

## THE CONCENTRATION OF WEALTH

Henry Laurens Call delivered an address before the American Association for the Advancement of Science at its recent session in New York City. This address was entitled "The Concentration of Wealth," and because of some of his statements Mr. Call has been bitterly assailed. He has found it advisable to issue a statement making certain corrections in the published report of his address. Mr. Call says that he is not, as reported, a member of the socialist party, but has been for fifteen years a student and writer upon economic subjects. In his statement Mr. Call says:

"My estimate as to wealth concentration, is that one per cent of the population of the United States, now own practically ninety per cent of the entire wealth of the nation. This estimate is based upon a compilation referred to by Senator Inghalls upon the floor of the United States senate, January 14, 1891, to the effect that 31,100 persons then owned 56 per cent of the wealth of the nation. With this also substantially agrees (for the purpose of this estimate) the computations of Dr. Chas. B. Spahr, to the effect that one per cent of our population, owned, in 1890, 51 per cent of the national wealth; and of Mr. Geo. K. Holmes, of the census bureau, to the effect that 3-100 of one per cent of our population then owned 20 per cent of our national wealth; as also numerous other authorities, substantially uncontradicted at the time, showing a general agreement upon the part of statisticians, that one per cent, or less than one per cent, of our population owned, in 1890, practically half the wealth of the nation.

"I, however, insist that in order to make these statistics (of seventeen years ago) applicable today, allowance must first be made for the known increase, both in size and number, of the enormous fortunes responsible for that condition; due in part to ordinary interest rates, but also, and especially, to trust formation, railway reorganization, and other causes set forth at length in my article.

"My estimate as to indebtedness, is based upon the census of 1890, giving our mortgage, bond, and general indebtedness, public and private, at that time, as \$18,027,170,546. The census of 1900 is reprehensibly silent upon this important subject; and, notwithstanding the excessive bonding of our corporations within this period, I have assumed that our indebtedness has increased only in the same proportion as our national wealth has itself increased; bringing the total at this date to, approximately, \$30,000,000,000.

"I then continue: 'But the stocks of our railway, trust, and other corporations, are expected to draw dividends, and constitute as truly an indebtedness upon the part of the public to the owners of wealth as do mortgages and bonds themselves; and these, under their present enormous over-capitalization, would perhaps double our debt burden; with the power given these corporations to levy a tax upon the industry and property of the nation, as extortionate in extent as were that debt burden to exceed, in fact, all the actual, tangible wealth of the nation.' It will be seen, at a glance, that this is a vastly different statement from that attributed to me in the reports, to the effect that this indebtedness does in fact exceed all the actual, tangible wealth of the nation.

"In disproof of this estimate, as to wealth concentration, an enumeration is given of farms, homes, savings bank deposits, insurance policies, and even corporation stocks, in the possession of the people; while a distinguished financier disposes of my estimate as to indebtedness, by the assertion that 'a share of stock in a corporation is not a debt in the economic sense of the term; but is simply the certificate of title to joint ownership in a valuable property;' and therefore concludes that this estimate is 'intrinsically absurd.'

"But, however our financiers may settle this question to their own satisfaction, so far as the public is concerned the payment of dividends upon these stocks differs only in name from the payment of interest upon the bonds; and the public it is that pays both interest and dividends; even as it has already paid for the properties themselves, besides contributing to the enormous fortunes of the financiers in control.

"What, indeed, is the preponderating part of the 'valuable property,' of which these stocks are 'a certificate of title to,' but the power given these corporations to tax the public upon all its products, supplies, and public services? This it is that has already compelled the public not only to pay for the properties, but also to build up

the enormous fortunes of the exploiters of these corporations; and that now enables these financiers to recapitalize the properties at three, or even five, times their real worth. The same \$40,000,000,000 of these 'securities,' thus constitute, in fact, a first lien, or 'blanket' mortgage, upon all the property of the nation; and not until this incumbrance is 'lifted' can the farmer or other citizen be said, in any true sense, to own his farm or home; nor, until then, can any enumeration of farms or homes, as being 'popularly owned,' be considered at all conclusive upon this subject, or as substantially affecting my estimate of wealth concentration.

"Nor yet can the people be said, to an appreciable extent, to be the proprietors of these corporations. If the wage-earner has invested his hard-earned and, scantily spared, savings in a share of corporation stock, it is because he has been lured, as in the case of the United States Steel Corporation, into the belief that his investment would be safe, as well as available in case of need. And with this well remembered exception, and perhaps two or three other operations of like character, the owners of these corporation stocks will, as a rule, be found very safely included within the 800,000 names, constituting the one per cent of our population designated as the so-called 'wealthy class' embraced in my estimate.

"Nor yet can the items of savings bank deposits, and insurance policies extant, be said to argue the possession of wealth in the body of the people. The few dollars deposited in the savings bank, usually constitutes the sole dependence of the toiler and his family against sickness, the loss of employment, or any of the thousand and one vicissitudes of life that beset the 'hand-to-mouth' existence of the great body of our population; and it therefore remains, and is increased, as a precious possession; even though the debts of the depositor may exceed, many times, the small pittance deposited. So also insurance is, again, almost the sole dependence of the toiler's family in case of his death; and is, therefore, taken out, and the premium paid, so long as the holder can beg or borrow a dollar, and regardless of every other obligation. The liabilities of the depositor or insured must needs be placed against such asset before we can decide as to his solvency; much less as to his wealth.

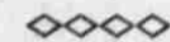
"These estimates, as also the conclusions drawn from them, are revolutionary of accepted notions; and I expect them to be bitterly assailed. As here given, however, they are, at least, what I intended to say, and am prepared to substantiate. Unfortunately, owing to a miscarriage in the mails, I did not receive the program of the Sections, advising me that an abstract of my paper would be required, until the morning of the day the paper was to be read. The abstract was hastily dictated, and received from the stenographer as I was hurrying to the Association hall; giving me no opportunity for correction. I, however, did, almost immediately after the paper was read, take the paper itself to the press headquarters; and was assured that this, instead of the abstract, would be made the basis of the reports.

"By way of personal explanation, I desire to say that I am not a member of the Socialist party. I, however, have been for fifteen years a student and writer upon economic subjects. Of my first work, published twelve years ago, the New York World itself, (now widely quoted in criticism of my reported utterances), was pleased to say: 'The Coming Revolution,' by Henry L. Call, is a scientific, cold-blooded, mathematical analysis of modern industrial society, in which the tangled web of economic falsities, inconsistencies, and anomalies, is shown with the clearness of demonstration of a professor of anatomy.' And other leading newspapers, and statesmen as well, were not less high in their encomiums. Since then I have written various works upon economic subjects, but always under a nom-de-plume; profoundly indifferent as to any desire to enroll my name with the 'would-be-famous,' or in the archives of 'Who's Who in America.' It was because the eminent scientists, in charge of the economic section of the association, were familiar with my writings, that a communication was addressed to me requesting me to present a paper before the association. My appearance before that honorable body was, therefore, not an accident; and it remains for a perusal of the article itself, to determine as to whether or not it is 'scientific' in basis and character."

### A MISSOURI FARMER'S VIEWS

A Fairhaven, Mo., reader of The Commoner writes:

"You'll have to let me tell you what a Missouri farmer thinks about the 'no-cent' currency which the banks are trying to materialize. The Greenback cause, along in the '70's and early '80's, was laughed down, and the nation's currency ridiculed as 'irredeemable trash,' 'flat money,' 'rag baby,' and the like. We all remember how Tom Nast's pencil was busy in those days with cartoons and comicalities belittling the very money which had but recently saved the life of the nation. But now comes a new 'rag baby,' of a baser sort—a kind of 'Betsy Bouncer' (see comic papers)—stuffed with sawdust and puffed up with 'hot air' from Wall Street. To carry the figure a little further: The bankers' forthcoming 'rag baby' will be illegitimate. Wall Street—the plutocracy—is its father; but Uncle Sam is expected to shoulder the burden of parentage—though 'it's none o' his'n!' But hold on! If Uncle Sam has to assume a paternal position of even the most indirect kind, why shouldn't he have an 'emergency' currency of his very own? The supreme court decision of 1882 (I think that is the date), established the 'Greenback idea' as a basic national principle—a 'sovereign' power. Then why not have the government assume the full responsibility of the proposed 'no-cent' currency, and send it out (exactly as proposed) through the medium of the banks, allowing them to keep a small bonus (out of the interest) for handling the 'emergency' paper? Then let the balance of the interest (together with the principal) be turned back into the national treasury, when the financial stringency has been relieved. In other words, instead of the government receiving a pittance, and the banks getting a big profit out of the new currency, let the government get the profits, and make—yes, compel—the banks to handle the business with the public, for a small remuneration. If the banks 'kick' (as they surely will), against this plan, then establish postal savings banks at every county seat in the country, and let these handle the 'emergency' currency, and also receive deposits from the common people—the useful classes. Anyhow, why not be up to date, like other nations? It is safe to say, however, that no plan of financial or industrial relief—whether it come from sources high or low, nor whether it be already adopted by other nations—can ever be proposed in this enlightened land of ours, without being met by bitter, persistent, and even unscrupulous opposition from the many mouthpieces of an organized plutocracy. If the capitalistic forces of this country would only try half as hard to promote real reform as they do to prevent it, the 'agitator' would soon lose his job, and the reformer would have to take a rest."



### INCREASE OR DECREASE

The London Statist having expressed the opinion that an asset currency bill "giving power to national banks to increase their note circulation" would be passed by the American congress the Wall Street Journal says that the Statist is wrong in "placing any reliance upon relief through American currency legislation." The Journal adds: "There seems to be little chance whatever of the passage of the credit note bill. The most that can reasonably be expected is a law to increase the amount of the bond secured circulation that could be retired in any month. The house committee on banking is in favor of increasing the limit of retirement from \$3,000,000 to \$15,000,000."

So some this statement may sound ridiculous. Think over it for a moment! There seems to be no hope that the congress will give the banks the power to increase the volume of currency; then perhaps the congress will give the banks the power to reduce the volume of currency! It is not ridiculous although the statement may seem so to some. There is method in the madness of the men who stand behind this plan. They would like to have the power to increase or decrease the volume of currency according to their pleasure; but if the American congress will not at this time give them the power to increase the volume, then, perhaps, they will give them the power to decrease it by making material increase in the amount of national bank notes which they may retire. Then having secured this concession for a while the bankers may yet obtain the privilege of increasing the currency. With the power to expand or contract at pleasure they will have greater power over the American government and over the American people than was ever thought of by men who dreamed of a government built with the view of securing the greatest good for the greatest number.