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TWO POPULAR DELUSIONS.

By Thomas G. Shearman.

I.—“NINETY PER CENT. LABOR.”

Perhaps it is unfair to call this a *popular* delusion, since it is one which originated with capitalists, and has only been impressed upon the popular mind by diligent effort, in the interests of those who live or think they live by taxing laborers for the benefit of capitalists. But it is popular in the sense of being widely believed by laborers. It was most effectively used by the late John Roach; but it is sincerely believed by such intelligent men as Abram S. Hewitt and Edward Atkinson.

What does it mean? Those who use this phrase in sincerity mean by it that ninety per cent. of the market price of all goods goes to those who, for wages or their equivalent, perform the actual hand labor involved in the production of goods, leaving only ten per cent. for the compensation of the landlord, the capitalist and the manager. Those who are not sincere intend that everybody else shall so understand it.

But, when driven into a corner, the few persons who use this phrase and yet are willing to answer questions, admit that they mean something quite different. They say that all the cost of goods consists in labor, except the raw materials in the ground. But if that is the case, 100 per cent., not 90, is the labor cost, for materials in the ground are of no value whatever, if no labor is applied to them even to the extent of digging them out. When pushed a little further, they admit that, by “labor,” they mean the labor of the manager in superintendence, the labor of the capitalist in lending money, the labor of the lawyer, in advising or defending both, and even the labor of the landlord, in collecting his rent. Of course, when used in this sense, the cost of such “labor” is 100 per cent. of the whole.

Appeals to the mass of voters to maintain a high tariff for the purpose of keeping up the price of *such* labor, would fall upon deaf ears. Therefore the truth is seldom told on this point, and never at election times. But the real truth is that the real cost of the actual “labor” (using the word as it is always understood) bestowed upon any article, including every stage of its production, from the extraction of the raw material to its final consumption, is always, as nearly as possible, 50 per cent., rarely more than 55 and rarely less than 45 per cent. of its average market value at the same time. The remainder is divided between compensation for management, interest, profits, insurance, taxes, rents, etc. This is demonstrated by all statistics affecting the subject, especially by the last census; and it is clearly and candidly stated by a well-known editor of high tariff organs, Mr. Denslow, in his big book on “Economic Philosophy.”

II.—“MONEY SPENT AT HOME.”

This is the twin sister of “Ninety per cent. is Labor.” We are told that it is better for us all, and especially for the laborer, to pay

two dollars for a piece of glass made at home, than one dollar for it if made abroad; because, in the former case, "the money will be spent at home." It is of no importance, say the wisacres who use this argument, who gets the money thus spent, so long as he lives with us at home. A man who earns only \$500 a year does in fact, now pay two dollars for the same glass which he might buy for one dollar; but he is quite content, since the two dollars are "kept in the country." But who keeps them? Some other men, who are each worth from one to ten million dollars. What of that, so long as the money is kept at home?

Then why not make short work of the business? Let the laborers pay all their earnings at once to some good American—Colonel Elliott F. Shepard, for example—and thus make quite sure that not one cent will, by any accident, get into the hands of any foreigner, but all be kept at home. Colonel Shepard will make excellent use of the money. He will not spend a dollar upon intoxicating drinks or Sunday labor. And surely the laborers will be amply protected, for all their earnings will be kept in the country. When their wives ask, on Saturday night, for some money, they can answer: "M. dear, I found that we were deceived into buying sugar, coffee and tea, and thus sending our money abroad, to our manifest ruin. All that we need is to keep our money in this country, where we are sure to receive its benefits. As I did not know how to do this, I have given all my earnings to the good Colonel Shepard, who has pledged his word to keep it all at home, and has locked it up in his safe, in order to be sure that he will do so."

We are constantly told that the American laborer is no worse off for being taxed heavily or made to pay high prices, so long as the money is spent at home. It is of no consequence to him whether a dollar is left in his pocket or taken, with millions more from other laborers, to be squandered upon ships which rot before they are finished, forts which will not carry guns, guns which will not carry powder, pensions for every man who has a toothache, salaries for politicians who cannot earn their salt, bribes for Aldermen, jobs for Congressmen or profits of \$5,000,000 a year for a steel manufacturer. It is all in the country, and that is enough. But if this is true as to one dollar, why is it not true as to ten dollars, or a hundred or a thousand?

Why does a poor sewing girl shed bitter tears when she loses her purse, with all her little earnings? Is not the money still in the country? Is not that a native-born American who has just picked her pocket? Is not that a genuine American rum-shop to which he hastens to spend what he has stolen? Be of good cheer, my sister! Your money will all be spent in the country, on native, home-made whiskey. Think what a calamity you might have suffered if you had ignorantly used it in purchasing some foreign-made gewgaw, such as a piece of Irish linen or German worsted! Then, your money would have gone out of the country, to your manifest destruction. Now, the rumseller will keep it carefully at home.

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