February 14, 1895.

THE INVESTORS' REVIEW

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ENGLISH REVIEW, WHICH SAFE

Investors Depend on for Advice and Reliable Information - The Financial and Commercial World as It Is.

Is Trade Going to Revive? [CONCLUDED.]

What hope is there, under such conditions, of a recovery of trade like those we have been accustomed to after each crisis in finance between 1840 and 1890? We confess we can see but little. The mere expansion of population does something, no doubt, to increase the demand for common commodities,-staples of life,to does an extremely low range of prices. But the power hitherto exerted by the latter in stimulating a forward movement, is now so much less than it was, because the financier has no more worlds to conquer. Also it is less because the growing poverty we speak of forbids higher ranges of prices. Consumption can only be kept at its actual point, or enlarged, by continued cheapness. What would the condition of our own working population be were wheat to stand for the next five years at 40s. a quarter? Its condition now is not altogether one of Elysian bliss, with bread cheaper than the world ever saw it before. Our overgrown cities can only be kept from becoming centers of revolutionary energy by the excessive, and, probably enough, the increasing cheapness of the necessaries of life.

Low prices do not inevitably, or always, mean loss to the producer. They are, of course, in no small degree the legitimate offspring of the augmented power over the forces of nature which man has acquired by his mechanical inventions. A condition of over-indebtedness merely helps to accentuate the tendency, but it does that to a degree sufficient to check new developments of energy in financial speculation. The relative power of each group of forces to send prices down, and keep them down, can-not be measured; but we are sale in saying that money, above all, borrowed money capital, is, of them all, the least able to defend inself from the effects of the reduction in price it has contributed to produce. The margin of profit which goes to pay interest on debt is really the first to disappear, but its disappearance may be kept from becoming manifest by the simple expedient of pouring in more and yet more borrowed money. A state which keeps adding to its public debts may hide the inability of its inhabitants to pay what they owe for just so long as it can continue to borrow; a manufacturing company which omits to write down the original cost of its buildings and machinery, or to extinguish the price charged for "goodwill," may continue for years to pay dividends not really earned; a railway corporation which disdains to admit that there can be such a thing as perishability in any of the works and appliances upon which its capital was originally expended, and which pays every additional lamp, or tie, or wagoncover with new capital, can easily hide for a generation the decay of its earning powers; but in all these instances the money spent as capital may be perishing as an interest- or profit-bearing factor every year that passes. Too often also the new money put into fresh enterprises has the effect of destroying the value of what has been spent on old. The trade of a maker of old-tashioned sickles may be destroyed by the new factory for steam-reapers, and a fresh invention in these latter may sweep away the profits of the earlier producers. In the struggle for existence between nation and nation, trade and trade, or invention, the money invested is always the first sufferer. Because this law rules, it follows that every nation which borrows should do so for as short a period and to as small an extent as possible-that all borrowing should, in fact, be temporary; and it also follows that no kind of interest- or dividend yielding capital, not even the share capital of powerful monopolist corporations like English or American railways, should be looked upon as everlasting in its revenue-yielding attributes. Within a stated and measureable time, shorter or longer according to the nature of the industries in which it is sunk, it ought to be paid back. Many private manufacturers write 10 per cent off their capital account every year, and find it barely enough. No company or corporation in the world can afford to do nothing in this direction without some day coming in peril of destruction. Still less can any nation afford to saddle itself with debt for all time. However favorably situated it may be, the debt will one day destroy its good name, and bring its government into disrepute. Especially is this true of nations which borrow abroad. To these, debt is a shirt of Nessus, in the embrace of which they gradually lose their vitality. If these statements are true,-and the very exceptions which may be cited will be found on examination to prove them to be so,-then what the world is now suffering from most of all is an overburden of interest- or profit-exacting capital which has become dead. Dead capital, capital whose interest- or profitearning capacity has perished, which has left nations with excessive taxes to pay for which they get no return, lies clogging all the avenues of trade, stifling new enterprises at their birth. This dead money capital-whose profit-yielding power has spent itself or been absorbed by the competition of rivals, or killed by the poverty of a people or by the demands of the working classes-is kept in a state of apparent vitality by being transmuted into "banking deposits," into "public securities," with "quotations on the Stock Exchange"; but it is none the more really alive for these, and the mass of it has now become so great that it seems almost an impossibility for a new manifestation of speculative energy to have free play on a large scale until some at least of the dead rubbish shall have been cleared out of the way. A great increase in the output of gold" cannot supply the necessary lifting force, for, after all, gold is not the life of man-

kind. Spain had once gold and silver in an abundance exceeding that of any other state, ancient or modern. Yet old Spain decayed, and the Spain of today will never more recover aught of the former magnificance. The reader must not run away with

the idea that the truth of these observa-tions involves an immediate world ca-tastrophe. Nations, even debt-consumed nations, do not perish in a night. All we wish to indicate is the drift of events in this modern world of steam and elecin this modern world of steam and electricity, unprecedented capitalisation of inventions, pawning of human lives. The turning-point of a descent towards uni-versal decay may not have been reached, and still what is said above may be true in every particular. And even if we are on the downward road, the descent is nearly sure to be for a time slow, because the expedients of mankind are numberless, because the capacity of mankind it-self to stagger along beneath burdens which seem intolerable has again and again in the world's history proved itself

to be immeasurable. We are simply dealing with the scope for, and probabilities of, a revival of trade on the old lines, and of a like mag-nitude to those which have been the sequels of former collapses in the world's airy structure of credit. And our contention is that existing circumstances give hardly anywhere a ground for hope that what has been in this respect will be. A slow expansion may take place, and, A slow expansion may take place, and, should China be thrown open, a great, but transitory, outburst might once more occur; but over the greater part of the world the avenues of trade are filled with the wreckage and used-up refuse of the past to an extent which precludes the hope of a revival great enough to send prices up so as to revival great enough capital whose vitality has been exhaust-ed, and to give employment to the enor-mous masses of idle "banking credit"—a great deal too much of it based on capital, money already spent, whose vitality has died out—which now encumber every great money market in the world. A languid commerce, prices which, if they spurt up a little, fall straightway back again to the "knockout" level, "cheap money" begging to be employed-these are the present characteristics of busi-ness, and to all appearances they will remain the predominant characteristics for many a month to come, for as long, in fact, as we deliberately continue to ig-

in fact, as we defiberately continue to ig-nore manifest insolvency; or for as long as we can do little more than float loans to help those who are, by means of these alone, enabled to keep up an appearance of a capacity to pay their way. Some new discovery is required to al-low the shapers of modern national de-reconvent with the help of horrowed velopment, with the help of borrowed money, to begin their work anew; and even with that the ruins of the past must first in many places be swept out of the way, else there will be no room to operate in. If Mr. Maxim should enable all mankind to take to flying, who would supply the money to buy flying machines for Portugal, for Brazil, for the Argentine country, for Australia, for any of our debtors over the earth? May we not say of the grand modern system oi developing the world by borrowed money, "The revels are over, gentlemen; it remains but to gather up the debris of the feast"? Financial cooks may construct "resurrection pies" *a la* Baring, and beautifully sugared pie-crusts out of this debris,-articles which go to a market premium before they reach the consumer and become as ashes in the mouth, --gew-gaws of credit which fill the city with wonder, but the substance and the life are gone all the same. Of a truth here also "The old order changeth, yielding place to the new," and what the new will be no mortal can yet say-whether a higher brotherhood among the nations and races of mankind, or an Armageddon of fiends around which the civilization of which we boast shall disappear the landlord and tenant. as completely as those of ancient Rome. or still more ancient Egypt. What we can see is the dead calm which preludes and ushers in a change. And all Europe stands armed, its best energies devoted to a preparation for wars, which will be the letting loose of hell. Sanguine, indeed, must the mind be which can expect a "revival of trade" on the old lines under such conditions.

THE ECONOMIC SITUATION

(Continued from 1st page.)

-the laborers starve. Land is the material upon which labor is bestowed. It embodies labor.

This is the orthodox view. But the new economists add to the three factors of production named a fourth, and every powerful one, viz: the sovereignty of the

state-the law-making power. This will mark an epoch in the econo-

mic thinking of the people. The factor laud—all natural means of production—without which factor wealth or economic goods cannot be producedthis factor is reduced to private property by the sovereign power. This enables the owner to exact rent for its use whether he uses it himself or leases it to a tenant or other user.

Capital is private property and the owner of capital exacts interest for its use whether he uses it himself produc-tively or loans it to some one else.

Labor, where slavery and seridom have disappeared as legal systems of labor, is viewed as the private property of the laborer, and hence is bought and sold for a wage. Labor is private property. This established legally, slavery and seridom disappear. Thus the three fac-tors of production are owned as private property.

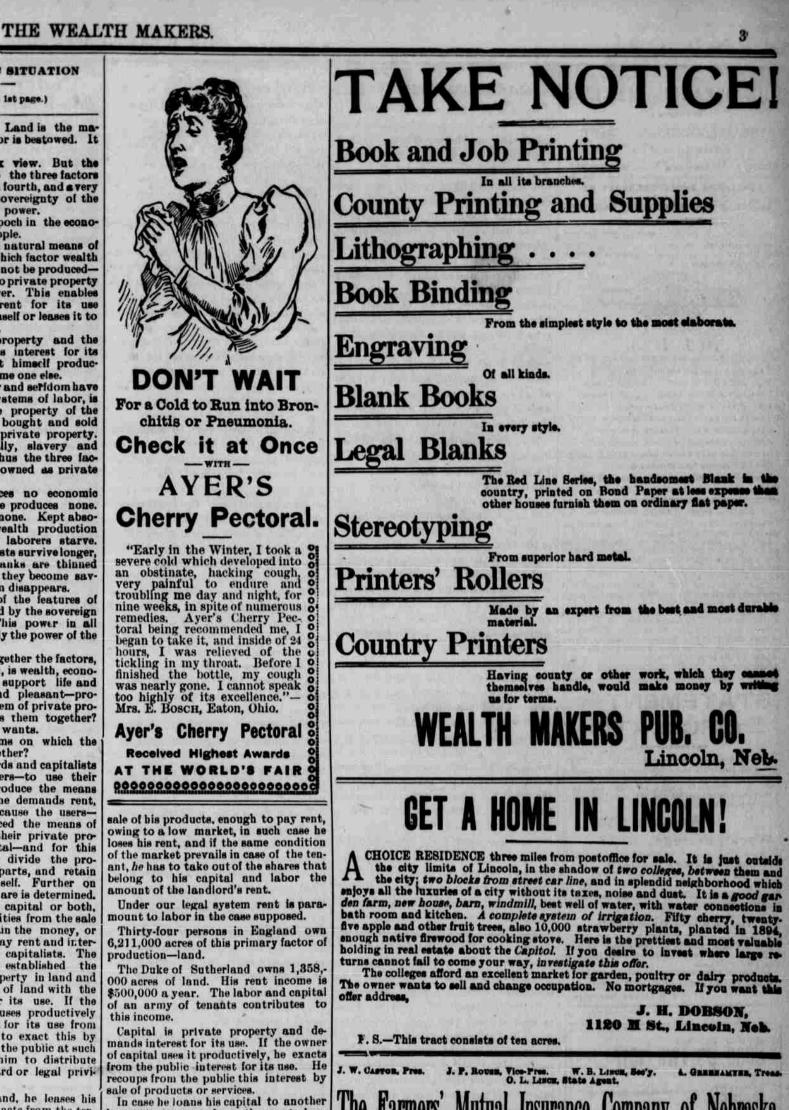
property. Land alone produces no economic goods. Capital alone produces none. Labor alone produces none. Kept absolutely separate, all wealth production In time the laborers starve. Ceases. Landlords and capitalists survive longer, but ultimately their ranks are thinned out, and if any are left they become sav-ages, and individualism disappears. This organization of the features of

production was effected by the sovereign power of the state. This power in all states means practically the power of the dominant social class.

dominant social class. Only by bringing together the factors, land, labor and capital, is wealth, econo-mic goods—means to support life and make it endurable and pleasant—pro-duced. Under the system of private pro-perty what force brings them together? Self interest. Natural wants.

But what are the terms on which the factors shall come together?

Let us see. If landlords and capitalists permit others-laborers-to use their land and capital to produce the means of subsistence-the one demands rent, the other interest; because the userslaborers-have produced the means of subsistence by use of their private property-land and capital-and for this boon the laborer must divide the product of his labor into parts, and retain only a share of it himself. Further on we shall see how his share is determined. The user of land or capital or both, must produce commodities from the sale of which he must obtain the money, or means, with which to pay rent and inter-est to landlords and capitalists. The sovereign power has established the doctrine of private property in land and thus clothed the owner of land with the power to exact rent for its use. If the wner of land himself uses productively his land, he exacts rent for its use from the public. He strives to exact this by sale of his products to the public at such a price as will enable him to distribute to that factor its reward or legal privilege.



L. P. Davis, D.D.S., dental office over C. R. I. & P. R. ticket office, sw. cor. 11th & O.

BOYD FARMERS SPEAK

Som thing More Must Be Done at nce, if Done at All

Editor WEALTH MAKERS:

At a meeting of fifty men held on Janfour square miles, and polling 125 votes see about getting seed and feed for next spring, a committee of three men was chosen to draft suitable resolutions for publication, which resolutions are appended:

Resolved, That we view with alarm the vacillation of the Legislature in making provision for seed and feed for drought sufferers; for what is done must be done quickly, before winter breaks up and, it spoils the roads.

Resolved, That we disapprove of counties and precincts voting bonds for seed and feed, as time will be consumed and seeding made too late, and because our precinct lacks enough taxable property to afford sufficient bonds for seed, as there is only personal property to tax. Resolved, That we must have seed, or

much land must lie idle; because without feed our horses cannot tend much corn, and without hogs a large corn crop will not be worth much, as it is too far to market.

Resolved, That we disapprove of food supplies or grain being all sent to our county seat, as nearly half is given to favored men for hauling from the railroad to the county seat and from there here, when some of our men stand ready to haul free from the railroad at Verdigris

or Running Water. Resolved. That we condemn the selfish misrepresentations of the real estate men who write to the Omnha Bee, denying the widespread destitution, lest the knowledge of it should hurt the sale of land. JOHN A. ERSKINK, CHRIS JUST.

THOMAS LEVI. Committee.

Mr. John Erskine was chosen committeeman to look after seed grain for the people of Bush precinct, and Wm. Alford, Thos, Levi and Chris Larson were chosen to assist in distributing the grain according to the acreage.

JOHN A. EUSKINE, Sec'y.

Dr. Davis, crown and bridge work, 11th & O.

the public, i. e., to the market, to recoup enough to pay rent to his landlord from sale of his products. This arrangement removes from the lord of the land all risks of bad seasons and a poor market In case rent is paid by giving a share of the crops, this divides the risk between

No man, or class of men, made the land. None can destroy it. One generation uses it, must use it to live. It passes away and leaves it to the next. Private property in land is purely a legal right.

A tranchise is defined as a particular privilege conferred by the state. A little reflection will show that private property in land is a franchise in a natural monopoly, and one of gigantic proportions. I only wish to bring your attention to this point, and I leave it with a few quotations from eminent men in different spheres of social life and thought and in different stages of civilzation:

"The earth (land) is the common prop-erty of all men."-Pope Gregory the Great.

"The land of every country is the common property of all the people of that uary 30, 1895, in Bush precinct, the east country, because the Creator made it as precinct of Boyd county, containing fifty- a voluntary gift to them."-Right Rev. Nulty, Bishop of Meath.

"The earth belongs in usufruct to the at last election, which meeting was to living; the dead have no right or power over it."-Thomas Jefferson.

"No man made the land; it is the original inheritance of the whole species."-John Stuart Mill.

"Soldiers, not lawyers, were the first conveyancers of land, and blood was used instead of ink."-Herbert Spencer. That was when the dominant social class instituted their legal right to private property in this primary factor of production-land.

Having quoted the convictions of two religionists, two political philosophers, one speculative philosopher, whose thoughts have influenced and still are influencing the world, let us call to the

stand two eminent savages: "What! Sell the land? Why not sell the air, the sea, the sky?"—Red Jacket. "The Great Spirit has told me that land is not to be made property, like

other property. The earth is our mother.' -Black Hawk. The "Great Spirit" of the savage was

an intuitive insight of the same reason as were those of the "civilized" philosophers.

To continue the explanation of the productive process in connection with the landlord, it should be added that, in the case in which the landlord uses his own land and cannot tax the public, by

from the public by sale of products of services enough to pay interest. If he cannot get back from the public by sale of products or services enough to pay the capitalist he must take from such factor of production as he owns-laborand pay it. Interest is above labor, legally, in this case. The borrower of cap-ital must fulfill his contract. It is the function of the courts-the government -to enforce contracts.

Thus it is that land and capital through the institution of private property be-come silent, persistent and steady forces in drawing to themselves a share of the social wealth. If the owners of land and capital have enough of either or both, they can live on the income drawn by these two factors and devote themselves to the pleasures of the world, or masquerade under the humanitarian hypocricy called philanthropy-a term which has come into the language since the rise of

the present industrial system. The factors land and capital are things that exist outside of landlords and capitalists. They are not a part of the physical being. The factor labor is the

laborer, laboring. We speak of it as a commodity to be bought and sold in the market like cotton and iron.

When the laborer is separated from the factors of production, land and capital, the only way by which he can produce the means of subsistence is to sell the exertion of his labor power-measured by time-for a wage.

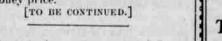
Thus it is seen that the wage system of production is the necessary outcome of an industrial system based on private property in each of the three factors of production.

It is also plain that rent, interest and wages can be distributed to the factors of production only out of proceeds which arise from sale of the product, and also that the share which each factor shall draw in the distribution of the proceeds depends on the price at which the commodifies are sold, relative to the cost of production.

"The greatest discovery of my life is that the men who do the work never get rich."-Andrew Carnegie.

Have the men who do the work found out how the men who do not do the work get rich?

It should be remembered that a man's real wage is not the money price he re-ceives for a fixed time of labor, but the quantity of good things he can get for the money price.



LIGHT!

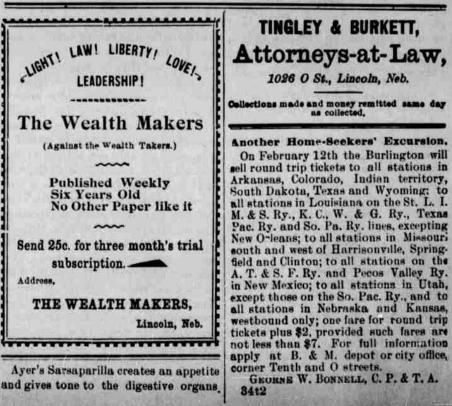
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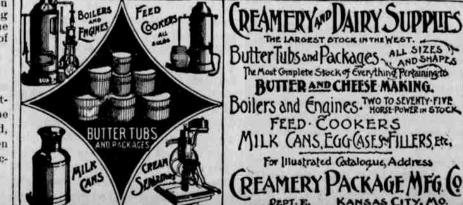
Dr. Davis, teeth on gold plates, 11th & O.





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