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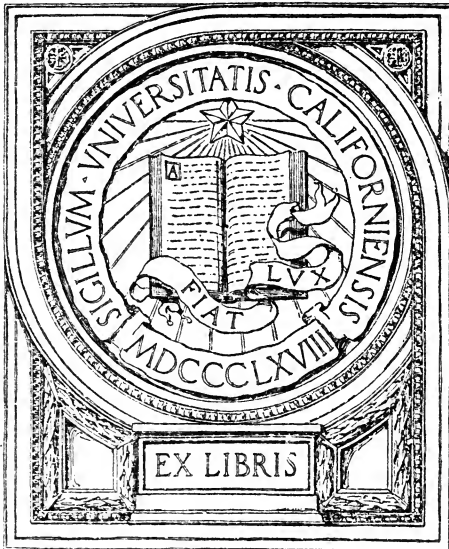
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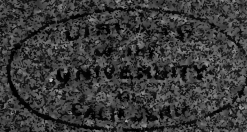


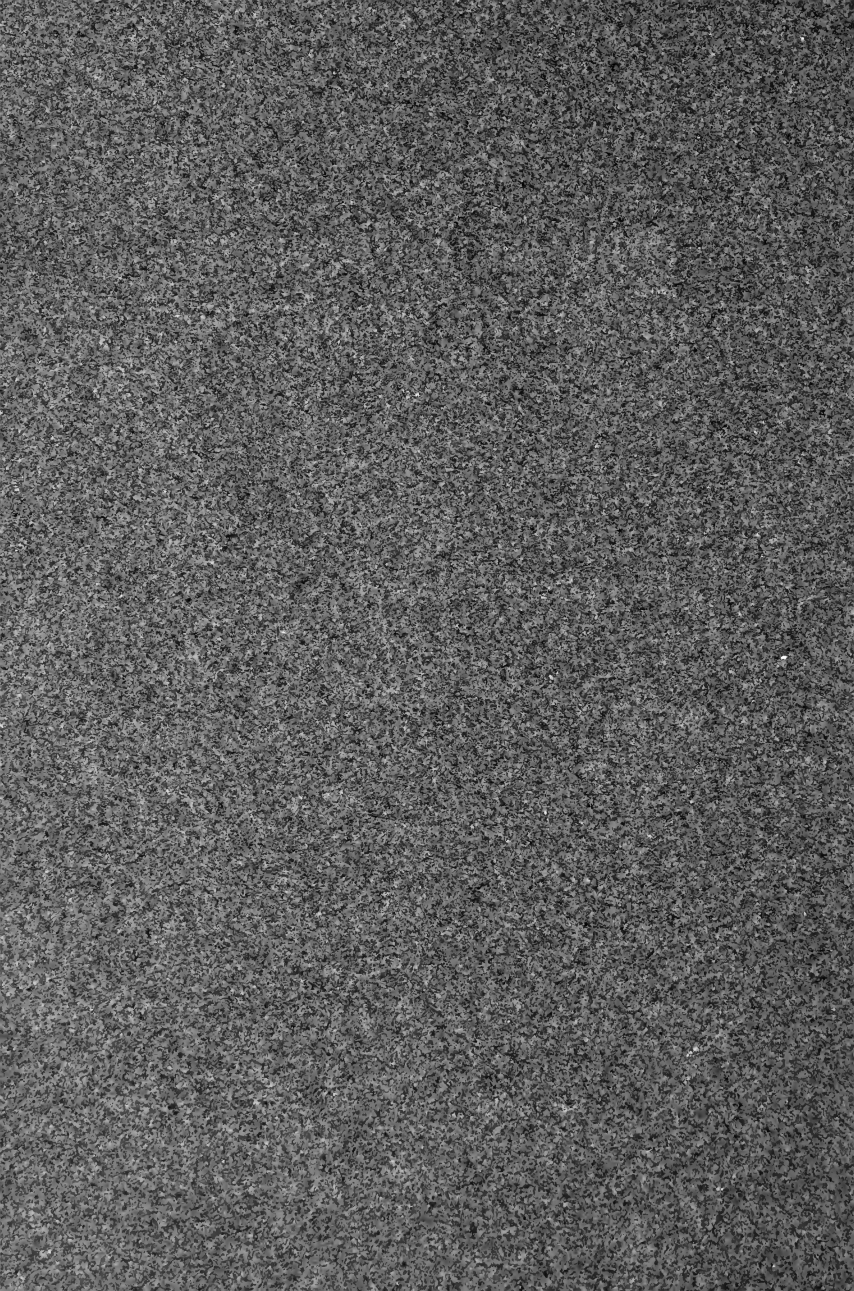
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THE FALLACY OF DANGER
FROM GREAT WEALTH

By HARRY HUBBARD





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THE NEW
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THE FALLACY OF DANGER FROM GREAT WEALTH.

In civilized countries men save—that is, set aside out of their income—wealth not to be spent for their own personal needs or pleasures but devoted to producing other and additional wealth. Thus, for example, a farmer out of his crops saves a portion for next year's farm operations, a manufacturer saves enough to build a factory and operate it, and several men, united as a corporation, save enough to build and operate a railroad. One of the chief things that distinguishes civilization as we have it, with all its modern comforts and happiness, from savagery, with its want and misery, is the capacity to save and invest. We are benefited by the accumulated savings and investments of preceding years, yet most wealth (except land, minerals and other natural objects) would perish very soon if it were not continually replaced. For example, our railroads in the United States have been practically all made

over—road-beds, rails, bridges, stations, locomotives and cars—within a generation. It is so in nearly all other industries.

In our complex modern life, saving and investing take place in many ways. For example, money saved and deposited in a savings-bank finds its way out in a loan on mortgage to help build a house, a factory, or a store; or it pays for bonds, and the proceeds are put into a railroad or some public work, as a school-house, dock, street, etc. In any and all these cases the money deposited in the savings-bank *goes ultimately to employ labor and pay wages*. So money deposited in any other bank or trust company is loaned out to merchants, manufacturers, and others, and similarly goes to pay wages.

The same is true of money saved and invested in regular course of business in stocks or bonds. Corporations engaged in great business, as railroads, issue and sell their stock and bonds in order to obtain money to carry on their work. *All this money goes to employ labor and pay wages*, or, if materials are bought, the money goes to pay for them and the labor engaged in producing them—in the end substantially all to labor.

So it is not possible to conceive of money saved and invested in regular course not going, substantially all of it, to the employment of labor and the payment of wages.

No rich man in our day hoards his money. All his income (except what he spends for personal needs and pleasures and what he gives to others for similar purposes) goes into investments in some form, and ultimately *all goes to employ labor and pay wages.*

It is one of the natural economic laws, as beneficent and as immutable as the law of gravitation, that *rich men who invest their money in order to grow richer are really trustees of their wealth for the benefit of labor, whether they so regard themselves or not.* The only way a rich man (or any man for that matter) can repudiate such trusteeship is by wasting his wealth by using it in riotous living for himself or for others. *He cannot possibly avoid such trusteeship for the benefit of labor, so long as he saves his money and invests it.* He has the legal title, but the money must be paid out for labor. The danger to society is not when the rich man desires to save and invest his money and become richer, but when he ceases to have such desire, and begins to

use his money for foolish personal pleasures for himself or for others. The probability that a man who has spent his life in building up a fortune will turn about and do such a thing is very remote.

This economic law does not depend for its action on the moral character of the capitalist or good-will towards workmen. The meanest-spirited accumulator of wealth (if such a man could conceive great enterprises and carry them through), equally with the most benevolent, is subject to the law. It is a safe and sufficient protection against the imagined dangers of the accumulation of great wealth. Men clamor "danger," "danger," yet these dangers, so much paraded as the capital stock of agitators and feared even by some good people, have never been realized and never will be, for this beneficent law prevents any such thing. The poorest may look with equanimity, or, rather, with gladness, because of his own personal and selfish interest, upon the increase of the wealth of the richest. No rich man growing richer need feel that he is taking from others, but rather he should rejoice that, as he grows richer, he is necessarily enriching others.

The possessor of wealth (rich or poor) has the legal title to it; and he gets his living—that is, his food, clothing, and shelter—and such other necessaries or luxuries as he can use. He gets nothing more. And all these he leaves in a few short years after he has acquired them. He spends hard days and sleepless nights, perhaps. Many a poor man has what are to him far more pleasures and better health. Every man to his taste. What is happiness? Is wealth? Do the socialists really think so? If they do, then why not struggle for it like brave men instead of whining like cowards? And, if they do not think so, why do they find fault with men of different tastes who do struggle and obtain wealth? The socialists seem to make a lot of fuss over a thing which they think nobody (themselves included) ought to wish for.

People talk about the “danger” of great wealth. It seems to be always “danger,” “danger,” but no specification of any *definite* thing. The danger from great wealth is purely imaginary. The real danger is that men may not save their money so as to have great wealth, and thus have a great fund for investment and wages. Natural economic

laws govern the accumulation and distribution of wealth, and government may well hesitate before it tries to go contrary to these natural laws.

One may challenge the world to show how there could be any system under which more money could be made available for wages than under the existing system of private property and the saving and investing of money. All there is now goes as wages. How could more go? Only by saving and investing more. It deserves consideration whether there ought not to be an effort to save more. The expenses of all classes, rich and poor, have mounted upward continually. What were formerly luxuries are now deemed necessities. Reliance upon pensions by private corporations or by the government have taken the place somewhat of saving up for old age. There is a spirit of spending now and letting the future care for itself. Such a spirit ought, in the interests of workmen and of society, to be checked. So, too, for precisely the same reasons ought to be checked anything that will discourage men from saving and investing and building up big fortunes. We have seen that,

when these are built up, they belong by an inexorable law to the workmen, though the legal title be in the owner. To decrease them is to decrease the fund for wages.

For the good of workmen no one ought to wish that a great captain of industry retire from business or have his fortune diminished. Workmen are interested to have him stay in the harness as long as possible and have a big fortune to invest and pay out in wages. Work is good for men. So is making wealth. To give permanent work and good wages is one of the finest achievements of our modern industrial system. To honor those who do this is wise for workmen and society. In our own country such men have been honored except by the demagogue and his followers. In England they have received titles. May the day be long distant when public opinion and public policy or any act of the government shall discourage the saving and investing of money by either rich or poor! May the day also be far distant when we have in this country (as a result of any such discouragement of industry) a rich, do-nothing, and money-spending class, instead of a saving and

investing class engaged in magnificent and beneficent industries!

Society, and especially workmen, ought to be glad that some men take pleasure in saving and investing money and in growing rich; that they enjoy it, and therefore do it. Society ought to be glad that there are great captains of industry, men who can conceive great things and carry them to success. The world needs them. There are at least a thousand followers to one leader in the industrial world. The leaders are necessary, if big industries, big production, and consequent big wages are to be had. They are as necessary in the industrial world as a wise father or mother is in a successful household.

“Except a corn of wheat fall into the ground and die, it abideth alone; but, if it die, it bringeth forth much fruit.” This is as true to-day as when spoken. It not only applies to wheat, but it is a great truth as to modern saving and investing. The only method of increasing wealth is by saving and investing it, and this means that it must be paid out in wages and consumed, and in its place a *new* and increased amount of wealth is produced, and this process goes on

indefinitely. A talent of money buried in the earth or hidden in a napkin never produced ten other talents or even one.

Saving means sacrifice of a present for a future gain,—always has and always will. The savage is not always willing to make it; but civilized man knows how, and ought to make it. Envy of those who have made this sacrifice and succeeded in accumulating wealth is not becoming to a brave man.

If wealth is dangerous, how much is dangerous? Is a million dollars? May not a million dollars be wasted as readily as a hundred millions? How many cases have occurred in our day of great wealth misused? We already have some laws against the misuse of wealth,—our guardianship laws. More laws could be enacted along that line if necessary, and thus fully protect every one without diminishing the motive to save and invest, which is so necessary for the welfare of society.

One would think, to read some things that have been written or said about the wealth of the rich, that they had their wealth in money on deposit in banks or perhaps locked up in their own safes; and that they were constantly adding to their “pile” thus locked up; and

that there was danger that they would thus lock up all the wealth of the world, and what would the poor do then? Most of the fear of great wealth has as senseless a foundation as that. The truth is that the wealth of the rich has been paid out, invested in business where it is fixed, and could not be taken back by the owner. He could sell it and transfer it to some one else, yes. But how could the wealth put into railroads or factories or machines be taken back by the man who has invested his money in them? The railroads, factories, etc., must continue to exist and benefit workmen and society long after the men who have created them have passed away.

A small part of the wealth of the rich is deposited in banks. But this is not "idle," hoarded money, as some would have us suppose. One might think, to read or hear some statements, that the "deposits" in a bank are money on hand in the bank. Far from it: the "deposits" are what the bank *owes* to its depositors. It is a pity the words "due to depositors" were not always used instead of "deposits," for it would save some erroneous thinking. The bank has loaned out about 75 per cent. of the "deposits" of its depositors,

and retained only about 25 per cent. in cash as a reserve to pay its deposits on demand. These loans are made to merchants, manufacturers, and other business men to carry on the business of the world, and out of this are paid money for wages, and raw materials (these in turn being nearly all wages). No bank takes a rich man's money and keeps it as a hoard. That would be the business of a safe deposit company, if any one was foolish enough in these days to hoard his money in cash. No rich man does this. The ten-talent man never hides his money in a napkin. It is only a one-talent man who does this.

So, then, we find that, as a matter of fact, when the rich man adds to his "pile," he is adding to his investments in productive enterprises, no matter how much he adds, and that all of his wealth goes out ultimately in wages. A great "danger" to the country and to the poor! A "great peril"! It must be "controlled," and legislated against, etc., *ad infinitum*, and *ad nauseam*, too.

Even if money was given away freely by the wealthy, this would not increase the total receipts of the whole number of workmen; for all that is saved and invested already goes as

wages, and if, instead of being saved and invested and thus paid out as wages, part of the money was given away, the workmen would not have more. If the gifts were not to the workmen, they would have less. If the gifts were made and consumed, and if there was no production by means of the gifts to replace the consumption, then the workmen and society would be worse off than if the gifts had not been made and the money had been left invested in industry, paying wages and producing wealth.

When workmen see that a big sum is to be spent in anything but industry, their attitude, in their own interest, ought to be one of inquiry. Will such sum be spent for a justifiable purpose? If the sum remains in industry, it is theirs, the workmen's, though the legal title be in the investor. If the sum is taken out for a gift to a charity, the inquiry ought to be whether it is justifiable? If the government proposes to take a sum in taxes (from the rich or poor), the workmen ought to inquire whether it is justifiable? If not, then the loss is the workmen's, even though the loss of the legal title falls on the owner.

It is a wicked waste for a wealthy man (or any man) to take money from his investments

(existing or proposed) and put it into an unwise charity.

It is a wicked waste for a government to take money in taxes from its people (rich or poor) that would be saved and invested if the government uses such money for any but necessary and useful purposes and in the most economical manner. Any and all waste by government is a direct injury to workmen, whether the taxes wasted come from rich or poor.

If taxes are levied on the rich, it is to be presumed that such taxes will be paid out of what may be called their surplus for saving and investment rather than out of that portion of their income which they have been accustomed to spend for personal needs and pleasures. If this presumption is correct, taxes levied on the rich diminish their fund for saving and investment and thus diminish wages. Taxes levied merely to take money from the rich in order to make them poorer (if in these days such taxes are conceivable) would thus diminish the funds which go for wages.

Not all gifts to so-called charity or benevolence are for the benefit of society. As work

and wages are usually better than alms, so saving and investing money (though it results in a big fortune for the owner) are far better for society than foolish giving. The person who benefits society is the man who by saving and investing accumulates a fortune, and not the family who spend and give away the fortune after his death.

From what is stated above it follows that whatever increases the product of industry increases wages. The increase of product, if it goes in the first instance to the capitalist, increases his income, and out of his income he has more money for saving, and all his saving, as above explained, goes ultimately as wages. Thus all labor-saving machinery and devices are for the benefit of laborers, and so also all efficiency of labor in every form. The industrial development of the United States in the last twenty years, or even the last ten years, is an instance and an irrefutable proof of this truth.

The grand successes of our own times, and especially of our own country, have been industrial. Through these successes the great body of the people of the country have been raised to a level of prosperity with high

wages and comfortable living never before existing in the world.

In earlier times in Europe the leaders of the people (under the various names indicating leadership or ability, as duke, king, etc.) built their walled towns and castles, and provided armor and fighting materials, and they and their followers spent much time in petty wars. Industry was carried on in the crudest and most wasteful manner as compared with industry in our country to-day. Poverty and ignorance and lives more animal than human were the rule among ordinary people. Even palaces of kings of a few hundred years ago were far less comfortable than the homes of workingmen in our country to-day.

Our monuments are industrial. In the centuries past the people in Europe put vast labor and money into the erection of cathedrals and other buildings for religious purposes. We look on these with wonder. But far more wonderful and more useful are our railroads, steamships, telegraphs, telephones, wireless telegraph, our factories of a thousand kinds and their multitudes of machines and tools, the power loom and spinning machine, the cotton-gin and hosts of agricultural

machinery and implements, sewing machines, knitting machines, automobiles, and countless other labor-saving devices. All these were the inventions and creations of men within about one hundred years, working under the existing conditions of private ownership and control of wealth and freedom of industry, where great captains of industry received their rewards, and men who built up industries had the joys and gains and honors due to their success. All these men, however, as above stated, were really trustees for the benefit of the public, whether they knew it or willed it or not. They could not benefit themselves without benefiting their fellow-men far more. There has never before been a period when wages have been so high as during the past ten or fifteen years,—a period in which there has been the greatest corporation development in the history of the world.

We have heard much in recent years of so-called “reforms” in the control of wealth,—as if somehow society at large is to be benefited by some such “reforms.” There has been much talk that wealth must be “controlled” in some way by the government or it will become “dangerous.” Let us see what

benefit, if any, is to be derived from any such control.

The way to have money or wealth to use in the payment of wages is by saving, as already above explained. The government itself has no means of saving; for it earns no money (at least where the government carries on no industry), but receives taxes taken from persons who have earned money. Will individuals save more or less money if what they save is to be "controlled," not by themselves, but by the government? Perhaps it is not wise to say that all men are naturally lazy. But we may safely assume that most men like to get a living with the least possible effort. If, then, the government is to step in and "control" what a man saves and invests, is he going to earn enough to save anything? If the government is going to control a man's capital,—that is, all that a man can save, all that he earns beyond what is needed for his support,—is he going to earn anything beyond an amount sufficient for his support? Why should he? What would be his motive? To the extent that the government undertook to "control" wealth, there would be a tendency to decrease *future saving*.

But suppose the government seized *existing* wealth (without paying compensation) and took "control" of that, what would be the effect on society? Would the government manage that wealth better than it is now managed? The government is made up of mortal men elected to office. With all respect, one may ask whether they have individually, or as a body, proved themselves capable of managing big financial business. Have they gained ten pounds where they started with only one, or are they five-pound men, or not even one-pound men? Election to office works no miracle in a man. Shall the "control" of wealth be taken from those who have earned it, and conferred upon those who have not? Shall we reverse the Bible narrative, and take away from the man who by industry and ability has gained ten pounds and confer the "control" of those ten pounds upon the man who has gained only five, or even upon the man who has gained none? Shall we take wealth from those who have proved themselves capable of managing it and confer "control" upon those who have not? Some of the little one-talent or no-talent men seem to want to take "control" of wealth away from the big

ten-talent men. It would not be good for society.

There is no magic by which government is able to manage things. Officials are only individuals, and are no wiser because they are elected to office; and they are not usually elected because of any ability they have shown in managing the industries of the country. But, if they were to be elected to office because of such ability already shown, there is no reason to think they would manage business any more wisely because they were officers of the government than they did as individuals or as officers of corporations. If the government undertook the management of industry, then, in order that the people might not suffer loss through bad management, government would be compelled to have as managers the same men that now manage business successfully. But it would be impossible for the government to get such managers. The men who have been the great captains of industry have not done their work for a salary, but because they were building up a great business which was their own to manage and control, for the joy as well as the gain which was in the work and the suc-

cess. Any one who thinks that government could get such work from such men on a salary as a part of a government machine can have little knowledge of human nature.

We have heard a cry that the "interests" shall not be represented in Congress or in any legislative body. If this means that no man who has wealth is to be elected to office, then is it not time to protest against any such doctrine? Is it not wise that able men shall sit in Congress? Shall we go out into the streets and hunt up a man who has nothing, no "*interest*" in anything, and elect him? Shall we elect men who have never had the ability (in our time and country with all its opportunities) to acquire any "interest" in anything? Are such men likely to make wise legislators? And then, if it is proposed to give such men "control" of the wealth and industry of the country, are great and good results to be expected? Will such men be able to do better for the country than they have been able to do for themselves?

The assertion that government "control" of wealth is desirable must be based on the idea that the people of the country as a whole would thus get more good out of the wealth.

Would they? We have seen above that substantially *all wealth saved and invested is paid out in wages*. The more money people save and invest, the greater is the amount paid out in wages. This does not depend on the benevolent disposition of the employer, but upon natural economic laws. Would this fund be increased if there was government "control"? Most certainly the contrary, for saving would be decreased if a man ceased to "control" what he saved. A direct effect of government "control," therefore, would be a decrease of wages.

It is a pertinent question how far our government can go in its "control" of railroads and other corporate industries without having as a direct result a decrease of the amount of saving and investment in railroads and such other industries and a consequent decrease in the amount paid out as wages. Indeed, it deserves consideration whether already as a result of government "control" there have not been much smaller investments in new railroads and as a direct result a much smaller sum available for wages in railroad building and operation. It is reported that in the year 1912 there were fewer miles of new railroads

built in the United States that in any of the fifteen preceding years. Much money, driven away from railroad investments by government control, has found its way into industrials. If, now, the government is going to "control" industrials also, what will be the result as to investments of savings in industrials? Will they continue? If not, there will be a smaller amount to pay out in wages.

Add to the above loss the fact that a very large part of our country is still without railroads, and is compelled to haul its products to market long distances over execrable wagon roads, which by the way are and have been under the absolute ownership and control of the government, and constitute a striking example of government "control." What the producer and consumer have to pay per mile for such hauling is many times what any railroad ever charged its patrons. Competition and efficiency under freedom of management have been the main causes of the reduction of railroad rates to the present low level. The little that the railroad commissions have saved in rates to some shippers where railroads now exist may be nothing compared with the total loss that government "control"

has brought upon the wage-earners and producers and consumers of the entire country, and the end is not yet. Moreover, what the railroad commissions "save" the shippers is not a saving in any proper sense, but a transfer from one person to another. It adds no wealth or wages to the community, as does increased efficiency of labor from construction of new railroads and improvement of old ones.

Notwithstanding the government control of railroads, interest on bonds and some dividends on stocks are still paid to the holders. Anything short of this would be confiscation. But there is a deeper question than merely getting interest on bonds and dividends on stock (which dividends, by the way, are now rather uncertain, not guaranteed by the government which is in control, and in most instances not above interest rates, and with little hope of increase in the future). The greatest motive for a wealthy man to start a big business is his ability to create and control it. The business is his creature, his pet, his hobby. If, now, control is to be taken away from him and vested in any Tom, Dick, or Harry who may by appeal to the dear people get himself elected to office, where is there any longer

any motive for a man of big genius to undertake to create big things in railroads or other industries? Of course, the big railroads now existing must be managed, and this furnishes work for men of genius. But where is the motive to lead a big man to do in the future big things in creating new railroads and other industries such as have been created in the past? Furthermore, who is going to underwrite any big new railroad when the conditions are that, if any money is to be made out of it in dividends, there is a government commission ready and willing to reduce rates until dividends do not exceed an interest rate, and with no guaranty that they will equal an interest rate? When both control and profit are no longer to belong to a great business leader, what motive has he to engage in the work?

There are ways of increasing the funds for wages, and thus increasing the prosperity of the wage-earners, but they are not government control. Whatever increases the product of labor increases the fund for saving, and, if saving takes place, increases the fund for wages, whether it be labor-saving machinery or greater efficiency of the workman from

any other cause. In the thirties and forties in the United States there was a lament that so many horses and stage-coaches and country taverns were to be thrown out of business by the incoming railroads. What was the result? More people have been employed and more wages paid than would ever have been possible if railroads had not come. So all kinds of machinery and labor-saving devices in the United States have made our labor the most efficient in the world, and with our great natural resources and good climate have made the product immense out of which savings can take place. If the product goes largely to the workman, as it does, and is shown by the immense amounts paid out in wages as compared with what is paid in dividends or interest, then the workman gets the high wages directly in that way. Look over the annual report of any great railroad company, and see what amount is paid out directly as wages. Add to this what is paid out for materials and supplies, which in turn are produced by labor and the cost of which also represents amounts paid out in wages. Compare with these figures the small amount paid out as interest and dividends. Consider, too, that

out of interest and dividends *all that is saved* by those who receive interest and dividends and invested is also paid out in wages, and it will be seen how the wage-earners are interested to have big enterprises exist and have great captains of industry to create and manage them successfully. Look over the annual reports of all great industries, and the same thing is true. Dividend and interest distributions are published in the newspapers. If the amounts the railroads and other big industries pay out in wages and in materials (also all ultimately wages) were published with the same fulness, the public would get a much more accurate notion of how wealth produced by a big railroad or other industry is divided. The rich man cannot get even this small payment of interest and dividends without having these big amounts paid out in wages.

But not all recipients of dividends and interest are rich men. A late report is to the effect that the Pennsylvania Railroad Company alone has about 84,000 stockholders. The United States Steel Corporation also has enough stockholders to constitute a small army. The number of stockholders in the

numerous corporations of the country runs up into the millions, so, also, the number of bondholders. Among the bondholders and stockholders are the big life insurance companies, savings-banks, and other institutions that represent millions of small investors, as well as millions of small holders who have themselves invested directly. An attack upon big corporations is really an attack upon millions of men and women of small wealth who have saved and invested their money, as well as an attack upon the wages of workmen.

The savings by workmen in our country are immense. The sums in savings-banks, life insurance policies, homes and furnishings, and the amounts saved and invested in various kinds of business are enormous. Most of the workmen in our country have recognized the fact that saving is the beginning of prosperity. No matter how small the income, some saving is usually possible. Abstinence from alcoholic drinks and from useless or demoralizing amusements would furnish a margin for saving in many instances where such expenditures are now made. There are cases, of course, where saving is not possible, and probably

always will be so long as men exist, where sickness or too large families, or some other cause, has made it impossible to save or even to live without government help or charity. These cases should be cared for and pitied. But they are the exception and not the rule. It is not to be imagined that because many people of foreign birth do not live so well, according to our standards, as a thrifty man of American birth, therefore the foreigner is suffering. On the contrary, he may be living well according to his standard and enjoying himself, and, what is more, saving up money for his family. In thousands of instances their savings enable them to start a small business, then a larger and a larger, until they become wealthy. Some of our own home-born young men might well copy such thrift instead of spending all their income on their living, including often not only food, clothing, and shelter, but liquors and useless and demoralizing amusements, whereas they might save their money and get a start in the world. Men who have acquired wealth have paid the price. Some improvident men are not willing to pay it, and yet want to fare as well as those who have paid.

Society or government might do much to increase wealth and wages by working with natural economic laws and not against them. Everything that prevents waste preserves wealth and benefits wages. Thus, if there were no necessity for war or army or navy, all such expenditures saved and added to the wealth of the country would be of immense benefit, increasing the funds for wages. *So far as these expenditures are useless*, the result is the same in destroying wealth or preventing its increase as if those engaged in such works were employed and paid for dumping sand into the sea and the product which such works add to wealth is nil. This is not saying that army and navy are not necessary, in the present state of the world; but it is a pity they are. We in America are not thankful enough that we do not need to waste so much valuable time of our young men in the army as they do in Europe. There young men are destroying wealth, while our young men are producing it. The different effects on wages are hardly appreciated as they should be.

Think of the war bonds in the world, and one begins to realize the awful waste of wealth in war, to say nothing of the waste of

life and the failure to produce wealth on the part of those engaged in war. They not only do not produce, they destroy. Think of the \$1,000,000,000 cost of the Boer War to Great Britain, and the big amounts to Russia and Japan in their war,—all wasted, if war could well have been avoided. Think what a different result would have been produced if, instead of bonds for war, bonds had been issued for industry; if, for example, Russia could have spent her money for good roads which she sadly needs.

The idea that government is benefiting workmen or society by taxing the rich (thus taking money directly from the funds that employ workmen in productive industry), and using these taxes in paying officers and employees of the government, is utterly false, unless those officers and employees perform services which are more important for workmen and society than is the wealth that would have been produced and the wages that would have been paid if such taxes had not been collected. Cutting off all useless offices and requiring the greatest efficiency in all necessary government officers and employees are desirable for the same reasons.

Until money spent by government will produce as much wealth as the same amount of money spent by individuals or corporations, the expenditures of government and the taxes levied on the people (rich or poor) should, in the interest of workmen and society, be kept as low as the necessary and really useful functions of government will permit.

Natural law in the economic world is a theme upon which a volume might well be written. When in the natural evolution of civilization new economic facts or conditions come into prominence, some anxious persons become alarmed, and cry out "danger," and advocate legislation to avert or remove the danger. If such alarm and proposed legislation are in accord with economic law, well and good, as for example in the case of efforts to have sanitary conditions of life and work. They are bound to succeed. But, if they are contrary to economic law, as in the case of attempts to fix by law the rate of wages or the price of food or the rate of income on capital, they are bound in the long run to fail. If they succeed for a time, the apparent success is obtained at the expense of loss in

some other part of the system of industry, and such loss is greater than any gain.

Attacks upon private property are not new. Socialists and communists and other advocates of different methods of holding and distributing wealth have had their little day before the present generation. The celebrated Brook Farm, for example, had a collection of really choice men and women, many of whom later became useful and famous in the world. But they could not endure the unnatural life of that select community. If socialism was not possible for them, it is much less possible for the mixed multitude. One can read of failure after failure of such communities, and there is little serious attempt in our day to revive them.

Present attacks are in a different form. Recently it has been suggested that taxes ought to be levied upon the rich for the purpose of taking away their wealth or a great part of it. We have also heard much to the effect that the government must "control" great wealth. Great industries are attacked in some instances apparently only because they are great. The mere greatness has seemed to alarm some people. Instead of

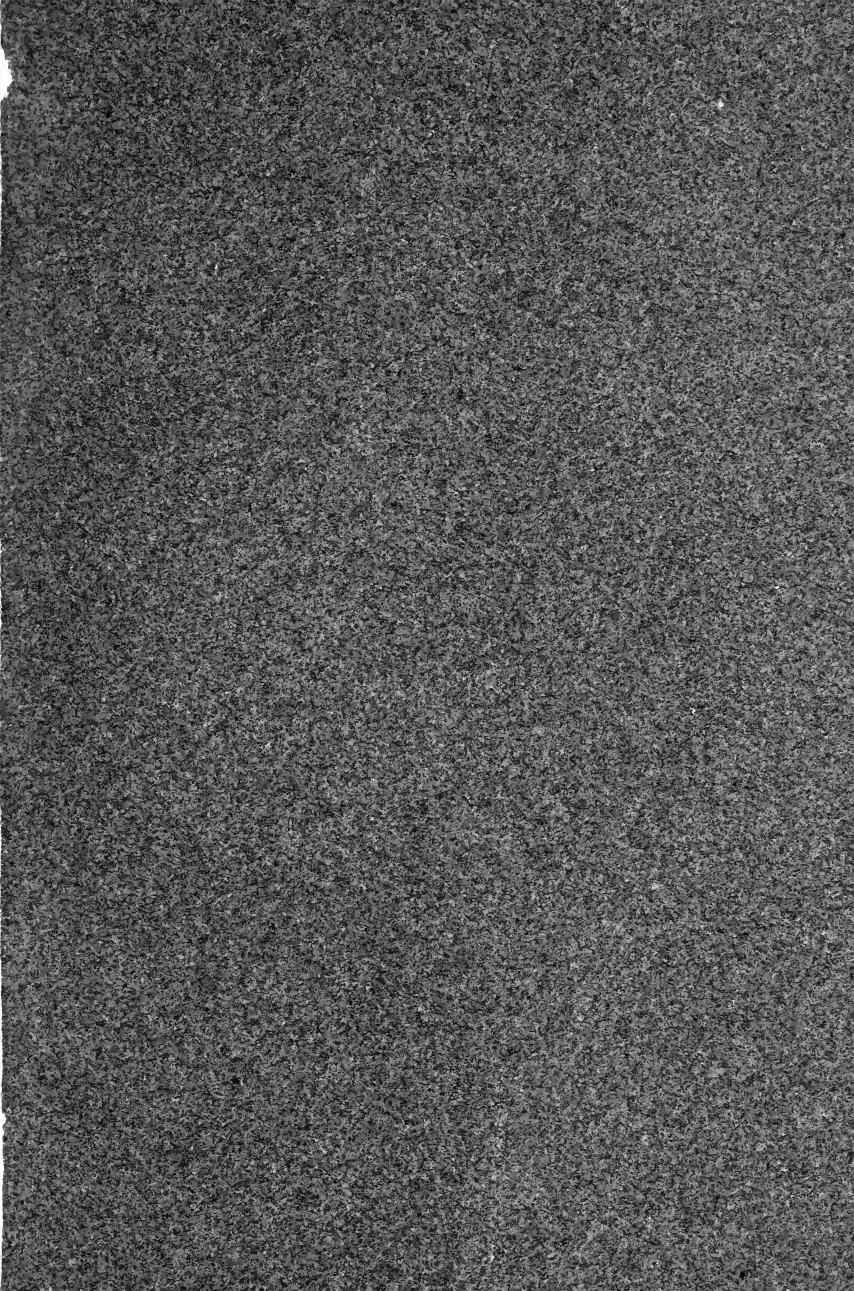
inquiring whether there are not natural economic laws (without statute laws) to control and render harmless, and indeed beneficial, such great wealth and industry, some people have rushed headlong into a crusade against wealth. The great wealth and great industries of the present day in this country and others are indeed novelties. Nothing approaching them has ever before existed, so far as we know. Therefore, over-anxious people attack them. But so also the great wages of workmen and the great comfort and happiness of all classes of people are novelties which have come as a direct result of the great wealth saved and invested and the great industries of our day. If the fearful persons who are attacking great wealth and great industries should succeed in such attack, they would also by the same efforts have succeeded in reducing wages and the comfort and happiness of workmen and society.

One would like to think that it is wholly zeal for the public welfare that prompts attacks upon great wealth and great industries, and that ignorance of economic laws is the most blameworthy fault of such attacks.

It is to be suspected, however, that envy has been the cause of at least some such attacks. Then, too, some demagogues have come along who desired to use what they took to be popular prejudices as a means of getting into office. Politicians have not been the only sinners. Writers for magazines and newspapers, and the owners of magazines and newspapers themselves, have in some instances made great money gains out of their attacks upon great wealth. The crusade has been popular, and very profitable financially to those who have skilfully turned it into money for themselves. "Great is Diana of the Ephesians!"

In a democracy like our own, education of the whole people in sound economic doctrine sometimes comes slowly. We once had a greenback craze and a silver craze, and they in their turn passed away, and most of their advocates have been forgotten. If the crusade against great wealth and great industries is not in accord with natural economic laws, such crusade also will have an end, and its champions, too, discredited and perhaps even hated by the people, will go into their deserved oblivion.





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