

# **Class Conscious**

**The Injustice of Poverty**

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June 2, 2004

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# ***Chapter 1: Industrial Society and Civilization***

## **Section I: Preface to the Second Edition**

A reader who has read the previous edition of the book will notice a significant difference in both the setup and the content. While the first edition had a great deal of statistics, covering the various hypothetical situations of laborers working under minimum wage and the amount of wealth workers are paid, the second edition elaborates more upon important data and the integral parts of the theory, encompassing volumes more of relevant points. Also, an obvious difference between the two editions is a change in the title. The first edition was entitled "Class War," while the second edition was entitled "Class Conscious: The Injustice of Poverty." Eventually, I may come to publish another book that is simply covering the primary comparisons of economic statistics. While it may be simple to discover a chart explaining the legal minimum wage as it applies to different states, it is an entirely different thing to have a paper comparing the income of a minimum wage to the poverty level of American citizens. With that, I hope that the second edition improved upon the first, in its ability to illustrate ideas more creatively and simply, in its poetic usage of human language, and most of all, in its ability to convince the reader of the position I hold in the matter of socio-economics.

## **Section II: Purpose of this Book**

It seems to be the trend of authors these days to publish books that are a meld of opinion, critique, enlightened ideas, and facts. If one were to isolate the facts from these books and the primary ideas, the books would lose 90% of their volume. That is one thing that I hope to avoid, among all, with this work. Right from the outset, I am going to tell you the purpose of this book. I believe in the theory and practice of Communism as an economic system. I believe that public interest for the welfare of all, rather than private interest for the wealthy of few, is the ultimate when it comes to creating a humane society. In our world and in our era, it seems that anything can be done with the aid of technology. And though this technology aids us in our technical productive work, it does not solve our social problems, it does not eliminate the economic qualms, nor does it sway the errors of our political system. Through this book, I am going to demonstrate the basic claims of why I believe in a Communist system, and more thoroughly defining exactly what I mean by the term *Communism* or *Capitalism* or *Socialism*. I will justify my claims only through reason, evidence, and logic. I only require that my reader has an open mind, and a willing heart.

A brief overview of the chapters... The first chapter will cover the use of technology in society, setting up the basis of civilization as a cooperative effort. The second chapter will describe the mechanics of a Capitalist economy. Chapters 3–4 will cover the history of Capitalism as it effected the worker in society, chapters 5–6 will cover the history of Capitalism as it effected the consumer in society, and chapters 7–8 will cover the history of Capitalism as it was the cause of

poverty. I have sought out books that cover the result of Capitalism as it effected society, using direct historical sources to prove their claims. All that I could find were very vague history books. Because of this, chapters 3–8 can very well be viewed as the history of society under the economy of Capitalism. Chapter 9 will deal with the theory of Communism, and how it would satisfy the desires of society much more efficiently and justly. Chapter 10 deals with the economic result of Communism, as it would occur in practice based on current available information. Finally, chapter 11 will deal with arguments against the theory. With all the bases covered on the case I am making for Communism, chapter 12 will act as an ending note to readers. It is true that chapters 3–8 are almost purely history, while other chapters heavily rely on historical references. This book may seem more like a history lesson in industrial and post-industrial society than a case for Communism or any economic system. While it is true that history plays a significant role in this text, it is primarily because history is the only form of proof that an economist or sociologist can bring up to make his case. Without it, my arguments would be nearly null and void.

If any of these terms are confusing or otherwise seem to be vague, I assure my reader that there is no need to worry about this at all right now. They may seem vague, but the point of an overview is not precision. When I speak of the term Socialism here, one may ask, “Scientific Socialism or Regulatory Socialism?” When I speak of the term Communism here, one may ask, “Communism as it was practiced by Christians in the 1800’s, or Communism as it was practiced by Mao, Lenin, and Stalin?” I assure the reader that such questions will be answer with good time.

### **Section III: Introduction**

In this first chapter, I have one statement to contend. I believe that by working together, we can produce more, than when working apart. I make this statement without it being attached to any political theories or ideals of justice. Simply explained, I believe that when a group of people work together, they can produce more than that same number of people working individual, or they can work less and produce the same. But, not only do I believe that working together increases our productivity, but I believe that the usage of technology will still improve our ability to produce. By working together, we can produce this technology that will allow us a better ability to utilize the resources that we are provided with. Some may question, though, the actual relevance to a work of economics. I imagine that there are few who doubt the truth of what I am contending, but it is a foundation upon which the rest of my ideas will be built. I imagine that if this statement were able to be disproven, then the validity of the rest of my economical theory will be thrown into question. So, it is the intent of the first chapter to proven, beyond a doubt, the following two statements: by working together, we produce more than when working apart, and that by using technology, our productivity increase.

### **Section IV: The Evidences (Historical)**

What is a tool and what is the nature of technology? Tools and technology are ideas, crafted to our physical world, that allow us a better grasp of completing tasks. Several trees may be of little use to someone, but once cut down, sawed into planks, and built into a house, they provide a use. It may take 5 days to fashion a tool with hand-power, out of local raw materials, but it would

only take 1 day to fashion that tool if other tools were available, and you could fashion 500 of those tools in a day if you had a manufacturing plant. The amount of labor required to produce the same desired result is lowered with the aid of tools and technology. Productivity increases. To quote Nicholas Barbon, “The Use of Things, are to supply the Wants and Necessities of Man: There are Two General Wants that Mankind is born with; the Wants of the Body, and the Wants of the Mind...”<sup>1</sup> Not only does the usage of tools aid in production, but so does specialization of labor. If one person labors on one specific stage of a product, then that person will become proficient at it. Not only that, but there will not be the wasted time between the stages that often occurs. With one person proficient at each stage of making a product, with the aid of tools and technology, their productivity will significantly rise. There are some who doubt this, or hold skepticism towards productivity as an aim, but I hope to prove beyond a doubt that the usage of tools and technology are in fact helpful towards lowering labor required to produce items that service our needs.

In 1683, Matthew Hale described the conditions of individuals working in workshops that were set up to provide labor for the unemployed. In the mid-1600’s, 14 people working together in a mill could produce 32 yards of cloth in three weeks. These people would be divided into three weavers and spoolers, two breakers, six spinners, one fuller and burler, one sheer-man, one parter and picker. The first 32 yards would take two months, though, in a matter of becoming accustomed to machinery and the type of labor. Given that they work all year round, this would result in 17 32-yard rolls of cloth, or a total of 544 yards a year. This would amount to approximately 39 yards of cloth per person per year.<sup>2</sup> The amount of cloth that could be produced by a single person without the aid of specialization, or without the aid of tools, but just raw cotton, is a dismal estimation.

Nicholas Barbon describes the use of specialization and technology as it applies to economic fluctuations in the 1600’s...

The Use of Trade is to make, and provide things Necessary: Or useful for the Support, Defence, Ease, Pleasure, and Pomp of Life: Thus the Brewers, Bakers, Butchers, Poulterers, Cocks, with the Apothecaries, Surgeons, and their Dependencies provide Food, and Medicine for the support of Life: the Cutlers, Gun-smiths, Powder-makers, with their Company of Traders, make things for Defence; The Shoo-makers Sadlers, Couch, and Chair-makers, with abundance more for the Ease of Life: The Perfumers, Fidlers, Painters, and Booksellers, and all those Trades that make things to gratifie the Sense, or delight the Mind, promote Pleasure: But those Trades that are employ’d to express the Pomp of Life, are Infinite; for, besides those that adorn Mans Body, as the Glover, Hosier, Hatter, Semstriss, Taylor, and many more, with those that make the Materials to Deck it; as Clothier, Silk-Weaver, Lace-Maker, Ribbon-Weaver, with their Assistance of Drapers, Mercers, and Milliners, and a Thousand more: Those Trades that make the Equipage for Servants, Trappings for Horses; and those that Build, Furnish, and Adorn Houses, are innumerable.<sup>3</sup>

In 1690, William Petty wrote, “...one Man by Art may do as much work, as many without it; viz, one Man with a Mill can grind as much Corn, as twenty can pound in a Mortar; one Printer can

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<sup>1</sup> Barbon, Nicholas, “A Discourse on Trade,” 1690, Section: “Of the Value and Price of Wares.”

<sup>2</sup> Hale, Matthew, “A Discourse Touching Provision for the Poor,” 1683. Chapter 3.

<sup>3</sup> Barbon, Nicholas, “A Discourse on Trade,” 1690, Section: “Of the Use and Benefit of Trade.”

make as many Copies, as an Hundred Men can write by hand..."<sup>4</sup> and elsewhere he has written, "...a Windmill may he set up, and by its heing moist and vaporous, there is always wind stirring over it, by which advantage the labor of many thousand Hands is saved, forasmuch as a Mill made by one Man in half a year, will do as much Labor, as four Men for Five Years together."<sup>5</sup> Of the combination of men, he has written, "Those who have the command of the Sea Trade, may Work at easier Freight with more profit, than others at greater: for as Cloth must be cheaper made, when one Cards, another Spins, another Weaves, another Draws, another Dresses, another Presses and Packs; than when all the Operations above-mentioned, were clumsily performed by the same hand..."<sup>6</sup> Of those who are not among the society of men, he has written, "...those who live in Solitary places, must be their own Soldiers, Divines, Physicians, and Lawyers; and must have their Houses stored with necessary Provisions (like a Ship going upon a long Voyage,) to the great wast, and needless expence of such Provisions."<sup>7</sup> In the 1700's, David Hume wrote...

When a nation abounds in manufactures and mechanic arts, the proprietors of land, as well as the farmers, study agriculture as a science, and redouble their industry and attention. The superfluity, which arises from their labour, is not lost; but is exchanged with manufactures for those commodities, which men's luxury now makes them covet. By this means, land furnishes a great deal more of the necessaries of life, than what suffices for those who cultivate it.<sup>8</sup>

Also in the 1700's, Thomas Paine wrote, "...the natural state is without those advantages which flow from agriculture, arts, science and manufactures."<sup>9</sup> In 1767, James Steuart wrote the book "An Inquiry into the Principles of Political Economy," of which he gave countless examples of the usage of technology aiding production. With the use of technology, he has written, "I now suppose man to add his labour and industry to the natural activity of the soil: so far, as by this he produces an additional quantity of food, so far he lays a foundation for the maintenance of an additional number."<sup>10</sup> — "...this [farming] will prove a more certain and more extensive fund of subsistence, than the precarious productions of spontaneous fruits, which cannot be increased at discretion, and in proportion to demand..."<sup>11</sup> — "Another advantage of cities is, the necessity arising from thence of having great roads, and these again prove a considerable encouragement to agriculture."<sup>12</sup> — "...the making of roads and navigable canals must advance population, as they contribute to the advancement of agriculture."<sup>13</sup> In general, on the theory of using technology to aid production, he has said, "Is it not plain, that when the earth is not improved, it cannot produce so much nourishment for man as when it is?"<sup>14</sup> and, "...the necessity of introducing every method of abridging labour and expence, in order to supply the wants of luxurious mankind, is absolutely indispensable, according to modern policy, according to experience, and according to

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<sup>4</sup> Petty, William, "Political Arithmetick," 1690, chapter 1.

<sup>5</sup> Petty, William, "Political Arithmetick," 1690, chapter 1.

<sup>6</sup> Petty, William, "Political Arithmetick," 1690, chapter 1.

<sup>7</sup> Petty, William, "Political Arithmetick," 1690, chapter 1.

<sup>8</sup> Hume, David, "Of Commerce," Date Unknown.

<sup>9</sup> Paine, Thomas, "Agrarian Justice," Date Unknown.

<sup>10</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," 1767, chapter 4.

<sup>11</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," 1767, chapter 5.

<sup>12</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," 1767, chapter 10.

<sup>13</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," 1767, chapter 10.

<sup>14</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," 1767, chapter 16.

reason.”<sup>15</sup> Pointing out a specific example of this policy, he writes, “...by using the spade and rake, instead of the plough and harrow, the lands of our island might be brought to produce with more abundance...”<sup>16</sup> On the hypothetical example that society was not allowed to use technology or tools, he writes, “Were the earth therefore uncultivated, the numbers of mankind would not exceed the proportion of the spontaneous fruits which she offers for their immediate use, or for that of the animals which might be the proper nourishment of man.”<sup>17</sup>

In 1815, Thomas Malthus wrote, “There is no person in the least acquainted with political economy, but must be aware that the advantages resulting from the division of labour, as applicable to nations as well as individuals, depend solely and entirely on the power of exchanging subsequently the products of labour.”<sup>18</sup> and elsewhere, “...if merely the best modes of cultivation, now in use in some parts of Great Britain, were generally extended, and the whole country was brought to a level, in proportion to its natural advantages of soil and situation, by the further accumulation and more equable distribution of capital and skill; the quantity of additional produce would be immense, and would afford the means of subsistence to a very great increase of population.”<sup>19</sup>

Also in the year 1815, Jean-Charles-Leonard Simonde de Sismondi wrote, “Thus men, combined in society, produced more than if each had laboured separately; and they preserve better what they have produced, because they feel the value of it better.”<sup>20</sup> Speaking of mankind, he wrote, “It invents machines, in which the wind, the fall of water, the expansion of steam, are substituted for the power of limbs...”<sup>21</sup> Of society, he writes, “All men are mutually necessary to each other.”<sup>22</sup> Specifically citing one example, he says, “The invention of the stocking frame, by means of which one man does as much work as a hundred did before, was a benefit for humanity, only because, at the same time, the progress of civilization, of population, and of wealth, increased the number of consumers.”<sup>23</sup> In a bit of a lengthier passage, he wrote...

Exchange first arose from superabundance: “Give me that article, which is of no service to you, and would be useful to me,” said one of the contacting parties, “and I will give you this in return, which is of no service to me, and would be useful to you.” Present utility was not, however, the sole measure of things exchanged. Each estimated for himself the selling price, or the trouble and time bestowed in the production of his own commodity, and compared it with the buying price, or the trouble and time necessary for procuring the required commodity by his own efforts; and no exchange could take place till the two contacting parties, on calculating the matter, had each discovered that it was better thus to procure the commodity wanted than to make it for himself. This accidental advantage soon pointed out to both a

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<sup>15</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, chapter 19.

<sup>16</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, chapter 20.

<sup>17</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, chapter 3.

<sup>18</sup> Malthus, Thomas, “The Grounds of an Opinion on the Policy of Restricting the Importation of Foreign Corn,” 1815.

<sup>19</sup> Malthus, Thomas, “The Grounds of an Opinion on the Policy of Restricting the Importation of Foreign Corn,” 1815.

<sup>20</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2

<sup>21</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 3

<sup>22</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 7

<sup>23</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 7



constant source of advantage in trading, whenever the one offered an article which he excelled in making, for an article which the other excelled in making; for each excelled in what he made often, each was unskillful and slow at what he made but seldom. Now, the more exclusively they devoted themselves to one kind of work, the more dexterity did they acquire in it, the more effectually did they succeed in rendering it easy and expeditious. This observation produced the division of trades; the husbandman quickly perceived, that he could not make as many agricultural tools by himself, in a month, as the blacksmith would make for him in a day.

The same principle which at first separated the trades of the husbandman, shepherd, smith, and weaver, continued to separate those trades into an indefinite number of departments. Each felt that, by simplifying the operation committed to him, he would perform it in a manner still more speedy and perfect. The weaver renounced the business of spinning and dyeing; the spinning of hemp, cotton, wool, and silk, became each separate employment; weavers were still farther subdivided, according to the fabric and the destination of their stuffs; and at every subdivision, each workman, directing his attention to a single object, experienced an increase in his productive powers. In the interior of each manufactory, this division was again repeated, and still with the same success. Twenty workmen all laboured at the same thing, but each made it undergo a different operation: and the twenty workmen found that they had accomplished twenty times as much work as when each had laboured separately.<sup>24</sup>

...

The increasing division of labour forms, as we have seen, the chief cause of increase in its productive powers; each makes better what he is constantly engaged in making, and when, at length, his whole labour is reduced to the simplest operation, he comes to perform it with such ease and rapidity, that the eye cannot make us comprehend how the address of man should arrive at such precision and promptitude. Often also this division leads to the discovery, that as the workman is now worth nothing more than a machine, a machine may in fact supply his place.<sup>25</sup>

...

The application of science to art is not limited to the invention of machinery; its result is the discovery of raw materials, dyeing ingredients, preservative methods more sure and economical. It has produced better work at a cheaper rate; it has protected the health of labourers, as well as their produce; and its effect in augmenting wealth has almost always been beneficial to humanity.<sup>26</sup>

In 1825, Thomas Hodgskin, a staunch and valiant defender of the oppressed, would write, "By our increased skill and knowledge, labour is now probably ten times more productive than it was two hundred years ago..."<sup>27</sup> and "...since Mr Watt's improvements on the steam engine one man

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<sup>24</sup> Sismondi, Jean-Charles-Leonard Simonde de, "Political Economy," 1815, chapter 2

<sup>25</sup> Sismondi, Jean-Charles-Leonard Simonde de, "Political Economy," 1815, chapter 4

<sup>26</sup> Sismondi, Jean-Charles-Leonard Simonde de, "Political Economy," 1815, chapter 4

<sup>27</sup> Hodgskin, Thomas, "Labour Defended against the Claims of Capital," 1825.

can perform as much work with these instruments as ten men did before.”<sup>28</sup> In a lengthy section, he would write...

Fixed capital consists of the tools and instruments the labourer works with, the machinery he makes and guides, and the buildings he uses either to facilitate his exertions or to protect their produce. Unquestionably by using these instruments man adds wonderfully to his power. Without a hand saw, a portion of fixed capital, he could not cut a tree into planks; with such an instrument he could, though it would cost him many hours or days; but with a sawmill he could do it in a few minutes. Every man must admit that by means of instruments and machines the labourer can execute tasks he could not possibly perform without them; that he can perform a greater quantity of work in a given time, and that he can perform the work with greater nicety and accuracy than he could possibly do had he no instruments and machines.<sup>29</sup>

[...]

Whatever division of labour exists, and the further it is carried the more evident does this truth become, scarcely any individual completes of himself any species of produce. Almost any product of art and skill is the result of joint and combined labour. So dependent is man on man, and so much does this dependence increase as society advances, that hardly any labour of any single individual, however much it may contribute to the whole produce of society, is of the least value but as forming a part of the great social task. In the manufacture of a piece of cloth, the spinner, the weaver, the bleacher and the dyer are all different persons. All of them except the first is dependent for his supply of materials on him, and of what use would his thread be unless the others took it from him, and each performed that part of the task which is necessary to complete the cloth?<sup>30</sup>

In 1830, Nassau Senior would give a lecture to a university, in which he would state, “I was shown at Birmingham a small screw, which, in the manufacture of corkscrews, performed the work of fifty-nine men; with its assistance one man could cut a spiral groove in as many corkscrew shanks as sixty men could have cut in the same time with the tools previously in use.”<sup>31</sup> In a longer section, he would write...

I do not believe that there exists upon record a single instance in which the whole annual produce has been diminished by the use of inanimate machinery. Partly in consequence of the expense of constructing the greater part of machinery being defrayed out of profits or rent, and partly in consequence of the great proportion which the productive powers of machinery bear to the expense of its construction, its use is uniformly accompanied by an enormous increase of production. The annual consumption of cotton wool in this country, before the introduction of the spinning jenny, did not amount to 100,000 lbs.; it now amounts to 190,000,000. Since the

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<sup>28</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>29</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>30</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>31</sup> Senior, Nassau, “Three Lectures on the Rate of Wages,” 1830, lecture 3.

power-loom came into use, the quantity of cotton cloth manufactured for home consumption has increased from 227,000,000 of yards (the average annual amount between the years 1816 and 1820), to 400,000,000 of yards (the annual average from 1824 to 1828 (Huskisson's Speech, 1830). The number of copies of books extant at any one period before the invention .of the printing-press, was probably smaller than that which is now produced in a single day.<sup>32</sup>

The 1800's marked the greatest development that political economy would receive. It would be the same century that the philosophy of Karl Marx would rise. In one of his pamphlets, in 1847, he would write...

In the process of production, human beings work not only upon nature, but also upon one another. They produce only by working together in a specified manner and reciprocally exchanging their activities. In order to produce, they enter into definite connections and relations to one another, and only within these social connections and relations does their influence upon nature operate — i.e., does production take place.<sup>33</sup>

It would be in the year 1848 that Marx would write the magnificent "Manifesto of the Communist Party." In it, he would write...

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of nature's forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground — what earlier century had even a presentiment that such productive forces slumbered in the lap of social labor?<sup>34</sup>

A partner in many of Marx's works, Friedrich Engels would offer his contribution to the idea of political economy. In 1876, he would write...

Mastery over nature began with the development of the hand, with labour, and widened man's horizon at every new advance. He was continually discovering new, hitherto unknown properties in natural objects. On the other hand, the development of labour necessarily helped to bring the members of society closer together by increasing cases of mutual support and joint activity, and by making clear the advantage of this joint activity to each individual.<sup>35</sup>

In 1899, Thorsten Veblen would discuss the rise of civilization, writing, "With the use of tools the possibility of his acquiring a different disposition gradually began, but even then the circumstances favoring the growth of a contentious disposition supervened only gradually and

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<sup>32</sup> Senior, Nassau, "Three Lectures on the Rate of Wages," 1830, lecture 3.

<sup>33</sup> Marx, Karl, "Wage Labour and Capital," 1847, chapter 5.

<sup>34</sup> Marx, Karl, "Manifesto of the Communist Party," 1848, section: Bourgeois and Proletarians.

<sup>35</sup> Engels, Friedrich, "The Part Played by Labour in the Transition from Ape to Man," May-June 1876.

partially.”<sup>36</sup> In 1902, John McDowell would write an article discussing the life of a miner. In it, he that a miner could procure twelve to fifteen tons of coal, each day, with the aid of modernized equipment.<sup>37</sup> In 1910, a collection of articles by Henry Demarest Lloyd would be published (seven years after his death) in a book entitled, “The Lords of Industry.” In it, he wrote, “Though coal is an article of commerce greater in volume than any other natural product in the United States carried on railroads, amounting to not less than 330,000,000 tons a year; and though the appliances for its transportation have been improved and the cost cheapened every year, so that it can be handled with less cost and risk than almost any other class of freight...”<sup>38</sup> In 1930, L.F. Giblin would deliver an inaugural speech in Australia, saying...

The economist tells him that his real wages are six times what his father had in England a hundred years ago. The economist may further tell him that this has been made possible, not by his combined bargaining power, but by the increased productivity of industry through advances of knowledge and technique, and that he is getting only the same proportionate share of production as a hundred years ago... [the] hydro-electric plant [to the]...bush saw-mill.<sup>39</sup>

The authors of the past, covering all centuries, have universally confirmed the efficiency of technology and tools in accomplishing labor. By using a pickaxe instead of bare hands, or a rock, a person will more effectively mine coal, and by using great, massive machines instead of a pickaxe, a person will mine coal even more effectively. The same analogy can be compared to any other field: agriculture, manufacturing, among all other industries. While it is confirmed by a great deal of authors of the past, the question of the efficiency of machinery and technology, of all forms that it make take, in our modern world, is still unanswered. It is in the next section that I hope to answer this question.

## **Section V: The Evidences (Modern)**

When examining the growth of technology and science in the modern century, we are really standing before awe-inspiring inventions and discoveries. Physics and chemistry are applied to the different fields of study, and new labor-saving devices are developed, through the ingenious of some lone scientists and inventors. We are on the dawn of an era where skyscrapers are still impressive and commonplace, where factories are capable of producing one thousand times as much as people could centuries ago, where the spirit of innovation and enterprise is inherent in the minds of all the people — and we start to think, even if for just a few solitary moments, that anything is possible. There is no bridge that cannot be built, no idea that cannot be manifested with earthly materials — no monument to human ingenuity that cannot be constructed. With this, we march towards a brighter future, where there is no dilemma that cannot be solved, no ideal that cannot be reached.

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<sup>36</sup> Veblen, Thorstein, “The Instinct of Workmanship and the Irksomeness of Labor,” *American Journal of Sociology*, volume 4 (1898–99).

<sup>37</sup> McDowell, John, “The Life of a Coal Miner,” 1902.

<sup>38</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 9.

<sup>39</sup> Giblin, L.F., “Australia, 1930,” 1930.

The International Trade Administration records the amount of workers and the value of shipments of each manufacturing industry in the United States of America. By analyzing the amount of wealth is produced by how many laborers, we can discover how much wealth each worker is personally responsible for creating – but, we also see what one worker is capable of producing, only by working alongside other workers with the use of technology. The workers are divided into two groups: total employment and production workers. Total employment includes workers who are not involved in producing anything, such as managerial positions among other things. Production workers, though, are those who are responsible for producing the actual product.

In the food manufacturing industry, there is a total of 1,506,000 workers (1,150,000 production workers out of those). In the year 2000, they produced \$413,000,000,000 worth of shipments. Each worker produced \$274,236.38 worth of shipments, or if measuring production workers, then each production worker produced \$359,130.43 worth of shipments. Of course, what does it exactly mean, when we measure the amount of *money* that is produced per worker? It is a very nominal meaning, having no solitary inference on value. So, to draw an analogy, I'll compare how many products a worker has produced a year, based on the amount of wealth they have created. A good comparison item is a loaf of bread, at the cost of \$2.00. In the year 2000, each worker has produced 137,118 loaves of bread, or each production worker has produced 179,565 loaves of bread.<sup>40</sup>

In the beverage and tobacco product manufacturing industry, there is a total of 175,000 workers (94,500 production workers out of those). In the year 2000, they produced \$106,943,000,000 worth of shipments. Each worker produced \$611,102.85 worth of shipments, or if measuring production workers, then each production worker produced \$1,131,671.95 worth of shipments. A good comparison item is a pack of cigarettes, at the cost of \$2.00. In the year 2000, each worker has produced 305,551 packs of cigarettes, or each production worker has produced 565,836 packs of cigarettes.<sup>41</sup>

In the textile mills industry, there is a total of 337,000 workers (286,000 production workers out of those). In the year 2000, they produced \$51,846,000,000 worth of shipments. Each worker produced \$153,845.69 worth of shipments, or if measuring production workers, then each production worker produced \$181,279.72 worth of shipments. A good comparison item is square yard of cotton, at the cost of \$3.00. In the year 2000, each worker has produced 51,281 square yards of cotton, or each production worker has produced 60,426 square yards of cotton.<sup>42</sup>

In the textile product mills industry, there is a total of 230,000 workers (187,000 production workers out of those). In the year 2000, they produced \$31,649,000,000 worth of shipments. Each worker produced \$137,604.34 worth of shipments, or if measuring production workers, then each production worker produced \$169,245.98 worth of shipments. A good comparison item is a square foot of carpet, at the cost of \$0.75. In the year 2000, each worker has produced 183,472 square feet of carpet, or each production worker has produced 225,661 square feet of carpet.<sup>43</sup>

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<sup>40</sup> Food mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 311.

<sup>41</sup> Beverage & tobacco product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 312.

<sup>42</sup> Textile mills. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 313.

<sup>43</sup> Textile product mills. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 314.

In the apparel manufacturing industry, there is a total of 520,000 workers (420,000 production workers out of those). In the year 2000, they produced \$52,727,000,000 worth of shipments. Each worker produced \$101,398.07 worth of shipments, or if measuring production workers, then each production worker produced \$125,540.47 worth of shipments. A good comparison item is T-shirt, at the cost of \$5.00. In the year 2000, each worker has produced 20,279 T-shirts, or each production worker has produced 25,108 T-shirts.<sup>44</sup>

In the leather and allied product manufacturing industry, there is a total of 69,200 workers (55,300 production workers out of those). In the year 2000, they produced \$8,463,000,000 worth of shipments. Each worker produced \$122,297.68 worth of shipments, or if measuring production workers, then each production worker produced \$153,037.97 worth of shipments. A good comparison item is belt, at the cost of \$8.00. In the year 2000, each worker has produced 15,287 belts, or each production worker has produced 19,129 belts.<sup>45</sup>

In the wood product manufacturing industry, there is a total of 586,000 workers (486,000 production workers out of those). In the year 2000, they produced \$89,337,000,000 worth of shipments. Each worker produced \$152,452.21 worth of shipments, or if measuring production workers, then each production worker produced \$183,820.98 worth of shipments. A good comparison item is a plank of wood, at the cost of \$5.00. In the year 2000, each worker has produced 30,490 planks of wood, or each production worker has produced 36,764 planks of wood.<sup>46</sup>

In the paper manufacturing industry, there is a total of 548,000 workers (424,000 production workers out of those). In the year 2000, they produced \$159,231,000,000 worth of shipments. Each worker produced \$290,567.51 worth of shipments, or if measuring production workers, then each production worker produced \$375,544.81 worth of shipments. A good comparison item is bundle of paper, at the cost of \$2.00. In the year 2000, each worker has produced 145,283 bundles of paper, or each production worker has produced 187,772 bundles of paper.<sup>47</sup>

In the printing and related support activities industry, there is a total of 830,000 workers (598,000 production workers out of those). In the year 2000, they produced \$99,916,000,000 worth of shipments. Each worker produced \$120,380.72 worth of shipments, or if measuring production workers, then each production worker produced \$167,083.61 worth of shipments. A good comparison item is an ounce of ink, at the cost of \$1.50. In the year 2000, each worker has produced 80,253 ounces of ink, or each production worker has produced 111,388 ounces of ink.<sup>48</sup>

In the petroleum and coal products manufacturing industry, there is a total of 101,000 workers (67,100 production workers out of those). In the year 2000, they produced \$229,153,000,000 worth of shipments. Each worker produced \$2,268,841.58 worth of shipments, or if measuring production workers, then each production worker produced \$3,415,096.87 worth of shipments. A good comparison item is a gallon of gas, at the cost of \$2.00. In the year 2000, each worker has

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<sup>44</sup> Apparel mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 315.

<sup>45</sup> Leather & allied product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 316.

<sup>46</sup> Wood product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 321.

<sup>47</sup> Paper mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 322.

<sup>48</sup> Printing & related support activities. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 323.

produced 1,134,420 gallons of gas, or each production worker has produced 1,707,548 gallons of gas.<sup>49</sup>

In the chemical manufacturing industry, there is a total of 890,000 workers (511,000 production workers out of those). In the year 2000, they produced \$416,017,000,000 worth of shipments. Each worker produced \$467,434.83 worth of shipments, or if measuring production workers, then each production worker produced \$814,123.28 worth of shipments. A good comparison item is a pound of Halon 1301 (used for preventing fires), at the cost of \$4.00. In the year 2000, each worker has produced 116,858 pounds of Halon 1301, or each production worker has produced 203,530 pounds of Halon 1301.<sup>50</sup>

In the plastics and rubber products manufacturing industry, there is a total of 1,080,000 workers (857,000 production workers out of those). In the year 2000, they produced \$172,904,000,000 worth of shipments. Each worker produced \$160,096.29 worth of shipments, or if measuring production workers, then each production worker produced \$201,754.95 worth of shipments. A good comparison item is a pound of rubber, at the cost of \$0.20. In the year 2000, each worker has produced 800,481 pounds of rubber, or each production worker has produced 1,008,774 pounds of rubber.<sup>51</sup>

In the nonmetallic mineral product manufacturing industry, there is a total of 522,000 workers (407,000 production workers out of those). In the year 2000, they produced \$91,593,000,000 worth of shipments. Each worker produced \$175,465.51 worth of shipments, or if measuring production workers, then each production worker produced \$225,044.22 worth of shipments. A good comparison item is a brick, at the cost of \$0.50. In the year 2000, each worker has produced 351,123 bricks, or each production worker has produced 450,088 bricks.<sup>52</sup>

In the primary metal manufacturing industry, there is a total of 578,000 workers (459,000 production workers out of those). In the year 2000, they produced \$152,157,000,000 worth of shipments. Each worker produced \$263,247.40 worth of shipments, or if measuring production workers, then each production worker produced \$331,496.73 worth of shipments. A good comparison item is a pound of steel, at the cost of \$0.35. In the year 2000, each worker has produced 752,135 pounds of steel, or each production worker has produced 947,133 pounds of steel.<sup>53</sup>

In the fabricated metal product industry, there is a total of 1,815,000 workers (1,375,000 production workers out of those). In the year 2000, they produced \$252,030,000,000 worth of shipments. Each worker produced \$138,859.50 worth of shipments, or if measuring production workers, then each production worker produced \$183,294.54 worth of shipments. A good comparison item is a horseshoe, at the cost of \$2.00. In the year 2000, each worker has produced 69,429 horseshoes, or each production worker has produced 91,647 horseshoes.<sup>54</sup>

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<sup>49</sup> Petroleum & coal products mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 324.

<sup>50</sup> Chemical mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 325.

<sup>51</sup> Plastics & rubber products mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 326.

<sup>52</sup> Nonmetallic mineral product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 327.

<sup>53</sup> Primary metal mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 331.

<sup>54</sup> Fabricated metal product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 332.

In the machinery manufacturing industry, there is a total of 1,396,000 workers (915,000 production workers out of those). In the year 2000, they produced \$269,820,000,000 worth of shipments. Each worker produced \$193,280.80 worth of shipments, or if measuring production workers, then each production worker produced \$294,885.24 worth of shipments. A good comparison item is an Engine-Based Farm Plow, at the cost of \$19,000. In the year 2000, each worker has produced 10 Engine-Based Farm Plows, or each production worker has produced 15 Engine-Based Farm Plows.<sup>55</sup>

In the computer and electronic product manufacturing industry, there is a total of 1,653,000 workers (853,000 production workers out of those). In the year 2000, they produced \$475,025,000,000 worth of shipments. Each worker produced \$287,371.44 worth of shipments, or if measuring production workers, then each production worker produced \$556,887.45 worth of shipments. A good comparison item is a computer, at the cost of \$600. In the year 2000, each worker has produced 479 computers, or each production worker has produced 928 computers.<sup>56</sup>

In the electrical equipment, appliance, and component industry, there is a total of 591,000 workers (431,000 production workers out of those). In the year 2000, they produced \$117,278,000,000 worth of shipments. Each worker produced \$198,439.93 worth of shipments, or if measuring production workers, then each production worker produced \$272,106.72 worth of shipments. A good comparison item is a toaster, at the cost of \$10.00. In the year 2000, each worker has produced 19,843 toasters, or each production worker has produced 27,210 toasters.<sup>57</sup>

In the transportation equipment manufacturing industry, there is a total of 1,838,000 workers (1,352,000 production workers out of those). In the year 2000, they produced \$619,631,000,000 worth of shipments. Each worker produced \$337,122.41 worth of shipments, or if measuring production workers, then each production worker produced \$458,306.95 worth of shipments. A good comparison item is a car, at the cost of \$12,000. In the year 2000, each worker has produced 28 cars, or each production worker has produced 38 cars.<sup>58</sup>

In the furniture and related product manufacturing industry, there is a total of 641,000 workers (514,000 production workers out of those). In the year 2000, they produced \$70,733,000,000 worth of shipments. Each worker produced \$110,347.89 worth of shipments, or if measuring production workers, then each production worker produced \$137,612.84 worth of shipments. A good comparison item is a chair, at the cost of \$25.00. In the year 2000, each worker has produced 4,413 chairs, or each production worker has produced 5,504 chairs.<sup>59</sup>

In the miscellaneous manufacturing industry, there is a total of 745,000 workers (501,000 production workers out of those). In the year 2000, they produced \$105,899,000,000 worth of shipments. Each worker produced \$142,146.30 worth of shipments, or if measuring production workers, then each production worker produced \$211,375.24 worth of shipments. A good comparison

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<sup>55</sup> Machinery mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 333.

<sup>56</sup> Computer & electronic product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 334.

<sup>57</sup> Electrical equip, appliance & component mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 335.

<sup>58</sup> Transportation equipment mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 336.

<sup>59</sup> Furniture & related product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 337.



item is a pound of buttons, at the cost of \$10.00. In the year 2000, each worker has produced 14,214 pounds of buttons, or each production worker has produced 21,137 pounds of buttons.<sup>60</sup>

When we examine all of the manufacturing industries of the United States put together, we get a much broader image. In total, in the U.S. manufacturing industry, there are 16,651,200 workers (11,942,900 of them production workers), creating shipments worth a total of: \$3,985,342,000,000 (nearly four trillion dollars). Each worker produced \$239,342.62 worth of shipments, and each production worker produced \$333,699.68 worth of shipments.<sup>61</sup> The reason why there is a trend for production workers to be responsible for producing more wealth should be obvious. There is a smaller amount of them, still responsible for producing the same amount of wealth. The reason why I separated them into two groups, showing the difference of wealth they produced, is because one is directly responsible for producing, while the others are not directly responsible. The production workers includes such positions as would be typical in the manufacturing business: assembly line workers (each responsible for their specialization in one aspect of the final product), craftsmen who apply physical labor to objects in order to add value to them (such as a carpenter turning a piece of wood into a chair — though such an example goes back to more primitive technology), and there are other positions of laborers adding wealth to the final product through their labor. Those who do not count as production workers includes an entire different class of laborers: individuals working with management, advertising, human resources department, maybe even a security department. One would reason that to increase profit, income, and productive output, that it would be best to have as many production workers as were necessary to speed up the productive process, and as few managerial or accountant workers as necessary to keep down costs (such as the wages of those individuals). But, this does not happen to always be the case when examining the empirical evidence of the economy. In the computer and electronic product manufacturing industry, there is a total employment of 1,653,000 workers. Of that amount, 853,000 are production employees, and the other 800,000 are non-productive employees. 51.6% of the work force is the actual labor responsible for producing the final product, whereas the other 48.4% are not directly involved production.<sup>62</sup> Of course, this is not the rule, it is rather an exception — one I brought up to demonstrate a valid point, that production workers are not always the largest group of employees. However, when examining other industries of the manufacturing sector, one will see that production workers usually outnumber non-production workers, usually at a rate between 2 to 1 and 8 to 1.

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<sup>60</sup> Miscellaneous mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 339.

<sup>61</sup> Based on the information of all major manufacturing industries. Food mfg (NAICS 311), Beverage & tobacco product mfg (NAICS 312), Textile mills (NAICS 313), Textile product mills (NAICS 314), Apparel mfg (NAICS 315), Leather & allied product mfg (NAICS 316), Wood product mfg (NAICS 321), Paper mfg (NAICS 322), Printing & related support activities (NAICS 323), Petroleum & coal products mfg (NAICS 324), Chemical mfg (NAICS 325), Plastics & rubber products mfg (NAICS 326), Nonmetallic mineral product mfg (NAICS 327), Primary metal mfg (NAICS 331), Fabricated metal product mfg (NAICS 332), Machinery mfg (NAICS 333), Computer & electronic product mfg (NAICS 334), Electrical equip, appliance & component mfg (NAICS 335), Transportation equipment mfg (NAICS 336), Furniture & related product mfg (NAICS 337), Miscellaneous mfg (NAICS 339). U.S. Department of Commerce: Bureau of the Census; International Trade Administration.

<sup>62</sup> Computer & electronic product mfg. U.S. Department of Commerce: Bureau of the Census; International Trade Administration. NAICS 334.

## **Section VI: Conclusion**

In the course of human events and the rise of civilization and modern society, we realize one fact that has been universally recognized by practically all authors, scientists, innovators, and philosophers: technology and tools allow us to be immensely more productive. One man working along side nine other men will be able to produce a great amount more than twenty men working alone. Then we must consider the idea of specialization, of one worker specializing in one part of his craft related to creating a product, and each other worker specializing in another aspect of it. By using this method of specialization, which in itself must be considered a form of technology, workers are capable of producing more than they would without it. With all of this said, I must say that every person should have a certain pride, a certain unrequited honor, in the idea that they are members of a society blessed with the merciful angel of science. As much as some have feared it, and as much as a few rare individuals have loathed it, there is no doubt that it is deserving of praise. With this, I continue to the next chapter, where I explain the basic mechanics of the Capitalist economy.

# ***Chapter 2: The Economics of a Free-Trade, Capitalist Society***

## **Section I: Some Foundational Principles of Economics**

The study of Economics (or “Political Economy”) is the study of the rules which typically govern the distribution of wealth. The rules are crafted around logic, and examples throughout history. Much like any other science, it is based first on observing the physical phenomena of the world. Then, it forms rules which manage to account for all past phenomena, and these rules are typically used by interested parties in predicting the future events of the concerned science. How is it that wealth exchanges hands? What are the conditions which can alter this exchange in favor of one or the other party? What causes a person to lower or increase the price of their commodity? These are all economic questions. Much like any other field of study, however, the study of Economics has certain premises to it. Without them, the field of Economics would be rather non-nonsensical and without much aid in prediction. The fields of study in natural science, for instance, are premised with the idea that evidence is required for a theory to be sustained, among other ideas which form the idea of the Scientific Theory. The study of Economics may be premised by two ideas: (1) that people act, with a more or less degree, towards their self interest, (2) that people act, with a more or less degree, rationally towards these interests. By the first of these ideas, I mean that a person will respond to their conditions in a method that benefits them. By the second, I mean that in their response to these conditions, they will react in some way that answers their self interest, in some manner that procures the object of their desire or want.

When it comes to the idea that people act in accordance to their self-interest, there is little debate of this. In 1720, Isaac Gervaise wrote, “This Desire may be look’d upon as the great Spring that forces Movement or Labour; and the Love of Ease, as the small Spring or Pendulum, that keeps Men in a continual Equibril Vibratin of Rich and Poor: so that the one always ballances the other, in such manner, as keeps Labour or Movement continually going, in a certain equal proportion.”<sup>1</sup> In 1767, James Steuart wrote, “Man we find acting uniformly in all age, in all countries, and in all climates, from the principles of self-interest, expediency, duty, or passion. In this he is alike, in nothing else.”<sup>2</sup> and elsewhere, “Another principle, as naturally inherent in the mind, as the first is in the body, is self-love, or a desire of ease and happiness, which prompts those who find in themselves any superiority, whether personal or political, to make use of every

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<sup>1</sup> Gervaise, Isaac, “The System or Theory of the Trade of the World,” 1720. London, Printed by H. Woodfall; and Sold by J. Roberts, near the Oxford-Arms in Warwick-Lane, MDCCXX, (Price Sixpence). Section: Of Gold and Silver, or Real Denominator.

<sup>2</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 1.

natural advantage.”<sup>3</sup> In another part, he writes, “Wants promote industry...”<sup>4</sup> and “...industry is chiefly promoted by the motive of providing for our children...”<sup>5</sup> In 1815, J. C. L. Simonde de Sismondi wrote...

Man brings into the world with him certain wants, which he must satisfy in order to live; certain desires which lead him to expect happiness from particular enjoyments; and a certain industry or aptitude for labour, which enables him to satisfy the requisitions of both. His wealth originates in this industry: his wants and desires are its employments. All that man values is created by his industry; all that he creates is destined to be consumed in satisfying his wants and desires. But, between the moment of its production by labour, and its consumption by enjoyment, the thing destined for man’s use may have an existence more or less durable. It is this thing, this accumulated and still unconsumed fruit of labour, which is called wealth.<sup>6</sup>

In 1862, T. E. Cliffe Leslie would write, “New desires for health, decency, knowledge, refinement, and intellectual pleasures, have, in fact, revolutionised production.”<sup>7</sup> In an article published in June of 1866, the economist William Stanley Jevons would write...

A true theory of economy can only be attained by going back to the great springs of human action — the feelings of pleasure and pain. A large part of such feelings arise periodically from the ordinary wants and desires of body or mind, and from the painful exertion we are continually prompted to undergo that we may satisfy our wants.

Economy investigates the relations of ordinary pleasures and pains thus arising, and it has a wide enough field of inquiry. But economy does not treat of all human motives. There are motives nearly always present with us, arising from conscience, compassion, or from some moral or religious source, which economy cannot and does not pretend to treat. These will remain to us as outstanding and disturbing forces; they must be treated, if at all, by other appropriate branches of knowledge.<sup>8</sup>

During the late 1800’s, the desire to obtain wealth was just as strong as it had ever been, but new means and methods of reducing cost had been achieved. The sweatshop was born. One newspaper describes the decrease in cost of production because of sweatshop labor, “At different parts of the stage were cloaks, shirts, and trousers, with cards announcing the prices paid “sweat shop” labor today as compared with prices paid three and four years ago. As an illustration, the card on a plush cloak announced that the cost of making in 1886 was \$3.25; 1887, \$2.75; 1889, \$1.30;

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<sup>3</sup> Stuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 4.

<sup>4</sup> Stuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 11.

<sup>5</sup> Stuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 18.

<sup>6</sup> Simonde de Sismondi, J. C. L., “Political Economy,” 1815, chapter 2.

<sup>7</sup> Leslie, T. E. Cliffe, “The Love of Money,” published in November, 1862, in a periodical which has ceased to exist.

<sup>8</sup> Jevons, William Stanley, “Brief Account of a General Mathematical Theory of Political Economy,” published by The Journal of the Royal Statistical Society, London, XXIX (June 1866), pp. 282–87. Section F of the British Association, 1862.

1893, 90 cents.”<sup>9</sup> In September of 1901, describing the situation of the rent the poor must pay for apartments, Robert Alston Stevenson wrote, “It is simply a contest between honest building and management against greed-as anyone can see after looking the matter over.”<sup>10</sup> Between the years of 1908 and 1909, Joseph Schumpeter would write an essay on the idea of “social value.” In it, he wrote, “Almost every modern writer starts with wants and their satisfaction, and takes utility more or less exclusively as the basis of his analysis. (4) Without expressing any opinion about this *modus procedendi*, I wish to point out that, as far as it is used, it unavoidably implies considering individuals as independent units or agencies. For only individuals can feel wants.”<sup>11</sup> The book “Lords of Industry,” a collection of articles by Henry Demarest Lloyd, would be published in 1910, though he had died years before its publication. In this book was written a very simple and factual statement, “In abstract political economy, wealth is the subject, desire of wealth the motive...”<sup>12</sup> In May of 1922, Frank H. Knight would write, “Of the various sorts of data dealt with in economics no group is more fundamental or more universally and unquestioningly recognized as such than human wants.”<sup>13</sup> and “...desire is ... fundamental to conduct...”<sup>14</sup> Finally, he would write, “The economic motives are supposed to be more ‘fundamental’; they arise out of necessities, or at least needs, or at the very least out of the more universal, stable, and materially grounded desires of men.”<sup>15</sup>

Also, when it comes to the idea that people respond to their self-interest with a somewhat rational act that satisfies their wants, there is still little doubt to this theory. In 1691, Dudley North wrote a discourse on trade, commerce, and economics, as it had been understood up to that point in history. In this discourse, he wrote, “Trade is nothing else but a Commutation of Superfluities; for instance: I give mine, what I can spare, for somewhat of yours, which I want, and you can spare... Thus Trade, whilst it is restrained within the limits of a Town, Country, or Nation, signifieth only the Peoples supplying each other with Conveniences, out of what that Town, Country, or Nation affords.”<sup>16</sup> and elsewhere he wrote, “The main spur to Trade, or rather to Industry and Ingenuity, is the exorbitant Appetites of Men, which they will take pains to gratifie, and so be disposed to work, when nothing else will incline them to it; for did

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<sup>9</sup> Chicago Daily Tribune, “Protest of Labor: Mass Meeting Held to Denounce the Sweat Shops,” Chicago Daily Tribune, 19 February 1893, pages 1–2.

<sup>10</sup> Stevenson, Robert Alston, “The Poor in Summer,” *Scribner’s Magazine*, XXX, (September 1901): 259–277.

<sup>11</sup> Schumpeter, Joseph, “On the Concept of Social Value,” *Quarterly Journal of Economics*, volume 23, 1908–9. Pp. 213–232. Section I.

<sup>12</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 2.

<sup>13</sup> Knight, Frank H., “Ethics and the Economic Interpretation,” originally published in the *Quarterly Journal of Economics* 36 (May 1922): 454–81; reprinted in *The Ethics of Competition and Other Essays* (New York: Harper & Brothers, 1935), 19–40.

<sup>14</sup> Knight, Frank H., “Ethics and the Economic Interpretation,” originally published in the *Quarterly Journal of Economics* 36 (May 1922): 454–81; reprinted in *The Ethics of Competition and Other Essays* (New York: Harper & Brothers, 1935), 19–40.

<sup>15</sup> Knight, Frank H., “Ethics and the Economic Interpretation,” originally published in the *Quarterly Journal of Economics* 36 (May 1922): 454–81; reprinted in *The Ethics of Competition and Other Essays* (New York: Harper & Brothers, 1935), 19–40.

<sup>16</sup> North, Dudley, “Discourses Upon Trade; Principally Directed to the Cases of the Interest, Coynage, Clipping, Increase of Money,” London: Printed for Tho. Basset, at the George in Fleet Street, 1691. Section: A Discourse Concerning Abatement of Interest, part III.

Men content themselves with bare Necessaries, we should have a poor World.”<sup>17</sup> In the 1700’s, the author of the magnificent political essay, “Crime and Punishment,” Marqui Caesar Beccaria Bonesaria, also referred to “Cesare Beccaria,” would come to write an economics work. In it, he stated, “All the arts and sciences have taken their rise from our wants...”<sup>18</sup> In 1767, James Steuart wrote, “Oeconomy, in general, is the art of providing for all the wants of a family, with prudence and frugality.”<sup>19</sup> and “...the human species will multiply pretty much in proportion to their industry; their industry will increase according to their wants...”<sup>20</sup>

In 1815, J. C. L. Simonde de Sismondi would write, “Man brings into the world with him certain wants, which he must satisfy in order to live; certain desires which lead him to expect happiness from particular enjoyments; and a certain industry or aptitude for labour, which enables him to satisfy the requisitions of both.”<sup>21</sup> In an article published in June of 1866, William Stanley Jevons would write, “A principle of the mind which any true theory must take into account is that of foresight. Every expected future pleasure or pain affects us with similar feelings in the present time, but with an intensity diminished in some proportion to its uncertainty and its remoteness in time.”<sup>22</sup> and elsewhere, “...the [economic] theory proceeds from feelings to the useful objects or utilities by which pleasurable feeling is increased or pain removed.”<sup>23</sup> In a testimony before the Committee Manufactures on the Sweating System, T. J. Morgan describes the activities of entrepreneurs in this industry...

The cause which creates and sustains the sweating system lies in the ability of the sweater to get work done cheaper than is possible under the direct supervision and upon the premises of the manufacturer or firm.

This element of cheapness is secured, first, through the use by the sweater of living rooms and dilapidated buildings so undesirable in every respect for living purposes or occupancy by human beings that the expense for use is far below that consequent upon the use of buildings especially constructed for manufacturing purposes. Second, by the employment of the most helpless of both sexes with regard to age or physical condition, for a greater number of hours each day (Sundays included) and at much lower rates of wages than are usual in the regular factory.<sup>24</sup>

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<sup>17</sup> North, Dudley, “Discourses Upon Trade; Principally Directed to the Cases of the Interest, Coynage, Clipping, Increase of Money,” London: Printed for Tho. Basset, at the George in Fleet Street, 1691. Section: A Discourse of Coyned Money.

<sup>18</sup> Beccaria Bonesaria, Marqui Caesar, “A Discourse on Public Economy and Commerce,” Date Unknown.

<sup>19</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, preface.

<sup>20</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 7.

<sup>21</sup> Simonde de Sismondi, J. C. L., “Political Economy,” 1815, chapter 2.

<sup>22</sup> Jevons, William Stanley, “Brief Account of a General Mathematical Theory of Political Economy,” published by The Journal of the Royal Statistical Society, London, XXIX (June 1866), pp. 282–87. Section F of the British Association, 1862.

<sup>23</sup> Jevons, William Stanley, “Brief Account of a General Mathematical Theory of Political Economy,” published by The Journal of the Royal Statistical Society, London, XXIX (June 1866), pp. 282–87. Section F of the British Association, 1862.

<sup>24</sup> Morgan, T. J., “Report by Mrs. T. J. Morgan,” Report of the Committee on Manufactures on the Sweating System (Washington: Government Printing Office, 1893), page 92.

Thorstein Veblen, a famous sociologist, in an article published in the *American Journal of Sociology* for the years 1898 to 1899, would write, "...man is an agent that acts in response to stimuli afforded by the environment in which he lives. Like other species, he is a creature of habit and propensity. But in a higher degree than other species, man mentally digests the content of the habits under whose guidance he acts, and appreciates the trend of these habits and propensities."<sup>25</sup> and "Until recently there has been something of a consensus among those who have written on early culture, to the effect that man, as he first emerged upon the properly human plane, was of a contentious disposition, inclined to isolate his own interest and purposes from those of his fellows, and with a penchant for feuds and brawls."<sup>26</sup> Very simply and eloquently, he writes, "...the great body of the people have almost everywhere, in their everyday life, been at work to turn things to human use."<sup>27</sup> In an article published in an economics journal, for the year 1908 to 1909, Joseph Schumpeter would write, "They severally apply their means to the satisfaction of their own wants."<sup>28</sup> Frank H. Knight in May of 1922 would accurately describe this idea of rational response to self interest, as he would write, "...the wants which impel economic activity and which it is directed toward satisfying are the products of the economic process itself. [...] ...the ordinary meaning of the verb to economize, that is, to use resources wisely in the achievement of given ends. [...] ...the *rational* man, the man who knows what he wants and orders his conduct intelligently with a view to getting it."<sup>29</sup>

The importance of understanding these premises is fundamental towards understanding the study of Economics. For instance, if we are curious of economics, and in particular, we want to know what determines the wages of workers, on what premises are we to follow? First, since we know that wages are given by an employer to workers in exchange for their labor power, it is the self-interest of all parties we must consider. An employer will want to ensure their own wealth, their own self interest, and they do so rationally. By this, they will endeavor to keep wages low. They rationalize, as any simple man can, that by paying less for the labor, they are keeping more to themselves. Thus, they are rationally responding to their self interest. The same can be said of buyers and sellers. A seller will try to sell as much as it can as high as it can, to the point where it does not overbid the competition, otherwise buyers will resort to buying from another. Here we find sellers understanding their own self-interest of wealth, and responding to it rationally by augmenting the prices of their products. Imagine the study of Economics without these two premises. If an employer had no self-interest at all, then he would have no need to try to keep wages and expenditure low, and no desire to make profit. Civilization arises from our needs, our wants, and the method of satisfying these wants. If an employer did not respond rationally to his conditions, yet he still had self-interest and wanted to become wealthy, then to increase his wealth, he may respond by increasing the wages of his workers to the point where

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<sup>25</sup> Veblen, Thorstein, "The Instinct of Workmanship and the Irksomeness of Labor," *American Journal of Sociology*, volume 4 (1898–99).

<sup>26</sup> Veblen, Thorstein, "The Instinct of Workmanship and the Irksomeness of Labor," *American Journal of Sociology*, volume 4 (1898–99).

<sup>27</sup> Veblen, Thorstein, "The Instinct of Workmanship and the Irksomeness of Labor," *American Journal of Sociology*, volume 4 (1898–99).

<sup>28</sup> Schumpeter, Joseph, "On the Concept of Social Value," *Quarterly Journal of Economics*, volume 23, 1908–9. Pp. 213–232, section I.

<sup>29</sup> Knight, Frank H., "Ethics and the Economic Interpretation," originally published in the *Quarterly Journal of Economics* 36 (May 1922): 454–81; reprinted in *The Ethics of Competition and Other Essays* (New York: Harper & Brothers, 1935), 19–40.

he would become bankrupt in two days. So, by understanding these two premises, self-interest and rational action, one can then go on to understand Economics, or the mechanics of the laws which govern the distribution of wealth.

It is from this — want — that the understanding of economics arises. If a man had no hunger pains when he would fast, no fear of death, or desire to avoid it, then he would not labor to produce food to quench his hunger. Other interests and desires arose. Water and food are absolutely necessary to existence. Shelter is sometimes necessary for protection against the elements, other times it is unnecessary. Man may oftentimes develop an interest in art or entertainment. He will not only labor for water, food, and shelter, but he will labor so that he can have that ticket to the play, or those expensive clothes, or that mug of malt liquor. By desiring, by needing these substances, society comes to a process of productions and exchanges, to meet these needs. It is this process of productions and exchanges that we call *Political Economy*, or today as they call it, *Economics*. All of these productions and exchanges arise from those wants of men, sometimes these needs born in mind in a natural state, sometimes acquired by being in the society of men. Either way, men have desires, it is these desires which lead them to produce and exchange. From the rise of these desires, we have a foundation point, to begin our investigation into the matter of Political Economy.

## Section II: The Society of Men

If a man were secluded in nature, and he had to supply himself with his own wants, there would certainly be a struggle with the elements. If he were to be a hunter gatherer, the chance of coming across food would vary, with the conditions hindering or helping. If in winter, the chances of finding edible plants will be unlikely, but by following herds, he would be led to warmer climates. The availability of animals would be higher in summer, where those whom naturally hibernate are awake. If this man in nature were to be a farmer, cultivating and harvesting the land, it would be long and hard work. Typically, he would be employed through most of the day. His chances of survival, though, would probably be improved. Since he would not have to travel to unfamiliar, possibly dangerous lands in pursuit of his food source, he would be exempt from those injuries which occur to travelers. Still, the chance of death is a possibility. If a bad winter were to hit him, or if he were to plant his crops prematurely, or if he were to harvest them too late or too soon, or if some natural occurrence were to plague him, then he would die from starvation. This is one man, though, secluded in nature.

Here we see the basic premises of economics: (1) the man follows his self-interests, (2) the man follows these interests rationally. For the first premise, in either case of being a hunter gatherer or a farmer, the man was attempting to suffice to his own need of food, an impulse which is not foreign to any living creature. For the second premise, the man did follow his desires rationally. In the case of being a hunter gatherer, he sought out food. He was actively attempting to satisfy his desires. When he decided to upgrade his condition to that of a farmer, his security increased, though possibly sacrificed with an increase of labor. In this scenario, how the man responded to these interests, and in what manner, has been regarded by authors as *Domestic Economy*. By placing man in society, where he exchanges the fruit of his production, where mutual agreements take place, we come to the study of *Political Economy*, or *Economics*. By understanding a person's



conditions, and their interests and their rational responses to these interests in their present conditions, we can theorize on how people will react in similar conditions and in the future.

In a society of men, each person gains something — or so, it is believed in industrial society. The general premise is that, by working together, two men will produce more, than had they worked apart. This can be seen in countless examples. Take three men, for example. Ask each of them to deseed cotton. Now, ask the first to be a lumberjack to cut down trees, ask the second to fashion the wood into a cotton gin, and ask the third to operate that cotton gin. The combination and cooperation of their efforts will yield a produce that is at least fifty times what they would have yielded if they had labored separately and without each other's aid. In society, then, we have a higher rate of production. However, in a society, there are countless other things to be taken into consideration, such things which have been subject to examination and hypothesis in Economics.

### **Section III: Competition and Modern Society**

Competition is something which must be recognized in a society. But, before going any further, I must denote something of particular importance. When I speak of a society in this sense, I mean a society in its most natural state, where economic liberty is in tact. By this, I mean there are no laws which prohibit the sale of any objects or restrict prices, either for commodities or labor. This economy would be called a *Capitalist* economy. Competition is something that is part of the natural economy. If, for instance, a man is offered the option to buy a bushel of corn for twenty dollars, as opposed to the forty which he has regularly paid, this man will follow his self interest rationally, and will make the switch to the cheaper corn. Thus, the two business compete against each other, one providing corn for cheaper than the other. The first business may respond in lowering it's price to equal, or other methods of adding appeal to their product. All competition, though, comes down to this: not improving the product necessarily, but convincing consumers to purchase it. Improving the product or lowering its price have been typical methods to increase product appeal. If a business cannot convince consumers to buy its products over its competitors, its revenue will decrease, and it will eventually fail. Besides improving the product or lowering its price, businesses have used advertising or the like to promote their product. However, as many economists assert that competition means that consumers will purchase a better product, this is untrue — competition means that consumers will purchase the product which they have been convinced to purchase, convinced by the price, quality, and advertising, or advertising-like techniques of the business proprietor. Here, though, is competition, the force in an economy. To quote Adam Smith...

In almost every other race of animals each individual, when it is grown up to maturity, is entirely independent, and in its natural state has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and show them that it is for their own advantage to do for him what he requires of them. Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of

those good offices which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.<sup>30</sup>

This rather famous passage of Smith has had the unfortunate accident of being mistaken sometimes as a defense of free economy, whereas it may best be described as an explanation of competition in a free economy. When a person sells their products, they do so in a manner not advocating love, but rather, advocating that there will be a benefit for the consumer, if they so decide to purchase the commodity. It is important to understand competition if we so desire to understand the economic conditions of today. With the rise of machinery, of the parts of a modern, industrial society, we saw that more was produced with a smaller amount of labor, thus, the production costs were lowered. When a consumer had the decision, to purchase a product from a supplier, he had two choices... Those products which were created with machinery, and those which were not. Since machinery was capable of reducing production costs, it enabled those suppliers to compete with other suppliers much better. They could offer a lower price than those suppliers which did not use machinery. Since the consumer only followed his self interest in a rational manner, he would purchase those products which appealed to him most, oftentimes being the cheaper product. Those suppliers which did not use machinery either converted to machine-using businesses, or they failed.

Competition has been theorized, and proven to exist in practice, by a variety of authors, of different backgrounds. Describing the element of competition as it occurs in borrowing, Dudley North writes, "...if there be more Lenders than Borrowers, Interest will also fall..."<sup>31</sup> and "That as more Buyers than Sellers raiseth the price of a Commodity, so more Borrowers than Lenders, will raise Interest."<sup>32</sup> In 1767, James Steuart describes the labor market: "But where every one lives by his own industry, a competition comes in, and he who works cheapest gains the preference."<sup>33</sup> He then describes the general consumer market: "...because diminishing expence is the only method of gaining a preference at market."<sup>34</sup> In a longer section, he describes the cause of an increase in the cost of goods...

People complain that prices are risen; of this there is no doubt with regard to many articles. Is not this quite consistent with our principles? It is not because there is now a larger mass of money in the kingdom, though I allow this to be true, and also that this circumstance may have contributed to raise prices; but the direct principle

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<sup>30</sup> Smith, Adam, "Wealth of Nations," book 1, chapter 2.

<sup>31</sup> North, Dudley, "Discourses Upon Trade; Principally Directed to the Cases of the Interest, Coynage, Clipping, Increase of Money," London: Printed for Tho. Basset, at the George in Fleet Street, 1691. Section: A Discourse Concerning Abatement of Interest, part III.

<sup>32</sup> North, Dudley, "Discourses Upon Trade; Principally Directed to the Cases of the Interest, Coynage, Clipping, Increase of Money," London: Printed for Tho. Basset, at the George in Fleet Street, 1691. Section: A Discourse Concerning Abatement of Interest, part III.

<sup>33</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 12.

<sup>34</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 20.

which has influenced them, and which will always regulate their rise and fall, is the increase of demand.<sup>35</sup>

In 1847, Karl Marx would deliver a speech describing the most basic and fundamental aspects of the labor market in a free economy, which would later be published in a pamphlet later that century. In this speech, he said...

The same commodity is offered for sale by various sellers. Whoever sells commodities of the same quality most cheaply, is sure to drive the other sellers from the field and to secure the greatest market for himself. The sellers therefore fight among themselves for the sales, for the market. Each one of them wishes to sell, and to sell as much as possible, and if possible to sell alone, to the exclusion of all other sellers. Each one sells cheaper than the other. Thus there takes place a competition among the sellers which forces down the price of the commodities offered by them.<sup>36</sup>

The rise of the sweatshops in the economy would be prevalent in the late nineteenth century. Since employees worked in their own homes, developing the concept of “homework,” the employer did not need to pay the normal expenses of owning and operating a factory. He completely eliminated maintenance and taxes of a factory. With this, those who did not decrease their cost lost the competition, while those who did convert their labor force managed to successfully compete. Describing a worker whose efficiency has been inhibited, Florence Kelley writes in 1892...

A man who has run a machine from his 12<sup>th</sup> to his 36<sup>th</sup> year, under the conditions prevailing in this trade, aggravated by bad housing, bad food, over exertion during the summer and anxiety during the winter, is now practically an old man. In the shop where he has worked for seven years it no longer pays the sweater to give him room, because his speed and endurance are no longer up to the standard. It is said that there are no men of 45 in the sweaters’ shops, not because they have risen out of them, but because they have broken down by reason of them.<sup>37</sup>

In an article by E. R. L. Gould in an economic journal of 1899–1900, it is written, “Under the principle of competition, good dwellings naturally receive the preference [from renters], and, when well built, will of course last longer.”<sup>38</sup> In a different economics journal, of the year 1908 to 1909, Joseph Schumpeter wrote, “Our individual will now put a new value on his goods because of what he can get for them in the market; and this new value depends on how much other people want them.”<sup>39</sup> In 1910, a book by Henry Demarest Lloyd would read, “In abstract

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<sup>35</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 10.

<sup>36</sup> Marx, Karl, “Wage Labour and Capital,” delivered December 1847, published in an 1891 pamphlet that was edited and translated by Frederick Engels, first published (in German) in *Neue Rheinische Zeitung*, April 5–8 and 11, 1849. Chapter 3.

<sup>37</sup> Kelley, Florence, “The Sweating System of Chicago,” Bureau of Statistics of Labor of Illinois [Florence Kelley], part II in *Seventh Biennial Report 1892* (Springfield, Ill.: H.K. Rokker, 1893), pp. 378–379, 396.

<sup>38</sup> Gould, E. R. L., “The Housing Problem in Great Cities,” *Quarterly Review of Economics* 14 (1899–1900), 378–393.

<sup>39</sup> Schumpeter, Joseph, “On the Concept of Social Value,” *Quarterly Journal of Economics*, volume 23, 1908–9. Pp. 213–232. Section II.

political economy... competition [is] the regulator..."<sup>40</sup> Describing how people are drawn to buy cheaper products regardless of its final consequences, he writes, "It is only lack of wit and lack of civilization that lead the community to buy cheap of a market invader who puts prices down only to ruin a rival and gain the power of putting them up afterward."<sup>41</sup> An 1888 report by the United States Congress describes what the economic situation of the railroads were prior to the rise of monopolies...

During the first forty years the mines were worked by individuals, just as are farms. The hundreds of employers were in active competition with each other for labor. The fundamental law of supply and demand alike governed all parties. As to engagement, employer and employee stood upon a common level of equality and manhood. Skill and industry upon the part of the miner assured to him steady work, fair wages, honest measurement, and humane treatment. Should these be denied by one employer, many other employers were ready to give them. The miner had the same freedom as to engagement, the same reward for faithful service, and protection against injustice that the farmhand possesses because of the competition between farmers employing hands...<sup>42</sup>

## Section IV: Economic Classes

Since suppliers which employed many workers to work in conjunction with machinery were successful, we see in society a division of classes. There are those whom are proprietors of machinery, of land, of factories, and there are those who are employed in making such objects useful. These items, which have productive capability when coupled with labor, have been termed *capital*. Aside from those whom are the proprietors of machinery, there are those who work the machinery, receiving a wage in advance for the production which they give to their employer. These two classes, the industrialists and the workers, the employers and the employees, are instrumental towards understanding economic relations. We are studying economics, and the relations between the members of society in economic terms. It is important to recognize the presence of these classes. Someone may inquire, and justly so, why is it that we recognize the presence of these classes, of the owners of capital and those who work the capital? Why not recognize the presence of classes of people, based on their education, or perhaps based on their inherited wealth? It is a reasonable question, and I shall endeavor to answer it quickly. When I recognize these two classes in society, those who own the capital and those who labor with the capital (and perhaps some who are in both categories), the reason I am recognizing them is because they will help us determine the general laws which govern economic conditions. In the era when classical economic works were most written, most land which was used for farming or manufactures was rented, and this caused my classical economists to devote some chapters, or even some of their books, to studying the nature of rent. In that same spirit, in our society where there is an obvious distinction of classes, understanding this can help us better understand the whole of the economy. Perhaps one of the greatest economic questions of all... what is the distribution of wealth?

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<sup>40</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 2.

<sup>41</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 7.

<sup>42</sup> Report, Congress, 1888, p. lxx.. Quoted from: Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 9.

We can determine this, once we understand the separation of these two, distinct classes: those who own capital and those who do not own capital. Those who own capital I shall refer to as Capitalists, while those who do not own capital I shall refer to as Proletarians, or the Proletariat.

## **Section V: Class War**

Since competition gave rise to rich, powerful owners of machinery — in that consumers chose their products because they were cheaper, therefore, factory owners succeeded over small shops — since almost all production of goods occurred in situations where one individual was the proprietor of the capital, those who were not members of the Capitalist class became members of the Proletariat class. The Proletariat class were the workers, the creators of wealth. They operated the machinery on the farm or in the factory, producing goods to that were sold to satisfy the needs of the consumers. By what general laws can we deduct the way in which wages are determined? Well, it is rather quite simple... We must understand the interests of the parties involved. The Capitalist wants to maintain his wealth and riches, and to do so, he rationally responds by competing with others who are selling the same product. The Proletarian worker wants to obtain the necessities for living in comfort and happiness, with as little labor as possible. However, when it comes to determine the price of the wage, the Capitalist will respond by wanting it as low as possible, and the Proletarian will want it as high as possible.

In attempting to secure these interests, the Capitalist will hold out, refusing a contract with the workers unless they submit to a low wage. The Capitalist, by his economic condition, has the right of holding out as long as he wishes. Up to several years, perhaps decades, he can avoid any contractual work with laborers. He can do this on account of the wealth which he owns. Since he is a Capitalist, he already has liquid wealth (cash) and capital (means of production). For several months or years, he can sustain his health on the cash, but once that runs out, he can begin to sell his capital, his machines, so that he can receive money to feed and clothe himself. The Proletarians, however, are under a radically different situation. They cannot sustain themselves for very long without employment, and it would be a rare situation to find one worker who could live a month without a wage. The significance of a wage is that it translates, to the worker, into food, housing, and clothing, for himself and his family. Since it is in the interest of every worker to sustain themselves, to survive, they must submit to the demands of the Capitalist. Some of them may quietly predict to themselves, that if they do not receive food in three days, they will starve, and others will believe that they have only four or five days longer. Knowing their own physical limits, the workers submit to be paid a subsistence wage. In this case, the Capitalist has won and the worker has lost. Thus, the workers are afforded a subsistence wage, where they are paid only enough to sustain themselves and their families.

The reason why the laboring, wage-earning class of society earns a subsistence wage is the lack of their ability to negotiate with their employers. Of all ideas on economics, the idea of a subsistence wage is the one most universally acknowledged, from economists and non-economists alike. Without the ability to produce with maximum effectiveness, that would give them an edge in the competition of free markets, the workers must work under employment from those who have the means of production. The effectiveness of machinery and technology, and specialization, was well emphasized in the first chapter for a reason: it is important to understand if we must properly understand the economic mechanics of a free society.

In the 1600's, the only fields of understanding — when it came to the study of economics, or “Political Economy” — the only fields of understanding that existed were on ways of effective taxation, or how some nations have gathered wealth over others, or very vague dissertations on the balance of trade between nations, or even regions. In 1668, Josiah Child wrote a treatise on trade, in which he wrote, “...the Peazants are little better then Slaves, because they can possess nothing but at the will of others.”<sup>43</sup> In a bit of a longer section, he emphasizes the importance of recognizing the relationship between employer (or investor) and employee (or worker)...

...for the Borrower is always a slave to the Lender, and shall be sure to be always kept poor, while the other is fat and full: HE THAT USETH A STOCK THAT IS NONE OF HIS OWN, BEING FORCED FOR THE UPHOLDING HIS REPUTATION TO LIVE TO THE FULL, IF NOT ABOVE THE PROPORTION OF WHAT HE DOTHSO USE, WHILE THE LENDER POSSESSING MUCH, AND USING LITTLE OR NONE, LIVES ONELY AT THE CHARGE OF WHAT HE USETH, AND NOT OF WHAT HE HATH.<sup>44</sup>

The year 1683 would be the year that Matthew Hale, a Humanitarian, would publish “A Discourse Touching Provision for the Poor.” In it, he accurately describes the relationship between employer and employed: “...the poor Workmen not being able to live without Work...”<sup>45</sup> In the 1700's, Thomas Paine would write a great deal of influential material, on matters of politics, society, and religion, all of it ground-breaking and inspiring work. In one piece, he writes, “Civilization, therefore, or that which is so-called, has operated two ways: to make one part of society more affluent, and the other more wretched, than would have been the lot of either in a natural state.”<sup>46</sup> In 1767, describing the relations between classes, James Steuart wrote, “...found in different countries... [is] subordination of classes...”<sup>47</sup> In a section of his writing that perhaps most accurately illustrates my opinion on this matter, he writes further...

Those who become servants for the sake of food, will soon become slaves: for slavery is but the abuse of service, established by a civil institution; and men who find no possibility of subsisting otherwise, will be obliged to serve upon the conditions prescribed to them.

This seems a consequence not unnatural in the infancy of the world: yet I do not pretend to affirm that this was the origin of slavery. Servants, however, there have always been; and the abuse of service is what we understand by slavery.<sup>48</sup>

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<sup>43</sup> Child, Josiah, “Brief Observations Concerning Trade and Interest of Money,” 1668, London, Printed for Elizabeth Calvert at the Black-spread Eagle in Barbican, and Henry Mortlock at the Sign of the White-Heart in Westminster Hall.

<sup>44</sup> Child, Josiah, “Brief Observations Concerning Trade and Interest of Money,” 1668, London, Printed for Elizabeth Calvert at the Black-spread Eagle in Barbican, and Henry Mortlock at the Sign of the White-Heart in Westminster Hall.

<sup>45</sup> Hale, Matthew, “A Discourse Touching Provision for the Poor,” Written by Sir Matthew Hale, late Lord Chief Justice of the Kings-Bench. London, Printed for William Shrowsbery, at the Bible in Duke-Lane, 1683.

<sup>46</sup> Paine, Thomas, “Agrarian Justice,” Date Unknown.

<sup>47</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, preface.

<sup>48</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 4.

The principle that he brought up is a rather simple one to understand. Though he wrote in a time where this was much less obvious, prior to what historians call the Industrial Revolution, he still had the scientific eye to see it. He further writes...

The natural consequence here will be, that those who have the money will cease to labour, and yet will consume; and they will not consume for nothing, for they will pay with money.

Here then is a number of inhabitants, who live and consume the produce of the earth without labouring; food will soon become scarce; demand for it will rise, and that will be paid with money, this is the best equivalent of all; many will run to the plough; the superfluity of the farmers will augment; the rich will call for superfluities; the free hands will supply them, and demand food in their turn. These will, the rich, who not be found a burden on the husbandman, as formerly hired of them their labour or service, must pay them with money, and this money in their hands will serve as an equivalent for the superfluity of nourishment produced by additional agriculture.<sup>49</sup>

James Steuart was probably the most aware and intelligent economist of his time, until the publication of "Wealth of Nations" by Adam Smith — which would come ten years after Steuart's book would be out. Still elsewhere, Steuart writes, "Men were then forced to labour because they were slaves to others; men are now forced to labour because they are slaves to their own wants."<sup>50</sup> and elsewhere still, this time describing the Capitalist class: "...the higher classes who do not labour..."<sup>51</sup> In the year 1798, Thomas Malthus would published his world-renowned essay on population, which was something of a combination of sociology and economics. In it, he would write...

It very rarely happens that the nominal price of labour universally falls, but we well know that it frequently remains the same, while the nominal price of provisions has been gradually increasing. This is, in effect, a real fall in the price of labour, and during this period the condition of the lower orders of the community must gradually grow worse and worse. But the farmers and capitalists are growing rich from the real cheapness of labour. Their increased capitals enable them to employ a greater number of men. Work therefore may be plentiful, and the price of labour would consequently rise. But the want of freedom in the market of labour, which occurs more or less in all communities, either from parish laws, or the more general cause of the facility of combination among the rich, and its difficulty among the poor, operates to prevent the price of labour from rising at the natural period, and keeps it down some time longer; perhaps till a year of scarcity, when the clamour is too loud and the necessity too apparent to be resisted.

The true cause of the advance in the price of labour is thus concealed, and the rich affect to grant it as an act of compassion and favour to the poor, in consideration of

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<sup>49</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 7.

<sup>50</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 7.

<sup>51</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 11.

a year of scarcity, and, when plenty returns, indulge themselves in the most unreasonable of all complaints, that the price does not again fall, when a little rejection would shew them that it must have risen long before but from an unjust conspiracy of their own.<sup>52</sup>

J. C. L. Simonde de Sismondi was an economist who would publish his opinions on society in the year 1815. Somewhat unlike the economists that preceded him, he had dedicated a chapter of his book to improving the condition of the poor — but, it was mostly through the means of taxation, and it wasn't anything radical like would be seen with Marx and Marxist economist philosophers. In a section of this book by Simonde de Sismondi, describing the principle of a subsistence wage, he writes...

The ground and his animals were all that man could force to work in concert with him; but, in society, the rich man could force the poor to work in concert with him. After having set apart what corn was necessary till the next harvest, it suited him to employ the remaining surplus of corn in feeding other men, that they might cultivate the ground and make fresh corn for him: that they might spin and weave his hems and wools; that, in a word, they might take out of his hands the commodity ready for being consumed, and at the expiration of a certain period, return him another commodity, of a greater value, likewise destined for consumption. Wages were the price at which the rich man obtained the poor man's labour in exchange. The division of labour had produced the distinction of ranks. The person who had limited his efforts to perform only one very simple operation in a manufacture, had made himself dependent on whoever chose to employ him. He no longer produced a complete work, but merely the part of a work; in which he required not only the cooperation of other workmen, but also raw materials, proper implements, and a trader to undertake the exchange of the article which he had contributed to finish. Whenever he bargained with a master-workman for the exchange of labour against subsistence, the condition he stood in was always disadvantageous, since his need of subsistence and his inability to procure it of himself, were far greater than the master's need of labour; and therefore he almost constantly narrowed his demand to bare necessities, without which the stipulated labour could not have proceeded; whilst the master alone profited from the increase of productive power brought about by the division of labour.<sup>53</sup>

Still theorizing on this principle of the subsistence wage, he would write in shorter sections: "Labourers outbid each other, and at length go so far as to content themselves with the most niggardly subsistence, with a portion barely sufficient in good years, and which in bad years leaves them a prey to famine."<sup>54</sup> Elsewhere, talking about the workers, he writes, "...they merely engage to work by the day, at a fixed wage, on the farm where they live; but their competition with each other has forced them to be satisfied with a wage of the lowest possible kind."<sup>55</sup> And, still elsewhere, he writes, "...the poverty of day-labourers, forced by competition to content themselves

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<sup>52</sup> Malthus, Thomas, "An Essay on the Principle of Population," 1798, chapter 2.

<sup>53</sup> Simonde de Sismondi, J. C. L., "Political Economy," 1815, chapter 2.

<sup>54</sup> Simonde de Sismondi, J. C. L., "Political Economy," 1815, chapter 3.

<sup>55</sup> Simonde de Sismondi, J. C. L., "Political Economy," 1815, chapter 3.



with what is necessary for life; though commerce may profit by the circumstance, it is nothing better than a national calamity.”<sup>56</sup> All of what J. C. L. Simonde de Sismondi wrote was still at the dawn of an era that would meet a full forced industrial revolution. He was still standing at the beginning of a very new time, but he accurately saw what was ahead of him.

The early 1800’s were still a time when workers were treated poorly, not only in an economic sense but in a political sense. Thomas Hodgskin, a Humanitarian and staunch defender of labor rights, would publish a pamphlet on behalf of those living on a subsistence. In it, he writes, “Wages vary inversely as profits; or wages rise when profits fall, and profits rise when wages fall; and it is therefore profits, or the capitalist’s share of the national produce, which is opposed to wages, or the share of the labourer.”<sup>57</sup> In another part, he writes, “The labourers do only receive, and ever have only received, as much as will subsist them, the landlords receive the surplus produce of the more fertile soils, and all the rest of the whole produce of labour in this and in every country goes to the capitalist under the name of profit for the use of his capital.”<sup>58</sup> He would also write, “The labourer must, however, live, though the exorbitant claims of capital allow him only a bare subsistence.”<sup>59</sup> and elsewhere still, “The capitalists permit the labourers to have the means of subsistence because they cannot do without labour...”<sup>60</sup> In a lecture delivered in 1830, Nassau Senior would make a very to-the-point statement: “The employer is interested in keeping down the price of labour...”<sup>61</sup>

It would also be in the early to middle 1800’s that Socialism would rise, but in a much different form that it is understood today. The first Socialists, who called themselves this, were simply philosophers and sociologists, whose primary interest was to reorganize society in a means that was of greatest benefit to everyone. It would slowly divide into sects and subjects, with Claude-Henry Saint-Simon spear-heading the movement of Scientific Socialism, a movement that stressed giving more power to scientists and artists, “the leaders and founders of society.” It would only be in the later years of the 1800’s and onward that Socialism would be seen as, what someone told me recently, “a lesser form of Communism.” Also in the early roots of Socialism, there was Louis Blanc, who most closely resembled the modern form of a Socialist. In a work entitled, “The Organisation of Labour,” he would write...

The question should be put thus: Is competition a means of ASSURING work to the poor? To put a question of this kind, means to solve it. What does competition mean to workingmen? It is the distribution of work to the highest bidder. A contractor needs a laborer: three apply. “How much do you ask for your work?” “Three francs, I have a wife and children.” “Good, and you?” “Two and a half francs, I have no children, but a wife.” “So much the better, and you?” “Two francs will do for me;

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<sup>56</sup> Simonde de Sismondi, J. C. L., “Political Economy,” 1815, chapter 4.

<sup>57</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital, Or the Unproductiveness of Capital proved with Reference to the Present Combinations amongst Journeymen,” 1825.

<sup>58</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital, Or the Unproductiveness of Capital proved with Reference to the Present Combinations amongst Journeymen,” 1825.

<sup>59</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital, Or the Unproductiveness of Capital proved with Reference to the Present Combinations amongst Journeymen,” 1825.

<sup>60</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital, Or the Unproductiveness of Capital proved with Reference to the Present Combinations amongst Journeymen,” 1825.

<sup>61</sup> Senior, Nassau William, “Three Lectures on the Rate of Wages,” of Magdalen College, A.M.; delivered before the University of Oxford in Easter Term 1830, Late Professor of Political Economy, The Second Edition, London; John Murray, Albemarle Street, MDCCXXXI, LONDON: Printed by William Clowks, Stamford Street. Lecture 1.

I am single.” “You shall have the work.” With this the affair is settled, the bargain is closed. What will become now of the other two proletarians? They will starve, it is to be hoped. But what if they become thieves? Never mind, why have we our police? Or murderers? Well, for them we have the gallows. And the fortunate one of the three; even his victory is only temporary. Let a fourth laborer appear, strong enough to fast one out of every two days; the desire to cut down the wages will be exerted to its fullest extent. A new pariah, perhaps a new recruit for the galleys...

Who would be blind enough not to see that under the reign of free competition the continuous decline of wages necessarily becomes a general law with no exception whatsoever?<sup>62</sup>

In another part of the same essay, Louis Blanc wrote, “A systematic lowering of wages resulting in the elimination of a certain number of laborers is the inevitable effect of free competition...”<sup>63</sup> and elsewhere still he wrote, “In the industrial world in which we live, all the discoveries of science are a calamity, first because the machines supplant the laborers who need work to live, and then, because they are also murderous weapons, furnished to industry which has the right and faculty to use them against all those who have not this right and power.”<sup>64</sup> It was in his time, that he could see the gears of the industrial revolution, and its effects upon the economic mechanics of society. As the effects of this industrial revolution became more clear, and more evident, in everyday life, other writers would become aware of its presence. It would no longer be a thing just in view of the scholarly economist, but a cold, hard fact that would be dealt with by every person who lived in the bosom of “civilization,” and had the chance to say his or her thoughts. In December of 1847, Karl Marx would deliver a speech detailing the most primary aspects of the Capitalist, or Free Trade, economy. It would later be converted by Friedrich Engels into a pamphlet. In the pamphlet, it was written...

His [the worker’s] life-activity, therefore, is but a means of securing his own existence. He works that he may keep alive. He does not count the labour itself as a part of his life; it is rather a sacrifice of his life. It is a commodity that he has auctioned off to another. The product of his activity, therefore, is not the aim of his activity. What he produces for himself is not the silk that he weaves, not the gold that he draws up the mining shaft, not the palace that he builds. What he produces for himself is wages; and the silk, the gold, and the palace are resolved for him into a certain quantity of necessaries of life, perhaps into a cotton jacket, into copper coins, and into a basement dwelling. And the labourer who for 12 hours long, weaves, spins, bores, turns, builds, shovels, breaks stone, carries hods, and so on — is this 12 hours’ weaving, spinning, boring, turning, building, shovel ling, stone-breaking, regarded by him as a manifestation of life, as life? Quite the contrary. Life for him begins where this activity ceases, at the table, at the tavern, in bed. The 12 hours’ work, on

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<sup>62</sup> Blanc, Louis, “The Organisation of Labour,” 1840, from Louis T. Moore, J. M. Burnam, and H. G. Hartmann, eds., University of Cincinnati Studies (Cincinnati, 1911), Series II, Vol. 7, pages 1516, 5156.

<sup>63</sup> Blanc, Louis, “The Organisation of Labour,” 1840, from Louis T. Moore, J. M. Burnam, and H. G. Hartmann, eds., University of Cincinnati Studies (Cincinnati, 1911), Series II, Vol. 7, pages 1516, 5156.

<sup>64</sup> Blanc, Louis, “The Organisation of Labour,” 1840, from Louis T. Moore, J. M. Burnam, and H. G. Hartmann, eds., University of Cincinnati Studies (Cincinnati, 1911), Series II, Vol. 7, pages 1516, 5156.

the other hand, has no meaning for him as weaving, spinning, boring, and so on, but only as earnings, which enable him to sit down at a table, to take his seat in the tavern, and to lie down in a bed. If the silk-worm's object in spinning were to prolong its existence as caterpillar, it would be a perfect example of a wage-worker.<sup>65</sup>

The image and ideal of Karl Marx are intrinsically tied to the ideas of Communism, though he is inaccurately sometimes associated with the ideas of a police state or Totalitarianism, or what others have done in his name. One who would actually sit down and try to read Marx, not attempting to understand him as a Communist revolutionary for the people nor as a dictator attempting to grasp control of the people, but trying to understand him as an economist with his own thoughts — one who tries this will discover a great deal of knowledge, though some of it is written in a dry style. Elsewhere in this pamphlet, he writes, “In those branches of industry in which hardly any period of apprenticeship is necessary and the mere bodily existence of the worker is sufficient, the cost of his production is limited almost exclusively to the commodities necessary for keeping him in working condition. The price of his work will therefore be determined by the price of the necessary means of subsistence.”<sup>66</sup> In another part, he writes...

What, then is the general law that determines the rise and fall of wages and profit in their reciprocal relation?

They stand in inverse proportion to each other. The share of (profit) increases in the same proportion in which the share of labor (wages) falls, and vice versa. Profit rises in the same degree in which wages fall; it falls in the same degree in which wages rise.<sup>67</sup>

1848 would be the year that Karl Marx and Friedrich Engels composed the Manifesto of the Communist Party, which would be looked to by many as the foundation and cornerstone of Communist Revolution. Unfortunately, an understanding in economic, social, historical, and other concepts would be necessary to obtain the full meaning of this text. In this work, Marx and Engels wrote, “The bourgeoisie [or Capitalist class] keeps more and more doing away with the scattered state of the population, of the means of production, and of property. It has agglomerated population, centralized the means of production, and has concentrated property in a few hands.”<sup>68</sup> And, elsewhere, too, it is written, “All [workers employed by the Capitalists] are instruments of labor, more or less expensive to use, according to their age and sex.”<sup>69</sup> In a slightly longer section, they write...

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<sup>65</sup> Marx, Karl, “Wage Labour and Capital,” delivered December 1847, published in an 1891 pamphlet that was edited and translated by Frederick Engels, first published (in German) in *Neue Rheinische Zeitung*, April 5–8 and 11, 1849. Chapter 2.

<sup>66</sup> Marx, Karl, “Wage Labour and Capital,” delivered December 1847, published in an 1891 pamphlet that was edited and translated by Frederick Engels, first published (in German) in *Neue Rheinische Zeitung*, April 5–8 and 11, 1849. Chapter 4.

<sup>67</sup> Marx, Karl, “Wage Labour and Capital,” delivered December 1847, published in an 1891 pamphlet that was edited and translated by Frederick Engels, first published (in German) in *Neue Rheinische Zeitung*, April 5–8 and 11, 1849. Chapter 7.

<sup>68</sup> Marx, Karl, and Engels, Friedrich, “Manifesto of the Communist Party,” published February, 1848, Marx/Engels Selected Works, Volume one, pages 98 — 137. Section: Proletarians and Communists.

<sup>69</sup> Marx, Karl, and Engels, Friedrich, “Manifesto of the Communist Party,” published February, 1848, Marx/Engels Selected Works, Volume one, pages 98 — 137. Section: Bourgeois and Proletarians.

The average price of wage labor is the minimum wage, i.e., that quantum of the means of subsistence which is absolutely requisite to keep the laborer in bare existence as a laborer. What, therefore, the wage laborer appropriates by means of his labor merely suffices to prolong and reproduce a bare existence. We by no means intend to abolish this personal appropriation of the products of labor, an appropriation that is made for the maintenance and reproduction of human life, and that leaves no surplus wherewith to command the labor of others. All that we want to do away with is the miserable character of this appropriation, under which the laborer lives merely to increase capital, and is allowed to live only in so far as the interest of the ruling class requires it.<sup>70</sup>

In a paper that was never completed, in May to June of 1876, Friedrich Engels wrote, "...all wealth becomes more and more concentrated in the hands of non-workers..."<sup>71</sup> Ida M. Van Etten had one of her articles published in the year 1893, in which she wrote, "compelled by their necessities to accept any wages offered to them..."<sup>72</sup> And speaking of the tendencies of the Capitalist class, she writes, "The rich Jew, like the rich Christian, invariably buys his labor at the cheapest possible rates."<sup>73</sup> In 1893, T. J. Morgan would be questioned by the Committee on Manufactures on the Sweating System, in which she was asked, "Please describe it in your own way and according to your own understanding." — to which she would reply, "A. I would describe it that the work is taken out by sweaters. They go to the large firms and make a contract for so much work at such a price, and then they employ men, women, and children and pay their wages at the very lowest..."<sup>74</sup> When asked another question, concerning the policy of the Capitalist class, she would respond, "...if they discharge one class of men or women there are others to take their places at the same starvation wages."<sup>75</sup> On December 26<sup>th</sup> of 1894, John B. Clark would deliver an address to the Seventh Annual Meeting of the American Economic Association, where he describes the power of great Capitalist enterprises, when it comes to deciding prices (even for labor)...

The peculiar power of the trust, however, consists in this ability to make discriminating prices to its own customers; and this power resides entirely in its own hands. It can sell its products in one place more cheaply than it sells them elsewhere. Where a competitor has secured a local trade, it can ruin him by flooding his market with goods sold below the cost of producing them. In the interim the trust can maintain itself from the returns that come from other localities. If the low prices had to be universal, the powerful corporation would ruin itself as rapidly as it would its rival.<sup>76</sup>

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<sup>70</sup> Marx, Karl, and Engels, Friedrich, "Manifesto of the Communist Party," published February, 1848, Marx/Engels Selected Works, Volume one, pages 98 — 137. Section: Proletarians and Communists

<sup>71</sup> Engels, Friedrich, "The Part played by Labour in the Transition from Ape to Man," written in May-June 1876; first published: in *Die Neue Zeit* 1895–06.

<sup>72</sup> Van Etten, Ida M., "Russian Jews as Desirable Immigrants," *Forum*, 15 (1893):pp.172–182.

<sup>73</sup> Van Etten, Ida M., "Russian Jews as Desirable Immigrants," *Forum*, 15 (1893):pp.172–182.

<sup>74</sup> Morgan, T. J., "Testimony of Mrs. T. J. Morgan," Report of the Committee on Manufactures on the Sweating System (Washington: Government Printing Office, 1893), pp. 71–74.

<sup>75</sup> Morgan, T. J., "Testimony of Mrs. T. J. Morgan," Report of the Committee on Manufactures on the Sweating System (Washington: Government Printing Office, 1893), pp. 71–74.

<sup>76</sup> Clark, John B., "The Modern Appeal to Legal Forces in Economic Life," Presidential Address at the Seventh Annual Meeting of the American Economic Association, Columbia College, December 26, 1894.

It must always be remembered that the study of economics is a sociological study: it seeks to understand the rules, and possible exceptions to those rules, when it comes to the exchanges that occur within society. Thorstein Veblen, a noted Sociologist, in 1898 to 1899 volume of the *American Journal of Sociology*, wrote of labor: "It is not only a mark of inferior force, but it is also a perquisite of the poor. This is the situation today. Labor is morally impossible by force of the ancient tradition that has come down from early barbarism, and it is shameful by force of its evil association with poverty. It is indecorous."<sup>77</sup> As well as the beginning of the Industrial Revolution, the 1800's would give birth to the defined theory of Anarchism. Mikhail Bakunin would be one of the initial philosophers to defend this theory. In an undated document, presumably written in the late 1800's to early 1900's, he very accurately described the Capitalist system when it comes to the price of labor...

Suppose I am your worker and you are my employer. If I offer my labor at the lowest price, if I consent to have you live off my labor, it is certainly not because of devotion or brotherly love for you. And no bourgeois economist would dare to say that it was, however idyllic and naive their reasoning becomes when they begin to speak about reciprocal affections and mutual relations which should exist between employers and employees. No, I do it because my family and I would starve to death if I did not work for an employer. Thus I am forced to sell you my labor at the lowest possible price, and I am forced to do it by the threat of hunger.<sup>78</sup>

In another part, he wrote, "The worker is in the position of a serf because this terrible threat of starvation which daily hangs over his head and over his family, will force him to accept any conditions imposed by the gainful calculations of the capitalist, the industrialist, the employer."<sup>79</sup> What some other philosophers, economists, and sociologists saw within society earlier is becoming more and more apparent. It is not only apparent among those whose hobby it is to study society from high above, but it is growing apparent with those who must live and work in such a society. For Anarchism, truly, is a people's movement. In another section of this piece, Mikhail Bakunin still illuminates the matter more...

What is it that brings the capitalist to the market? It is the urge to get rich, to increase his capital, to gratify his ambitions and social vanities, to be able to indulge in all conceivable pleasures. And what brings the worker to the market? Hunger, the necessity of eating today and tomorrow. Thus, while being equal from the point of juridical fiction, the capitalist and the worker are anything but equal from the point of view of the economic situation, which is the real situation. The capitalist is not threatened with hunger when he comes to the market; he knows very well that if he does not find today the workers for whom he is looking, he will still have enough to eat for quite a long time, owing to the capital of which he is the happy possessor.<sup>80</sup>

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<sup>77</sup> Veblen, Thorstein, "The Instinct of Workmanship and the Irksomeness of Labor," *American Journal of Sociology*, volume 4 (1898-99).

<sup>78</sup> Bakunin, Mikhail, "The Capitalist System," an excerpt from "The Knouto-Germanic Empire and the Social Revolution," and in "The Complete Works of Michael Bakunin" under the title "Fragment," Date Unknown.

<sup>79</sup> Bakunin, Mikhail, "The Capitalist System," an excerpt from "The Knouto-Germanic Empire and the Social Revolution," and in "The Complete Works of Michael Bakunin" under the title "Fragment," Date Unknown.

<sup>80</sup> Bakunin, Mikhail, "The Capitalist System," an excerpt from "The Knouto-Germanic Empire and the Social Revolution," and in "The Complete Works of Michael Bakunin" under the title "Fragment," Date Unknown.

Another Anarchist, Peter Kropotkin, would write a great deal of material at around the same time as Mikhail Bakunin. In 1901, he wrote, "...the wage system, the modern form of ancient serfdom..."<sup>81</sup> and elsewhere still, he writes, "Economists represented the enforced contract (under the threat of hunger) between master and workingman as a state of freedom. Politicians, again, so called the present state of the citizen who has become a serf and a taxpayer of the State."<sup>82</sup> Though the words of Kropotkin and Bakunin may appear a bit more emblazoned with the passion of revolutionaries, it still is the echo of what sociologists and economists have been saying for centuries. Though in the old times, economists worked through deductive reasoning, there would be a resurrection in the idea of using empirical evidence – instead of logical proofs – to demonstrate a point. Many of the reformers, reporters, investigators, and even muckrakers of the late 1800's and early 1900's would discover proof of the subsistence wage. In 1902, Reverend John McDowell tells a story about miner boys...

"I'm twelve years old, goin' on thirteen," said the boy to the boss of the breaker. He didn't look more than ten, and he was only nine, but the law said he must be twelve to get a job. He was one of a multitude of the 16,000 youngsters of the mines, who, because miners' families are large and their pay comparatively small, start in the breaker before many boys have passed their primary schooling.<sup>83</sup>

Annie S. Daniel, who studied the situation of those working and living in tenement houses, would write an article discussing it in April of 1905. In it, she wrote, "In no case in over 515 families was any woman working other than from dire necessity."<sup>84</sup> Just like McDowell, she demonstrated more empirical evidence to substantiate the theory of a subsistence wage paid to workers. Also in the article, she describes the process by which large businesses run by Capitalists are capable of securing trade, and eliminating the possibility of workers working by themselves without the means of production. She writes, "By the consumers—An article costs a little less. And what are the dangers?"<sup>85</sup> In an article published on October 7<sup>th</sup> of 1905, John Daniels – who studied the economic situation of African men – wrote of the general working population, "Down at the bottom industrially, they, like the hack-writers of literature, are forced to take whatever they can get."<sup>86</sup>

While some who observed the mechanics of society created, supported, and promoted radical theories, such as Communism and Anarchism, there were those writers who simply observed and condemned society for its workings. Such seems to be the case today: that one is intellectually safe so long as they observe, but not align themselves with any political theory. J. W. Hart, a writer for the *Christian Advocate*, was who supposed Socialism and protection of the working

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<sup>81</sup> Kropotkin, Peter, "Communism and Anarchy," *Freedom*: July (p30)/August (p38) 1901. Reprinted in "Small Communal Experiments and Why They Fail," by Jura Books.

<sup>82</sup> Kropotkin, Peter, "Communism and Anarchy," *Freedom*: July (p30)/August (p38) 1901. Reprinted in "Small Communal Experiments and Why They Fail," by Jura Books.

<sup>83</sup> McDowell, Rev. John, "The Life of a Coal Miner," 1902, published in *The World's Work* 4 (October 1902): 2659–2660.

<sup>84</sup> Daniel, Annie S., "The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements," *Charities* 14, No 1. (1 April 1905): 624–29.

<sup>85</sup> Daniel, Annie S., "The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements," *Charities* 14, No 1. (1 April 1905): 624–29.

<sup>86</sup> Daniels, John, "Industrial Conditions Among Negro Men in Boston," *South End House*, Boston, *Charities* 15 (Oct. 7, 1905).

people, though not expressedly a Communist or Anarchist. On October 4<sup>th</sup> of 1906, he would write, "To give one man or set of men the power to compel others to work at starvation wages is slavery."<sup>87</sup> and elsewhere, too, he wrote, "If the only answer of the church is that capital has a right to buy labor where it can buy it the cheapest, and the law must protect capital in this right, we may expect the worst."<sup>88</sup> Mary Van Kleeck, in an article published in the 1906–1907 volume of *Charities and Commons*, would support the law protecting the working people, just as J. W. Hart had. In this article, she had written, "Industrialization that brought fortunes to some relied on the cheap labor of many..."<sup>89</sup> In a bit of a lengthier section of the article, she wrote...

Last winter a young girl scarcely sixteen years old was receiving regular treatment from a tuberculosis clinic in one of the New York hospitals. She had been sent away to a sanatorium and had returned with a fair chance of recovery. Missing her from the clinic, the nurses investigated and found her working eleven to twelve hours a day in a lithographing house. Each day was striking a larger fraction away from her chance of cure. The manufacturer was receiving contributions by no means intended for him. He was using up strength for which contributors to the sanatorium had given money with a very different object in view. He was doing more than that, he was robbing the girl of the health which was her one chance in life. She kept at work because,—what need to repeat the reason? It is the story of thousands of tenement households. There are many such factory girls, upon whom physicians pronounce the verdict of death in a few months if their work be not changed immediately. The next morning they are in their usual places, for "There's no use thinkin' about what the doctor says. We'd all starve if I stopped working now."<sup>90</sup>

In another part of the same article, she wrote, "...the state [should] extend legal protection where (by reason of economic inequality) the contract is not free..."<sup>91</sup> The author, Mary Van Kleeck, was not an economist or a sociologist. She was simply one who observed the mechanics of society, because it confronted her in her everyday life. In other parts, she writes...

To the community a worn-out worker is an economic loss. So is the man who, by wearing out the community's workers, underbids his competitors and drags down the whole standard of trade conditions. To leave them to the *laissez-faire* method is to follow a course well-tried with never an instance of success. We are ready for a wiser method.<sup>92</sup>

...and...

These two decisions [of the courts], one dated 1876 and the other 1906, are reinforced by the decision of the Supreme Court of the United States upon the Utah eight hours'

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<sup>87</sup> Hart, J. W., "The Church and Workingmen," *The Christian Advocate* (October 4, 1906); rpt. *The Public* 9 (Oct. 13, 1906).

<sup>88</sup> Hart, J. W., "The Church and Workingmen," *The Christian Advocate* (October 4, 1906); rpt. *The Public* 9 (Oct. 13, 1906).

<sup>89</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," *Charities and Commons* 17 (1906–07), 13–21.

<sup>90</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," *Charities and Commons* 17 (1906–07), 13–21.

<sup>91</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," *Charities and Commons* 17 (1906–07), 13–21.

<sup>92</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," *Charities and Commons* 17 (1906–07), 13–21.

law, holding that “the fact that both parties are of full age and competent to contract does not necessarily deprive the state of the power to interfere where the parties do not stand upon an equality or where the public health demands that one party to the contract shall be protected against himself.”<sup>93</sup>

Very much so in a style of Bakunin or Kropotkin, or other authors who were filled with a zest to change their times, Mary Van Kleeck wrote, “It is not true that these factory women are free to contract. When one side can say to the other, ‘Work on these terms or lose your job,’ ‘Work or starve,’ the contract is not free.”<sup>94</sup> On January 18 of 1908, Mary Van Kleeck would have another article published in *Charities and the Commons*. In it, she wrote, “The evils of the system, -intense competition among unskilled workers in a crowded district, low wages, unrestricted hours of work, irregularity of employment, and utilization of child labor,-are the very conditions which make the system possible and profitable to the employer.”<sup>95</sup>

1910 is the date marking the publication of the important works by Henry Demarest Lloyd, a muckraker in the late 1800’s, before the term was widely known. In this articles, where he expresses a condemnation towards Capitalists for their activities in general — particularly those of the coal and railroad monopolies — he would definitely express in some parts his agreement with the theory of employers only paying a subsistence wage. In this book, he writes, “A few individuals are becoming rich enough to control almost all the great markets... We feel ourselves caught in the whirl of new forces, and flung forward every day a step farther into a future dim with the portents of struggle between Titans reared on steam, electricity, and credit.”<sup>96</sup> Describing the history of Indian royalty, he writes, “The Mohammedan emperors of Delhi, the Mahratta princes, the Sikhs of the Punjab, different in many other things, were alike, Maine says, in this, that they took so much of the produce of the soil as to leave the cultivators little more than the means of bare subsistence.”<sup>97</sup> In another part, he describes the economic and financial strength that some businesses are capable of procuring, where he writes, “...bringing all the owners of the crop into one place, and then overcoming them by a combination of capital, banks, and the courts...”<sup>98</sup> Describing one case of the reduction of wages of some workers, he writes...

One of the iron manufacturers of the West, President O. W. Potter, of the North Chicago Rolling Mills, the employer of many thousands of men, when questioned in May about the strike of iron-workers, then believed to be impending, and promising to be the worst that had yet taken place in this country, said: “The laborers oppose the reduction of wages for the very good reason that they cannot live upon any lower wages. And that is true. They cannot stand the reduction with the high price of living. There are some things that are not to be talked about in public that bring this about, and one of them is the cornering of food on the Board of Trade. A few men manipulate the foods of the workingman, and create a corner in wheat and meats, and the laborer has to pay the increased cost. They turn the screws, and up

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<sup>93</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” *Charities and Commons* 17 (1906–07), 13–21.

<sup>94</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” *Charities and Commons* 17 (1906–07), 13–21.

<sup>95</sup> Van Kleeck, Mary, “Child Labor in New York City Tenements,” *Charities and the Commons* 18 January 18, 1908.

<sup>96</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>97</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 2.

<sup>98</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.



go the prices a notch or two. And they may let up so that the market goes down a little; but all the time a few men are making money, and the laborer gets no better fare and pays no lower price for the necessaries of life. I am apprehensive of the results that all this will bring about, and there is more anxiety in certain quarters about the future than people dare to imagine.”<sup>99</sup>

In another part of the book, Henry Demarest Lloyd writes, “These companies flood the coal country with helpless laborers, Italians, Poles, and Huns, as well as Americans, in order to create a condition of ‘supply and demand’ in which wages will steadily tend downward, and ‘to terrify them into subjection whenever they should be moved to strike or refuse to submit like angels to lockouts.”<sup>100</sup> In another part, he describes the contracts between employees and employers, writing, “They are devoid of the essential attributes of contracts. They will be simply servitudes imposed by wealth on poverty, by strength on weakness, by knowledge on ignorance, and by plutocracy on the people.”<sup>101</sup> In a very impassioned article, full of the fire of human emotion, Lloyd writes, “...living under a high death-rate in tenement houses, in full view of the unoccupied prairies, with wife and children forced to work to get enough food for the family, is not life; working ten to twelve hours a day, when the citizen wants to work but eight, signing ironclad contracts because he is hungry...”<sup>102</sup> The admirable qualities of Henry Demarest Lloyd were that he was thorough, his ideas were evidenced, and beyond all doubt, he strongly held his ideas of justice and truth. In another section of this book, a collection of his articles, he writes...

We boast of freedom but do forced labor... Is not this to have masters, and what is the proper name for people who submit to work without pay, under force, for those who have no rights over them? We fill our magazines, and economic quarterlies, and daily editorial pages with expositions of the perils of concentrated wealth, and yet go on building up, by our daily toil, its vast pyramids.<sup>103</sup>

The idea that by purchasing cheap products of large businesses, and avoiding the purchase of commodities which are more expensive but made by individual workmen, this idea is prevalent in the work of Henry Demarest Lloyd. He writes, “It is only a question of time when the people will perceive it to be intolerable to buy their commodities of those who allow them no voice in the bargain but that of suicide.”<sup>104</sup> In another part, he describes the relation that a worker has with his work, using a miner as an example, “...from whom the miner can obtain that necessity of life-work...”<sup>105</sup> Finally, in one passionate and bold passage, Lloyd writes...

The American public stands in the coal market, not as a free public, but, as the representative of the coal companies accurately described us, as “whipped dogs.” People who submit in that market, or any other market, to part with their labor, their money, their goods, with no fair return, with no representation in the bargain, with no voice,

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<sup>99</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

<sup>100</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 5.

<sup>101</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 5.

<sup>102</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 6.

<sup>103</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 7.

<sup>104</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 7.

<sup>105</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 9.

but to forego a necessity of life, with no right, but to suffer, accepting by compulsion the assertions of the other side as to all the facts; denied access to any competing supply, nerveless to use the immemorial remedies offered by the law, are accurately and scientifically described as this coal man de-scribed us in New York the other day-“whipped dogs.”<sup>106</sup>

Elizabeth C. Watson was a writer in the early 1900's. In one article, published on February 4<sup>th</sup> of 1911, she describes her opinion of a single man owning the means of production: “This gives manufacturer and contractor power to dictate the lowest terms...”<sup>107</sup> Gustave Schmoller was a sociologist, and to another extent an economist, of the early 1900's. In an essay published in the *American Journal of Sociology*, in the 1914–1915 volume, he would writes of class differences, “The increase of money and entrepreneur economy has done most to intensify these contrasts and to lead to class conflicts.”<sup>108</sup> Unlike the muckrakers of this time, he still manages to keep a decent amount of whatever political passion he has inside, and stay in tune with the attitude kept by the classical economists. In another part of this essay, he writes, “The upper classes retained the lion's share of conquered lands, of captured cattle, of slaves or serfs, without stopping for justification.”<sup>109</sup> In a rather effective passage, he describes the mechanics of modern society using an ancient parallel: “...we understand by class-dominance the social dependency relations which result from the customary industrial connections between the upper and the lower classes, between masters and slaves, between entrepreneurs and laborers, between creditors and debtors, between the strong merchants and the weak buyers.”<sup>110</sup>

In 1917, Joseph Dana Miller wrote an article on efforts to end child labor. In it, she writes, “The phenomenon of child labor is the inevitable accompaniment of low wages, and low wages result from a condition of land monopoly...”<sup>111</sup> In an inaugural address in Australia, the year 1930, L. F. Giblin spoke...

I have said, “Wages must fall,” and I have not given you any very precise reason for the necessity. Everybody is saying it. The more cautious say, “The costs of production must go down,” but they mean wages in their hearts.<sup>112</sup>

As much empirical evidence as there may be, as many studies that may be done to understand the depths of poverty in the working class, there are few things so convincing as the words from a person's own mouth. In 1969, a miner who was suffering from a disease known as “Black Lung,” which leads to death, was suggested by friends to stop working. But, in reply to his friends, and

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<sup>106</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 10.

<sup>107</sup> Watson, Elizabeth C., “Home Work in the Tenements,” *Survey* 25 (4 February 1911), 772–781.

<sup>108</sup> Schmoller, Gustave, “On Class Conflicts in General,” *American Journal of Sociology*, volume 20 (1914–15) pp. 504–531.

<sup>109</sup> Schmoller, Gustave, “On Class Conflicts in General,” *American Journal of Sociology*, volume 20 (1914–15) pp. 504–531.

<sup>110</sup> Schmoller, Gustave, “On Class Conflicts in General,” *American Journal of Sociology*, volume 20 (1914–15) pp. 504–531.

<sup>111</sup> Miller, Joseph Dana, “Single Tax and Child Labor,” *The Single Tax Year Book* (Single Tax Review Publishing, 1917).

<sup>112</sup> Giblin, L. F., “Australia, 1930,” an inaugural lecture, delivered in the Public Lecture Theatre University of Melbourne, 28<sup>th</sup> April, 1930.

talking about his own family, this miner who was on death's bed said, "I don't care what happens after that, but I can't stop working now. We'd starve to death."<sup>113</sup>

## Section VI: Diversity of Wages

Among the Proletarian class, there exists a diversity. Not every worker is paid the same wage. This cannot be denied. There have been some general ideas proposed on suggesting what differentiates the lower class from the middle class, or attempting to discover those basic principles which will allow for an increase in wages. Some have argued that the conditions of work are those which are determinant of pay. Others have argued, with more success, that a middle class can be differentiated from a lower class in its skill, ability, or education, which allow it greater productive ability. I think that the diversity of the Proletarian class can be seen best in the income of those members. A lawyer's income, for instance, is remarkably higher than those who work in a factory. Just as a doctor's income is higher than an engineer's, and higher still than those who hold the position of a clerk. Some economists have attributed a worker's wage to his education. However, education is not exactly proportionate to one's wage. For instance, with a college degree, a person can earn perhaps up to \$40,000 a year, but there are other professions which can earn more than twice that *without* a college degree, such as bartenders and strip dancers. While economists try to understand the diversity of the Proletarian class, and the causes of their wages, they apply various laws to this phenomena — the way a scientist would attempt to formulate laws to explain the natural world.

As far as the lower, middle, and upper classes of the Proletarian class, the only method of determining that a Proletariat belongs to one of these classes, is determinant wholly on the income they receive, or their *wages*. Sometimes, though, an economist may be mistaken, by classifying a Proletariat into a different class based on their ability to generate a higher wage from an employer. A Proletariat is either higher or lower in their own class by how much money they make. What determines their ability to make a good wage is an entirely different question, though of importance. A person's wage depends on various factors. The primary factor is their ability to use capital in a manner that produces wealth, in comparison to others of the same field. So, it is true, there is a sort of competition. In professional sports, for instance, some are paid tens of millions of dollars. Is this due to their invaluable ability to play well and generate wealth for the owners of the sport? Partly, yes, but it is also due to the fact that such an ability is a rarity. When there are more workers in an industry than there are required, then a competition exists between these workers, each lowering their wage to the bare minimum required for subsistence. They require employment for the simple fact that, without it, they would starve.

An individual who is a lawyer provides an invaluable service, but it is also the rarity of lawyers which gives them their wage. For, if every person had a law degree and could practice law, I would not be surprised if a lawyer's wage dipped down close to a subsistence wage. But, it is also the value of a lawyer's services that give them their wage. If a man, for instance, had the ability to stretch his arm out for five feet, he may very well be the only human being capable of this. He would be rare, yes, but that would not mean his wages are high, because it is the usefulness of

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<sup>113</sup> Coles, Robert, and Huges, Harry, "Black Lung': Mining as a Way of Death," *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 191.

an employee that is the reason for their employer's interest. It is the simple law of supply and demand applied to employment. It may very well be rare for a person to discover and attempt to sell a human toe, but the price would only be based on the demand of those interested, and the interest would be from some sort of usefulness of the item — in this case, probably novelty.

In ending, I will sum up my opinion on the determination of wages as this... Determined by two factors: the usefulness of the employee, and the rarity of the employee's abilities.

## Section VII: The Cost of Labor and Commodities

It is often stipulated by economists that an increase in productivity, or profit, or the cause of such by a decrease in the cost of expense, that all things which benefit the employer will trickle down and benefit the employee. In all of the evidence considered, it is solely competition among a group of buyers or sellers which determines the cost of items, as well as convincing the other party that they need such a commodity. Those Proletarian members whose labor consists in rather simple work tend to be paid a subsistence wage. This does not change whether their employers receive a great or small amount of wealth from their labor. If an employer, for instance, makes more profit, those who are working for him, especially those performing simple tasks, will not receive an increase in their wage. The reason for this is rather simple... The Capitalist has his own interest: his wealth. And, furthermore, he has the ability to reason: he reasons that by refusing to pay higher wages, he is benefiting his own interest of wealth. If a Capitalist, however, finds cheaper labor, or a cheaper method of production, still creating the same product or service as before, the product will not necessarily be cheaper. It must be understood that, as the production expenses decrease, product prices remain virtually unchanged.

A businessman, for instance, who owns a factory producing clothing, may discover an ingenious method in which he can produce two shirts for what once cost him for one shirt. He has no need to pay his workers more, as they are working for a subsistence wage. The only need he has, though, for decreasing the cost of his product, is in competition to others. He may, for instance, decrease the cost by 10% (even though production was increased by 100%). The decrease of the cost, however, will very rarely be equal to the new cheapness of production. The benefit of technology does not improve the lot of the laboring poor. It only improves the condition of the businessmen, by producing more for less. The only reason why there would be a decrease in the cost of commodities by one business is to compete with other businesses. Still, though, people would buy from other businesses. So, instead of decreasing the price, that additional wealth may go into advertising, or convincing consumers to buy this other product. The Capitalist may even use the technology as an advertising ploy. But, once the consumer purchases the products of this Capitalist, they have gained no *real* advantage, when compared with other products, since the additional productivity of capital has only rendered more wealth to the Capitalist, and not the consumer or the worker (and, it must be understood, that most of the time, the terms "consumer" and "worker" are dealing with different sides of the same person). The reason for a Capitalist to compete is simple: self interest. By decreasing the cost, this Capitalist may argue, he is selling more than before, thus making more profit, which is what he is rationally pursuing by decreasing cost.

There is ample evidence to support the theory that production cost is not the only determining factor of a commodity's retail value. In his famous essay of 1778, Thomas Malthus wrote,

“The increasing wealth of the nation has had little or no tendency to better the condition of the labouring poor.”<sup>114</sup> And, elsewhere, too, he writes, “...the increase of wealth of late years has had no tendency to increase the happiness of the labouring poor.”<sup>115</sup> Describing the fluctuations of an economy, and its relation to the cost of goods (and, therefore, to the cost of living)...

The country would be evidently advancing in wealth, the exchangeable value of the annual produce of its land and labour would be annually augmented, yet the real funds for the maintenance of labour would be stationary, or even declining, and, consequently, the increasing wealth of the nation would rather tend to depress than to raise the condition of the poor. With regard to the command over the necessaries and comforts of life, they would be in the same or rather worse state than before; and a great part of them would have exchanged the healthy labours of agriculture for the unhealthy occupations of manufacturing industry.<sup>116</sup>

What is it that precisely determines the retail cost of a good? In essence, there are two rules: first, the retail cost must cover the cost of production, otherwise the business will fail to make a profit and go under; and second, the retail cost will go as high as the consumers are willing to pay for it. This can be seen in our everyday lives, where the cost of things dramatically rises before holidays, such as Christmas, Halloween, or other assorted special days of the year. Prior to the holiday, the price soars, but once the holiday is over, the commodities assorted with that holiday decrease in price.

## Section VIII: Surplus Value

When a worker labors for his wage, often times he is laboring productively. By this, I mean he is creating wealth for his employer. If a Capitalist employs 10 workers to plant and harvest a field, by the end of the season, he may find himself with 10,000 crops. Since the workers are paid a subsistence wage, the Capitalist pays each of these workers an amount of money that would keep them subsisting, or in this scenario, perhaps an amount of money equal to 1,000 crops. So, 1/10<sup>th</sup> of his income goes to pay for his expenses. The rest, 9/10ths, becomes profit. (In a realistic scenario, there are other expenses incurred, such as taxes, capital, etc., etc., but I am simply trying to demonstrate a point here.) The 9/10ths, though, is 9,000 crops. To a region of people, there is value in 9,000 crops. But, to a Capitalist, every crop, besides those he does not eat, is useless. If, in a month, a Capitalist can only eat 100 of these crops, then the rest, 8,900, which would have gone bad, are completely useless to him. He may trade them, very well, to another Capitalist. Perhaps another Capitalist employs 10 workers to operate a factory, and creates 1000 pairs of clothes in a season. The owner of the farm can trade his crops for clothing, but beyond several pairs of clothes, the rest are useless. Perhaps the Capitalist can trade the surplus of crops to a construction firm, to build him several small huts, but every hut beyond the one he uses, is completely useless to him. He may, in the end, trade all of his crops for money, which would be rational, but money is only a sort of credit. It only means that in the future, he will be able to purchase these common items: clothing, food, housing. But, all of the money that he cannot

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<sup>114</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 16.

<sup>115</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 16.

<sup>116</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 16.

use before he dies, will be completely useless. The surplus, which he has procured through legal contracts, becomes utterly useless to him.

Here, though, we will see something that is rather marked in every nation's economy: the rise of industry which cater to the desires of the wealthy. Factories, farms, and mines will be erected that create things which only the wealthy could afford. The laborers here, however, labor with a certain unproductivity. For instance, a garment that a wealthy person would typically wear. Perhaps it is equal in production cost to ten commoner garments. It may very well take ten workers to create it in a day, whereas if those same ten workers were employed in making commoner garments, they would be able to produce a single garment each. Food, as well, will be of the best quality, often times made in a method, or of a distinct nature, that it is difficult to obtain. Clams, for instance, are often times a food of the Capitalists. If ten Proletarian workers, all of them working on a boat obtaining these claims, had abandoned this task, and one of them had decided to work the fields of a farm, they will produce more than the nine other Proletarians working on the ship. If every worker on the ship had decided to work on a farm, but was only required to produce as much food, each would be working one tenth of the normal time. It is quite true, also, that Capitalists enjoy rather expensive, fancy housing, some of their purchases being compared to palaces.

So, once a Capitalist produces 10,000 crops, his profit being 9,000 of those crops, they will be useless to him, so he will trade them for things which are of worth to him. Instead of living in a hut, he will live in a mansion. Instead of eating corn, he will eat clams and caviar. Instead of wearing commoner garments, he will wear outfits which had been reserved for royalty and wealth. Also, since there are some workers which are paid more than a subsistence wage, there will also be a rise of industries which cater to the needs of those workers. The foods, clothing, and housing, for instance, which are between commoner and wealth, are sold to those whom are Proletarians, but paid more based on their skill, education, or ability.

There are countless specific examples of Capitalists using their funds to support extraordinary luxuries. In 1668, Josiah Child writes, "Many of whom then would not go to the price of a whole Sattin Doubtlet; the Embroiderer being yet living, who hath assured me he hath made many hundreds of them for the Nobility with Canvas backs."<sup>117</sup> In 1691, Dudley North writes, "A very rich Man hath much Plate, for Honour and Show."<sup>118</sup> In 1755, Jean Jacques Rousseau, sometimes called the peoples' philosopher, would write in an economic treatise, "As long as there are rich people in the world, they will be desirous of distinguishing themselves from the poor..."<sup>119</sup> In document which I cannot find a date for, David Hume wrote (presumably around the mid 1700's), "Great quantities of plate are used in private houses; and all the churches are full of it."<sup>120</sup> Since all the wealth and luxury that is used by the wealthy is obtained by the poor and laboring classes, it is the poor who have produced such wealth. In 1767, James Steuart writes, "...the progress of luxury brings distress upon the poor industrious man..."<sup>121</sup> Describing the principle of trad-

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<sup>117</sup> Child, Josiah, "Brief Observations Concerning Trade and Interest of Money," 1668, London, Printed for Elizabeth Calvert at the Black-spread Eagle in Barbican, and Henry Mortlock at the Sign of the White-Heart in Westminster Hall.

<sup>118</sup> North, Dudley, "Discourses Upon Trade; Principally Directed to the Cases of the Interest, Coynage, Clipping, Increase of Money," London: Printed for Tho. Basset, at the George in Fleet Street, 1691.

<sup>119</sup> Rousseau, Jean Jacques, "A Discourse on Political Economy," 1755.

<sup>120</sup> Hume, David, "Of the Balance of Trade," Date Unknown.

<sup>121</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, preface.

ing useless objects for items which are usable, Steuart further writes, “Otherwise, the plenty produced, remaining in the hands of those who produced it, will become to them an absolute superfluity; which, had they any trade with a neighbouring state, they would sell, or exchange...”<sup>122</sup> Still describing the transactions of common items for extravagant ones, Steuart writes, “...when raw silk and delicate wines, &c. are given in exchange for grain and other provisions.”<sup>123</sup> And elsewhere he writes: “...the wealthy among them insist upon purchasing all the instruments of luxury which they formerly were used to enjoy...”<sup>124</sup> In one last final part, he still describes the lifestyle of the wealthy, “The most virtuous man in France may have the most splendid table, the richest clothes, the most magnificent equipages, the greatest number of useless horses, the most pompous palace, and most extensive gardens. The most enormous luxury to be conceived...”<sup>125</sup> Thomas Malthus, the classical economist, in 1778 would write...

The owners of surplus produce would in general seek some more obvious mark of distinction. And it seems both natural and just that, except upon particular occasions, their choice should fall upon those who were able, and professed themselves willing, to exert their strength in procuring a further surplus produce... All who were in want of food would be urged by imperious necessity to offer their labour in exchange for this article so absolutely essential to existence.<sup>126</sup>

In his 1830 speech, Nassau Senior would describe the mechanics of workers, their subsistence, and the Capitalist employing them, and – inevitably – the wealth that the workers create for their employer: “He [an economist] supposes him [the capitalist] to have been in the habit of commencing every year with a capital consisting of wages for a certain number of labourers, which we call twenty-six, and of employing that capital in hiring twenty men, to reproduce, during the year, wages for the whole twenty-six, and six to produce commodities for himself.”<sup>127</sup> In November of 1862, the T. E. Cliffe Leslie would have an article published entitled, “The Love of Money.” In it, he writes, “The mistake made by the ladies of our time seems to be that of aiming at show and accomplishing waste; while the mistake of the gentlemen is that of aiming at plainness and accomplishing gloom.”<sup>128</sup> Describing the other ways in which the wealthy manage to accomplish extravagance...

In the north of Ireland, for example, it is common to see a girl on the road with a smart bonnet, an extensive petticoat, and a gay parasol carried in the usual manner, but with a pair of shoes not upon her feet, but in her hands. Five-and-twenty years

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<sup>122</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 5.

<sup>123</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 18.

<sup>124</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 20.

<sup>125</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” London: Printed for A. Millar, and T. Cadell, in the Strand., 1767. Book 1, chapter 20.

<sup>126</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 10.

<sup>127</sup> Senior, Nassau William, “Three Lectures on the Rate of Wages,” of Magdalen College, A.M.; delivered before the University of Oxford in Easter Term 1830, Late Professor of Political Economy, The Second Edition, London; John Murray, Albemarle Street, MDCCXXXI, LONDON: Printed by William Clowks, Stamford Street. Lecture 3.

<sup>128</sup> Leslie, T. E. Cliffe, “The Love of Money,” published in November, 1862, in a periodical which has ceased to exist.

ago such a girl would have no more minded the effect of the sun on the skin of her face, than she now minds the effect of the earth on the skin of her foot; and five-and-twenty years hence it may be safely predicted that such a girl will not only think it advisable to wear her shoes on her feet, but will discover that they really hurt less there, when one is used to them, than the stones upon the road.<sup>129</sup>

John Muir was a Conservationist of the late 1800's, who greatly opposed the destruction of the natural environment for corporate profits — a trend that could be seen in society by just about anyone. On March 25<sup>th</sup> of 1873, he described a luxury of the wealthy: "...the costly lily gardens of the rich..."<sup>130</sup> Thorstein Veblen, speaking more as a sociologist than an economist, in an article published in a journal for the year 1898 to 1899, would write, "Notions of economic rank and discrimination between persons, whether in point of possessions or in point of comfort, are almost, if not altogether, in abeyance."<sup>131</sup> In another part, he writes more authoritatively, "In the further cultural development, when some wealth has been accumulated and the members of the community fall into a servile class on the one hand and a leisure class on the other..."<sup>132</sup> Lawrence Veiller had an article published in the *Charities Review* of 1900 to 1901, in which he wrote, "The well to do classes do not live in the country, and so long as they live here there will be a large number of persons to do their work, on whom they are dependent for their very lives, 'hewers of wood and drawers of water,' or their modern equivalent."<sup>133</sup> As a reformer, who was sick of society and the way things were being done, J. W. Hart says with a sense of bitterness: "Give a man the right to come and go as he will, the employer the right to hire and discharge at will, and that is all there is to it in their estimation. Comfortably housed and well fed they have no conception of conditions among honest, hard-working men."<sup>134</sup> In another part, he writes still with more emotion in his words, "If there was famine in the land and no help could be given we might stand these things, but the problem of production has been so successfully solved that we have 'over-production' in every department of industry. The cause of the trouble is that a few are determined to pile up millions they have no use for, and we will not stand it to see our children sacrificed on the altar of greed and oppression."<sup>135</sup>

Lewis E. Palmer was a tenement inspector, whose job it was to make sure that residents of rented housing were living in sanitary and safe conditions. He published an article in the 1906 to 1907 year of a journal. In it, he describes a story of one of his fellow building inspectors...

From such a tenement it is quite a step to the "St. Georges" and the "Gwendolyns" that are rising along the Hudson River. An old building inspector visited one of these high-priced apartments on the West Side, a short time ago, leaving a notice for the owner with the bellboy. Across the envelope in black letters was printed—"Tenement

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<sup>129</sup> Leslie, T. E. Cliffe, "The Love of Money," published in November, 1862, in a periodical which has ceased to exist.

<sup>130</sup> Muir, John, "The Hetch Hetchy Valley," *Boston Weekly Transcript*, March 25, 1873.

<sup>131</sup> Veblen, Thorstein, "The Instinct of Workmanship and the Irksomeness of Labor," *American Journal of Sociology*, volume 4 (1898-99).

<sup>132</sup> Veblen, Thorstein, "The Instinct of Workmanship and the Irksomeness of Labor," *American Journal of Sociology*, volume 4 (1898-99).

<sup>133</sup> Veiller, Lawrence, "The Tenement-House Exhibition of 1899," *Charities Review* 10 (1900-1901), 19-25.

<sup>134</sup> Hart, J. W., "The Church and Workingmen," *The Christian Advocate* (October 4, 1906); rpt. *The Public* 9 (Oct. 13, 1906).

<sup>135</sup> Hart, J. W., "The Church and Workingmen," *The Christian Advocate* (October 4, 1906); rpt. *The Public* 9 (Oct. 13, 1906).



House Department.” The boy looked at the inscription, glanced over his shoulder at two silk-gowned women entering the elevator and whispered, “Gee, wat would de loidies tink if dey only knew.”<sup>136</sup>

In the 1908–1909 volume of the *Quarterly Journal of Economics*, Joseph Schumpeter’s article reads: “Nobody values bread according to the quantity of it which is to be found in his country or in the world, but everybody measures the utility of it according to the amount that he has himself, and this in turn depends on his general means.”<sup>137</sup> The book by Henry Demarest Lloyd of 1910 would be full of examples describing the luxury of the wealthy. In one part he describes the home of a Capitalist of a major monopoly: “...his marble fortress on Twenty-third Street...”<sup>138</sup> Describing the recreational activity of the investors: “...a party of Chicago business men were idling in their yacht over the cool waters of Lake Michigan...”<sup>139</sup> Still describing their recreational activities, he writes, “They all do something to raise prices, or hold them up, and they wind up with banquets for which we pay.”<sup>140</sup> And finally: “The livery companies of London, with their gloomy guildhalls, their wealth, their gluttony and wine-bibbing, their wretched Irish estates...”<sup>141</sup> In his inaugural lecture of 1930, L. F. Giblin spoke to his audience...

...expensive motor cars, two or three to a family; clothes marked up in the shops at extravagant prices; great hotels crowded with visitors who spend more on food for one day than he spends in a week; expensive looking houses with carefully tended gardens and grounds; thousands of people going off every week to spend hundreds of pounds each sight-seeing in Europe. He sees in the papers the deaths of men leaving millions. He reads of stations and city blocks being bought for fabulous prices.<sup>142</sup>

## Section IX: The Nature of Profit

A business owner, motivated by his own self interest and with his reasoning ability, will be desirous of gaining wealth. The primary goal is to increase profit. There are two ways of going on about this: decreasing cost while maintaining revenue, or increasing revenue while maintaining cost. For instance, a grocery store owner buys bread for \$0.50 a loaf, and is selling bread for \$2.00 a loaf. When he ups the price to \$2.25, he is making an additional \$0.25 profit per loaf sold, for a total of \$1.75 of profit per loaf. There are net costs to calculate, such as the cost of the store, the cost of personnel, among other things, but to keep it simple, I will avoid expanding upon those. By increasing the cost by \$0.25 per loaf sold, he is gaining in profit. This translates to something else, though. By increasing profit, he is expanding how much wealth he personally obtains. For instance, if the businessman’s particular interest is the consumption of expensive,

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<sup>136</sup> Palmer, Lewis E., “The Day’s Work of a ‘New Law’ Tenement Inspector,” *Charities and the Commons* 17 (1906–1907), 80–90.

<sup>137</sup> Schumpeter, Joseph, “On the Concept of Social Value,” *Quarterly Journal of Economics*, volume 23, 1908–9. Pp. 213–232. Section I.

<sup>138</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 2.

<sup>139</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.

<sup>140</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

<sup>141</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

<sup>142</sup> Giblin, L. F., “Australia, 1930,” an inaugural lecture, delivered in the Public Lecture Theatre University of Melbourne, 28<sup>th</sup> April, 1930.

100 year old wine, and he managed to purchase 25 bottles a month. However, with this increase in revenue, and thus, increase in profit, he now manages to purchase 26 bottles a month, an additional bottle.

There are, of course, various possibilities to consider. For instance, an increase in cost may deter consumers to purchase other brands, or perhaps other products altogether. Perhaps it does, and it leads to an extraordinary decrease in sales. Or, perhaps it does, and it leads to a very small amount of decrease in sales. Whatever the case, I shall ignore these various cases, for the sake of demonstrating a point on the nature of profit.

Essentially, when the customer pays an increased price for a product, they are buying more for the individual selling them the product. Since they are paying more for the business owner's wealth, this means they must cut spending in other areas, or work more to receive a paycheck to sustain their means of living. As the cost of the product rises, so does the wealth and expenditure of the business owner, which translates to a demand on luxury business, or business which caters to the interests of business owners and the wealthy. The only individuals who will be willing to work, now, though, are those willing to sustain their current status. An increased profit, or at least, a higher price, translates to a person working harder and more to produce the wealth that will be consumed by others. In the 1910 publication of some of the collected works of Henry Demarest Lloyd, there is a great deal of insight in the matter concerning the nature of profit. In it, he writes describing one situation which explains the point I am trying to make...

A working man in Toronto can ride to his job in the morning and back at night for 6¼ cents. In Chicago he must pay 10 cents. I was one of the arbitrators in a disagreement two years ago between the carpenters and employers of Chicago. The evidence we took showed that the average annual income of the men was \$600 and that of this about \$20, one dollar in every thirty of their earnings, went to the street car companies. The difference between this and the fares in Toronto is roundly three days' wages in a year, and that for men who ride only 200 days in the year. Half a week must the carpenter work to pay the traction syndicate the sum it demands of him because it has the power, and for which it gives him no equivalent whatever.

[...]

Coal, it has been shown by Congress, has been for years kept at an average of one dollar a ton more than a fair competitive market price which would pay full value for the coal, labor, capital, land, and transportation used to bring it to market. If you use twenty tons a year you pay twenty dollars more than you should. You pay it under compulsion; you must have the coal; you are not allowed to buy of any one but the members of the combination; you are given no choice as to the price. Your income is \$2000 a year. On that single item of domestic supplies, one dollar in every hundred has been taken from you. You have two weeks' vacation; and work in your office or store fifty weeks in the year. For one half of one of those weeks you work to make twenty dollars to pay over for no consideration to the members of the hard coal combination. That is the excess price. You have already worked three weeks, nearly a month of your ten working months, to pay them the \$100 your twenty tons

are worth. But you must work half a week more to give them twenty dollars of your money to add to their pile.<sup>143</sup>

## Section X: Economic Fluctuation

It has been supposed, by some economists, especially those dubbed as “classical,” that when there is an influx of employment, it is due to an increase in production, and when there is a decrease of employment, it is due to a decrease in production. For instance, when there is a famine, a plague, or a war, few people will be consuming or producing, or labor will merit a smaller amount of produce. It is true, I admit, that these instances may exist, and that they may burden an economy. However, there are times when famines, plagues, and wars do not exist, and still there are few employed, poverty runs rampant, and misery is a commonplace existence of the great masses. Such periods of time may be called depressions or recessions. When trying to understand the cause of these, there is a variety of factors that one might take into consideration. I will try to, with as much deductive reasoning and evidence as I can must, I will try to explain what I think is the most accurate explanation of these depressions or recessions.

My thesis, concerning the economic fluctuations, of the rise and fall of employment in an economy, is that it is wholly and entirely caused by underinvestment of the Capitalist class. Now, I will try to prove this...

First, we must take into consideration the evidence of the previous chapter. In the previous chapter, I discussed the leisures of the wealthy Capitalist class. They enjoyed everything that they could afford, purchasing luxurious forms of housing, clothing, food. The necessities of mankind including food and housing. They still needed this, but they refused to take it in a form that was not luxurious or reflecting their taste. So, too, recreation is also a necessity to any person who is expected to have a strong work ethic. But, the Capitalist is not fit to have any form of recreation that the commoner is fit to have. He must have for himself the most luxurious form that he is capable of purchasing. Why is it that a Capitalist, or any wealthy person, would do this? Part of it has to do with the human desire to progress and move forward, even when it comes to pleasing the interests of self. Another part of it has to do with the uselessness of surplus value. If a Capitalist has produced 10,000 pounds of grain, and used 3,000 pounds of it to pay off workers, the 7,000 pounds belong to him — but everything beyond what he can’t eat is completely useless to him, because he will never be at the point where it can satiate his desires. So, he trades it, for higher class food. Maybe 10 pounds of grain is the equivalent of a side of steak, or maybe 100 pounds of grain is equivalent to a small jar of caviar. At least he is using the wealth that he has produced. Appeasing his needs, of housing, food, and recreation, the Capitalist has managed to turn his life into what many others would call a dream life. This principle must taken into consideration.

With this concept understood, we must understand further what it is that causes the depressions and recessions of the past, and of our own times. Why is it that unemployment may be up or down at the current time? Such questions have plagued economists, particularly those of modern times. The overly confusing philosophy of Keynes seems to ward off those interesting in discovering what John Maynard Keynes thought. So, what is the answer? Why is it that an area is stricken with poverty and misery at one time, but flourishing at another? It was the an-

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<sup>143</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 7.

swer of most classical economists that such turns in the economy were mostly caused by natural disasters, or wars, or other things which would naturally inhibit the production, distribution, or consumption of commodities. There is no denying merit to this theory. While there is a horrible war occurring, there is a low chance that the economy will be booming, since much manpower — on and off the field — is dedicated to the war effort. The same can be said of a widespread natural disaster, such as a tornado or a hurricane, which destroyed factories, crop fields, and the roads used for transportation. However, the fault of this theory is that the economy is slumping and otherwise resembling a dead, rotting creature when all wars, natural disasters, and other inhibitors of trade are as far away as can be.

Who is it that controls the matter of employment and unemployment? The answer to this is remarkably simple: the Capitalist. Those who own, but do not operate, the means of production in a society are those who choose to employ people to run it for them. However, this is not evidenced enough to immediately indict those who own the means of production for the fluctuation of economics. One must first ask: why is it that Capitalists would have no need for those they employ? A variety of reasons could be offered. Perhaps a new machine has been invented that replaced manual labor. Perhaps the Capitalist subcontracted to another Capitalist that was more efficient at a particular task. When the stocking machine was invented, the productivity of workers increased by 100 times. Imaginably so, there were great amounts of layoffs. These workers, who must work so that they can live and eat, flooded the market. They went into the other industries: they tried to become farmers for agricultural Capitalists, they tried to become machine workers for manufacturing Capitalists. They were endlessly seeking out that one thing that would keep them alive in this society: employment.

Where was it that these workers ended up, who had been replaced by new machines? Where is it that any unemployed worker ends up, once replaced by a budget-saving device? They flood into other industries, bringing down the market value of labor. (As the rule of competition has shown us, once the availability of a commodity increases, its price decreases — and the rules do not change with labor.) If they cannot find employment, then they remained unemployed, but willing to work. In that sort of economy, what would it be that would inspire the Capitalist to employ workers who have no niche in society? Since all people work on the principle of self-interest, it would only be for the sake of wealth. How is it that a Capitalist could make wealth out of employing these temporarily undesirable workers? The answer is in fact quite simple: set them to work producing a commodity that would be purchased by the public, and make sure that they produce more wealth than they cost. The result of this is also simple to see: more wealth in the pocket of the Capitalist, meaning more surplus value. With that said, it must be understood that the only reason why employment exists is because, as Bakunin said, that the Capitalist comes to the market expecting to become rich.

At what point, then, is it that the Capitalist ceases to become rich? The answer one must deduct, similarly, must be easy: at the point by which their surplus value is overexcessive. Capitalists use their extra wealth in a way that is meaningful and useful to them. A palace for a home instead of a hut, caviar and veal for food instead of a loaf of bread, and extravagant robes for clothing instead of rags. Once the Capitalist has reached the point where he has wanted to with his surplus value, with his *profit*, then it serves him no purpose to continue his conquest for wealth. Instead of using the remaining parts of his wealth to hire workers to produce things that will be desirable to either ordinary consumers or extravagant Capitalists, or even something in between, the Capitalist locks up that wealth and refuses to use it. With this, we have decreased

employment, decreased trade. The primal cause of economic fluctuation, the reason why it soars so high and the reason why it dips so low, is because of the same cause: the will of the Capitalist to invest in industry.

## **Section XI: Summation**

In the reasoning of my estimation, I believe I have accounted for, largely, the economic whole of our society: the origins and nature of the different classes of society and what produce them. My reasoning was based on rather simple and human premises. In short, I shall list the premises, as they lead one to the other...

*Section I: Some Foundational Principles of Economics...*

- (a) People act according to their self interest.
- (b) People act in this way with a sort of rational understanding of the consequences of their actions.

*Section II: The Society of Men...*

- (a) By working together we produce more than when apart.

*Section III: Competition and Modern Society...*

- (a) Sellers compete with each other to get consumers.
- (b) Distributors try to convince their consumers to buy more, or to buy only from them, through providing a good or cheap product or through advertising.

*Section IV: Economic Classes...*

- (a) There is a poor (laboring) class and a rich (property-owning) class in society.
- (b) The poor class is based on their lack of ownership of the means of production, and the lack of their ability to bargain with those who do own the capital.

*Section V: Class War...*

- (a) Workers of least — or wholly common — skill are paid only a subsistence wage.
- (b) It is the interest of the Capitalist to keep wages down and the interest of the Proletarian to keep wages up.

*Section VI: Diversity of Wages...*

- (a) Workers which have skill or ability typically earn a higher wage than subsistence.

*Section VII: The Cost of Labor and Commodities...*

- (a) A decrease in the cost of production does not necessarily merit a decrease in the cost of the product.
- (b) An increase in the productivity of labor does not necessarily merit an increase in the wages of the laborer.

*Section VIII: Surplus Value...*

- (a) The owners of capital cannot consume all of their produce, since it is so plentiful.
- (b) Investors come along who cater to such owners of capital, and they sell high quality commodities to the owners of capital, since to those Capitalists, excessive amounts of cheap products are useless.

*Section IX: The Nature of Profit...*

- (a) An increase in the cost of a product means an increased work load for the individual purchasing it.

*Section X: Economic Fluctuation...*

- (a) Times of scarcity may be caused by natural causes, such as famines, plagues, or wars, but they are also caused by a lack of investment and consumption by the Capitalists.

## **Section XII: Preface to the Following Chapters**

I must admit, before going on, that the economics I dealt with in this section were only the ones necessary for demonstrating the effects of Capitalism upon society. How is it, one may ask, that wealth is distributed among the members of society, from the Proletarian class to the Capitalist class, from the lowly, unskilled factory worker to that of a university-educated doctor? Why is one better off, financially, than the other? To these questions, I have provided the preceding explanation of economics. There are a great deal of other economic concepts that I completely ignored and passed off, but I did so quite intentionally. Concepts such as what determines the rate of interest on business or personal loans, the degree to which economic prosperity or decay contribute to the rent of land whether used for personal or business reasons, the effects of foreign trade on domestic territory, the results of large-scale corporations governing the majority of trade – all of these concepts are dealt with in economics. Though I offer my work here as a whole economic treatise, I am ignoring these concepts because they do not directly relate to the issue at hand: the effects of Capitalism upon society.

With all of that said, I present the following chapter as a dissertation of the result of these Capitalist economics upon society.

# ***Chapter 3: The Brutal Result of Capitalism on the People of the World – The Worker (Historical)***

## **Section I: Preface to this Chapter**

When reading the title of this chapter, one may infer a rather biased opinion of the ideas that I am going to present here. I can only hope that people can overlook whatever political stance they have and fully recognize the abuses that I brought up in this chapter. The only reason I chose this title was because it was most fitting to the subject matter – and I think that many will in fact agree, whether they believe in the Free Market or not. This chapter is going to encompass the effects of the Capitalist system upon the society and its members. Before going on to do that, I must also state that, in the previous chapter, I covered some topics in economics that I may not have fully convinced my reader of. For example, the idea that economic depressions are caused by lack of investment, or the idea of a subsistence wage, or – in particular – that the expense of producing a product is not the sole (or even the greatest) value considered when the distributor must decide a retail cost for it. While I quoted economists whose observations have confirmed my opinion, I did not necessarily cover economic data to prove my assertions. In this chapter, I will bring up evidence that will confirm further the previous chapter's assertions on economics. It will be in this chapter that I discuss the history of Capitalism, as it deals with the condition of the worker. With that said, I continue in this chapter.

## **Section II: Abuse of the Worker (Historical)**

It is whether the Congress is going to act to stop a carnage which continues for one reason, and one reason only, and that is because the people of this country don't realize what is involved, and they can't see the blood on the food that they eat, and on the things that they buy, and on the services they get.

– W. Willard Wirtz<sup>1</sup>

There is no person in poverty who has not attempted to use their wage-earning ability of labor to improve their condition. No person who believes in sustaining themselves and the ones they care about, and are dependent upon them, has refused to take an occupation of labor, when it meant his labor would feed and house his family. You will be hard-strained if you search the working class of people, looking for a person who refuses to engage in labor, a person who is

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<sup>1</sup> Nader, Ralph, and Gordon, Jerome, "Safety on the Job," *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 179.

unknown to the hardships of manual hardship. With all of this said, we now delve into the dark history that surrounds those of the working class, the wage-earning class, the laborers of society, what Marxists would call... The Proletariat: without ownership of any means of production, only with their labor and an undying desire to feed themselves...

In 1798, Thomas Malthus published "An Essay on the Principle of Population," which would become world famous. In it, he describes the condition of children who are forced to labor in the agricultural field...

It cannot fail to be remarked by those who live much in the country that the sons of labourers are very apt to be stunted in their growth, and are a long while arriving at maturity. Boys that you would guess to be fourteen or fifteen are, upon inquiry, frequently found to be eighteen or nineteen. And the lads who drive plough, which must certainly be a healthy exercise, are very rarely seen with any appearance of calves to their legs: a circumstance which can only be attributed to a want either of proper or of sufficient nourishment.<sup>2</sup>

While it may be understood by some historians that child labor would develop mostly through the late 1800's and the early 1900's, they understand falsely. If someone were to delve deep into the older books, one will find countless examples of child labor being used long before the industrial revolution was in full swing. And, just as Malthus described how the labor of children made them deformed, it would also be recognized by all writers after him who observed this horrific act. Further describing how the lives of older workers are without free time, Malthus writes...

It has been not infrequently remarked that talents are more common among younger brothers than among elder brothers, but it can scarcely be imagined that younger brothers are, upon an average, born with a greater original susceptibility of parts. The difference, if there really is any observable difference, can only arise from their different situations. Exertion and activity are in general absolutely necessary in one case and are only optional in the other.<sup>3</sup>

When was it, though, that child labor became an intrinsic part of factory labor? And, once it has been incorporated into the production process, how many children were employed in these dangerous trades? In 1815, J. C. L. Simonde de Sismonde writes...

The division of labour has conferred a value on operations so simple, that children, from the tenderest age, are capable of executing them; and children, before having developed any of their faculties, before having experienced any enjoyment of life, are accordingly condemned to put a wheel in motion, to turn a spindle, to empty a bobbin. More lace, more pins, more threads, and cloth of cotton or silk, are the fruit of this great division of labour; but how dearly have we purchased them, if it is by this moral sacrifice of so many millions of human beings!<sup>4</sup>

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<sup>2</sup> Malthus, Thomas, "An Essay on the Principle of Population," 1798, chapter 5.

<sup>3</sup> Malthus, Thomas, "An Essay on the Principle of Population," 1798, chapter 18.

<sup>4</sup> Simonde de Sismondi, J. C. L., "Political Economy," 1815, chapter 4.



It was estimated by this economist that there were millions of children working in these dangerous conditions. In another part, he writes, "In some trades, the workmen are obliged to live in mud, exposed to continual nausea; in others, the labour engenders painful and inevitable maladies; several stupify the senses, degrade the body and the soul; several employ none but children, and after introducing into life, abandon to a horrible indigence the being they have formed."<sup>5</sup> In 1816, Robert Owen would publish his treatise on how to reform mankind through education so as to eliminate misery and poverty. Retouching the idea that child labor makes the children deformed, Owen describes one typical mill of England...

But to defray the expense of these well-devised arrangements, and to support the establishment generally, it was absolutely necessary that the children should be employed within the mills from six o'clock in the morning till seven in the evening, summer and winter; and after these hours their education commenced.

[...]

And so it proved; for many of them became dwarfs in body and mind, and some of them were deformed. Their labour through the day and their education at night became so irksome, that numbers of them continually ran away, and almost all looked forward with impatience and anxiety to the expiration of their apprenticeship of seven, eight, and nine years, which generally expired when they were from thirteen to fifteen years old. At this period of life, unaccustomed to provide for themselves, and unacquainted with the world, they usually went to Edinburgh or Glasgow, where boys and girls were soon assailed by the innumerable temptations which all large towns present, and to which many of them fell sacrifices.<sup>6</sup>

The year 1830 marked the delivery of Nassau Senior's lectures on the rate of wages. It was in this university lecture that he spoke to his audience of the conditions of the workers. Here he said, "In Manchester, the manufacturer generally works twelve hours a day; in Birmingham, ten; a London shopman is seldom employed more than eight or nine."<sup>7</sup> He also said, "...a spinner in England will do twice as much as a Frenchman. They get up at four in the morning, and work till ten at night..."<sup>8</sup> Elsewhere, he describes the working conditions of some of the workers, "...the atmosphere of smoke and steam in which they labour for seventy-two hours a week..."<sup>9</sup> In 1877, Robert Green Ingersoll, a marked defender of Freethought and labor rights, would deliver an address in which he described the conditions of some of the workers: "We have seen here in America street-car drivers working sixteen and seventeen hours a day. It was necessary to have a strike in order to get to fourteen, another strike to get to twelve, and nobody could blame them for keeping on striking till they get to eight hours."<sup>10</sup>

The great mass of people were oppressed under the regime of Capitalism. Barely given a chance to eat, their souls were never allowed a chance to breathe. It was under these arduous conditions that they would be forced to live. So when we hear of those appalling living and

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<sup>5</sup> Simonde de Sismondi, J. C. L., "Political Economy," 1815, chapter 7.

<sup>6</sup> Owen, Robert, "A New View of Society," 1816, essay 2.

<sup>7</sup> Senior, Nassau, "Three Lectures on the Rate of Wages," 1830, lecture 1.

<sup>8</sup> Senior, Nassau, "Three Lectures on the Rate of Wages," 1830, lecture 1.

<sup>9</sup> Senior, Nassau, "Three Lectures on the Rate of Wages," 1830, lecture 1.

<sup>10</sup> Ingersoll, Robert Green, "Eight Hours Must Come," 1877.

working conditions, ones which we could not imagine any human being existing in, it is often times from those who were interested in observing the economic actions and reactions of society. Those who were living a hand-to-mouth existence, waking to days of bitter toil and sleeping at nights with empty stomachs and broken hearts — these men, women, and children, were never allowed a moment to sit down and write what they were putting through; while they may write poetry through their brief sighs at work, they never left anything for us that we could use to remember them. They were never allowed the privilege of a happy life, never granted anything beyond the bondage of forced labor. With millions of children employed in these factories, many of them deformed, others with lost limbs, one might ask: “Why is it that the grounds of England are not covered with the tattered papers full of help notes, of suicide messages, of journal entries full of sorrow and still more sorrow — all written by these crushed under the wheels of industry?” The children were illiterate, but then why have we not found the same of the adult worker? The answer is clear... Their lives were so brutal and destructive, towards their mental and physical health, that few efforts were dedicated to extrapolating upon what was commonplace with the masses. There was not enough strength in their hearts to write out the cruel details that made up their existence... and so it is, that up until the late 1800’s, the great deal of information that we uncover on abuse of the workers comes from economists, sociologists, and other high-ranking members of society, instead of the Proletariat. But, in the late 1800’s, things would start to be changing. There would be an enthusiasm in the air, although mostly smothered by the pain that the great amount of people must have endured, there would be a desire to change the way things are. What earlier Socialist and Communist thinkers would theorize on earlier, would become a part of the daily life for these oppressed people... and we start to see, that the information on the conditions of the workers, comes from the hand of the workers themselves.

As well as a coming to consciousness among the classes, the late 1800’s would bring in a great deal of immigration to the United States. In 1893, Ida M. Van Etten would publish an article on Russian Jewish immigrants, she would describe how these new workers would work for lower pay at worse conditions: “In many trades they replaced the miserably paid women by still cheaper labor, while their willingness to work for sixteen or eighteen hours a day rendered them still more obnoxious to American working men and women.”<sup>11</sup> Reaffirming the theory of a subsistence wage, she writes, “In no other had the sweating system been carried to such extremes [in the cloak-making industry]. The wages of a work-day of from sixteen to eighteen hours often failed to supply the necessaries of their miserable existence.”<sup>12</sup> Still she writes, “...in shirt-making alone the length of the working-day five years ago was fourteen hours, and it is now ten hours...”<sup>13</sup> and further still, “The Jew who here becomes the employer of labor has been obliged, perhaps, as a workman in Europe to live upon two or three dollars a week...”<sup>14</sup> There can be no denying that Ida M. Van Etten was a writer for the people, that she put words on to paper to enlighten minds and free bodies, the most noble gestures of all time. In a bit of a longer part, she writes...

During the years 1881 to 1888 wages in the trades principally filled by the Russian Jews rarely rose above five or six dollars a week, while the hours ranged from sixteen

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<sup>11</sup> Van Etten, Ida M., “Russian Jews as Desirable Immigrants,” 1893.

<sup>12</sup> Van Etten, Ida M., “Russian Jews as Desirable Immigrants,” 1893.

<sup>13</sup> Van Etten, Ida M., “Russian Jews as Desirable Immigrants,” 1893.

<sup>14</sup> Van Etten, Ida M., “Russian Jews as Desirable Immigrants,” 1893.

to eighteen, and in the busy season often much longer. I have seen cloak-makers working in the sweaters' shops on the East Side at one or two o'clock in the morning, and members of the Cloak-makers' Union testify that before the formation of the union twenty hours was by no means an uncommon work-day. In fact, there seemed to be no limit to the extent of a day's work, except the limit of physical endurance. The conditions under which these people worked are almost indescribable to one who has never seen a sweater's den. The over-crowding and over-work, the filth and the squalor, and the horrible sanitary surroundings make a picture which must be seen to be understood. Factory laws and the regulations of the Board of Health were entirely ignored. Factory and sanitary inspectors were rare visitors in the sweaters' territory at this time, and it would be hard to picture the misery and suffering of these people, who in fleeing from the persecution of the Czar of Russia had fallen under the iron rule of a multitude of little industrial czars. They had fled from unbearable Old World conditions to sweaters' dens and tenement-houses where human beings are packed more closely than in any other quarter of the globe—a density of three hundred and seventy-four thousand persons to the square mile. In Russia they ate black bread, but they had at least plenty of pure air. In New York also they ate black bread, but they ate it in a poisonous atmosphere.<sup>15</sup>

As the prevalence of sweatshops in the late 1800's would become overly obvious, the U. S. Congress would allocate a committee to investigate as to the causes and the extent of such a system of industry. T. J. Morgan, one of the reporters of this committee, would write in 1893...

This element of cheapness is secured, first, through the use by the sweater of living rooms and dilapidated buildings so undesirable in every respect for living purposes or occupancy by human beings that the expense for use is far below that consequent upon the use of buildings especially constructed for manufacturing purposes. Second, by the employment of the most helpless of both sexes with regard to age or physical condition, for a greater number of hours each day (Sundays included) and at much lower rates of wages than are usual in the regular factory.<sup>16</sup>

In the same year, T. J. Morgan would be asked to testify before the committee on the issue of sweatshops. When asked about the typical employment of sweaters and their laborers, she would reply...

I would describe it that the work is taken out by sweaters. They go to the large firms and make a contract for so much work at such a price, and then they employ men, women, and children and pay their wages at the very lowest, and work them not less than ten hours per day, and some of them work eighteen hours per day, and in many cases on Sunday. In some of these places they board the workers. They are in the habit of hiring one, two, and three rooms. Some of the rooms I measured myself and found them to be 6 by 8 feet.<sup>17</sup>

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<sup>15</sup> Van Etten, Ida M., "Russian Jews as Desirable Immigrants," 1893.

<sup>16</sup> Morgan, T.J., "Reports by Mrs. T. J. Morgan," 1893.

<sup>17</sup> Morgan, T.J., "Testimony of Mrs. T. J. Morgan," 1893.

During the same testimony, she was asked, "Where is this work carried on?" to which she replied, "Some in basements and some in attics."<sup>18</sup> When asked, "Is the work carried on in buildings where they live, or in buildings built for the purpose?" she said, "In tenement houses."<sup>19</sup> She would be asked, "Where people live in the same room?" and she would respond, "In the majority of cases I found that they lived, work, and sleep in the same room."<sup>20</sup> Some of the questions and answers during that same testimony...

Question: "Do they make any distinction between their workroom and their sleeping room?"

Her answer: "No, sir; they work in all."

[...]

Question: "About how large would be a typical sweat shop?"

Her answer: "Some 12 by 14, and some 12 by 16."

Question: "How many people would be employed in a room of the size that you mention?"

Answer: "Perhaps a dozen people. In one room that I found on West Division street, which was 10 by 40, and 8 feet high, there were 39 girls, 11 men, and 12 children, and the sweater and his wife."

[...]

Question: "Now, how about the sleeping arrangements of these people?"

Answer: "In about half a dozen places I would find, when I inquired, that after working hours the beds were made on the floor."

Question: "Were these cases extraordinary, or were they frequent?"

Answer: "I suppose there were six or eight such cases."

[...]

Question: "You mentioned children. To what extent did you find children employed?"

Answer: "I found 12 or 14 places where I found children, out of these 30 places I visited."

Question: "Of what ages were they?"

Answer: "All the way from 9 to 13."

Question: "What sex?"

Answer: "All girls."

[...]

Question: "Have you made any inquiry concerning what previous conditions have been?"

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<sup>18</sup> Morgan, T.J., "Testimony of Mrs. T. J. Morgan," 1893.

<sup>19</sup> Morgan, T.J., "Testimony of Mrs. T. J. Morgan," 1893.

<sup>20</sup> Morgan, T.J., "Testimony of Mrs. T. J. Morgan," 1893.

Answer: "Yes."

Question: "As the result of that inquiry, has that sort of employment under the conditions you have described been increased or decreased in the last five years?"

Answer: "As I understand, it has been increasing."

Question: "Has it increased or decreased within the last year?"

Answer: "Yes, it has increased."

[...]

Question: "How about the sanitary conditions of what you have termed 'sweat shops' with regard to water-closets and running water for washing purposes?"

Answer: "In my investigation of thirty shops I never found one place where there was any place provided to put clothes or wash."

Question: "How about water-closets?"

Answer: "They were very bad."

[...]

Question: "State what occurs to you in regard to the children."

Answer: "I would state that in some places they do not allow children any dinner hour at all, and in several places I found they did not even allow them to eat between working hours—only morning and evening."<sup>21</sup>

During that same testimony, T. J. Morgan would say, "The other room was very much smaller and very dark. Two girls worked in there by lamplight making cigars. In the third room I think six men were working, and that was a room I should judge about 10 by 10. Then I found another one where there was a man and his wife and one child in a very small room."<sup>22</sup> and still, "The law says that every man, woman, and child shall have 500 cubic feet of space to work in, and I find that they only get one-tenth of what the law allows."<sup>23</sup> Also in the year 1893, the Inspection Committee on Manufactures on the Sweating System would complete its initial report. In it, it was written...

At the first place we found a man and his wife and eight children living in two rooms, each 12 by 12, where they ate, slept, cooked, and worked at making children's pants, the new materials cut and sorted for which were found piled up on the bed in the inside room. The two rooms, while they showed every sign of poverty and crowding, were not particularly unclean, the inspector noting that they were better than a few days since, when he had warned them. There were no conveniences for [water] closets, etc., except those in common with others on the same alley, filthy and nauseating beyond description and showing no regard to decency, let alone comfort or cleanliness.

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<sup>21</sup> Morgan, T.J., "Testimony of Mrs. T. J. Morgan," 1893.

<sup>22</sup> Morgan, T.J., "Testimony of Mrs. T. J. Morgan," 1893.

<sup>23</sup> Morgan, T.J., "Testimony of Mrs. T. J. Morgan," 1893.

Right across the alley there was visited the second place which the inspector now discovered for the first time. In two rooms about the same width, but each a little longer than those just visited, was found a man and his wife and four children with several boarders or guests, the latter lying about in a way to indicate that they were decidedly at home. Here clothing was being manufactured, and upon the three beds were piled the goods, cut ready to be made up. The stench and filth of these rooms were such as to make it impossible for members of the committee to remain in them, while the closet arrangements outside were simply a mass of filth.

On the next visit there were found on the second floor a husband, wife, and two children and a boarder, living in two rooms, one about 10 by 18 and another about 10 by 7; and here, also, clothing was being made up and stacked upon the beds. This place was decidedly filthy, but not so repulsive as the one just left.

The next visit was to a place where a man and his wife, three children, a girl cousin, and two employees lived, ate, and slept in a place 18 by 20 feet, divided into three irregular rooms. Here cooking, eating, sleeping, and working were being carried on in the same room, and the materials and finished goods were piled upon the beds and the tables where the food lay. Here filth was such as to be nauseating, and the committee could hardly complete its inspection.<sup>24</sup>

The report of the committee discussed the observations that were seen within this horrible industry, and the horrible effects that it had upon workers and the people in general. Also in the report, it is written...

We next visited two rooms on a third floor, where we found two little girls, say 5 and 8 years old, left alone in a dirty and disordered apartment of two rooms, while their mother and sister were at work in a local concern making up pants. The machine in the room and the general situation of the furniture, etc., showed that the business had been carried on there and upon the same tables where the family ate. Upon inquiry the elder of the little girls said that her mamma and sister each brought home pantaloons to work upon at night. The premises here were very dirty, and the beds and cooking arrangements repulsively so; but yet a most agreeable contrast in order and cleanliness to the worst of those before visited.<sup>25</sup>

Florence Kelley, a woman who would defend the rights of the people and the workers to great extent, would be asked to testify before the committee in the year of 1893. Describing the conditions she found as an inspector, she spoke to the committee...

The first thing which I noticed in my investigation was the uniformity of filthy surroundings. The first afternoon that I entered upon the work, I came upon a home finisher at 98 Ewing street—it was the second Saturday afternoon in June. The woman had on her lap a baby, wrapped in Italian fashion, with a swelling in its neck, which

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<sup>24</sup> Inspection Committee on Manufactures on the Sweating System, "Report of the Committee on Manufactures on the Sweating System," 1893.

<sup>25</sup> Inspection Committee on Manufactures on the Sweating System, "Report of the Committee on Manufactures on the Sweating System," 1893.

the mother told me was a scarlet fever swelling; and spread upon the baby, and partly covering it, and coming in contact with its head, was a cloak, which this mother was sewing, which bore the tag "M.F. & Co." It was being finished for a sweater in the neighborhood. I have kept a record of cases of infectious diseases which I found, and they include seven cases of unmistakable infectious diseases, and those were all in finishers families. It is important to note that there is constantly a doubt expressed as to whether it is possible to limit the work of people at home in their own rooms, and not directly in a shop, and not employing persons who are not members of their own families. Now, I will give you a copy from my note book, which I took at the time; I will give you these seven cases. The first Saturday afternoon in June I found this scarlet fever case at 98 Ewing street. The mother was working alone, and employed no one else, in her own bedroom. At 65 Ewing street, the following week, I found a case, in a Sicilian family, where four children were just recovering from scarlet fever, and cloak making had been carried on continuously throughout the illness. On the second Sunday afternoon in July I found, at 145 Bunker street, a Bohemian customs' tailor, sewing a fine, customs cloak, not more than six feet from the bed; and on this bed his little boy lay dying of typhoid fever, and I ascertained that the child died of typhoid fever the following week. At 128 Ewing street I found a diphtheria notice posted, and the patient suffering on the ground floor, in a rear room, with cloaks being finished in the room in front, and knee pants in the room overhead. At 365 Jefferson street I found a case of measles, with women finishing cloaks in the same room with the patient. This was the case to which Dr. Alderson called my attention. At 136 Ewing street I found two children, Francisco and Mary Sergello, finishing knee pants in their mother's bedroom, while suffering from a most aggravated case of scabies—the itch. This was so aggravated that they had been banished from the childrens' clubs, because it was dangerous for them to come in contact with other children and I saw them rubbing their faces and the scales falling on the clothing that they sewed.<sup>26</sup>

The committee would ask her, "What quality of clothing was that?" in reference to the production of the workers. She would reply...

Very poor clothing. At 11 Polk street, on the 15<sup>th</sup> of September, a child died of malignant diphtheria. The work of cloakmaking and knee pants finishing went on in the room with the patient, and in the adjacent rooms, and I myself saw bundles of knee pants carried out of an adjacent room to the sweaters' shop at 257 Polk street. I think that makes seven cases, and it is of importance to note that none of those cases of infectious diseases was in a sweater's shop, and each of them was in a family where the family alone worked without employing other help. I also observed in the manufacture of plush cloaks and of expensive fur-trimmed cloaks some of the filthiest places which I visited, and those cloaks are wholly incapable of disinfection by pressing, even if pressing were a disinfecting means, because fur cloaks are never pressed, that is fur-trimmed cloaks, and plush cloaks are never pressed; and throughout the time during which my inspection was made it was principally heavy winter cloaks

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<sup>26</sup> Kelley, Florence, "Florence Kelley's Testimony on the Sweating System," 1893.

that I found in process of manufacture among those home finishers. Now, as to the health of the employees, they suffer intensely. The people employed at the sweat shops suffer not only from coming in contact with the clothing which has been finished in the finishers' homes, and from working in ill-ventilated shops, frequently underground, but they also suffer from the excessive speed at which they are compelled to work foot-power machines, and this is true not only of young girls and growing boys, but also of men, in those shops in which any such men are employed. I can't swear that I found in any shop a man able to keep up the regular speed who was over 40 years old. When I inquired as to the age of the employees, I constantly found that the men who looked old and broken-down, and as though they might be well on towards sixty, were early in the thirties. One case which I have since found to be typical came to my attention of a young man about 33, named David Silverman. He had been operating a machine in the ordinary sweaters' shops since he was 14 years old, and was entirely incapacitated by exhaustion from further work. The physicians who examined him agreed in stating that he was suffering from premature old age, and at 33 he was superannuated and wholly dependent upon charity for supporting himself and his five children. I found a large number of cases in which the children were supporting fathers who ranged in age from 38 to 45 years, and were incapacitated purely by reason of having speeded the machine from fifteen to twenty years. The effect of the machine work on young girls and boys was very conspicuous. The effect of speeding machines was seen in the prevailing waxy color of the children's faces, both in the shops and in their homes. I constantly found young people between 15 and 20 who were temporarily disabled by exhaustion, consequent upon speeding their machines; they were weak from exhaustion. So that the poverty of the sweaters' victims results not only from the low wages which they actually receive while at work, but from the fact that the work wears them out so that their earnings are limited to a very few years of their life.<sup>27</sup>

The committee would further ask her, "How about the wages paid in those places?" She would reply...

I found that the wages for girls ranged from nothing to the highest that I found—I found one girl for one week in the height of the season to be working 15 hours a day for seven consecutive days at seam binding, which is the heaviest work in the trade, and is usually done by strong men, she earned \$18. I found an able-bodied girl speeding a machine making knee pants for nothing, and she told me, and the man beside her corroborated her statement, that she had been working three weeks for nothing; and three men in the shop told me that they had earned their places by working six weeks for nothing. In the same shop, at the southwest corner of Jefferson and Taylor streets, on the fourth floor, over a saloon, I found three little girls, who were absolutely illiterate, sewing on buttons and finishing knee pants for nothing. They were said to be learning the trade. The lowness of the wages is further enhanced by the habit of the sweaters of running away, and paying none. A man who is going into the sweating business frequently rents a room for a week, hires

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<sup>27</sup> Kelley, Florence, "Florence Kelley's Testimony on the Sweating System," 1893.



his hands for a week, requires them to supply sewing machines, and gets a contract of work which will employ them about a week. At the end of the week he turns in the goods, gets the money and leaves the neighborhood. In one case, a week after seeing such a sweater in a shop in the 19<sup>th</sup> ward, I found the same sweater working in the same temporary manner in the neighborhood of Dickson street and Milwaukee avenue. I found dozens of cases in which sweaters had moved away and had paid none of the wages which they owed their employees. In one case I found a debt of \$40 to a single family, on the part of a sweater who left in this way and went to Brooklyn. The municipal ordinances are partly incapable of enforcement, and partly unenforced by reason of the inadequacy of the staff, and there is no hope of any improvement in the activity of the board of health by reason of simple agitation of the subject, for agitation has been thoroughly tried during the past year, and the committee has seen the results of it.<sup>28</sup>

Also in the year 1893, Florence Kelley would write a report on the system of sweatshops in the city of Chicago. As an inspector of factories, of which sweatshops were counted as, her words concerning the matter should be taken with high credibility. In her report of the Chicago sweatshops, she wrote, "If an inspector orders sanitary changes to be made within a week, the sweater may prefer to disappear before the close of the week and open another shop in another place. Such easy evasion of the authorities places the sweater almost beyond official control, and many of them overcrowd their shops, overwork their employees, hire small children, keep their shops unclean, and their sanitary arrangements foul and inadequate."<sup>29</sup> And, describing further, she writes, "It is needless to suggest that the sweat-shop districts as they have been described are the natural abodes of disease and the breeding places of infection and epidemics."<sup>30</sup> Further still, she describes the conditions of Chicago workers of the era...

A few examples may be cited illustrating what some of these places are like: In one case several men were found at work pressing knee-pants in a low basement room poorly lighted and ventilated by two small windows. There was no floor in this room, and the people were living on the bare earth, which was damp and littered with every sort of rubbish. In another case seven persons were at work in a room 12 by 15 feet in dimensions and with but two windows. These people with the sewing machines of operators and the tables used by the pressers, so filled this meager space that it was impossible to move about. Charcoal was used for heating the pressers' irons, and the air was offensive and prostrating to a degree. Separated from this shop-room by a frail partition which did not reach to the ceiling was a bedroom about 7 by 15 feet in size, containing two beds, for the use of the family of the sweater. In another instance, in a small basement room which measured only 7 feet 10 inches by 6 feet 6 inches, and without door or window opening to the outer air, a man was at work pressing knee-pants by the light of a very poor gasoline lamp and using a gasoline stove for heating his irons.

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<sup>28</sup> Kelley, Florence, "Florence Kelley's Testimony on the Sweating System," 1893.

<sup>29</sup> Kelley, Florence, "The Sweating System of Chicago," 1893.

<sup>30</sup> Kelley, Florence, "The Sweating System of Chicago," 1893.

One of the principal aims of the sweater is the avoidance of rent. Hence the only requirement for a sweaters' shop is that the structure must be strong enough to sustain the jar of the machines. This condition being filled, any tenement-room is available, whether in loft, or basement, or stable. Fire-escapes in such buildings are unknown; water for flushing closets is rarely found, and the employees are equally at the mercy of fire and disease. Frequently the sweater's home is his shop, with a bed among the machines; or, the family sleeps on cots, which are removed during the day to make room for employees. Sometimes two or three employees are also boarders or lodgers, and the tenement dwelling is the shop; and cooking, sleeping, sewing and the nursing of the sick are going on simultaneously.

A shop was found in which 12 persons lived in 6 rooms, of which two were used as a shop. Knee-pants in all stages of completion filled the shop, the bedrooms and kitchen. Nine men were employed at machines in a room 12 by 14, and there knee-pants were being manufactured by the thousand gross. This is in the rear of a swarming tenement in a wretched street. Sometimes the landlord is the sweater, using his own basement or outhouse for a shop and renting his rooms to his employees for dwellings. Only one case was found in which a tailor, not a sweater, had acquired a house. He is a skilled tailor, still doing "the whole work" at home, assisted by his wife. For nineteen years he has lived and worked in two wretched rear tenement rooms, paying by installments for his house, which is still encumbered. All others in the trade who owned houses were found to be either sweaters or women finishers, whose able-bodied husbands follow other occupations, such as teaming, peddling, ditching, street cleaning, etc.

But the worst conditions of all prevail among the families who finish garments at home. Here the greatest squalor and filth abounds and the garments are of necessity exposed to it and a part of it during the process of finishing. A single room frequently serves as kitchen, bed-room, living-room and working-room. In the Italian quarter four families were found occupying one four-room flat, using one cook stove, and all the women and children sewing in the bed-rooms. For this flat they pay \$10 a month, each family contributing \$2.50 a month. Another group was found consisting of 13 persons, of whom 4 were fathers of families, and 5 were women and girls sewing on cloaks at home. These 13 people pay \$8 per month rent, each family contributing \$2.<sup>31</sup>

The idea that intensive labor is capable of deforming, debilitating, and dwarfing the worker was initially demonstrated in 1798 by Thomas Malthus. I would not be surprised if earlier authors observed the same principle. Describing the debilitating work of sweatshops, Florence Kelley writes...

Observation among sweated people confirms the opinion that a direct consequence of their occupation is a general impairment of health in both sexes; in men the debility takes the form of consumption, either of the lungs or intestines, and of complete

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<sup>31</sup> Kelley, Florence, "The Sweating System of Chicago," 1893.

exhaustion and premature old age; the girls become victims of consumption, dyspepsia, and life-long pelvic disorders. These are the results of the overexertion, bad housing, undernourishment and noxious surroundings common to their calling and condition in life. But in addition to these disabilities they are constantly exposed to the inroads of typhoid and scarlet fevers, and other zymotic diseases. Cases of this kind develop in the tenements and too often have but scant medical or other attendance.<sup>32</sup>

Malthus believed that it was intensive labor on children which dwarfed them, but as Florence Kelley shows, intensive labor on a person of any age is capable of physically debilitating them. She writes...

In the busy season women and girls drive their machines at the greatest possible speed for ten hours a day, under the stimulus of plenty of work and good earnings while it lasts, but it often breaks them down and sends them to the hospital before the season is over. Even men fail rapidly under this strain and are prematurely superannuated. A man who has run a machine from his 12<sup>th</sup> to his 36<sup>th</sup> year, under the conditions prevailing in this trade, aggravated by bad housing, bad food, over exertion during the summer and anxiety during the winter, is now practically an old man. In the shop where he has worked for seven years it no longer pays the sweater to give him room, because his speed and endurance are no longer up to the standard. It is said that there are no men of 45 in the sweaters' shops, not because they have risen out of them, but because they have broken down by reason of them.<sup>33</sup>

Florence Kelley would be appointed as one of the factory inspectors of Illinois. In 1894, she would publish the first annual report of the factory inspectors of Illinois. In it, she writes...

The medical examinations made in this office preliminary to granting health certificates reveal an incredible degree of filth of clothing and person. The children taken from the candy factories were especially shocking in this respect, and demonstrated anew, the urgent need of bathing facilities both in the workingman's home, where bath-tubs seem to be unknown, and in numerous and accessible swimming-baths, where a plunge can follow the day's work.

Boys are found handling candy with open sores upon their hands, and girls wrapping and packing it whose arms were covered with an eruption which is a direct consequence of filth. Boys from knee-pants shops have presented themselves so covered with vermin as to render a close examination almost impossible.<sup>34</sup>

[...]

The reckless employment of children in injurious occupations also is shown in the record of these medical examinations. A glaring example of this is Jaroslav Huptuk, a feeble-minded dwarf, whose affidavit shows him to be nearly sixteen years of age.

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<sup>32</sup> Kelley, Florence, "The Sweating System of Chicago," 1893.

<sup>33</sup> Kelley, Florence, "The Sweating System of Chicago," 1893.

<sup>34</sup> Kelley, Florence, "First Annual Report of the Factory Inspectors of Illinois," 1894.

This child weighs and measures almost exactly the same as a normal boy aged eight years and three months. Jaroslav Huptuk cannot read nor write in any language, not speak a consecutive sentence. Besides being dwarfed, he is so deformed as to be a monstrosity. Yet, with all these disqualifications for any kind of work, he has been employed for several years at an emery wheel, in a cutlery works, finishing knife-blades and bone handles, until, in addition to his other misfortunes, he is now suffering from tuberculous. Dr. Holmes, having examined this boy, pronounced him unfit for work of any kind. His mother appealed from this to a medical college, where, however, the examining physician not only refused the lad a medical certificate, but exhibited him to the students as a monstrosity worthy of careful observation. He was finally taken in charge by an orthoædist, and after careful treatment will be placed in a school for the feeble-minded. The kind of grinding at which this boy was employed has been prohibited in England for minors since 1883, by reason of the prevalence of “grinders’ pthisis” among those who begin this work young.

Another occupation conspicuously injurious to children is the running of button-hole machines by foot-power. As a typical case: Joseph Poderovsky, aged fourteen years, was found by a deputy inspector running a heavy button-holer at 204 West Taylor street, in the shop of Michael Freeman. The child was required to report for medical examination, and pronounced by the examining physician rachitic and afflicted with a double lateral curvature of the spine. He was ordered discharged, and prohibited from working in any tailor shop. A few days later he was found at work at the same machine.<sup>35</sup>

She describes the hazards that existed in the reign of Free Trade: “When the law went into operation, every tin-can and stamping works in Illinois was employing minors under sixteen years of age, at machines known to be liable to destroy the fingers, hands, and even the whole arm of the operator.”<sup>36</sup> Further still, she describes the abuses committed by the industrialist class...

Bennie Kelman, Russian Jew, four years in Chicago, fifteen years and four months old, father a glazier, found running a heavy sewing machine in a knee-pants shop. A health certificate was required, and the examination revealed a severe rupture. Careful questioning of the boy and his mother elicited the fact that he had been put to work in a boiler factory, two years before, when just thirteen years old, and had injured himself by lifting heavy masses of iron. Nothing had been done for the case, no one in the family spoke any English, or knew how help could be obtained. The sight test showed that he did not know his letters in English...

[...]

The working of the law, even in its present inadequate form, is exemplified in its application to the tin-can industry by Norton’s tin-can factory at Maywood. Here a very large number of boys are employed, a score having been found under fourteen years of age. In one part of the factory twenty to thirty boys work upon a shelf

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<sup>35</sup> Kelley, Florence, “First Annual Report of the Factory Inspectors of Illinois,” 1894.

<sup>36</sup> Kelley, Florence, “First Annual Report of the Factory Inspectors of Illinois,” 1894.

suspended between the first and second floors of the building. These unfortunate lads crouch, lie on their sides, sit on their feet, kneel, in short, assume every possible attitude except the normal, straight, sitting or standing posture of healthful employment. Their work consists in receiving pieces of tin sent to them by boys on the second floor, sorting them and poking them into slits in the shelf, whence the pieces of tin are conveyed to the machines on the ground floor for which they are destined. The atmosphere of the room at the height of the shelf is such that the inspector could endure it but a few minutes at a time. The noise of the machinery was so overpowering that it was impossible to make the boys hear questions until after two or three repetitions. The pieces of tin being sharp, the lad's fingers were bound up in cloths to prevent cutting, but in many cases these cloths were found to be saturated with blood.<sup>37</sup>

Beginning October 21, 1893, the factory inspectors of Illinois began prosecuting offenders. Gustav Ravitz, Joseph Kabat, Charles Olsen, John Olson, Oscar Milburn, Morris Weinschenker, and Samuel Weirthermer were charged with employing children under 16 years of age. Edward Klotz, C. Schwanebec, and John Vaska were charged with employing children under 14 years of age.<sup>38</sup> In 1894, Stephen Crane would publish an article describing the conditions under which the coal miners of that time worked. He describes the large amounts of soot that the miners were forced to work with: "Through their ragged shirts we could get occasional glimpses of shoulders black as stoves."<sup>39</sup> He would also identify what was known back then as a legend. The ultimate dream of the miner he describes as, "...to a shattered old man's estate with a mere 'miner's asthma.'"<sup>40</sup> What was miner's asthma? It would be identified and classified by doctors in the next century, later to be called "black lung" — a condition which generally starts with wheezing and shortness of breath, ending in death. In the United States, miners would remain completely unprotected from the condition of black lung for at least another 80 years after this article — even though other nations would institute safety precautions that would prevent anyone from suffering this horrible way of dying. The child labor that was commonplace in the mines was described in this 1894 article...

In a large room sat the little slate-pickers. The floor slanted at an angle of forty-five degrees, and the coal, having been masticated by the great teeth, was streaming sluggishly in long iron troughs. The boys sat straddling these troughs, and as the mass mover slowly, they grabbed deftly at the pieces of slate therein. There were five or six of them, one above another, over each trough. The coal is expected to be fairly pure after it passes the final boy.<sup>41</sup>

The mines of the late 1800's and early to middle 1900's could accurately be described as extensive grave sites. The death that was so commonplace from so many different causes in these mines is described still by Stephen Crane...

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<sup>37</sup> Kelley, Florence, "First Annual Report of the Factory Inspectors of Illinois," 1894.

<sup>38</sup> Kelley, Florence, "First Annual Report of the Factory Inspectors of Illinois," 1894.

<sup>39</sup> Crane, Stephen, "In the Depths of a Coal Mine," 1894.

<sup>40</sup> Crane, Stephen, "In the Depths of a Coal Mine," 1894.

<sup>41</sup> Crane, Stephen, "In the Depths of a Coal Mine," 1894.

These miners are grimly in the van. They have carried the war into places where nature has the strength of a million giants. Sometimes their enemy becomes exasperated and snuffs out ten twenty, thirty lives. Usually she remains calm, and takes one at a time with method and precision.

[...]

There is an insidious, silent enemy in the gas. If the huge fanwheel on the top of the earth should stop for a brief period, there is certain death. If a man escape the gas, the floods, the “squeezes” of falling rock, the cars shooting through little tunnels, the precarious elevators, the hundred perils, there usually comes to him an attack of “miner’s asthma” that slowly racks and shakes him into the grave. Meanwhile he gets three dollars per day, and his laborer one dollar and a quarter.<sup>42</sup>

The working conditions of these mines, their lack of safety and precautionary devices, not only made them a hazard to the workers, but it made work there brutal and harsh. Filled with struggle and discontent, the lives of these workers were oftentimes short, and always bitter Stephen Crane writes...

Meanwhile they live in a place of infernal din. The crash and thunder of the machinery is like the roar of an immense cataract. The room shrieks and blares and bellows. Clouds of dust blur the air until the windows shine pallidly afar off. All the structure is a-tremble from the heavy sweep and circle of the ponderous mechanism. Down in the midst of it sit these tiny urchins, where they earn fifty-five cents a day each. They breathe this atmosphere until their lungs grow heavy and sick with it. They have this clamor in their ears until it is wonderful that they have any hoodlum valor remaining.<sup>43</sup>

It would be in the late 1800’s that the U.S. judicial system finally recognized the right of workers to gather for self-interest purposes. Up until this time, workers who attempted to organize were often murdered or imprisoned by the government. It was around this time, in July of the year 1897, that M. E. J. Kelley would write an article on the activities of unions. He estimated that around this time, four fifths of all the clothing made in the United States was made in unhealthy, unsafe conditions, according to 1890’s standards.<sup>44</sup> It was in the late 1800’s that immigration would soar in the United States. Kelley describes the conditions that immigrants brought...

It originated with the cigarmakers, who used it at first on the Pacific Coast in the later seventies as a means of protection against Chinese industry, which was flooding the California markets with cigars and threatening to drive the white cigarmakers to starvation wages in order to compete with it. The feeling against the Chinese was particularly strong just then, and an appeal was made to the smoking public on aesthetic and sanitary, as well as ethical, grounds. Men were urged not to purchase goods made by leprous Chinese under all sorts of unhealthful conditions, but instead

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<sup>42</sup> Crane, Stephen, “In the Depths of a Coal Mine,” 1894.

<sup>43</sup> Crane, Stephen, “In the Depths of a Coal Mine,” 1894.

<sup>44</sup> Kelley, M.E.J., “The Union Label,” July 1897.

to buy the products of well-paid white citizens employed at living wages in decent shops.<sup>45</sup>

In 1898, in an article defending the Russian Jewish immigrants, Abraham Cahan wrote, “The Russian-speaking population is represented also in the colleges for women. There are scores of educated Russian girls in the sweat-shops, and their life is one of direst misery,—of overwork in the shop, and of privations at home.”<sup>46</sup> In a fragment that I estimate to be written sometime around 1900, Mikhail Bakunin writes...

The savings of workers are fairy tales invented by bourgeois economists to lull their weak sentiment of justice, the remorse that is awakened by chance in the bosom of their class. This ridiculous and hateful myth will never soothe the anguish of the worker. He knows the expense of satisfying the daily needs of his large family. If he had savings, he would not send his poor children, from the age of six, to wither away, to grow weak, to be murdered physically and morally in the factories, where they are forced to work night and day, a working day of twelve and fourteen hours.<sup>47</sup>

In another undated document, which I suspect to be composed around the year 1900, there is a report of the Tenement House Committee, of the Working Women’s Society. In it, there are descriptions of the working conditions of some of those working in sweatshops: “Second floor, a pair of second hand clothing for the store below. This man was assiduously making over clothes, while the floor was covered with rags and ashes in some places two or three inches deep.”<sup>48</sup> In 1902, John McDowell wrote an article on the horrors that faced coal miners in that era. Child labor was an intrinsic part of the industry, that reformers furiously worked to end. In this article, he writes...

“I’m twelve years old, goin’ on thirteen,” said the boy to the boss of the breaker. He didn’t look more than ten, and he was only nine, but the law said he must be twelve to get a job. He was one of a multitude of the 16,000 youngsters of the mines, who, because miners’ families are large and their pay comparatively small, start in the breaker before many boys have passed their primary schooling... He gets from fifty to seventy cents for ten hours’ work. He rises at 5:30 o’clock in the morning, puts on his working clothes, always soaked with dust, eats his breakfast, and by seven o’clock he has climbed the dark and dusty stairway to the screen room where he works. He sits on a hard bench built across a long chute through which passes a steady stream of broken coal. From the coal he must pick the pieces of slate or rock.

[...]

Sitting on his uncomfortable seat, bending constantly over the passing stream of coal, his hands soon become cut and scarred by the sharp pieces of slate and coal, while his finger nails are soon worn to the quick from contact with the iron chute. The air

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<sup>45</sup> Kelley, M.E.J., “The Union Label,” July 1897.

<sup>46</sup> Cahan, Abraham, “The Russian Jew in America,” 1898.

<sup>47</sup> Bakunin, Mikhail, “The Capitalist System,” Date Unknown.

<sup>48</sup> Working Women’s Society, “Report of the Tenement House Committee,” Date Unknown.

he breathes is saturated with the coal dust, and as a rule the breaker is fiercely hot in summer and intensely cold in winter.<sup>49</sup>

It would, in fact, be marginally difficult to find any document of this time in which the author promoted, or even condoned, the tragedy that was the mining industry. Speaking of the boys in the mines who held the position of driver boys, John McDowell writes again, "These boys are in constant danger, not only of falling roof and exploding gas, but of being crushed by the cars. Their pay varies from \$1.10 to \$1.25, from which sum they supply their own lamps, cotton and oil."<sup>50</sup> Finally, McDowell writes...

The work of the door boy is not so laborious as that in the breaker, but is more monotonous. He must be on hand when the first trip of cars enter in the morning and remain until the last comes out at night. His duty is to open and shut the door as men and cars pass through the door, which controls and regulates the ventilation of the mine. He is alone in the darkness and silence all day, save when other men and boys pass through his door. Not many of these boys care to read, and if they did it would be impossible in the dim light of their small lamp. Whittling and whistling are the boy's chief recreations. The door boy's wages vary from sixty five to seventy five cents a day, and from this he provides his own lamp, cotton and oil.

[...]

As a rule he [a laborer working in mines] rises at five A.M.; he enters the mine shortly after six. In some cases he is obliged to walk a mile or more underground to reach his place of work. He spends from eight to ten hours in the mine. Taking three hundred days as the possible working time in a year, the anthracite miner's daily pay for the past twenty years will not average over \$1.60 a day, and that of the laborer not over \$1.35.

His dangers are many. He may be crushed to death at any time by the falling roof, burned to death by the exploding of gas, or blown to pieces by a premature blast. So dangerous is his work that he is debarred from all ordinary life insurance. In no part of the country will you find so many crippled boys and broken down men. During the last thirty years over 10,000 men and boys have been killed and 25,000 have been injured in this industry. Not many old men are found in the mines. The average age of those killed is 32.13.<sup>51</sup>

Other authors of the time era would comment on the condition in which the coal miners were forced to work in. In 1902, Margaret Robinson Blake would write, "The men who live at a distance from the mines go to work every morning in a railroad car especially run for them by the mining company. It is a dirty, grimy car, inhabited temporarily by as dirty looking a lot of men as can be found outside the realm of 'Dusty Rhodes' and 'Weary Walker.'"<sup>52</sup> Also in this article, it describes the frequency of death among this branch of workers...

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<sup>49</sup> McDowell, John, "The Life of a Coal Miner," 1902.

<sup>50</sup> McDowell, John, "The Life of a Coal Miner," 1902.

<sup>51</sup> McDowell, John, "The Life of a Coal Miner," 1902.

<sup>52</sup> Robinson, Margaret Blake, "Among the Coal-Miners," 1902.



Accidents are so frequent that a miner's wife said to me: "A natural death is such a strange thing here that when one hears that So and-So is dead, they ask at once, 'When was he killed?'"

This being true, it would seem that there would be a leaning to religious things among the men, but, on the contrary, they become so inured to danger that the fear of death has no terrors for them—they live in the midst of it; it is a common visitor, almost as well known as the time keeper and cashier who appear with their accounts every week.<sup>53</sup>

In 1902, George S. Boutwell would publish an article with the radical title of, "The Enslavement of American Labor." In it, he defends the rights of American and international workers to be free from repression as much as they should be free from want and starvation. He describes outsourcing, a process where American manufacturers move to countries where wages are typically lower. This would become a more popular method of decreasing the value of the labor market, instead of immigrants coming to the country. Though outsourcing is believed to be a new idea, it may very well be true that it has only become widely popular in the modern era. Boutwell writes: "...producers who can employ laborers who can live on foods that are less expensive than the meat and breadstuffs which American laborers require and which they are accustomed to consume, who do not need fuel nor clothing for warmth, and whose wages are less than sixty percent of the wages which are now paid to American laborers."<sup>54</sup> He also describes poor conditions among American workers. Proceeding the American annexation of Cuba and the Philippines, he writes, "Scanty wages for the laborers of America, reduced incomes for the producing classes, and for the youth enforced military service in foreign lands, and burdensome taxation for all those who may remain at home."<sup>55</sup>

The next year would come around, things still hadn't changed. In fact, they had only moved forward by an inch. It was the slow and grudging pace that the American political system was set to. In 1903, Ernest Poole did an investigation into child labor in the newspaper selling business. He writes, "In New York today there are some five thousand newsboys."<sup>56</sup> He personally talked with many of the newsies to discover the facts. One child, he writes, "...had begun selling papers when eight years old..."<sup>57</sup> It was later discovered that when war had broken out, newsboys had applied to the military service, though they were sometimes 4 or 5 years younger than required. Poole describes this: "From the Newsboys' Home ten went to Cuba in the late war, swearing they were of age, and I know of two more who returned last year from the Philippines."<sup>58</sup> An article that appeared in a 1903 Chicago Tribune upheld the idea that labor for children could benefit them, if it wasn't cruel or destructive — that, if they don't even learn a skill, at least they learn some moral values. It states, "It is another thing to take a child and work it for 12 hours a night at a clattering machine, which forces the child to keep pace with its own cruel speed, which teaches the child nothing but a single mechanical movement, and which in the course of

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<sup>53</sup> Robinson, Margaret Blake, "Among the Coal-Miners," 1902.

<sup>54</sup> Boutwell, George S., "The Enslavement of American Labor," 1902.

<sup>55</sup> Boutwell, George S., "The Enslavement of American Labor," 1902.

<sup>56</sup> Poole, Ernest, "Newsboy Wanderers Are Tramps in the Making," 1903.

<sup>57</sup> Poole, Ernest, "Newsboy Wanderers Are Tramps in the Making," 1903.

<sup>58</sup> Poole, Ernest, "Newsboy Wanderers Are Tramps in the Making," 1903.

a few years changes the child, despite all original possibilities, into a shaken, rickety, unskilled incompetent.”<sup>59</sup> In a longer section, the article reads...

“K. D.” interviewed a little girl working in a silk factory. The little girl was hypothetically and by affidavit 13 years of age. Her observations are worth more than many sermons. She said:

“When I first went to work at night the long standing hurt me very much. My feet burned so that I cried. My knees hurt me worse than my feet, and my back pained all of the time. Mother cried when I told her about it. So I didn’t tell her any more. It does not hurt me so much now. But I feel tired all the time. I do not feel near so tired, though, as I did when I worked all night. My eyes hurt me, too, from watching the threads. The doctor says my eyes will be spoiled if I work at night. After I have watched the threads I can see threads everywhere. When I look at other things there are threads running across them. Sometimes I think the threads are going to cut my eyes.”<sup>60</sup>

The Socialist and Communist movement, as well as all movements that held the strong and bold idea of Worker Solidarity, would finally make some progress in these early years. Though the opponents they faced were as strong as ever, a slow and unmoving public would finally start listening to their reason. A law was passed requiring all children to have an affidavit to be employed. Fred S. Hall describes a typical scene of children obtaining this affidavit with the end of school: “For four, five, and in some cases, six hours, they stood there — two hundred children crowded into a superheated room intended for less than fifty.”<sup>61</sup> A law that was intended to help children had, for this very scene, made things harder on them. I do not think that any universal rule about reform or politics, though, can be deducted from this one example, or any one example. Hall describes the labor that children will be forced to endure: “...they are released, but for what? — released in nearly five thousand cases in the borough of Manhattan in order to work ten hours a day in factories and stores throughout the hot summer months.”<sup>62</sup> On August 22<sup>nd</sup> of 1903, a group of physicians, known as the American Institute of Homoeopathy, would pass resolutions against child labor. In the article published in *Charities*, they stated, “The employment of children interferes with their education, arrests their normal physical development, causes disease, frequently undermines their constitutions and leads to premature age and early death; it is, therefore, a menace to the public health and to the prosperity of the working people.”<sup>63</sup> Again, we are forced to observe the idea that intensive physical labor on children will deform and dwarf them. It was something that was commonly known among every laboring family for more than a century. And only now, it is recognized by a qualified group of physicians. Even with their recognition of it, the cruelty of child labor would still go on for more than decades.

Even with the widespread knowledge of the sweatshops, they still were maintained as an intrinsic part of the economy of the early 1900’s. In 1905, Annie S. Daniel composed an article describing the awful conditions of these sweatshops. She writes, “In the busy season a woman

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<sup>59</sup> Chicago Tribune, “Childhood’s Golden Dreams,” 1903.

<sup>60</sup> Chicago Tribune, “Childhood’s Golden Dreams,” 1903.

<sup>61</sup> Hall, Fred S., “A Child Labor Commencement Day,” 1903.

<sup>62</sup> Hall, Fred S., “A Child Labor Commencement Day,” 1903.

<sup>63</sup> *Charities*, “Physicians Pass Resolutions on Child Labor,” *Charities* 11 (Aug. 22, 1903).

will frequently not have more than five hours rest in the twenty-four.”<sup>64</sup> Child labor is still an instrumental part of it, as well. She writes further, “Children over 8 years of age who attend school begin work immediately after school hours, and frequently work until late at night, and on Saturdays and Sundays.”<sup>65</sup> In a longer section, she writes...

“Home” as pictured in sentimental songs and stories was in extreme contrast with filthy dark tenements on the East Side. Here crowded rooms doubled as places to both live and earn needed income. Mothers enlisted the youngest children as helpers to put finishing stitches into garments and finery that was manufactured elsewhere and sold uptown to the rich.

[...]

The workers, poor, helpless, ignorant foreigners, work on in dirt, often in filth unspeakable, in the presence of all contagious and other diseases, and in apartments in which the sun enters only at noon or never at all... During the summer, and then only for about two hours, daylight (not sunlight) came in. This daylight lasted two months and for this place of three air-shaft rooms, ten dollars per month was paid. Three years of life in this apartment killed the woman. The finishers are made up of the old and the young, the sick and the well. As soon as a little child can be of the least possible help, it must add to the family income by taking a share in the family toil. A child 3 years old can straighten out tobacco leaves or stick the rims which form the stamens of artificial flowers through the petals. He can put the covers on paper boxes at four years. He can do some of the pasting of paper boxes, although as a rule this requires a child of 6 to 8 years. But from 4 to 6 years he can sew on buttons and pull basting threads. A girl from 8 to 12 can finish trousers as well as her mother. After she is 12, if of good size, she can earn more money in a factory. The boys do practically the same work as the girls, except that they leave the home work earlier, and enter street work, as peddlers, bootblacks, and newsboys. I have seen but two children under 3 years of age working in tenements, one a boy 2 1/2 years old who assisted the mother and 4 other children under 12 years in making artificial flowers. The other, and extraordinary case of a child of 1 1/2 years, who assisted at a kind of passementerie.<sup>66</sup>

Prejudice was still a part of the policy practiced by those early Capitalists. Annie Daniel describes: “The average weekly income from the man’s work was \$3.81. [But...] The actual amount of money which the women earned averaged \$1.04 per week.”<sup>67</sup> As much as child labor was an important part of the production process in sweatshops, by what age would one think that children begin laboring? When we hear of numbers like 8 years old, or 9 years old, or 10 or 11 years old, we are horrified that such a life could so early on be sacrificed for the sake of profit. But, no, a child who started labor at the years of 8 years old has had some luck in their life, as it was commonplace for children from age 3 to start working in sweatshops. Daniel writes again, “A Child from 3 to 10 or 12 years adds by its labor from 50 cents to \$1.50 per week to the family

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<sup>64</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

<sup>65</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

<sup>66</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

<sup>67</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

income. The hours of the child are as long as its strength endures or the work remains. A child 3 years old can work continuously from 1 1/2 to 2 hours at a time; a child 10 years old can work 12 hours.”<sup>68</sup> Finally, Daniel writes...

The sick as long as they can hold their heads up, must work to pay for the cost of their living. As soon as they are convalescent they must begin again. The other day a girl of 8 years was dismissed from the diphtheria hospital after a severe attack of the disease. Almost immediately she was working at women’s collars, although scarcely able to walk across the room alone.

[...]

The particular dangers to the child’s health are such as can be induced by the confinement in the house, in an atmosphere always foul. The bad light under which the child works causes a continual eye-strain, from the effects of which the child will suffer all its life. The brain of the child under 8 years of age is not developed sufficiently to bear fixed attention. Hence it must be continually forced to fix its attention to the work and in doing this an irreparable damage is done to the developing brain.

[...]

The women usually begin about 5 A.M., taking a cup of coffee, working steadily without stopping from 4 to 6 hours. When the work must be finished at a fixed time, they usually work until midnight or until 1 or 2 A.M.; nothing will be allowed to interfere with it. I frequently make a medical visit during which the work is not stopped one minute. Recently I told a woman to stop her work on paper boxes long enough to get me a spoon and towel. She said that it was absolutely impossible to stop a minute. Unless the work was at the factory at a certain hour, she could not get the money needed to pay the month’s rent, then over-due.

[...]

The amount of pay received varies with the kind of work, from 1 1/2 cents an hour to 10 cents—very rarely more. The little children, according to their ages, earn from 50 cents to \$2.00 per week. A girl of 10 to 12 years can earn as much as a woman at certain kinds of work...

[...]

We have a new law recently in effect which provides that the tenement-house must be licensed for home-work and not the apartment. After an inspection by the labor inspector and consultations with the health department, if everything is found in good order, the owner is given a license. This shall be (the law does not say must be) posted in the public hall on the entrance floor of the building and the buildings be inspected every six months at least. I have a list of tenements licensed by the Labor Bureau in my neighborhood. I have been in 38 of these houses. The license was posted in 12.<sup>69</sup>

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<sup>68</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

<sup>69</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

Also in the year of 1905, R. R. Wright Jr. would do a study on the conditions of industrial unrest. When strikes for better conditions rose up constantly, the class of people used as strike-breakers, or “scabs,” were described as, “...women, girls and men ...”<sup>70</sup> The discrimination of the Capitalists of this era was commonplace. Wright describes: “Yet it still remains that in times of industrial peace the more desirable places are closed against Negroes, either because the employers will not hire them or the men will not work with them.”<sup>71</sup> and elsewhere he further writes, “Often an employer did not employ a Negro simply ‘because he had never had any’ or ‘because he preferred whites,’ or because at some time in the past he had had some trouble with an individual Negro.”<sup>72</sup> Finally, he describes in a slightly longer section abuses committed against the wage-earning class...

The next great struggle in which Negroes were engaged was the stockyards’ strike. On Tuesday, July 12, nearly fifty thousand men, many of whom were Negroes, stopped work at the command of Michael Donnelly, president of the Amalgamated Meat Cutters and Butcher Workmen, who had organized the stockyards’ unions and who conducted the strike. The grounds for the strike were the refusal of the packers to grant to the unskilled men a minimum wage of eighteen and one-half cents per hour, and an equalization of the wages of skilled men. The strike was general in the West and involved all the large houses.<sup>73</sup>

Still describing the prejudices of the era, John Daniels writes in 1905, “None of the department stores, for instance, ever employ Negro salesmen or saleswomen, for this reason.”<sup>74</sup> The wages of the workers, particularly the laborers of the lowest class, would be paid horrendously. In 1906, J. W. Hart writes...

The men who work for fifteen cents an hour at uncertain employment cannot give their children that which every child is entitled to. Those of us who receive “good wages” cannot do it. The articles on the care of children ... have no value to poor people. It is mockery to tell such men to give their children fresh air and sunshine, fresh milk and eggs, fresh fruit and vegetables — how can the ill-paid men buy anything fresh?<sup>75</sup>

Mary Sherman would write an article describing the living conditions of children in poverty in 1906, writing, “A young girl, living on Madison street, worked in one of these factories twelve hours a day during the Christmas rush. Her regular hours are from 7.15 to 5.45, with half an hour at noon, making a ten-hour day. In addition to this work in the factory, she does work at home at night with the help of her mother and aunt.”<sup>76</sup> In an article published in a 1906 to 1907 journal volume, Mary Van Kleeck writes of working women, “While they faced similar long hours and dangerous working conditions as men did, the fact that many played a second role as

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<sup>70</sup> Wright, R. R., Jr., “The Negro in Times of Industrial Unrest,” 1905.

<sup>71</sup> Wright, R. R., Jr., “The Negro in Times of Industrial Unrest,” 1905.

<sup>72</sup> Wright, R. R., Jr., “The Negro in Times of Industrial Unrest,” 1905.

<sup>73</sup> Wright, R. R., Jr., “The Negro in Times of Industrial Unrest,” 1905.

<sup>74</sup> Daniels, John, “Industrial Conditions Among Negro Men in Boston,” 1905.

<sup>75</sup> Hart, J.W., “The Church and Workingmen,” 1906.

<sup>76</sup> Sherman, Mary, “Manufacturing of Foods in the Tenements,” 1906.

mothers — or would be mothers in the future — generated special concern for the physical and moral abuse they experienced.”<sup>77</sup> In New York City, there were 130,000 women working, and a total of 39,000 factories. But, the working conditions of these places were unbearable. Van Kleeck further describes the working conditions of women in the early 1900’s: “Do you realize that many of them stand all day at work, many operate dangerous machines, many work in air laden with steam or dusty fiber, many work in dark, dirty, ill-ventilated rooms, all work at a high pressure of speed?”<sup>78</sup> Again in the examination of the factories and industries of this Capitalist “utopia,” we find that child labor runs rampant. Van Kleeck offers her observations: “...it is by no means uncommon to find young girls in the factories of New York working twelve, thirteen, even fourteen hours in a day.”<sup>79</sup> In general she further describes the work that these New York wage-earners were forced to endure, “Ten hours make a long day spent in watching and feeding a needle which sets 4,000 stitches a minute; or treading in standing position the pedals of an ironing machine.”<sup>80</sup>

I use the phrase “forced to endure.” Is this a just phrase to use? Am I being biased towards the worker and am holding prejudices of my own against the Capitalist class? Or, as an American patriot may utter, does not each person have the right to enter into any contract that they wish? The sad but honest answer is a no: we are not free, we do not have these rights. So long as we are under the constant threat of starvation, we must submit to those who will alleviate this threat — and while death would be so much more alleviating than living the life that Capitalists have provided for the workers, it is by human nature that these people have given in to the demands of the Capitalist. It was this principle of a subsistence wage that I demonstrated in the previous chapter, that we are really now seeing its effect on the population. A person can argue all that they will, but the observations of a thousand sociologists, the pages of every history book, and the words of the downtrodden workers do not lie: to live a life through a subsistence wage has created such tragedy and horror — it has made it difficult for the educated world to sleep knowing what has happened and gone unrecompensed. Mary Van Kleeck describes the conditions under which little girls were forced to labor in...

They begin work at eight in the morning,

They do not stop working until ten o’clock at night.

They have a half-hour for dinner and a half-hour for supper, Thirteen hours a day—  
seventy-eight hours a week,

Wages—\$6.00 a week.

They would “probably” be discharged if they refused to work overtime.

On the back of the report were these words: “girl is at home—tired out—has a bad  
cough.”<sup>81</sup>

In observing the injustice of these industrial conditions, reformers of every persuasion worked to end the brutality. The great deal of church leaders were unknown of these cruelties, and those

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<sup>77</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” 1906–1907.

<sup>78</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” 1906–1907.

<sup>79</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” 1906–1907.

<sup>80</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” 1906–1907.

<sup>81</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” 1906–1907.

who were absent-minded but still knew of them, placed the blame on society's lack of piety — while every good person, found in every religious and social group, has worked to end the way things are. Laws were passed in the late 1800's to limit work to sixty hours a week. However, Mary Van Kleeck describes the practice of this...

The story is brief in the telling but long and burdensome in the living. Seventy-eight hours are eighteen hours longer than sixty, and the sixty hours law is twenty years old. Yet in December, 1905, the Factory Department writes:

Yours of the 18<sup>th</sup> instant, calling my attention to violations of the sixty hour a week law is received. \* \* \* It is impossible to even estimate the number of offenders, but I would place them between 5,000 and 10,000 in this city.<sup>82</sup>

The law was impotent to be imposed. Law enforcement was intent on catching the thief who stole bread, because the working conditions were too burdensome on him. For the Capitalist, a fine would be imposed, but for a Proletarian, a lifetime prison sentence was enforced. Mary Van Kleeck describes further other working conditions of the poor workers...

In a paper-box factory in New York city a girl operates the cutting machine. To keep one's hands clear of the stroke of the knife requires constant watchfulness, yet no protection is provided. The guard which was invented to prevent accidents limits the output by one-half, and if this girl did not remove it she would lose her position because she would be too slow to make her machine profitable to her employer. During the rush season, which lasts several months, this girl and all the others in the factory (they number three to four hundred) work from 7:45 in the morning until 8 at night, with a half hour for lunch and no time for supper. This continues every day in the week except Saturday, when they stop at 4:30 in order that the most poorly paid girls (who earn \$2.50 a week) may have time to clean the machinery. They frequently work on Sunday, making a total of more than seventy hours a week. To the question, "Would you be discharged if you refused to work overtime?" the answer was, "Yes." The danger to this girl from a working day of nearly twelve hours lasting through several months is manifest.

[...]

Last January a theatrical company ordered costumes to be made by a dress-maker in the shortest possible time. Through the week the girls who were filling the order did not leave the work-room until eight or nine at night but when Saturday morning came the costumes were still far from finished. Work began at eight o'clock; at noon the girls took their usual half hour for lunch; when evening came they were given only a few minutes for supper, hastily eaten while sewing. At midnight the mother of one of the girls went to the shop to see whether her daughter was still there. She was told to go home; that the girls must stay until the order was finished. It was not until half-past two Sunday morning that they left the work-room after a "day's" work of eighteen hours.

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<sup>82</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.

In the making of these actresses' costumes there were at least two violations of the law— work was done on Sunday, and women were employed after nine o'clock at night. It is concerning such violations as this that Commissioner Sherman in his report dated January 3, 1906, said: "The provision prohibiting night work is openly violated especially in the employment of women over twenty-one, and the department has feared to test this particular prohibition because it is so closely joined with the prohibition of night work by male and female minors, that in case of an adverse decision, both prohibitions might be held to fall together."<sup>83</sup>

Just how many female workers were abused under this system of Free Trade in the United States? Mary Van Kleeck writes, "We have more than five million women in industry in the United States and they are multiplying year by year. Yet we have no settled policy to guide their welfare."<sup>84</sup> She further writes, "Many factories are as badly built, as dark, unsanitary and unwholesome, as the worst tenement. More is the pity that in so many cases the same individuals should live in the one and work in the other!"<sup>85</sup> and "It is widely known that in New York women are in binderies which make a regular practice of all-night work. Such violations are easy to discover; a single visit from an inspector after nine o'clock is sufficient."<sup>86</sup> And, again she writes...

They work overtime "all year around." They begin work at 8 o'clock in the morning. They do not stop work until 11 or 12 o'clock at night. On Saturday they work until 9:30. They have a half-hour for lunch and a half-hour for supper. They work overtime four days in the week -stopping at 5:30 two days. They would be discharged if they refused to work overtime.

[...]

In a laundry which forms part of a certain factory in New York city there are several machines used for ironing white coats such as worn by barbers. The machines consists of two rollers- one the ironing board the other, heated by rows of gas jets within, serving as the iron. Each of these rollers is connected with its own pedal. The girls stand on small platforms, from which they step first upon one pedal with the right foot and then upon the other pedal with the left foot- pressing heavily in order to iron smoothly. One cent is the price paid for each coat ironed. Many hundred times between morning and evening must each girl tread her pedals in order to grind out her wage for the day. To stand all day at work, according to the testimony of physicians, involves great danger to the health of women. What than must be the danger of this constant treading, in a room where the air is laden with steam?

[...]

The laundries which do "custom work" are notorious for long and irregular hours, many of them claiming that work must be finished regardless whether women lift and sort heavy wet clothes in a steam-filled atmosphere all day and a large part of

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<sup>83</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.

<sup>84</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.

<sup>85</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.

<sup>86</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.



the night. In view of this claim, interest attaches to the recent testimony of a laundry owner, who told a member of the Women's Trade Union League that until last spring he had "been obliged" to work his employees overtime.<sup>87</sup>

What we are finding again and again is a repetition of facts. The workers are forced to work 12 to even 20 hours a day, some of them children, in conditions which may maim and debilitate them. Finally, Van Kleeck writes...

Last winter a young girl scarcely sixteen years old was receiving regular treatment from a tuberculosis clinic in one of the New York hospitals. She had been sent away to a sanatorium and had returned with a fair chance of recovery. Missing her from the clinic, the nurses investigated and found her working eleven to twelve hours a day in a lithographing house. Each day was striking a larger fraction away from her chance of cure.

[...]

Back of factory conditions are homes with poor nutrition, dark rooms, impure air, dense crowding. And in many factories where women work are the same conditions—overcrowding, impure air, bad light. Added to these is the strain of work. Machines are run by steam or electricity; their speed cannot be regulated by the operator...

[...]

...some employers in that state [Illinois] kept women working during the night, sending young girls home through the streets at three and four o'clock in the morning in the city of Chicago. Others took advantage of their freedom of contract and lengthened their working day until they met an unexpected limitation of time through the fainting of several employees.<sup>88</sup>

In March of 1906, George W. Alger wrote a treatise defending the rights of laborers, their right to live and work without the fist of oppression constantly putting fear into them. He describes one case that would in fact turn the heart of the coldest man: "...the case of a girl whose hand was caught in the wheels of a dangerous machine and so mangled that it was necessary to cut off her arm at the shoulder. The accident was directly due to a violation by the employer of the statute which requires safety guards on this machinery."<sup>89</sup> Lewis E. Palmer was a tenement inspector of the early 1900's, where new legislation came about to try and change society. He describes a day in his life...

Next door to his "apartments," supported on one side by the wall of his building, was a miserable shack in front of which seated on old boxes were three women and two children, working over a pile of dirty rags, separating the woolen from the cotton material. The air was filled with dust from the clothes. One of the women was holding a nursing child that did not seem to mind the incessant jerking, as its

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<sup>87</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.

<sup>88</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.

<sup>89</sup> Alger, George W., "Some Equivocal Rights of Labor," *Atlantic Monthly*, March, 1906. Quoted in: Van Kleeck, Mary, "Working Hours of Women in Factories," 1906-1907.

mother ripped the rags apart. None of the workers looked up, as the pile must be finished before night. Here was a sample of the neighborhood life, and it could be imagined what the tenement might be like, even if it was a “new law” building.<sup>90</sup>

In 1908, Mary Van Kleeck would write another article, this one criticizing the widespread abuses of child labor in New York City tenements. She would describe the condition as it existed there...

In the most thickly populated districts of New York City, especially south of Fourteenth street, little children are often seen on the streets carrying large bundles of unfinished garments, or boxes containing materials for making artificial flowers. This work is given out by manufacturers or contractors to be finished in tenement homes, where the labor of children of any age may be utilized. For the laws of New York state, prohibiting the employment of children under fourteen years of age in factories, stores, or other specified work-places, have never been extended to home workrooms.

[...]

No maker of artificial flowers can employ in his factory any child under fourteen years of age, but he may give out work to an Italian family, in whose tenement rooms flowers are made by six children, aged two and one-half, five, eight, ten, fourteen and sixteen years. In another family Angelo, aged fourteen years, cannot work legally in a factory until he reaches a higher grade in school, nor can he work at home during hours when school is in session, but his little sister Maria, aged three years, because she is not old enough to go to school and because the home work law contains no prohibition of child labor, may help her mother pull bastings and sew on buttons. A public school teacher notices that Eva and Mary R., aged eleven and ten years, are pale and under-nourished, but although the compulsory education law supports her in requiring their attendance in school during school hours, she cannot prevent their making flowers at home from three o'clock until nine or ten at night. Many good citizens would demand the prosecution of a manufacturer who employed in his factory Tony aged four years, Maria aged nine, Rose aged ten, Louisa aged eleven, and Josephine aged thirteen years. For such an offense the employer might be fined \$100 for each child under fourteen years of age found at work in his factory. Yet public has not raised an effective protest against the same employer when he turns these children's home into a branch of his factory and gives them work in which even the smallest child in the family joins through long hours under a necessity as imperious in its demand for the constant work and attention of the child as would be the commands of a foreman in a factory.<sup>91</sup>

Elsewhere in the same article, we should describe the condition of another child, writing, “Another, although of school age, has been kept at home more or less regularly throughout the day, to make flowers or pull bastings.”<sup>92</sup> The word was so difficult and tiresome on the children, that

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<sup>90</sup> Palmer, Lewis E., “The Day's Work of a ‘New Law’ Tenement Inspector,” 1906–1907.

<sup>91</sup> Van Kleeck, Mary, “Child Labor in New York City Tenements,” 1908.

<sup>92</sup> Van Kleeck, Mary, “Child Labor in New York City Tenements,” 1908.

it leached away their vitality. Van Kleeck writes again: "On the top floor of a licensed house on Sullivan street two children, Angelina aged eleven years, and Katharine aged eight years, were at work helping an older sister make roses at eight cents a gross... Of Katharine, the younger, the teacher said, 'The child is very sleepy during school hours.'"<sup>93</sup> And elsewhere still, "So small was the pay for flowers that she forced her two younger sisters to work steadily after school hours until eight o'clock at night, in order that together they might earn eighty cents a day, the wages paid for making, counting and bunching 1,440 small roses."<sup>94</sup> And finally, "Nellie aged six years, Josephine aged eleven, and Josie aged nine, worked all day long, often until 10 o'clock at night "finishing" coats at four to six cents apiece."<sup>95</sup> In 1908, A. J. McKelway closely examined the issue of child labor, and the use of compulsory education to prevent further abuses of this. Twenty million children would attend public schools in 1908, and of those, 5 million would drop out, and, McKelway writes, "For every one of these deserters, going into an occupation that has any advantage for the employee, four enter a cotton mill or become messengers or cash girls."<sup>96</sup> He further writes...

Rev. E. A. Seddon, told of his recent investigations in the mill villages of Mississippi and South Carolina. In the former state, fifty percent of the mill children were found to be illiterate and about the same proportion in South Carolina. Often the mill managers were found to be ignorant of the facts as to the illiteracy of their employees. There was found to be a large disproportion between the school enrollment and the school attendance.

[...]

E. N. Clopper's discussion of the employment of children in street trades in Cincinnati gave an interesting glimpse into the life of newsboys and some of the modern work that is being done for their education and happiness. There are 900 newsboys in Cincinnati, he said... Only about five percent of them, he said, are out of school illegally.<sup>97</sup>

Jane Addams is looked to by many as a pioneer in women's rights and a defender of the idea that charity and alms are a duty of all who sit in a high place in life. In 1909, she would write out her observations about the youth in the city streets. She illuminates one disturbing fact of the Civil War: "Of Lincoln's enlistment of two and a half million soldiers, a very large number were under twenty-one, some of them under eighteen, and still others were mere children under fifteen."<sup>98</sup> She further writes...

A further difficulty lies in the fact that this industrialism has gathered together multitudes of eager young creatures from all quarters of the earth as a labor supply for the countless factories and workshops, upon which the present industrial city is based. Never before in civilization have such numbers of young girls been suddenly released from the protection of the home and permitted to walk unattended upon city

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<sup>93</sup> Van Kleeck, Mary, "Child Labor in New York City Tenements," 1908.

<sup>94</sup> Van Kleeck, Mary, "Child Labor in New York City Tenements," 1908.

<sup>95</sup> Van Kleeck, Mary, "Child Labor in New York City Tenements," 1908.

<sup>96</sup> McKelway, A.J., "Child Labor and Social Progress," 1908.

<sup>97</sup> McKelway, A.J., "Child Labor and Social Progress," 1908.

<sup>98</sup> Addams, Jane, "The Spirit of Youth and the City Streets," 1909, chapter 1.

streets and to work under alien roofs; for the first time they are being prized more for their labor power than for their innocence, their tender beauty, their ephemeral gaiety. Society cares more for the products they manufacture than for their immemorial ability to reaffirm the charm of existence. Never before have such numbers of young boys earned money independently of the family life...<sup>99</sup>

The 1910 publication of Henry Demarest Lloyd's book describes the abuses of the Capitalist class upon the working class in the late 1800's. He writes, "The stockholders were reminded that 'many of the railroad's men did not average wages of more than seventy-five cents a day.'"<sup>100</sup> And elsewhere, "In March last the prominent Clearfield companies gave notice that wages must be reduced on the 1<sup>st</sup> of April..."<sup>101</sup> He writes describing the conversation among the workers...

Seventy-three millions, and more, accumulated by an enthusiast in competition in twenty-nine years of office work! Never before in the history of the desire of wealth had such a sight been seen. [But of his workers...]

"The delay in the payment of my wages has reduced me almost to beggary. Had not the grocer helped me with credit in January and February, my children would have starved."

An engineer said:

"My family were sick in January. They had no doctor and no medicines. I could not get the money due me from the Wabash road."

An old man, who watched a crossing,-an infirm old man, with a family,-said:

"My rent is six dollars a month; my groceries are eighteen dollars. This leaves us one dollar a month for clothing, medicine, and other necessities. My pay is twenty-five dollars a month, and I have to wait two months for that. We are on the edge of starvation."<sup>102</sup>

President Corbin, Capitalist of the Reading Iron Works, did all that he could to appease his self-interest, and did all that he could to do so rationally. The worker himself was alone, frightened, weak, and dependent, but the workers were fierce, bold, strong, and independent. By combining and organizing, workers could represent their interests with greater strength. But, President Corbin wrote this statement to his employees, "No member of any labor organization (except such as are purely beneficial or benevolent) will be employed by the Company, and every man engaging with the Company must sign a written agreement that so long as he is in its employ he will not belong to such an organization."<sup>103</sup> Henry Demarest Lloyd writes of the same company: "The coal miners are kept from doing a full day's work by having wagons to load withheld from them, and are kept from working steadily day by day by periodical lockouts when the companies want to manipulate the coal market."<sup>104</sup> And of the horrific wages, he writes, "...like the ten cents

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<sup>99</sup> Addams, Jane, "The Spirit of Youth and the City Streets," 1909, chapter 1.

<sup>100</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 1.

<sup>101</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 4.

<sup>102</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 2.

<sup>103</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 5.

<sup>104</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 5.

an hour of the workers in the steel mills near Chicago or the sugar refineries near New York.”<sup>105</sup> Describing the child labor so common of this industry, Lloyd writes...

One of the sights which this coal side of our civilization has to show is the presence of herds of little children of all ages, from six years upward, at work in the coal breakers, toiling in dirt, and air thick with carbon dust, from dawn to dark, of every day in the week except Sunday. These coal breakers are the only schools they know. A letter from the coal regions in the Philadelphia Press declares that “there are no schools in the world where more evil is learned or more innocence destroyed than in the breakers. It is shocking to watch the vile practices indulged in by these children, to hear the frightful oaths they use, to see their total disregard for religion and humanity.” In the upper part of Luzerne County, out of 22,000 inhabitants 3000 are children, between six and fifteen years of age, at work in this way.” There is always a restlessness among the miners,” an officer of one of the New York companies said, “when we are working them on half time.” The latest news from the region of the coal combination is that the miners are so dissatisfied with the condition in which they are kept, by the suspension of work and the importation of competing Hungarian laborers in droves, that they are forming a combination of their own, a revival of the old Miners’ and Laborers’ Association, which was broken up by the labor troubles of 1874 and 1875.”<sup>106</sup>

Lloyd writes elsewhere describing the conditions of these coal and railway workers, “In order to keep the miners disciplined and the coal market under-supplied, the railroads restrict work so that the miners often have to live for a month on what they can earn in six or eight days...”<sup>107</sup> And elsewhere still: “Congress in 1893 ordered the railroads to equip their cars with automatic couplers and air brakes, to save the worse-than-war slaughter of the men. When the limit set by the law had been reached, December 1, 1897, most of the railroads were found to have failed to comply with the law, and were asking for extension.”<sup>108</sup> In 1910, Owen R. Lovejoy, the great reformer against child labor, wrote an article describing his six year struggle for the working child. In it, he describes, “In Massachusetts the factory child is confined 3120 hours a year; and in New York, where the eight-hour day prevails, he is still subjected to 2496 hours of confinement.”<sup>109</sup> He describes the horrendous conditions of these children: “Eyewitnesses of child labor were presenting from pulpit, press, and platform frequent tales of the maiming or death of little toilers crushed in the very act of their industrial sacrifice.”<sup>110</sup> In a longer section, he writes...

A recent annual report of the Department of Mines in Pennsylvania showed that in one branch of the industry, viz.: slate picking in the coal breaker, the ratio of fatalities and accidents to boys sixteen years of age and under was 300 percent higher than to adults and minors above sixteen. At about the same time the annual report covering all industries under the jurisdiction of the Indiana Department of Factory Inspection

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<sup>105</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 7.

<sup>106</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

<sup>107</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 9.

<sup>108</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 10.

<sup>109</sup> Lovejoy, Owen R., “A Six Years’ Battle for the Working Child,” 1910.

<sup>110</sup> Lovejoy, Owen R., “A Six Years’ Battle for the Working Child,” 1910.

showed the physical risk of children sixteen years of age and under to be 250 percent above that of other workers; while a report of the same order in Michigan showed 450 percent against the child.

[...]

The youth is less cautious than the adult, therefore more susceptible to unusual dangers; information gathered through many years in older industrial civilizations demonstrates the excessive hazard to which working children are exposed; reports from the few commonwealths in America which offer a basis for computation corroborate this testimony; popular rumor indicates that scarcely a day passes without the sacrifice of some little child worker to the ranks of the crippled or to an untimely death.

[...]

When, therefore, we found children ten years of age and under working from ten to twelve hours a night in Southern cotton mills; saw little boys under fourteen years coming from the over-heated glasshouse at two or three o'clock on raw winter mornings, careless of their exposure; saw groups of little newsboys and other street traders sleeping in the alleys and courts of our great cities after the exactions of their night labor, and learned from reports in New York and other cities of the high percentage of defective vision among school children, while as a matter of common knowledge many of these same children were spending from one to six hours every night on fine needlework or kindred occupation in dimly lighted and unventilated tenement rooms, we believed it a safe assumption that a campaign should be waged for the prohibition of industrial employment of all children under sixteen years at night.<sup>111</sup>

The process of production through using tenement houses, or sweatshops, was still in vogue in 1911. In an article by Elizabeth C. Watson, she describes the horrors of this system, a system which has only expanded with the passage of time, "...so it came about, and grew and grew, until now there are thirteen thousand some odd tenement houses in New York licensed by the bureau of factory inspection of the State Department of Labor, in which work given out by manufacturers and contractors can be made or finished in the homes, where the labor of all members of the family can be utilized without reference to age or factory law. [...] The house may contain one or forty families."<sup>112</sup> With a government permit, tenement homes were allowed to produce...

...coats, vests, knee-pants, trousers, overalls, cloaks, hats, caps, suspenders, jerseys, blouses, dresses, waists, waistbands, underwear, neckwear, furs, fur trimmings, fur garments, skirts, shirts, aprons, purses, pocketbooks, slippers, paper boxes, paper bags, feathers, artificial flowers, cigarettes, cigars, umbrellas, or articles of rubber, nor for the purpose of manufacturing, preparing or packing macaroni, spaghetti, ice cream, ices, candy, confectionery, nuts or preserves...<sup>113</sup>

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<sup>111</sup> Lovejoy, Owen R., "A Six Years' Battle for the Working Child," 1910.

<sup>112</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

<sup>113</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

And without a government permit they could produce...

...finishing gloves, making buttonholes, hat frames, millinery ornaments, chiffon hats, baby bonnets, sleeve garters, rompers, Irish lace, silver brushes, dress shields, leather bows and buckles, all kinds of hemstitching, feather stitching and fancy hand work; embroidery of all kinds, such as on waists, dresses, silk vests, silk stockings, collars, underwear, table linen, chiffon gowns, infants' flannels, coats, sacques, knitting and crocheting of Angora hoods and mittens, slippers; making candle shades; stringing bead necklaces; crocheting gloves, mittens, silk rings; plaiting hat straws; making guimps, bibs, silver mesh bags; tag stringing; tying cords on fancy pencils, tying pencils on fancy programs; pasting labels on cigar and other boxes, cutting out embroideries; trimming all over and chiffon embroideries; beading slippers, nets and lace; setting stones in celluloid combs, artificial jewelry and hat pins; making passementerie; embroidering pillow tops; making maline bows of human hair; sorting and sewing buttons on cards, covering buttons, making kimonas, tassels, pompons, evening scarfs and countless other things...<sup>114</sup>

Elsewhere in the article by Elizabeth C. Watson, the descriptions of pain and misery for the workers are described: "For instance, in one house in which the license had been revoked on account of unsanitary conditions, and in which there had been several cases of contagious disease, I found flower making, garment finishing, and fur work." — "In one paper, during a period of two weeks' time chosen at random, there were 205 advertisements for women to take work home—almost fifteen advertisements a day. Some of these, for crochet workers on babies' hoods and bootees, wanted a hundred workers at a time and continued their advertisement many days." — "...girls of eight, nine and ten years can and do crochet lace, though lace making is a comparatively minor industry." — "But even here the child is utilized in carrying work to and from factories and shops. (A very small child with a very big bundle of clothing—as big as itself—is a common sight in the tenement districts.)" — "...homework factories with their inmates working from daylight to six, eight, ten o'clock and even later in the night..." — "What home influences can there be where a mother and three children, (the youngest just five), having been in this country, but four months and speaking no English, are making artificial flower wreaths (in an unlicensed house) at six cents a dozen wreaths, day in and day out?" — "In one house (above one of these shops), occupied by fourteen families, we found twenty-eight children under twelve years of age busily plying this trade." — "So, to supplement the family income, the children work, tying these feathers, bringing all kinds of eye trouble and strain in their wake, remaining out of school—whenever possible."<sup>115</sup> Finally, Watson describes one particular incident of her observations...

The halls and stairways in this house were in unspeakable condition. A series of complaints had been filed against it in the Tenement House Department and the apartment of the family engaged in coffee sorting was deplorably out of repair and dirty. Bags of broken coffee were bought at a nominal price from a coffee factory in a nearby street, and taken home, where all the children of the family, plus a small cousin from a neighboring apartment, sorted the whole beans from the broken ones.

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<sup>114</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

<sup>115</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

The two little girls of the family, one aged nine the other eleven, were continually staying out of school and only attended enough days to keep off the truant list.<sup>116</sup>

In an undated article that I assume to be written around 1910, possibly early, possibly later, Harriet Van der Vaart describes the conditions of children in the glass works, in the state of Illinois. Yet another confirmation that industrial labor in extensive amounts will destroy the body, she writes, "One manufacturer admitted to me that the boys in the glass industry generally were smaller and not as well developed as the boys who had lived a normal life outside."<sup>117</sup> The life of the child, as it consisted almost a century ago, was in fact quite brutal. It was a life of endless toil. She writes further, "Night work is not prohibited in Indiana. It was quite the customary thing for school children to go into the factory at night and work until eleven and twelve o'clock and go to school during the day."<sup>118</sup> Robert Green Ingersoll, defender of labor and Freethought, wrote, "For a man to get up before daylight and work till after dark, life is of no particular importance. He simply earns enough one day to prepare himself to work another. His whole life is spent in want and toil, and such a life is without value."<sup>119</sup> This quote by Ingersoll is of significant value, because it express quite clearly what any humane person could feel when observing the economic system of such a society. Further describing the horrors of this child labor, Van der Vaart writes...

Around all the factories there is a high board fence, and on top of this fence are two or three barbed wires. When I inquired at one of the factories the reasons for this, one of the reasons given me by one factory was, "Well, it keeps the boys in for one thing." The glass blowers are very dependent upon their helpers, and if the boys leave at a critical time the glass blowers are obliged to stop their work.

[...]

On my way to the office I was overtaken by two girls, who told me that anyone could walk in, and one of them said, "I will take you where the children work, "we girls hide the kids when the factory inspectors come in." I said: "Why do you do it?" "O, well, I would like to be hid if I was their age; but," she said, "I think it is a mistake to send them to work so young. They are employing boys for thirty-five and forty cents a day to do men's work."<sup>120</sup>

In 1917, Joseph Dana Miller stepped up to oppose the brutality that was child labor, the pain and misery that infected millions of lives. Giving a broad view of how widespread the problem was, he writes, "Of all the children 10 to 15 in the United States more than one in six, or 1,990,225 in 1910 were found at work. More than half of these were less than 14 years old.(1) The majority were engaged in various forms of agriculture."<sup>121</sup> I imagine, though, that this number is lower than the actual number of children employed. With all of the legislation by now, that prohibited child labor, most of the children employed were illegally employed, and were not counted

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<sup>116</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

<sup>117</sup> Van der Vaart, Harriet, "Children in the Glass Works in Illinois," Date Unknown.

<sup>118</sup> Van der Vaart, Harriet, "Children in the Glass Works in Illinois," Date Unknown.

<sup>119</sup> Ingersoll, Robert Green, "Eight Hours Must Come," 1877.

<sup>120</sup> Van der Vaart, Harriet, "Children in the Glass Works in Illinois," Date Unknown.

<sup>121</sup> U.S. Federal Census, 1910. Quoted in: Miller, Joseph Dana, "Single Tax and Child Labor," 1917.



on payroll. By 1815, the number of children employed was already estimated to be in the millions. With the progression of technology, I do not see any reason to believe that this number would decrease. Describing further the debilitating effects of labor on children, Miller writes again, "Investigation has revealed that in the berry and vegetable fields of Maryland, Delaware and New Jersey hundreds of children go with their parents to supply the demand for labor to pick the crops. They return from the country weakened by overwork, improper food and want of proper supervision."<sup>122</sup> In the salt, oil, and gas wells, and in the public service industries, there were hundreds of children employed. In quarries, beverage industries, chemical industry, paper industries, professional service industries, metal industries, clay, glass and stone industries, cigar and tobacco industries, leather industries, printing and bookbinding industries, and mines, the amount of children was counted by the thousands. In iron and steel industries, lumber and furniture industries, clothing industries, transportation industries, miscellaneous industries, building and hand trades industries, and textile industries, the amount of children in each was several 10,000. The trade industries and the domestic and personal service industries were both over 100,000 children employed. The agriculture industry had over one million children employed.<sup>123</sup> The National Child Labor Committee writes, "Over 122,000 children between the ages of 10 and 16 are at work in factories in States where they may work 9, 10, or 11 hours a day."<sup>124</sup> Miller writes, describing some more appalling conditions, "Many youthful workers are still employed in the cigar making industry despite the efforts of the Cigar Makers' Union to protect them from work that is unhealthful and carried on often under the most unsanitary conditions."<sup>125</sup> Finally, Miller writes in a longer section...

The facts are, despite labor legislation(6) and the well meant efforts of labor and trade organizations, that hundreds of thousands of children are at work who should be at school or play, the great majority at miserably low wages,(7) and in hopelessly monotonous occupations. Most all so engaged are learning nothing that will be of any money-earning advantage to them as they grow older.(8) The industrial surroundings of great numbers of these little workers are unsanitary and sometimes fraught with grave hazards; the environment is of necessity corrupting to the moral fibre of the young, and men and women so reared are not likely to make good citizens in the days when the Republic shall require them.

(6) Special attention was given to the subject of illegal employment. Almost one third of the children (203, or 32.6 percent) had at one time or another worked under illegal condition, some of them having been so employed more than once. About one-sixth (102) were working illegally at the time of the investigation. Studies of child labor in Pawtucket and Woonsocket Rhode Island, Plymouth and Hazleton in Pennsylvania, Columbia, S. C., Columbus, Ga., and a group of three small mill towns near Columbus, partly in Georgia and partly in Alabama. — U. S. Labor Bulletin, 175.

(7) Practically 90 percent of the boys and all of the girls entered industries whose average weekly wage for all employees is under \$10; 7 percent of the boys entered

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<sup>122</sup> National Child Labor Committee. Quoted in: Miller, Joseph Dana, "Single Tax and Child Labor," 1917.

<sup>123</sup> U.S. Federal Census, 1910. Quoted in: Miller, Joseph Dana, "Single Tax and Child Labor," 1917.

<sup>124</sup> Miller, Joseph Dana, "Single Tax and Child Labor," 1917.

<sup>125</sup> Miller, Joseph Dana, "Single Tax and Child Labor," 1917.

industries whose average weekly wage is between \$10 and \$15 and only three percent entered industries whose average wage is \$15 or over. — U. S. Labor Bulletin, 175.

(8) Much of the work undertaken by the children is of such a character that it requires little mental training; 50.6 percent of the employers say that no education whatever is needed by the larger number of their employees to do the best work. — U. S. Labor Bulletin, 175.]<sup>126</sup>

In 1923, Francis Ysidro Edgeworth, a somewhat prominent economist, describes the unemployment that arose among hard-working men, "...the hasty substitution of low-paid female operatives for well-paid men..."<sup>127</sup> Between the years of 1905 and 1937, Lewis Hine, an employee of the National Child Labor Committee, would take pictures of child labor that occurred in the era, to give a face to such a widespread cruelty. In one compilation covering these years, there were a great deal of horrors in the form of photographs. The editor of this compilation writes, America is "a situation in which premature entry into the industrial process was robbing two million children of an education and a future."<sup>128</sup> Speaking of the photographer's personal history, Karl Steinorth writes, that Lewis Hine "found a job as a laborer in a furniture factory, where he worked thirteen hours a day for four dollars a week."<sup>129</sup> Elsewhere, he writes, "Instead of attending school, children worked twelve-hour shifts in the heat or the cold, breathing musty air and rarely seeing the light of day."<sup>130</sup> The photographs in this collection include a handicapped steel worker who lost his leg from unsafe factory conditions,<sup>131</sup> children pulling a wagon of scrap wood,<sup>132</sup> fifty three children, aged 6 to 16, working in a single coal mine,<sup>133</sup> a very young boy (one of many) working night shifts in a West Virginia glass factory,<sup>134</sup> a newsie carrying a newspaper which is about one third his own size (him probably being four to six years old),<sup>135</sup> several newsies (age 8 to 10) selling newspapers in a saloon at night,<sup>136</sup> a group of six, young newsies working at the Brooklyn bridge at midnight,<sup>137</sup> a thirteen year old boy working to carry messages, working from noon till 10:30 P.M., says he has been doing this for a year and a half,<sup>138</sup> children of age 6 or 7 picking cotton in fields barefoot,<sup>139</sup> a boy lost his arm running a saw in a box factory,<sup>140</sup> a small legion of children (aged 4 to 10) working picking cotton,<sup>141</sup> a five year old shrimp picker working in a Mississippi cannery,<sup>142</sup> a young boy carries the work from his sweatshop,<sup>143</sup> a five

<sup>126</sup> Miller, Joseph Dana, "Single Tax and Child Labor," 1917.

<sup>127</sup> Edgeworth, Francis Ysidro, "Women's Wages in Relation to Economic Welfare," 1923.

<sup>128</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 14.

<sup>129</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 15.

<sup>130</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 20.

<sup>131</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 60.

<sup>132</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 92.

<sup>133</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 103.

<sup>134</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 104.

<sup>135</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 105.

<sup>136</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 106.

<sup>137</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 107.

<sup>138</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 113.

<sup>139</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 114.

<sup>140</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 115.

<sup>141</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 116.

<sup>142</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 117.

<sup>143</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 118.

or six year old girl picking Long Island potatoes,<sup>144</sup> children forced to work in dangerous mills with dangerous machinery without even having shoes on,<sup>145</sup> and a worker standing without an arm because of an accident in the steel mills.<sup>146</sup>

Finally, with the aid of these reformers and their revolutionary ideas, child labor would – for the most part – be made illegal in the United States. Of course, even though society would emerge from the 1930's and 1940's with this great problem off its hands, there would be other ills. In 1967, Ralph Nader wrote an article on the safety of workers whose profession includes X-rays. He writes, "A John Hopkins University study concludes that X-ray technicians have a statistically significant greater-than-average chance of producing mongoloid children."<sup>147</sup> The discrimination that was inherent in hiring practices of the early 1900's Capitalists would still be present by the late 1960's. In 1967, James Ridgeway and David Sanford write, "...a Harlem antipoverty group that had charged GM discriminated against Negroes in its hiring practices..."<sup>148</sup> In an article written by Ralph Nader and co-authored by Jerome Gordon, 1968, they describe the terrors that awaited workers at their place of employment...

Every working day 55 workers die, 8,500 are disabled and 27,200 are injured (a case can be made that these data are underenumerated by at least 25 percent annually.)

Unlike traumatic injuries which are relatively visible, the longer-range injuries causing insidious deteriorating of the human body come from exposure to coal dust, asbestos, lead, cadmium, beryllium, cotton dust, carbon monoxide, chemicals, dyes, radiation, pesticides, benzene and thousands of other toxic materials. Industrial uses of chemicals are growing so rapidly that voluntary exposure limits have been set for only 400 of the 6,000 chemicals in substantial use.<sup>149</sup>

The conditions which had hindered the health of workers only centuries early still plagued the workers of the 50's, 60's, and 70's. Still describing the conditions, Nader writes, "One plant in Pennsylvania (a right-of-entry state) was using the chemical beta naphthylamine, which a health specialist learned was causing carcinoma of the bladder. The plant promptly moved to Georgia (not a right-of-entry state) and resumed operations unhindered."<sup>150</sup> And, elsewhere, too, "One datum in his [Dr. John Zalinsky's] testimony: half of the nation's 137,000 coal miners suffer from the cruel dust disease, pneumoconiosis of the lungs; they breathe with difficulty and spit black sputum daily."<sup>151</sup> Finally, he writes...

A Dr. John Zalinsky told us about 30 cases of chronic lung disease caused by exposure to "safe" levels of beryllium dust. He was told by his company's management

<sup>144</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 119.

<sup>145</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 124.

<sup>146</sup> Hine, Lewis, "Passionate Journey," edited by Karl Steinorth, 1905–1937. Page 182.

<sup>147</sup> Nader, Ralph, "X-ray Exposures," 1967. *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 199.]

<sup>148</sup> Ridgeway, James (and David Sanford), "The Nader Affair," 1967, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 212.

<sup>149</sup> Nader, Ralph (and Jerome Gordon), "Safety on the Job," 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 175–176.

<sup>150</sup> Nader, Ralph (and Jerome Gordon), "Safety on the Job," 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 177–178.

<sup>151</sup> Nader, Ralph (and Jerome Gordon), "Safety on the Job," 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 180.

that if he published these cases in the medical literature he would have to look for another job. He was torn between professional honesty and personal security — he had had one heart attack and would have difficulty finding another job. Before he was able to resolve this dilemma, he died from another heart attack. His material has never been published.

I have personal knowledge of a plant which uses manganese, long known to be a toxic metal. Through bitter experience, management recently found that it poisoned the nervous system, causing permanent brain damage in exposed workers. They are now using a simple test, no more complicated than a prick on the finger, to detect exposure to manganese long before permanent nerve injury occurs. Hundreds of other companies who now use manganese do not have the advantage of knowing this simple test because it has not been published in this country.

Unless each physician, each industrial hygienist and safety engineer has available to him the research experience of all of those who preceded him in his profession, he must duplicate the research in every case, often at the cost of human life.<sup>152</sup>

The condition of black lung, which had infected millions of children in the past centuries, was still a problem facing workers in the United States. Describing it in 1968, Ralph Nader writes...

It starts with breathlessness and ends with death. Along the way, the victim can experience bronchitis, emphysema, an enlarged heart and progressive massive fibrosis leading to severe respiratory disability. The disease is coal pnueoconiosis. In 1963, a US Public Health Service study concluded that, at the very least, about one of every 10 active bituminous coal miners and one in five inactive minors have it.

[...]

The PHS study concluded that death rates for coal miners were twice that of the general working male population, while death rates for diseases of respiratory system were about five times that for the general working male population.<sup>153</sup>

In the year 1968, J. V. Reistrup would write an article expounding upon the death toll that occurs from unsafe working conditions. As far as the after-effects of a death, there can be no words to describe the grief and pain that can accompany the loss of a loved one, whether by natural or unnatural means. Perhaps there is, or will be, an author who can use 1,000 pages to try and describe what it is like to live with and to feel the fading pulse of one who has meant everything to you, and do it so accurately that it convinces the reader that what they read has happened to themselves. Reistrup writes, "Eola Garner's husband, Douglas, was one of the hundreds who contracted, or will contract, fatal lung cancer after mining the same newly precious element. His widow now supports their two teen-age children on Social Security payments, for Mrs. Garner failed even to collect workmen's compensation after her husband's death."<sup>154</sup> And

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<sup>152</sup> Nader, Ralph (and Jerome Gordon), "Safety on the Job," 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 177.

<sup>153</sup> Nader, Ralph, "They're Still Breathing," 1968., *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 181–182.

<sup>154</sup> Reistrup, J.V., "Danger: Death at Work," 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 183.

elsewhere he writes: “By early 1967, the number of uranium miners already dead of lung cancer was reported at about 50. Within a few months, the total being given was 115. Before projections of future deaths — from radiation already received — were written off as unscientific, numbers ranging to over 1,000 were mentioned.”<sup>155</sup> Also in the year 1968, Eric Geller described deceptive methods of recruitment used by certain industries. He writes, “Thus in February 1968 the Federal Trade Commission ordered American Marketing Associates Inc. (New Standard Encyclopedia) of Philadelphia to cease using deceptive means to recruit personnel. The company advertised that its “trainees” receive \$89 a week, whereas ‘in reality, they are hired as door-to-door salesmen and receive no salary whatever but only a commission on sales.’”<sup>156</sup> And of another encyclopedia, he writes, “Encyclopedia Britannica is still ‘guaranteeing’ prospective salesmen \$500 per month; Collier’s also is advertising lucrative rewards. However, one salesman recently reported in *Seattle* magazine that his total earnings in his first month were \$64.”<sup>157</sup>

In the year 1969, the cases of Black Lung would still be with the American worker. Every year, many would die from this horrible condition because of the failure of American Capitalists to install safety devices in their mines. While the great part of Europe protected its miners and guaranteed a pension if anything were in fact to happen, American workers were still at great risk. In a 1969 article, Robert Coles and Harry Huge, they interviewed one miner, who told them...

I’ve had it. I’m an old man at 31. I started in the mines when I was 16, and no one asked any questions. My daddy, he started when he was 11. I was lucky to have a job. Hereabouts if you have a job, you feel like you’re lucky and you give the foreman every ounce of energy you’ve got. Some of our kinfolk, they never went to the mines, and they near starve to death and freeze to death, come every winter. But you know, as bad as it is for them, I’m beginning to think they’re better off than me and my brother. They don’t see the money we do — if we live and don’t get sick — and they can’t have the things we buy. But I’d rather have it real, real terrible up in the hollows than end up like my brother — he got killed, in a second, just like that. The roof fell in on him down in the mine.<sup>158</sup>

“...the explosion in 1968 that claimed 78 lives in Consolidated Coal Company’s No. 9 mine near Farmingham was forgotten; it was just one more in an apparently endless succession, all recorded carefully by the Interior Department’s Bureau of Mines.” so writes Robert Coles and Harry Huge in their article.<sup>159</sup> They also write, “The Surgeon General of the United States has said that ‘conservatively speaking’ over 10,000 miners suffer from ‘black lung disease,’ which

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<sup>155</sup> Reistrup, J.V., “Danger: Death at Work,” 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 184.

<sup>156</sup> Geller, Eric, “Selling Encyclopedias,” 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 135.

<sup>157</sup> Geller, Eric, “Selling Encyclopedias,” 1968, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 135.

<sup>158</sup> Coles, Robert, and Harry, Huge, “‘Black Lung’: Mining as a Way of Death,” 1969, *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 188.

<sup>159</sup> Coles, Robert, and Harry, Huge, “‘Black Lung’: Mining as a Way of Death,” 1969, *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 189.

means that most if not all miners have it, suffer every day from it, and in significant numbers die from it, die because, literally, the lungs become increasingly scarred, lifeless, useless — and eventually the time comes for the last breath to be taken. Anyone who has seen a miner waging that battle, fighting for breath as a drowning man does for air, can never forget it.”<sup>160</sup> One miner told these reporters, “If you start talking about the danger, they’ll fine you as a troublemaker.”<sup>161</sup> And, quoting the facts, they write, “Disabled beneficiaries [miners] 50 to 64 years of age had death rates higher than persons 75 to 84 years of age.”<sup>162</sup> Finally, these authors write...

In this century about 100,000 men have been crushed to death, burnt to death, choked to death in the coal mines, and since 1930, approximately 1.5 million serious injuries have been recorded. Over 40,00 men have been permanently or partially disabled — and for every minor officially declared disabled, more than one has tried and failed to have his hurt, ailing body so recognized. In 1907, 3,242 miners were killed. In 1952, the year President Truman signed a Coal Mine Safety Act which he insisted was inadequate, 548 minors died in accidents. In 1962 another 220 men died underground; and lest anyone suppose that things are getting better, the accident rate per thousand miners has increased since 1952 from 1.37 to 1.50. All in all, then, mining has become more hazardous for the 150,000 or so men who work in about 5,500 deep mines and 2,200 surface ones. Since Harry Truman severely criticized Congress for failing to enact even half-satisfactory legislation to protect the safety of miners, over 200,000 miners have been injured, and today the coal companies continue to confront their workers with awful risks and dangers, more of them than any other major industry in America dares allow. Each month the journal put out by the United Mine Workers spells out the result: 29 killed in August, 1968; 24 in September; and on and on. Even before November more men were killed in 1968 (182) than in 1967 (173).<sup>163</sup>

And when interviewing a miner...

Of course, when I first asked the company doctor if anything was wrong, because I have trouble breathing, he didn’t even want to listen to my chest. He just came over to me from across the room and he said: “Look, if you want to stay working, you’d better not complain, you’d better not mention this.” I looked at him as though he was a crook or something. Then I guess he just got mad, because he raised his voice at me: “Every miner has trouble with his breathing one time or another. So why should you start complaining. Don’t you talk to your buddies? Haven’t they all got

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<sup>160</sup> Coles, Robert, and Harry, Huge, “Black Lung’: Mining as a Way of Death,” 1969, *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 189–190.

<sup>161</sup> Coles, Robert, and Harry, Huge, “Black Lung’: Mining as a Way of Death,” 1969, *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 195.

<sup>162</sup> Coles, Robert, and Harry, Huge, “Black Lung’: Mining as a Way of Death,” 1969, *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 193.

<sup>163</sup> Coles, Robert, and Harry, Huge, “Black Lung’: Mining as a Way of Death,” 1969, *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 189.

the same troubles?” And he was right there — we all do. And he was right with the last thing he told me, before I left: “Look, you’re better off working than complaining. You’ll die faster from not eating than from some coal dust in your lungs. You know what I said? I said, “You’re right, doctor.” You know how he’s right? I could be on my deathbed — from not eating or from “Black lung,” either of them — and between the doctors like him, and all those lawyers they’ve got, and the bosses and the country courthouse people, I’d still not get a cent from the company or the welfare people or Washington or anyplace. And every miner knows that.<sup>164</sup>

### **Section III: Conclusion**

The cruelty of the Capitalist class, unforgiving as much as it was merciless, can be explained in the previous chapter. How they obtained their desires, how they proceeded out their wills, and how they gathered the power to make themselves kings in a world full of slaves, is entirely understandable with a basic understanding of the system of Capitalism. When examining these histories, it is difficult to think what it may have been like to live only so many decades or centuries ago. As the reader recounts these written documents, like small memories in a past that is nearly forgotten, they may imagine for a few moments what it exactly was like to live as these people do. Experience of suffering has been the greatest defender of a humane ethic. Some people who read these reports say, “These things are terrible, horrible, without charity or mercy. People shouldn’t have done these things.” These people have already taken a step toward Socialism. Others read these reports and reply, “These things are unjust, cruel, brutal, thoughtless, heartless, and immoral. They violate a sacred code of justice, and those who commit these acts should be punished as are murderers and rapists.” These people have already taken a step toward Communism. With all this said, I continue to the next chapter, where I deal with abuse of the worker as it is happening today.

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<sup>164</sup> Coles, Robert, and Harry, Huger, “Black Lung’: Mining as a Way of Death,” 1969, *New Republic*, Copyright 1969, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 190.

# ***Chapter 4: The Brutal Result of Capitalism on the People of the World – The Consumer (Historical)***

## **Section I: Preface to this Chapter**

It will be in this chapter that I discuss the history of Capitalism, as it deals with the condition of the consumer. When one thinks of the idea of “the consumer” in our modern era, a plethora of ideas come to mind. Some, particularly those of the leftist and revolutionary ideology, will think of over consumption, the gluttonous habits of a Western society. They will see the modern technology of cell phones, computers, SUVs, and the like as the precise form of living beyond our means. While this definition of overconsumption may be thought of when thinking of “the consumer,” there is another side of the matter that must be considered. The worker who buys bread for his family, clothes for his children, a home for those whom he must support, is also a consumer. The worker and the consumer in this case, then, is the same person. The title of “worker” or “consumer” are simply titles, two sides to the same coin. To force a worker to endure 14 hours a day of arduous labor, without time to eat his meals, as happened only decades ago in the United States, as is still happening now globally, this may be considered abuse of the worker. Yet to sell black bread to that worker, to overcharge him, to otherwise trick and deceit him, all of this is abuse of the same person, but to the side of him that is a consumer. In this chapter, I shall deal with the abuse of consumers done by Capitalists.

## **Section II: Abuse of the Consumer (Historical)**

I cannot see how any man who does nothing — who lives in idleness — can insist that others should work ten or twelve hours a day. Neither can I see how a man who lives on the luxuries of life can find it in his heart, or in his stomach, to say that the poor ought to be satisfied with the crusts and crumbs they get.

– Robert Green Ingersoll<sup>1</sup>

In 1668, Josiah Child said that when English fish and Herring were traded to other nations, they “often prove false and deceitfully made.” He also said, “our Pilchards from the West Country false packed; seldom containing the quantity for which the Hogsheads are marked in which they are packed.” Josiah Child also remarked how once-government endorsed seals of quality were purchased by the thousands by buyers who put them on everything they wanted.<sup>2</sup> In a

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<sup>1</sup> Ingersoll, Robert Green, “Eight Hours Must Come,” 1877.

<sup>2</sup> Child, Josiah, “Observations concerning Trade and Interest of Money,” 1668.



plague and disease-stricken Europe, Thomas Malthus offered a suggestion as to the cause of such direness in 1798, “But it is not improbable that among the secondary causes that produce even sickly seasons and epidemics ought to be ranked a crowded population and unwholesome and insufficient food.”<sup>3</sup> It would be in the 1900’s when scientists finally confirmed that poor quality food is capable of causing great illness and even fatality. In 1815, J.C.L. Simonde de Sismonde would write a political treatise, in which he would describe one new invention: “The stocking-frame economizes work nearly in this proportion [by making it the cost of production only 1% of what it was before], yet it scarcely produces stockings ten per cent. cheaper than those made with the needle.”<sup>4</sup> He would describe much of the economy working in that respect. He would also describe an experiment, by a company that produced clothing with needle instead of the stocking-frame, and that it could turn a profit, even though competing against those companies that did produce via stocking-frame. In 1893, there would be an investigation into the quality of tenement housing. T. J. Morgan would be interviewed for this. The interview would go something like this...

Question: Is the work carried on in buildings where they live, or in buildings built for the purpose?

Answer: In tenement houses.

Question: Where people live in the same room?

Answer: In the majority of cases I found that they lived, work, and sleep in the same room.

Question: Do they make any distinction between their workroom and their sleeping room?

Answer: No, sir; they work in all.

[...]

Question: How about the sanitary conditions of what you have termed “sweat shops” with regard to water-closets and running water for washing purposes?

Answer: In my investigation of thirty shops I never found one place where there was any place provided to put clothes or wash.

Question: How about water-closets?

Answer: They were very bad.<sup>5</sup>

It the late 1800’s and early 1900’s, it would be a popular idea to save capital and reduce expenditure, for Capitalists, to have workers produce final products in their own homes. The investigation into this wrote, “Here cooking, eating, sleeping, and working were being carried on in the same room, and the materials and finished goods were piled upon the beds and the tables where the food lay.”<sup>6</sup> Written elsewhere in the same report was, “Upon going to the tenement

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<sup>3</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798.

<sup>4</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815.

<sup>5</sup> Morgan, T.J., “Testimony of Mrs. T. J. Morgan,” 1893.

<sup>6</sup> Inspection Committee on Manufactures on the Sweating System, “Report of the Committee on Manufactures on the Sweating System,” 1893.

on one of the upper floors of which this apartment was situated, we found it posted with a red scarlet-fever bill and were informed that the fever patients were sick in the room on the same floor, immediately opposite the apartments where clothing was being made..."<sup>7</sup> In 1893, Florence Kelley investigated the situation, writing, "The woman had on her lap a baby, wrapped in Italian fashion, with a swelling in its neck, which the mother told me was a scarlet fever swelling; and spread upon the baby, and partly covering it, and coming in contact with its head, was a cloak, which this mother was sewing, which bore the tag 'M.F. & Co.'... At 65 Ewing street, the following week, I found a case, in a Sicilian family, where four children were just recovering from scarlet fever, and cloak making had been carried on continuously throughout the illness."<sup>8</sup> Typhoid fever, diphtheria, dysentery, scabies, scarlet fever, and other diseases were constantly around these products just to be sold. Kelley noted, "The first thing which I noticed in my investigation was the uniformity of filthy surroundings."<sup>9</sup> In another article, she writes, "... the tenement dwelling is the shop; and cooking, sleeping, sewing and the nursing of the sick are going on simultaneously," and elsewhere, "...the worst conditions of all prevail among the families who finish garments at home. Here the greatest squalor and filth abounds and the garments are of necessity exposed to it and a part of it during the process of finishing."<sup>10</sup> Summing up the situation, she writes, "It is needless to suggest that the sweat-shop districts as they have been described are the natural abodes of disease and the breeding places of infection and epidemics."<sup>11</sup> In the first annual report of the factory inspection act, it was written, "Boys are found handling candy with open sores upon their hands, and girls wrapping and packing it whose arms were covered with an eruption which is a direct consequence of filth. Boys from knee-pants shops have presented themselves so covered with vermin as to render a close examination almost impossible."<sup>12</sup>

In 1897, the union label became a popular method for distinguishing union-made materials and non-union made materials, but soon, laws were required to prevent producers from putting "union made" on materials that were made by non-union, sweatshop labor.<sup>13</sup> Describing the living conditions of the late 1800's and early 1900's, E.R.L. Gould writes in a 1899 article, "Not a single bath-tub is provided, except in two houses where six families have a private bath," and "The middle rooms must borrow what light they can from dark hallways, the narrow shafts, and the rear rooms."<sup>14</sup> Summing up that housing situation, he writes, "About 2,000 such buildings are constructed annually in the city of New York."<sup>15</sup> In a report I estimate to be written around the turn of the century, the Working Women's Society writes, "Pavements broken and sunken and infested with pools of dirty water; rooms dark, with low ceilings and insufficient air space, the dampness of these rooms noticeable outside the doors and in the open air. From the roof the committee had a view of old cigar stumps spread on boards in quantities sufficient to make the flesh of any cigar smoker crawl. These houses are unfit for habitation."<sup>16</sup> Describing the

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<sup>7</sup> Inspection Committee on Manufactures on the Sweating System, "Report of the Committee on Manufactures on the Sweating System," 1893.

<sup>8</sup> Kelley, Florence, "Florence Kelley's Testimony on the Sweating System," 1893.

<sup>9</sup> Kelley, Florence, "Florence Kelley's Testimony on the Sweating System," 1893.

<sup>10</sup> Kelley, Florence, "The Sweating System of Chicago," 1893.

<sup>11</sup> Kelley, Florence, "The Sweating System of Chicago," 1893.

<sup>12</sup> Kelley, Florence, "First Annual Report of the Factory Inspectors of Illinois," 1894.

<sup>13</sup> Kelley, M.E.J., "The Union Label," July 1897.

<sup>14</sup> Gould, E. R. L., "The Housing Problem in Great Cities," 1899-1900.

<sup>15</sup> Gould, E. R. L., "The Housing Problem in Great Cities," 1899-1900.

<sup>16</sup> Working Women's Society, "Report of the Tenement House Committee," Date Unknown.

discoveries of this society, they write, “Baird Street frame house; ground floor occupied by a gunsmith and blacksmith; water closets dilapidated, basement in very bad condition.” — “The floor of the fire escapes in this building consisted of wooden slats.” — “[In one house on...] Baird Street frame house fire escapes with wooden slats dry goods englasure on the front on the ground floor.” — “[In one house on...] Baird Street stairs that are dangerous condition and are much worn on the edges, rickety bellistrades and dark halls.”<sup>17</sup> Describing the housing conditions of this era, Lawrence Veiller writes in a 1900–1901 article...

Special emphasis has been laid upon the terrible evils of the dark, unventilated air-shafts, which are the chief characteristic of the present type of buildings. There are over forty-four thousand tenement houses in the boroughs of Manhattan and the Bronx, and in the year 1899 about two thousand new tenement houses were erected. These, as a rule, are built on lots twenty-five feet wide by one hundred feet deep, and are planned to accommodate four families on a floor. The buildings are six or seven stories high, and each floor generally contains fourteen different rooms.

Only four of these rooms on each floor have direct light and air from the street or the small yard. The other ten open on a narrow “air-shaft,” which is a well hole closed at both ends, seldom more than five feet wide, when between two buildings, and often only two feet six inches wide, varying in length from forty to sixty feet, and being generally from sixty to seventy-two feet high.<sup>18</sup>

In a 1901 article, Robert Alston Stevenson writes, “A bath-tub in every tenement is an idle dream, they cost too much and run very good chances of being used for coal.”<sup>19</sup> In 1905, Annie S. Daniel writes, “The adornments of woman’s dress, the flowers and feathers for her hats, the hats themselves—these I have seen being made in the presence of small-pox... All clothing worn by infants and young children—dainty little dresses—I have seen on the same bed with children sick of contagious diseases and into these little garments is sewed some of the contagion,” and “...I attended a woman ill with tuberculosis, finishing trousers.”<sup>20</sup> In summary, he wrote, “To the consumer—The real danger of being infected by disease germs. Among the 150 families manufacturing in the living rooms 66 continued at work during the entire course of the contagious disease for which we were attending the family.”<sup>21</sup> Describing from her own experience, Mary Sherman writes, “...those of us who have lived in the neighborhood of Elizabeth or Cherry streets, or in any of the Italian districts of New York, have seen macaroni hanging in windows and doorways exposed to the dust and dirt of the city streets, thankful that we did not have to eat the macaroni on our own tables.”<sup>22</sup> And, again, with the notice of disease in the present of working conditions, “Within the fortnight the Board of Health disinfected a house on East Twenty-ninth street where there was a case of scarlet fever. Macaroni was drying in the yard and in the windows of the house during all the time of the child’s sickness.”<sup>23</sup> One tenement inspector writes of his discoveries...

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<sup>17</sup> Working Women’s Society, “Report of the Tenement House Committee,” Date Unknown.

<sup>18</sup> Veiller, Lawrence, “The Tenement-House Exhibition of 1899,” 1900–1901.

<sup>19</sup> Stevenson, Robert Alston, “The Poor in Summer,” 1901.

<sup>20</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

<sup>21</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

<sup>22</sup> Sherman, Mary, “Manufacturing of Foods in the Tenements,” 1906.

<sup>23</sup> Sherman, Mary, “Manufacturing of Foods in the Tenements,” 1906.

On the first floor we found that the builder had in no sense endeavored to remove the violations. In a bathroom the plaster and lath had been torn from the wall, exposing a broken soil pipe. The pipe had become clogged and in order to remove the obstruction several feet of quarter inch wire had been jammed into the opening. In the meantime, the water was overflowing the bathroom floor.<sup>24</sup>

Further describing the lack of safety in these buildings, the inspector writes, “The fire escapes [in tenement housing] with their vertical ladders make it practically impossible for any but a strong man to get from a burning building, and the wooden stairs and non-fireproof halls in the buildings as high as five stories, together with the inflammable flues furnished by the air shafts, cut off most of the chances for even a man’s escape.”<sup>25</sup> In a 1908 publication, Mary Van Kleeck writes, “in 1906 it was found that for weeks a family living in the house had been finishing clothing in the room where the oldest daughter, Vincenza, aged sixteen years, lay dying of tuberculosis.”<sup>26</sup> She also writes, “Angelo, the oldest boy [working to make clothing], had been examined by a physician, who reported that he had scabies(itch), a disease liable to attack all the members of the family at any time. The physician recommended that all the clothing be burned and the rooms thoroughly cleaned.”<sup>27</sup> This advice, however, was ignored. The production, distribution, and transportation of kerosene, from the Civil War up until 1910, has been controlled by a few corporations.<sup>28</sup> The same can be said of oil. Henry Demarest Lloyd wrote, “It [Standard Oil] has drawn its check for \$1,000,000 to suppress a rival. It buys 30,000 to 40,000 barrels of crude oil a day, at a price fixed by itself, and makes special contracts with the railroads for the transportation of 13,000,000 to 14,000,000 barrels of oil a year,” and elsewhere, too, “It has ended by making us pay what it pleases for kerosene, and compelling the owner of the well to take what he can get for his product. For the producer of petroleum, as for the producer of grain, the railroad fixes the price the producer receives.”<sup>29</sup> In cheating competitors, “There was apparently no trick the Standard would not play. It delivered its competitors inferior oils when they had ordered the high-priced article, out of which alone they could manufacture the fancy brands their customers called for.”<sup>30</sup> The Germania, a distributor and manufacturer of oil, was bought out by Standard Oil, to stand idle, so that Standard Oil could sell higher.<sup>31</sup> Standard Oil was not the only one to engage in such unscrupulous tactics. Still writing, Lloyd describes, “One or two firms in Baltimore, Philadelphia, New York, and Boston, with their branch houses in the West, are, by the favor of the railroads, fast monopolizing the export trade in wheat, corn, cattle, and provisions, driving their competitors to the wall with absolute certainty, breaking down and crushing out the energy and enterprise of the many for the benefit of the favored few.”<sup>32</sup> Further, he describes specific tactics of the wheat barons...

The wheat corner of 1879 was commanded by a New Yorker. It began with an inspired chorus of prophecies of low prices, which continued as long as the clique

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<sup>24</sup> Palmer, Lewis E., “The Day’s Work of a ‘New Law’ Tenement Inspector,” 1906–1907.

<sup>25</sup> Palmer, Lewis E., “The Day’s Work of a ‘New Law’ Tenement Inspector,” 1906–1907.

<sup>26</sup> Van Kleeck, Mary, “Child Labor in New York City Tenements,” 1908.

<sup>27</sup> Van Kleeck, Mary, “Child Labor in New York City Tenements,” 1908.

<sup>28</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>29</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>30</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>31</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>32</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

were buying of the farmers. The price was run down to eighty-one and a half cents a bushel. When all the wheat and wheat contracts to be had were obtained, the price was raised to one dollar and thirty-three cents. In every way the results of this corner were deplorable. The markets were crazed. The clique held, according to their own statement, twenty million bushels, and, according to the estimate of close observers in the trade, seventy million bushels.<sup>33</sup>

In the late 1800's, the government would investigate the price controls of the corporations. President Gowen, of the Reading Railroad was investigated for setting prices. In his defense, he writes...

Every pound of rope we buy for our vessels or for our mines is bought at a price fixed by a committee of the rope manufacturers of the United States. Every keg of nails, every paper of tacks, all our screws and wrenches and hinges, the boiler flues for our locomotives, are never bought except at the price fixed by the representatives of the mills that manufacture them. Iron beams for your houses or your bridges can be had only at the prices agreed upon by a combination of those who produce them. Fire-brick, gas-pipe, terra-cotta pipe for drainage, every keg of powder we buy to blast coal, are purchased under the same arrangement. Every pane of window glass in this house was bought at a scale of prices established exactly in the same manner. White lead, galvanized sheet iron, hose and belting and files are bought and sold at a rate determined in the same way. When my friend Mr. Lane was called upon to begin his speech the other day and wanted to delay because the stenographer had not arrived, I asked Mr. Collins, the stenographer of your committee, if he would not act. He said no, it was against the rules of the committee of stenographers. I said, 'Well, Mr. Collins, I will pay you anything you ask. I want to get off.' 'Oh,' said he, 'prices are established by our combination, and I cannot change them.' And when we come to the cost of labor, which enters more than anything else in to the cost of coal, we are met by a combination there, and are often obliged to pay the price fixed by it.<sup>34</sup>

Lumber was not excepted from this rule of market: "Four years ago (1880) the Chicago Lumbermen's Exchange adopted a resolution declaring it to be 'dishonorable' for any dealer to make lower prices than those published by it for the control of prices in one of the greatest lumber markets of the world... In February, 1883, it was found that members who ostensibly adhered to the price lists dipped into the dishonorable practice of competition on the sly by giving buyers greater than the usual discounts. This was then forbidden, and another pathway of competition closed." and elsewhere, "The prices of redwood are fixed by the Redwood Manufacturers' Association, and those of pine by the Pine Manufacturers' Association."<sup>35</sup> By 1878, the prices of coal in New York had been doubled from their original price.<sup>36</sup> In summation of the theft, Lloyd writes, "The investigation of 1888 found that between 1873 and 1886, \$200,000,000 more than a fair market price was taken from the public by this combination."<sup>37</sup> To boost their prices, to make more

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<sup>33</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 3.

<sup>34</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 4.

<sup>35</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 4.

<sup>36</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 4.

<sup>37</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 9.

profit, to reap more rewards of wealth, the lords of coal refused distribution of most of their coal, creating an artificial winter, a coal famine...

The Chicago Health Department issued a bulletin January 12, 1903, in which it said:  
In the eyes of the Department those responsible for the coal shortage are guilty of constructive homicide for every resulting death.

Fully 10 per cent or nearly 200,000 residents of Chicago are to-day suffering from ailments of a grave character caused by privation and exposure resulting, from the coal famine. Already these ailments are reflected in the enormous increase of deaths among those at the extremes of life-the youth and the aged,-in both of whom the powers of vital resistance are at the lowest.

Since the first of the year there has been an increase of nearly 20 per cent in the number of deaths among those under five years of age. Among those over sixty year of age the increase is much greater, 24 per cent last week over the previous, and 36.7 per cent over the normal rate of the corresponding period of 1902.

Unrevised returns of mortality for January, 1903, show an increase of 10.4 per cent in the actual number of deaths from all causes and at all ages, and of 11.4 per cent in proportion to population as compared with January, 1902, when coal was abundant at half the price or even less than it now commands,-where it can be obtained at all.

These two facts are cited together because, in the judgment of the Health Department, the latter is the principal if not the sole cause of the former. A large proportion of the excess deaths is, as was stated in the Bulletin of January 12, due to cold and exposure caused by the coal famine, and which at that date had affected the health of fully 10 per cent or nearly 200,000 of the population of the city.<sup>38</sup>

In a photo dated to 1911, Lewis Hine took a picture of a family deshellng nuts, as some of the family intermittently eats some, without washing their hands.<sup>39</sup> In February of 1911, Elizabeth C. Watson writes, "For instance, in one house in which the license had been revoked on account of unsanitary conditions, and in which there had been several cases of contagious disease, I found flower making, garment finishing, and fur work."<sup>40</sup> Describing the living conditions of the poor, working class, Harriet Van der Vaart writes, "...a tract of land that is very low and swampy, a very uncomfortable place to live, but where a great many of the people live whose children work in factories."<sup>41</sup> In 1964, college-educated women were recruited by a survey, given \$10 each, and asked to buy 10 basic commodities at a grocery store, at the smallest price. Less than half of the women could do it, and it took up to one hour to do the shopping.<sup>42</sup> In chain stores, those outlets found in poverty-stricken neighborhoods were found not to be carrying generic brands, their

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<sup>38</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 9.

<sup>39</sup> "Passionate Journey," by Lewis Hine, edited by Karl Steinorth, texts by Anthony Bannon, Marianne Fulton, and Karl Steinorth. Page 126.

<sup>40</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

<sup>41</sup> Van der Vaart, Harriet, "Children in the Glass Works in Illinois," Date Unknown.

<sup>42</sup> "Segregated Food at the Supermarket," by James Ridgeway, *New Republic*, Copyright 1964, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 26.

quality of perishable goods was lower, and the prices were higher.<sup>43</sup> When a pound of meat was 55 cents in white neighborhoods, it cost 65 cents in black neighborhoods, at a lower quality.<sup>44</sup> In one of these black neighborhoods, where meat is graded as prime (superior) or choice (inferior), all meat was marked as “prime,” because the manager had run out of “choice” stickers.<sup>45</sup> James Ridgeway writes, “...in a store in a poor neighborhood, the lettuce would be wilted, the apples bruised, the green peppers shriveled. For instance, apples sold at 19 cents a pound in a large store in a good neighborhood; they cost 25 cents a pound in a small store in a run-down section.”<sup>46</sup> James Ridgeway discusses his exploration of a poor grocery store...

In one cluttered little supermarket located in a down-at-the-heels section of north-east Washington, a good many food items (dried beans, sugar, lard, various vegetables, ice cream) carried no price tag. Nor did any baby food. I wanted to buy a two-pound box of granulated sugar. It was unmarked. The manager, who knew I was taking a survey, said it cost 27 cents. The checker charged 30 cents. One margarine brand was marked two packets for 55 cents. But as I was writing this down, the manager rushed up and said the price was wrong, it was actually selling for 53 cents, he hadn't had time to remark the packets. In other larger stores in this same chain, this brand of margarine all was marked two for 53 cents. In appearance, the meat was not comparable with that displayed in fashionable Georgetown or downtown sections of the city. The beef was brown at the edges. Packages of jaded-looking hamburger were priced at 59 cents a pound—10 cents more than hamburger in a large downtown store of the same chain. And the latter was red and fresh-looking.<sup>47</sup>

Food prices rose 5.2% in 1966. The Consumer Price Index reported that food prices were going up at 3.5% each year, a rate doubled from the previous year. Bread and milk increased by more than 7%. In Denver of 1966, the price of bread went up by 25.6% from the previous year.<sup>48</sup> In his studies of consumer activity, James Ridgeway writes, “Poor city people pay more for food because they often have no choice but to shop in small corner groceries which stock inferior merchandise at higher prices. They would be better off shopping in large supermarkets where there is a variety of quality goods at lower prices, but there are few supermarkets in the slums,” and “In New York City a citizens' group led by William Haddad found that consumers in low-income Negro areas paid more for medicines than those living in upper-income white sections.”<sup>49</sup> In studying auto insurance, Ridgeway found that insurers refuse to do business in African American neighborhoods. In that same report, he writes...

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<sup>43</sup> “Segregated Food at the Supermarket,” by James Ridgeway, *New Republic*, Copyright 1964, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 27.

<sup>44</sup> “Segregated Food at the Supermarket,” by James Ridgeway, *New Republic*, Copyright 1964, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 27.

<sup>45</sup> “Segregated Food at the Supermarket,” by James Ridgeway, *New Republic*, Copyright 1964, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 28.

<sup>46</sup> “Segregated Food at the Supermarket,” by James Ridgeway, *New Republic*, Copyright 1964, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 28.

<sup>47</sup> “Segregated Food at the Supermarket,” by James Ridgeway, *New Republic*, Copyright 1964, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 27.

<sup>48</sup> “Gamesmanship in the Supermarkets,” by David Sanford, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 21.

<sup>49</sup> “Studies in the Grocery,” by James Ridgeway, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 31 and 32.

The automobile insurance business is a giant which appears to have gone out of control. In the years 1962–1966, companies that write \$8.5 billion in annual premiums pleaded they would go broke without rate increases, and languid state insurance commissioners, who are meant to regulate the industry, usually acceded to this demand with the result that insurance in 1966 costs nearly 25 percent more than it did in 1960.

[...]

Auto insurance companies, he demonstrated, use sleight-of-hand in accounting procedures which make the business seem as if it is in the red, when actually it is turning a profit. This trick is accomplished by mixing the accrual method of accounting (in stating income) with the cash method (in listing expenses). A hypothetical example may help to show how the dodge is worked. Say you take out auto insurance December 1, 1966, and on that day write a check for \$120 to cover the premium. The company works by the calendar year and closes its books December 31. Since only one month is left in the year, the company shows one-twelfth of the premium, or in this case, \$10 as income. This is the accrual method, with the rest of the income spread out over the coming year. In the expense column, however, the cash method is applied: The company lists total agent's commission, production expenses, taxes, office expenses and profit. This totals about 35 percent of the premium and in the example comes to \$42. Thus, while the company actually took in \$120 on this premium in 1966, the books show a loss of \$32. As long as the companies increase premium income each year, which they do, they will appear to be losing money.<sup>50</sup>

In 1966, Hoechst Pharmaceuticals Inc. ran several ads, including a 10-page color spread for Lasix, a diuretic drug. The ads included full-color photographs of Major Ed White's 1965 space walk, even though the company had nothing to do with the space program.<sup>51</sup> Other companies did the same thing, including Pay-co-pay, which said that NASA only bought and used their toothbrushes. "NASA officials were somewhat embarrassed, for the ads implied NASA endorsement, which was not the case. NASA had purchased a quantity of Pay-co-pay toothbrushes *but never used them*."<sup>52</sup> Discussing the situation of mutual funds in 1966, Mordecai Rosenfeld writes...

The idea [of investing in mutual funds] has been made so attractive that there are now more than 3.5 million people who own mutual funds, with a total investment in excess of \$36 billion... Typically, when a buyer purchases a mutual fund, more than eight percent of his purchase price is paid as a sales commission. This means that the instant you 'invest' \$100, your investment is worth \$92... Several faculty members of the University of Pennsylvania's Wharton School made a study of this for the Securities and Exchange Commission, and report in 1962 that: "The average performance by the funds did not differ appreciably from what would have been achieved by an

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<sup>50</sup> "Underground War on Auto Insurance," by James Ridgeway, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 229–231.

<sup>51</sup> "Admen in Orbit," by David Sanford, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 130.

<sup>52</sup> "Admen in Orbit," by David Sanford, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 131–132.



unmanaged portfolio with the same division among asset types.’ Translated, that means that an investor who was blindfolded and picked his stocks with a pin and donkey’s tail would do as well as the high-priced investment advisers.<sup>53</sup>

From 1959 to 1966, credit life insurance has overcharged its customers \$700 million.<sup>54</sup> The trend of monopolizing an entire industry could be seen in this era, as well. James Ridgeway writes, “In the spring of 1961, when Eastern’s shuttle service started, the fare between Washing and New York was \$12.73 without tax. In eight months, Eastern’s share of this market increased by 35 percent; the price went to \$13.64. By the end of 1962, Eastern had 50 percent of the traffic, and the fare was \$14.29. By January 1964, Eastern had captured 77 percent of the market and sought and granted another hike – to \$15.24.”<sup>55</sup> In 1966, doctor’s gave thalidomide – an experimental drug – to pregnant women without telling them, as they were being paid by pharmaceutical companies. Both woman gave birth to deformed children.<sup>56</sup> In 1966, over 100 lawsuits had been filed against General Motors, because the inferior design of their cars resulted in thousands of deaths.<sup>57</sup> Though the production process is nearly identical, aspirin made by Squibb or Upjohn was priced at least 10 times more than generic aspirin.<sup>58</sup> David Sanford writes in 1966, “The brand-name hoax has hooked the public on all kinds of consumer goods. Two suits or TV sets are made by the same company but marketed under two different names – one expensive and familiar and one cheaper and unknown.”<sup>59</sup> It was also discovered that generic brand drugs were found “with grease, dirt and paper embedded in them.”<sup>60</sup> But expensive brands are not exempt, as some have “been found by FDA to be mislabeled, adulterated, too potent, not potent enough.”<sup>61</sup> On April 15, of 1965, Procaine Penicillin was recalled, because the drug particles were too large to inject through a needle; there was another recall by the same name brand company for a labeling mixup; and, a bottle that was supposed to contain Pentids actually contained Diethylstilbestrol.<sup>62</sup> Sanford sums up the situation, “Squib [a name brand] has been involved in recalls for carton mix-ups, label mix-ups, foreign capsules, contamination, printing errors, excess potency, low potency, ingredient substitution.”<sup>63</sup> Squibb sells Pentids for \$6.62 per 100 tablets, when a generic name

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<sup>53</sup> “Investing in Mutual Funds,” by Mordecai Rosenfeld, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 146–149.

<sup>54</sup> “Dirty Deal in Small Loans,” by James Ridgeway, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 253.

<sup>55</sup> “Eastern’s Shuttle Service,” by James Ridgeway, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 151.

<sup>56</sup> “More About Thalidomide,” by James Ridgeway, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 99.

<sup>57</sup> “GM Hired the Dick,” a *New Republic* Editorial, *New Republic*, Copyright 1966, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 1966.

<sup>58</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 81.

<sup>59</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 81.

<sup>60</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 82.

<sup>61</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 82.

<sup>62</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 83.

<sup>63</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 83–84.

sells the same amount for \$0.92.<sup>64</sup> Merck dropped the price of Prednisone overnight from \$17.90 per thousand tablets to \$2.20 — individuals had been charged \$15 more than what a two dollar product was worth. African Americans were found to be paying more for brand-name drugs, sometimes 20% more.<sup>65</sup>

Before World War II, X-rays were used to treat everything: acne, removing tonsils, and a variety of things, serious and trivial. The untested X-rays produced radiation that created an alarming and unprecedented incidence of thyroid cancer in those patients.<sup>66</sup> In a 1961 inspection of 3,600 X-ray units in New York City, 92% were found to be defective and harmful to patients. The state inspected a total number of 113,806 medical X-ray units in use, only one fourth of that were inspected, and half were found defective. The amount corrected was less than 10,000.<sup>67</sup> In 1967, one thousand Dexedrine tablets cost \$22.60, but the generic brand was one thousand tablets for \$1. Ten other companies sold for less than \$2. The ingredients in a gallon of phenylephrine nose drops cost the manufacturer \$3.50, but the customer paid \$1 for a one-ounce bottle. That means that a \$3.50 gallon sold for \$120 in retail. Pil-Digis is sold by Davies, Rose-Hoyt, for \$18.40 per 1,000 tablets. American Quinine, the generic brand, sells the same amount for \$1.36, or Corvit sells for \$1.70. Meproamate sold by the brand name goes at 450 pills for \$6.50, but Pennex sells the same amount for \$3.10. Phenobarbital sells for \$2 for 50 or fewer pills, but the generic brand costs 50 cents for 1,000 tablets. 1,000 iron vitamins under brand name cost \$9 for 1,000 pills, but generic brands sell the same amount for \$2. And, in fact, half of the time the government made a recall of a drug, the big, brand name firms were involved.<sup>68</sup> In 1967, 15% of commercial slaughtered animals, and 25 percent of commercial processed meat, is not covered by adequate inspection laws. According to the FDA, “significant portions of this meat are diseased and are processed in grossly unsanitary conditions, and its true condition is masked by the latest preservatives, additives, and coloring agents.” In one year, over 22 million pounds of meat was condemned as tainted, rancid, moldy, odorous, unclean, or contaminated Sulfite, a dangerous added that has been federally illegal to use, is used to give meat a deceptive bright pink color, but in 1967, 26 out of 30 hamburger samples tested positive for it. One New York state official estimated that 90% of the uninspected meat sold in that state was labeled deceptively. Ten to thirty percent of the weight in big hams is attributed to water pumped in the veins of the carcass at the back of supermarkets Meat is doped with Aureomycin, a substitute for sanitation, and detergents are applied to fresh up unfit meat.<sup>69</sup> One prominent voice criticized the meat industry for...

- allowing edible portions of carcasses to come in contact with manure, pus and other sources of contamination during the dressing operations;

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<sup>64</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 83.

<sup>65</sup> “Drug on the Market,” by David Sanford, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 84.

<sup>66</sup> “X-ray Exposures,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 197.

<sup>67</sup> “X-ray Exposures,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 199.

<sup>68</sup> “Get Well Cheaper, The Hard-Name Way,” a *New Republic* Editorial, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 89–90.

<sup>69</sup> “We’re Still in the Jungle,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 41 and 42.

- allowing meat food products during preparation to become contaminated with filth from improperly cleaned equipment and facilities;
- use of chemical additives and preservatives that would not have been permitted under federal meat inspection;
- failing to use procedures to detect or control parasites transmitted to man that could lead to diseases such as trichinosis and cysticercosis;
- inadequate controls to prevent possible adulteration of meat food products during their preparation with substitutes such as water, gum, cereals or sodium caseinate;
- use of false or deceptive labels on packaging;

failure to supervise destruction of obviously diseased tissues and spoiled, putrid and filthy materials.<sup>70</sup>

Rodney E. Leonard, a witness of the meat industries tactics, reported, that there “are many opportunities for illegitimate operators to introduce into human food channels meat derived from dead, dying, disabled and diseased animals — commonly referred to as ‘4-D’s.’”<sup>71</sup> When examining 2,057 samples of tuna from two different processing plants, 11.2% tested positive for salmonella organisms.<sup>72</sup> Frozen dinners and “ready to serve” dishes are showing a great probability of harboring trichinosis and other bacterial threats.<sup>73</sup> Peas that are used in the premium brand Del Monte actually come from the same ranch, and possibly the same batch, as peas that come from generic A&P label, though there is a significant cost difference. The same is true of milk.<sup>74</sup> In the 60’s, it was believed that fraudulent practices in the drug, therapeutic, and home repair fields drain the consumer of \$1 to \$1.5 billion each year. Professor Sanford Kadish said, “It is possible to reason convincingly that the harm done to the economic order by violations of many of these regulatory laws is of a magnitude that dwarfs in significance the lower-class property offenses.”<sup>75</sup> The Greyhound Bus Company knowingly used badly worn tires on a bus, which ended up skidding off the road, killing one and seriously injuring others — if convicted, the fines on the company would be no more than \$1,000, due to the fact that the company is a corporation.<sup>76</sup> In 1967, over 70 percent of auto safety equipment failed to meet state standards.<sup>77</sup> In 1967, Ralph Nader reported...

<sup>70</sup> “We’re Still in the Jungle,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, pages 42–43.

<sup>71</sup> “We’re Still in the Jungle,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 43–44.

<sup>72</sup> “We’re Still in the Jungle,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 44.

<sup>73</sup> “We’re Still in the Jungle,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 44.

<sup>74</sup> “To Market We Go... Like Lambs to the Slaughter,” by Ed Dowling, Copyright 1967, Edward Dowling, from McIntosh and Otis, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 13.

<sup>75</sup> “Business Crime,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 138.

<sup>76</sup> “Business Crime,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 139.

<sup>77</sup> “Business Crime,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 140.

Scratch the image of any industry and unsavory practices become visible. All was apparently proper with the leaders of the electrical equipment industry until the great decade-long, price-fixing conspiracy was disclosed. A similar situation obtained for six corporations selling hundreds of millions of dollars of pipe over the past 20 years according to rigged bids until the antitrusters caught up with them. But the Justice Department does not have the manpower to cope with the widespread prevalence of price fixing.<sup>78</sup>

A 1963 Consumers Union report claimed, “The general quality level of all frozen fishery products tested by CU in the past few years can only be described as dismal.”<sup>79</sup> Before being sold, dead fish rest 5–14 days in hold pens.<sup>80</sup> In 1963, nine people died from canned tuna having botulism poisoning. During the 1966 Memorial weekend, nearly 400 cases of salmonella poisoning in New York City occurred, traced to the fishing plants.<sup>81</sup> In one test, 55 percent of breaded fish portions were so substandard that they couldn’t even be graded.<sup>82</sup> Ralph Nader wrote...

98 samples of 120 samples of frozen raw breaded shrimp tested contained coagulase positive staphylococci (1961); 55 samples of 120 samples of cod, haddock and ocean perch fillets judged substandard quality (1963); 85 percent of 646 cans of salmon (51 brands) showed a tendency toward mushiness or discoloration (1966); 17 samples of 18 frozen salmon steaks (3 brands) were so rancid that no cooking method could disguise the bad flavor (1966).

The Bureau of Commercial Fisheries of the Department of interior has made similar tests with disappointing findings.<sup>83</sup>

In 1966, 250 million pounds of meat was destroyed by federal inspectors, due to disease, spoilage, and contamination.<sup>84</sup> Nader writes again...

A survey of conditions in Delaware records:

In addition to the very grave and urgent problem posed by the distribution of food derived from diseased animals, the attached report details extremely bad and revolting dirty food-handling methods without any regard for rudimentary sanitation. Rodents and insects, in fact any vermin, had free access to stored meats and meat product ingredients. Hand-washing lavatories were absent or inadequate. Dirty meats

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<sup>78</sup> “Business Crime,” by Ralph Nader, *New Republic*, Copyright 1967, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 140.

<sup>79</sup> “Something Fishy,” by Ralph Nader, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 37.

<sup>80</sup> “Something Fishy,” by Ralph Nader, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 38.

<sup>81</sup> “Something Fishy,” by Ralph Nader, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 38.

<sup>82</sup> “Something Fishy,” by Ralph Nader, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 40.

<sup>83</sup> “Something Fishy,” by Ralph Nader, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 37.

<sup>84</sup> “Watch that Hamburger,” by Ralph Nader, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 47.

contaminated by animal hair, the contents of the animal's digestive tract, sawdust, flies, rodents and the filthy hands, tools and clothing of food handlers, were finely ground and mixed with seasonings and preservatives. These mixtures are distributed as ground meat products, frankfurters, sausages and bolognas. Due to the comminuting process and seasoning of these products, most of the adulterations could not be detected by the consumers.<sup>85</sup>

One customer in 1968 bought a used car at \$98 a month (though it was advertised at only \$50 a month). He got behind on payments in then they requested \$1,300 in full payments. They repossessed the car, sold it, and are still requiring \$500 more from him. They threatened to garnish his wages, in which case his own employer would fire him — and this one customer was one case out of tens, maybe hundreds, of thousands.<sup>86</sup> Minority contractors in San Francisco were routinely denied employment in the 1960's.<sup>87</sup> In the 1960's, the FDA required instructions on certain drugs not to be used on women with psychic depression — the megacorporations response: change the name of the drugs, and it went unnoticed (except for the victims) for many years.<sup>88</sup>

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<sup>85</sup> "Watch that Hamburger," by Ralph Nader, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 46.

<sup>86</sup> "The Repossessed," by Gilbert B. Friedman, Copyright 1968, by Gilbert B. Friedman.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 257.

<sup>87</sup> "The Unbondables," by Gilbert B. Friedman, Copyright 1968, by Gilbert B. Friedman.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 268.

<sup>88</sup> "The Golden Pill: We Can't Yet Be Sure It's Safe," by Morton Mintz, *New Republic*, Copyright 1968, Harrison-Blaine of New Jersey, Inc.. Quoted from *Hot War on the Consumer*, Edited by David Sanford, 1969, page 113.

# ***Chapter 5: The Brutal Result of Capitalism on the People of the World – Poverty (Historical)***

## **Section I: Preface to this Chapter**

In a Capitalist system, there is — in fact — a constant and perpetual economic depression. In every period of history of the Capitalist nations of the world, there has always been the omnipresence of the ghetto, the masses on the fringes of starvation, the widespread effects of poverty, misery, want, and criminality. Unemployment of the millions is a marked trait of any stage of economic development in the Capitalist nations. A year never passes in these nations that thousands do not die from hunger, millions are pushed on to the streets as paupers and beggars, and hundreds of thousands of children become homeless. Economists may assert, one way or another, that the nation is going through a recession or a depression or a boom or a bust, whatever terminology that they can supply to others to get them to invest or sell out. But the boom and the busts are only relative. In one case, only forty million are unemployed, in the other, only thirty five million. The evidence again and again confirms one recurring fact when examining the an economy: the Capitalist system is in a constant and perpetual depression. Poverty is an intrinsic element of the “free” economy.

Why, one may inquire, is it that the system of Capitalism, and not the present situation, is blamed for the poverty and want of a nation? I can only answer in strict confidence that Capitalism may be blamed because it is an economical system, and in this respect, it is the method by which wealth is distributed throughout a society. There are and always have been vast, countless tracts of land, uncultivated and unused, while there are thousands and millions starving on the streets, without a home to live, without food to eat. But to a Capitalist, who serves only his desire of self-interest, these individuals — whom have no money or anything of value to offer — do not concern him. To argue that Capitalism is a system inherently stuck in a depression, one must not even bring up the uncultivated lands. There is enough food in this world presently to feed all that are starving, there is enough land to house all the homeless, there is enough wealth existing to give everyone luxury. There is enough work to be done, that if it were done productively, for the good of the whole instead of the good of a single individual, everyone would have a decent, respectable job, considerably shorter than our current eight hour day. It is the system of Capitalism, that funnels wealth to the rich and brings poverty to the masses; in its boom one out of ten million stops starving and its bust an additional ten million are brought to the fringes of misery and want.

Waste, too, is an inherent component of the Capitalist system. Under the desire to profit, those who own the means of production will do what they must in order to gain a revenue; it is in their own self interest. So long as there are empty mouths on the brink of starvation, there will be a Capitalist willing to poison enough of his food so that all cannot be fed — so long as there are people without homes and subject to the wretched abuse of nature, there will be a Capitalist

willing to burn buildings so that all cannot be housed — and so long as there are people suffering from the pain of cold, there will be a Capitalist willing to destroy clothing so that all cannot be comforted. A decrease in supply will mean that demand will rise. While a Capitalist could sell 1,000 loaves of bread for \$1 per loaf, making a total of \$1,000 revenue and feeding everyone, he could sell 500 loaves of bread for \$5 per loaf, making a total of \$2,500 — but leaving half the population to die. All this will be done under the guise of “free trade” or “free enterprise,” and our economists have failed miserably to do anything worthwhile by blatantly using the word “free,” as it has not helped the majority of people escape from oppression.

## Section II: Poverty and Waste (Historical)

In a society which has the wherewithal to cover, fatten, and cheer every one, Lords of Industry are acquiring the power to pool the profits of scarcity and to decree famine. They cannot stop the brook that runs the mill, but they can chain the wheel; they cannot hide the coal mine, but they can close the shaft three days every week. To keep up gold-digging rates of dividends, they declare war against plenty.

– Henry Demarest Lloyd<sup>1</sup>

In 1662, William Petty wrote, “Causes of Civil War are also, that the Wealth of the Nation is in too few mens hands, and that no certain means are provided to keep all men from a necessity either to beg, or steal, or be Souldiers.”<sup>2</sup> In 1683, Matthew Hale writes...

In the Execution of the Law already made; for let any man look over most of the Populous Parishes in England, indeed there are rates made for the relief of the Impotent Poor, and it may be the same relief is also given in a narrow measure unto some others, that have great Families, and upon this they live miserably and at best from hand to mouth, and if they cannot get work to make out their livelihood they and their Children set up a trade of Begging at best.<sup>3</sup>

In 1767, James Steuart wrote, “It is computed that one half of mankind die before the age of puberty in countries where numbers do not augment; from this I conclude, that too many are born.”<sup>4</sup> In the 1700’s, as well as earlier and later, perpetual famines were so commonplace in the nation of China, that an entire profession was committed to ending the lives of children — lest they starve. Thomas Malthus wrote, “...by the custom of exposing children, which, in times of distress, is probably more frequent than is ever acknowledged to Europeans. Relative to this barbarous practice, it is difficult to avoid remarking, that there cannot be a stronger proof of the distresses that have been felt by mankind for want of food, than the existence of a custom that thus violates the most natural principle of the human heart. It appears to have been very general among ancient nations, and certainly tended rather to increase population.”<sup>5</sup> It was just at the brink of the 1800’s when Malthus wrote, “But I believe it has been very generally

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<sup>1</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

<sup>2</sup> Petty, William, “A Treatise of Taxes & Contributions,” 1662, chapter 2.

<sup>3</sup> Hale, Matthew, “A Discourse Touching Provision for the Poor,” 1683.

<sup>4</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767.

<sup>5</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 4.

remarked by those who have attended to bills of mortality that of the number of children who die annually, much too great a proportion belongs to those who may be supposed unable to give their offspring proper food and attention, exposed as they are occasionally to severe distress and confined, perhaps, to unwholesome habitations and hard labour.”<sup>6</sup> and “If the accounts we have of it are to be trusted, the lower classes of people are in the habit of living almost upon the smallest possible quantity of food and are glad to get any putrid offals that European labourers would rather starve than eat. The law in China which permits parents to expose their children has tended principally thus to force the population”<sup>7</sup> In a much longer section, Malthus describes the situation at his time as it appears in England...

In times of very limited demand for labour, it is truly lamentable to witness the distress which arises among the industrious for want of regular employment and their customary wages. In these periods, innumerable applications are made to the superintendents of extensive manual operations, to obtain any kind of employment, by which a subsistence may be procured. Such applications are often made by persons who, in search of work, have traveled from one extremity of the island to the other!

During these attempts to be useful and honest, in the common acceptance of the terms, the families of such wandering individuals accompany them, or remain at home; in either case they generally experience sufferings and privations which the gay and splendid will hesitate to believe it possible that human nature could endure.

Yet, after this extended and anxious endeavor to procure employment, the applicant often returns unsuccessful; he cannot, by his most strenuous exertions, procure an honest and independent existence; therefore, with intentions perhaps as good, and a mind as capable of great and benevolent actions as the remainder of his fellow men, he has no other resources left but to starve, apply to his parish for relief, and thus suffer the greatest degradation, or rely on his own native exertions, and, to supply himself and family with bread, resort to what are termed dishonest means.<sup>8</sup>

In another essay written in 1815, Thomas Malthus writes, “...it is very possible for a people to be miserably poor, and some of them starving, in a country where the money price of corn is very low. Of this the histories of Europe and Asia will afford abundant instances.”<sup>9</sup> In that same year, Simonde de Sismondi writes, “The Irish peasants are ready to revolt, and plunge their country into the horrors of civil war; they live each in a miserable hut, on the produce of a few beds of potatoes, and the milk of a cow...”<sup>10</sup> In 1893, Ida M. Van Etten describes the condition of immigrants in the United States: “...most of the Russian Jews are dirty, cannot speak the English language, and live closely crowded in unwholesome, ill-smelling tenement quarters...”<sup>11</sup> Immigration to the United States had increased in this era. But, the workers held strong together, as Van Etten describes, “I remember going from house to house during the last fearful days of the

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<sup>6</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 5.

<sup>7</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 7.

<sup>8</sup> Malthus, Thomas, “An Essay on the Principle of Population,” 1798, chapter 4.

<sup>9</sup> Malthus, Thomas, “The Grounds of an Opinion on the Policy of Restricting the Importation of Foreign Corn,” 1815.

<sup>10</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815.

<sup>11</sup> Van Etten, Ida M., “Russian Jews as Desirable Immigrants,” 1893.



strike and seeing men gaunt from hunger, women and little children unable to stand from want and exhaustion, with the threat of eviction hanging over their heads, and still I heard not one word of complaint, not to speak of surrender to the 'boss.'"<sup>12</sup> A year later, Florence Kelley would write, "...the workingman's home, where bath-tubs seem to be unknown..."<sup>13</sup> In 1896, Jacob Riis describes the condition of Jewish immigrants to New York City...

At the rate of 5.71 members to the average Jewish family, the census gives a total of 745,132 Jews as living in the country five years ago, and 200,335 in New York city. Allowing for the natural increase in five years (13,700) and for additions made by immigration, it is probable that the Jewish population of the metropolis reaches today very nearly a total of 250,000, in which the proportion of orthodox is practically as above, nearly 2 1/2 old school Jews to every 1 who has been swayed or affected by his Christian environment. The Jew-baiter has them at what he would call their worst.

Everyday observation suggests a relationship of orthodoxy and prosperity in this instance that is not one of dependence. Roughly put, the 2 1/2 are of the tenements...

[...]

The poverty they have brought us is black and bitter; they crowd as do no other living beings to save space, which is rent, and where they go they make slums. Their customs are strange, their language unintelligible. They slave and starve to make money, for the tyranny of a thousand years from which freedom was bought only with gold has taught them the full value of it. It taught them, too, to stick together in good and evil report since all the world was against New York's ghetto; it is clanish.<sup>14</sup>

Famine struck Russia in the late 1800's, as described by one author, "Before 1882 the emigration of Russian Jews to America was restricted to the provinces lying about the Niemen and the Dwina, notably to the government of Souvalki, where economical conditions caused Catholic peasants as well as Jewish tradesmen and artisans to go elsewhere 'in search of bread.'"<sup>15</sup> Describing the condition of Jewish immigrants, Abraham Cahan writes, "...cities like New York, Chicago, Philadelphia, and Boston have each a Ghetto rivaling in extent of population the largest Jewish cities in Russia, Austria, and Roumania."<sup>16</sup> Speaking specifically of those immigrants in New York City, he writes, "The greatest density (57.2 tenants to a house) is in the tenth ward..." and "The sweating system and its political ally the 'ward heeler' are accountable for ninety-nine percent of whatever vice may be found in the Ghetto..."<sup>17</sup> Lawrence Veiller writes on the poverty of the tenement-housing tenants...

Upon the poverty maps are stamped black dots, each of which indicates that five different families from the building marked have applied for charity to one of the

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<sup>12</sup> Van Etten, Ida M., "Russian Jews as Desirable Immigrants," 1893.

<sup>13</sup> Kelley, Florence, "First Annual Report of the Factory Inspectors of Illinois," 1894.

<sup>14</sup> Riis, Jacob, "The Jews of New York," 1896.

<sup>15</sup> Cahan, Abraham, "The Russian Jew in America," 1898.

<sup>16</sup> Cahan, Abraham, "The Russian Jew in America," 1898.

<sup>17</sup> Cahan, Abraham, "The Russian Jew in America," 1898.

large charitable societies of the city within a definite period of years. It seems beyond belief, yet it is a fact, that there is hardly a tenement house in the entire city that does not contain a number of these dots, and many contain as many as fifteen of them, meaning that seventy-five different families have applied for charity from that house. Similarly, on the disease maps, which are placed directly below the poverty maps, district by district, so that a comparative study of them may be made, there are stamped black dots, each indicating that from this house there has been reported to the Board of Health one case of tuberculosis within the last five years. While these dots do not cover the building to the same extent as they are covered in the poverty maps, it is appalling to note the extent of this disease. Nearly every tenement house has one dot on it, many have three or four, and there are some houses in Cherry street that contain as many as twelve. Other colored dots indicate the prevalence of typhoid, diphtheria, etc. The maps also contain, stamped upon each block a statement of the number of people living in that block, so that the student thus has opportunity of weighing all the conditions that help to produce the epidemics of poverty and disease. The maps, as they appear in the exhibition, might well earn for New York city the title of the city of living death. No other words so accurately and graphically describe the real conditions as these.<sup>18</sup>

The housing problem by now was attracting a great deal of attention. Models were drawn up to show just how bad it was, just how massive it was. Jacob Riis would pioneer in the muckracking field before it would come to be defined as that — he would estimate that at least half of the world's population lived in absolute poverty, while we can be rest assured today that the number is enormously higher. E.R.L. Gould describes a housing model in 1899, "Some were amazed, some saddened, and probably all were impressed with the unanswerable demonstrations, by means of models, photographs, and charts, of the close relations between bad housing, bad health, bad morals, and bad citizenship."<sup>19</sup> Again, we see the chronic appearance of disease, "Charts at the Tenement House Exhibition showed the intimate relation between overcrowded, ill-lighted, and ill-ventilated houses and certain forms of disease, notably tuberculosis, diphtheria, typhoid and scarlet fever."<sup>20</sup> At length, Gould writes...

Then, too, there is the great question of drunkenness. It is absurd to suppose that immoderate drinking of liquor can be suppressed so long as people are left to live in houses where lack of elementary sanitation saps vitality, while noisomeness and unattractiveness impel a search for outside relief. While I am not disposed to seek cause and effect in conjunction of circumstances, yet I am bound to believe that the massing of saloons in low neighborhoods where the worst housing conditions exist is more than a simple coincidence. The most congested districts in New York are also the regal domains of liquordom. Some years ago the Church Temperance Society published a chart showing that 148 saloons were all located

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<sup>18</sup> Veiller, Lawrence, "The Tenement-House Exhibition of 1899," 1900–1901.

<sup>19</sup> Gould, E. R. L., "The Housing Problem in Great Cities," 1899–1900.

<sup>20</sup> Gould, E. R. L., "The Housing Problem in Great Cities," 1899–1900.

within a space 514 yards long by 375 yards wide. St. Giles Ward in Edinburgh contains 127 drinking-places to 234 shops where food is sold. Possibly there is a fair index to relative patronage in the fact that the rental of the latter amounts to only 80 per cent of the rental of the former. This ward contains one-eleventh of the population of the city, but it furnishes one-third of its total crime. Notwithstanding that 17 1/2 per cent of its area is made up of parks, the death-rate is 40 per cent higher than for the whole city. Glasgow's famous Sanitary District 14, with the largest proportion of inmates per inhabited room, the highest death-rate over all, the highest death-rate under five years, the largest proportion of deaths under one year, the highest record for nuisances brought to the attention of the Board of Health, the highest percentage of inhabitants paying neither local rates nor school tax,—the latter of which they are obliged by law to pay,—contains 43 public houses to 104 premises for food supply, with rentals and receipts largely in favor of the public house.

[...]

...the feature which aroused, shall I say, contemptuous interest, was the model of an existing New York block, bounded by Bayard, Canal, Chrystie, and Forsyth Streets, as it stood on January 1, 1900. This is by no means the worst block in the city, but was selected because it presented a considerable variety of conditions. It is made up of 39 tenement houses, containing 605 different apartments, inhabited by 2,781 people, of whom 466 are children under five years of age. There is not a bath in the entire block, and only 40 apartments are supplied with hot water. Water-closets are used in common. There are 441 dark rooms, having no ventilation to the outer air, and no light or air except that derived from other rooms. 635 rooms get their sole light and air from dark, narrow air shafts. There are 10 rear tenements. The rental derived from this block, including the shops, amounts in round numbers to \$114,000 a year.<sup>21</sup>

The Working Women's Society would investigate tenements in 1900's, reporting "Committee found six persons assorting old rags and paper in the yard and twelve children playing in the rubbish." and "Committee saw an old woman open the door of a dilapidated building on the yard disclosing rubbish dangerous in case of fire."<sup>22</sup> In 1901, Robert Alston Stevenson describes the summers as it is for the poor...

The hot days are uncomfortable, but bearable incidents; managed easily with the aid of vacations, air-space, and bathtubs, but without them—there are a great many people who hardly know what they mean. [The poor are the ones who must suffer the most without such things.] [...] It sizzles in the neighborhood of Hester Street on a sultry day. The pale-faced, stern-eyed push-cart men cry their wares, but competition dulls in the mugginess. On the shady side of the street the little mothers and fathers of the

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<sup>21</sup> Gould, E. R. L., "The Housing Problem in Great Cities," 1899–1900.

<sup>22</sup> Working Women's Society, "Report of the Tenement House Committee," Date Unknown.

poor tend the babies; hot, sweat-splashed little things that get jounced up and down when they get too fretful, on the knees of their elders, who are often as many as ten years old. Sometimes they sleep in odd corners, while the caretakers play jacks, covered only with prickly heat and dirty shifts.<sup>23</sup>

Poverty is not just an American or Western attribute, though. But when American imperialism began to spread around the globe, poverty went with it. George S. Boutwell writes, “Foreign merchants, residents of China, are less numerous and less prosperous than the same class were a half century ago.”<sup>24</sup> Writing further on American poverty in the pre-“depression” era...

[of New England] Its deposits of silver, iron, and coal are of no value. Its resources in agriculture, in commerce, interstate and foreign, in the fisheries, in wood, timber, granite, and marble, are equal only to the support of a third part of the present population. In the last half of the nineteenth century great changes were made in its industries. The breeding of horses and cattle for sale was abandoned. The cultivation of hops, corn, and wheat was transferred to New York and the further West. The building of locomotives with all the heavier products of iron was given up under the superior advantages existing in Pennsylvania and Ohio. None of these industries can ever be regained. In the same period of time the tanning industry, the manufacture of agricultural implements, of household furnishings of wood, passed wholly or in a large degree into other hands. To these appreciable losses and as of signal importance, I add the loss of a considerable part of the industry in shoes and leather which for a time was almost a monopoly in New England.<sup>25</sup>

In 1903, child labor has swelled to the millions, with author Ernest Poole writing on the conditions of newsies, “In New York today there are some five thousand newsboys. Hundreds are homeless, and of these some are constantly wandering — to Chicago, San Francisco, and New Orleans, to London and the cities of the Continent, wandering always — but returning always, sooner or later, to what they think the greatest town on earth, to the home that taught them to be homeless.”<sup>26</sup> and, “Mike and ‘Whitey’ lit fine stout cigars and described for my especial benefit the ride they had once enjoyed on top of a baggage car in Texas, where it seems the conductor, the brakeman, the engineer, and the fireman constantly used them as targets for pistol practice.”<sup>27</sup> In 1905, Annie S. Daniel writes, “As it requires more than two weeks’ wages to pay one month’s rent, it is very evident that the women must work or the family go hungry.”<sup>28</sup> Since the poverty level was so great in the United States, and

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<sup>23</sup> Stevenson, Robert Alston, “The Poor in Summer,” 1901.

<sup>24</sup> Boutwell, George S., “The Enslavement of American Labor,” 1902.

<sup>25</sup> Boutwell, George S., “The Enslavement of American Labor,” 1902.

<sup>26</sup> Poole, Ernest, “Newsboy Wanderers Are Tramps in the Making,” 1903.

<sup>27</sup> Poole, Ernest, “Newsboy Wanderers Are Tramps in the Making,” 1903.

<sup>28</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

remains so today, she writes further, “The average number of persons in the apartments, due largely to this cause, was 6.4 persons. The average number of rooms occupied by such groups was 2.6. In order to make the income reach the out-go, boarders, lodgers, two and three families huddle together, until not even the ghost of decency remains.”<sup>29</sup> Unemployment in 1905 soared, as written by John Daniels, “Though very few cases of long-continued and absolute lack of work have come to the writer’s attention, there are certain facts respecting the industrial situation of the Negro here which may well lead us to conclude that much temporary idleness exists.”<sup>30</sup> R.R. Wright Jr. comments on the same situation, “The question of earning a living — how to get a job and how to hold a job — is the most serious and most difficult question now confronting the Chicago Negro. He must work where he can rather than where he will.”<sup>31</sup> In 1906, a church leader spoke to his group, “The children who are not properly housed, clothed and fed, and who have not the vitality to carry them through the bitter cold of winter and the heat of summer are just as certainly murdered as are the victims of the riots.”<sup>32</sup> In a 1906–1907 article, by Mary Van Kleeck, it describes working security in the new era, “When it was suggested to one of them that she find a position with another firm, she replied that, while she knew that other places treated you less “like a slave,” the hours were like this everywhere in her trade,—that a girl never knew when she would be “laid off” one day, and forced to work day and night the next.”<sup>33</sup> In another article by Van Kleeck, written in 1908, it claims...

A widow and four children were living in a rear tenement on Chrystie street where they rented two rooms at nine dollars a month. The house is an old one, with old fashioned worn-out wooden stairs and sinks from which water frequently overflows on the stair landings. Three of the children in the family referred to,—Messina aged eleven years, Mary aged nine, and Ida aged six, helped their mother in finishing overcoats of good quality well lined with black satin. The children were under-nourished and undeveloped, entirely unfit physically for any work, especially sewing heavy cloth overcoats. The rooms in which they lived were very dirty, and the family owned only one bed. At night they used the cloth overcoats for covering.<sup>34</sup>

In 1909, the women’s rights and labor rights advocate Jane Addams writes, “...the modern city wastes this most valuable moment in the life of the girl, and drives into all sorts of absurd and obscure expressions her love and yearning towards the world in which she forecasts her destiny, so it often drives the boy into gambling and drinking in order to find his adventure.”<sup>35</sup> In a longer sections, she writes...

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<sup>29</sup> Daniel, Annie S., “The Wreck of the Home: How Wearing Apparel is Fashioned in the Tenements,” 1905.

<sup>30</sup> Daniels, John, “Industrial Conditions Among Negro Men in Boston,” 1905.

<sup>31</sup> Wright, R. R., Jr., “The Negro in Times of Industrial Unrest,” 1905.

<sup>32</sup> Hart, J.W., “The Church and Workingmen,” 1906.

<sup>33</sup> Van Kleeck, Mary, “Working Hours of Women in Factories,” 1906–1907.

<sup>34</sup> Van Kleeck, Mary, “Child Labor in New York City Tenements,” 1908.

<sup>35</sup> Addams, Jane, “The Spirit of Youth and the City Streets,” 1909, chapter 1.

We are told upon good authority that “If the imagination is retarded, while the senses remain awake, we have a state of esthetic insensibility,” — in other words, the senses become sodden and cannot be lifted from the ground. It is this state of “esthetic insensibility” into which we allow the youth to fall which is so distressing and so unjustifiable. Sex impulse then becomes merely a dumb and powerful instinct without in the least awakening the imagination or the heart, nor does it overflow into neighboring fields of consciousness. Every city contains hundreds of degenerates who have been over-mastered and borne down by it; they fill the casual lodging houses and the infirmaries.

[...]

An English moralist has lately asserted that “much of the evil of the time may be traced to outraged imagination. It is the strongest quality of the brain and it is starved. Children, from their earliest years, are hedged in with facts; they are not trained to use their minds on the unseen.”

[...]

It goes without saying that every tenement house contains women who for years spend their hurried days in preparing food and clothing and pass their sleepless nights in tending and nursing their exigent children, with never one thought for their own comfort or pleasure or development save as these may be connected with the future of their families. We all know as a matter of course that every shop is crowded with workingmen who year after year spend all of their wages upon the nurture and education of their children, reserving for themselves but the shabbiest clothing and a crowded place at the family table.<sup>36</sup>

Monopolies, corporations that have organized into one whole body, have taken control over the working people in this era. They refused to employ workers, they refused to produce goods, they refused to transport materials, until prices rose and wages fell. Unemployment soared along side profit, proportionally. That is the nature of the Capitalist system. “The Standard, through its pipe line, had refused to run oil, unless sold to them, and then declared it could not buy, because the railroads could furnish it no cars in which to move away the oil. Hundreds of wells were stopped, to their great damage. Thousands more, whose owners were afraid to close them for fear of injury by salt water, were pumping the oil on the ground.”<sup>37</sup> In 1876, there were 21 oil refineries idle in one city. Over 3,000 men lost their jobs to increase the cost of the product. In 1867, 28 oil refineries were shut down. In total, of the nation, 76 were shut down, to increase the cost of oil, and decrease wages.<sup>38</sup> To quote Henry Lloyd, “The thousands of men thrown out of employment in Pittsburgh between 1872 and 1877...”<sup>39</sup> Poverty rose: “...one hundred wedding-rings were pawned in one town in a single week for money to bread...”<sup>40</sup> In the 1800’s, for over two months, three out of every four flouring mills was shut down — of which legislators estimated

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<sup>36</sup> Addams, Jane, “The Spirit of Youth and the City Streets,” 1909, chapter 2.

<sup>37</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>38</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>39</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 1.

<sup>40</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 2.

to cost the country more than three hundred million dollars, in 1800's money.<sup>41</sup> The cost of living increased dramatically, forcing workers to strike for better pay — some strikes nearly shutting down the entire nation, and costing over ten million dollars.<sup>42</sup> Mega-corporations in this time threw away wheat, “as the Dutch threw away the spices of the Moluccas,” even when people were starving.<sup>43</sup> In England: “With the machinery of the Liverpool Cotton Exchange a year ago they stopped fifteen million spindles and took away the livelihood of thousands of men, women, and children.”<sup>44</sup> In Chicago: “The commercial reports of the Chicago papers show that, during the corner of 1881, shipments were stopped, elevators gorged, the lake marine paralyzed, sailors and laborers thrown out of work, and a blockade of the entire grain business threatened.”<sup>45</sup> The response this all had on society was clear...

Dr. Drysdale, of London, at the last session of the Social Science Congress, pointed out how the deathrate rose with scarcity of food. The mean age of the rich in England, at the time of death, is fifty-five; among the poor it is not thirty. The death-rate among the children of the comfortable classes is eighty in a thousand; among the working people of Manchester and Liverpool it is three hundred in a thousand. Dr. Farr shows that the death-rate of England decreases three per cent, when wheat declines two shillings a quarter. As food grows dear, typhus grows plenty. Scarcer bread means more crime. An increase of one larceny to every hundred thousand inhabitants comes with every rise of two farthings in the price of wheat in Bavaria. The enemies of the men who corner wheat and pork could wish for no heavier burden on their souls than that they should be successful. As wheat rises, flour rises; and when flour becomes dear, through manipulation, it is the blood of the poor that flows into the treasury of the syndicate. Such money costs too much.<sup>46</sup>

“It is said by the local newspapers that the mills which do not belong to the association are hired to stand idle, as there are too many mills, and the association finds it profitable to sustain prices at the cost of thousands of dollars paid out in this way.”<sup>47</sup> The Western Wrapping Association, from 1880 and onward, has curtailed production, refusing to produce as much as it easily could, to inflate the price of wrapping paper. The Western Wooden Ware Association only produced one fifth of what they could from 1884 onward. The owner of Vulcan Mill at St. Louis refused to produce rail, at an income of \$400,000 a year from other mills. The Nail Association refused to produce for five weeks, to increase the cost of nails. The price of track was doubled when production was cut in half. Many whisky distillers' are kept idle, drawing pension from other distillers of up to \$500 a day. A milk monopoly was formed, that bought all the milk produced — when producers refused to sell to the monopoly, the milk was forcibly spilled, often with the aid of bribed police officers.<sup>48</sup> Lloyd describes the whole scene as it appeared in the United States at that era...

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<sup>41</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.

<sup>42</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.

<sup>43</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.

<sup>44</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.

<sup>45</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.

<sup>46</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 3.

<sup>47</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

<sup>48</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

Other combinations [with the intent of keeping up prices and keeping down production], more or less successful, have been made by ice-men of New York, fish dealers of Boston, Western millers, copper miners, manufacturers of sewer pipe, lamps, pottery, glass, hoop-iron, shot, rivets, sugar, candy, starch, preserved fruits, glucose, vapor stoves, chairs, lime, rubber, screws, chains, harvesting machinery, pins, salt, type, brass tubing, hardware, silk, and wire cloth, to say nothing of the railroad, labor, telegraph, and telephone pools with which we are so familiar.<sup>49</sup>

The cruelty as it appears from the Capitalist class must, in fact, be unwaivering. I am not trying to vilify some unseen creature, some indispensably disposed being, as infinitely brutal thing — I am bringing evidence that suggests this. Lloyd writes, one last time...

Mr. Markle evicted thirteen men against not one of whom does the record show any offence. One of these men had been thirty years in his and his father's employment. These people occupied "Company houses," held under the most extraordinary leases perhaps in America. Their tenure was at the will and pleasure of John Markle, and the rent was 15½ cents a day. Nowhere else in the world, so far as I know, do such leases exist, except in one place, and the coincidence is appropriate. In the Whitechapel district in London I have seen houses where the rent is collected every night at ten o'clock. These Markle leases contained a clause by which the tenant made the landlord his agent to confess judgment in any controversy between himself and his landlord. One of these tenants had served the Markles for thirty-one years. There was not one black mark against his name; only a very faithful and very obedient and very competent man could have had that record, but his son had been a member of the relief committee and had fed women and children who were starving during the strike. Others of the thirteen evicted men had been officers and leading men of the union. They had made Mr. Markle's lawyer their lawyer, and so when the eviction notices were served, judgment was confessed by his lawyer for them and all the requirements of the conscience of the law were satisfied. Mr. Markle's lawyer went to Wilkesbarre at 12 o'clock at night to get the papers and ordered the sheriff to be there early in the morning. The men had had six days' notice but they had not moved, not believing it possible that the employer most famous of all in the coal regions for his philanthropy would do this thing. His lawyer said before the Commission that these men had put up a job to get turned out. When the lawyer came in the morning these men begged for time. One of them had a wife who was lying sick in bed, and a mother-in-law a hundred years old, blind and sick in bed. This man, Henry Coll, begged for time, -only two hours' time-to find a place of refuge. The sheriff went to Mr. Markle. Mr. Markle said, according to one account, "No"; according to another, "Not ten minutes."

They got some wagons and then carried the household goods of these people out in the highway, the only place they had to lay their heads. It was two miles from any other village; it was a November day, by this time it had grown to be six o'clock at night and a cold rain was coming down. The Superintendent left these people on

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<sup>49</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 4.



the road in the rain and the dark,-men, women, and children, the well, the sick, the blind, the infirm, the helpless, two miles from any shelter, and then having done his good work, he drove away, went home, and got his supper.

It was one o'clock in the morning before Henry Coll found a place to go to and a wagon to take him and his wife and his mother-in-law to it. They had to enter their new home through a window as the door could not be opened. Some kind of a bed was made of the wet things they had; Coll got some medicine for his wife who was growing worse; she sat up to take it and as she swallowed it she choked, fell forward-dead!<sup>50</sup>

In February of 1911, Elizabeth C Watson explored the tenement houses of the city. Her discoveries: "Last March, on a bitter cold day with snow falling, while visiting a tenement in which finishing was done, a little shivering group of children was found whimpering and huddling in the second floor hallway. The baby, a tiny scrap of fourteen months, was crying with cold, while the little mother (of seven) cuddled him in her arms, trying to forget her own discomfort in caring for him."<sup>51</sup> One immigrant told her, "Everybody, all a people, they willow the plumes. It hurts the eyes, too, bad, bad. How we can help it? The man he no work, two days, three days, may be in one week, two weeks. Sundays he no work, no pay. The holidays, no work, no money. Rainy, snowy days, bad days, he no work."<sup>52</sup> In 1967, an editorial wrote, "Since the turn of the century the cartel has systematically and almost continuously fixed prices, rigged bids, divided territories, artificially curtailed production."<sup>53</sup> The article was speaking of a medicine production company, that was artificially keep the world in constant fever, under the constant distress of sickness, nausea, and illness.

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<sup>50</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910, chapter 9.

<sup>51</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

<sup>52</sup> Watson, Elizabeth C., "Home Work in the Tenements," 1911, February.

<sup>53</sup> New Republic Editorial, "The Quinine Caper," 1967.

## ***Chapter 6: The Brutal Result of Capitalism on the People of the World – The Worker (Modern)***

[Special thanks goes out to Co-op America, and [responsibleshopper.org](http://responsibleshopper.org), whose publications aided in the research of this chapter.]

### **Section I: Abuse of the Worker (Modern)**

The nation of Burma is currently under the control of an illegal military junta. It has been under this control since 1988. Under the force of the military, men, women, children, and the elderly are forced to labor without compensation. Sometimes they work to complete agricultural or industrial projects, other times they work for the military carrying supplies and ammunition. Most of the money the regime makes is through the natural resources that are exported. By purchasing their commodities, one is supporting the regime. However, businesses that are still doing business with Burma include 3M, American Express, BMW (Bayerische Motoren Werke), Citigroup, Inc., Glaxosmith Kline, Halliburton, Hewlett-Packard Co., Hyundai, Lucent Technologies, Saks Incorporated,<sup>1</sup> Chevron Texaco Corp., Hyundai, Mitsubishi Motors of America, Inc., Nestle USA, Nissan Motor, Sony Corp., Toshiba Corp., Unocal<sup>2</sup> Federated Department Stores,<sup>3</sup> TJX, and Kohl's.<sup>4</sup>

In the 1980's and 1990's, the use of outsourcing among American industries had become a popular trend, only becoming more and more used. Outsourcing is when American industries move capital to foreign territory, where production costs are lower. Why are they lower? They're lower because they're capable of getting away with lower wages, more hours, and fewer jobs. With the passage of NAFTA, this only increased. In Mexico, American industries import from maquiladoras, Mexican factories where laborers are paid poorly and forced to work overtime. Though passed with the intention of helping the world, NAFTA has meant fewer jobs with more hours and less pay. Businesses using Mexican maquiladoras include BMW (Bayerische Motoren Werke), Canon Inc., DaimlerChrysler, Eli Lilly, Ford Motor, General Electric Company, General Motors, Hewlett-Packard Co., Hitachi American, Ltd., Honda Motor, Honeywell, Hyundai, IBM, Mattel Inc., Mitsubishi Motors of America, Inc., Motorola, Nissan Motor, Sanya Electric Co., Ltd., Sara Lee Corp., Sony Corp., Toshiba Corp., Volkswagon AG, and Xerox.<sup>5</sup>

Some apparel sold at Dillard's is made in Excel Apparel Exports, a Haitian factory. Workers here earn \$1.33 a day.<sup>6</sup> Caribou Coffee sells products that are not Tarnsfar certified Fair Trade,

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<sup>1</sup> Global Unions ([www.global-unions.org](http://www.global-unions.org))

<sup>2</sup> Burma Forum Los Angeles ([www.burmaforumla.org](http://www.burmaforumla.org))

<sup>3</sup> Corp Watch ([www.corpwatch.org/action/PAA.jsp?articleid=1958](http://www.corpwatch.org/action/PAA.jsp?articleid=1958))

<sup>4</sup> National Labor Committee ([www.nlcnet.org/](http://www.nlcnet.org/))

<sup>5</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>6</sup> Clean Clothes Campaign ([www.cleanclothes.org/](http://www.cleanclothes.org/))

meaning that the coffee farmers are paid lowly and work in poor conditions. Carribou Coffee owns 160 locations throughout the United States.<sup>7</sup> Gap and Nike brand clothing are made at BJ&B sweatshop in the Dominican Republic. Violating even that nation's labor laws, women are paid less than men, workers are hit, touched inappropriately, and belittled, and conditions are unsanitary. Out of the \$20 retail cost of a brand cap, \$0.08 is given to the workers, who earn about \$40 after 56 hours of work.<sup>8</sup> Both Circuit City and JCPenny employment contracts prohibit their workers from litigating against their employer. This disallows employees from filing suit for sexual harassment, abuse, or violation of labor laws.<sup>9</sup> Hasbro, the child toy company, subcontracts factories in Asia, using cheap labor and lack of enforcement of labor laws. Such labor laws prevent unsanitary and unsafe conditions, as well as protecting wages.<sup>10</sup> In a Nabisco food processing plant in Oxnard, California, female employees were denied the right to take bathroom breaks, while males were allowed this privilege. The employer even padlocked the female bathroom between breaks.<sup>11</sup> In a National Semiconductor facility in Greenock, Scotland, women workers are suffering serious occupational health problems, including miscarriages, reproductive cancers, vision problems, and respiratory ailments. The ability to unionize is illegal, thus inhibiting workers from organizing against the unsanitary conditions.<sup>12</sup>

Nike was the recipient of the National Labor Committees' First Annual Golden Grinch Awards. It was received because the company had outstanding sweatshop abuses and starvation wages. In one Dominican Republic factory, workers were given 6.6 minutes to sew one children's sweatshirt. They earn \$0.08 for each \$22.99 Nike sweatshirt they sew, less than 3/10ths of 1% of retail price.<sup>13</sup> In Guatemala, a Phillips-Van Heusen employee work force organized a union according to Guatemalan law, but the company refuses to recognize the validity of it.<sup>14</sup> In Saipan, 40,000 garment workers brought suit against Polo Ralph Lauren, because workers faced harassment, abuse, and poor working conditions.<sup>15</sup> Shirts and pants sold at Wal-Mart stores are made by workers at the Beximco Factory, Bangladesh, where employees work 12 hour days, seven days a week, and receive between 9 and 20 cents an hour.<sup>16</sup> A New Orleans worker at the Winn-Dixie grocery store was fired because he was a crossdresser, when not at work.<sup>17</sup>

In June of 1995, JCPenny fired 186 workers at an El Salvador plant because they organized in a union. This was after being subject to excessive overtime and undue punishment.<sup>18</sup> Since 1996, Darden Restaurants has been charged with four separate accounts of anti-gay discrimination.<sup>19</sup> From 1996 to 1997, Halliburton aided in construction in Burma, knowing of the forced labor, or literal slavery, that was used to build it.<sup>20</sup> Mitsubishi has been mishandling sexual and racial harassment allegations from 1996 and earlier. Some women were set back in careers for not giving

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<sup>7</sup> TransFair USA ([www.transfairusa.org/](http://www.transfairusa.org/))

<sup>8</sup> UNITE ([www.uniteunion.org/](http://www.uniteunion.org/))

<sup>9</sup> National Organization for Women ([www.now.org/](http://www.now.org/))

<sup>10</sup> Multinational Monitor ([multinationalmonitor.org/](http://multinationalmonitor.org/))

<sup>11</sup> National Organization for Women ([www.now.org/](http://www.now.org/))

<sup>12</sup> Silicon Valley Toxics Coalition ([www.svtc.org/](http://www.svtc.org/))

<sup>13</sup> National Labor Committee ([www.nlcnet.org/](http://www.nlcnet.org/))

<sup>14</sup> Campaign for Labor Rights ([www.campaignforlaborrights.org/](http://www.campaignforlaborrights.org/))

<sup>15</sup> Human Rights Watch ([www.hrw.org/](http://www.hrw.org/))

<sup>16</sup> National Labor Committee ([www.nlcnet.org/](http://www.nlcnet.org/))

<sup>17</sup> Gay Today ([gaytoday.badpuppy.com/](http://gaytoday.badpuppy.com/))

<sup>18</sup> Multinational Monitor ([multinationalmonitor.org/](http://multinationalmonitor.org/))

<sup>19</sup> Human Rights Campaign ([www.hrc.org/](http://www.hrc.org/))

<sup>20</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org/))

in to sexual harassment.<sup>21</sup> In 1997, Fruit of the Loom slashed 7,700 U.S. jobs in shifting production to the Caribbean, ultimately offering fewer jobs, for longer hours, with less pay.<sup>22</sup> Home Depot paid \$104 million to settle a class-action discrimination suit, involving 25,000 employees.<sup>23</sup> Kmart, Limited Brands Inc., and May Department Stores, was named as one of the companies that used sweatshop labor most often in 1997.<sup>24</sup>

In a 1997 report, teenage girls and women working in the Keyhinge factory in Vietnam were forced to work 9 to 10 hours a day, seven days a week, often earning just six cents an hour. They were producing promotional toys for happy meals. In February of that year, 200 workers fell ill, 25 collapsed, and three were hospitalized, because of chemical exposure.<sup>25</sup> On March 8 of 1997, Carmelita Alonza died after spending 11 days in the hospital. The cause of death was related to her 14 hour workdays and eight hours of overtime every Sunday. She worked in a factory that supplied Eddie Bauer, Federated Department Stores, Gap, Jones Apparel, Liz Claiborne Inc., May Department Stores, and Polo Ralph Lauren.<sup>26</sup> On June of 1997, a British judge noted in a sidenote that McDonald's pays low wages, helping to depress wages in the catering trade.<sup>27</sup> Reebok shoe factories in China employ workers as young as 13, paid below legal minimum, and forced overtime, according to a September 1997 report.<sup>28</sup> In October of 1997, First Union settled an age discrimination suit against 239 former employees, by paying \$58.5 million. Old workers were fired and replaced with younger, less-qualified workers.<sup>29</sup> In an Associated Press report for November of 1997, Nicaraguans who make garments sold at Kmart work in appalling conditions and are paid extremely little. The report also noted Hondurans who were forced to work in similar conditions for the Kathie Lee Gifford line. There was physical, verbal, and sexual abuse. The factories were surrounded by barbed wire, guarded with armed soldiers, and employed children as young as 15, some forced to work 13 hours a day, seven days a week, without overtime pay.<sup>30</sup> In December of 1997, five garment workers in El Paso, Texas, were awarded \$10.6 million in court, when the Levi Strauss company violated their privacy rights. The violation occurred as retaliation, when the workers sought work comp benefits for injuries incurred at the plant.<sup>31</sup>

Arlen Benjamin-Gomez traveled to Honduras in 1998, where she interviewed workers for two weeks. These workers were paid \$3.50 a day and forced to work long hours of overtime without pay. Ventilation was poor in the factories, the managers treated them badly, and they had limited use of the bathrooms. Workers who tried to unionize were blacklisted and fired.<sup>32</sup> Also in 1998, Gap clothing and clothing by the Sara Lee Corp. was manufactured in a Thai factory. It underpaid workers, denied payment of overtime, required forced overtime, and provided no working welfare, violating the law in Thailand. Work shifts were 12 hours each with limited bathroom use. Women workers were sexually harassed and violated. Unionizing workers were

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<sup>21</sup> National Organization for Women ([www.now.org/](http://www.now.org/))

<sup>22</sup> Public Citizen ([www.citizen.org/](http://www.citizen.org/))

<sup>23</sup> Vault.com

<sup>24</sup> Solidarity ([solidarity.igc.org/](http://solidarity.igc.org/))

<sup>25</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>26</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>27</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>28</sup> Global Exchange ([www.globalexchange.org/](http://www.globalexchange.org/))

<sup>29</sup> The New York Times, October 23, 1997

<sup>30</sup> The Associated Press, November 12, 1997

<sup>31</sup> Managing Risk, December 1997

<sup>32</sup> Global Exchange ([www.globalexchange.org/](http://www.globalexchange.org/))

fired.<sup>33</sup> McDonald's has been allowed by the government to put restaurants in public hospitals, guaranteeing a monopoly — however, such restaurants are anti-union.<sup>34</sup> In maquiladoras in Mexico, Sanyo performed pregnancy tests and fired all pregnant women.<sup>35</sup> A 1998 report detailed 53 cases of pregnancy discrimination at 50 factories along the U.S.-Mexico border and in Baja, California. These factories are operated by Tyco International, which requires mandatory pregnancy testing during the hiring process.<sup>36</sup> Also in 1998, Tyson Foods cheated workers out of 30 minutes of overtime pay everyday.<sup>37</sup>

As late as March of 1998, Federated Department Stores and Polo Ralph Lauren were selling clothing made in China, under illegal working conditions and violating internationally recognized workers rights.<sup>38</sup> A March 1998 visit to Reebok factories had discovered that wages and monitoring were inadequate, and that virtually little to no progress had been made in allowing workers the right to unionize. Also, the actual wages had decreased in purchasing power by 60%.<sup>39</sup> In March of 1998, a female worker suffered sexual harassment, verbal and physical, by workers of Tyson Foods corporation, and her complaints to management were completely ignored.<sup>40</sup> One woman was demoted from State Street Corp. after taking a maternity leave. Investor's Business Daily stated that the complaint claimed, "women were targets of profanity and were underpaid relative to their male counterparts; that another woman was fired because she missed work while attending court after having been the victim of domestic abuse; and that an employee played a compact disc of a woman having an orgasm over speakers located in the equity trading room."<sup>41</sup> In June of 1998, an explosion linked to outdated equipment at the Pennzoil-Quaker State Company killed 5 workers. Pennzoil paid a \$1.5 million fine in April of 1996 for violating OSHA's safety management rules and materials handling rules.<sup>42</sup> In 1998 of August, CIGNA Corporation withheld raises from their employees unless the employees signed over their right to sue over age, sex, and racial discrimination, any form of harassment, or wrongful hiring.<sup>43</sup> In 1991, Whole Foods fired an employee for her union activity in the United States. In November of 1997, Whole Foods also fired 70 union workers with 70 non-union workers. At another Whole Foods, one worker was fired for trying to represent the work force and bring up concerns of the workers.<sup>44</sup> In October of 1998, a female worker of the Dana Corporation was subjected to sexual harassment by a male supervisor. Her claim was backed by the Equal Employment Opportunity Commission. The harassment went on for several years.<sup>45</sup> Time Warner Inc. denied health and pension benefits to hundreds of eligible workers, by claiming they were independent contractors.<sup>46</sup> In 1998, the Valero Energy Corp. finally gave compensation to a

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<sup>33</sup> Clean Clothes Campaign ([www.cleanclothes.org/](http://www.cleanclothes.org/))

<sup>34</sup> AFSCME ([www.afscme.org/](http://www.afscme.org/))

<sup>35</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>36</sup> Human Rights Watch ([www.hrw.org/](http://www.hrw.org/))

<sup>37</sup> Dollars & Sense ([www.dollarsandsense.org/](http://www.dollarsandsense.org/))

<sup>38</sup> AAP Newsfeed, March 19, 1998

<sup>39</sup> Interfaith Center on Corporate Responsibility ([www.iccr.org/](http://www.iccr.org/))

<sup>40</sup> The Kansas City Star, March 28, 1998

<sup>41</sup> Investor's Business Daily, May 21, 1998

<sup>42</sup> Chemical Week, June 24, 1998

<sup>43</sup> The Patriot Ledger, August 4, 1998

<sup>44</sup> Texas Observer, September 11, 1998

<sup>45</sup> The AP State & Local Wire, October 28, 1998

<sup>46</sup> The AP State & Local Wire, October 26, 1998

widow of a worker at its' Armarillo, Texas refinery, who was killed in a 1996 gas explosion. A jury determined the company was guilty of gross negligence.<sup>47</sup>

The year 1999 was not much different than others. In an Indonesian oil facility, owned by Chevron Texaco Corp., 8,000 workers face labor and human rights violations.<sup>48</sup> In a 1999 report, General Motors was found to be performing pregnancy tests and discrimination against pregnant females.<sup>49</sup> A group of black employees working for Merck were being treated unfairly and not given the same promotion opportunities as white employees.<sup>50</sup> In January of 1999, HoltraChem Manufacturing was fined by the NC Occupational Safety and Health Administration for health and safety violations, including overexposure of mercury to employees, frequent hydrogen fires, and lack of protective clothing for dangerous chemicals.<sup>51</sup> In the same month, Warnaco and seventeen other clothing manufacturers were accused of using indentured labor to produce clothing, failure to pay overtime, and intolerable work conditions in Saipan, a United States territory.<sup>52</sup> In February of 1999, Airborne Inc. was sued because their policy of randomly searching workers violates their civil rights and the collective bargaining agreement.<sup>53</sup> In early 1999, Tyson Foods tried to take away 21 benefits from workers when contracts came up for renewal.<sup>54</sup> In March of 1999, a white supervisor for Airborne Inc. accelerated the disciplinary process of seven African Americans and Hispanics, as well as screaming obscenities at them and physically threatening them.<sup>55</sup> Kohl's, owned by Great Atlantic and Pacific, was accused in 1998 of practicing wage discrimination, by giving only high paying positions to male employees. By 1999 of March, 1,500 females have joined in a suit against the company.<sup>56</sup> A report from March of 1999 reported that more than half of the clothing sold by Lands' End was being purchased from overseas, where sweatshop conditions are prevalent<sup>57</sup> In April of 1999, Bellsouth was accused of discriminating against 300 employees, who were denied promotions and pay raises because of age and gender.<sup>58</sup> A May 1999 report identified Cooper Tire & Rubber as one of 12,500 workplaces with notably high occupational injury and illness.<sup>59</sup> When Mexican workers at a maquiladora voted to be represented by an independent union in May of 1999, Hyundai refused their request.<sup>60</sup>

According to a June, 1999 report, Boise Cascade has been charged with 350 willful negligence violations of worker safety since 1988.<sup>61</sup> According to another June, 1999 report, Phillips-Van Heusen shut down a factory that had been granted independent monitoring and moved to a non-unionized, poverty-wage sweatshops.<sup>62</sup> In July of 1999, 13 current and former employees

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<sup>47</sup> The National Law Journal, December 21, 1998

<sup>48</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>49</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>50</sup> Vault.com

<sup>51</sup> Morning Star (Wilmington, NC), January 20, 1999

<sup>52</sup> Sweatshop Watch ([www.sweatshopwatch.org/](http://www.sweatshopwatch.org/))

<sup>53</sup> The AP State & Local Wire, February 4, 1999

<sup>54</sup> Associated Press, February 24, 1999

<sup>55</sup> NY Employment Law Letter, March 1999

<sup>56</sup> The Milwaukee Journal Sentinel, March 19, 1999

<sup>57</sup> The Dallas Morning News, March 7, 1999

<sup>58</sup> Business Journal Serving Charlotte, April 16, 1999

<sup>59</sup> Rubber & Plastics News, May 31, 1999

<sup>60</sup> Corporate Watch, May 16, 1999

<sup>61</sup> U.S. PIRG Report, Public Loss, Private Gain

<sup>62</sup> Multinational Monitor, June 1999

of Winn-Dixie were awarded \$120,000 each by a federal court for race and sex discrimination.<sup>63</sup> Federal Express Corp. in Maryland were accused of male managers sexually assaulting and molesting five women.<sup>64</sup> Rockwell International plead guilty to three felony counts, in which it was accused of the deaths of two employees due to lack of safety regulations.<sup>65</sup> In September of 1999, one MBNA telemarketer filed discrimination charges against the company, on physical disabilities and age.<sup>66</sup> The University of Arkansas purchases its school clothing from overseas nations where sweatshop conditions flourish.<sup>67</sup> In October of 1999, Fruit of the Loom paid \$7.3 million in a settlement agreement because they had refused to pay wages to workers.<sup>68</sup> In late 1999, one female employee of MBNA was sexually harassed and assaulted by a male coworker, whom the company had refused to do anything to help. The harassment was so intense that it went to the point of physical collapse.<sup>69</sup> In October of 1999, Phillips-Van Heusen and four other clothing manufacturers agreed to settle a class-action suit because of their sweatshop conditions in the United States.<sup>70</sup> Sales staffers at Quaker Oats had lost their jobs in 1994 because of age discrimination, were finally paid settlement in late 1999.<sup>71</sup> Seoney's Inc. paid out \$18 million in settlement fees because of unfair wage and labor practices.<sup>72</sup> Amazon.com's work conditions include four people sharing one cubicle, low wages, and poor management.<sup>73</sup> In September of 1999, a former employee of AutoNation filed a religious discrimination lawsuit against his employer, because he was fired on religious grounds.<sup>74</sup> A Nigeria-American employee of Autonation was harassed at a dealership, calling him "ebola" and "ebola virus" over four months.<sup>75</sup> Norman Pawlowski was fired from Hewlett-Packard, when he brought up environmental and safety violations that threatened the safety of other employees.<sup>76</sup> In December of 1999, 8,000 Indonesian workers held violent protests demanding higher wages from Nike's starvation wages.<sup>77</sup> Seven workers were killed at Tyson Foods facilities throughout 1999, when no other poultry company has reported any fatalities in that or the next year.<sup>78</sup>

In January of 2000, Dana Corporation was found to be hiding microphones in security cameras to eavesdrop on employees.<sup>79</sup> Georgia Pacific refused to pay 6,000 seasonal farm workers the minimum wage in the United States. The same thing happened with employees of International Paper Co..<sup>80</sup> Whole Foods routinely failed to pay overtime to employees who worked more than 40 hours a week over a two-year period.<sup>81</sup> K-tel International Inc., and 11 other companies,

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<sup>63</sup> USA Today, July 19, 1999

<sup>64</sup> The AP State & Local Wire, August 16, 1999

<sup>65</sup> Multinational Monitor, July/August 1999

<sup>66</sup> Bangor Daily News, September 19, 1999

<sup>67</sup> Associated Press, September 2, 1999

<sup>68</sup> The Advocate (Baton Rouge, LA), October 19, 1999

<sup>69</sup> Sexual Harassment Litigation Reporter, Oct 1999

<sup>70</sup> CNN (www.cnn.com)

<sup>71</sup> Associated Press, October 9, 1999

<sup>72</sup> The Commercial Appeal, October 3, 1999

<sup>73</sup> The Washington Post, November 22, 1999

<sup>74</sup> The Arizona Republic, November 21, 1999

<sup>75</sup> The Ethnic NewsWatch, November 11, 1999

<sup>76</sup> Associated Press, November 27, 1999

<sup>77</sup> The Associated Press, December 22, 1999

<sup>78</sup> Corporate Watch, December 30, 1999

<sup>79</sup> The AP State & Local Wire, January 6, 2000

<sup>80</sup> The Atlanta Journal, January 29, 2000

<sup>81</sup> The AP State & Local Wire, January 25, 2000

were making bootlegs of slain rapper Tupac Shakur's music, without compensation.<sup>82</sup> Goodyear Tire & Rubber has been engaging in anti-union activities in March of 2000, including firing 48 production employees at its Guatemala plant.<sup>83</sup> Eighteen retailers, including Jones Apparel, Liz Claiborne Inc., and May Department Stores, in March of 2000 agreed to compensate underpaid and overworked employees in sweatshop conditions in Saipan, a U.S. territory.<sup>84</sup> A massive explosion at a petroleum plastics plant in Texas, March 2000, killed one person and injured 74 others. It was the third fatal accident in 11 years, and fourth explosion in one year. The company had failed to meet safety regulations.<sup>85</sup> An Arabic-Syrian employee of Federated Department stores was mocked for her ethnicity and then fired for actions that, when other workers engaged in them, there was no disciplinary action.<sup>86</sup> Forty five employees of IBM in April of 2000 were exposed to cancer-causing agents within an IBM plant that failed to meet safety regulations.<sup>87</sup> JCPenny is one of several U.S. corporations employing 40 thousand factory workers in Jordan, where workers earn \$3.50 a day. JCPenny and several other companies contracted sweatshop labor in Saipan. In December of 2000, JCPenny contracted Daewoosa clothing factory in American Samoa, where workers sometimes were refused food for days, as a form of punishment against workers, refused to pay wages, and engaged in physical assaults on their workers by the bosses. A San Francisco garment plant operated by JCPenny was shut down because it refused to pay \$850,000 in wages. Also, JCPenny operates assembly plants in Haiti, paying less than that nation's minimum wage.<sup>88</sup> Louisiana-Pacific violated six safety standards in an explosion that killed a worker and hospitalized another at its Olathe plant in October 1999.<sup>89</sup>

In May of 2000, CIGNA Corp. shortchanged doctors on insurance policies, by refusing to pay for certain services that were covered in the contracts.<sup>90</sup> Foot Locker Inc. has been paying its Canadian employees only 65% of minimum wage in Toronto, some being paid as low as \$2.50 an hour, forced to work up to 12 hours without overtime pay.<sup>91</sup> Kohl's was given one of the National Labor Committee's First Annual Golden Grinch Awards, for outstanding sweatshop abuses and starvation wages. Their labor is contracted in sweatshops in Nicaragua.<sup>92</sup> Limited Brands Inc., as well as 17 other clothing manufacturers, used indentured labor to produce clothing. They failed to pay overtime and minimum wage, while advertising their garments as "Sweatshop Free." 50,000 workers were harmed from their activities.<sup>93</sup> Toyota forced one employee to work 12 to 16 hours a day, seven days a week, for years. Japan's legal system forced the company to compensate the widow.<sup>94</sup> United Airlines (UAL Corporation) was ruled to pay discrimination damages, when they had stricter weight standards for female employees than male employees.<sup>95</sup> In July of 2000, Northwest Airlines fired a number of employees that were organized in union activity.

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<sup>82</sup> APBnews.com , February 1, 2000

<sup>83</sup> Rubber & Plastics News, March 20, 2000

<sup>84</sup> The Associated Press, March 28, 2000

<sup>85</sup> Mother Jones, January 3, 2001/ OSHA

<sup>86</sup> The Morning Call (Allentown), April 5, 2000

<sup>87</sup> The Recorder, April 14, 2000

<sup>88</sup> Associated Press, April 25, 2003, et al.

<sup>89</sup> The AP State & Local Wire, April 3, 2000

<sup>90</sup> The AP State & Local Wire, May 31, 2000

<sup>91</sup> Canada and the World Backgrounder, May 2000

<sup>92</sup> National Labor Committee ([www.nlcnet.org/](http://www.nlcnet.org/))

<sup>93</sup> Sweatshop Watch, May 15, 2000

<sup>94</sup> Multinational Monitor, June 2000

<sup>95</sup> Crain's Chicago Business, June 26, 2000



They also used spyware to monitor the employees opinion of the company.<sup>96</sup> In August of 2000, American Airlines (AMR) had to pay 1.7 million to 99 disabled people who were denied jobs with the carrier.<sup>97</sup> Federal Express was fined by the FAA for failure to apply legal safety procedures in transporting chemical oxygen generators. One improperly placed oxygen generator was the cause of a crash that killed 110 people.<sup>98</sup> Interstate Bakers was ordered to pay \$11 in damages to 21 black workers, because they were denied promotions, subject to racist comments, and given the worst shifts.<sup>99</sup> Fox TV illegal fired Jane Akre, a reporter who refused to run a false report claiming that Monsanto's bovine growth hormone was safe. Strong evidence linked the growth hormone to cancer in humans. Monsanto warned Fox of "dire consequences" unless the television station lied to the public about the safety of the growth hormone.<sup>100</sup>

In September of 2000, Kmart, Kohl's, and four others engaged in aggressive anti-union activity. All union workers were fired. Union leaders were charged with serious criminal offenses. All employees who complained about verbal and physical abuse were also fired.<sup>101</sup> Marriott International was accused of over 80 violations of labor law during its four years of contract talks with 9,000 of its workers.<sup>102</sup> In October of 2000, Albertson's failed to pay final wages on time when employees left the company.<sup>103</sup> Proctor and Gamble Co. uses non-union talent in commercials produced.<sup>104</sup> A lawyer suing Publix Super Markets said, "It's clear that for years, Publix has engaged in a pattern and practice of channeling women into low-paying jobs and preventing them from moving from part-time to full-time work, which has affected their opportunities for advances and benefits."<sup>105</sup> In October of 2000, Publix Super Markets discriminated against six Hispanic employees, by refusing them promotions.<sup>106</sup> In November of 2000, Amazon.com posted anti-union materials on its internal website, providing managers with "warning signs" of possible union organizing activities.<sup>107</sup> Louise Lopman spent three months at an El Salvador factory that produced for Fruit of the Loom and other companies. Women were frequently denied bathroom access, given polluted water to drink, forced to stand 12 to 14 hours per day, and paid 43 cents per hour. Lopman said, "In the sweatshops of El Salvador, I saw young women working in very inhumane conditions... experiencing severe violations of dignity, of self-esteem, and of human rights."<sup>108</sup> One doctor for Humana was fired when he argued against policies that would hurt patient care.<sup>109</sup> Kmart, for four years according to labor leaders, has been opposing the formation of unions in its stores while offering benefits and wages that are insufficient.<sup>110</sup> Louisiana-Pacific has been discovered to have eight serious safety violations involving 42 sepa-

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<sup>96</sup> Business Week, July 7, 2000

<sup>97</sup> Los Angeles Times, August 11, 2000

<sup>98</sup> HazMat Transport News, August 1, 2000

<sup>99</sup> CNN ([www.cnn.com](http://www.cnn.com))

<sup>100</sup> Wired ([www.wired.com/](http://www.wired.com/))

<sup>101</sup> The Nation, September 4, 2000

<sup>102</sup> San Francisco Chronicle, September 5, 2000

<sup>103</sup> Atlanta Journal & Constitution, October 14, 2000

<sup>104</sup> The Toronto Star, October 4, 2000

<sup>105</sup> Supermarket News, October 23, 2000

<sup>106</sup> The Miami Herald, October 28, 2000

<sup>107</sup> The New York Times, November 29, 2000

<sup>108</sup> The Boston Globe, Nov. 26, 2000

<sup>109</sup> The AP State & Local Wire, November 17, 2000

<sup>110</sup> The AP State & Local Wire, November 24, 2000

rate occurrences, where there was a “substantial probability” of death or physical harm.<sup>111</sup> The EEOC said it had found evidence of a “pattern and practice of discrimination” against women at Morgan Stanley Dean Whitter.<sup>112</sup> In December of 2000, 49 agents for Allstate are suing because the company refused to pay overtime.<sup>113</sup> The Great Atlantic and Pacific corporation paid its deliverymen \$2 an hour over the course of six years. This was the employment of over 110 people in Harlem.<sup>114</sup> A black, homosexual man for Morgan Stanley Dean Whitter was fired on accounts of photos of him appearing in a gay pornographic magazine.<sup>115</sup> 15,000 African Americans were fired or refused promotion because of their race from 1993 to 2000, for the company Publix Super Markets.<sup>116</sup>

In 2001, female employees at USAirways complained, claiming “male coworkers frequently came to work intoxicated and were permitted to watch pornographic videos in an employee lounge.” Those who complained were fired.<sup>117</sup> In January of 2001, two women from Chicago plants were sexually harassed, and they claimed that sexual harassment was widely accepted and complaints went ignored.<sup>118</sup> Two IBM workers were exposed to toxic fumes at the company’s facility in Fishkill, NY, causing birth defects.<sup>119</sup> A Mexican plant for Nike employed children, forced striking workers to work at gunpoint, and allowed rancid food to its employees.<sup>120</sup> In January of 2001, U-Haul classified 480 employees as managers to deny them overtime, but a Los Angeles court ordered the company to pay over \$10 million in overtime pay.<sup>121</sup> In February of 2001, Hewlett-Packard reneged on its promise to provide lifetime discounts on its products to over 3,800 Hewlett-Packard retirees.<sup>122</sup> It was discovered in February of 2001, that as many as 13,000 workers from Mattell Inc. may have been exposed to toxic levels of trichloroethylene (TCE) from 1951 to 1980. TCE has an association with anemia, arthritis, cancer, birth defects, and liver damage.<sup>123</sup> In February of 2001, nine current and former Microsoft employees suffered racial discrimination at their workplace, where they were passed over for promotions, paid less than co-workers, experienced a hostile work place, and subject to retaliation.<sup>124</sup> Global Alliance published a report, claiming that “Indonesian workers [at nine different factories] making Nike clothes and shoes are being sexually and verbally abused, have limited access to health care and are forced to work overtime.”<sup>125</sup>

A lawsuit against Wal-mart claims that the company set up a system of frequently paying its female workers less than male counterparts and bypassing women for promotions. Another lawsuit alleges that Walmart “denied women promotions, paid them less than men and forced them to visit strip clubs on business.” The National Organization for Women are boycotting Wal-Mart,

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<sup>111</sup> AP State & Local Wire, November 22, 2000

<sup>112</sup> Los Angeles Times, November 29, 2000

<sup>113</sup> The New York Times, December 20, 2000

<sup>114</sup> The New York Times, December 8, 2000

<sup>115</sup> The New Republic, December 4, 2000

<sup>116</sup> St. Petersburg Times, Dec. 30, 2000

<sup>117</sup> The Philadelphia Inquirer, April 12, 2001

<sup>118</sup> The New York Times, January 28, 2001

<sup>119</sup> Los Angeles Times, Jan. 24, 2001

<sup>120</sup> San Francisco Gate

<sup>121</sup> The Los Angeles Times, January 10, 2001

<sup>122</sup> San Francisco Gate, February 1, 2001

<sup>123</sup> Seattle Post-Intelligencer

<sup>124</sup> The Associated Press, February 16, 2001

<sup>125</sup> The Independent (London), February 23, 2001

claiming unequal pay between the sexes, denying promotion to female employees, exclusion of contraception in health benefits, and refusal to sell the “morning-after pill” (Preven) for women, but still selling Viagra for men. According to Equal Employment Opportunity Commission, 72% of Wal-mart’s staff is women, but only a third of them make it to management, ranking it below rivals’ levels of 25 years ago. In California, another boycott was called against the Wal-Mart company, for using racial slurs against its Mexican workers. The EEOC would issue its 17<sup>th</sup> lawsuit against Wal-mart in August of 2001 for discriminating against job applicants who are disabled. Another EEOC lawsuit claims that a Wal-Mart “greeter” was fired after the company refused to let her sit down occasionally, due to her knee problems. In another EEOC lawsuit, Walmart failed to provide qualified interpreters for deaf applicants and employees.<sup>126</sup> 400 Florida farm workers for Taco Bell are paid 40 to 45 cents for every 32 pounds of tomatoes they pick – a yearly average of \$7,500 with no benefits. In May of 2001, Pizza Hut (of Yum! Brands) paid \$10 million in a lawsuit for backpay. In February of 2000, they paid \$9 million to 3,000 California employees who were not given overtime.<sup>127</sup>

In March of 2001, an engineer for Consolidated Edison warned that the nuclear power plant was faulty, and resigned in protest. A security guard was forced to his sixth straight day of 12 hour shifts, and was fired for complaining.<sup>128</sup> The DaimlerChrysler company was sued in March of 2001, for disallowing his disabled workers from transferring from plant to plant, but allowing transfers for non-disabled workers.<sup>129</sup> American Airlines was accused of violation the Americans with Disabilities Act for the second time by the EEOC in March of 2001.<sup>130</sup> Disney, Sony Corp., and Time Warner Inc., failed to pay 25,000 discharged workers on time of their last paycheck in March of 2001.<sup>131</sup> In February of 2001, Ford’s new evaluation process was designed to weed out older workers.<sup>132</sup> Kohl’s has been selling clothing made in El Salvador, where women are given mandatory pregnancy tests (and fired if positive), obligatory overtime of 6 days a week with 13 hour shifts, and paid as little as 60 cents an hour, less than a third of the cost of living.<sup>133</sup> In March of 2001, Mitsubishi Motors of America agreed to pay \$1.4 million to a group of minority workers, because the company “denied blacks promotions and transfers, and ignored racial incidents in the workplace, such the use of slurs, graffiti with the letters ‘KKK’ and, in once instance, the hanging of a noose in a break area.”<sup>134</sup> Starbucks has refused to implement human rights monitors on its coffee plantations, where some of the worst human rights violations have been recorded.<sup>135</sup> A class-action discrimination suit is against Sunoco, Inc., because, as one black workers claims, “The majority of blacks that have been employed by Sunoco are limited to staff positions and denied key management positions that instead go to whites,” as well as hosting a hostile a hostile environment.<sup>136</sup>

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<sup>126</sup> Business First, et al.

<sup>127</sup> Christian Science Monitor, Feb. 2001, et al.

<sup>128</sup> Associated Press, March 2, 2001

<sup>129</sup> Reuters, March 8, 2001

<sup>130</sup> The Dallas Morning News, March 30, 2001

<sup>131</sup> The Los Angeles Times, March 1, 2001

<sup>132</sup> The New York Times, March 19, 2001

<sup>133</sup> National Labor Committee ([www.nlcnet.org/](http://www.nlcnet.org/))

<sup>134</sup> The Associated Press, March 29, 2001

<sup>135</sup> Biodemocracy News, March 2001

<sup>136</sup> The Legal Intelligencer, March 7, 2001

In April of 2003, Target and 21 other companies had to pay \$20 million at a court order for sweatshop labor in Saipan, a U.S. territory. More than 13,000 workers worked 12-hour days regularly, seven days a week, without overtime pay. It also required workers to sign contracts waiving basic human rights. Target has been employing 40,000 workers in Jordan, where workers earn \$3.50 a day. In March of 2001, Target was selling clothing produced in El Salvador, with mandatory pregnancy tests, six working days a week, thirteen hour shifts, and wages as low as sixty cents an hour.<sup>137</sup> 21 workers for U-Haul were immediately fired for trying to join the Teamsters Union.<sup>138</sup> Ten black Xerox workers filed charges with the Equal Employment Opportunity Commission, claiming they were disallowed job advancement or promotion.<sup>139</sup> In April of 2001, 12 employees of Albertson's filed a racial discrimination against their company, for being routinely passed over for promotions — even workers who have been with the company for 31 years.<sup>140</sup> Amazon.com's working conditions in April 2001 included "poor pay, poor conditions, poor communications and poor management," as well as harassment and intimidation.<sup>141</sup> American Airlines' health plan does not cover reproductive care for women, but provides Viagra for men.<sup>142</sup> General Electric Company, General Motors, Honeywell, Sony Corp., and McDonald's, was named as a violator of workers rights' in U.S., Canada, and Mexico, by the Human Rights Watch.<sup>143</sup> In April of 2001, a federal discrimination lawsuit (by the EEOC) was filed against Kroger for violating the Americans with Disabilities Act, by harassing mentally retarded workers into quitting their jobs. A minor was also threatened with arrest if he refused to quit his job.<sup>144</sup> In April of 2001, Georgia-Pacific settled a racial harassment suit, because its African-American employees were exposed to racial slurs, jokes, and graffiti at the facility, and one employee was fired for complaining about harassment from the manager.<sup>145</sup> Marriott International has been refusing to unionize its hotels for years, with labor leaders and government officials declaring a boycott against Marriott.<sup>146</sup>

Daimler Chrysler in June 2001 refused to hire disabled mechanics at its Detroit Axle Plant.<sup>147</sup> An employee of Bellsouth was fired from the company after being subjected to anti-Semitic harassment and complaining about it, in June of 2001.<sup>148</sup> A 27-year veteran of Dupont was refused a promotion because of his disabilities.<sup>149</sup> Ford Motor, in response to many of these discrimination suits, went with reverse discriminations: it refused to promote white managers, in favor of women and minorities.<sup>150</sup> Ford Motor in June of 2001 ignored complaints of six of its employees for sexual harassment, including "Grabbing the salesman's genitals and buttocks, asking for sexual favors and making inappropriate comments of a sexual nature."<sup>151</sup> Jefferson Smurfit Group

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<sup>137</sup> National Labor Committee, et al.

<sup>138</sup> AP State & Local Wire, March 14, 2001

<sup>139</sup> Chicago Tribune, March 27, 2001

<sup>140</sup> Bloomberg News

<sup>141</sup> Guardian Unlimited

<sup>142</sup> AirWise News

<sup>143</sup> Human Rights Watch, April 16, 2001

<sup>144</sup> Cincinnati Business Courier

<sup>145</sup> Employment Litigation Reporter, May 29, 2001

<sup>146</sup> May 17, 2001

<sup>147</sup> The Associated Press, June 6, 2001

<sup>148</sup> The Orlando Sentinel, June 12, 2001

<sup>149</sup> The Washington Post, June 2, 2001

<sup>150</sup> Roanoke Times & World News, June 23, 2001

<sup>151</sup> ABC Lubbock Texas

plc admitted to failing to ensure worker safety, causing the death of one of its workers in. The investigation found that it has had previous worker fatalities in the past, that were only met with fines.<sup>152</sup>

## **Section II: Conclusion**

Reading and rereading these, we discover that what has happened one hundred years ago has not stopped. It may have stopped in our domestic lands, but those who committed these abuses have simply relocated to other areas. Their abuse of the workers has not ceased. It continues strongly, and, just as the abuse of past eras, it goes on with the constant condemnation of every humane and ethical person. These individuals who organize boycotts against sweatshop corporations, often they are not Communist, and sometimes not even Socialist. They are using their rights in a free society, as they say, to oppose something that they don't believe in. Whatever the case may be, it is undoubted that these things we read of are horrific, that they speak an insurmountable of truth about the evils of the Capitalist system.

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<sup>152</sup> UK Newsquest Regional Press, June 25, 2001

## ***Chapter 7: The Brutal Result of Capitalism on the People of the World – The Consumer (Modern)***

Special thanks goes out to Co-op America, and [responsibleshopper.org](http://responsibleshopper.org), whose publications aided in the research of this chapter.]

### **Section I: Abuse of the Consumer (Modern)**

Abbott Laboratories sold genetically engineered baby food in the Indian Market – the food had not medical approval and many instances of genetically engineered foods have included the illness and fatalities of many.<sup>1</sup> Customers in the Cincinnati area are charged 57% more for Delta Airlines flights than any other region.<sup>2</sup> Disney is opposed to any legislation that would regulate the safety of amusement park rides.<sup>3</sup> Mitsubishi admitted to “systematically concealing defects and avoiding the recall of thousands of vehicles over the past two decades.”<sup>4</sup> In the early 1990’s, Archer Daniels Midland had engaged in a price-fixing scheme for additives in animal feed.<sup>5</sup> ConAgra, Ortho Pharmaceutical Corporation, and Warner-Lambert Co. were named top 100 corporate criminals of the 1990’s, whose fraud allegations have resulted in fines exceeding millions.<sup>6</sup> In April of 1996, security guards were stopping many of its customers – later it would be confirmed that all African American customers were followed and treated as suspects.<sup>7</sup> General Motors and Honda Motors were two of five auto makers to pay \$1.9 million in fines because of hiding lease terms in contracts.<sup>8</sup> Mazda Motors paid over five million total for confusing leasing promotions in 1997.<sup>9</sup> Quaker State advertised that its engine treatment oil reduced engine wear, but such claims were unproven.<sup>10</sup> In 1998, American Airlines was discovered to have 51 violations of FAA rules to protect its customers.<sup>11</sup> In one year, three people were killed by falling merchandise at Home Depot.<sup>12</sup> Monsanto’s genetically engineered growth hormone (rBGH) has been shown to increase prostate cancer in males.<sup>13</sup> In 1998, Owens-Corning was responsible for

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<sup>1</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>2</sup> The Cincinnati Enquirer

<sup>3</sup> Public Campaign ([www.publiccampaign.org/](http://www.publiccampaign.org/))

<sup>4</sup> The Car Connection ([www.thecarconnection.com/](http://www.thecarconnection.com/))

<sup>5</sup> The New York Times, Dec 24, 2000

<sup>6</sup> Multinational Monitor, July/ August 1999

<sup>7</sup> The Kansas City Star, March 1, 2002

<sup>8</sup> Los Angeles Times, October 1, 1999

<sup>9</sup> Los Angeles Times, October 1, 1999

<sup>10</sup> The Dallas Morning News, July 24, 1997

<sup>11</sup> Associated Press, Sept. 26, 2001

<sup>12</sup> PR Newswire, November 27, 2000

<sup>13</sup> Ethical Investing ([www.ethicalinvesting.com/](http://www.ethicalinvesting.com/))

176,000 asbestos poisoning cases.<sup>14</sup> In 1998, three African-Americans at a Shoney's restaurant were harassed, intimidated, and finally the store refused to serve them.<sup>15</sup> In August of 1998, more than 10 safety violations were found with Continental Airlines.<sup>16</sup>

USAirways uses pesticide regularly on its flights, even though scientists believe that it could threaten the health of passengers.<sup>17</sup> Monsanto's director told The New York Times: "Monsanto should not have to vouchsafe the safety of biotech food. Our interest is in selling as much of it as possible. Assuring its safety is the FDA's job."<sup>18</sup> In 1998, two white Eddie Bauer security guards told a black teen to remove his shirt and told him to go home shirtless to get a receipt for the shirt.<sup>19</sup> The Federal Trade Commission and Justice Department are investigating Citigroup for use of deceptive lending terms and high fees that strip away equity.<sup>20</sup> A court ruled that General Electric Company was "deceptive" when selling dishwashers in 1999 that had a fire hazard.<sup>21</sup> Smurfit-Stone Container Corp. has produced faulty siding for homes that would prematurely fail, so as to get a returning customer. In a lawsuit, it may have to pay over \$20 million.<sup>22</sup> In January of 1999, 7,000 customers of Northwest Airlines were subjected to 11 hours of waiting, with overflowing toilets and lack of food.<sup>23</sup> It has been concluded by the National Highway Traffic Safety Administration that as of May 1, of 1999, air bags used by DaimlerChrysler had killed 76 children and saved none.<sup>24</sup> In June of 1999, two minority women at a Dillard's store were searched for stolen merchandise, only to find receipts for everything. They were detained for another hour and issued citations for fabricated offenses, and then charged with criminal trespassing. The same thing has happened in previous years of minority customers being detained and accused of shoplifting.<sup>25</sup> Toyota has released 2.2 million vehicles to customers with faulty pollution-detection systems.<sup>26</sup> Delta Airlines was fined \$77,000 by the Federal Aviation Administration for failing to adhere to safety regulations.<sup>27</sup> Investors of Fruit of the Loom, between September of 1998 and November of 1999, were issued false and misleading statements, artificially inflating the price of the stock.<sup>28</sup>

In October of 1999, Abbott Laboratories sells Prevacid, an ulcer medication, for \$393 for a standard dosage.<sup>29</sup> When an independent pharmacy in New York City closed, it sold its customers records to CVS and other corporations — violating the privacy of hundreds.<sup>30</sup> In December of 1999, K-B Toys refused to accept personal checks from black customers, but accepted them from

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<sup>14</sup> Canadian Newswire, December 15, 1998

<sup>15</sup> The Atlanta Journal & Constitution, Oct 31, 2000

<sup>16</sup> Associated Press, Sept. 26, 2001

<sup>17</sup> Mother Jones, July/August 1998

<sup>18</sup> The New York Times, October 25, 1998

<sup>19</sup> The New York Times, November 26, 1998

<sup>20</sup> The New York Times, November 12, 2000

<sup>21</sup> Associated Press, January 22, 2001/ Aug. 6, 2003

<sup>22</sup> The Arizona Republic, January 23, 1999

<sup>23</sup> The Associated Press, January 10, 2001

<sup>24</sup> Mother Jones Magazine, June 14, 1999

<sup>25</sup> PR Newswire, December 1, 1999

<sup>26</sup> The Nikkei Weekly, July 19, 1999

<sup>27</sup> Associated Press, Sept. 26, 2001

<sup>28</sup> Business Wire, April 28, 2000

<sup>29</sup> Public Citizen, October 27, 1999

<sup>30</sup> Providence Journal-Bulletin, October 21, 1999

white customers.<sup>31</sup> Federated Department Stores has store aisles that are 17 inches wide, disallowing customers with wheelchairs.<sup>32</sup> In 1999, Toys ‘R’ Us was employing over 300 employees aged 14 and 15, at 19 stores, working longer hours and late in the night, violating labor law.<sup>33</sup> In 2002, Amazon.com used spyware to steal personal information about its customers.<sup>34</sup> Bank One settled a class action case for issuing improper late fees and interest rate increases, as well as lying about its financial status to investors.<sup>35</sup> Ford Motors knew of at least 35 deaths and 130 injuries relating to its tires without taking any action.<sup>36</sup> Kmart in 2000 decided to eliminate the sale of mouth toys containing phthalates (“Some phthalates cause liver cancer, kidney damage and reproductive system impairment in animals.”), but no other dangerous chemicals.<sup>37</sup> In early 2000, Rite Aid did not allow their ATM machines accessible to disable customers.<sup>38</sup> Toys R Us promised that it could deliver toys by Christmas in 2000, but knew it could not deliver its promises.<sup>39</sup> Tyson Fresh Meats was found guilty of stealing C&F Packing Company’s secret process for making pre-cooked Italian sausage pizza topping, and then undercut C&F’s prices.<sup>40</sup> In February of 2000, Black & Decker failed to inform the public about potential fire hazards from one of its toaster models.<sup>41</sup>

In March of 2000, the presence of lead was found in Johnson & Johnson baby powders. Lead is capable of causing psychological problems.<sup>42</sup> In March of 2000, KBToys refused to take checks from African-Americans.<sup>43</sup> Sanyo Electric Co. released over 10,000 solar cell systems that were faulty and inefficient.<sup>44</sup> Wyeth Corporation recently was prosecuted by many of its customers for the diet drug fen-phen, which caused destroyed heart valves and strokes.<sup>45</sup> In May of 2000, Continental Airlines hiked up its fares during a time of record profits.<sup>46</sup> Northwest Airlines shipped a container of compressed hydrogen, which could have destroyed the plane and its private passengers.<sup>47</sup> In 2000 of June, American Airlines failed to make fulfill security regulations.<sup>48</sup> The US FDA seized syringes by Abbott Laboratories for failing to meet up production standards.<sup>49</sup> MCI Worldcom in June of 2000 changed their customer’s long-distance plans without their permission.<sup>50</sup> In June of 2000, Sprint misled customers about fine-print restrictions and add-costs.<sup>51</sup> In July of 2000, Qwest Communications paid \$1.5 million for changing their customers long distance

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<sup>31</sup> The AP State & Local Wire, March 7, 2000

<sup>32</sup> AP Online, December 23, 1999

<sup>33</sup> The Associated Press, December 1, 1999

<sup>34</sup> ZDNet

<sup>35</sup> The Chicago Tribune, April 6, 2001

<sup>36</sup> Mother Jones, January 3, 2001

<sup>37</sup> Greenpeace

<sup>38</sup> ATM & Debit News, November 16, 2000

<sup>39</sup> PC Week, January 31, 2000

<sup>40</sup> The AP State & Local Wire, March 12, 1999

<sup>41</sup> Consumer Product Litigation Reporter, Feb. 2000

<sup>42</sup> emagazine.com, march-april 2000

<sup>43</sup> U.S. Newswire, March 6, 2000

<sup>44</sup> Asian Economic News, January 1, 2001

<sup>45</sup> The AP State & Local Wire, April 20, 2000

<sup>46</sup> The Corporation Hall of Shame Report, May 16, 2000

<sup>47</sup> Reuters, May 1, 2000

<sup>48</sup> Associated Press, Sept. 26, 2001

<sup>49</sup> Lycos WebMD

<sup>50</sup> tele.com, July 31, 2000

<sup>51</sup> tele.com, July 31, 2000



service without their permission.<sup>52</sup> 21 reported traffic deaths in August of 2000 were linked to the Ford Motor tires.<sup>53</sup> Alltel has overcharged customers between \$130 million and \$140 million since 1996.<sup>54</sup> Amazon.com uses a strategy called “dynamic pricing,” where they “gauges a shopper’s desire, measures his or her means, and charges that shopper accordingly.”<sup>55</sup> Amazon.com stated that it considers customer information an asset, and that it may potentially be sold.<sup>56</sup> In September of 2000, CVS shared the information of a Maryland couple and violated confidentiality laws.<sup>57</sup> Ford Motor’s engineers, safety officials, and board were aware of the faultiness of its ignition system that caused cars to shut down — resulting in deadly and other serious accidents.<sup>58</sup> MBNA Corp. placed misleading ads, saying that there was a charge of 6.9 percent for new credit card customers, whereas it was mostly 17.9 percent on new purchases.<sup>59</sup> PG&E passed \$4.63 billion in profits to its parent company, but filed for bankruptcy, losing its investors all their money.<sup>60</sup>

In October of 2000, Humana (an HMO) offered its doctors incentives to steer patients away from using treatments.<sup>61</sup> MCI WorldCom has ripped off 5 million customers with surcharges of up to \$88 million.<sup>62</sup> Owens-Corning filed bankruptcy because its asbestos-containing products damaged enough people, with a liability as high as \$7 billion.<sup>63</sup> In 2000 of October, a woman died after a Rite Aid pharmacist erroneously doubled her prescription.<sup>64</sup> In that same month, Rite Aid overcharged 29,000 uninsured customers of up to \$500,000.<sup>65</sup> Wyeth Corporation had repeatedly violated manufacturing standards at two of its drug factories.<sup>66</sup> Wyeth Corporation, in that same month, had to pay \$4.7 billion to consumers for the fen-phen drug combination, which resulted in fatal heart valve damage and pulmonary hypertension.<sup>67</sup> In November of 2000, Abbott Laboratories failed to meet quality standards of hundreds of medical testing kits.<sup>68</sup> 6,500 trust account beneficiaries were cheated out of refunds owed to them by Bank of America, amounting to \$35 million.<sup>69</sup> CIGNA and ACE breached their insurance contracts of up to \$27 million in insurance premiums.<sup>70</sup> Goodyear Tire & Rubber knew about the failure of Firestone tires for over four years.<sup>71</sup> In November of 2000, Goodyear was linked to 15 deaths in accidents with their tires.<sup>72</sup>

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<sup>52</sup> tele.com, July 31, 2000

<sup>53</sup> Associated Press, August 2, 2000

<sup>54</sup> The AP State & Local Wire, September 19, 2000S

<sup>55</sup> The Washington Post, September 27, 2000

<sup>56</sup> The AP State and Local Wire, September 13, 2000

<sup>57</sup> The AP State & Local Wire, September 17, 2000

<sup>58</sup> New York Times, September 12, 2000

<sup>59</sup> The Philadelphia Inquirer, September 26, 2000

<sup>60</sup> DailyNews.com

<sup>61</sup> Miami Daily Business Review, October 25, 2000

<sup>62</sup> San Francisco Chronicle, January 14, 2001

<sup>63</sup> Engineering News Record

<sup>64</sup> Las Vegas Review-Journal, October 26, 2000

<sup>65</sup> The New York Times, September 26, 1999

<sup>66</sup> New York Times, October 4, 2000

<sup>67</sup> Abilene Reporter-News, April 5, 2001

<sup>68</sup> New York Times, November 3, 1999

<sup>69</sup> The San Francisco Examiner November 4, 2000

<sup>70</sup> Workers’ Compensation Monitor, November 1, 2000

<sup>71</sup> The AP State & Local Wire, November 7, 2000

<sup>72</sup> The Associated Press, November 21, 2000

Morgan Stanley Dean Whitter mislead its investors into losing \$65 million.<sup>73</sup> Three directors at Priceline.com used inside information to sell stock of the company, profiting up to \$247 million.<sup>74</sup> Tens of thousands of Californian customers were billed by Qwest Communications for services they never ordered, or had their long-distance service switched without their permission.<sup>75</sup> Rite Aid sells prescription drugs at a lower cost to those who have insurance.<sup>76</sup> Also in November of 2000, Rite Aid released misleading information that artificially inflated the company's stock price, causing damages up to \$200 million.<sup>77</sup>

In December of 2000, Gateway Inc. has misled investors about financial statements.<sup>78</sup> Rite Aid pharmacies offered discounts on cash-only prescriptions, but had added hidden charges.<sup>79</sup> In 2001, two ConAgra plants were halted because of health violations. Another ConAgra facility had the highest rate of salmonella of all turkey processors tested during 2001.<sup>80</sup> In 2001, Enron "cheating millions of investors out of billions of dollars."<sup>81</sup> In 2001, a severed rat's head in a McDonald's hamburger was partially ingested by a nine-year old girl.<sup>82</sup> Mellon Financial Corp. was contracted by the IRS to do tax returns, but ended up destroying up to 71,257 tax returns, worth \$1.2 billion.<sup>83</sup> In fall of 2000, Priceline.com and its key officers and directors omitted material information and disseminated false and misleading statements concerning the company's financial condition.<sup>84</sup> Reebok uses PVC in its shoes, which can cause toxic dioxins.<sup>85</sup> Schering-Plough failed to tell its customers that its drug Claritin is only effective for about half of its users.<sup>86</sup> In January of 2001, Allstate discouraged people from hiring attorneys, violating consumer-protection law.<sup>87</sup> Disneyland was found at fault for an accident where a four-year-old boy was brain damaged by one of the rides.<sup>88</sup> Federated Department Stores had two of its black customers arrested for using a stolen credit card, though no evidence existed to prove this besides a \$1,000 purchase.<sup>89</sup> International Forest Products Limited managed to use deceptive contract tactics to sidestep the government's fees by \$224 million.<sup>90</sup> Time Warner Inc. has sent magazines, books, CDs, etc., to hundreds of Florida consumers who never ordered them and then charged them for it.<sup>91</sup>

In February of 2001, lawsuits were filed against Aetna, CIGNA Corporation, and four other major HMOs, claiming that the company delayed payments, affecting healthcare of patients.<sup>92</sup>

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<sup>73</sup> The New York Times, November 21, 2000

<sup>74</sup> The Guardian (London), November 3, 2000

<sup>75</sup> Los Angeles Times, November 30, 2000

<sup>76</sup> The Atlanta Journal and Constitution, Nov.11, 2000

<sup>77</sup> South Bend Tribune, November 10, 2000

<sup>78</sup> The AP State & Local Wire, December 10, 2000

<sup>79</sup> Associated Press, December 4, 2000

<sup>80</sup> The New York Times, July 20, 2002

<sup>81</sup> Multinational Monitor

<sup>82</sup> Chicago Business

<sup>83</sup> San Francisco Chronicle, December 8, 2001

<sup>84</sup> PR Newswire, November, 2000

<sup>85</sup> Greenpeace USA

<sup>86</sup> The Atlanta Journal and Constitution, Aug 10, 2001

<sup>87</sup> The AP State & Local Wire, January 25, 2001

<sup>88</sup> San Francisco Gate, January 13, 2001

<sup>89</sup> The Boston Herald, January 26, 2001

<sup>90</sup> Canadian Dimension, March 1, 2001

<sup>91</sup> The Associated Press, January 28, 2001

<sup>92</sup> The Hartford Courant

Bausch & Lomb conspired with American Optometric Association to force customers into buying replacement contact lenses, in 32 states.<sup>93</sup> One customer at Kmart was arguing about a rebate with a salesman when a security guard tackled him, and then beat him into unconsciousness. The security guard was promoted, even though he had attacked other customers.<sup>94</sup> Nike executives sold stock just before announcing poor earnings, resulting in the stock plunging.<sup>95</sup> PG&E executives sold stock before the company issued a bankruptcy warning that sent stocks into a decline.<sup>96</sup> Pharmacia Corporation in February of 2001 misled its customers about Celebrex, minimizing crucial risk information about the drug.<sup>97</sup> Clothing sold by Wal-Mart has shown a tendency to easily catch on fire; during a trial concerning this, the judge found the company “repeatedly concealed documents and witnesses.”<sup>98</sup> Wyeth Corporation has been using blood, fetal calf serum, and meat broth (high potential of mad cow disease) from cattle for over eight years, stopping in 2001.<sup>99</sup> In March of 2001, Chrysler bought back defective vehicles from customers, only to resell them.<sup>100</sup> Kmart sold a faulty pellet gun to a teenager, whose was brain damaged after he was accidentally shot in the head with it.<sup>101</sup> Schering-Plough is under investigation for causing an inflation in government reimbursed drugs, as well as shorting Medicaid payments.<sup>102</sup>

In April of 2001, CompUSA promoted product rebates without stating up front that customers had to sign up for three years of internet service.<sup>103</sup> Security guards who work for Dillard’s have routinely harassed and beaten black customers, leaving one person dead. News stations that carried the stories, such as CBS, had advertising funds pulled — while ABC and NBC didn’t cover the report and continued with Dillard’s advertising.<sup>104</sup> In April of 2001, a black woman was denied a free cologne sample from Dillard’s.<sup>105</sup> Federated Department Stores sold flammable children’s pajamas and robes.<sup>106</sup> Johnson & Johnson agreed to pay a settlement of \$860 million, because the instructions on its contact lenses was to throw them away after one day, when they can be worn for two weeks.<sup>107</sup> In April of 2001, security guards for Rite Aid killed a woman who was trying to shoplift.<sup>108</sup> Wells Fargo & Co. realty website would only link shoppers to neighborhoods with the same income and racial makeup of the shopper’s current neighborhood.<sup>109</sup> Abbott Laboratories hiked up its prices and bribed doctors to prescribe Lupron Depot.<sup>110</sup> AstraZeneca cooperated with other companies to maintain unreasonably high prices for the breast cancer drug Tamoxifen.<sup>111</sup> Dillard’s was involved in the death of one man at its stores; the store claimed the man

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<sup>93</sup> The New York Times, February 21, 2001

<sup>94</sup> The San Francisco Chronicle

<sup>95</sup> The Associated Press, April 5, 2001

<sup>96</sup> The Associated Press, February 2, 2001

<sup>97</sup> The Tampa Tribune

<sup>98</sup> The AP State & Local Wire, February 14, 2001

<sup>99</sup> The New York Times, February 8, 2001

<sup>100</sup> The Indianapolis Star

<sup>101</sup> UPI, March 17, 2001

<sup>102</sup> The Associated Press, March 14, 2001

<sup>103</sup> The Associated Press, April 16, 2001

<sup>104</sup> The Associated Press, April 11, 2001

<sup>105</sup> Associated Press, April 25, 2001

<sup>106</sup> The Boston Globe, April 12, 2001

<sup>107</sup> The Tampa Tribune, April 18, 2001

<sup>108</sup> The Michigan Daily, April 10, 2001

<sup>109</sup> Star Tribune

<sup>110</sup> The Boston Globe, May 28, 2001

<sup>111</sup> The Chicago Tribune, July 2, 2002

was psychotic, police came and handcuffed the man, and then witnesses claim to have seen the officers beat the handcuffed man who died two days later.<sup>112</sup> In May of 2001, Dillard's was ordered to pay more than one million dollars by the courts, for detaining two minority women and accusing them of shoplifting.<sup>113</sup> Dow Chemical sold Dursban for home and garden use, when it was a proven hazardous substance.<sup>114</sup> In May 2001, a California state appeals court upheld the \$26 million verdict against Ford Motor, whose Bronco II sport utility model has caused one man to become quadriplegic and unable to breathe without a ventilator.<sup>115</sup> In May of 2001, Hilton Hotels, Hyatt, Marriot International, Starwood Hotels & Resorts, and one other corporation added energy surcharges onto guests bills that weren't apparent until guests were checking out.<sup>116</sup>

Cardura, a drug sold by Pfizer, has been linked to increased heart failure, but the company has issued no safety warning yet.<sup>117</sup> A 10 year-old boy died after taking Dimetapp. Wyeth Corporation failed to provide a warning that a key ingredient could be dangerous for children.<sup>118</sup> Abbott Laboratories had a patient undergo chemotherapy, a hysterectomy, and a partial lung removal after being diagnosed with cancer that she never had. "The doctors did not follow proper medical practice. A simple urine test would have prevented this tragedy," said an Abbott spokeswoman.<sup>119</sup> In June of 2001, American Airlines was found in 197 instances that violated regulations for batteries and battery charger maintenance, for its emergency floor lights.<sup>120</sup> Circuit City refused to take rainchecks to customers for out-of-stock sale items that were advertised, violating a state consumer protection law.<sup>121</sup> In June of 2001, Eli Lilly sent out an e-mail message to 600 people, reminding them to take their dose of Prozac — each person received everyone else's e-mail address, violating privacy.<sup>122</sup> In June of 2001, Mattel Inc. was fined for failing to report defects in its Power Wheels line of toys, causing fires and electrical failures.<sup>123</sup> Sara Lee Corp. plead guilty in June of 2001 to selling contaminated hot dogs and meats in 1998 — causing 100 illnesses, six miscarriages, and 15 deaths.<sup>124</sup> SBC Communications failed to meet standards in wholesale service to its rivals.<sup>125</sup> SBC Communications had to yank ads criticizing a rivals' cable modem operations for slow service during peak hours, when its own service was equally susceptible to slowdowns.<sup>126</sup> Sony created a phony film critic to invent quotations to provide positive reviews for its Sony films. So-called moviegoers praising Son films in promotion ads were actually employees of Sony.<sup>127</sup> In June of 2001, Viacom made customers pay inflated fees for overdue rentals between 1992 and 2001.<sup>128</sup>

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<sup>112</sup> The Houston Chronicle, April 12, 2001

<sup>113</sup> The Arkansas Democrat-Gazette, April 25, 2001

<sup>114</sup> Bloomberg News, May 22, 2001

<sup>115</sup> Reuters May 31, 2001

<sup>116</sup> The San Francisco Chronicle, May 12, 2001

<sup>117</sup> Associated Press, May 24, 2001

<sup>118</sup> Associated Press

<sup>119</sup> Reuters, June 30, 2001

<sup>120</sup> The Charleston Gazette, June 22, 2001

<sup>121</sup> ChainStore.com

<sup>122</sup> Reuters, July 3, 2001

<sup>123</sup> The New York Times, June 7, 2001

<sup>124</sup> New York Times, June 23, 2001

<sup>125</sup> Chicago Tribune, June 21, 2001

<sup>126</sup> The San Francisco Chronicle, Nov. 1, 2001

<sup>127</sup> CNN, June 15, 2001

<sup>128</sup> Associated Press, June 5, 2001

In July of 2001, American Airlines changed the rules to its frequent flier program once customers signed up by limiting seats.<sup>129</sup> A three-months pregnant woman shopping at Dillard's was detained and strip-searched. No stolen items were found.<sup>130</sup> Interstate Bakeries produces bread made with bromate, a chemical that causes cancer in rats.<sup>131</sup> Microsoft Corporation's Passport identification system allows the company to become a storehouse of personal data, being ripe for abuse.<sup>132</sup> Frito-Lay Inc. is trying to permanently seal records that show its snack foods were contaminated with toxic solvents.<sup>133</sup> In August of 2001, Aetna, Cigna, Empire Blue Cross/Blue Shield, Excellus, Oxford, and United Health Care were being sued for engaging in illegal practices and routinely breaching the terms of contracts with physicians.<sup>134</sup> Limited Brands imported and sold flammable children's sleepwear, having to recall 390,000 pajamas and 17,600 robes.<sup>135</sup> May Department Stores did not comply with American Disabilities Act.<sup>136</sup> A report obtained through the Freedom of Information Act revealed that Sara Lee knew it was shipping tainted hot dogs and deli meats. They were aware of increased levels of listeria before the listeriosis outbreak that killed 15.<sup>137</sup> United Airlines uses pesticides in the cabins of its planes, where some attendants developed rashes, and customers were potentially harmed.<sup>138</sup> In September of 2001, AstraZeneca was found to be pricing medications above the allowed maximum.<sup>139</sup> Merck advertised its drug Vioxx saying the company minimized potential risks, when a preliminary study indicated the drug caused an increased risk of heart attack and stroke.<sup>140</sup> Shortly after the Sept 11<sup>th</sup> terrorist attacks, Northwest Airlines forced four Arab-American men to leave a plane.<sup>141</sup> Verizon knowingly marked cell phones that exposed users to radiation.<sup>142</sup>

## Section II: Conclusion

What is the essential and most basic understanding that we learn by reading this? Quite clearly, that Capitalists are holding true to their nature: they are reasonably responding their desires. Fifteen million pounds of tainted meat makes more money when sold rather than being dumped. The fact that it may or may not harm consumers was not taken in to consideration, because the Capitalist has one goal in mind: profit. Some may be expected to read these things, but when they were common only one or two hundred years ago, why should we be expected to see them in even more prevalent cases now?

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<sup>129</sup> The Chicago Tribune, July 4, 2001

<sup>130</sup> Winston-Salem Journal, July 7, 2001

<sup>131</sup> The Washington Post, July 2001

<sup>132</sup> The New York Times, July 25, 2001

<sup>133</sup> The Seattle Post Intelligencer, July 17, 2001

<sup>134</sup> Richmond County Medical Society, August, 2002

<sup>135</sup> Associated Press, Aug. 17, 2001

<sup>136</sup> Associated Press, Aug. 21, 2001

<sup>137</sup> Knight-Ridder/Tribune, Aug 30, 2001

<sup>138</sup> The Associated Press, August 1, 2001

<sup>139</sup> O Globo via Fin.Times World Media, Sept. 12, 2001

<sup>140</sup> New York Times, Sept. 26, 2001

<sup>141</sup> The Seattle Times, Sept. 22, 2001

<sup>142</sup> The San Diego Union-Tribune, September 21, 2001

# ***Chapter 8: The Brutal Result of Capitalism on the People of the World – Poverty (Modern)***

## **Section I: Poverty and Waste (Modern)**

Every efficient and wise government has at last the support of public opinion, whenever it opposes class egoism and class abuses.

– Gustav Schmoller<sup>1</sup>

Bristol-Myers Squibb engaged in anticompetitive acts to prevent generic pharmaceutical competition.<sup>2</sup> Fruit of the Loom has been moving its U.S. plants to cheaper areas, where sweatshop conditions flourish.<sup>3</sup> Eastman Chemical, General Electric Company, and Mitsubishi were named as three of the top 100 Corporate Criminals of the 1990's for antitrust crimes, some of them being fined up to \$26 million for their activities in destroying other businesses.<sup>4</sup> In 1997, General Electric Company, Johnson & Johnson, Kimberly-Clark Corp., Pfizer, and Whirlpool broke 89% of their promise to create jobs with the passage of NAFTA.<sup>5</sup> Mitsubishi was found guilty of an international price-fixing scheme, by increase the price of electrodes by more than 60 percent, from 1992 to 1997.<sup>6</sup> Eastman Chemical was found guilty of fixing the prices of a food additive between 1995 and June of 1997.<sup>7</sup> 3Com hid \$160 million loss at its U.S. Robotics subsidiary from its investors in April to November of 1997.<sup>8</sup> In 1998, Fort James, Kimberly-Clark Corp, and four others conspired to fix prices on commercial paper between 1993 and 1998.<sup>9</sup> Comcast has systematically engaged in price discriminating, charging satellite services more for sports programs than cable companies do, trying to eliminate competing business.<sup>10</sup> In April of 1998, a class action suit against Knight-Rider claimed a price-fixing scheme.<sup>11</sup> In December of 1998, CVS has used unfair reimbursement policies against independent stores.<sup>12</sup> In 1999, the Government Accounting Office investigated companies for fraud and accounting irregularities. Over 900 companies were found guilty of irregular accounting, and had to restate earnings, including Aetna, BellSouth, Boise Cascade, Boston Scientific, Campbell South, Clorox, ConAgra, CVS, Dillard's,

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<sup>1</sup> "On Class Conflict in General," by Gustav Schmoller, American Journal of Sociology, volume 20 (1914-15) pp. 504-531.

<sup>2</sup> U.S. Federal Trade Commission

<sup>3</sup> The Standard

<sup>4</sup> Multinational Monitor, July/ August 1999

<sup>5</sup> Multinational Monitor, May 1997

<sup>6</sup> Chattanooga Times, June 10, 2001

<sup>7</sup> The AP State & Local Wire, August 25, 2000

<sup>8</sup> The San Francisco Chronicle, November 4, 2000

<sup>9</sup> The Washington Post, June 6, 2000

<sup>10</sup> USA Today, February 4, 1998

<sup>11</sup> PR Newswire, April 22, 1998

<sup>12</sup> The Boston Globe, December 31, 1998

JCPenny, Gateway, Inc., Kimberly-Clark Corp., Kmart, Kroger, Lands' End, Limited Brands Inc., Lucent Technologies, McDonald's, Monsanto, Pennzoil-Quaker State Company, Rite Aid, SBC Communications, Sony Corp., Texas Instruments, Tyson Fresh Meats (formerly IBP Fresh Meats Inc.), Unocal, and Warnaco.<sup>13</sup>

In 1999, a former CEO of Doman Industries was found guilty of insider trading.<sup>14</sup> Over 500 Jamaican workers were laid off by Fruit of the Loom in search of cheaper labor.<sup>15</sup> General Electric would transfer 1,400 jobs from the United States to Mexico, paying Mexican laborers \$2 per hour, as opposed to the unionized rate of \$24 per hour.<sup>16</sup> In January of 1999, Hasbro closed down its factory in Fairfax, Vermont, to move to China.<sup>17</sup> In May of 1999, Toys 'R' Us, with Hasbro, Mattel, and Little Tikes conspired to restrict the sale of certain toys.<sup>18</sup> In November of 1999, Hollywood Media Corp. conspired with Blockbuster Video to restrict independents' access to videos.<sup>19</sup> In December of 1999, AutoNation closed 23 of its superstores, laying off 1,800 workers, with profits as high as \$490 million.<sup>20</sup> Citigroup allowed laundering of over \$800 million in Russian mob money through its banks in 2000.<sup>21</sup> Jefferson Smurfit Group closed part of its plant in Des Moines, laying off 190 union members.<sup>22</sup> In January of 2000, Danone's offices in Europe were raided in an investigation of a price-fixing cartel in French beer market.<sup>23</sup> Jones Apparel settled a price-fixing lawsuit by agreeing to pay \$34 million.<sup>24</sup> Time Warner Inc. was involved in price-fixing scheme with other large labels by increasing the price of music CDs from \$10 to \$15.<sup>25</sup> In early 2001, Hewlett-Packard announced it would cut 2% of its workforce world wide, about 1,800 employees.<sup>26</sup> In 2001, Tyco International executives were using company money for illegal and unauthorized payments, causing a financial nosedive, with 18,400 Tyco workers losing employment.<sup>27</sup>

In early 2001, Viacom forced independent video store operators out of business, 150 of them uniting in a class-action suit.<sup>28</sup> In January of 2001, DaimlerChrysler announced a three year plan where it will lay off 20% of its North American workforce, a loss of 26,000 jobs.<sup>29</sup> In February of 2001, Bausch & Lomb settled a lawsuit for \$17.5 million where it conspired with American Optometric Association to force customers into buying replacement contact lenses through optometrists.<sup>30</sup> In March of 2001, New York Appeals Court upheld a lower court's decision against Prudential Financial, for breach of contract, fraud, and deceit and improper interference with

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<sup>13</sup> Government Accounting Office

<sup>14</sup> National Post, June 28, 2000

<sup>15</sup> Corp Watch ([www.corpwatch.org](http://www.corpwatch.org))

<sup>16</sup> The Hoosier Times, September 15, 1999

<sup>17</sup> Multinational Monitor, January/February 1999

<sup>18</sup> Multinational Monitor, May 1999

<sup>19</sup> The Arizona Republic, December 29, 1999

<sup>20</sup> The Columbian (Vancouver, WA), December 14, 1999

<sup>21</sup> The Washington Post, November 30, 2000

<sup>22</sup> The Associate Press, June 24, 2000

<sup>23</sup> AFX European Focus, January 28, 2000

<sup>24</sup> The AP State & Local Wire, March 7, 2000

<sup>25</sup> The Chicago Tribune, August 9, 2000

<sup>26</sup> San Francisco Gate

<sup>27</sup> United for a Fair Economy

<sup>28</sup> Reuters

<sup>29</sup> Reuters, January 30, 2001

<sup>30</sup> The New York Times, February 21, 2001

existing contractual relations.<sup>31</sup> In April of 2001, Amazon.com patented parts of its e-commerce operation, including the site's "one-click purchase" 'technology,' — the most simple, important, and obvious idea for e-commerce.<sup>32</sup> In April of 2001, Bristol-Myers Squibb tried to stop other companies from selling low-cost generic versions of its drugs.<sup>33</sup> In May of 2001, Johns & Johnson paid \$60 to settle an antitrust case, in which it conspired with other companies to refuse to sell contact lenses through alternative channels, which offer lower prices.<sup>34</sup> In May of 2001, PG&E Corp. gouged consumers in the Boston Area by increasing electricity prices during power shortages.<sup>35</sup> In June of 2001, Schering-Plough, Wyeth Corporation, and one other corporation conspired to keep cheap generic drugs off the market.<sup>36</sup> Time Warner Inc. refuses to broadcast ads on its television channels to its digital subscriber line, engaging in anti-competitive activity.<sup>37</sup> In July of 2001, St. Laurent Paperboard Inc. purchased Smurfit-Stone Container Company, closing five of its paper mills.<sup>38</sup> In August of 2001, CVS submitted false prescription claims to government health insurance programs.<sup>39</sup> Sony Corp. has pressured retailers to sell video games at fixed prices.<sup>40</sup> Wal-Mart was selling some items below cost to drive out competitors in Wisconsin.<sup>41</sup>

In October of 2001, Barnes & Noble and Borders secured cheaper prices and preferential treatment from publishers, an antitrust activity.<sup>42</sup> DaimlerChrysler was fined \$65.5 million for violating competition rules by restricting sales of its Mercedes cars in Europe.<sup>43</sup> Wyeth Corporation maintained a monopoly by requiring health plans and pharmacy benefit managers to sign exclusive contracts. for its pharmaceutical drugs.<sup>44</sup> In December of 2001, Enron laid off 25% of its staff, about 5,100 people.<sup>45</sup> In 2002, Hasbro was fined \$7.9 million for price fixing on toys and games.<sup>46</sup> Kmart was named as having one of the worst corporate boards by 2002 BusinessWeek, for multiple investigations into its accounting irregularities and irregular pay practices.<sup>47</sup> Four ex-Rite Aid executives were indicted for inflating the company's profits while understating losses, causing stock to soar.<sup>48</sup> Schering-Plough was under investigation for price fixing and criminal investigation because its ingredients were not FDA-approved.<sup>49</sup> In March of 2002, Disney destroyed massive amounts of documents, hundreds of boxes, that would have revealed Disney's practices of withholding royalties from innovators.<sup>50</sup> In April of 2002, Du Pont cut over 2,000 jobs, mostly

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<sup>31</sup> Insurance Newsnet

<sup>32</sup> Businessworld (Philippines), april 5, 2001

<sup>33</sup> Los Angeles Times, April 9, 2001

<sup>34</sup> Reuters

<sup>35</sup> SF Gate

<sup>36</sup> Associated Press, June 8, 2001

<sup>37</sup> New York Times, June 8, 2001

<sup>38</sup> The Associated Press, July 31, 2001

<sup>39</sup> Associated Press, Aug 28, 2001

<sup>40</sup> Cnet News

<sup>41</sup> Wal-Mart Stores

<sup>42</sup> Entertainment Law Reporter, Oct. 2001

<sup>43</sup> The Chicago Tribune, Oct. 11, 2001

<sup>44</sup> The Bergen County Record, Oct. 10, 2001

<sup>45</sup> Wall Street Journal, Dec. 6, 2001

<sup>46</sup> Providence Journal, April 4, 2003

<sup>47</sup> BusinessWeek, Oct. 7, 2002

<sup>48</sup> Associated Press, Jun. 23, 2002

<sup>49</sup> Multinational Monitor

<sup>50</sup> Multinational Monitor, March 2002



in the US.<sup>51</sup> Levi Strauss announced its intention to close six U.S. manufacturing plants, affecting 3,300 workers.<sup>52</sup> Monsanto said it was closing one of its plants and cutting five percent of its workforce.<sup>53</sup> In 2002 of May, America Online cut off access to other internet service providers from its own customers.<sup>54</sup>

In June of 2002, WorldCom was found to be covering up \$1.22 billion in loses through improper accounting.<sup>55</sup> Xerox restated five years of results when it was found to be inflating results and defrauding investors.<sup>56</sup> In July of 2002, Viacom used improper accounting to boost income by \$118 million.<sup>57</sup> In August of 2002, Michael Kopper of Enron was found to be withholding \$12 million that was obtained through fraudulent Enron transactions. With others, it totaled \$23 million. Thirty other companies had to forfeit money to investors and employees.<sup>58</sup> In September of 2002, Du Pont paid \$44.5 million to settle allegations that it blocked competing drug manufacturers.<sup>59</sup> Tyco International issued a report with the Securities and Exchange Commission, detailing “illegal activity by former management that included nearly \$100 million in unauthorized payments to dozens of Tyco employees at various levels.”<sup>60</sup> In October of 2002, Gap was awarded the title of having one of the worst corporate boards, cited for inside deals and other failures.<sup>61</sup> Qwest Communications would take a write-down of \$40.8 billion, due to irregular accounting.<sup>62</sup> Time Warner was one of five record companies to pay \$67.3 million for price-fixing.<sup>63</sup> In November of 2002, Gateway was investigated and found to using insider trading and wasteful spending on executive severance pay.<sup>64</sup> In June of 2000, a judge found Microsoft Corporation guilty of illegal business practices that push out competition and harm consumers. AOL Time Warner sued Microsoft Corporation for anti-competitive actions. Microsoft influenced international government officials from using open-source software, including Peru and India. In March of 2002, Sun Microsystems filed a private antitrust suit against Microsoft. In May of 2003, Microsoft paid \$750 million in an antitrust case. In July of 2003, a judge approved of a \$1.1 billion settlement between Microsoft and California consumers. Microsoft paid \$23.5 million to the defunct software company Be Inc. in an antitrust case. Microsoft was sued in October of 2003 for predatory practices to protect its monopoly. In December of 2003, European Union held hearings in its antitrust proceedings against Microsoft. Seattle-based company RealNetworks filed a \$1 billion antitrust suit against Microsoft in December of 2003.<sup>65</sup>

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<sup>51</sup> Just-style.com, April 29, 2002

<sup>52</sup> Levi Strauss

<sup>53</sup> Financial Times, April 5, 2002

<sup>54</sup> Time Warner Inc

<sup>55</sup> Reuters, July 1, 2002

<sup>56</sup> BusinessWeek, Oct. 7, 2002, et al.

<sup>57</sup> CorpWatch, July 18, 2002

<sup>58</sup> The Houston Chronicle, August 22, 2002

<sup>59</sup> Bloomberg News, Sept. 10, 2002

<sup>60</sup> The Washington Post, Sept 17, 2002

<sup>61</sup> BusinessWeek, Oct. 7, 2002

<sup>62</sup> USA Today, Oct. 29, 2002

<sup>63</sup> cnet news

<sup>64</sup> Associated Press, Nov. 15, 2002

<sup>65</sup> The Seattle Times, December 18, 2003, et al

In 2000 and 2001, Qwest inflated the company's revenues by \$144 million.<sup>66</sup> In March of 2003, a jury found 3M guilty of using monopoly powers over big retails to destroy competition.<sup>67</sup> In March of 2003, Bristol-Myers announced the restatement of its previously issued financial statements between 1997 and 2001, and part of 2002, reducing their earnings by almost half.<sup>68</sup> In March of 2003, Halliburton was given a contract to Iraq without a bidding process.<sup>69</sup> In March of 2003, Lucent settled lawsuits by its shareholders for about \$600 million, for misleading investors. The Export-Import Bank of the US is providing funding to Lucent Technologies for outsourcing to China, Mexico, and Vietnam. Lucent was also cited for overpaying its board.<sup>70</sup> In March of 2003, PepsiCo was found using unfair trading practices against competitors.<sup>71</sup> In April of 2003, Time Warner Inc. was sued for using "tricks, contrivances and bogus transactions" to inflate its stock and help top executives gain almost \$1 billion in inside trading.<sup>72</sup> In May of 2003, the Securities and Exchange Commission filed charges against Enron with violating antifraud provisions and reaping more than \$150 million in unlawful profits.<sup>73</sup> In June of 2003, two former vice presidents of Kmart were charged with securities fraud, making false statements to the SEC, and conspiracy to commit those offenses.<sup>74</sup> In July of 2003, the SEC announced that Citigroup and J.P. Morgan agreed to pay \$236 million to settle charges that they helped Enron manipulate books to appear financially healthy.<sup>75</sup> In July of 2003, Kodak announced plans to cut between 4,500 and 6,000 jobs.<sup>76</sup>

In August of 2003, Bank of America and nine other US banks moved more than \$17 billion into investment funds to shelter hundreds of millions of dollars from taxes.<sup>77</sup> In August of 2003, AOL Time Warner executives were found to use accounting irregularities, by overstating their revenue by at least \$1.7 billion.<sup>78</sup> In September of 2003, Coca-Cola sought dismissal of a \$44.4 million lawsuit, filed by a former finance director who was fired for revealing alleged fraud and other wrongdoing in the company. Coca-Cola also made a decision to cut 1,000 jobs in North America.<sup>79</sup> In September of 2003, Enron's former treasurer pleaded guilty to a federal conspiracy charge, becoming the first executive sentence to prison.<sup>80</sup> Levi Strauss & Co. announced that it would close its North American manufacturing plants, laying off almost 2,000 workers.<sup>81</sup> Coca-Cola violated a contract with Iranian soft drinks counterpart, and was levied \$7.15 million against the company.<sup>82</sup> In October of 2003, a former manager for Tricon's business analyst was

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<sup>66</sup> Securities and Exchange Commission

<sup>67</sup> Associate Press, Mar. 26, 2003

<sup>68</sup> Reuters, March 19, 2003

<sup>69</sup> The Houston Chronicle, April 14, 2003

<sup>70</sup> Agence France-Presse, March 28, 2003, et al.

<sup>71</sup> The Daily Record, Baltimore MD, March 13, 2003

<sup>72</sup> Los Angeles Times, 9-17-02/USAToday, 4-15-03

<sup>73</sup> Securities and Exchange Commission

<sup>74</sup> Associated Press, Feb. 27, 2003

<sup>75</sup> Associated Press, July 29, 2003

<sup>76</sup> Ft.com

<sup>77</sup> Reuters, Aug. 7 2003

<sup>78</sup> CalPERS

<sup>79</sup> BBC, October 8, 2003, et al.

<sup>80</sup> Associated Press, Sept. 10, 2003

<sup>81</sup> Los Angeles Times, Sept. 26, 2003

<sup>82</sup> BBC, October 8, 2003, et al.

indicted for insider trader.<sup>83</sup> In December of 2003, Hasbro announced plans to close a chain of stores.<sup>84</sup> In January of 2003, a former finance executive of Computer Associates admitted to lying to federal prosecutors, FBI agents, and members of the SEC during an investigation. He was aware of accounting irregularities.<sup>85</sup> An Enron former top accountant surrendered to FBI to face six federal fraud charges related to the company's collapse.<sup>86</sup> Another employee of Enron, former Chief Financial Officer, pleaded guilty to two counts of fraud, that caused the company to collapse.<sup>87</sup> Disney is one of several media companies outsourcing jobs in information technologies and back-office operations to India.<sup>88</sup> In April of 2004, Gateway announced closing 188 retail stores and laying off 2,500 workers.<sup>89</sup>

## Section II: Chapters 3 to 8 Summary

For those who love truth, who honor equity, who are friends to justice and fairness, to understand the history of Capitalism is to put an unbearable weight on the heart, to fill the mind with such unspeakable horrors and pains. When trying to categorize what type of injustices have been committed upon the innocent, placing them into worker abuse or consumer abuse or poverty, the lines seem to thin and unmistakably fade. Where is it worker abuse and where is it poverty? Children aged 8 and 9 and 10 years old work for 14 hours a day in a factory, but for one undeniable fact: they have to, because they are in poverty and need to support themselves. Where is it consumer abuse and where is it poverty? People have to live in dilapidated and broken down homes in crime-stricken, disease-infested areas, because they have no money to afford anything else. Capitalism has managed to create a society where misery abounds in countless forms.

Why? Why? Just why did these things have to happen, why did the lives of children have to be sacrificed for king coal, why did the honest families have to be robbed of everything, why did economic life turn into a fight-or-flight response? Was it bad karma, the curse of a god, simple misfortune, plain bad luck, natural disasters? What was the cause of all this misery, pain, and suffering? Ask it once and then ask it a thousand times, and the answer will still be crystal clear: Capitalism. The previous chapter covered the mechanics that produced the effects demonstrated in these chapters. What is it that caused all of this living horror on earth? It was the human desire to obtain wealth and to obtain it in a rational way; it was humans being organized into a society where trade was mutually beneficial; it was the competition between people in trade, Proletarian workers competing for jobs by lowering their wages and Capitalists competing for consumers by lowering their prices; it was the division in the society of men, separating those who owned the means of production from those who worked the means of production; it was the ensuing Class War, that would result in conflict between employer and employee, creating a subsistence wage; it was the Capitalists straining their workers as hard as they can to buy extravagant luxuries. It was Capitalism that brought to our world such poverty, crime, misery,

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<sup>83</sup> Associated Press, October 6, 2003

<sup>84</sup> Providence Journal, December 30, 2003

<sup>85</sup> Associated Press, Jan. 22, 2004

<sup>86</sup> Associated Press, January 22, 2004

<sup>87</sup> Associated Press, Jan. 14, 2004

<sup>88</sup> New York Times, February 9, 2004

<sup>89</sup> USA Today, April 2, 2004

and death. Through this system, billions would become slaves — sentenced to this life almost as if they had committed a crime.

### **Section III: Prelude to Following Chapters**

The history of civilization is a bleak one. The people have forever been tormented by religion, by governments, wars that plagued their lands and bigotry that infected their hearts. Among their oppressors, there can be found perhaps the greatest one of them all: the beast of Capitalism. Between the wars, the famines, the blights, the death toll and casualty rate, there were those fortunate ones lucky enough to escape... to evade the oppression of kings and queens, they secluded themselves; to survive the slavery of the Capitalist system, they broke off from society and became self sufficient. They were the lone poets whispering to the winds, the strong lovers who had confided their humanity to everyone, the dead heroes of generations that will rise.

Up to this point, there can be no denying that Capitalism is inherently responsible for creating most, if not all, poverty and economic-related suffering. To my reader, I can only hope that these facts appear to be well founded, and that they are proven beyond the shadow of a doubt. It was my intention to help others understand how the society of the world was formed, how and why the wealth of our labor has been distributed. Hopefully, I have done this effectively. It may very well be so that I have convinced others to thoroughly believe in cynicism, that I have converted others to the school of Pessimism For the following chapters, I hope to lend to my reader a little bit of hope, inspiration, and — with the knowledge I have provided this far — a little bit more freedom.

## *Chapter 9: Justification for Communism*

The freedom of the markets has gone, but the everlasting will to be free never goes.

– Henry Demarest Lloyd<sup>1</sup>

### **Section I: Preface to this Chapter**

Up until this point in the book, I have defined the way things in are. I have used evidence to describe the way things have been, historically and in modern terms. The first chapter dealt with the nature of society, that by working together, we produce more than by working apart. The second chapter dealt with the actual conclusion of this system, with freedom of economic rights: it dealt with the mechanics of a Capitalist system. The results of this system on the worker, consumer, and general poverty, historically and in modern terms, was then viewed. Up until this point in the book, the one thing I was trying to demonstrate to my reader and my audience, was – quite simply – the way things happen to be right now. With this chapter, I take a dynamic verge away from that. It is the scientist's profession to discover and make his discoveries known. But it takes an innovator to expound upon those discoveries, to make them useful and practical. I hope I have fulfilled this task accurately and adequately of these discoveries, but now, I am going to act as an innovator. With what we know about economics, its result on society in all spheres of life, I propose a new idea for society: Communism.

Before I describe this system, I think it is necessary that I thoroughly expound upon some facts to support this system. With that, I continue with this chapter.

### **Section II: Labor**

We reckon loyalty in general a good thing, even a fine thing – loyalty to country or faith, to school or University, even to your business firm or cricket club. Is it not even more clearly a fine thing, this loyalty to something less obvious, more ideal – the conception of the welfare of the great majority that earn their living under wage conditions?

– L.F. Giblin<sup>2</sup>

In this section, I have one contention and one contention only: that labor is the only producer of wealth – there is no wealth that requires some labor to produce it. Not all labor, though, produces wealth, just as a man can labor in his recreations and hobbies, sometimes producing little more than the sweat on his back – such as in sports. But, there is no wealth that exists

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<sup>1</sup> "Lords of Industry," by Henry Demarest Lloyd, 1910, chapter 7.

<sup>2</sup> "Australia, 1930," an inaugural address, April 28, 1930, by L.F. Giblin.

without labor. One may argue that naturally growing fruit isn't requiring of labor to produce it, but labor is required to reap it, just like iron ore and coal aren't created by labor though they are harvested with labor. By labor, I am defining any activity that uses exertion, mental or physical, to specifically accomplish something. The definition of wealth is a bit more complex: it comes in the form of goods or services, the first capable of storage and the second not. Wealth may be defined as something useful that serves some purpose, or that may be traded for something that also serves a useful purpose.

In 1662, William Petty, one of the earliest economists, wrote, "forasmuch as both Ships and Garments were the creatures of Lands and mens Labours thereupon; This being true, we should be glad to finde out a natural Par between Land and Labour, so as we might express the value by either of them alone as well or better then by both, and reduce pence into pounds."<sup>3</sup> In a much more brief statement, he writes, "...Labour is the Father and active principle of Wealth..."<sup>4</sup> In 1668, Josiah Child writes...

To conclude, It is (I think) agreed on by all, That Merchants, Artificers, Farmers of Land, and such as depend on them (which for brevity-sake we may here include under one of these general terms) viz. Seamen, Fishermen, Breeders of Cattel, Gardners, etc. are the three sorts of People which by their study and labour do principally, if not onely, bring in Wealth to a Nation from abroad...<sup>5</sup>

In 1691, Dudley North writes in his discourse, "Commerce and Trade, as hath been said, first springs from the Labour of Man..."<sup>6</sup> Elsewhere, he said, "In process of time, if the People apply themselves industriously, they will not only be supplied, but advance to a great overplus of Foreign Goods, which improv'd, will enlarge their Trade."<sup>7</sup> In 1720, the field of economics would still be undeveloped, but trade would not go unstudied. Isaac Gervaise would write, "...all that is necessary or useful to Men, is the Produce of their Labour..."<sup>8</sup> Elsewhere, he writes, "...Labour is the Foundation of Trade..."<sup>9</sup> In a longer section, he writes more...

God made Man for Labour, so not thing in this World is of any solid or durable Worth, but what is the Produce of Labour; and whatever else bears a Denomination of Value, is only a Shadow without Substance, which must either be wrought for, or vanish to its primitive Nothing, the greatest Power on Earth not being able to create any thing out of nothing.<sup>10</sup>

In the mid-1700's, the world would experience an enlightenment, as philosophers were born to question the authority of tradition. David Hume would write in this time, "Every thing in the world is purchased by labour..."<sup>11</sup> In another manuscript, he writes, "...if the former kingdom has

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<sup>3</sup> Petty, William, "A Treatise of Taxes & Contributions," 1662, chapter 4.

<sup>4</sup> Petty, William, "A Treatise of Taxes & Contributions," 1662, chapter 10.

<sup>5</sup> Child, Josiah, "Observations concerning Trade and Interest of Money," 1668.

<sup>6</sup> North, Dudley, "Discourses on Trade," 1691, A Discourse of Coyned Money.

<sup>7</sup> North, Dudley, "Discourses on Trade," 1691, A Discourse of Coyned Money.

<sup>8</sup> Gervaise, Isaac, "The System or Theory of the Trade of the World," 1720, Of Gold and Silver, or Real Denominator.

<sup>9</sup> Gervaise, Isaac, "The System or Theory of the Trade of the World," 1720, Of the Ballance of Trade.

<sup>10</sup> Gervaise, Isaac, "The System or Theory of the Trade of the World," 1720, Of the Ballance of Trade.

<sup>11</sup> Hume, David, "Of Commerce," Date Unknown.

received any encrease of riches, can it reasonably be accounted for by any thing but the encrease of its art and industry?”<sup>12</sup> In 1767, a cornerstone of economics would be reached with one of the biggest volumes being written: “An Inquiry into the Principles of Political Economy,” by James Steuart years before Adam Smith would make his debut in the field of economics. The first book of Steuart is full of statements that agree with the idea that labor is the creator of wealth. He writes, “Did the earth produce of itself the proper nourishment for man with unlimited abundance, we should find no occasion to labour in order to procure it.”<sup>13</sup> Elsewhere, too: “...food cannot, in general, be found, but by labour...”<sup>14</sup> — “...man be made to labour, and make the earth produce abundantly...”<sup>15</sup> — “...wealth never can come in but by the produce of labour going out...”<sup>16</sup> — “...industry which makes the fortune.”<sup>17</sup> And, finally, “We may live without many things, but not without the labour of our husbandmen [farmers].”<sup>18</sup>

In 1815, J.C.L. Simonde de Sismonde would produce a lengthy book on economics, or political economy as it was known in that era. He would write, “His [mankind’s] wealth originates in this industry...”<sup>19</sup> In another part, he writes, “All that man values is created by his industry...”<sup>20</sup> and “...labour alone has created all kinds of wealth.”<sup>21</sup> Summing up the field of economics, he writes, “The history of wealth is, in all cases, comprised within the limits now specified — the labour which creates, the economy which accumulates, the consumption which destroys.”<sup>22</sup> On capital production, his opinion is similar: “The ore cannot be obtained till the mine is opened; canals must be dug, machinery and mills must be constructed, before they can be used; manufactories must be built, and looms set up, before the wool, the hemp, or the silk can be weaved. This first advance is always accomplished by labour...”<sup>23</sup> He still writes, “...it may be generally affirmed, that to increase the labour is to increase the wealth...”<sup>24</sup> and “...the labour of man created wealth...”<sup>25</sup> This book would be written only some decades after Adam Smith’s work, and more decades after Steuart’s. Simonde de Sismonde was following in the same tradition of economists: when he looked at society, he realized one particular fact, that wealth is produced by the labor of laborers. In chapter 4 of his book, he writes, “By labour man drew his first wealth from the earth...”<sup>26</sup> He writes further: “...the revenue which he [the worker] expects and has to live upon springs from the labour which he causes to be executed...”<sup>27</sup> — “Income...springs from labour...”<sup>28</sup> — “...all wealth proceeds from labour...”<sup>29</sup> — “We have recognised but a single source of wealth,

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<sup>12</sup> Hume, David, “On the Balance of Trade,” Date Unknown.

<sup>13</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 3.

<sup>14</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 7.

<sup>15</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 11.

<sup>16</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 14.

<sup>17</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 18.

<sup>18</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 20.

<sup>19</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2.

<sup>20</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2.

<sup>21</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2.

<sup>22</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2.

<sup>23</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2.

<sup>24</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2.

<sup>25</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 2.

<sup>26</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 4.

<sup>27</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 5.

<sup>28</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 5.

<sup>29</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 5.

which is labour...”<sup>30</sup> — “...those who labour and who should create every kind of wealth...”<sup>31</sup> — “New wealth, however, must spring from labour and industry.”<sup>32</sup> And, finally, in the last chapter, “...labour, the cause of production...”<sup>33</sup>

The 1800’s would also bring thinkers who would oppose the ideas of Capitalism, referring to them as a form of exploitation. Robert Owen was one of these, and in 1816 he would write, “...know that revenue has but one legitimate source that it is derived directly or indirectly from the labour of man...”<sup>34</sup> In 1825, Thomas Hodgskin would make an appeal in defense of labor, in perhaps one of the earliest pamphlets defending workers. Though he made no support of the system of Communism (which at that time did not exist, and Socialism was but merely developing), he did sympathize greatly with the worker, and stated simply that the worker ought to receive the wealth he creates. It was in this pamphlet that Hodgskin writes, “...all the benefits attributed to capital arise from co-existing and skilled labour.”<sup>35</sup> — “...by their [labourers’] exertions all the wealth of society is produced...”<sup>36</sup> — “The labourer, the real maker of any commodity...”<sup>37</sup> — “...all the effects usually attributed to accumulation of circulating capital are derived from the accumulation and storing up of skilled labour...”<sup>38</sup> — “...those vast improvements in the condition of the human race, which have been in general attributed to capital, are caused in fact by labour...”<sup>39</sup> Finally, in one section, he writes, “It is labour which produces all things as they are wanted, and the only thing which can be said to be stored up or previously prepared is the skill of the labourer. If the skill of the baker, butcher, grazier, tailor, weaver, etc., was not previously created and stored up, the commodities which each of them purchases could not be obtained; but where that skill exists, these commodities may always be procured when wanted.”<sup>40</sup>

In 1830, Nassau Senior would give a speech on improving the conditions of the working class, though he himself was an economist and was quite detached from this group whom he sympathized with. He spoke, “...the labourers form the strength of the country.”<sup>41</sup> T.E. Cliffe Leslie was an economist whose articles swim around aimlessly in the journals of the 1800’s. In 1875, he would write, “[Martin] Luther preached the same doctrine, and moreover anticipated Adam Smith’s proposition, that labour is the measure of value.”<sup>42</sup> The following year, Robert Green Ingersoll would give a speech celebrating the one hundredth year anniversary of the United States, the centennial oration. In it, he said to his audience, “The great body of the people make all the money; do all the work. They plow the land, cut down the forests; they produce everything that is produced. Then who shall say what shall be done with what is produced except the producer?”<sup>43</sup> Also in the year of 1876, between May and June, Friedrich Engels would write in an incomplete essay, “Labour is the source of all wealth, the political economists assert. And it really is the

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<sup>30</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 6.

<sup>31</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 6.

<sup>32</sup> Sismondi, Jean-Charles-Leonard Simonde de, “Political Economy,” 1815, chapter 6.

<sup>33</sup> Sismondi, Jean-Charles -Leonard Simonde de, “Political Economy,” 1815, chapter 7.

<sup>34</sup> Owen, Robert, “A New View of Society,” 1816, essay 4.

<sup>35</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>36</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>37</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>38</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>39</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>40</sup> Hodgskin, Thomas, “Labour Defended against the Claims of Capital,” 1825.

<sup>41</sup> Senior, Nassau, “Three Lectures on the Rate of Wages,” 1830, preface.

<sup>42</sup> Leslie, T.E. Cliffe, “The History of German Political Economy,” 1875.

<sup>43</sup> Ingersoll, Robert Green, “Centennial Oration,” 1876.



source...”<sup>44</sup> In 1877, Robert Green Ingersoll would be seen defending the rights of the working class, working to get an eight hour work day as a law. He would say to a crowd, “...the time must come when they who do the work — they who make the money — will insist on having some of the profits.”<sup>45</sup> and, “All my sympathies are on the side of those who toil — of those who produce the real wealth of the world — of those who carry the burdens of mankind.”<sup>46</sup> In a journal article published in the 1898 to 1899 volume, Thorstein Veblen (the acclaimed sociologist) would write, “...the goods [are] produced by labor...”<sup>47</sup>

There should be no doubt that wealth is produced by the act of labor. In the previous chapters, I have shown how great the Capitalist has pushed the worker to produce. In the 1800’s and the 1900’s, working more than ten hours a day was common, and it is still commonplace today for the majority of the globe’s workforce, even a great part of the Western world. The reason why a Capitalist would desire his worker to labor harder and longer is because labor produces wealth, which the Capitalist keeps, and then trades with other Capitalists for his needs. In the second chapter, I detailed how every person has desires and that they reasonably respond to these desires. It is an inherent desire in every person to have what they need to live, and maybe even excess of that. Capitalists reasonably respond to this desire by forcing pushing their workers to work as hard as they can for as long as they can. Why? Because labor produces wealth. This fact is realized even more with the theory of labor unions: workers organize and threaten to not work unless their demands are met. The reason why Capitalists give in to such demands is because they need labor to produce wealth.

Some may argue, though, that Capitalists do labor, and that because of this labor, there is wealth. I find this theory highly contestable, and I find that it can be debunked with a small scenario. Take every Capitalist, whether in the form of a master of stocks and trade, or a CEO of a highly respected firm, and then put them on a bountiful island, an island rich with mineral deposits, exotic and valuable plants, and then ask these Capitalists to produce wealth. They will produce not a single iota of wealth, nothing of value or purpose. One may inquire, “But the Capitalists may harvest the plants and dig up the mineral ores, and refine these natural resources even more,” — but, once a Capitalist does that, he becomes a laborer, and in fact proves my point: labor is the only producer of wealth. Is it true, then, that Capitalists do no labor? Capitalists actually do labor, but it is a non-productive labor. Perhaps it is efficiently organizing a group of laborers to produce, though experience would prove that laborers are more familiar with their work than Capitalists. While a Capitalist does this, he may find some way to cheat his workers out of two hours of overtime pay, and he may convince them to alter their plans of production, so that the commodity he sells breaks down in a matter of two years, require return business. Whatever the case, the labor that a Capitalist does is non productive, much like a recreation or a hobby’s labor. To quote Bakunin, “Speculation and exploitation no doubt also constitute a sort of labor, but altogether non-productive labor.”<sup>48</sup>

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<sup>44</sup> Engels, Friedrich, “The Part Played by Labour in the Transition from Ape to Man,” May-June 1876.

<sup>45</sup> Ingersoll, Robert Green, “Eight Hours Must Come,” 1877.

<sup>46</sup> Ingersoll, Robert Green, “Eight Hours Must Come,” 1877.

<sup>47</sup> Veblen, Thorstein, “The Instinct of Workmanship and the Irksomeness of Labor,” *American Journal of Sociology*, volume 4 (1898–99).

<sup>48</sup> Bakunin, Mikhail, “The Capitalist System,” an excerpt from “The Knouto-Germanic Empire and the Social Revolution,” and in “The Complete Works of Michael Bakunin” under the title “Fragment,” Date Unknown.

### Section III: Public Interest and Prosperity

In almost every other race of animals each individual, when it is grown up to maturity, is entirely independent, and in its natural state has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and show them that it is for their own advantage to do for him what he requires of them. Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.

– Adam Smith, 1776<sup>49</sup>

In this previous excerpt, one found often quoted in every historical, modern, and post-modern textbook on the subject, we find what may be one of the bases of economic study. Adam Smith's book was revolutionary in itself, but it came at a time when the potential for technological influence over economy had barely been realized. It is true that he did identify specialization among the trades, allowing for a more efficient method of production, but with the aid of technology, their productive ability to increase one hundred fold, *at least*. This economic thesis has been quoted and requoted again, standing as a base for theoretical economics. By every person following their self-love, the greater good of the whole is realized. Of course, with the evidence of the following century, economists finally realized that Adam Smith had made an enormous mistake. Simply reread the chapters 3 to 8, and you will see the empirical evidence, that by everyone following their own self-love, a system of slavery and serfdom is entirely recreated. The evidence of poverty has been always unsightly, and so it was the effort of the high class, or any upper class, to place themselves as far away from the ghetto as possible. Economists of the 1800's doubted Smith, and in the 1900's had nearly discredited him as an appendage of economic history, without any value. And rightly so: the evidence mounted against his claims and made him appear quick in his assertions. It is true that many universities in this century have taught Adam Smith is truth, but I don't think the whole world should suffer just because Harvard, Oxford, or Princeton happen to be some of the slowest learners.

The idea that by following self-love is the greatest method of attaining happiness for the whole is perhaps the most absurd of all ideas when considered with all of the evidence. I suppose by creating an artificial winter, hoarding coal, refusing to let miners work, and allowing hundreds of people to die – to increase the price of coal and decrease the price of wages – is in fact in the best interest of people? And what of the poor tenement housing, dilapidated and without sufficient fire escapes? And what of tainted, contaminated, and infected food that was sold to reap profit? And what of starvation wages, offered globally to third world nations to make great profits for investors abroad? I suppose, by all of these people following their self interest, the whole was

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<sup>49</sup> Smith, Adam, "An Inquiry into the Wealth of Nations," book 1, chapter 2, 1776.

benefited? In fact, all of this was commonplace in Smith's era. He simply lacked vision. But, it seems quite clear to anyone today with eyes open that self-love is not the way to saving society. Adam Smith was wrong.

Even in the late 1600's, the presence of a Capitalist class was obvious, even though the people of only some nations had been liberated by Feudalist fetters. And, as comes with any class that owns, operates, and indulges in the greatest wealth of society, without contributing a single ounce of value or labor, there came the hatred of this Capitalist class. In an era where men were still burned at the stake for their opinions, surrounded by the the pages of their works as they turned crisp, there was one author who would write a dissertation against this class. In 1668, Josiah Child wrote on the Capitalist class...

For the Sufferers by such a Law, I know none but idle persons that lives at as little expence as labour, Neither scattering by their expences, so as the Poor may Glean any thing after them, nor working with their hands or heads to bring either Wax, or Honey to the common Hive of the Kingdom; but swelling their own Purses by the sweat of other mens brows, and the contrivances of other mens brains: And how unprofitable it is for any Nation, to suffer IDLENESS TO SUCK THE BREASTS OF INDUSTRY; needs no demonstration. And if it be granted me, that these will be the effects of an Abatement of Interest doth tend to the enriching of a Nation, and consequently, hath been one great cause of the Riches of the Dutch and Italians: And the encrease of the Riches of our own Kingdom, in these last fifty years.<sup>50</sup>

The scathing attack on the Capitalist class was not the first, and it certainly would not be the last. Other authors would come, pleading that public interest must be served. In 1683, Matthew Hale would write...

A Due care for the relief of the Poor is an act, 1, of great Piety towards Almighty God, who requires it of us: He hath left the Poor as his Pupils, and the Rich as his Stewards to provided for them: It is one of those great Tributes that he justly requires from the rest of Mankind; which, because they cannot pay to him, he hath scattered the Poor amongst the rest of Mankind as his Substitutes and Receivers.<sup>51</sup>

The principle of the rich giving to the poor, or simply serving the public interest, was realized in hundreds of other manuscripts by different authors. In 1690, Nicholas Barbon writes, "The Chief Causes that Promote Trade, (not to mention good Government, Peace, and Scituation, with other Advantages) are Industry in the Poor, and Liberality in the Rich: Liberality, is the free Usage of all those things that are made by the Industry of the Poor, for the Use of the Body and Mind; It Relates chiefly to Man's self, but doth not hinder him from being Liberal to others."<sup>52</sup> Not all authors pleaded charity. Some argued that it wasn't so much the charity of the rich, their *liberality*, as it was their responsibility, their duty to feed the poor. In 1720, Isaac Gervaise writes, "For all Men have a natural Right to their Proportion of what is in the World..."<sup>53</sup> Caesar Beccaria, Humanitarian and social justice advocate of the era, as well as enlightenment author, would

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<sup>50</sup> Child, Josiah, "Observations concerning Trade and Interest of Money," 1668.

<sup>51</sup> Hale, Matthew, "A Discourse Touching Provision for the Poor," 1683.

<sup>52</sup> Barbon, Nicholas, "A Discourse of Trade," 1690, Of the Chief Causes that Promote Trade.

<sup>53</sup> Gervaise, Isaac, "The System or Theory of the Trade of the World," 1720.

promote the idea of public welfare. In a treatise of political economy, most likely written in the mid 1700's, he writes...

...the study of public oeconomy must necessarily enlarge and elevate the views of private oeconomy, by suggesting the means of uniting our own interest with that of the publick. When accustomed to consider the affairs of the common weal, and often to call up the ideas of general good, the natural partiality we bear to our own reasonings, and to objects which afford us so much intellectual pleasure, re-kindles the languishing love of our country. We no longer look upon ourselves as solitary parts of society, but as the children of the public, of the laws, and of the sovereign. The sphere of our feelings becomes greater and more lively; the selfish passions diminish, and social affections are dilated, and gather strength from the power of imagination and habit; and measuring objects according to their real dimensions, we lose sight of every mean and groveling disposition; vices which spring continually from a false measure of things.<sup>54</sup>

In one manuscript by David Hume, the author writes, "In short, a government has great reason to preserve with care its people and its manufactures."<sup>55</sup> In 1755, Jean Jacques Rousseau writes...

It is therefore one of the most important functions of government to prevent extreme inequality of fortunes; not by taking away wealth from its possessors, but by depriving all men of means to accumulate it; not by building hospitals for the poor, but by securing the citizens from becoming poor. The unequal distribution of inhabitants over the territory, when men are crowded together in one place, while other places are depopulated; the encouragement of the arts that minister to luxury and of purely industrial arts at the expense of useful and laborious crafts; the sacrifice of agriculture to commerce; the necessitation of the tax-farmer by the mal-administration of the funds of the State; and in short, venality pushed to such an extreme that even public esteem is reckoned at a cash value, and virtue rated at a market price: these are the most obvious causes of opulence and of poverty, of public interest, of mutual hatred among citizens, of indifference to the common cause, of the corruption of the people, and of the weakening of all the springs of government. Such are the evils, which are with difficulty cured when they make themselves felt, but which a wise administration ought to prevent, if it is to maintain, along with good morals, respect for the laws, patriotism, and the influence of the general will.<sup>56</sup>

In 1767, James Steuart would write a great deal on political economy, commenting that public interest must be served to enrich the whole. He would write...

The principal object of this science [Economics] is to secure a certain fund of subsistence for all the inhabitants, to obviate every circumstance which may render it precarious; to provide every thing necessary for supplying the wants of the society, and to employ the inhabitants (supposing them to be free-men) in such a manner

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<sup>54</sup> Becarria, Caesar, "A Discourse on Public Economy and Commerce," Date Unknown.

<sup>55</sup> Hume, David, "On the Balance of Trade," Date Unknown.

<sup>56</sup> Rousseau, Jean-Jacques, "Political Economy," 1755.

as naturally to create reciprocal relations and dependencies between them, so as to make their several interests lead them to supply one another with their reciprocal wants.<sup>57</sup>

Speaking of the duties of a statesmen, he writes, “A statesman should make it his endeavor to employ as many of every class as possible, and when employment fails in the common run of affairs, to contrive new outlets for young people of every denomination.”<sup>58</sup> And speaking of the downfall of a Capitalist economy, he writes, “From this results the principal cause of decay in modern states: it results from [economic] liberty [in a Capitalist system], and is inseparably connected with it.”<sup>59</sup> With strength against poverty, he writes, “...the principal care of a statesman should be, to keep all employed...”<sup>60</sup> With duty to justice, he writes, “...grain, which belongs to the strong man for his labour and toil...”<sup>61</sup> Finally, James Steuart writes...

In like manner, if a number of machines are all at once introduced into the manufactures of an industrious nation, (in consequence of that freedom which must necessarily be indulged to all sorts of improvement, and without which a state cannot thrive,) it becomes the business of the statesman to interest himself so far in the consequences, as to provide a remedy for the inconveniences resulting from the sudden alteration. It is farther his duty to make every exercise even of liberty and refinement an object of government and administration; not so as to discourage or to check them, but to prevent the revolution from affecting the interests of the different classes of the people, whose welfare he is particularly bound to take care of.<sup>62</sup>

Thomas Paine, in the late 1700's, would be writing the American Revolution, and defending the rights of all humans, of every race. In one document, speaking of justice in society, he writes...

It is a position not to be controverted that the earth, in its natural, cultivated state was, and ever would have continued to be, the common property of the human race. In that state every man would have been born to property. He would have been a joint life proprietor with rest in the property of the soil, and in all its natural productions, vegetable and animal.<sup>63</sup>

Thomas Malthus would continue the tradition of economic theory, but diverging greatly from Adam Smith on many points. While David Ricardo can be hailed as the true successor to Adam Smith economics, Malthus's system held truer to the evidence. In one 1815 essay, arguing for tariffs to protect the people, he writes, “As those, however, form but a very small portion of the class of persons living on the profits of stock, in point of number, and not probably above a seventh or eighth in point of property, their interests cannot be allowed to weigh against the

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<sup>57</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, preface.

<sup>58</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 11.

<sup>59</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 12.

<sup>60</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 13.

<sup>61</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 16.

<sup>62</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 1, chapter 19.

<sup>63</sup> Paine, Thomas, “Agrarian Justice,” Date Unknown.

interests of so very large a majority.”<sup>64</sup> In another work dated to 1815, J.C.L. Simonde de Sismondi writes...

...it is sufficient, in general, that the use of the ground be transmitted to the industrious man, who may turn it to advantage, whilst the property of it continues with the rich man, who has no longer the same incitements or the same fitness for labour, and who thinks only of enjoyment. The national interest, however, sometimes also requires that property itself shall pass into hands likely to make a better use of it. It is not for themselves alone that the rich elicit the fruits of the earth; it is for the whole nation; and if, by a derangement in their fortune, they suspend the productive power of the country, it concerns the whole nation to put their property under different managers.<sup>65</sup>

In the year 1825, Thomas Hodgskin, defender of labor, would write, “...whatever labour produces ought to belong to it.”<sup>66</sup> and elsewhere, too, “...allow labour to possess and enjoy the whole of its produce.”<sup>67</sup> In a less brief section, he thoroughly outlines the matter of justice, as it applies to economics...

He who makes the instruments [of production] is entitled, in the eye of justice, and in proportion to the labour he employs, to as great a reward as he who uses them; but he is not entitled to a greater; and he who neither makes nor uses them has no just claim to any portion of the produce.

Betwixt him who produces food and him who produces clothing, betwixt him who makes instruments and him who uses them, in steps the capitalist, who neither makes nor uses them, and appropriates to himself the produce of both. With as niggard a hand as possible he transfers to each a part of the produce of the other, keeping to himself the large share.<sup>68</sup>

In 1830, Nassau Senior would give a lecture, saying, “...the labourers form the strength of the country, and that to diminish their number is to incur voluntary feebleness.”<sup>69</sup> To end the injustice of the Capitalist system on the worker, Karl Marx made a bold demand, “Princely and other feudal estates, together with mines, pits, and so forth, shall become the property of the state. The estates shall be cultivated on a large scale and with the most up-to-date scientific devices in the interests of the whole of society.”<sup>70</sup> In his centennial oration, Robert Green Ingersoll said to the crowd, “Liberty: Give to every man the fruit of his own labor — the labor of his hands and of his brain.”<sup>71</sup> Speaking of what the founders of the United States said, he spoke further...

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<sup>64</sup> Malthus, Thomas, “The Grounds of an Opinion on the Policy of Restricting the Importation of Foreign Corn,” 1815.

<sup>65</sup> Sismondi, J.C.L. Simonde de, “Political Economy,” 1815.

<sup>66</sup> Hodgskin, Thomas, “Labour Defended,” 1825.

<sup>67</sup> Hodgskin, Thomas, “Labour Defended,” 1825.

<sup>68</sup> Hodgskin, Thomas, “Labour Defended,” 1825.

<sup>69</sup> Senior, Nassau, “Three Lectures on the Rate of Wages,” 1830.

<sup>70</sup> Marx, Karl, “Demands of the Communist Party,” 1848, demand #7.

<sup>71</sup> Ingersoll, Robert Green, “Centennial Oration,” 1876.

They then declared that each man has a right to live. And what does that mean? It means that he has the right to make his living. It means that he has the right to breathe the air, to work the land, that he stands the equal of every other human being beneath the shining stars; entitled to the product of his labor — the labor of his hand and of his brain.<sup>72</sup>

In 1877, Ingersoll wrote, “The working people should be protected by law; if they are not, the capitalists will require just as many hours as human nature can bear.”<sup>73</sup> In 1904, Gustav Schmoller, more of a sociologist than an economist, would write, “The lower classes have always been most unfavorably situated for that sort of influence [on making laws], but custom and law have sought to protect them, and every intelligent state government has had the same purpose.”<sup>74</sup> In that same document, he writes...

We have either to crush the laborers down to the level of slaves, which is impossible, or we must recognize their equal rights as citizens, we must improve their mental and technical training, we must permit them to organize, we must concede to them the influence which they need in order to protect their interests; not forget that this organization of the laborers alone could so emphatically remind rulers and property owners of their social duties that a serious social reform would be undertaken.<sup>75</sup>

In 1908, social reformer A.J. McKelway would write, “The need of placing the principle of child-protection upon the statute books is no longer to be considered, but the duty of securing advanced and effective legislation.”<sup>76</sup> In a 1910 publication, Henry Demarest Lloyd writes, “We have given competition its own way, and have found that we are not good enough or wise enough to be trusted with this power of ruining ourselves in the attempt to ruin others.”<sup>77</sup> Outlining his theory of social economy a bit more, Lloyd writes...

Failing competition and regulation, ownership by the people is the only agency which the people can use to restore their market rights and all their other rights. If we cannot have freedom by competition, we must get freedom by the Commonwealth... Germany, England, Switzerland, New Zealand, Australia and a multitude of municipalities furnish illustrations of the successful recourse to public monopoly as an escape from the evils of private monopoly.<sup>78</sup>

Here, Lloyd suggested that ownership by the common people was the best method of obtaining justice. It was a Socialism, what some people call a lighter form of Communism. He didn't believe in the ownership of the entire economy by the public, but he believed that certain industries that produced necessities ought to be. Today, the American government does this with electricity and water. In 1921, Zimand Savel would describe the role of trade unions...

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<sup>72</sup> Ingersoll, Robert Green, “Centennial Oration,” 1876.

<sup>73</sup> Ingersoll, Robert Green, “Eight Hours Must Come,” 1877.

<sup>74</sup> Schmoller, Gustav, “On Class Conflict in General,” 1904.

<sup>75</sup> Schmoller, Gustav, “On Class Conflict in General,” 1904.

<sup>76</sup> McKelway, A.J., “Child Labor and Social Progress,” 1908.

<sup>77</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 4.

<sup>78</sup> Lloyd, Henry Demarest, “Lords of Industry,” 1910, chapter 9.

The American trade union movement is in part organized by international unions into an American Federation of Labor to promote the economic welfare of the workers outside of political parties. England, with its many independent unions, now on the way to amalgamation, finds them almost united in the support of the Labour Party. Germany's Social-Democratic unions form the economic arm of the different Socialist parties. In France the unions, originally moulded by anarchist influence, have, since the Great War, become more centralized.<sup>79</sup>

Before proceeding to the next section, dealing with property rights, there is one last excerpt that I feel ought to be read in its entirety. It was written in the 1700's by David Hume, and contains a wealth of information on public interest being served, rather than private desire. With that, I hope it is as informative as I believe it to be...

It will not, I hope, be considered as a superfluous digression, if I here observe, that, as the multitude of mechanical arts is advantageous, so is the great number of persons to whose share the productions of these arts fall. A too great disproportion among the citizens weakens any state. Every person, if possible, ought to enjoy the fruits of his labour, in a full possession of all the necessaries, and many of the conveniencies of life. No one can doubt, but such an equality is most suitable to human nature, and diminishes much less from the happiness of the rich than it adds to that of the poor. It also augments the power of the state, and makes any extraordinary taxes or impositions be paid with more chearfulness. Where the riches are engrossed by a few, these must contribute very largely to the supplying of the public necessities. But when the riches are dispersed among multitudes, the burthen feels light on every shoulder, and the taxes make not a very sensible difference on any one's way of living.

Add to this, that, where the riches are in few hands, these must enjoy all the power, and will readily conspire to lay the whole burthen on the poor, and oppress them still farther, to the discouragement of all industry.

In this circumstance consists the great advantage of ENGLAND above any nation at present in the world, or that appears in the records of any story. It is true, the ENGLISH feel some disadvantages in foreign trade by the high price of labour, which is in part the effect of the riches of their artisans, as well as of the plenty of money: But as foreign trade is not the most material circumstance, it is not to be put in competition with the happiness of so many millions. And if there were no more to endear to them that free government under which they live, this alone were sufficient. The poverty of the common people is a natural, if not an infallible effect of absolute monarchy; though I doubt, whether it be always true, on the other hand, that their riches are an infallible result of liberty. Liberty must be attended with particular accidents, and a certain turn of thinking, in order to produce that effect. Lord BACON, accounting for the great advantages obtained by the ENGLISH in their wars with FRANCE, ascribes them chiefly to the superior ease and plenty of the common people amongst the former; yet the government of the two kingdoms was, at that

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<sup>79</sup> Zimand, Savel, "Trade Unionism," 1921.



time, pretty much alike. Where the labourers and artisans are accustomed to work for low wages, and to retain but a small part of the fruits of their labour, it is difficult for them, even in a free government, to better their condition, or conspire among themselves to heighten their wages. But even where they are accustomed to a more plentiful way of life, it is easy for the rich, in an arbitrary government, to conspire against them, and throw the whole burthen of the taxes on their shoulders.

It may seem an odd position, that the poverty of the common people in FRANCE, ITALY, and SPAIN, is, in some measure, owing to the superior riches of the soil and happiness of the climate; yet there want not reasons to justify this paradox. In such a fine mould or soil as that of those more southern regions, agriculture is an easy art; and one man, with a couple of sorry horses, will be able, in a season, to cultivate as much land as will pay a pretty considerable rent to the proprietor. All the art, which the farmer knows, is to leave his ground fallow for a year, as soon as it is exhausted; and the warmth of the sun alone and temperature of the climate enrich it, and restore its fertility. Such poor peasants, therefore, require only a simple maintenance for their labour. They have no stock or riches, which claim more; and at the same time, they are for ever dependant on their landlord, who gives no leases, nor fears that his land will be spoiled by the ill methods of cultivation. In ENGLAND, the land is rich, but coarse; must be cultivated at a great expence; and produces slender crops, when not carefully managed, and by a method which gives not the full profit but in a course of several years. A farmer, therefore, in ENGLAND must have a considerable stock, and a long lease; which beget proportional profits. The fine vineyards of CHAMPAGNE and BURGUNDY that often yield to the landlord above five pounds per acre, are cultivated by peasants, who have scarcely bread: The reason is, that such peasants need no stock but their own limbs, with instruments of husbandry, which they can buy for twenty shillings. The farmers are commonly in some better circumstances in those countries. But the grasiers are most at their ease of all those who cultivate the land. The reason is still the same. Men must have profits proportionable to their expence and hazard. Where so considerable a number of the labouring poor as the peasants and farmers are in very low circumstances, all the rest must partake of their poverty, whether the government of that nation be monarchical or republican.<sup>80</sup>

## Section IV: Property Rights

It is certain that the right of property is the most sacred of all the rights of citizenship, and even more important in some respects than liberty itself; either because it more nearly affects the preservation of life, or because, property being more easily usurped and more difficult to defend than life, the law ought to pay a greater attention to what is most easily taken away; or finally, because property is the true foundation of civil society, and the real guarantee of the undertakings of citizens: for if property were not answerable for personal actions, nothing would be easier than to evade duties and laugh at the laws.

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<sup>80</sup> Hume, David, "On Commerce," Date Unknown.

– Jean Jacques Rousseau, 1755<sup>81</sup>

The property which every man has in his own labour, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of a poor man lies in the strength and dexterity of his hands; and to hinder him from employing this strength and dexterity of his hands; and to hinder him from employing this strength and dexterity in what manner he thinks proper without injury to his neighbour is a plain violation of this most sacred property. It is a manifest encroachment upon the just liberty both of the workman and of those who might be disposed to employ him. As it hinders the one from working at what he thinks proper, so it hinders the others from employing whom they think proper. To judge whether he is fit to be employed may surely be trusted to the discretion of the employers whose interest it so much concerns. The affected anxiety of the law-giver lest they should employ an improper person is evidently as impertinent as it is oppressive.

– Adam Smith, 1776<sup>82</sup>

Up until this point, we have a few immutable, inarguable facts. The first chapter drew upon the productivity that we can receive from technological innovation and occupation specialization. The second chapter set a basic understanding of the structure of Capitalism, without relying all too heavily on specifics. With a stable understanding of the socio-economic system, I then ventured to show the historical and modern effects of it. In this chapter, I proved that labor produces all wealth and that public interest is necessary toward creating prosperity.

What is the most common response to all this information? Quite simply: why is it that the worker, who produces the wealth, is the person to receive the least amount of it? Why is it that the Capitalist, who produces nothing, is the person to receive the greatest amount of wealth? The answer is simple. In a Capitalist economy, a person has the right to private property. By this, it is meant that he has the right to obtain property through legal recourse, by making contracts and agreements. What is the result? There becomes the haves and the have-nots, the separation of classes. How is it that a person comes into possession of wealth? Perhaps they worked at a fair-paying job (as uncommon as it is), and earned enough wealth to amass their own shop or factory. Perhaps it was simply a small amount of wealth wisely invested in the right corporations. Or, another likely scenario, it was inherited. Whatever the case, once a person becomes wealthy in a Capitalist economy, they have the working class to do their bidding. Why is this? Because every worker is subject to their own needs: particularly housing and feeding themselves and their families. The Capitalist will amass a working force to operate the factories, the farms, the mines, the shops. He will say to them, “You must do as I command you – you must work these gears, sow these fields, mine this coal, drive this train, sell this merchandise. If you refuse, you will not be paid. If you are not paid, you will not be able to buy food or housing.” The human will to survive is strong, and so the worker accepts the Capitalist’s terms.

Wage-slavery is the result of Capitalism. No longer the slave to any master, but their own self-interest: they sign over a certain amount of hours of their lives that they might not starve to death. The right to private property is the right to enslave any person who has no wealth. It is a right exclusive to those who already own the wealth of society. The fact that one class of

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<sup>81</sup> Rousseau, Jean Jacques, “Political Economy,” 1755.

<sup>82</sup> Smith, Adam, “An Inquiry into the Wealth of Nations,” book 1, chapter 10, part 2, 1776.

individuals is oppressing another class is deplorable enough, but then we must recognize that the oppressors in this situation are those who do no labor though they are the ones who indulge in the sweetness of wealth. And, those who do the labor (that creates wealth) are those who are given the smallest amount of wealth. The oppressors form the smallest part of society of a handful of nations, while the oppressed form the great majority of the entire planet. African slaves in the south made up a third of society. Yet in our Capitalist system, those who are forced to labor are in fact the greatest part of the society. One may argue, “But the person may change any employment they like; they can quit and reapply anywhere else!” But a Capitalist anywhere has the same interest of depressing wages. It is slavery, because the only alternative offered to labor is starvation. It is an injustice, a cruelty, a poorly-acted sense of social behavior. To quote Karl Marx...

All property relations in the past have continually been subject to historical change consequent upon the change in historical conditions.

The French Revolution, for example, abolished feudal property in favor of bourgeois property.

The distinguishing feature of communism is not the abolition of property generally, but the abolition of bourgeois property. But modern bourgeois private property is the final and most complete expression of the system of producing and appropriating products that is based on class antagonisms, on the exploitation of the many by the few.

In this sense, the theory of the Communists may be summed up in the single sentence: Abolition of private property.

[...]

You are horrified at our intending to do away with private property. But in your existing society, private property is already done away with for nine-tenths of the population; its existence for the few is solely due to its non-existence in the hands of those nine-tenths. You reproach us, therefore, with intending to do away with a form of property, the necessary condition for whose existence is the non-existence of any property for the immense majority of society.<sup>83</sup>

This view of society, that Capitalists are in fact responsible for poor working conditions, for scams on consumers, for the poverty that infects every city, this view of society changes around our entire perception of civilization. The initial view of unemployment in our cities is the idea that people are lazy and detest work in its forms. Homelessness that ensues from unemployment is given the same idea. While some may argue that it is in fact problems in personal life, including physical, mental, or sexual abuse, the greatest reason why homelessness exists is Capitalism. If you can't work 10 hours a day at a repetitive job with no possibility of rising up, so you can rent out a closet for sleeping and eat shit food — if you can't do this, you're lazy. That is the ethos of Capitalism, a system that is as deplorable as it is impractical. The view of poverty is entirely changed: it is not caused by the worker, but by the Capitalist, whose sole goal is to gain profit by allowing miserable working conditions, poor quality products, and a sinking economy. The

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<sup>83</sup> “Manifesto of the Communist Party,” by Karl Marx and Friedrich Engels, “Proletarians and Communists,” 1848.

perception that we have on social ills like crime and violence certainly change, as well. It may be believed that crime is the desire to live easy without doing work: the same perception that we had of homelessness, unemployment, and poverty. But no, that is not the case. Crime's cause is the same as the cause of homelessness: the conditions of upholding a "straight, narrow, working class life" being enough to physically deteriorate the human body and destroy any potential for liberty, happiness, or security. By putting the means of production into the hands of a few, Capitalism has been realized. To quote Karl Marx...

The bourgeoisie keeps more and more doing away with the scattered state of the population, of the means of production, and of property. It has agglomerated population, centralized the means of production, and has concentrated property in a few hands.<sup>84</sup>

What is the result of this system of Capitalism, besides a nearly artistic rage against human greed and a sickening disgust against modern civilization? There is an underlying sentiment, an idea that seeks expression in our hearts. Spoken by the philosopher and felt by the worker, there is the ideal... can we have any other system besides Capitalism? We are restricted to living one life on earth, so why must it be a life full of misery and struggle? We are torn, distressed, enraged, sickened, almost hopeless and almost believing there can be no better future. But, what comes from it? We want to live in a different society where the property relations are different. Homelessness is caused by Capitalism's low wages and high costs. Police officers arresting people for sleeping in an abandoned building is class war. Two hundred people dying from salmonella poisoning because packaging plants lack safety is class war. Working ten hours a day to feed yourself and your family is class war. What the good, common people want is to live in a society where none of this exists. We want Communism.

To redefine the class relations of society, the idea of class must be destroyed. When I speak of class here, it must be understood that I am speaking of the haves and the have-nots, the Capitalists and the Proletariat. We must establish a society where the economy is managed not by the Capitalist, but by the Proletariat. The only solution to the crime that Capitalism is, is to create a society where the Proletariat are in control. Who decides the wages and the costs of commodities? In a Capitalist society, it is the Capitalist: those who own the means of production and have the legal right to do as they please. But, in a Communist society, it is the Proletariat. The people will own the means of production and have the legal right to set the wages and the prices of commodities. In a Communist society, there will be no Capitalist class. Each and every person in this society will be as much a Capitalist as they are a Proletariat. Everyone will own the means of production, just as everyone will work the gears, dig the mines, harvest the fields, and manage the distribution of wealth. Henry Demarest Lloyd wrote, "Democracy found that the only way to regulate kings was to make every citizen a king."<sup>85</sup> If this is true, then what is the best way to regulate an economy? It is to make every Proletariat a Capitalist — it is to give the means of production to those who operate them. In a Communist society, every farm, every factory, every mine, and every distribution center will be public property, as much as the roads and highways are.

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<sup>84</sup> "Manifesto of the Communist Party," by Karl Marx and Friedrich Engels, "Proletarians and Communists," 1848.

<sup>85</sup> "Lords of Industry," by Henry Demarest Lloyd, 1910, chapter 10.

With the people, the common people, in ownership of the means of production, with the capability of producing food, housing, clothing, necessities and pleasures, there can be no doubt that fairness, justice, and truth will succeed. In a Communist society, homelessness, poverty, and crime will nearly disappear entirely, and those social illnesses that still do exist will exist by means of habit rather than necessity. The prices of commodities and the wages of the workers will be decided much like the way we today decide laws and regulations: by the public voting and deciding these matters. I imagine that under such a system, the working hours will be cut in half, the total wages will double (or quadruple under eight hours), and the prices of commodities will be cut to one third or one fourth. It will be in such a society that poverty, unemployment, and other undesirable features will completely disappear. Such things only existed in a Capitalist society.

But one may ask, one may inquire, one may bring up the argument, that by turning the means of production into public property, are we not infringing on the rights of those Capitalists? Are we not encroaching upon their right — particularly, their right to private property? A right which says that a man can amass wealth, forge iron contracts with his employees of twelve hours a day, and then sell black bread and rotten meat at such high costs, as to render the entire society with the burden of poverty?

We are brought up in our culture to believe in this right to private property. Every social issue seems to revolve around it. When we become the judge and jury of opinion, and a quarrel or a conflict is brought up, we tend to think and believe, “Well, does that man not have the right to private property — and to do with it as he likes?” The idea of personal property is not specifically being attacked here. I do not contest a man to own belongings, to do with them as he might like. The part of personal property that becomes a conflicting point for a Communist, is when it is used to engage in wage-slavery, either in the form of worker abuse, consumer abuse, or poverty. So, when it comes to the matter of private property, as it exists with the form of private capital and private means of production, what of the Capitalists’ rights?

When we think of these matters, of the rights of a man or a woman, we often think of the great political battles that were waged and fought. We think of the pamphlets that circulated in countries, convincing the people that they have rights: the right to freedom of press, the right to freedom of speech, the right to freedom of religion, of opinion, to bear arms, to fairness and equality in the justice system. What of the right to private property? Do we overturn it, without thought, without caprice, almost as scoundrels? It is difficult to know what rights we really have, or what rights we really should give. We cannot turn to god and ask what rights we have, for if he could just as arbitrarily give us the right to private property, he could just as well give us the right to rape, or to murder — and it still would not make it a just right, because it comes from a god. This right, the right to private property, has long been held sacred, upheld as one of the greatest rights, in Western civilization. How can we just overturn it? With what justice can we do it? It may be difficult, but when we examine the situation, the oppression that is dealt by the Capitalist class with the aid of this right, the absolute misery and poverty that strikes the majority of the people, we must see that the right to private property is no different than a king’s right to the throne: it is simply a right to tyranny, to overflowing and unrestricted brutality. We must pass over the right to private property as a right that no longer exists; just as man has no right to murder or rape, he has no right to private property. No, he cannot and must not. We must have a new right: the right to personal property. To own and control your own personal wealth, so long as it is not used in contractual agreements to control or abuse the lives of others.

When one really thinks of it, what good is the right to private property? It simply assures us that, if we become wealthy enough, we have the right to buy and own our own factory, mine, farm, or shop. It gives us the very limited potential to become wealthy. If a person falls in to that 2% of the population, then that right to private property actually means something — otherwise, it means nothing. What is greater, what is for the common good to mankind: the right to private property, or the right to live without the fear of starvation, misery, and poverty? Should we uphold the dreams of those who oppress us and force us to live in cruel living conditions — or should we uphold *our own sacred right* to in just working conditions, paid our value for work, rather than paid what is enough to subsist? We must believe in the right to live without absolute poverty wracking our lives, bankrupting our souls, and turning misery into an everyday battle. “When liberty is the system, every one, according to his disposition, becomes industrious, in order to procure such enjoyments for himself,” writes James Steuart.<sup>86</sup> But slavery is our system, in the form of Capitalism, and men labor, but in order to subsist.

The right to private property has been eroding ever since the year 1900 passed. No longer is it allowed for corporations to conspire in price hikes or wage depressions: the anti-trust laws disallow this use of private property. Social services provided by the state now aid those living in poverty. Everywhere, all around, it is becoming more and more clear that the Capitalist class is wholly responsible for the poverty that abounds, not only in this nation, but around the world. It is a crumbling creed, but that does not mean that the poor are liberated, nor does it mean that those abused are without misery.

We must do what we can to destroy the right to private property and instill liberty and the right to a free life in our world.

## Section V: Cynicism Fueling the Flame of Our Idealism

The working men in their suffering and resistance are only the pioneers of all the rest of us. As the weakest class they have felt first and worst the pain...

– Henry Demarest Lloyd<sup>87</sup>

We have four facts that seem to contradict our every sense of social justice: (1) wealth is produced by labor, from section II, and (2) workers receive the smallest amount of this wealth, from the chapters 3–8 — then there is the other pair: (1) public interest is necessary to the common good, from section III, and (2) private property allows Capitalists to disregard public interest in every way that they desire. We, as a common people, want a better system than Capitalism. Free Enterprise, coupled with the right to private property, has put the common worker in bondage. Wage-slavery has taken over, and it is through Communism, the common ownership of the means of production, by the common man, that we shall be free. It is a struggle, that we will endless work to, until we are free.

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<sup>86</sup> Steuart, James, “An Inquiry into the Principles of Political Economy,” 1767, book 2, chapter 6.

<sup>87</sup> “Lords of Industry,” by Henry Demarest Lloyd, 1910, chapter 7.

## ***Chapter 10: A Communist Economy***

Nothing is more certain than that each generation longs for a reassurance as to the value and charm of life, and is secretly afraid lest it lose its sense of the youth of the earth. This is doubtless one reason why it so passionately cherishes its poets and artists who have been able to explore for themselves and to reveal to others the perpetual springs of life's self-renewal.

– Jane Adams, 1909<sup>1</sup>

### **Section I: Introduction**

The idea of a non-Capitalist society, by the standards of those just and fair, must in fact be quite a good idea. Capitalism has brought misery, to the domestic population and those in foreign lands. It has spread the famine of food, created artificial winters, done all it can in its power to increase its profits. If millions of people must starve, if millions must freeze, that the stock price rises by a half a percent, then those people will simply have to die. This is the attitude taken by the megacorporations, and history confirms again, and again, and again, that they will act out on this attitude. To destroy the evils that come with Capitalism, we must rearrange property relations in society. The mines, the farms, the factories, they can no longer be owned by the Capitalist class. They must be owned by the people, creating a truly just and Communist society. In this chapter, I will explain how this fantastic idea can be carried out.

### **Section II: The Real Distribution of Wealth**

The question should be put thus: Is competition a means of ASSURING work to the poor? To put a question of this kind, means to solve it. What does competition mean to workingmen? It is the distribution of work to the highest bidder. A contractor needs a laborer: three apply. "How much do you ask for your work?" "Three francs, I have a wife and children." "Good, and you?" "Two and a half francs, I have no children, but a wife." "So much the better, and you?" "Two francs will do for me; I am single." "You shall have the work." With this the affair is settled, the bargain is closed. What will become now of the other two proletarians? They will starve, it is to be hoped. But what if they become thieves? Never mind, why have we our police? Or murderers? Well, for them we have the gallows. And the fortunate one of the three; even his victory is only temporary. Let a fourth laborer appear, strong enough to fast one out of every two days; the desire to cut down the wages will be exerted to its fullest extent. A new pariah, perhaps a new recruit for the galleys...

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<sup>1</sup> "The Spirit of Youth and the City Streets," by Jane Addams, New York: Macmillan, 1909, chapter 1.

Who would be blind enough not to see that under the reign of free competition the continuous decline of wages necessarily becomes a general law with no exception whatsoever?

– Louis Blanc, 1840<sup>2</sup>

Before imagining what a society would be like in a Communist economy, a just understanding of a Capitalism economy is in order. It may be true that we understand the mechanics that control a Capitalist economy, such as class war, subsistence wages, competition, and the like. But, in our modern economy, just how much wealth that is produced goes in to the pockets of the Capitalist class, and how much into the pockets of the Proletariat class? To understand the nature of creating a Communist economy out of our current Capitalist society, we must understand the wealth distribution as it exists today. I shall answer those questions here.

Essentially, we are looking for is what economics refers to as an opportunity cost value. It is a difficult number to pinpoint. What does society lose when capitalists of the retail industry compete with each other? First, it requires greater manpower to supply the needs of all store-owners. By having a multiplicity of shops that all dispense the same products, each one only fulfilling a very small amount of its full operating potential, society has lost a certain amount of land and labor. If society were to collectivize the means of production in a manner that benefits the people, by centralizing distribution centers to their maximum potential, then the people would have that additional labor and land at their disposal. It is an inexact value lost by a profit-driven economy over a people-driven economy, as they each measure value differently.

In 2005 in the United States, workers received \$7 trillion in compensation.<sup>3</sup> The gross domestic product for personal consumption expenditures was \$8.7 trillion.<sup>4</sup> Even if the wage earners spent every dollar they had earned, there was still \$1.7 trillion spent on personal consumption. This gives us a minor indication of the immediate differences between those who labor and those who earn a living by possessing property. If we were to absolve the economy of the trees that bore no fruit, we would see the loss of real estate, legal services, management, and administrative industries, relieving the total payroll of \$1.17 trillion in payroll.<sup>5</sup> Laborers of the retail and wholesale trades, the assistants and servants of the capital-owning class, provide no value in their services, and would also be removed from that economic position, granting \$0.85 trillion in payroll.<sup>6</sup> The finance and insurance industry, which provides no value except to those who own and control the industry, grants its employees \$0.53 trillion in payroll.<sup>7</sup> This brings the total of useless industries to \$2.55 trillion in payroll. Certainly an economy must possess the means and methods to distribute products to the community; the present industry remains so bulbous from its intention. It does not seek to serve the people, but to gather a profit. Wholesale trade, for instance, does not deliver the product to the end consumer. It only places the product of the mines, factories, and farms into the hands of another who must then distribute it themselves. The role of those employed in this industry is to increase sales. The economy still retains its transportation and warehousing industries, sufficient to the purpose of this industry. Abolishing these useless

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<sup>2</sup> “The Organization of Labour,” by Louis Blanc, 1840.

<sup>3</sup> Table 6.2D. Compensation of Employees by Industry.

<sup>4</sup> Table 1.1.5. Gross Domestic Product.

<sup>5</sup> Table 6.2D. Compensation of Employees by Industry.

<sup>6</sup> Ibid.

<sup>7</sup> Utopia, by Thomas More, book 2, Section: “Of Their Trades, and Manner of Life.”



industries would relieve the payroll costs of \$2.55 trillion. Each person's wages increase by the difference, with the new, unused labor market joining a meaningful area of production. This, along with granting all profit to the worker, would give them a value of \$8.7 trillion instead of \$4.47 trillion.

The idea of eliminating useless industry as a means to improving the economy is not a new one. By increasing the wages and improving working and living conditions, many of the repelling aspects of laboring are removed. Where the population enjoys the benefits of its economy, there will be many more willing to contribute their efforts and toils to producing the social product. In his book *Utopia*, Thomas More entails a plan where the idleness of both wealth and poverty are removed...

... then consider the great company of idle priests, and of those that are called religious men; add to these all rich men, chiefly those that have estates in land, who are called noblemen and gentlemen, together with their families, made up of idle persons, that are kept more for show than use; add to these, all those strong and lusty beggars, that go about pretending some disease, in excuse for their begging; and upon the whole account you will find that the number of those by whose labors mankind is supplied, is much less than you perhaps imagined. Then consider how few of those that work are employed in labors that are of real service; for we who measure all things by money, give rise to many trades that are both vain and superfluous, and serve only to support riot and luxury. For if those who work were employed only in such things as the conveniences of life require, there would be such an abundance of them that the prices of them would so sink that tradesmen could not be maintained by their gains; if all those who labor about useless things were set to more profitable employments, and if all they that languish out their lives in sloth and idleness, every one of whom consumes as much as any two of the men that are at work, were forced to labor, you may easily imagine that a small proportion of time would serve for doing all that is either necessary, profitable, or pleasant to mankind, especially while pleasure is kept within its due bounds.

[...]

And thus from the great numbers among them that are neither suffered to be idle, nor to be employed in any fruitless labor, you may easily make the estimate how much may be done in those few hours in which they are obliged to labor.<sup>8</sup>

Some may argue with me on the matter of removing the retail trade industry. Naturally, every economy must possess a method of distribution for the social product. If we were to keep the retail trade outlets, it would mean keeping the value of stores at the cost of a payroll at \$0.467 trillion, for 2005. But, it certainly can be agreed that wholesale trade provides no value; it acts solely as a middleman merchant between vendors of products and those who produce them. Their total payroll for 2005 was \$0.389 trillion in 2005. The mechanics of the economy direct and coordinate labor and capital in a manner that increases the labor of all, so that the capital-owning class can possess their profits. Not only does its losses allow for an idle group of owners and lords, but its inefficiency costs the whole of society a great deal collectively. If it can be given that an

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<sup>8</sup> *Utopia*, by Thomas More, book 2, Section: "Of Their Trades, and Manner of Life."

entire sector of a trade industry produces no fruit that is consumed by the public, then there is certainly a great deal of maximizing efficiency that can go on in the retail trade industry. There must be a reorganization of labor and industry according to the needs and direction of society. It is not simply a matter of giving the profit of the capitalist to the worker; but it is a matter of giving the right to the direction of the economy. Otherwise, the worker does not truly possess a right to collective ownership of the means of production.

Relieving the economy of the employees who provide no value would naturally output itself as unemployment, but in a Socialist economy, where capital is organized according to the interests of labor, it would simply reduce the amount of labor applied to the industry. The equation could be written another way. Instead of reducing the amount of workers employed in fruitless industry, those workers would migrate to useful and productive industry. In this case, laborers would receive the same pay, but with a significant reduction in the amount of time and effort necessary to achieve the final, social product. For instance, the \$4.2 trillion difference of \$8.7 trillion could be expressed as a 48% reduction in labor to create the same product, or it could be written as a 93% increase in payroll for the laboring class. In either case, it's a matter of socialization of the economy and capital in order to provide for the people's needs as they themselves desire. It should be enough for the economy to become socialized. Not only must it organize to eliminate non-value producing industries, but it should fairly distribute the social product to those who produced it. The numbers above provide a small sampling of the type of reorganizing that would happen. The greatest obstacles to a relationship between labor and those possessing the means of production are poor working conditions, low pay, and long hours, the results of a profit-driven economy. These minimal estimates are based on the present working model of the Capitalist system. It would be impossible to achieve an accurate figure of the complete value lost by the exchanges of Capitalism and the advantages of collectivizing the means of production, but these numbers are a start.

One of the primary arguments against such a collectivization of the means of production is that industry would lose its lords and masters. Without the merchants and traders of real estate, legal services, management, and administrative labor, the conflicting units of society would need to work together on mutual, associative, and free relationships in order to receive their subsistence of living. The farmer would need to rely on the steel worker for his tools, just as the engineer must rely on the farmer for his daily sustenance. Without masters of economy, these groups would be required to exchange the products of their economy on the basis of achieving the mutual interest of all parties.

### **Section III: A Historical Look at the Matter**

The man in whose power it might be to find out the means of alleviating the sufferings of the poor would have done a far greater deed than the one who contents himself solely with knowing the exact numbers of poor and wealthy people in society.

– Vilfredo Pareto<sup>9</sup>

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<sup>9</sup> “The New Theories of Economics,” by Vilfredo Pareto, 1890.

I imagine that many of my readers will read the previous section with a great deal of skepticism. How is it, you may think, that just a simple change in management would be enough to increase our wages by sevenfold, possibly more? To this inquiry, I direct my reader back to the first chapter, when I was setting the foundation for a cooperative society. In such a society with cooperation (whether based on class antagonism or classlessness), work is completed much easier. As the reader ought to also understand, technology has come remarkably far in our age. What one hundred men could produce in one day in 1600, one single man today could produce in one hour.

In 1767, it was estimated that for every 21 shillings earned in England, 9 shillings were paid in rent to the landlord, leaving the worker with 12 shillings.<sup>10</sup> In France, the farmer gave half his crop to the landlord.<sup>11</sup> In 1815, landlords usually collected one half of the crop of their farmers, but on the coast of Genoa, in the republic of Lucca, in several provinces of the kingdom of Naples, many of them paid two thirds of the crop to their landlord.<sup>12</sup> In England of 1815, in good years, land farmers earned a profit that was 500% their expense (if they invested £1, then they had a £5 return) but in bad years, profit was 125% their expense (if they invested £3, they had a £4 return).<sup>13</sup> This leads me to believe that, on average, farmers earned a profit that was 300% their expense (if they invested £1, then they had a £3 return). In 1830, Irish farmers could subsist off of only half of their harvest, while the rest was exported.<sup>14</sup> That would mean if workers were working at most 16 hours a day (a high number in fact), that they could work only 8 hours a day if they stopped exporting to England, their exploiter and slaver. In the 1880's, the United States Census showed that seven tenths of all wealth was owned by less than one tenth of the population.<sup>15</sup> In 1902, miners worked only eight hours a day, earning \$2.50 a day, enough to subsist on.<sup>16</sup> Many factories in 1906 decided to change from the 10 hour work day to the 8 hour work day, without losing any income, profit, or productivity.<sup>17</sup>

Two hundred years ago, when there was nothing but a plough and a horse, workers could subsist on only six hours probably. With the way technology has advanced, what is so difficult to feel that a single worker today can subsist on only one hour or a half hour, when under a Communist regime? There has been only increases in how many hours are worked per day since technology has taken over — but if workers received wealth that they themselves produced, this would not be the case. Historically, the previous section is verifiable.

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<sup>10</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767, book 1, chapter 8.

<sup>11</sup> Steuart, James, "An Inquiry into the Principles of Political Economy," London: Printed for A. Millar, and T. Cadell, in the Strand., 1767, book 1, chapter 20.

<sup>12</sup> Simonde de Sismondi, J. C. L., "Political Economy," 1815, chapter 3.

<sup>13</sup> Simonde de Sismondi, J. C. L., "Political Economy," 1815, chapter 6.

<sup>14</sup> Senior, Nassau William, "Three Lectures on the Rate of Wages," of Magdalen College, A.M.; delivered before the University of Oxford in Easter Term 1830, Late Professor of Political Economy, The Second Edition, London; John Murray, Albemarle Street, MDCCXXXI, LONDON: Printed by William Clowks, Stamford Street, lecture 1.

<sup>15</sup> Lloyd, Henry Demarest, "Lords of Industry," 1910.

<sup>16</sup> Robinson, Margaret Blake, Editor of the Herald Light, "Among the Coal-Miners," Missionary Review 1902, Vol. 25, pp. 835-39.

<sup>17</sup> Van Kleeck, Mary, "Working Hours of Women in Factories," Charities and Commons 17 (1906-07), 13-21.

## ***Chapter 11: Arguments Against the Theory***

When the laboring and producing classes shall strike for their pecuniary and class interests, they should realize that they are struggling for a policy of peace for America and for justice for all mankind.

[...]

When the laboring and producing classes demand justice for themselves they should realize that they are cooperating with those who are struggling for a policy of liberty, of equality, of self-government for all men in place of the assumption that the Supreme Being has conferred upon the United States an authority to hold freedom as a right for itself and as a privilege to be granted to others by the President of the United States when in his view or in the opinion of Congress they may be fitted to receive and to enjoy the benign privilege.

– George S. Boutwell, 1902<sup>1</sup>

### **Section I: Introduction**

In the previous sections of this book, when I produced an idea, I would defend it then and there. When I argued for certain mechanics in the Capitalist system, I offered arguments against my own theory and then refuted them. The same is true when I argued that productive labor is the creator of wealth, when I argued that public interest is necessary to prosperity, and when I argued about the mechanics of a Communist economy. In all of those sections, I would answer outright arguments then and there. It will be in this sole chapter that I answer anonymous arguments against the theory of Communism, what I call “Common Arguments.”

### **Section II: Common Arguments**

Government by the people is only a half truth; the other half is industry of, by, and for the people. If brotherhood is the true “spirit of the hive” here, it must be so there.

– Henry Demarest Lloyd<sup>2</sup>

There is never a great theory proposed to world that does not meet some argument — there has never been a revolutionary idea that did not first meet opposition of the majority, that has been criticized at least one thousand times. Whether it was the theory that all living organisms are made out of cells, or that the earth was in fact not the center of the universe, every theory

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<sup>1</sup> “The Enslavement of American Labor,” by George S. Boutwell. Address Delivered in Faneuil Hall, January 22, 1902, Under the Auspices of the Boston Central Labor Union, (Boston: New England Anti-Imperialist League, 1902).

<sup>2</sup> “Lords of Industry,” by Henry Demarest Lloyd, 1910, chapter 10.

came with opposition, and in some cases, with burning books and their authors. With that in mind, I wish to remind you that Communism is no different.

The first and most obvious argument against Communism is that if it is established, any region that it is established in will fall under the rule of a Totalitarian Dictatorship. It will establish a repressive organization, opposing individual liberty and personal freedoms. Though it may be historically true, that there is some link between collectively owned property and amelioration of the rights of the public, I do not believe that it has to be the case. In situations like the Soviet Union, or Red China, or Communist Vietnam, I do not believe that they have even managed to accomplish Communism — as their factories violate their own labor laws. They are certainly not Communist. Also, aside from whether they are Communist or Capitalist, they do not have political autonomy. The people are not allowed to govern their lives. As I wrote before, we are fighting for our freedom, we are doing what we can to establish the principle that the people are the ones who must be granted control. The USSR did not have free elections. It was not so much a Communist state as it was a reversion back to the old monarchical ways. The people could not decide the laws and were completely isolated from the process of collective management. Capitalist nations that are under the rule of a monarch or king or dictator, they all are full of repressive and brutal tortures, vicious and heartless massacres. The American colonies were nothing but serfs without the right to represent themselves in government, and they were surely one of the greater, elevated forms of Capitalism: the Mercantile system. If a government is Capitalist, but allows no voice to the people, it fails — but if a government is Communist, but allows no voice to the people, it also fails; should we fail to recognize the pattern here?

Another primary argument against Communism comes from a corner of intellectual thinkers known as Primitivists, who believe in Primitivism. The theory of Primitivism may be summed up as this: the idea that technology, in all its forms, works to oppress mankind and destroy the environment — and that there is no exception to these rules. While it may be true that technology has in fact played a part in oppressing mankind and destroying the environment, to say that it can only play that role (when history proves otherwise) is in fact a statement of great arrogance, narrow-mindedness, fanaticism, and simple stupidity. To understand the great levels that technology can elevate us to, I refer the reader to the first chapter. The fact is, swords and knives have played their part in oppressing mankind, so why should we not conclude that they are intrinsically limited to oppressing mankind? That is the effectual argument of Primitivism: there are many instances of it happening, so it must be the only way it can happen. Such thinking is a sign of logical deductive disabilities. And, why should we admit swords and knives into the Primitivist world? They are forged by technology, just like factories and farms. Language, in fact, is a form of technology. Are we to do away with language, cooperation, and mutual aid, just because they are technological advancements? I suppose, then, all tools must be done away with. A hammer may be the first step, but then metallurgy and pottery would be the next, and so on, and so on, until we arrive at the factories and manufacturing plants. At what point is it “technology” to the Primitivist? Because surely every one of these steps has had some aid in oppression, as much as it has had some aid in liberation. Simply put, Primitivism is reactionary foolery, and I think little mind ought to be paid to it.

The final bunch of arguments against Communism are what I would refer to as misnomer arguments; that is, arguments that fail to properly identify Communism and what it stands for. For example, one person may say, “Capitalism is based on people being greedy,” and “Communism is based on people being good.” I hardly find this to be the case. In a Communist society, we would

be able to obtain the necessities of life as well as luxuries in maybe one half to two hours of labor in a day — I greatly desire this system to liberate my brethren, but what is to say that I don't want this system to liberate my own self? I seek ought to establish and realize Communism in the whole world, as a method of allowing every person the right to happiness and freedom from want and misery, so that I can know that not only are my friends free, but so am I. Another argument against Communism, or the Socialist doctrines, under this title of misnomer arguments is: "Communism, or Socialism, would work if we all were the same." I think this argument has its roots in the idea of, *to each his ability, to each according his need*. Or, in actual use as some Communist nations may have had it, that each person works 5 hours a day and receives the same food and luxury — i.e. being based on each person being the same with the same desires or wants. Needless to say, everything I have said up to here would completely demolish this argument; a Communist nation must not tell its people how much to work and what to buy, for that's rather a sign of a police state rather than a free republic or democracy.

Finally, there is the argument that Communism "works in theory, but fails in practice." I hardly think that this argument can be recognized as having any merit or value to it at all. If something works well in theory, but fails in practice, then there are two deductions that can be made: a theorist's poor assumptions and lack of sources, or the failure of someone to adequately carry out such a theory. For a person to actually believe that anything "works in theory, but fails in practice," is simply an indictment against his own reasoning abilities. And, as many misnomer arguments would have it, both the deductions above seem to be had when dealing with the Communist ideology. It appears that, according to the previous paragraph, many Americans are ignorant about what Communism really means. It might be that Americans enjoy things that are simple, and would reduce the most complex algorithm to "2+2=4" if it helped them feel secure in knowing. And, also, it appears that there have been no noticeable success with any person trying to carry out a theory of Communism. All major experiments, including the USSR and Vietnam, seemed to have been riddled with the problem of brutal, vicious dictators.

With all this said, I hope the reader acknowledges that there are, in fact, few serious arguments against a theory of Communism.

## Chapter 12: Our Part in Realizing this Communist Vision

We know through painful experience that freedom is never voluntarily given by the oppressor; it must be demanded by the oppressed.

– Martin Luther King Jr., 1963<sup>1</sup>

The merit of Marx is that he suddenly produces a qualitative change in the history of social thought. He interprets history, understands its dynamic, predicts the future, but in addition to predicting it (which would satisfy his scientific obligation), he expresses a revolutionary concept: the world must not only be interpreted, it must be transformed. Man ceases to be the slave and tool of his environment and converts himself into the architect of his own destiny.

– Che Guevara, 1960's<sup>2</sup>

Communism guarantees economic freedom better than any other form of association, because it can guarantee wellbeing, even luxury, in return for a few hours of work instead of a day's work.

– Peter Kropotkin, 1901<sup>3</sup>

It is not charity but a right, not bounty but justice, that I am pleading for. The present state of civilization is as odious as it is unjust. It is absolutely the opposite of what it should be, and it is necessary that a revolution should be made in it. The contrast of affluence and wretchedness continually meeting and offending the eye, is like dead and living bodies chained together.

– Thomas Paine, 1700's<sup>4</sup>

The laboring man, however, ought to remember that all who labor are their brothers, and that all women who labor are their sisters, and whenever one class of workingmen or workingwomen is oppressed all other laborers ought to stand by the oppressed class. Probably the worst paid people in the world are the workingwomen. Think of the sewing women in this city — and yet we call ourselves civilized! I would like to see all working people unite for the purpose of demanding justice, not only for men, but for women.

– Robert Green Ingersoll, 1877<sup>5</sup>

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<sup>1</sup> "Letter From a Birmingham Jail," written while in jail by Martin Luther King Jr., 1963. Quoted from *The Portable Sixties Reader*, edited by Ann Charters, a Penguin Classics, page 28.

<sup>2</sup> "Ideology of the Cuban Revolution," by Ernesto Che Guevara.

<sup>3</sup> "Communism and Anarchy," by Peter Kropotkin, *Freedom: July (p30)/August (p38)* 1901.

<sup>4</sup> "Agrarian Justice," by Thomas Paine.

<sup>5</sup> "Eight Hours Must Come," by Robert Green Ingersoll, 1877.

Inquire of the most learned and wise of the present day, ask them to speak with sincerity, and they will tell you that they have long known the principles on which society has been found to be false.

– Robert Owen, 1816<sup>6</sup>

...the Communists everywhere support every revolutionary movement against the existing social and political order of things.

In all these movements, they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time.

Finally, they labor everywhere for the union and agreement of the democratic parties of all countries.

The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a communist revolution. The proletarians have nothing to lose but their chains. They have a world to win.

Workers of all countries, unite!

– Karl Marx, 1848<sup>7</sup>

## Section I: Conclusion to the Work

It is a wonderful, beautiful, and gorgeous thing to believe and think, that a world can exist without poverty, without want, without misery, without crime. It is a noble thing to try to create such a world, and it is a gentle and wise thing to believe that it is possible. In this book, I have explained our economic situation, the mechanics of a Capitalist economy, the foundation of cooperative societies, the abuses that have been wrought by Capitalists, and I have offered an alternative to the daily class war that we must face. In all of this book, I have offered evidence, reasoning, and intellectual insights. I do not believe that I have erected a philosophy based on mythical assertions, on absurd convictions. I do not believe that what I have preached here is impossible, nor do I believe that it is contrary to the common good. Communism, when it is taught for what it is, when it is understood for what its philosophers contend, will elevate the working man. It is the most Democratic institution that could be placed in our economy, for it grants us liberty while denying everyone the right to persecute others – it has done away with the old method of property relations, thereby alleviating our misery and want.

But, my readers, we are not yet in that era of Communism – we still have milestones to accomplish. We are still under the yoke of an oppressive and cruel regime of Capitalism. Everyday is a struggle to survive, every life is another story of the cruelties that want and misery give to us. Whether the outlet is crime or unemployment, lives are being taken on a daily basis by this juggernaut of Capitalism. We still have work to accomplish, for the body of Capitalism is still able and strong, and it will remain so until we turn it into a corpse. Whether we work side by side to establish a Communist collective through peaceful campaigning and elections, or

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<sup>6</sup> “A New View of Society,” by Robert Owen, Essay 3, 1816.

<sup>7</sup> “Manifesto of the Communist Party,” by Karl Marx and Friedrich Engels, “Position of the Communists in Relation to the Various Existing Opposition Parties,” 1848.



whether we used armed force in a revolution, or a combination of these two tactics, everything that contributes to making the life of the Proletariat better is desirable. It may happen to be that by peaceful, collective organizing, that the minimum wage is raised by several dollars; and it may happen to be by armed, militant force, that key leaders in the system of Capitalism are neutralized. In a peaceful campaign, the state will eventually seize power of the megacorporations' means of production, via legislation. In a valiant revolution, the people themselves will seize power of these means of production. Both methods of changing society have their effectiveness in accomplishing goals, but it is not for me here to say which anyone is to take, so long as one road is taken.

To the social reformer, who picks debates and arguments to spread his ideas peacefully, I offer this advice: like any reformer, you may feel saddened or depressed, that you cannot more directly effect your cause. But do not allow it to dishearten you, because it will be by peaceful means that the masses are allowed to see what the Capitalist class has hidden from them. To the political revolutionary, who uses illegal tactics to hinder and otherwise distress the Capitalist class from exploitation, I offer this advice: like any revolutionary, you may feel that your small acts account to little, that your small rebellions will not change everything. Do not allow this to dishearten you, either, because it has only been through the means of people aggressively asserting their own rights that any revolution has succeeded.

But, whatever path is chosen, I only ask this... that at least one is taken and neither scorned, so long as we recognize our duty and obligation to change the socio-economic climate that our civilization still suffers through. And with that, I wish you luck.

## **Section II: Afterthought — The Development of my Opinion on the Matter**

From the beginning to the ending of this book, nine out of ten parts of it being research and the rest being organization and writing out of that research, at least the entire span of a year has gone by. In that time, I was homeless on the streets of Los Angeles (early research), enrolled in a university (middle research), and finally expelled from that university for unsubstantiated school claims of illegal drug selling (late research). My political and economic view points on the matter were both prevalent, and only growing stronger, with my work on this book.

My early economic view was that of a Capitalist. I believed in a system of competition, securing for the consumer fair prices, and motivating workers to innovate and become better and more productive parts of society. Much like the theorists I took to, I was uninformed about actual economics, and my appraisal of the system of Capitalism came from both the Red Scare propaganda, and the pseudo-intellectual quality of Free Enterprise. Then I would come to be interested in theories of Atheism, Secularism, Freethought, Humanitarianism, and Animal Rights. I found that many of my heroes had an inclination towards Socialist ideologies, so I investigated, and their arguments convinced me. But, it would only be through further research that I arrived at the theory of Communism. Only by more in-depth thoughts and theorizing, would I be able to see that Communism alone would be the greatest liberator that the human species has ever had. Hopefully, there will be a day when it can succeed, and the suffering of the Proletariat can come to a cease.

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