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A NEW ADAM SMITH

Latest "School" of Political Economy
Launched by National Economic
League

It begins to look as if the Austrian school of political economy is to be supplanted by a new one, if the efforts of the National Economic league succeed. Adam Smith, Karl Marx, Henry George, and Eugen Bohm-Bawerk will be relegated to obscurity, and the new school founded by Judge Freeman Otis Willey will forge to the front—that is, provided.

Karl Marx's "surplus value" theory satisfies the socialists as to what causes the great inequalities in the distribution of wealth. The laborers are robbed by the capitalist, who owns the means of production—the land, machines and raw material—and buys labor-power at its cost, uses it up in connection with his machinery and raw material and sells the finished product at an advance over what it costs him. Henry George's philosophy is based on the equal right of all to use the land, and satisfies the single-taxers that the laborer is robbed only by the landlord. It is difficult to say that Bohm-Bawerk's "marginal" theories satisfy any persons except college professors who delight in mystifying phrases. Adam Smith, the father of political economy, is the patron saint of those who revolted against the mercantilist (now protective tariff) idea and demanded "laissez faire" (or let it alone).

The Willeyites will combine mercantilism and "laissez faire." They will have a protective tariff and other special privileges, and then say "let well enough alone," which is only slightly different from "laissez faire."

In the last analysis of exchange Adam Smith found it to be not an exchange of products, but an exchange of services. This is precisely the position of Freeman Otis Willey, but his statement is so simple that it is remarkable that none of the numerous professors of political economy ever found it out. While they were puzzling over "surplus value," "economic rent," or "external non-transferable goods," Freeman Otis Willey discovered the eternal truth that—

"Nature has ordained that we shall buy and sell to others, precisely as others buy of and sell to us; so that in the long run the benefits arising from the exchange are shared by all."—"The Laborer and the Capitalist," p. 88, Nat. Economic League, N. Y.) Of course, in the last analysis, it is all a matter of exchange of services, and "if \$100,000,000 lodged in the hands of Vanderbilt another \$100,000,000 necessarily lodged in the hands of the people as a consequence" (p. 94) because—

"When we consider the difference that exists in talent and industry, as well as locality, or luck, whichever you please to call it, it is not hard to account for the difference in the wealth of individuals upon the basis of each giving value equal to what he receives." (Id, page 91.)

Vanderbilt's hundred millions, according to Judge Willey's eternal law of equivalents, could not possibly have been accumulated by him without his giving in return services worth a hundred millions. These the people received, but because of their vastly inferior capabilities to perform valuable service, each received only an insignificant portion—yet all he deserved!

This is a comforting doctrine, in line with Pope's, "Whatever is is right." Rockefeller has earned his hundred millions, more or less, because he is a million times more efficient than the man who has \$100 saved up. His services are worth to humanity exactly what he charges humanity for them.

Human laws have nothing to do with the distribution of wealth, according to Willeyism. "Nature has ordained" it because—"Order is Heaven's first law and this confessed,

Some are, and must be, wealthier than the rest."

This is quite in keeping with the God-ordained revenues of the single taxers; or the inevitability of the overthrow of capitalism, as preached by the socialists. Man himself has nothing to say about it. He is a mere puppet in the hands of fate or luck. Enacting a tariff law or granting a railroad franchise wouldn't alter the distribution of wealth in the

least because a million-dollar-a-year man is bound to get his million no matter what betides, and he can't help giving a million in return. He simply converts his energy into a cash equivalent, and those who give the cash get his valuable services in return.

It's a comforting doctrine to board of trade gamblers, poker-players and men who run roulette wheels. Nature has ordained that they must buy as much as they sell and sell as much as they buy. Even the highwayman renders an equivalent when he holds up a victim!

Such in brief, is the central doctrine of "The Laborer and the Capitalist," a well-printed volume of 312 pages, neatly bound in cloth, copyrighted in 1896 by Freeman Otis Willey, and now being published by the National Economic League, 13 Astor Place, New York city. The price is \$1.25 per copy or 100 for \$100, carriage free. Lyman J. Gage has given as his opinion that 1,500,000 copies of it should be distributed, suggesting that a "donation from one-tenth of our well-to-do citizens would distribute that number." And to show that this was not merely a "mild jolly," Lyman's name, like Abou Ben Adhem's, heads all the rest of the "contributors and indorsers," which includes Bishop Potter, Secretary Long, Levi P. Morton, Henry Clews, Senator Dryden, William Connell, John A. McCall and other gentlemen who believe in having others "let well enough alone."

Beneficiaries of tariff laws, and railroad and banking special privileges could well afford to give the league about two million dollars to distribute this book. It is cleverly written; a skillful admixture of truth and error, good and evil, assuming an air of great frankness and fairness, but never losing sight of the objective point that if it were not because of the great benevolence of the capitalists in furnishing work, the laborers must all starve to death. It never seems to have occurred to Judge Willey that a man might labor for himself, or that by co-operation a great many laborers might themselves own the machines and raw material and furnish themselves employment. Neither can he see how the government could possibly exercise its powers to "coin money and regulate the value thereof" without the aid of private banks of issue; or establish postoffices and post roads and regulate interstate commerce without the aid of the benevolent gentlemen who own the railroads. What he does teach is that the present system is "natural" and that the laborers are a misguided and an ungrateful lot that they can't appreciate the benevolence of the capitalists who furnish them jobs, without which they must of necessity starve.

CHARLES Q. DE FRANCE.

CAN'T FIND OUT

A Car Famine all Over the West While the
Roads Have More Freight Cars Than
They Can Handle

One of those things which no pop can find out is why the reform papers and especially the democratic dailies have had nothing to say about the car famine. The loss that has been caused by it to business men and farmers is incalculable and it is as severe as ever. More than two months ago The Independent began to take notice of it and point out that there was no occasion for it except the inefficient management of the great trunk lines of railroad. Years ago when a car famine occurred the papers were filled with the discussion of it. Now they are as silent as the tomb. The only reference which can be found in the dailies to it is in the weekly trade summaries. In summing up the trade of Omaha for the last week the following occurs:

"Omaha is experiencing, with the entire state, what a car famine means. Shipments from eastern factories are between three weeks and a month behind. Orders placed with eastern manufacturers a long while ago are supposed to be somewhere in transit between the Missouri river and place of shipment, but just where, 'tracers' from the railroads have thus far been unable to determine.

"One prominent hat and cap jobber said: 'Business just now in our line is very good, but we are greatly hampered by what the railroads are pleased to term a scarcity of cars. We

are supposed to have in transit several large consignments of spring stock which ought to be in the hands of the retailers at this moment. The factories say the goods have been shipped, but they have not been able to determine where they are now. What causes this scarcity of cars, no one knows except the railroad people themselves. It cannot be really any shortage in cars. We are all well aware of that. There are more freight cars in the country than the companies can handle. That is patent to every jobber. That the railroads are causing this condition of things there is no question, but why it is done nobody can ascertain. We are in a pretty bad fix on account of the delay in goods consigned to us, but we would have been in a much worse fix had we not secured earlier shipments on these same kinds of goods. But neither we nor the other jobbers in our line have enough stock to satisfy the demand, and one stands to lose a whole lot of money."

"A manager of a big implement house said: 'We are in no different position than every other jobbing house in Omaha, or, in fact, the entire Missouri valley. There may be a shortage of cars, but why it is no one seems to know. When we send out a carload lot of goods from here we have the hardest sort of work to get cars from the railroads. Customers coming in from the state say that almost every big elevator on the lines of roads running through Nebraska has stopped receiving grain. They are all full and cannot get cars to send it east. There is something radically wrong with the railroads this winter and unless an entirely new policy is adopted there will be heavy losses all along the line.'"

In calling attention to this state of affairs The Independent, as usual, was a month or two ahead of the dailies as in everything that concerns the welfare of the common people.

If we had a legislature, not owned body and soul by the railroads, a committee would long ago have been appointed with power to administer oaths and send for persons and papers. That committee would have hauled up the railroad managers and asked them why they did not furnish cars for farmers to ship their grain and merchants to bring their spring goods. It is either imbecile management or the roads have gone into a combine to fleece the people.

People Eager to Learn

Editor Independent: Enclosed please find my remittance for the five cards you sent me. I carried the cards some time in my pocket omitting to offer them for sale; when I did so, I sold them all inside of ten minutes, showing the people are eager to inform themselves upon economic questions, i. e., the science of government and economic laws. In 1896 it was almost impossible to obtain a reliable paper unbiased by politics that ably discussed these questions until the National Watchman was issued from Washington, D. C. The people as a whole are deplorably ignorant on these questions and it seems to be for the interest of the great daily and weekly newspapers owned by syndicated capital to keep them so that the republican politicians can get their vote by which they and organized capital can loot the people.

Allow me to compliment you on the excellence of your paper, and the able and instructive articles appearing therein from your contributors. May your paper bring many of its readers to see the truth and where this republic and its people are drifting. We have an inheritance of freedom given us by the fathers of the revolution. As custodians of this God-given right, through our carelessness and ignorance, are we to pass the control of our government and birthrights over to the money kings, that they can make our posterity industrial slaves? The price of liberty is eternal vigilance.

STILLMAN E. LEWIS.

Olean, N. Y.

(Dr. Lewis was the democratic candidate for congress in the 34th New York district in 1896 and 1900.—Ed. Ind.)

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THE FREE TRADE LEAGUE

It Don't Like Some Remarks of Mr. Van
Vorhis Originally Published in
The Independent

Some time since Mr. Van Vorhis had an article in this paper in which he made some remarks about the free trade league. The Independently fully indorses what Mr. Van Vorhis said. The two leagues, the one advocating free trade and the other protection, are both agents of the financial interests and never fight one another in a way to hurt. When the Gorman high tariff bill was submitted for the Wilson bill as it passed the house, the free trade league was not on the ground to fight that piece of perfidy. It is always asleep whenever anything can be done to loosen the grasp of the tariff grafters. The editor of The Independent has watched its maneuvers for a good many years and has no more faith in it than it has in Dave Hill or Gorman. Mr. Van Vorhis' article was copied into other papers and the secretary of the league was greatly aroused over it. The following correspondence ensued:

Flavius J. Van Vorhis, Esq., Indianapolis, Ind.—Dear Sir: I am astonished at certain assertions made in your article, "Principles, not Policy," published in the American Standard, to-wit: "They (gold democrats, or partisans of the money power) . . . send the secretary of the Boston free trade league to Indianapolis to have another banquet at the Grand hotel, etc."

"The efforts of the American protective tariff association and the free trade league of Boston will not succeed in obscuring it with the tariff question. There is not the slightest difference between the purposes of the two organizations, etc."

And in your article in the New Haven Union of January 24, you say: "The fight between the protective tariff league of New York and the free trade league of Boston, both controlled by the financial interests, is a sham battle in effect, if not an actual humbug in intention." These assertions bear not one word of truth as far as the American free trade league is concerned, and only show how far bitter prejudice and fanatical subservience to a single idea can sway one who I doubt not means to be fair. This league stands on its own feet, and advocates the cause of free trade in its broadest sense, as expressed in its motto, "Equal rights to all, special privileges to none," as a patriotic duty. On other subjects its members differ widely, comprising as they do democrats, republicans and independents, gold standard men, single taxers and others. It is not controlled or influenced by the "financial interests" or by any other persons or organizations.

Considering the character of the league's membership and how it is shunned and decried by all the trust magnates, protectionists and money getters generally, your slur as to its being controlled by "financial interests" is not only unfounded, but absurd and ridiculous.

My visit to Indianapolis was suggested by Mr. Lamb, president of the league, and myself, and no one else. Its sole object was to try to increase the membership and influence of the league. The banquet in Indianapolis you refer to was gotten up and managed by gentlemen there, and I was simply a guest.

Your strictures on the action of Secretary Shaw and the financial policy of the republican party are, it seems to me, justified and well put. But you hurt yourself and your cause when you wantonly assail the motives and misrepresent the actions of others whose principles and records prove them to be patriotic and sincere American citizens. Very truly yours, (Signed) HAZARD STEVENS, Secretary.

Boston, Mass.

Mr. Hazard Stevens, Secretary American Free Trade League, 602-603 Tremont Building, Boston, Mass.—Dear Sir: While nothing offensive to you personally was intended, I wrote the words to which you object deliberately and thoughtfully and there is no reason, that I can see, consistent with facts and legitimate inferences that would justify me in changing them, or modifying by explanation the