"The average rate for all mortgages in the United States is 6.60 per cent. For mortgages on acres," the average is "7.36 per cent; for mortgage on lots, 6.16 per cent. These rates make the annual interest charge on the existing real estate mortgage in the United States amount to \$397,442,792."^[100]

**U. S. RATE PER
CENT.**

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Now we have reached the principle point in these statistics. Imagine that the families in debt are annually charged with the rate of interest amounting to \$397,442,792 worth of the results of their labor, and that the group of creditors get this amount of wealth yearly without work. And think that, if the average life of a mortgage is even 4½ years long, these families have to pay \$1,788,492,564 worth of wealth produced by their energy during this time. But we were told that the average length of a mortgage life continues "as much longer without being paid off," that is, it lasts nearly 10 years, and these families have, therefore, to pay nearly \$4,000,000,000 worth of the wealth produced by them during this time. That is how the debtors are affected by the principle of dividogenesis which steadily works in all directions in favor of the wealthy few. This is the economic slavery that the Nineteenth Century has established for the people of the United States.

INTEREST CHARGE.

The Bulletin shows that this interest charge is for mortgages on acre-tracts and on lots, against which the debt of \$6,010,670,985 was in force in 1890, after which it continued to exist and to increase probably with the same rate as it increased in the previous decade. For, nothing special has been done to prevent the needy people from mortgaging their properties. So the mortgages were increasing and the annual interest charge against lots and acres, too, continued to increase.

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But the Extra Bulletin No. 98 shows that the indebtedness on owned farms was equal to \$1,085,995,960,^[101] and the same on owned homes was equal to \$1,046,953,603;^[102] so that, added together, these two classes of debt amount to \$2,132,949,563, as was stated in this Bulletin. And the average rate of interest on this debt is shown at the end of the second Bulletin to have been 6.65 per cent per annum. And "the annual interest charge is \$141,910,106"^[103] that has been a burden on 1,696,670 families represented here in the table, p. 116. Of course, thousands of these families have now lost their properties forever, as there were liens on their farms and homes representing the above total of more than 2-billion dollars.

**INTEREST CHARGE
ON FARMS AND
HOMES.**

**COMBINED
INTEREST CHARGE.**

If we now unite the annual interest charge on the acres and lots mortgage debt, and the annual interest on farms and homes mortgage debt, we find that these charges amount to \$539,352,898 in every year, which must be paid in any way.

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It is certainly not the yearly charge of the memorial past, but it was stated as existing in the year 1890, and would naturally continue as an annual interest charge up to the present day. The debtors must use an extraordinary effort in their toil, in order to get sufficient results from their applied energy for clearing up this annual interest charge, and keeping themselves alive.^[104] And to speak about an unusual prosperity of the people under such conditions is as absurd as to say that the creditors are growing poor from receiving the annual interest charge consisting of \$539,352,898 worth of wealth because they get it yearly without work.

Yes, every one that speaks about prosperity in the United States knows what he means. For the statistical facts prove that there is an unusual prosperity for the very few that the tens of millions of individuals are bound to work for. But, is it prosperity for these millions of the propertyless * * * and debtors? No, there is positive enslavement for them and their children. And it is the innocent children or posterity that are to be specially pitied.

These tens of millions of individuals become weaker and weaker consumers of their own products and products of the nation. So that, the few prosperous families are obliged to look after wider foreign markets to export to the produce that the millions here have no means, no purchasing power to acquire. It has long been the case in England, where millions of the people wear overcoats, for instance, from 5 to 10 years each, without being able to procure new ones; while the exports of all goods are ever going on to the different foreign markets. And the United States are growing similar to Great Britain in almost every respect. * * *

"The percentages representing encumbrance for various rates of interest," says the Extra Bulletin No. 71, "show that the larger encumbrances bear the lower rates of interest, as a general fact." And the differences in the rates of interest are from "less than 6 to greater than 12 per cent." Hence, the poorer the mortgagors, the greater the weight of oppression they bear; and the greater oppression they bear, the quicker they lose their properties, and the greater becomes the number of tenants and of economic slaves which we have.

**RATES OF INTEREST
ARE HIGHER ON
THE POOR.**

The brute-minded creditors think that it is natural to skin the helpless, because they have no great security for the loans.

What is the significance of mortgages for the nation? And what do other men acquainted with mortgages think of them?

The significance of mortgages has already been considered by many thoughtful men, and it is not out of place to quote here the ready views of some of them.

SIGNIFICANCE.

As there are two economic classes of the people in the United States,^[105] so "there are two views, both of which must be understood." The view presented by writers like Mr. Edward Atkinson is known to some people as worthy of regard, notwithstanding that these writers knock their heads against a mountainous wall of facts. "They argue that the mortgage is an indication of prosperity." Mr. Atkinson says, in the "Forum" for May, 1895, writing (before the complete mortgage returns given above had been reported) concerning the census returns for 33 States:

**SEMI-OPTIMISTIC
VIEW.**

"The first startling fact is that in these 33 States and Territories nearly 7,000,000 mortgages have been recorded in ten years for a total sum of nearly \$9,500,000,000. The final statement, covering the whole country, which has not yet been published, discloses the fact that 9,517,747 mortgages were executed in the decade 1880-89 to the amount of \$12,094,877,793."^[106] * * *

And then because "on the first of January, 1890, the amount of these mortgages remaining unpaid in the whole United States was \$6,019,679,985,"^[107] Mr. Atkinson says: "It therefore appears that during the decade one-half of the mortgage debt incurred had already been paid." But he forgets to deal with the process of losing property by the thousands of the debtors who appeared without property in 1890.

And being uncertain about mortgages on acres and lots at the beginning of the last decade, he infers that "the least estimate of the sum due on acres and lots at the beginning of this period (1880-90) would be \$1,500,000,000." And continues that "these original mortgages executed prior to 1880 must have been wholly liquidated, mostly by payment." * * *

As regards this point we have equal or even greater reason to say that those mortgages have mostly been liquidated by an absolute loss of property, because at the end of the decade we have had many millions of propertyless families.

But the chief feature of the situation Mr. Atkinson wishes to vindicate is that the mortgage growth indicates prosperity and not the system of tenancy and landlordism as in Great Britain. He says:

"The evidence is conclusive that the increase of hired farms does not imply the permanent establishment of the relations of landlord and tenant after the English fashion. It does not imply the concentration of land in fewer hands, but rather the reverse. It does imply better and more intelligent methods of agriculture, larger and more varied crops produced from lessening areas of land throughout the whole great grain-growing section,"^[108] and so on.

**AFRAID OF
PRIMOGENITURE.**

As to the prosperity, I will say, that a family securing a large amount of borrowed money or capital at low rates of interest may prosper under mortgage by efficiently applying the capital on its wealth, by efficiently applying the labor energy of the family members, and, especially, by efficiently applying hired labor upon its farm or any other kind of property. So that, only those mortgagor families can have prosperity, which are aided by many agencies in drawing incomes from their land. While all the poorer families must be ruined by the mortgages.

**CONDITIONS OF
PROSPERITY.**

As to the argument that we have no establishment of tenancy after the English fashion of primogeniture, it is enough to refer the reader to the third chapter of this work, and beg him to understand it well by reading a second time. For the effects of primogeniture and dividogeniture

are the same, as both principles demand that millions of individuals should divide the sole results of their applied energy with the few owners of capital and wealth, or else these millions must starve without employment. They produce economic slavery in England and in the United States, where most of the people are now propertyless and therefore helpless.

Dividogenesure, however, differs from primogeniture by including all mortgagors into its sphere of oppression.

And it seems to me perfectly naive to assert that "larger and more varied crops are produced from lessening areas of land throughout the whole grain-growing section" of the country. For it really means that the more land the people lose through mortgages, the better crops they will produce, and hence the best crops must be produced by them when they lose all the land they formerly owned.

LOGIC QUEER.

But Mr. Atkinson does not here deal with the fact that more than 64 per cent of the population in 420 cities and towns, and 77 per cent of it in the 28 largest cities are also tenants of homes, beside the tenants of farms he writes about. He does not speak of the fact that the 420 cities and towns actually belong to less than 24 per cent of their population, and that the 28 great cities in the United States really belong to less than 14 per cent of their population; and that the whole population of the 448 cities and towns are bound, by dividogenesure, to work in one or other way for the small per cent of their wealthy neighbors, the only independent population that holds the others in slavery. A dealing with these tenants would disprove his position. See appendix I.

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Mr. G. H. Holmes, writing in the "Annals of the American Academy and Social Science Quarterly," gives a more balanced view on the subject. He says:^[109]

"While mortgage debtors must admit that they have done better to obtain real estate on credit than not to obtain as much of it as they have done, or not to obtain it at all, they are nevertheless in a situation where they feel the pinching effects of a reduction or loss of income more than real-estate owners do who are not debtors. This is owing to the interest that is wanted by the mortgagee."

PINCHING EFFECTS.

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While a still better view is given by Rev. Wm. Bliss, editor of the Encyclopedia of Social Reform.^[110] He says:

"The mortgage indicates a hope of progress, but also a slavery to interest under which many sink."

It is exactly the point of reality, for many propertied families borrow money with the hope of getting economically better off, but the hopes mostly deceive them, and they find themselves in the trap of slavery on account of paying too high rate of interest for the loans they obtain. And it is this slavery to interest that makes them absolutely propertyless, slaves to dividogenesure.

DECEITFUL HOPES OF VERY MANY.

And it follows that the claim of Mr. Atkinson, that mortgages are profitable to both the mortgagor and the mortgagee is only true in the cases of paying the rates of interest not exceeding 3 per cent per annum, which, however, does not exist in America. And if this rate had been in existence, then, an effective application of all possible agencies of production could make the mortgages profitable to the mortgagors and the mortgagees. While under the present conditions they are only ruinous to the former and most profitable to the latter.

But let us see the other view on mortgages which must be understood too.

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"The view that America is becoming a nation of tenants is well known," says Mr. J. P. Dunn, Jr., writing in the Political Science Quarterly for March, 1890, after describing the situation as regards the Western States.^[111]

SEMI-PESSIMISTIC VIEWS.

"BURDEN OF DEBT."

"The mortgage indebtedness of the Western States is a matter worthy the attention of economists and statesmen, as well as of the people of those States. Whatever may be thought of its effects, it is a fact—mountainous and immovable. And more, the probabilities that loom far above the figures here presented make it very questionable whether the alarmists who have discussed the subject have in fact materially exaggerated the existing conditions. * * *

MOUNTAINOUS AND IMMOVABLE.

"If the people of the Western States may be considered thrifty and judicious, the people of Michigan may, and by the official records their condition appears to be as bad as that of their neighbors in Indiana. In 1887 an attempt was made by the bureau of statistics to ascertain the mortgage debt of the State through personal declarations of the owners of land. * * * The returns show (report of 1888) that the real estate mortgages of the State amount to \$129,229,553, with an annual interest payment of \$9,451,851 on a total realty valuation of \$686,614,741. Of this amount \$64,392,580 is on farms, and the annual interest charge is \$4,636,265," which the farms pay out of their produce. "The number of foreclosures made during the year was 1,667, and in only 131 cases were redemptions made, leaving a net loss of 1,536 pieces of property by foreclosure in one year. The situation apparently justifies the statement of Commissioner Heath that a very large per cent of the people seem to be in a financial rut, and are unable to extricate themselves."

AN EXAMPLE OF FORECLOSURES.

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Here you are. Mr. Dunn's view is not an argument based upon an inference from a guess, but on immovable facts of evidence which testify that the State of Michigan alone assists the prosperity of the few wealthy families by the yearly contributions of \$9,451,851 worth of wealth produced by the labor energy of its debtors. And that

LOSSES IN ADDITION TO LOSSES.

in addition to this contribution, the same debtors make a net loss of 1,536 pieces of property by foreclosure in one year. That's how this civilized nation regulates the system of money-lending for helping the people to live. And that's how the civilized slavery is instituted. It is by becoming mortgagors that the families pass from a bad degree of slavery to a worse, until they lose all property, and become totally helpless slaves of dividogenesure.

But do not flatter yourself by thinking that this is only the fate of Michigan. No, the people's economic conditions are more or less similar in all the States and Territories, and some States are much worse off than Michigan, as the statistics show their situation.

Mr. D. R. Goodloe, in the "Forum" for November, 1890 (not knowing yet the facts of the East), says:

"The conclusion from this melancholy array of facts is irresistibile. The virgin soil of the West is rapidly ceasing to be the home and the possession of the sturdy American freeman. He is but a tenant at will, or a dependent upon the tender mercies of soulless corporations and of absentee landlords. We have abolished monarchy, and primogeniture, and church establishments supported by the State, yet the universal curse of humanity, the monopoly of the earth by the wealthy few, remains." * * *

**A CURSE OF
HUMANITY.**

And I can tell Mr. Goodloe that these few have monopolized, not only the earth of the country, but also the hundreds of cities and towns, together with their buildings, their capital, their natural and artificial wealth, their houses, etc., etc., and the tens of millions of the inhabitants of these towns and cities too, have been economically enslaved, under the system of dividogenesure, to the same wealthy few.

CONCENTRATION OF WEALTH IN MONOPOLIES,
ETC.

The first and the second chapters have revealed to us that, since the year 1890, there have been nearly 34-millions of individuals without property in the United States. The third chapter has shown that about one-half the results of their labor must be expended for the necessary support of existence, while the other half must go to enrich the owners of rentable farms and homes for which these owners draw incomes from the propertyless, without any labor or without any expenditure of their own energy. Besides this, out of the more than 47-millions of individuals in the gainful pursuits,^[112] there must have been hundreds of thousands of families who have small properties, like homes, but their members have been obliged to support themselves by laboring under the same conditions of dividogenesure as did the propertyless.

If we admit then that there have been only 38,837,849 individuals in the gainful pursuits absolutely under the principle of dividogenesure, and that if one million families have employed them in various ways, gaining 25 cents daily from each person thus employed, the total daily income of these families would be \$9,709,462 per every day.^[113] And if the labor year on an average, for all, consists of 250 days, the yearly income of the million families would amount to \$2,327,365,500. This amount then would be yearly added to the aggregate wealth of the fourth group of the 2d R. table, p. 47. Though most of the income would go to only a few families among the million.

And if the mortgagor families continued to exist even without an increase in their numbers—which is really impossible, for the mortgages certainly must have increased—and continued to pay the annual interest charge at the rate of \$539,352,898, as has been stated on pp. 125, 126, then the yearly income of the wealthy families in the 4th group of the 2d R. table must have been still greater than what they could get from the propertyless alone on the condition of giving them employment, and renting them the rentable farms and homes. In fact, the direct and indirect profit in favor of the wealthy few from the application of the labor energy of the above millions of the economically enslaved would amount to \$20,067,028,786 worth of wealth during seven years. And what do we have?

Mr. G. B. Waldron, continuing the estimates of the increase of wealth by the Director of the Mint, from 1870 to 1897, has shown that by 1890 the increase of wealth had reached \$65,037,091,197, as has been already stated in several places, while in 1897 the increase amounted to \$86,825,000,000 worth.^[114] So that an addition of \$21,787,908,803 worth of wealth has been made by the people's energy during seven years. Yet, with this enormous increase of the wealth in seven years, listen! listen! to what the statisticians said in 1897:

"In the United States wealth has increased phenomenally; wages since 1873 have fallen (on account of too great supply of labor); the concentration of capital has increased; the number of the out of work has grown."^[115] Some men tried to minimize the significance of these statements by proving the contrary situation. Mr. Atkinson is one of those who said that "wages have risen and prices fallen," which view he entertained on the bases of government reports. But all such arguments "have been shown in the article 'Wages' of Enc. of Soc. Reform, to be false."^[116] And Prof. Mayo Smith has disproved all attempts of these men to show that the wages have risen, on the whole, by showing the falsehood of the averages such men represented in their arguments.^[117]

Further, the fundamental doctrine of wages in economics is that the rates of wages depend principally on the efficiency of labor and on supply and demand of labor. That is, if the efficiency of the laborers is high, the wages can be high, and if the demand is great and the number of the laborers small, the wages are again high; but if the demand for laborers is small, and the supply is large, the wages must naturally be low, whether the efficiency of the laborers is high or low.

The wages in the United States since 1873, on the whole, have gradually fallen, but not so low as they ought to have done. For, as the propertyless people have increased in numbers up to tens of millions, the wages should have fallen twice as low, otherwise only half the employees at a time should have employment, because of the over-supply of laborers. But, since the trade-unions have been organized, the wages have artificially been kept up (for the employed) by these organizations, and by the employers themselves to some extent.

"A trade union," says Mr. Webb, "is a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their employment."^[118] The chief object of it is to elevate the social position of its members. * * * It is a union of individual forces in order to compete against the undue and unfair encroachments of capital into the continuance of the established well-being of the united individuals."^[119] Hence, "the trade unions wish to keep up the rates of wages, and to prevent a laborer from accepting employment, under stress of starvation, on terms which in its common judgment would be injurious to the union's interests. And they would rather encourage idleness than cheap labor. Such idea existed with them since the beginning, or when it originated. This idea originated in 1741," says Mr. Webb,^[119] "but the special enforcing of it commenced at the beginning of the

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eighteenth century.” * * * And surely many an employer knows very well what the “Strike in Detail” of the trade unions under this enforcing means.

The trade unions have used all the means in their power for the purpose of holding up the wages. But, if the wages have fallen notwithstanding the artificial support, their falling testifies to the presence of a mightier force pressing them down.

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In 1896 it was said that, “according to the last volume of the Connecticut Labor Report and the Massachusetts Statistics of Manufactures, the nominal rate of wages in 1894 had declined 7 per cent below the level of 1892, while the yearly incomes of laborers had been still farther reduced by the lack of employment.” The Connecticut Report testifies that wages for the same period fell about 10 per cent, and it says that “the heavy losses of the wage-earners, however, came not from reduced pay, but from reduced employment, and that the reduction in pay and in the employment had decreased the total wage-payments 25 per cent.” And “the great mass of families in Connecticut had had their incomes reduced one-fourth,” says Dr. Spahr.^[120] So that, in Connecticut and Massachusetts, together, “the family incomes of the laborers between 1892 and 1894 fell at least 20 per cent. In Pennsylvania they fell 24 per cent. The fall of wages in agriculture from 1890 to 1894 reduced the incomes of laborers to the extent of 20 per cent.”^[121] And the rents of houses, on the whole, have risen against the homeless.

GROSS INCOMES OF WORKERS DECREASED.

It is not necessary to multiply the same examples in the remaining States, since we know that the supply of labor has increased throughout in the United States; and since we know that the demand for labor has proportionately decreased. And, consequently, the wages in general must have fallen according to the fundamental principles of economics, because of the increase of population without property and without resources.

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Now then, if the incomes of, say, 40-millions of individuals in the gainful pursuits, have on the whole been reduced; and all these millions of people have been made worse off, we have the right to ask: Who was profited by the phenomenal increase of wealth during the period of the seven years? In other words: Who had obtained the amount of \$21,787,908,803 worth, the increase of wealth up to 1897? Is it the group of tenants, or the group of mortgagors? or is it the group of owners of free farms and homes worth \$5,000 and under, as they are represented in the 2d R. table, p. 47? And was it possible for all these highly productive families to retain a goodly share of this phenomenal increase of the wealth?

WHO PROFITS BY THE INCREASE OF WEALTH?

The above total of the increased wealth, divided by the 7 years, gives, on the average, an increase of \$3,112,558,400 every year. It being, of course, understood that this average was smaller in the year 1891, and augmenting year by year, it became largest in the year 1897. And this augmenting necessitates a progressive increase in the business of all monopolies, trusts and combinations, highly increasing the gross and the net incomes of all.

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THE TOTAL ITEMS OF THE CONCENTRATION OF WEALTH.

Let us then sum up the net earnings of the natural monopolies alone, as they are given on p. 101, leaving out their necessary increase consequent upon the unavoidable growth of business in their favor during the seven years. The net earnings of \$563,689,333 by these monopolies in every year amount to \$3,945,825,331 worth of wealth in seven years. This is one item of positive loss by tens of millions of the people in favor of a few families, connected with the monopolies.

PROFITS OF NATURAL MONOPOLIES.

Another item of similar earnings, we have seen on pp. 125, 126, consists of the annual interest charge, equal to \$539,352,898, from the results of labor of the mortgagor families, who are compelled to lose this amount of their substance yearly in consequence of the abnormal distribution of wealth in general. And, as there is no reason to suppose that mortgages were not increasing in their numbers, and the mortgagor families were not losing their properties by foreclosure, so there is no reason whatever to suppose that the above annual interest charge against mortgages, on the whole, had diminished up to 1897. Hence, we consider that the above annual interest charge continued to be paid at least as it was paid in 1890. For, in order to diminish it or to stop its ruinous effects, some important reform must be accomplished, which, however, has not been done.

PROFITS OF MORTGAGEE MONOPOLIES.

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The annual interest charge of \$539,352,898, against the private family-mortgages, in seven years amounts to \$3,775,470,286 worth of wealth or of the products of the mortgagor families, lost during the period in favor of group 4 of the 2d table (p. 45 or 47). This amount is in addition to “the net earnings of \$3,945,825,331, which accrued to the same group of families in the table.

Further, we have seen in the lower table, p. 116, that there were 4,999,396 families that hire their homes, because being homeless. And this number of the homeless must be augmented by 246,938 families, found in the group of the “tenants of farms and homes,” which are represented by the author of the same 2d table to be so many more than the lower and upper tables, p. 116, contain of the tenant families. We have therefore to deal with 5,246,334 families that hire their homes^[122] mainly in the 448 cities and towns we have spoken about on pp. 81, 114-15, 132. For it is they that find shelter in the rentable houses of these cities, towns, etc., by paying rents. And our problem is to find the amount of rent they paid to the owners of these houses.

MONOPOLIZERS OF RENTABLE HOMES.

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An example of average monthly rentals may here be presented for Boston, as follows:

Monthly rentals under \$5	average	\$4
From \$5 to \$10	average	8
From \$10 to \$15	average	12½
From \$15 to \$20	average	16⅔
From \$20 to \$25	average	22 ^[123]

These averages may be too small for many cities and too large for the whole United States. But if we take the general average for all families at \$9.50 a month, it will probably be little below,^[124] but cannot be above the true one. In fact, if every family of 4.93 members paid an average of \$9.50 of monthly rent, it would indicate only the net income in favor of the owners of the rentable houses, and absolute losses on the side of the homeless.

PER FAMILY HOUSE RENT.

Now then, by paying \$9.50 a month each, the 5,246,334 homeless families paid \$598,082,076 rent in one year. And by paying the same amount seven years, without regarding the increase of families, they paid \$4,186,574,532 worth of their energy, as an unavoidable tribute to those that speculate in their comfortable beds, while performing every action by the hired labor of agents and building new houses by hired laborers.

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Furthermore, we have seen in the upper table, p. 116, that there were other 1,624,765 families that hire their farms, because being landless.

If we regard the average tenements of these families at 136 acres of land per family,^[125] we shall find that the 1,624,765 tenant families held about 220,968,040 acres of land every year. Although this general average for all farmers in the United States may be a little too small for the tenant families, because their acreage increases much more rapidly than that of the families owning their farms, as we shall soon see, yet we shall consider this average as it is given.

MONOPOLIES OF RENTABLE LANDS.

As to the average rent per acre of the farming land for the United States, the general average was \$2.81 for wheat and \$3.03 for corn raising lands.^[126]

Supposing, however, that many farm tenants hold the grazing and other less valued lands, let us even admit that the general average rent per acre was only \$2.75 for all lands hired by these tenants.

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By paying then \$2.75 of rent per acre, the 1,624,765 tenant families paid \$607,662,110 in one year for the 220,968,040 acres of land that does not belong to them. And by paying the same amount seven years—from 1891 to 1897 inclusive—they paid \$4,253,634,770 worth of wealth to a number of the speculators upon land and upon the energy of the farmers who are the slaves of dividogenesis. It follows that every farming family of this group, on the average, paid about \$374 for the land alone.

THE PROFITS OF LAND MONOPOLIES.

It seems, however, that there are many farm tenants that pay separate rents for the farm houses. And in the year 1890 these paid the total of \$140,000,000 of the house rent, says Dr. C. B. Spahr.^[127] By paying this rent seven years they paid an additional amount of \$980,000,000 worth of their crystallized energy. Including this total into the general total of house rents, let us now sum up the above losses of the productive people, which are the gains of the few monopolists and speculators for the seven years as follows in the 1st table of concentration of wealth on the next page:

HOUSE RENT ON FARMS.

1st Table of Concentration of Wealth.

Monopolies and Combinations.	Total Net Incomes.
The natural monopolies ^[128]	\$ 3,945,825,331
Mortgagee monopolies ^[128]	3,775,470,286
Companies, etc. of rentable houses	5,166,574,532
Monopolies of rentable lands	4,253,634,770
Grand total	\$17,141,504,919

Even this grand total indicates that a nation of thirty millions of individuals would be rich by it, yet it does not include many other net incomes.

Besides these certain facts, the highest rentals derived from the offices, hotels, and other rentable properties found in the central parts of the cities above and below 100,000 population are to be ascertained. And no one will doubt that the comparatively very few owners of these city-centers must have collectively drawn a greater amount of the net incomes from rent, than can be expressed by three billion dollars' worth of wealth, derived without work by the few owners of the most valuable parts, especially of the 28 cities far above 100,000 population.

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Further, we have not treated the net earnings of the companies and combinations filling up the large storehouses of the wholesale and retail business in the same great cities, which distribute the industrial products of the people, for consumption at home and abroad. And while the distribution of these products is carried on by cheap laborers, we have not represented here the few monopolists that grow into multi-millionaires behind the busy work of the distribution. The net incomes of these will be included into the incomes of the Manufacture and Mechanical Trades hereafter.

But further still, we entirely omit the indication of the net earnings of “the meat companies” in the large cities, like those of the Chicago stockyards, “the cattle companies, uniting more than \$100,000,000; combinations of the millions, invested in the elevators of the Northwest against the wheat-growers; in whiskey and beer about \$100,000,000; in sugar, \$75,000,000; in leather over \$100,000,000 (1894). The trust of piano-makers was to have a capital of \$50,000,000, and there is the Cordage Trust that gets from 40 to 50 per cent on its capital; the Cotton Seed Oil Trust and Lard Trust” and others.^[129]

THE TRUSTS' NET INCOMES OMITTED.

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Finally, we have not treated the earnings of some other well-known monopolies, trusts and combinations, which have, as all the others, been established with no other purpose or end in view than to draw from the productive people all they can for themselves by means of speculation. For, drawing wealth by combined speculation is the easiest thing in the world for those who were enabled to make its beginning.

Omitting the above trusts and combinations, because of the uncertainty of their net earnings, we have positive means to find out the highest rentals of all central parts of the cities and towns spoken of before. In estimating the total income of the nation for the year 1890, Dr. Spahr found that “the total income from house and office rents, as estimated in the text” (his text) “is one-seventh of the total income of the non-agricultural population.”^[130] And the total income of the latter population was \$8,200,000,000,^[131] one-seventh of which is equal to \$1,171,428,571 3-7—apart from the agricultural land rents. This one-seventh, then, paid seven times in seven years, amounted to the same \$8,200,000,000, which amount shows that the owners of the central parts of the cities and towns obtained at least \$3,033,425,468 rent from their properties.

OWNERS OF THE CENTRAL PARTS OF THE CITIES.

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It does not, however, make a difference whether we accept the whole amount of rent estimated by Dr. Spahr or simply add the three billions and over to our grand total, p. 150. In any way, these facts indicate that the wealth has concentrated with the very families that were enormously wealthy in 1890 and appeared to be much wealthier in 1897.

Yet the concentration of wealth is not only very rapid in drawing the wealth of all the 11,190,152 families worth \$5,000 and under^[132] to a very few families of the 4th group in the 2d table,^[133] but it is also rapid among the families worth \$5,000 and over,^[134] so that all are crushed by the monopolies, the trusts and combinations. In order to illustrate it, I here quote the same authority that estimated the increase of the wealth from 1890 to 1897 before making a conclusion from the foregoing, respecting industries, as follows:

CONCENTRATION OF WEALTH IN HIGHER SPHERES.

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“As to development of ‘the’ trusts before 1890,” Mr. G. B. Waldron says:

“Of the manufacturing and mechanical industries, whose statistics were returned in the census of 1890, there are 43 whose manufactured product for the year 1889 was about \$30,000,000, whose capital averaged above \$10,000 per establishment, and which admitted of comparison with the census of 1880. Of these 43 industries we have chosen 30 as especially illustrating the growing concentration of capital during the 10 years from 1880 to 1890.

TRUSTS IN INDUSTRIES.

“It is a significant fact that while in 1880 these industries were carried on by 84,708 establishments, or about 33 per cent of the total number of manufacturing establishments of the country, the same industries in 1890 were carried on by only 69,659 establishments, or about 22 per cent of the total establishments, and fewer in number by over 15,000 than in 1880.

“The value of the total product of these 30 industries in 1880 was \$3,125,915,574, or 58 per cent of the total manufacturing products of the country. In 1890 these same industries produced products to the value of \$4,595,804,626, or about 51 per cent of the total product.

“The concentration of capital in these 30 industries is shown from the fact that in 1880 their total capital was \$1,735,577,540, or an average of \$20,489 per establishment, while in 1890 their total capital reached \$3,468,277,249, or \$49,789 per establishment, a gain of 143 per cent in 10 years. There has been a similar concentration of employees in these industries. In 1880 the 84,708 establishments used 1,340,490 employees, or an average of 16 to an establishment. In 1890 there were 1,964,232 employees in these industries, or an average of 28 to an establishment.”^[135]

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This is a separate and an additional item of the concentration of wealth which undoubtedly continued—from 1890 to 1897—to farther aggravate the general situation, shown by the grand total of the net incomes in favor of monopolies, on p. 150, beside the uncertain ones.

For the 30 different industries, taken out of the 43, have perhaps forever supplanted 15,049 factories and other establishments in ten years. During the same time the supplanters did much more than double their own capital. In fact the increase in the capital of these supplanters reached the amount of \$1,732,699,709 over the capital they had in 1880.

But, if Mr. Waldron would investigate the same facts in the total number of industries, he could probably show us that the supplanting of different establishments reached at least 21,586, and that the increase of capital reached over two billion dollars' worth with the fewer supplanters. That is, if the above rate of concentration of the capital were the same, as it must have been, throughout the industrial operations in the entire country.

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And while there was also the concentration of the employees, we know that, with the astonishing increase of the capital in favor of the supplanting trusts, the wages of these employees have fallen,^[136] notwithstanding that their highly productive labor enormously increased the capital of the fewer employers.

As regards the fall of wages in all the manufacturing industries since 1890, it will not be out of place to state here the minimum injury thereby sustained by the employees in the seven years under our consideration.

When all the available data of the Eleventh Census were published, Dr. Spahr started to estimate the total income of the nation for the year 1890. In estimating it he found out that the total income of the manufacture and mechanical trades alone amounted to \$2,790,000,000, including their net profits of \$1,116,000,000 for the year. The total number of persons engaged in these trades was 5,091,000, of whom 4,650,000 were wage-earners, while the remaining 441,000 were officers, firm members and clerks. Disregarding these, the average of actual wages of the wage-earners for the year was \$360. After that year these meager wages, by reduction and unemployment, "had decreased 25 per cent," says Dr. Spahr.^[137]

But if we regard the average reduction of these wages at 10 cents a day only, and the average labor year at 250 days, leaving thus a sufficient room for unemployment, we then find that the 4,650,000 wage-earners were losing \$116,250,000 every year. And distributing the same losses over seven years, they have lost \$813,750,000 worth of their energy in favor of the trusts and combinations. The losses, however, have been greater than this amount, although we consider only this minimum, which is simply an increase in the injustice brought about by the principle of dividogenesure.

SPECIAL LOSSES OF THE WAGE-EARNERS.

But while the real producers of wealth thus constantly lose their energy in products, the net profits of the trusts of these industries for the year 1890 amounted to \$1,116,000,000.^[138] This great yearly income excludes all expenses, and excludes even the yearly waste of machinery, tools, and of the other capital used in operations. Obtaining such profits seven times in seven years, these trusts have profited themselves by about \$7,812,000,000. And these enormous profits accrued to them for nothing more than the trouble of buying the machinery and other capital that the real producers of wealth operated upon, mostly under hired supervision. And while the human and mechanical forces work out these results, the real beneficiaries do nothing but speculate on the ways of concentrating the entire increase of wealth to their hands.

NET INCOMES OF THE TRUSTS.

The speculative efficiency of these trusts and the profound injustice of it will be more apparent, if we remember that these profits do, not only imply the systematic extortion of the crystallized energy of the real producers of wealth by means of exorbitancy in dividogenesure, but they imply a similar extortion from the public at large, which consume the products of these industries for excessive payments.

The question of the "excess of selling price over the cost of production" in these industries has been well ascertained. A cost of production according to economists, implies cost of materials used; salaries, wages, rent, taxes, insurance, repairs paid; waste of machinery, instruments, and of other capital valued; in short, it implies all expenses, including reasonable percentage on stock and reasonable remuneration for the troubles of capitalists and entrepreneurs. And all these expenses must be collected by means of selling prices from consumers of the products. While what is unreasonable in such prices under ordinary circumstances is called an "excess of selling price over the cost of production." This excess was raised by the trusts up to 12.95 per cent in 1890.^[139]

COST OF PRODUCTION.

If then we take the selling prices even of the total profits of \$1,116,000,000 of the manufacture and mechanical trades for the year 1890,^[140] and subtract this excess from it, we find that the excess amounted to \$144,522,000 in one year. Admitting that the above percentage sustained some fluctuations, we cannot but think that, with the increasing activity in combinations of the trusts, this percentage of the excess must have increased soon after that year. So that the average of it, from 1891 to 1897 inclusive, must have been carried on by the trusts in different ways and means. If so, then they must have exacted from the consuming public fully \$1,011,654,000 worth of its wealth, as an excess of selling price over the cost of production of the goods consumed. This loss of the public wealth, of course, does not exclude the losses of the families worth \$5,000 and over; nor does it include any relation to exports of the products of these trades. The loss simply indicates an extortion from the public by perverted morality and profound selfishness of the combines.

EXTORTION FROM THE PUBLIC.

The next item in the concentration of wealth has been drawn from the agricultural regions.

It has been estimated that the wages and earnings of all farmers from 1890 to 1895 have fallen over 20 per cent;^[141] and that 8,497,000 persons engaged in agriculture have suffered from the fall, according to the estimates of Dr. Spahr,^[142] which he based upon various reports. If, however, we admit only 10 cents of this loss from every person, every labor day, in favor of the various monopolies, trusts and combinations which use the raw materials and transport the agricultural materials and products, we find that in about 266 working days in one year the above people lost \$226,020,200 worth of their products. Distributing these losses equally over seven years we find that these people have lost and the monopolies, etc., have gained about \$1,582,141,400 worth of their wealth for nothing. And this is only the minimum loss that was carried throughout the period of seven years, as constant drain.

SPECIAL LOSSES OF THE FARMERS.

Another item of similar losses is represented by the 350,000 miners whose wages since 1890 have fallen "exceptionally low."^[143] So that it would be perfectly safe to regard the average fall in their daily wages at 15 cents, and the labor year at 266 days, allowing again for a possible unemployment. This being so, they have lost about \$13,965,000 in one year. And as their average wages did not really rise again during the period under consideration, they must, therefore, have lost about \$97,755,000 worth of their labor energy

SPECIAL LOSSES OF THE MINERS.

in favor of the mining trusts and monopolies. While the profits of these monopolies in 1890 amounted to \$80,000,000,^[143] when the total income was \$210,000,000 which we leave out of further consideration. The \$80,000,000 profits must naturally have increased with these monopolies. But even if repeated as they were in that year, they must have amounted to \$560,000,000 during the seven years. Considering the excess of selling price over the cost of production here at the rate of 12.95 per cent, this amount of net profits includes \$72,520,000 worth of the public losses, of unjustifiable extortion.

PROFITS OF THE MINING MONOPOLIES.

Beside all this, I find the telephone and telegraph monopolies^[144] had an increase of \$229,624,566, and the railroad monopolies^[144] of \$80,377,053 in their net earnings over and above the amount on pp. 101, 150. The same course is true of many other monopolies and combinations.

And as Henry B. Brown, Associate Justice of the United States Supreme Court, in an address at the Yale Law School, June 24, 1895, said:

“If no student can light his lamp without paying to one company; if no housekeeper can buy a pound of meat or of sugar without swelling the receipts of two or three all pervading trusts, what is to prevent the entire productive industry of the country becoming ultimately absorbed by a hundred gigantic corporations?”^[145] The foregoing facts clearly show that the corporations, whether under boards of trustees or under directors of monopolies, with the principle of dividogenesure do, not only absorb the entire mass of products of the people, but absorb even the wealth that was formerly produced and now being gradually lost.

ALL PRODUCTS ABSORBED BY COMBINATIONS.

But let us now turn to the meaning of the increase of the population in connection with the preceding facts and estimates for the seven years. The table on the next page shows it.

Increase of Population.

Years.	Individuals.	Percents in Cities.	Years.	Individuals.	Percents in Cities.
1790	3,929,214	3.35	1850	23,191,897	12.49
1800	5,308,463	3.97	1860	31,443,321	16.13
1810	7,239,881	4.93	1870	38,588,371	20.93
1820	9,633,822	4.93	1880	50,155,783	22.57
1830	12,866,020	6.72	1890	62,622,250	29.20
1840	17,069,453	8.52	1897	71,551,571	^[146]

The preceding table shows that, from 1891 to 1897 inclusively, the population of the United States increased by about 8,929,321 individuals, or, distributing this number over seven years, the increase will be 1,250,000 souls in each successive year. And the approximate proportions of this increase indicate that every year about 105,665 new families were reproduced by the 5,246,334 families that hire their homes; and about 31,698 by the 1,624,765 families that hire their farms, leaving out here the propertied. And the heritage of these 137,363 newly formed families under the conditions is to be homeless and landless subjects of dividogenesure, even as their unfortunate parents are. For scarcely any of them could acquire property and thus escape paying rent.

INCREASE OF POPULATION.

If then we conclude that the one set of the newly born families consisted of the tenants of rentable homes, while the other of the tenants rentable farms, we must admit that they paid at least the same average rents for homes and farms as their parents did. Therefore, the first set per family paid \$9.50 a month as follows:

RENT PAID FOR HOUSES.

Table of the House Rent Paid.

105,665	families in 7 years paid	\$ 84,320,670
105,665	families in 6 years paid	72,274,860
105,665	families in 5 years paid	60,229,050
105,665	families in 4 years paid	48,183,240
105,665	families in 3 years paid	36,137,430
105,665	families in 2 years paid	24,091,620
105,665	families in 1 year paid	12,045,810
739,655	Total	\$337,282,680

Thus the homeless families of the year 1891 paid the largest amount of the house rents up to the end of 1897. Meanwhile the other yearly additions of the new families paid less and less, on account of having been younger in age. The number of the increased families renting houses, then, was 739,655, and the total of the rent they paid was \$337,282,680.

RENT PAID FOR FARMS.

The increased families of the farming occupations, by having paid the average rent of \$2.75 per acre, for the average of 136 acres of land per family,^[147] have paid sums as follows:

Table of Rent Paid for Land:

31,698	families in 7 years paid	\$ 82,985,364
31,698	families in 6 years paid	71,130,312
31,698	families in 5 years paid	59,275,260
31,698	families in 4 years paid	47,420,208
31,698	families in 3 years paid	35,565,156
31,698	families in 2 years paid	23,710,104
31,698	families in 1 year paid	11,855,052
<hr/>		<hr/>
221,886	Total	\$331,941,456

That's what the increase of the homeless and landless population means. The newly formed families could neither avoid paying the rents in favor of the same landed and propertied rich; nor could they avoid paying indirect taxes in favor of the national government, as we shall soon see. And they could not avoid being the slaves of dividogenesis, nor of being victims of extortion by various trusts and monopolies. In making our final conclusion of the profits and losses, the above amounts of \$669,224,136 worth of paid rents by the increased families will be included into the previous totals of house and land rents.

But, in respect to all farmers' rents and the average acreage, it should again be noticed that we have dealt only with minimums of their expenditure in favor of the land monopolies. For, "according to the *abstract* of the eleventh census (p. 97), farms cultivated by their owners increased 9.56 per cent; rented farms, 41.04 per cent, and farms rented for a share in product,^[148] 19.65 per cent. In the north central division farms cultivated by their owners increased less than 1 per cent, while rented farms increased 66 per cent. In the North Atlantic division, rented farms increased only 6 per cent, while farms cultivated by their owners actually diminished. The farmers thus complain that they are losing possession of their farms and becoming tenant farmers."^[149]

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On p. 112 we have seen the enormous amount of indebtedness on the owned farms in the United States.^[150] "The percentage of incumbered farms was, for the United States, 47; Kansas, 30; Iowa, 32; New Jersey and Mississippi, 34; Nebraska, Delaware, and South Carolina, 35; South Dakota, 39; and at the other extreme, Oklahoma, 95; Utah and New Mexico, 85; Arizona and Idaho, 74; Montana, 73; Maine, 71."^[151] This economic state of the farms and farmers continued to exist from 1890. Consequently there is enough evidence to make one sure that thousands of farm mortgagors have lost their mortgaged farms by foreclosure, and have become merely tenant farmers without real property. The increase of the propertyless through mortgages may even be greater than through the increase of the population, though we regard only the latter.

167

Seeing also that the "Principal of Public Debt" has increased from \$1,549,206,126 in 1890 to \$2,092,686,024 in 1899,^[152] it is probable, therefore, that the indebtedness of private families has also greatly increased up to the end of 1897. Yet, except the annual interest charge against the indebtedness in force from 1890, neither the increase of the mortgage losses, nor the increase of the gains from them, has entered into our accounts, even as the great net earnings of the non-national banks, often drawing immense profits from mortgages, etc., have been totally omitted from our estimate.^[153]

INCREASE OF PUBLIC DEBT.

If, therefore, there should be any decrease in the few unrevised net earnings of the natural monopolies after 1890,^[154] the net earnings of the above banks alone would abundantly fill up the loss with a great remaining superfluity. Seeing also that the cities grow and the population increases, increasing every business in favor of the same monopolies, no one will doubt that our conclusions will be moderate, and especially so, because we have failed to ascertain the net incomes of several trusts.

168

As to the trusts, the American Anti-Trust Journal, No. 3, Chicago, says: "Go and talk to the thousands of commercial travelers—those skirmishers on the firing line of commercial independence—who have been thrown out of employment by the trusts. They will tell you of hundreds and hundreds of business men who have been forced out of business within the last four or five years. They will tell you how the trusts ordered one man after another to close his establishment. They will give you the names of ambitious and thriving proprietors who are now clerks or agents of gigantic corporate combinations, all hope dead, all opportunity gone." Dealing as it does with the trusts of still later development, the array of facts in this Journal shows that our final conclusions for 1897 can only be very moderate.

This being so, and disregarding the crooked ways of making profits, let us then make up the complete summary of the preceding losses by the United States people during the period from 1891 to 1897 inclusive, as follows:

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2d Table of the Concentration of Wealth.

Monopolies and Combinations.	Total Net Incomes.
The natural monopolies ^[155]	\$ 4,255,826,950
Mortgagee monopolies ^[156]	3,775,470,286
Owners of rentable houses ^[157]	5,503,857,212
Monopolies of rentable lands ^[158]	4,585,276,226
Owners of rentable offices, etc., in cities	3,033,425,468
Manufacture and mechanical trades	7,812,000,000
Mining monopolies	560,000,000
Grand total	\$29,526,156,142
National and local taxes paid by them ^[159]	3,455,963,952
THE TOTAL CONCENTRATION OF WEALTH	\$26,070,192,190
The total increase of national wealth	21,787,908,803
Excess of net incomes over and above the total increase of the national wealth	\$ 4,282,283,387

The above table of the net incomes shows the conclusions that must deeply astonish the thinking people. It shows that a "terrible change has occurred in the conditions of life in America within fifteen or twenty years." But this concentration of wealth has taken place within seven years, when the national expenditures for wars and the incomes of monopolies and trusts started to increase. The latter obtained \$26,070,192,190.

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Think of this total concentration of the wealth in seven years! It is twenty-six thousand seventy millions of dollars' worth of wealth. While the total increase of the national wealth, **TOTAL LOSS OF WEALTH.** during the same time, only amounted to \$21,787,908,803, which was entirely concentrated in the hands of monopolies and combinations, together with the additional concentration of yet another amount of \$4,282,283,387. This astonishing fact indicates that the *net income of about one million families in the United States has been greater by \$4,282,283,387 than the total increase of the wealth collectively produced by the nation* during the period under consideration.

The whole increase of the wealth then has been lost in favor of the few. But what does this over four billion dollars difference between the total increase and the total net incomes of the monopolies and combinations mean in view of the situation? Where does this over four billion dollars' worth of wealth come from?

171

This surplus amount of \$4,282,283,387 of the net incomes certainly cannot mean anything else than that the families, unconnected with monopolies, trusts, and other combinations were quickly eating up themselves. They not only have absolutely lost all that they produced during the time of seven years, but have also lost \$4,282,283,387 worth of the wealth which they owned in 1890. So that the aggregate of about \$9,260,228,000 worth of wealth which was owned by the 11,190,152 "families worth \$5,000 and under"^[160] in that year, must have been greatly reduced by monopolies, trusts and combinations. There cannot be any doubt, too, that hundreds of thousands of the "families worth \$5,000 and over"^[160] have also suffered from the same causes. Hence, the absolute loss of \$4,282,283,387 worth of the previously owned wealth must have been shared by all in favor of the very few families whose undoubted prosperity has indeed been unusual. For they have concentrated the enormous total of over \$26,000,000,000 worth of the people's wealth in seven years, and have thus made the greatly increased population much poorer in 1897 than it was in the year 1890.

LOSS OF THE PREVIOUS WEALTH.

And this fact of growing poverty has not been unsuspected. For, if Mr. W. H. Mallock, in trying to prove the contrary, admits "that the rich" in England "do grow richer and the poor grow relatively poorer, because their numbers increase, although it seems that in the distribution of wealth a greater share (of it) falls on their part."^[161] As for the United States, it was also said that "since 1873 the poor have grown relatively, if not absolutely poorer."^[162] The method used here for establishing this fact leaves no doubt that the rich in both countries do grow absolutely richer and the well-to-do and the poor in the United States do grow relatively and absolutely poorer: accordingly, "the largest fortunes" in this country "are increasing most rapidly," says Dr. Charles R. Henderson.^[163]

172

The reasons why "the largest fortunes are increasing most rapidly" have already been indicated in this and in the preceding chapters. The most potent of these reasons are: 1. The profoundly unjust and abnormal principle of dividogenesis, which further and further underrates the value of human labor energy and overrates the value of mechanical forces in favor of the wealthy. 2. The too high percentages for loans and capital, which deprive mortgagors of the fruits of their labor and cause the losses of property. 3. Abnormal excess of selling prices over cost of production, and lowering prices on raw materials. 4. Different frauds and extortions carried on by means of "watering-stock" and so on. All these and other unjustifiable means are freely used by monopolies and combinations against the general well-being of the United States people who are constantly robbed and speculated upon by a very few members of the nation.

173

As an example of the stock-watering by railroad monopolies, I introduce here the exact paragraphs of Dr. Spahr who, after representing the table of figures of stocks and bonds and the cost of railroads to original investors, says:

"It should be observed, however, that the sum upon which the public is paying interest is not the total capitalization of the railroads, nor even the stocks and bonds not held by other railroads, but rather the sum upon which five per cent net is realized by the roads. This sum in 1890 was \$6,627,000,000.^[164] Not from the standpoint of socialism, but from the standpoint of common morality, which condemns as robbery both the refusal of the public to pay interest upon capital actually lent it, and the compelling of the public to pay interest on capital never lent it, *the two thousand and odd millions of railroad capital representing no investment*^[165] is simply capitalized extortion.

EXTORTION FROM THE PUBLIC.

174

"But not even the fruits of this extortion have gone to the original investors. The expenditures of railroads and the dividends they declare have been so largely in the hands of loosely controlled directors, that railroad construction, railroad purchases, and railroad speculation have all served as means to divert the property of the stockholders on the outside, into the pockets of the managers on the inside. Nearly all the profits of this extortion from the public have passed into the hands of a comparatively few men intrusted with the management of the public highways."^[166] These passages simply indicate another way of extortion from the public of the wealth it creates.

DIRECTORS OF THE HIGHWAYS.

In addition to these crooked ways of concentrating all that the public has and all it produces, let us examine the amounts of the direct and indirect taxes paid by the wealthy and the poor during the same time of seven years. Upon this subject Dr. Spahr speaks as follows:

THE TAXES.

"When we consider only the revenues actually received by the government the conclusion inevitably reached is that the wealthy class pays less than one-tenth of the indirect taxes, the well-to-do class less than one-quarter and the relatively poorer classes more than two-thirds. The table summing up the incidence of these taxes in 1890 would stand as follows:

THE PROPORTIONS OF INDIRECT TAXES.

175

Class of Incomes.	Total Incomes in Dollars.	Total Property in Dollars.	National Taxes in Dollars.	Taxation to	
				Income.	Property.
\$5,000 and over	3,110,000,000	35,500,000,000	35,000,000	.01	.001
\$5,000 to \$1,200	2,890,000,000	21,500,000,000	85,000,000	.03	.004
Under \$1,200	4,800,000,000	9,000,000,000	260,000,000	.05	.028

The above table of indirect taxes indicates that the poorer classes (including the homeless and landless) which had only little over \$9,000,000,000 worth of the aggregate wealth, paid more than twice as much of these taxes as did the well-to-do and the wealthy classes taken together. Dr. Spahr, therefore, adds:

"In the domain of direct taxation such injustice would not be tolerated one month, but in the domain of indirect taxation it is endured year after year."^[167] So that, enduring similar injustice seven years—from 1891 to 1897 inclusive, the increased number of families paid the totals of indirect taxes approximately as follows:

THE INDIRECT TAXES PAID.

176

Table of Indirect Taxes Paid, 1891-7.

Classes of Families.	Number.	Totals of Property.	Taxes Paid.
Families worth \$5,000 and over	1,695,117	\$79,825,000,000	\$ 840,000,000
Families worth under \$5,000	12,755,310	7,000,000,000	1,479,179,059

The fact that the total revenue, including customs, etc., received by the government in the seven years amounted to \$2,319,179,059,^[168] indicates, that while the population has increased, the indirect taxes seem to have decreased by \$340,820,941 below the amount which would be required by the rates paid in 1890. This diminution would average about \$48,688,705 in each successive year, and may be due to the passage of the Wilson Bill. Although Dr. Spahr says that this bill has not materially changed the situation, because the poorer classes, as we see, have paid \$639,179,057 more for the support of the government than did the well-to-do and the wealthy classes together. He therefore adds that "our system of national taxation remains in proportion to its weight the most unjust to poorer classes of any now tolerated in any popularly governed country."^[169] Of course, "the situation was the most unjust," when the families worth \$5,000 and under were smaller in numbers and when they owned over \$9,000,000,000 worth of collective wealth. But the injustice now surpasses all degrees of comparison, because these families increased by about 1,565,158, even without counting the families worth \$5,000 and over whose wealth must have been reduced below the worth of \$5,000.

THE TAXATION MOST UNJUST TO THE POOR.

177

As to the distribution of local taxes in the year 1890, these were paid as follows:

TABLE OF LOCAL TAXES PAID.

Families with incomes of \$5,000 and over	\$220,000,000
Families with incomes of \$5,000 to \$1,200	170,000,000
Families with incomes of under \$1,200	125,000,000 ^[170]

From this table it is clear that the local taxation is not so unjustly imposed upon the poorer families as the indirect taxation is.^[171] Yet judging from the facts that the above table represents gross incomes, and that the poorer classes lose all the wealth they produce in favor of monopolies and combinations, the injustice against these classes cannot again be regarded other than a profound injustice. For, having been paid seven years—from 1891 to 1897 inclusive—these taxes amount to as follows:

LOCAL TAXATION IS LESS UNJUST.

178

Table of Local Taxes Paid.

Classes of Families.	Number of Families.	Totals of Property in Dollars.	Taxes Paid in Dollars.
Families worth \$5,000 and over	1,695,117	\$ 79,825,000,000	2,615,963,952
Families worth under \$5,000	12,755,310	7,000,000,000	875,000,000

As to these taxes Dr. Spahr says that “from the incomes less than \$1,200 less than three per cent is taken; from the incomes above \$5,000 seven per cent is taken. Nevertheless, even these relatively humane burdens rest twice as heavily upon the property of the poorer classes as upon the property of the rich. When these local taxes are joined with the national, the aggregate tax is one-twelfth of the income of every class. There is no exemption of wages. All the resourceless individuals,^[172] even the absolute slaves of dividogenesure, who divide the results of their labor with the wealthy, are compelled to pay taxes from their wages. And “the wealthiest class is taxed less than one per cent on its property,” says Dr. C. B. Spahr, “while the mass of the people are taxed more than four per cent on theirs.”^[173] Consequently we see that the 1,695,117 families whose wealth, at the end of 1897, aggregated to \$79,325,000,000 worth, paid \$3,455,963,952 of the national and local taxes. While the 12,755,310 families whose aggregate wealth, at the same time, was reduced to about \$7,000,000,000 worth, also paid \$2,354,179,059 of these taxes, though these families could not have any net income at all.

THE TOTALS OF TAXES PAID IN SEVEN YEARS.

179

Whatever might be the gross income of the 12,755,310 increased families under the network of imposition spread by the combines, they could not have any net income at all, because at the end of 1897 these families represented about 63,150,136 individuals of a multiple expenditure in every individual case. And as these families include about 7,832,640 propertyless families which represented about 38,785,279 homeless individuals, each of which in addition to his multiple expenditure, is obliged to pay rent for shelter and to pay for permission to labor, the multiple expenditure of every one of these, therefore, surpasses that of each individual of the remainder of the population.

THE PROPERTYLESS IN 1897.

It would, however, be wrong to suppose that we had only 7,832,640 propertyless families at the end of the period. For beside these families there were thousands of the mortgagor families in the beginning of 1891 which held the last pieces of the mortgaged property. And they could not but lose the very last under the heavy pressure of the combines and of the taxation, thus becoming propertyless, too, though we are unable at present to ascertain their number. Yet we may be sure of the fact, that the more propertyless families we have, the more house and farm rent they must pay to the wealthy; and hence the more rapid the concentration of the wealth and more extensive slavery of dividogenesure must be caused thereby.

NOT ALL THE PROPERTYLESS COUNTED YET.

180

It would also be groundless to think that the years 1898 and 1899 have altered the firmly established machinery of concentration of the national wealth. No, the concentration of wealth in these two years has undoubtedly been more rapid than in any two previous years. For the trusts, etc., have been more active, and have obtained greater net incomes on account of the war than in any two years before. While in addition to the more rapid concentration of wealth by the combines, the war revenue caused a great increase in the rates of the indirect taxes, etc. And since “these taxes were imposed by Congress, under the Revenue Act approved June 13, 1898,” both the propertied and the propertyless people continue to pay them up to date as a drain additional to the other losses in favor of the wealthy few.

THE YEARS AFTER 1897.

THE TAXES INCREASED.

181

It should also be remembered that, remaining unabated, the more rapid concentration of wealth and of property rights to-day, produces a still more rapid concentration of wealth and of rights to-morrow, because increased and concentrated wealth consolidates into interest-bearing property—the rate of interest being derived from the growing population which by hunger, thirst, and other forces is compelled to work for the mighty few. And what will be the consequence?

INCREASE OF THE CONCENTRATION OF WEALTH AND RIGHTS.

According to Mr. J. K. Upton, special agent of the Eleventh Census, “the estimated increase of wealth from 1880 to 1890 was 49 per cent. A proportionate increase from 1890 to 1900 would indicate wealth of nearly \$100,000,000,000 at the beginning of the twentieth century,”^[174] say, at the end of 1901. And if the present situation continue, it will not be difficult to guess the time when nearly the whole nation would consist of desperate slaves of dividogenesure, and of about 1,000,000

masters distributing places of employment at will—in accordance with the highest efficiency and profitableness of the employed—for the cheapest remuneration favorable to a few multimillionaires.

As exposed in this work, the situation precludes the entertaining of any better view, however desirable it may be. For the following estimates of the increase of the people prove that the situation has even been worse than here represented.

“PRESENT POPULATION OF THE
UNITED STATES.”

“According to estimates made for the World Almanac by the governors of the States and Territories for 1900,”^[175] exclusive of Alaska and the Indian Territory, the “grand total, January 1, 1900, is 79,354,444 individuals.”

It is quite probable that the average family will now be at the most 4.9 members each.^[176] If it is so, then we have about 16,194,581 families in the nation. And, disregarding again those that were sure of losing the last pieces of their mortgaged property, we should now have about 8,958,437 families without real property, which would represent 43,896,342 propertyless individuals of multiple expenditure in every case. So that, paying monthly rent at \$9.50 each, these homeless families must pay \$1,021,261,198 for the year 1900 alone. But if we admit the regular increase of the farm tenant families, we may now have about 1,941,745 of them occupying rentable lands at the averages of acres and of rent previously stated, the total rent of all the tenants of farms and homes would, therefore, reach \$1,526,114,903 for one year. And the rent will be higher the next year, although new rentable houses and flats are built by the speculators every year.

**THE PROPERTYLESS
IN 1900 A GREAT
NATION.**

**RENT WILL BE
PAID.**

183

For, with the active monopolies and combinations concentrating a greater amount of national wealth than the people can produce, the increase of population causes utter inability of about 65,000,000 of individuals to acquire property.^[177] And this very inability causes a constant rise in the average land and house rent. So that, if some years ago the average house rent was \$9.50 a month per family of nearly 5 members, it may now be above \$11 every month. The 8,958,437 tenant families would, therefore, pay over \$1,687,367,389 of farm and house rent to the few owners of cities, towns, and of lands in one year.

**IMPOSSIBILITY OF
ACQUIRING
PROPERTY.**

184

Thence, the phenomenal net incomes of the omnipotent afford the ample reasons for defending by all means in their power the present situation of the nation's toiling for the few.

Finally, as long as the concentration of wealth in the private monopolies, trusts and combinations not only absorbs all the yearly increase of wealth produced by the nation, but absorbs the wealth formerly owned by the people, it does not make a difference whether these combinations raise or lower the high prices of utilities which they speculate in upon the market, the whole wealth and the entire rights for wealth must sooner or later be concentrated in the hands of a very few families, because all the means of concentration are within their hands. Consequently, it is not a question whether these all pervading combinations are beneficent or malificent in their character, as in either case they work out the same evil result. But the question is only a question of time: how long before the people with all their superior productivity and phenomenal increase of wealth will have neither wealth nor property, nor rights, nor sufficient means for existence? How long before they all shall in all details be absolutely dependent upon the very few speculators, whose unbounded fortunes the tens of millions of workers are constantly compelled to increase? See Appendix II.

185

Again, this concentration of wealth can neither be hindered by raising the prices of the raw materials and products, nor even by the raising of wages, nor by lowering the prices of consumable utilities, nor by lowering the present rents, because the rate of concentration of wealth now surpasses all degrees of change which may be effected by such regulation, while the net profits from the nation's energy and labor are ultimately derived only by the few, who are becoming fewer.

**REFORM IS
NECESSARY.**

The millions of individuals must therefore free themselves from the delusive hopes of some day becoming rich; for the strong tendency, as we have seen, is to deprive every one of his proper food and of the satisfaction of other increasing needs. In order to become free from the economic bondage and slavery of dividogenesis, it is necessary that the distribution of wealth should be made to bring about more equal results, and that the present means of the concentration of wealth should work in favor of all the people engaged in the numerous spheres of human activity. See Appendix III.

**VAIN HOPES OF
THE PEOPLE.**

And it is again to be hoped that the present parents in the United States would in nowise hesitate to provide some better conditions of life for their children in the far and near future.

I.

Percentages and numbers of families in the United States in 1890, under owned and rented homes and farms, were represented by Dr. C. B. Spahr as follows:

[Families Identified with Farms and Homes.]

Owned:	Percent.	Numbers.	Rented	Percent.	Numbers.
In cities above 100,000 population: Homes owned	22.83	444,879	Rented:	77.17	1,503,955
In cities from 8,000 to 100,000: Homes owned	35.96	629,092	Rented:	64.04	1,120,487
Outside such cities: Homes owned	43.78	1,849,700	Rented:	56.22	2,374,860
Farms owned	65.92	3,142,746	Rented:	34.08	1,624,433
Totals and averages (for all) owned ^[178]	47.80	*6,066,417	Rented:	52.20	6,623,735

¹⁷⁸. As we have seen on p. 116 that 1,696,670 families out of the total of the owning ones* in 1890, were in debt, having their properties under mortgage. And only 4,369,747 families out of 12,690,152 in the United States were free owners of wealth. Compare the above totals with statistical averages on p. 79. See Dr. Spahr's "Present Distribution of Wealth in the United States," 1896, p. 53.

II.

DEFINITIONS OF TRUSTS AND MONOPOLIES.

"A trust," as defined by a committee of the New York State Legislature, "is a combination" aiming "to destroy competition and to restrain trade through the stockholders therein combining with other corporations of stockholders to form a joint stock company of corporations, in effect renouncing the powers of such several corporations, and placing all powers in the hands of trustees." The general purposes and effects among them are "to control the supply of commodities and necessities; to destroy the very possibility of competition; to regulate the quality of all commodities; and to keep the cost to the consumer at prices far beyond their fair and equitable value."^[179] Further, "Trust is" an acting scheme "where, by a device of trusteeship, various corporations practically form one monopoly without losing their separate corporateness. The novel characteristic of such a trust is not in its being a monopoly, but the way in which the monopoly is attained."^[179]

Mr. Charles W. Baker in his *Monopolies and the People*, says:

"A trust is a combination to restrain competition among producers, formed by placing the various producing properties (mills, factories, etc.) in the hands of a board of trustees, who are empowered to direct the operations of production and sale, as if the properties were all under a single ownership and management."^[180]

MONOPOLY IN PRIVATE HANDS.

"A monopoly in industry may be defined as the control of some natural agent, of some line of business, or of some advantage over existing or possible competitors, by which greater profits can be secured than other competitors can make."^[181]

All these definitions indicate that the private monopolies and combinations have one and the same purpose or end in view: It is to find such devices and means and to establish such organization of business activity, which will enable the organizers and managers to obtain from the people the greatest profits for the least cost, thus concentrating the people's wealth in a few hands without paying anything to the people in return.

III.

On the contrary, a monopoly of the government or of municipality may be defined as a system of controlling the natural or artificial agencies of public service and utility at such a cost to the public served, which will merely cover all expenses necessary (to construct and) to keep these agencies in the best serviceable and available condition or state, thus leaving no room for the unjust concentration of the people's wealth in any private hands.

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FOOTNOTES:

- [1.](#) Quoted from "The Public," Number 69, July 29, 1899.
- [2.](#) Louis Post, *ibid.*
- [3.](#) His name cannot be here given.
- [4.](#) This work will show the real causes of it and the rapid tendency toward it.
- [5.](#) Encyclopedia of Social Reform, p. 1435. Ed. by Rev. Wm. Bliss and published in 1897 by Funk and Wagnalls Company, New York and London.
- [6.](#) This 5 per cent includes personal, unproductive property of all sorts.
- [7.](#) Mind that these statements are of one authority only, viz.: Mr. G. K. Holmes.
- [8.](#) House-scarb means: all domestic or household property that may be carried on from one rentable house to another.
- [9.](#) Dr. C. B. Spahr, *Pres. Distribution of Wealth in the U. S.* (1896), p. 69; published by Thos. Y. Crowell & Company, Boston.
- [10.](#) Encyclopedia of Social Reform, p. 1388.
- [11.](#) *Ibidem*, p. 1388.
- [12.](#) This table gives you the exact equivalent of diagrams found on p. [12](#).
- [13.](#) So far, we give honor to Mr. Holmes in advance.
- [14.](#) One of the best authorities in statistics.
- [15.](#) Reported in Binghamton Independent of Aug. 12, 1899.
- [16.](#) "The Public," Chicago, No. 74, Sept., 1899.
- [17.](#) The diagrams and statistical tables supply the life contents for these premises.
- [18.](#) The exact statistics of the Eleventh Census, 1890, have given the average at about 4.93 members to a family, which means that in each 100 families 93 have 5 and 7 have only 4 members. In 1880 this average was 5.04, and in 1870, 5.09 members to a family.
- [19.](#) *Ibid.*, p. 69.—I italicize these conclusions. See *Enc. of Soc. R.*, p. 1389.
- [20.](#) Dr. C. B. Spahr, "The Present Distribution of Wealth in the U. S.," 1896.
- [21.](#) Whereas the general average of per capita wealth was \$1,036.
- [22.](#) Here, p. [6](#).
- [23.](#) Here, p. [13](#).
- [24.](#) Here, p. [21](#).
- [25.](#) Here, see p. [18](#).
- [26.](#) Dr. Spahr, "Present Distribution of Wealth in the United States," p. 69.—*Enc. of Soc. R.*, p. 1389.
- [27.](#) *Enc. of Soc. R.*, p. 1384.
- [28.](#) C. D. Wright, "Atlantic Monthly," Sept., 1897.
- [29.](#) "Encyclopedia of Social Reform." (p. 1388), 1897, by Rev. Wm. Bliss.
- [30.](#) Dr. Spahr, "Present Distribution of Wealth in the U. S.," p. 69, 1896, who held each family at five members.
- [31.](#) It should be borne in mind that, "Goods, wares, merchandise, utensils, furniture, cattle, provisions, and every other species of personal property, was included among the assets" representing wealth. Dr. Spahr, *Ib.*, p. 55.
- [32.](#) Encyclopedia of Social Reform (publ. in 1897), p. 1388.

- [33](#). These totals have been summed up by me.
- [34](#). Table, p. [32](#), here.
- [35](#). Compare the total wealth of this table with that on p. [27](#).
- [36](#). Here, p. [13](#).
- [37](#). Atlantic Monthly, Sept. 1897.
- [38](#). See here, p. [18](#).
- [39](#). This is the restored group of the 1st table, p. [29](#).
- [40](#). 3d group, p. [32](#) or [36](#).
- [41](#). See Diagrams, p. [12](#), and Table II, p. [13](#).
- [42](#). Compare these families in the 2d restored table, p. [36](#).
- [43](#). Compare the same families in the 1st restored table, p. [29](#).
- [44](#). Enc. of Soc. Reform, p. 1389.
- [45](#). Statistics and Sociology, p. 201-2.
- [46](#). Subtraction has been made on p. [36](#).
- [47](#). See table, p. [29](#).
- [48](#). The total number of immigrants entered into the United States from 1891 to 1897 inclusively was 2,854,834.—The World Almanac, 1899, p. 176.
- [49](#). Here, p. 18.—Dr. Spahr, “The Present Distribution of Wealth in the United States,” p. 69.
- [50](#). Even the uncultivated land is a great source of income to its owner. And if it were not so, the great landowners of England and Scotland would not have owned fully 20,000,000 acres of the U. S. land. But now five of them own it, and draw large incomes from it, while remaining at home beyond the Atlantic. And the Holland syndicate and the German syndicate could not have owned 7,000,000 acres of the U. S. land, if it were not a source of income, even without special application of any labor energy to it. But now the former syndicate owns 5,000,000 acres of grazing land in Western States; and the latter owns 2,000,000 acres of it in various States, as the “Up to Date, Coin’s Financial School,” has indicated, pp. 108-118.
- [51](#). Chas. R. Henderson, D. D., “Social Elements,” p. 144.
- [52](#). Some one may of course prefer to live in another’s house, as they say, not willing to pay taxes for his own property. But a just taxation can never cause this trouble. The abnormality of taxation is shown here in Chapter VI.
- [53](#). Land, Capital, Rentables, Salables are income-bearing properties.
- [54](#). “Encyclopedia of Social Reform,” p. 1389.
- [55](#). *Dividogenesure* means: (As a class and as an individual, I am the owner of land, of wealth and capital): Divide with me your sole results of active energy upon my source of wealth, or else you may be sure you have only the right to starve from drain by others without this supply. [Latin: *divido*, divide, part, separate. Greek: *genesis*, origin, source, creation, origination, production. Latin: *ure*, (perish) by rust, by fire, by cold, wither, dry up, or starve to death.]
- [56](#). Here, p. [32](#) or [36](#).
- [57](#). Dr. Warner, American Charities, pp. 178-9, Dr. T. Ely’s edition.
- [58](#). I italicized his words.
- [59](#). I italicized his words.
- [60](#). Dr. Warner, *ibidem*, p. 181.
- [61](#). Remember that these conclusions are moderate.
- [62](#). These owning families include the mortgagors.
- [63](#). Many of these home-owning families are in debt, and their homes serve as securities for it.

- [64.](#) Enc. of Soc. R., pp. 899-900.
- [65.](#) He pays rent.
- [66.](#) He pays rent and divides the results of his labor, p. 58-61.
- [67.](#) See conclusion, p. [18](#).
- [68.](#) Mr. Wright, "Atlantic Monthly" for September, 1897.
- [69.](#) See his conclusions and my explanation of them, here, pp. [12](#), [13](#).
- [70.](#) Compare for this the original tables, pp. [28](#), [32](#) and [51](#).
- [71.](#) See 1st R. table, group 1st, p. [47](#), and as individuals, p. [51](#).
- [72.](#) Mayo Smith, "Statistics and Sociology," pp. 200, 201-2.
- [73.](#) Mr. E. Atkinson, "The Distribution of Products," p. 15.
- [74.](#) *Ib.*, p. 22.
- [75.](#) *Ed.* Atkinson, *ib.* p. 27.
- [76.](#) *Ed.* Atkinson, *ib.*, pp. 77, 78. Also, Enc. of S. R., p. 1093.
- [77.](#) "Socialism and Christianity," p. 205. Also Enc. of Soc. R., p. 289.
- [78.](#) Prof. John R. Commons, "Distribution of Wealth," p. 258. Also, see Enc. of Soc. Reform, p. 1102.
- [79.](#) "Gross receipts less gross disbursements."
- [80.](#) Totals made up by me.
- [81.](#) Compare the last two groups with the first two of the table, p. [28](#). And compare the same groups of table, p. [51](#).
- [82.](#) See this number and families, p. [92](#).
- [83.](#) See tables, p. [36](#) or [45](#).
- [84.](#) By the "other" monopolies, I mean some monopolies, companies, trusts and combinations which have not been mentioned here at all, and many of which deal with rentable houses in cities, and so on.
- [85.](#) Prof. George Herron's dismissal from the Iowa College is a striking example, foreboding the nation's near future. This professor was forbidden by financial necessity to teach what is good for the people.—"The Public," Nov. 11, 1899, Chicago. "The Public" No. 115, 1900, has now on record four other professors similarly dealt with in different colleges on grounds similar to that of Prof. G. Herron. One of these four is President Henry Wade Rogers, of the Northwestern University, at Evanston, Ill.
- [86.](#) Artificial property again means all things that were created or invented by man in the past or the present.
- [87.](#) See the same number on p. [79](#).
- [88.](#) Enc. of Soc. Reform, p. 899.
- [89.](#) This number contains 1,624,765 tenant farming families.
- [90.](#) Remember that the tenant families are excluded here.
- [91.](#) Lien means a legal claim on property which must be paid.
- [92.](#) Remember that the 4,999,396 tenant families are excluded here.
- [93.](#) These percentages are from the Official Bulletin, No. 98.
- [94.](#) Dividogenesure is the stronger, the larger the per cent an employer obtains from the results of the labor of every employee; and is the weaker, the smaller the per cent he obtains from every one dependent on him for life.
- [95.](#) That is, the rate of making mortgages in 1880th year was 643,143, and the yearly rate in 1889th year was 1,226,323 in one year.
- [96.](#) Enc. of Soc. Reform, p. 901.
- [97.](#) Dr. Spahr, *ib.* p. 67.

- [98](#). All expressions under the inverted commas are from Bulletin.
- [99](#). Bulletin No. 71, Encyclopedia of Social Reform, p. 901.
- [100](#). Continuation, "On the debt in force against acres, \$162,652,944; on lots, \$234,789,848," is the yearly interest.
- [101](#). Here, p. [112](#).
- [102](#). *Ib.*, p. [113](#).
- [103](#). Enc. of Soc. Reform, p. 902. This interest charge is at the end of the Extra Bulletin No. 71.
- [104](#). Yet, it should be remembered that we do not here deal with the debts of Railroad Companies, Street Railway, Telegraph, Telephone and other companies and corporations; nor do we deal with the U. S. debt of \$891,960,104; States, \$228,997,389; Counties, \$145,048,045; Municipalities, \$724,463,060; School districts, \$36,701,948, which in 1890 made the grand total of \$18,027,170,546 including the debt under our consideration. But we deal with family-debtors, for whom debt is equal to ruin. Whereas debt to the others is prosperity.
- [105](#). That is, if we divide them by the line of families worth \$5,000 and over, and families worth \$5,000 and under; and the latter will include the economic dependants.
- [106](#). Here, p. [119](#).
- [107](#). Here, p. [121](#).
- [108](#). Enc. of Soc. Reform, p. 904, Edition of 1897.
- [109](#). Enc. of Soc. Reform, p. 904.
- [110](#). *Ib.*, p. 904.
- [111](#). Mr. Dunn could not have known at the time that some Eastern States were even worse than the Western ones, and that "New York," for instance, "is" more "conspicuously prominent as having a real estate mortgage indebtedness of \$1,607,874,301, which is 26.71 per cent of the total indebtedness on acres and lots in the United States."
- [112](#). Here, pp. [91](#), [92](#), or Mayo Smith, Statistics and Sociology, p. 200.
- [113](#). As the rates of their gains show, pp. [104](#), [105](#).
- [114](#). Enc. of Soc. Reform, p. 1386.—Waldron, "Handbook on Currency or Wealth."
- [115](#). References: Enc. of Soc. R., see "Unemployment." Dr. Spahr, "Present Distribution of Wealth in U. S." (1896).—J. R. Common's "Distribution of Wealth," Enc. p. 1392.
- [116](#). Enc. of Soc. Reform, p. 1392.
- [117](#). Enc. of Soc. Reform, p. 1370.
- [118](#). Mr. and Mrs. Webb, "History of Trade Unionism," p. 1 or 2.
- [119](#). "Introduction and Mutual Insurance," vol. I, pp. 148-9, 150-1164.
- [120](#). Enc. of Soc. Reform, pp. 1370, 1373 and the Labor Reports.
- [121](#). Dr. Spahr, *ib.*, pp. 116, 117.
- [122](#). The above 246,938 families could not be here classified among the tenants of farms consisting of the 1,624,765 families, because after losing their country properties, these homeless hurry on to crowd up cities.
- [123](#). Dr. Spahr, *ibid*, p. 122-3.
- [124](#). As numerous inquiries convince me.
- [125](#). According to the U. S. Census of 1890, there were 4,564,641 farms consisting of 623,218,619 acres of land, or an average of 136 acres to a farm. World Almanac, 1899, p. 184.
- [126](#). Enc. of Soc. Reform, pp. 22, 23; also based on the census.
- [127](#). "Present Distribution of Wealth in the U. S.," pp. 104, 105; (see here: Appendix I.). The same: Enc. of Soc. Reform, p. 1385—table of incomes, 1890.
- [128](#). Some one may suppose that some net earnings of the national banks might overlap

some net earnings of the mortgagee monopolies, since mortgage profits are often obtained by banks. But such a supposition cannot have a real ground here, because the national banks are prohibited by the law of the United States to make investments in mortgages; and because mortgages of real estate, being not easily convertible securities for loans, would not be admissible by them. The only exception made by the law for these banks is that, for a necessary accommodation of their business, a mortgage may sometimes be held as a security, collateral to some other which is more easily convertible into currency. (See Revised Statutes, §5137. Prof. Dunbar's "Theory and Hist. of Banking," p. 26.)

It is the non-national or State banks that often directly deal with mortgages. But estimating their gross earnings at \$200,000,000 for the year 1890 (see p. 101), Mr. Waite evidently could not ascertain their enormous net incomes, hence we leave them to be understood as surplus above all our concluding totals of net incomes.

And whereas, the net incomes of the national banks decreased \$110,378,930 in the 7 years, those of the life insurance companies increased \$108,932,030 (World Almanac, 1900, p. 180, 184) and with the help of the omitted net incomes of the gas companies (p. 101) more than offset the loss, leaving our totals correct.

[129.](#) Enc. of Soc. Reform, 1897, pp. 1346-7; from "Philadelphia Times," etc.

[130.](#) Dr. Spahr, *ibid.*, pp. 104-5.

[131.](#) It was the gross income.

[132.](#) See the upper table, p. [42](#).

[133.](#) Table, p. [47](#).

[134.](#) Lower table, p. [42](#), 1st two groups.

[135.](#) Mr. Waldron, "Hand-book on Currency or Wealth," pp. 106 and 107. See also: Enc. of Soc. Reform, p. 1389.

[136.](#) See the statistical conclusions on the fall of wages, p. 134; also Dr. Spahr's "Present Distribution of Wealth," etc., pp. 95-118.

[137.](#) "Present Distr. of Wealth in U. S." (1896), pp. 104, 105, 112. Here, pp. 140-143. "Average daily wages: 1873, \$2.04; 1891, \$1.69; urban laborers."

[138.](#) Dr. Spahr, *ibid.*, pp. 104-5. Enc. of Soc. Reform, p. 1385.

[139.](#) Dr. Spahr, *ibid.*, pp. 98, 104-5. Also: Statistics of Massachusetts Bureau of Labor, 1890, p. 319.

[140.](#) Dr. Spahr, *ibid.*, p. 104-5.

[141.](#) Dr. Spahr, *ibid.*, pp. 116, 117.

[142.](#) *Ibid.*, pp. 104, 105.

[143.](#) Dr. Spahr, *ibid.*, p. 104-5.

[144.](#) World Almanac, 1899, pp. 200, 225.

[145.](#) Quoted from Enc. of Soc. Reform, p. 1347.

[146.](#) For 1897 is an approximate estimate of The World Almanac, 1899, p. 200, foot note.

[147.](#) It might be that some of these families paid house rents on farms beside the land rent, as Dr. Spahr has shown; while some others might pay simply house rents, and thus offset each other, making the above sum correct.

[148.](#) "For a share in product" is an initial form of serfdom pure and simple.

[149.](#) Enc. of Soc. Reform, pp. 606-7.

[150.](#) Also here, p. [125](#).

[151.](#) Enc. of Soc. Reform, pp. 606-7.

[152.](#) World Almanac, 1900, p. 174.

[153.](#) Here, see foot-note, p. [150](#).

[154.](#) Table of profits, here, p. [101](#).

[155.](#) Includes the increase of \$310,001,619 by the railroad, telegraph and telephone monopolies, p. 162.

- [156.](#) Excludes net incomes of the artificial gas companies and those of the non-national banks (beside mortgages) as not given in the table on p. 101. See foot note, pp. 150, 167, 168.
- [157.](#) Includes the house rent on farms and that of the increased population, pp. 149, 164.
- [158.](#) Includes the rent of land paid by the increased populations, p. 165.
- [159.](#) This amount of double taxes is calculated to have been fully paid for 7 years on the net incomes here stated, and on all the property these trusts, etc., have had in the beginning of 1891 and after, according to the tax rates to be here indicated.
- [160.](#) Compare tables, here, on pp. [42](#) and [47](#).
- [161.](#) Mr. Mallock's "Classes and Masses" (1896.)
- [162.](#) Enc. of Soc. Reform, p. 1392.
- [163.](#) His work on "Social Elements," p. 162.
- [164.](#) "Statistics of Railways, 1890," p. 58.
- [165.](#) I italicized the words.
- [166.](#) Dr. Spahr, *ibid.*, pp. 41, 42. The total capitalization of railroads in 1890 was represented by \$9,437,300,000, while the total investment amounted to only \$3,714,400,000. And Mr. Van Oss stated that "shares now return at least 18 per cent per annum on the actual investment." *Ibidem.*
- [167.](#) Dr. Spahr, *ibid.*, p. 143. The total incomes in the table of taxes above represented are gross incomes.
- [168.](#) Statistics, World Almanac, 1899, p. 165.
- [169.](#) Dr. Spahr, "Present Distribution of Wealth in the United States," p. 143-4.
- [170.](#) *Ib.*, p. 156-7.
- [171.](#)
- | | |
|---|---------------|
| "Extra Census Bulletin No. 70" represents taxes on property including corporations for 1890 | \$465,000,000 |
| Licenses, poll taxes, etc. (about) | 50,000,000 |
| | ----- |
| Total (the same as that contained above) | \$515,000,000 |
- The Bulletin adds that "three-fourths of this tax falls upon the relatively poorer classes." Dr. Spahr, *ibid.*, p. 156.
- [172.](#) See here, pp. [64](#), [65](#), [68](#), [72](#).
- [173.](#) Dr. Spahr, *ibid.*, pp. 157, 158.
- [174.](#) The World Almanac, 1899, p. 164. Mr. Upton, here, p. 27.
- [175.](#) The World Almanac, 1900, p. 539.
- [176.](#) This average would mean that in every 100 families 90 have 5 and 10 have only 4 members. See the decrease of family membership: foot note, p. 18.
- [177.](#) "It is interesting to remark that, while in 1893 the number of the propertyless families reached over 7-millions, the national and local Building and Loan Associations having net assets of over \$450,000,000, have," in 25 years, "helped to secure" only "probably over 400,000 homes," says Mr. Wright, U. S. Commissioner of Labor. The World Almanac, 1899, p. 168; *ib.*, 1900, p. 172. But that inability is aggravated by the taxation unjust to the poor. See here, pp. 174-178.
- [179.](#) Encyclopedia of Social Reform, p. 1346.
- [180.](#) Encyclopedia of Social Reform, p. 1346.
- [181.](#) *Ibid.*, p. 888.

TRANSCRIBER'S NOTE:

- Silently corrected obvious punctuation and capitalization errors. Several unpaired double quotation marks were retained as they occurred in the original text.
- Unless noted below, spelling and hyphenation are retained as in the original.
- Footnotes have been renumbered and moved to the end of the book.

Other changes:

- Removed half-title page originally on first page
- [Page 003](#): thousands of like opnions → thousands of like opinions
- [Page 036](#): surplus milion families → surplus million families
- [Page 039](#): distribution of weathh → distribution of wealth
- [Page 048](#): more wealth that → more wealth than
- [Page 099](#): in possession of others → in possession of others
- [Page 108](#): Napoleon Boneparte → Napoleon Bonaparte
- [Page 132](#): bound, by dividogensure → bound, by dividogenesure
- [Page 163](#): In the table "Increase of Population" corrected the value for percent of population in cities for the year 1880. Changed from 2.57 to 22.57. The correct value was taken from page 18 of the 1890 census
<http://www2.census.gov/prod2/decennial/documents/1890d9-01.pdf> pg 18
- [Page 192](#): defintion and origin → definition and origin
- [Page 193](#): not partizan → not partisan

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