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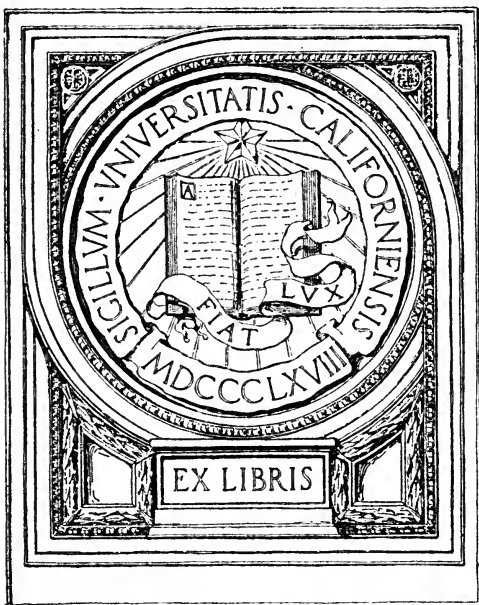
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# Land, Money and Highways Evils and Remedies

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**A Key to These Three Leading Politico-  
Economic Problems  
and  
"The Scientific Solution of the Capital  
and Labor Question"**

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**Thirty Pages Instead of Three Thousand  
*Condensed for Busy People***

**TO READ AND LEND TO A FRIEND**

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By  
**ALVIN H. LOW**

Attorney at Law and Author of  
"Scientific Commercial Standards," "Poverty  
Interest and Wages," Etc.

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**27th Thousand**

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**1913**

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Alvin H. Law



Yours faithfully  
A. H. Low

# Land, Money and Highways: EVILS AND REMEDIES

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BY  
A. H. LOW

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Attorney at Law  
Fellow of Southern California Academy of Sciences,  
and  
Author of "Common Sense on Money," "Scientific Commercial  
Standards," "Protection and Immigration," "Poverty  
Interest and Wages," Etc., Etc.

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*"Come now, and let us reason together"*

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Nineteenth, Revised Edition

1913

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# LAND, MONEY AND HIGHWAYS: EVILS AND REMEDIES.

## INTRODUCTION.

It is my overwhelming conviction that the application of the remedies herein suggested to the evils pointed out will bring about a just relation between Capital and Labor, and insure a fair division of the wealth thereafter created by their combined employment, and establish justice in many departments of our economic system.

Politics in its highest sense is the science of government and as such only, is it treated in the following pages.

At present I stand, with many others, without a party but not, thank God, without a country!

The subjects treated are of such vast importance as to warrant a much more voluminous work. But such a book I think could not so well serve my purpose—which is to reach the great mass of voters who have no time in which to read large books, as well as those of more leisure.

I have therefore expressed my thoughts in as few words as possible—recalling in justification the old sayings, "Brevity is the soul of wit," and "Enough is as good as a feast."

Extracts from this pamphlet, accompanied with proper acknowledgments, will not be treated as infringements of the copyright.

ALVIN H LOW.

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## PREFACE TO NINETEENTH EDITION

Since the issue of the first edition in May, 1905, substantial progress has been made in relation to each of the subjects discussed in this book, and the general public has become thoroughly aroused to the evil effects of private monopoly of public necessities, but we have not yet reached the goal aimed at in the following pages.

The nation is trying to conserve our natural resources not already in the hands of private monopoly. In several states a more consistent land tax is being agitated and tried.

The high-handed exploitation of the public by railroad and other corporations has been attacked, and partially abridged, but a vast amount of watered stock is still paying unrighteous dividends. The physical valuation of railroad property and of other industries as a just basis for dividends is yet to be achieved.

The National Monetary Commission appointed in 1908 has labored and brought forth a bill designed for the creation of a corporation or system of corporations, strikingly resembling the Standard Oil Trust, and if enacted into law will legalize the most gigantic and powerful monopoly on earth, for the term of fifty years, which might as well be forever. The power of that monopoly over credits, interest and discounts, and consequently over all the industries would be omnipotent. This is progress in the wrong direction.

Postal Savings Banks have been established but the "joker" in the law increases the monopoly of the money-lenders, by turning the larger portion of the money deposited, over to the national banks at a minimum of  $2\frac{1}{4}$  per cent per annum, instead of lending it to the real captains of industry. (See appendix.)

The rapid centralization of wealth and its attendant power in the hands of the few, and its consequent impoverishment and enslavement of the many is still going on because of the feebleness of our efforts at restraint. In most cases of "reform" we are grappling with effects instead of causes.

Trying to kill a bad tree by stripping off a few leaves at a time is not practical. Let us apply the ax to the root of the tree.

It is wiser to prevent the unrighteous accumulation of great fortunes, than to permit them by law and hope to compensate for the wrong by spasmodic and capricious redistribution, either by the government by way of taxation or confiscation, or by the owners by donations, endowments, etc., after the wrong has been done. Wealth thus distributed never reaches those from whom it was originally extorted.

The author prefers evolution to revolution, and appeals to all of like mind to assist in carrying forward the work laid out in this book.

# LAND, MONEY AND HIGHWAYS: EVILS AND REMEDIES.

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## Part I.—Land.

Private monopoly of public necessities, without government restraint or control, is the great evil of civilization. To it may justly be charged most of the ills that beset a commercial nation. Chief among the subjects of private monopoly are land, money and highways; and, first of all, land. Land, air and sunlight are absolute essentials to life. Land is limited in supply, hence may be monopolized.

It is a fundamental truth that all persons are endowed by the "Creator with certain inalienable rights," among which "are Life, Liberty and the pursuit of Happiness." If, therefore, there is any one of us who has not sufficient of any of the first essentials to these ends, there must be others who have more than sufficient. The monopoly of land by one portion of the human family is a most serious menace to the God-given right of life and liberty.

We Americans have been taught to believe that a person's right to acquire title to land is as unlimited as to that of personal property, and that if he could command wealth enough he might acquire title to the land of the whole state, or the whole United States, and control it with as arbitrary and despotic power as he can his horse and carriage. Now, either this law and doctrine is erroneous, or the Creator has made a grave blunder in attempting to endow us with any inalienable rights. We must either abandon the American idea of human God-given rights, or the theory of land-ownership brought from the mother country. If a new born babe is entitled to any part of the earth's surface as a natural heritage, he is entitled to the best that is not already in use by others. Is not this assertion in accordance with the fundamental principle of Justice? Now if we find human laws which lead to the deprivation of any one of a natural right, what shall we do? Let us adopt the language of Sir William Blackstone, and say, "the law of nature is superior in obligation to any other. No human laws are of any validity if contrary to it, and they derive all their force and authority from it."

There is no more forcible proof of the violation of any natural law than those resulting from our laws in relation to land.

We need not go out of our own country to see the evil effects of a land system that permits one generation to forestall its successors in the enjoyment of the land. This is one of the means by which colossal fortunes are secured to a few and abject want and wretchedness to the many.

Laws for the regulation of society, among which are laws regulating the title to or occupancy of land, highways, money and everything requiring artificial regulation, are human, and there is no reason why the law-making power—which in this country is primarily in the people—should hesitate to correct any law which, from experience, has proven to be defective, and the one test of the law should be: is it just?

But it is easier to find fault with a law or anything else than to offer an improved substitute for it. The great evil of our present land system is the facility it affords those who can command money, to acquire title to more land than they can use, to the exclusion of those who would otherwise use it, and as land enhances in value by the increased demand caused by the increase of population, the land owners reap the benefit of labor which they have not performed, by the increased price they are enabled to receive for their lands. The evil results to those whose labor is confiscated, as it were, by those who have no just right to it.

Fortunately, the subject of land taxation is within the jurisdiction of the state. We do not have to wait for national legislation for that. **We should tax all land not in actual use to the full extent of its speculative value, i. e., tax the speculative element out of land values.** The object of every business transaction is gain. No one would buy or own land unless there was a hope of gain to result from the purchase or holding; and if every land owner was compelled to pay to the state all that his land increased in value from year to year, outside of that added to it by his own labor or expenditure upon it, there could be no motive for owning land not in actual use. Is not this a plain, simple, just and efficient remedy for the evils of our land system? It would not be confiscation. It would simply stop further confiscation. The state, which is the people as a mass, would simply claim and take all of the value of land that the people in mass have given to it without compensation or any service on the part of he who owns the land. Society—the state—has a right to the unearned increment due to its existence and activities.

The ballot is the only instrument we need to use in this struggle for Justice. Shall we use it? We shall see.

Since writing the foregoing I have been asked sundry questions relating thereto, which I will state and answer here.

1. "Do you advocate the single tax doctrine of Henry George?"

No, not if I thoroughly understand Mr. George. My idea of taxes is, that they are for the purpose of supporting government, and that government being for the protection of the governed in the peaceful enjoyment of their persons and property, as well as the promotion of the general welfare, it is right and proper that everyone who enjoys such protection should contribute to the cost of government in proportion to the value of the property protected. Taxes in this sense are analogous to premium paid for insurance.

A poll tax may or may not be necessary or expedient, since in this all share equally; but while I would have every citizen bear his share of the expenses of government, in proportion to the value of his personal property, I would discriminate against the ownership of unimproved and unused land to prevent the monopoly of that first essential to human existence, the Earth.

2. "How would your theory of land taxation affect the rancher and farmer who are making use of their land for legitimate purposes?"

They would usually pay less taxes than they do now; as, while their land might bear more taxes, their improvements thereon should bear less. **At present, he who improves his land is fined for his industry;** while he who holds his land unimproved and keeps others out of the use of it, gets off with little or no tax, and his land grows more valuable year by year by reason of the work of others on land near it and the increased demand for land resulting from increase of population; **this is the injustice and evil I wish to overcome.**

But while this evil is calling loudly for remedy it is of secondary importance, for immediate action, to the evils existing in our money system, as set forth in the following pages.

Land is given first place here because it is the first essential to life.

It was, however, the hope of the author to contribute something substantial towards making our money system scientific that led to the publication of this book; the reader's thoughtful consideration of what follows is therefore earnestly solicited.

## Part II.--Money.

The laws relating to Money are also man-made and are equally defective with those relating to Land. To abolish all forms of money would in effect reduce all exchange to barter.

Money was invented in answer to a necessity. Facility for making exchange was needed, and, as all exchanges of labor and commodities were made according to the relative value of the things exchanged, a measure of value was as necessary as measures of size and weight. Standards of all measures have been securely fixed except that of value. The material and mass of the money unit, the gold dollar, has been fixed. But the value, the most essential part of this measure, is variable everywhere and all the time. The value of money, like that of labor and commodities, is governed by the law of supply and demand. The value of money can be regulated only through the supply for use. While the supply of money was confined to a certain commodity, as gold or silver, it was an easy subject of private monopoly, and has always been a most potent instrument of extortion. The history of money shows what fantastic and always abortive efforts have been made to fix and regulate the value of money, through usury laws, which have failed of their purpose for the sole reason that there has never been an adequate supply of money to meet the demands of commerce at the rate of interest prescribed; and until the invention of coined credit—paper money—to meet the demand not met by the supply of commodity money, such a supply was practically impossible. Credit money is quite a modern invention, to answer a necessity as imperative as the demands for money in its original form. The invention of credit or paper money has made it possible for our government to furnish a supply (by loans on good security) to meet all demands for money at a just and low rate of interest, and by that means fix the value of money and maintain that value at all times and places throughout the country. Instead of doing this, however, it has created and is now fostering a private monopoly—the National banking associations—with full power to supply much or little credit money; not to meet the demands of commerce, but to meet their demands on commerce, and their standard is “all the trade will bear.”

To one who has made a study of this subject it seems incredible that this thing can be suffered in this country much longer. My limit of space does not permit me to even touch upon the wrong and injustice our present money system entails. Money is the measure of value and should be as fixed and certain in

**its own value as the yard stick is in its length.** The interest it will draw when loaned on good security shows what the value of money is, and **the current rate of interest on money so loaned is the standard of rents and profits.** A just rate of interest maintained by a sufficient and certain supply of money would reduce rents and profits to the same level. That interest—which is profit to capital—is unjustly high is evidenced by the rapid accumulation of wealth into the hands of the few, to the impoverishment of the many.

It is by the authority of the Government that all paper money is issued. The National banking associations use their monopoly of the issue of paper money for their private personal gain, in the same sense that a man does his business who runs a hotel or store.

**The loanable function of money is only incident.** The primary purpose and functions of money are a measure of value and a medium of exchange. The incident function should be subservient to the primary; but almost from the time money was invented its susceptibility to private monopoly through supply, has rendered the function of loanability at interest dominant, and through it the money-issuing and money-lending powers have always held both the economic and political destiny of the world in their hands.

It is the lawful right and plain duty of the Government to fix interest at a low rate and insist on the National banks lending money on good security at all times on demand at that rate, or take the issue of credit money out of their hands and exercise that sovereign function itself. While the profits of agriculture do not average two per cent. per annum on the capital invested, it is clear to me that interest should, at most, not exceed that rate. How much lower than that it should be to give capital its just share of the profits of the industries in which it is engaged is open to discussion, but I believe **this matter of the normal rate of interest, i. e., the current rate at which money is loaned on sound security, is the vital question between Capital and Labor.** The bone of contention between them is the division of the profits of their combined employment in the industries. Fixing the price of Labor by law has been tried and from the very nature of things has failed.

Fixing the value (use) of capital has only been attempted through usury laws, which have also failed of their purpose because no provision was ever made at the time of their enactment or otherwise for a supply of money—the representative of all commercial values—to meet the demands of commerce at the rate prescribed. This can now be done, as it could never, with the knowledge existing, have been done before. **There being (aside from land) but the two factors of**

production, is it not clear that all that is left of profits after one factor has received its share must go to the other? As to its share of profits, land is a form of capital. Its portion of the Capitalistic share of profits being called rent instead of interest, but its value is governed by the same law. Congress alone has the right and power to cause justice to be done in this matter. What shall we do? We shall see.

(See Appendix.)

Questions relating to the foregoing also have been asked, some before and some since the publication of the first edition, which I will state here with my answers:

1. "In your bill (Appendix) why do you provide no penalty for charging more than the rate of interest prescribed for the use of money?"

Because it is not needed, and if such penalty were prescribed it would injure rather than benefit the very persons whom it would ostensibly protect, to-wit: those who were in need of loans but having nothing to give as security, except their known integrity. No one who has good security to give for a loan would borrow of a private person or corporation at a higher rate than he would have to pay the Government, and to deny him the right to borrow at any rate he can obtain a loan for, without such security, might cause his ruin, or make it a necessity to save himself through the violation of the usury law, in which case he would be required also to pay additional interest as indemnity against prosecution. In fact, such has been the history of all usury laws, the world over. Usury laws have always been abortive of any good, since they have always been at variance with the law of supply and demand. Take for instance the usury laws of our several states. Every state at one time or another has enacted a penal usury law, which is nothing more nor less than prescribing the value of money under a penalty, with absolutely no provision and no power on the part of the law-makers to furnish money to meet the demand at the prescribed rate. The States and Territories have thus assumed a function of the National Government, and have exercised it by sufferance, fixing an arbitrary value on money, each for itself, and neither they (having no right) nor the National Government have ever even attempted to furnish a supply of money in manner and quantity to so meet the demand for money as to make the legal rate normal. For further light upon the folly of penal usury laws, I respectfully refer my readers to "Defense of Usury," by Jeremy Bentham, and the speech of Richard H. Dana, Jr., before the House of Representatives of the Massachusetts Legislature, Feb. 14, 1867.



2. "If the current normal rate of interest is lowered to 2 per cent. per annum, values will rise in proportion, so after all, how will labor, the first factor in production, be benefited?"

Prices as computed in money will so rise, once for all, in consequence of such change of interest, but the intrinsic value or usefulness of things will not change. The nominal value, not the real value, of labor and commodities change with a change in the value of the measure of value. The actual benefit to Labor will be the difference between the 2 per cent. or less rate we propose to establish, and the rate it pays in interest, rents and profits now.

Remember that "per centum" is "by the hundred," and "per annum" is "by the year." At 2 per cent. money at simple interest doubles in 50 years; at 4 per cent. in 25 years; at 10 per cent. in 10 years. Other things being equal, prices rise or fall the same per cent. as interest falls or rises.

3. "Why should money loaned draw any interest?"

Because it is useful and its value is the measure of the value of all other things of value which are limited in supply. The law of supply and demand is the fundamental law of commercial value. If the use of money could be had for the asking, no one would part with his goods for money that he could get for nothing. Money would therefore have no value, being unlimited in supply and would no longer answer either as a measure of value or medium of exchange, the two functions for which it was created; Aristotle to the contrary notwithstanding.

4. "Why do you prescribe 2 per cent. instead of 3 per cent. or 1 per cent. as the desirable or just rate?"

Two per cent., as shown by late government statistics, is about the average rate of net profit of agriculture in the United States, and that is the primary and foundation industry. I can see no fairness in allowing capital in any other industry a greater rate of profit than that of agriculture. How much lower the rate of interest should be, I think, is such rate and no more, as would induce the owners of capital to part with (sell) the use of their capital, rather than use it by consuming it themselves.

The ethics of interest seems to me to be concerned solely on behalf of live labor, as man can owe no duty to dead or inanimate labor, and aside from land in its natural state, all capital is essentially dead or crystallized labor. We owe a duty to the owner of capital no less than to him who has no capital, but not because of his capital.

5. "Why should not the government issue a certain amount of money per capita in order to give the people a sufficient amount to do business with?"

Because the government has no means of knowing how much that would be. It is the volume of business, not the number of people, that determines the demand for money; and, further, the Government has no adequate way of supplying an arbitrary amount per capita or otherwise; but by loans at a fixed rate of interest, the supply will meet the demand automatically, and when such supply is provided, it is possible, if not probable, that the actual amount required will be less, instead of greater, than now. It is the amount in circulation, not simply the amount in existence, that facilitates trade.

6. "How can the Government's credit stand the strain of such an immense issue of notes as would be likely to be required if that bill should become a law?"

Such law and issue would not tax the credit of the Government a particle, because every dollar issued would be amply secured by the private pledge given for its loan. There is no analogy between such notes so issued and the present treasury notes and "greenbacks" now in circulation, which were issued for value received and consumed in war and otherwise; on the contrary, they would be substantially like the gold certificates now in circulation, absolutely good and at par with the unit of value, so long as the permanency of the Republic is secure.

7. Often some one says to me:

"I do not believe in interest, rent and profit. What right has money to draw interest?"

I answer: You use the word **right** on the **wrong** side of this question. Permit me to reply by asking, what **right** has one man to the use of another's property without his consent, and how can you expect to have his consent without paying him for it? **The value of a thing is its use.** Interest is paid for the use of money for a limited time. Rent is payment for the limited use of land. If you have no right to take another's money or his land or his horse forever, what right have you to take it without his consent for **any time**? As I have said before, money and property, as such, have no rights, but those who own them have, and if you want the use of them at a reasonable rate, cause your government to establish and maintain a reasonable rate of interest, and rents and profits will follow it.

8. "How do you know that live labor is not receiving its fair share of the profits of the industries?"

For example, let us take government statistics and from them make a few calculations. In the year 1900 capital in the United States was invested about as follows:

Agriculture .....	\$20,500,000,000
Manufacturing .....	9,900,000,000
Mining ....	7,400,000,000
Railroads (transportation) .....	8,700,000,000
<hr/>	
Total .....	\$46,500,000,000
Total wealth in U. S. in 1900.....	\$94,300,000,000
Total wealth in U. S. in 1890.....	\$65,037,091,000

Increase in 10 years.....	\$29,262,909,000
Average increase per year.....	2,926,290,900

Which is about  $4\frac{1}{2}$  per cent. at simple interest on the total in 1890.

If we allow this capital 2 per cent. for its use for the year 1900, (which is considerably more than was the profit of agriculture), it gives \$930,000,000. Deduct this from the amount of the increase in wealth in 1900 and we have \$1,996,290,900 to go to the laborers. With an estimated population of 80,000,000 in the year 1900, and one laborer to every five persons, there were 16,000,000 laborers. Divide the \$1,996,290,900 between these and each will receive \$124, being net profit over and above all expenses of himself and family.

From page 647 of the annual report of the Commissioner of Labor for the year 1903, it appears that of 2,567 families of 5.31 persons, the average income in 1901 was \$827.19; average expenses for all purposes, \$768.54 (of which food cost \$326.60) leaving an average saving or profit per family of \$58.65. Take this from \$124, which it should have been, and it leaves \$65.35 that the family should have gotten but did not.

By the way, it would be interesting to know how many families of wage-earners received \$827.19 for the year 1900 or any other. The statistics do not show. The statistical abstract of the United States for 1903 shows on page 66 that for the year ending Sept. 1, 1900, the National Banks made net earnings of 10.13 per cent. on their capital and surplus! Is it not plain that with an average of only  $4\frac{1}{2}$  per cent. per annum increase of wealth of which labor is robbed of more than one-half of its share, and 95 per cent. of business enterprises entered upon are failures, while the money-issuing and money-lending power is clearing a net profit of over 10 per cent., the money-lender now, as he has ever done, holds our economic as well as our political destiny in his hands?

9. "While you place much stress upon the law of supply and demand, some writers on political economy, and many laymen, deny its validity and force."

In reply to this I will refer my readers to the diagram below and the explanation which follows it.

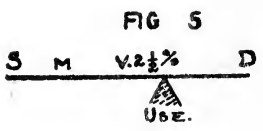
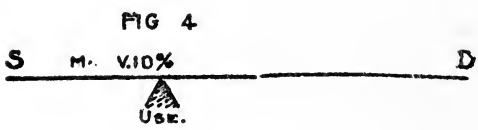
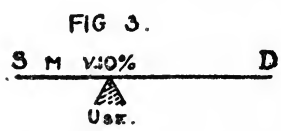
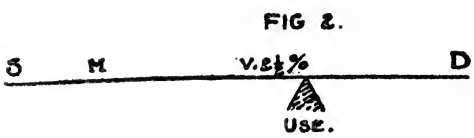
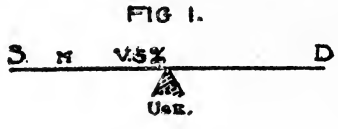


DIAGRAM ILLUSTRATING THE LAW OF SUPPLY AND DEMAND APPLIED TO MONEY.

SEE NEXT PAGE.

In the diagram on opposite page,  $V$  per cent. is the value of money or rate of interest;  $S$ .  $M$ . the supply and  $D$  the demand for money, balanced at Use.

Operation—For the purpose of illustration only, we assume that in

Fig. 1, 5 per cent. is the legal, just and normal rate and Supply and Demand are equal at that rate. It needs no figure or illustration to show that when Supply and Demand change simultaneously and in same proportion, the balance will be maintained at the same rate, but if as in

Fig. 2. Demand same, supply is doubled, value falls to  $2\frac{1}{2}$  per cent.

Fig. 3. Demand same, supply lessens one-half, value rises to 10 per cent.

Fig. 4. Supply same as in Fig. 1; demand doubled, value rises to 10 per cent.

Fig. 5. Supply same as in Fig. 1; demand lessened one-half, value falls to  $2\frac{1}{2}$  per cent.

The rate of interest per annum expressed by per cent. indicates the price paid for the use of money, which is also described as the value of money.

The value of money being the standard measure of value (although as usually stated "money is the measure of value") other things being equal—

Raising the rate of interest has the same effect on prices of Labor and commodities, as increasing their supply or diminishing demand for them.

Lowering the rate of interest has the same effect on prices of Labor and commodities as diminishing their supply or increasing demand for them.

Thus it will be observed that a change in the ratio between supply and demand on money, has the opposite effect on the prices of all other things for which money is exchanged.

It should be borne in mind that the rate of interest herein discussed is the average or normal rate, with sound security, throughout the country, and that change in the normal rate is never as abrupt from one extreme to another as illustrated in the diagram. In actual practice the rate changes gradually in proportion as the ratio between supply and demand changes; and, too, an increase in supply has a tendency to stimulate demand at the lower rate and a contraction of supply has the opposite effect.

**Who can predict the vast increase of business that would result from a justly low and fixed rate of interest with a constant and ample supply of money to meet the demand at that rate?**

Compare the foregoing diagram with the law of the lever and note the analogy. The one is as much a natural law as the other and both as immutable as the law of gravitation, and all attempts to circumvent them have always resulted and must necessarily result in absolute and ignominious failure.

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### **Part III.—Highways.**

We have next to consider Public Roads, usually called Highways. The highway is a public necessity scarcely less in importance in our advanced state of society than money itself. Certainly no great advancement in commerce could have been made without this means of transportation. When the land of a country is held in common by all its inhabitants and commerce is in its simplest form, little or no attention is given to public roads; but as soon as the land is occupied so that the members of society claim exclusive possession of portions of the land, it becomes necessary that a part of the land should be reserved to be held in common, over which the people may pass from place to place without let or hindrance. The institution of highways, therefore, must date back about equally with that of money, for they are both vital necessities to commerce, the first and grandest step towards civilization. About the year 1830 a new impetus was given to commerce.

It was the employment of steam as a motive power in the transportation of persons and property, applied to the railroad locomotive, and was in itself one of the grandest strides forward in the march of human progress the world has ever witnessed. It was to the system of highways, what paper money was to the money system. Grand in its conception and beneficent in its purpose—a power given to man as a help to his moral and spiritual growth; but like money and everything else of general necessity capable of private monopoly, it has passed into the hands of the few, who are using it with an eye single to their personal advantage. Suppose for a moment, if you can, that every railroad in this country was suddenly blotted out of existence and the invention of the locomotive forgotten. Should the sun be darkened by a total eclipse for a year, the stagnation of business and general distress would be little more intense.

Where is there a railroad in this country upon which every

citizen may travel or send his goods at a rate equal with that of every other citizen? Where is there a railroad which is not in the control of one or more private persons who manage it as they see fit without regard to public interest or common justice?

Without laws to suit the business of constructing railroads there could be but slow progress if any, in the matter. All the land in the country is either owned by the Government or by private individuals, and land ownership carries with it exclusive possession. The law of eminent domain, which reserves to the Government the right to take private property for public use, had to be invoked before the railroad could be built. So we have the spectacle of a necessity which is public while it is being built and "private property" afterwards, without any change of title. However, I hold that the exercise of this sovereign prerogative, the right of eminent domain, makes the railroads public highways, and the Government has the inalienable right to regulate and control them, precisely as it has the money system. In each case, a sovereign prerogative has been farmed out to private corporations for their personal advantage, with but little consideration for justice or the public weal. The interests of the public in either case have been subserved only as it has been necessary to the corporations in question. As it stands today, railroad corporations are simply legalized highwaymen.

Such vast utilities should no longer be left in the control of private monopolists. Every sovereign prerogative is inalienable in the people of this country. It can neither be lawfully given nor taken away, and if unlawfully given or taken away it may be reclaimed, recovered and again exercised by the people through their government. I believe the time has nearly arrived when this will be done by the people of this country. The Government, however, will not do so unless the people demand and insist upon it.

Shall we make these demands? We shall see.

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The following questions have been asked, to which I have replied below:

1. "Do you believe in government ownership of public utilities?"

That depends on the results attainable. A public utility is that which serves the public, and the most desirable ownership, as I see it, is that which gives the best service at the lowest possible cost to the public in general. The principal

evils attending private ownership and administration of public utilities are extortion and unfair discrimination. **Eliminate these two and it will matter but little whether the bare ownership be private or public.** It will require as many people, and of the same efficiency to administer the utility in the one case as in the other.

While the normal rates of rents and profits remain substantially the same as they are now, **which they will do as long as the rate of interest on money loaned remains the same,** I can see but little advantage to be gained by the general public in substituting for extortion in rates for service, **extortion in rates of interest on the purchase price of the utilities acquired.** As to discrimination in administration of the service, that can and should be prevented in either case, and the Government has ample authority, as I will show, to do that under private as well as public ownership.

2. "Why should not the Government construct railroads and other public utilities and operate them at cost?"

If in the word **cost** you include the current rate of interest on the capital invested, I can see no objection to it, **provided** the Government has the means of paying for such construction. However, the Government has no such means **except** by taxation, other than the moneys arising from the sale of public lands.

If, on the other hand, you exclude such interest, the comparatively few who would use such utility, would have an advantage over those who did not, to the amount of the free use of such capital for the time being, which would be no more just to the rest of the tax-paying community than would a loan of so much money for the time being without interest. That discrimination in favor of those who are now using the Government credit at the rate of only one-half of 1 per cent. per annum, is one of the injustices and evils we should abolish.

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#### Part IV.—Summary.

In our three preceding articles we have considered briefly the three great instruments necessary to Labor in the production and distribution of wealth. It is my purpose now to summarize the whole subject.

There is practical unanimity on the part of the great suffering majority as to the existence of great evils in our economic



**system. All know, and the masses feel the effects of these evils, and are crying loudly for their removal, but as to the remedy there are innumerable theories, each having its advocates, and those who are profiting by the injustice of the present system, profit further and are most secure by reason of the division in the ranks of the would-be reformers. They have learned the truth of the legend, "In union is strength," and are acting accordingly, as witness their combinations into partnerships, corporations, syndicates and trusts; while the trades and labor unions are the only substantial and forceful combinations among the oppressed. Combinations of laborers as such, however, can act only on the supply of labor, and while the labor market is glutted with unorganized and unemployed laborers literally begging for work to do and every demand for labor filled, nothing but the greater skill and education of the organized laborers can have any potent and lasting effect upon wages.**

Political action, which is free to those belonging to the unions as well as those who are outside of them, is the only field in which all must work to accomplish a substantial and satisfactory improvement in our economic system, and because I believe this, I have attempted to point out the paramount evils and a method for their eradication.

Land, money and highways are comparable in our economic system to the three great mechanical powers in machinery: money corresponding in importance to the lever. There are, to be sure, other subjects for legislative correction. Every great public utility should be under Government control, to at least prevent its doing an injury to the community, but when we have taxed speculation out of land values, established a just rate of interest on money loaned and payments deferred and applied government regulation to the operation and toll of railroads of this country, there will be such a new impetus to commerce that, with the exclusion of undesirable immigrants from other countries, every one who is able and wants to work will be employed, and at wages that will give him all the wealth he creates. My suggestions of methods of bringing about this happy state of things have necessarily been accompanied with but few illustrations of how they would operate. I hope now to supply this lack by describing at least some of the effects of the remedies advocated, and later to point to the authority now existing, for the laws necessary to be enacted to accomplish the end sought—the establishment of Justice in our economic system. If the State takes in taxes all the value that land not in use acquires by reason of the operations of that part of the community not its owners, there can be no inducement to monopolize land, or hold it for speculative

purposes, because no profit could arise from such holding. This would put agricultural and otherwise valuable land in the market at their true value for use and within the reach of the people of small means. What need is there to explain or describe the results of equal and just rates on the railroads? It may not be so obvious, however, **how lowering the rate of interest on money loaned, would benefit the wage-laborer who never borrows money, and has no security to pledge for the use of it even if he wanted to borrow.** This is a fair and pertinent question and its proper answer is the crucial test of the theory of fixed and low interest.

**Interest, rent and profit of capital are kindred if not identical.** They are each compensation for the use of things according to their value. We, however, use the word interest to more specifically designate compensation for the use of money loaned or payments deferred. It requires no illustration to show that since profit is only the surplus wealth produced by the combined employment of capital and labor on land or that which has been derived therefrom, **any division which fixes the share of one of these two factors, necessarily determines the share of the other.** If the share of capital is fixed, only the share of labor will be variable, whereas, under our present system of a variable standard of value, the share of each is variable, and the division is based on might without regard to right. As a wage-earner, I am asked: "If your employer could borrow money at two per cent., would he pay any more wages than he does now?" To this I answer, it would at least be possible for him to do so; whereas, with interest at 6 or 10 per cent. as now, it may be, and generally is, impossible for him to do so; and if all other employers were able to do the same there would be such a stimulus to business that more laborers would be in demand by employers and the glut in the labor market would be accordingly relieved, and under the law of supply and demand, all labor would command higher wages, mine with the rest. **Fixing the rate of interest, so that money has the same value at all times, would add security to all legitimate business, which alone would be most beneficent, for then financial crises and money panics would be impossible.** As it is now, one who enters upon a business with money even as low as 5 per cent, must hedge in his profits against the day when his interest on capital borrowed will be raised to a ruinous rate, as witness the fluctuations in New York, where at one time interest on call loans is as low as 2 per cent. and at another time as high as 100 per cent., while fluctuations between those extremes are constantly occurring throughout the country.

Again I am asked by a wage-earner himself: "How can

lowering the rate of interest benefit me who never borrow money and have no security to pledge for the loan if I wanted to?" To this I answer: **About four-fifths of the business of this country is done on borrowed capital.** Those who initiate and conduct the business have to make it so profitable that out of the proceeds they can pay the money lenders (usually the banks) the interest they have contracted for before anything can fall to them for even their services. It has been estimated that 95 per cent. of business enterprises result in failure. The test of success of any business is, does it pay a profit? No business will be conducted long when the receipts over expenses do not exceed the interest at the current rate on the money invested. It follows, as of course, that when business stops by reason of high interest, laborers are thrown out of work and wages cease, and the wage-earner who lives from hand to mouth is the first and most pitiful sufferer, and would therefore be most benefited by low interest. With a low and fixed rate of interest, therefore, business would be immensely stimulated, consequently increasing the demand for labor, and the supply remaining the same, just in proportion increasing its price or wage, and by a proper limitation on the coming of laborers from foreign countries, the supply would soon no more than equal the demand for labor, and the American laborer and wage-earner would once again stand firmly and erect upon his feet, able to command and sure to receive his full share of the wealth he helps to create.

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#### Part V.—Authorities.

Let us now see what authority and power we have and can lawfully exercise over the forces of evil in our economic system, and especially in the three branches of it which we have been considering and suggest, if we can, suitable remedies and how to apply them.

**The power of taxation**, which is simply the power to take and appropriate private property for public use without compensation to the owner, other than that which he receives incidentally through the public weal, is the highest prerogative of sovereignty. That power is now exercised by our National, State and Municipal governments without question as to fundamental right. All controversies over taxes arise from discrimination in subjects or rates, but not upon prerogative. Land is as common a subject of taxation as personal property.

I submit, without further argument, the question, is it not just that the government should take by taxation for public use all of the increase in land values derived from the labor of the community surrounding it, and in no other way contributed to it by the persons who hold the title to the land? The power to levy such a tax resides in the people, and the State government is the instrument through which it can and should be exercised.

The Constitution of the United States provides that "The Congress shall have power to coin money, regulate the value thereof and of foreign coin and fix the standard of weights and measures." Also "To regulate commerce with foreign nations, and among the several states." Also "To provide for the common defense and general welfare of the United States;" Also that the Constitution and the laws made in pursuance thereof shall be the supreme law of the land.

What greater powers than these do we need, in order to lower and fix the rate of interest on money loaned and to provide an ample supply of money to make that the normal and current rate? The same power that enables Congress to coin money empowers it to regulate its value, and it is self-evident that the power to regulate carries with it the power to fix that value. And it is as scientifically and as practically necessary to fix the value of the standard of value as to fix the length of the standard of length.

Prescribing a rate of interest without providing a supply of money to equal the demand at that rate has always been, and from the very nature of things, must always be, abortive. The value of money, like that of everything else of commerce, is its use, and since interest is the price paid for the use of money, it also indicates what the value is, and money being the measure of value and the medium of exchange, its value, like that of everything else, is expressed in money, and its use is paid for, unlike that of anything else, in a part of itself, or its equivalent in value. It is for us through Congress to prescribe what that part shall be and establish and maintain it.

It is by the exercise of that certain prerogative of eminent domain that we must bring, not only the railroads, but all other branches of industry susceptible of private monopoly, or of public utility, under Government control, to the end that they shall be not only beneficial but in no way injurious to the general community.

Bouvier's Law Dictionary defines Eminent Domain to be "The superior right of property subsisting in a sovereignty by which private property may in certain cases be taken or its use controlled for the public benefit, without regard to the

wishes of the owner. The powers to take private property for public use." 6 How. 536. \* \* \* So it was said by the U. S. Supreme Court: "The power to take private property for public use, generally termed the right of eminent domain, belongs to every independent government. It is an incident to sovereignty and as said in *Boom Co. vs. Patterson*, 98 U. S. requires no constitutional recognition. Field, J., 109 U. S. 513, 518." The same authority says as to what may be taken, "Every kind of property may be taken under this power. It is attribute of sovereignty and whatever exists in any form, whether tangible or intangible, may be subjected to the exercises of this power, and may be seized and appropriated to public uses when necessity demands it," for which authorities are cited.

Further still, we have the law of Public Policy, defined by Bouvier as, "That principle of the law which holds that no subject can lawfully do that which has a tendency to be injurious to the public or against the public good," and cites cases in support of this definition.

Our right of eminent domain, however, is somewhat abridged by the United States Constitution, as that instrument provides that "no person shall be deprived of life, liberty or property without due process of law; nor shall private property be taken for public use without just compensation."

But here is also another provision in said Constitution: "All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States, and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States, nor shall any state deprive any person of life, liberty or property, without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws." The same Constitution also provides that "Neither slavery nor involuntary servitude, except as a punishment for crime, whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction." It also provides that "The right of citizens of the United States to vote shall not be denied or abridged by the United States or any state, on account of race, color or previous condition of servitude."

In the last provision quoted there is a plain implication, and it is a legal inference also, that the right of citizens to vote may be denied or abridged for other reasons, and the fact is, they are so denied and abridged on account of crime, insanity, idiocy and (will God forgive us?) poverty and sex!

## Part VI.—Conclusion.

**"Ill fares the land to hastening ills a prey,  
Where wealth accumulates and men decay."**

We have heretofore pointed to the evils resultant from unrestrained private ownership of the three most prominent objects of human necessity susceptible of monopoly, and have shown what the sovereign and constitutional rights and powers of the people are, whereby we may apply adequate remedies to them all and equally so to all the lesser evils not chargeable to any of these, that vitiate our economic system.

There remains to be considered the manner of exercising these rights and powers in applying the remedies.

I now solicit a heart-to-heart talk with my fellow citizens, hoping thereby to make myself the better understood, and I can unqualifiedly say that I entered upon this discussion and desire to extend it "with malice toward none, with charity for all."

Lest we forget, let me repeat that every voter in the United States is a sovereign in his own right and that collectively, through the ballot, we have a remedy for every ill of our now imperfect political and economic systems. Politics and economics are so closely related that it seems almost superfluous to separate them, as primarily, politics is the science of government and economics the science of national housekeeping. Each is dependent upon the other; but there usually exists in every country as in this a division of politics known as partisan, in the strife of which patriotism is often submerged beneath a sea of personal and private interests; hence, I think our political institution has not kept pace with our economic forces in the march of progress. Every evil in our economic system should be removed without the instrumentality of political parties as such, but men of all parties should unite to perform the work as a necessity to the perpetuity of the Republic and the establishment of justice. There is but one of two ways open to us. We may instruct our Congress and our Legislatures to enact laws to carry the reforms we indicate into effect, and, should they disregard or refuse to obey our instructions, we must see to it that their places are filled at the next election by those who are pledged to carry out our wishes.

Petitions to government do not become sovereign citizens, and if our wishes are expressed in that humble form we are liable to be mistaken for powerless serfs, bereft of all political rights, as was recently illustrated in the Russian capital. Let us demand of our Legislatures laws taxing all land to the full

extent of its unearned increment, and a law that will enable the state government to take such control of every industry within the jurisdiction of the state so far as is necessary to prevent such industry being managed to the injury of the public.

Let us demand of Congress a law reducing and fixing the interest on money loaned and payments deferred, to a just rate, and that it provide, through the method now in use, or another to take its place, a supply of money through loans to the people, on good security on demand, to make that the normal rate; and that it enact laws enabling the executive and judicial branches of the Government to take control of every other private industry not within the jurisdiction of the state, so far as is necessary to prevent the same from working injury to the public. As I have already pointed out, the right to enact such laws is ample without even a constitutional amendment. The effect would be to nationalize all the industries so far, and only so far, as is necessary for the public welfare, and with this secured on a just and equitable basis, the strife between capital and labor will cease and these two essential factors in the production of wealth will work together harmoniously for their mutual good.

A word to my comrades of 1861-5: **Eternal vigilance is the price of Liberty in times of peace no less than in times of war.** We thought when we had loosed the bonds of four millions of chattel slaves and cemented the Union with the blood of other millions of our fellow countrymen, our work was completed, and we have rested on our laurels for forty years, heedless of the wise admonition, "When ye think ye stand, take heed lest ye fall." And not only to you who wore the blue, but to you, comrades, who wore the gray, and to my fellow countrymen all, let me say:

**This is not yet a free country, nor can it truthfully be said that Old Glory no longer floats over a slave!** We have not exercised our sovereignty as best becomes citizen kings, in restraining the strong from undue aggressions upon the rights of the weak, but have left free the spirits of Avarice and Ambition to hold high carnival in our fields of industry, and today our prisons, our alms-houses and our potter's fields, crowded with the helpless victims of a merciless commercialism, cry out against us! Many thousands of our fellow citizens, gaunt with hunger and clothed in rags, throng our highways and our by-ways begging for work whereby they may earn an honest living, but there is no work for them; while a few other thousands are surfeited with wealth and comforts they have never earned and their granaries and store-houses are groaning with food and clothing enough to satisfy

the needs of all. **Generally it takes a thousand paupers, beggars and tramps to make one millionaire, and we have a thousand millionaires and many multi-millionaires who have acquired their estates within the past forty years!** What better evidence than this could there be of our neglect of duty? **There is always a vast army of unemployed eager to take the places of those who are employed should they on any pretext quit work, as witness the readiness with which a strike is broken, and it is claimed by the supporters of our present system that this army of unemployed is a necessary reserve for the use of the "Captains of Industry," in cases of strikes, harvest times, etc.** This alone is an unanswerable indictment against the system. **Instead of making and maintaining criminals and paupers by such methods, the state should furnish work to all its citizens, at honorable and living wages, while they are unable to get employment in the industries.** Highways and other works of permanent and general utility are always in need of such labor and the economy to the State would be immense.

The economic forces, which have been prodigiously augmented within the past half century, have been steadily at work without restraint, in making the few richer and the many poorer, until today, instead of four millions of chattel slaves, there are in this country many millions of wage slaves, whose condition in many respects is more abject and pitiful than was that of the subjects of chattel slavery in its most revolting form! **Whoever is dependent upon the will or caprice of another for the precious privilege of working for a living, is a slave, and calling him by any other name does not change the fact or ameliorate his condition.** Every man, woman or child who lives by his or her own labor paid for by another private person or corporation at will, is measurably a slave, whether the salary or wage be fifty or fifty thousand dollars. Every one who works under the direction of another **at that other's unrestrained will**, stands in a subservient position incompatible with sovereignty and in restraint of that freedom which is essential to life, liberty and the pursuit of happiness as enunciated in our Immortal Declaration of Independence.

Employment in every industry should depend on merit and efficiency alone. Every business requiring government control to make it serve the public most efficiently or to prevent it being injurious thereto, will need, under government control or restraint, precisely the same people, or such as they, to do the work that do it now. I cannot conceive that any employe now at work for a private person or corporation under no government restraint or control would work less willingly or cheerfully in the same position were the business under the



control or restraint of Government, and I believe that were such a change effected, the salary earner and the daily wage earner alike, under proper civil service rules, would enjoy a spirit of liberty and freedom from fear of displacement and distress such as none of us can enjoy now.

To those in high places of power, both political and economic, permit me to say: There is a spirit of unrest born of our unjust economic system which is crying loudly for a change that is nothing short of complete revolution, and the volume of that cry is being augmented with every turn of the wheels of commerce, which, as now adjusted, forces the centralization of wealth into the hands of the few as payment for the use of Capital, and leaves the masses, who by their labor have helped to create that wealth, no share of the increase, but reduces them more and more numerously to a bare subsistence, having no share in the benefits accrued from the inventions of the age, which, too, have supplanted so many of them as factors of production, and reduced millions of them, the noblest and best people that the sun ever shone on, to worse than beggary. This cry, while comparatively feeble now, is daily increasing in volume, and is for the general confiscation of all the property of those they describe as one class, by what they conceive to be the only other class, consisting as they see it of those who, as they are taught and believe, have been defrauded of it. **Not only something must be done, and done quickly, but everything must be done, and that soon, to prevent further wrongs such as have led to this cry.** History has proven us to be a patient and long-suffering people. Count not too confidently upon this characteristic. You have vested rights? So have we all. **The vested right to life and liberty is paramount to that of private property.** There are no vested wrongs. All other claims must yield to those of Justice, for they are eternal. Popular upheavals, under the stress of oppressions suffered, are as merciless as the earthquake or the tornado. **Deal righteously.** To the masses, to whom I am more closely allied by experience and condition, I say: Rightfully and Constitutionally, such confiscation is impossible. Fortunately it is not necessary.

If those who toil at honest work with brain or muscle obtain their fair share of the wealth they help to create henceforth, it will not be long until they will be self-employed or become constituent parts of a co-operative commonwealth whose motto will be: From everyone according to his ability; to everyone according to his need, and a fair chance and exact justice to all.

**The proper use of the tools and machinery of production and distribution by those who own them is all we should require.** If they will not make such use, we must. **What com-**

compensation they are entitled to for the use of their tools and machinery, whether used or controlled by them or by the Government, over and above the cost of keeping in repair, will be determined by the rate of interest fixed for the use of money loaned. When that is fixed, rents and profits will adjust themselves to it. Hence the importance of making that a just rate.

Let those who hold the titles now continue to hold them. Private property in most cases, as we have seen, when taken for public use, requires compensation to the owner. We don't want to go in debt for all the capital in the country, and could not if we would, and a robbery today will not right the wrong of a robbery yesterday.

Whenever the Government is forced to take control of private property, either to restrain its improper use or to secure its proper use, it can pay for that use out of the proceeds of the business, and thus avoid all onerous obligations.

But again: The accumulation of the wealth into the hands of the few has been done by men—our brothers—most of whom are as good and as honest as we.

They did it with our consent. We could have prevented it long ago, but did not. Our sufferings and deprivations are chargeable to our own stupid neglect. Every one of us had like opportunities offered, and had we known how, would have done as they have done. They (many of them) are in lawful possession because we made no law prohibiting it. Let us now put a curb-bit into the mouth of this monster of Private Monopoly and harness him to the car of State and compel him to pull the load of our necessities along the highway of human progress. **Hate and Fear are the arch-enemies of human happiness. They destroy whom they would defend.** Let us go to our work of reform resolutely but lovingly, that we may invoke the guidance of the Spirit of all Love. When we shall have done our duty as sovereign citizens and placed the machinery of production and distribution under proper and necessary control, we will be in peaceful enjoyment of all the wealth we create, and again the morning stars will sing together, and all the sons and daughters of God will go to their labors shouting for joy.

A. H. LOW.

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## LAND, MONEY AND HIGHWAYS—EVILS AND REMEDIES.

### Appendix.

In order to more clearly define my position in relation to our money system, which I believe is the most in need of reformation, I suggest by way of the initiative, the following Bill for submission to Congress:

#### AN ACT

**Fixing the Value of the Standard Measure of Value and further  
Regulating the Value of Money:**

**Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled:**

That on and after the first day of January, next after the passage of this act, the rate of interest for money loaned and payments deferred, on all debts and obligations contracted on or after that date, not otherwise specified by contract, shall be two (2) per cent. per annum.

Section 2. The Secretary of the Treasury shall establish loan offices as he may deem expedient, not less than one in each county or parish in the United States and Territories and in the District of Columbia, having a population of two thousand or more, as shown by the latest census. Said offices shall be for issuing, lending, and depositing money, as banks of issue and deposit are now used. Whenever, in the opinion of the Secretary of the Treasury and the Postmaster General, it will be expedient, Postal Savings Bank and loan office may be combined.

Section 3. The business of the loan offices respectively, shall be performed by a cashier and one or more tellers as the business may require. The duties of cashier shall be to receive money on deposit, pay out money withdrawn on check or draft, lend money on good security, make settlements of loans made by him, and keep a proper record of his transactions, and perform such other acts and duties as shall be imposed on him by law and the rules and regulations of the Treasury Department. He shall have immediate supervision of the business of the office. The teller shall assist in keeping the accounts and records of the office and perform such other duties as shall be prescribed by the Secretary of the Treasury.

Cashiers and tellers shall be appointed by the Secretary of the Treasury for the term of four years unless sooner removed or suspended according to law, and shall receive such compensation as the Secretary of the Treasury shall deem just, not to

exceed \$3,000 a year and until otherwise prescribed by law.

The Civil Service rules and regulations, as applied to the Postal Service, so far as applicable, are hereby extended to said loan offices.

Section 4. Every cashier and teller before entering upon the duties of his office shall give bond with good and approved security, and in such penalty as the Secretary of the Treasury shall deem sufficient, conditioned upon the faithful discharge of all duties and trusts imposed on him, either by law or the rules and regulations of the department. The laws relating to bonds of postmasters shall also apply and extend to bonds of cashiers and tellers, so far as the same may be applicable. In the settlement of the cashier's account he shall be charged with all depositors' balances, moneys out on loan, all funds, blank notes, and property entrusted to his care or keeping, and be credited with all moneys, blank notes, and property on hand, and shall, together with his sureties be held accountable and liable for all deficiencies, and for all moneys loaned and unpaid or outstanding.

Section 5. Any person who shall have money to his or her credit as a depositor at any loan office may withdraw from such office money to the amount of the balance to his or her credit, or any part thereof, on presenting by himself, his payee, or endorsee, a proper check, draft, or order in writing, but no such depositor shall be entitled to withdraw or reclaim the identical money so deposited, or any part thereof. The Secretary of the Treasury shall cause to be prepared and furnished to the cashiers blank checks, which blanks shall be sold to depositors by the cashiers at cost.

Section 6. To meet the demands for money at said rate of interest in excess of the amounts of other money in their control subject to loan, the cashiers shall be provided with, and issue in the manner hereinafter mentioned, notes of the United States in denominations of one, two, five, ten, twenty, fifty, one hundred, five hundred, and one thousand dollars, according to the demands of commerce. The said notes shall be printed and furnished by the Comptroller of the Currency under the direction of the Secretary of the Treasury.

Section 7. The notes as furnished in blank to the cashiers shall express upon their face that they are secured by ample pledges in the possession of the government of the United States, and bear the written or engraved signatures of the Comptroller and Treasurer, and the imprint of the seal of the Treasury and the promise of the United States of America to pay the bearer their face value on demand; and shall bear such devices and such other statements, and shall be in such form as the Secretary of the Treasury shall by regulation direct,

and before the said notes shall become valid and in force they shall be dated and countersigned by the cashier issuing them.

Section 8. The notes provided for by this act are hereby declared money, and shall be issued and circulated as such, and shall be receivable by the Government of the United States for everything for which money is by law receivable, and shall be a legal tender in payment of all debts and dues, public and private, contracted after the passage of this act.

Section 9. Every cashier shall on request to him, by any person lawfully competent to transact such business, and on the presentation by such person of good and sufficient security for the amount of money for which a loan is asked, receive such security when he shall be satisfied of its sufficiency, and lend money to such person, and for such time as such person may desire, not exceeding one year without renewal, and at the rate of 2 per cent. interest per annum, which said interest shall be payable, at the end of every three months of the time, unless the principal shall be payable before the end of any such three months, in which case the principal and interest shall be payable at the same time.

Section 10. The Secretary of the Treasury shall prepare and issue rules and regulations for the conduct of the business of loan offices, which rules when not in conflict with law shall be obligatory upon the officers of the several loan offices.

Section 11. If any person shall, by means of any false or fraudulent pretense, or by the use of any spurious or worthless security, knowing the same to be spurious or worthless, or by any secret or private collusion with any officer of any loan office, obtain any money from any loan office, he shall be deemed guilty of felony, and on conviction shall pay a fine of double the amount so fraudulently obtained, or be imprisoned at hard labor not exceeding twenty years, or both such fine and imprisonment, and shall be disfranchised and disqualified from maintaining any of the rights of citizenship under the government of the United States.

Section 12. Any person who shall embezzle or appropriate to his own use any money, blank notes, or property of the United States, or of any other person or persons who shall have entrusted the same to the custody or keeping of the United States, at any loan office or depository of the United States, and shall be convicted thereof, such person so convicted shall be deemed guilty of felony, and shall for each such offense be fined not exceeding double the amount so embezzled or appropriated, and be imprisoned not exceeding twenty years, or both such fine and imprisonment, at the discretion of the court.

Section 13. The Secretary of the Treasury may at his dis-

cretion designate any of said loan offices as depositories of public moneys, and when so designated the cashier of any such office shall be the depository, and may be required to furnish additional security for the safe keeping of the moneys and faithful performance of the trusts so confided to him. The moneys so deposited may be loaned by the cashier as other moneys in his control, or held as reserves for the redemption of United States notes or subject to the order of the Secretary of the Treasury as to the Secretary of the Treasury shall seem advisable.

Section 14. Accumulating gold and silver coins of the United States with intent to sell the same for any other form or kind of currency authorized by the laws of the United States at a premium is hereby prohibited. Offering for sale as aforesaid any gold or silver coins shall be taken as prima facie evidence of such accumulation and intent. Any person who shall violate the provisions of this section and shall be convicted thereof, shall be deemed guilty of felony and shall forfeit and pay as a fine, his entire estate, goods, money and property, or be imprisoned at hard labor for a term not exceeding fifty years, or both such fine and imprisonment, at the discretion of the court, and shall forever forfeit his citizenship or right to become a citizen.

Section 15. Whenever it shall appear to any cashier that a demand for the redemption in gold of United States notes is made for the purpose of embarrassing the Government or of depreciating the value of any lawful money of the United States, he shall refuse such redemption. And the Secretary of the Treasury may, by rules regulating the government of loan offices, require limited notice of intention to demand redemption in gold, of any other kind of money.

Section 16. Any provision, clause or condition in any contract or agreement made after the passage of this act, requiring the payment of any debt or obligation in gold or silver, is hereby prohibited, and shall be void as to such kind of money, and may be paid in any lawful money of the United States.

Section 17. For the purpose of carrying this act into effect, the sum of fifty million dollars is hereby appropriated out of any moneys in the Treasury not otherwise appropriated.

Section 18. All laws and all acts or parts of acts in conflict with the provisions of this act are hereby repealed.

NOTE:—The Author respectfully requests of every one who approves the foregoing bill that he send it to his Representative in Congress and urge its enactment into law.

A. H. LOW.

# LAND, MONEY AND HIGHWAYS: EVILS AND REMEDIES.

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## RECAPITULATION OF PREMISES AND CONCLUSIONS

Use is the foundation of value.

The law of supply and demand is the fundamental law of commercial value.

Money is the measure of commercial value, and should be as fixed and certain in value as the yardstick is in length.

Private monopoly of public necessities is the evil we desire to remedy.

Land, money and highways are the three leading public necessities subject to monopoly.

Land monopoly should be remedied by taxing the monopolistic and speculative element out of land values.

To remedy money monopoly, Congress should prescribe a just rate of interest on money loaned and payments deferred, and provide a supply of money by loans to the people to meet the demand at such rate.

The remedy for railroad monopoly is government control, to stop extortion and discrimination.

Capital and labor being the only claimants to the profits of the industries, fixing the just share of capital (which would be done by fixing a just rate of interest) leaves the share of labor equally just.

The proposed act of Congress is the initiative proposition towards breaking the money monopoly, and the practical solution of the capital and labor problem.

See Next Page.

## ADVERTISEMENT

Price of the Book, "Land, Money and Highways: Evils and Remedies," at the book stores or by mail, postage paid, 50 cents. Address A. H. Low, Author and Publisher, 1417 Hoover street, Los Angeles, Cal.

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Patriotic co-operation in disseminating a more general knowledge of the principles herein set forth is earnestly solicited by the Author.







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