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VIEWS ON LABOR TOPICS

HENRY GEORGE BEFORE THE SENATE COMMITTEE.

HE GIVES HIS OPINIONS ON THE VARIOUS LABOR QUESTIONS AND UPON THE WESTERN UNION MONOPOLY.

Henry George, the well-known political economist and author of "Progress and Poverty," appeared before the United States Senate Committee on Labor and Education yesterday and gave his views on labor questions before a large audience. Mr. George said he was a resident of Brooklyn, and had given considerable time to the study of labor questions, but he thought the committee could obtain specific facts from the working men themselves. It was a fact, he said, that in the United States there was a growing feeling of dissatisfaction among the laboring classes. Whether or not their condition was growing worse was a difficult and complex question to answer, but in his opinion their condition was not improving. It was certainly becoming more difficult for a laboring man to become an employer. The invention of machines causing an increased division of labor made this more difficult. Mr. George did not believe that there was a direct conflict between labor and capital. The conflict was between labor and monopoly. A monopoly was a peculiar privilege possessed by one or a class of persons and not possessed by others. When speaking of the relation of capital and labor, persons generally meant aggregate capital or monopoly. Capital's earnings were measured by the rate of interest. Some industries, the witness continued, were in their nature monopolies. This was the case of railroads and telegraph companies. No one would build a railroad side by side with another. Points of intersection were the competing points. The aggregation of capital was accompanied by progress and invention, and with its aggregation there came a greater division of labor, and consequently less skill was required in the laborer. When labor-saving machinery was introduced it was thought that it would improve the condition of the working classes. Machinery should be an advantage to labor. It was certain, however, that this had not been the case. Mr. George thought that the division of labor was not of itself a disadvantage. Wages in all occupations had a certain relation to each other, and, in a general sense, must depend upon the largest source of production. Therefore, ultimately the wages depended upon land, or, in other words, agriculture. Wages would not sink below what a man could get by applying his labor to the soil. The fact that wages were higher in a new country was because the soil had not passed into private hands. As the land was closed up the wages lowered. Railroads, although reducing the cost of transportation, did not make food any cheaper or benefit the condition of the laboring classes. There could be no over-production, Mr. George said, until men got all they wanted.

Senator Pugh—How would you relieve the extra production in several of the industries, such as coal and iron? In the iron industry our capacity last year was 5,000,000 tons of pig-iron, but the market was only 3,000,000 tons. A.—There is no such thing as over-production. When there is a case of over-production, as it seems, in one industry, it is because of under-production in other industries. Production in one thing might temporarily be in excess of the demand, but no one had all the iron they wanted. This cessation in active demand was often owing to the tariff.

Speaking of the public lands, Mr. George said that Western tracts had become the property of private individuals, who obtained them at small costs and had taken portions along the river fronts, making the access to water difficult for others. The truth was, the agent went along just ahead of the emigrant. The American desert still existed though land agents had mapped it into farms. Mr. George said that he had observed in crossing the plains that men were going back and forth. At one place he had seen an advertisement for 2,500 improved farms for sale. The best way to get a home was to buy one.

In reply to a question by Senator Pugh the witness stated that over-production in special cases was likely to occur as the tendency was to draw off capital to other pursuits.

Senator Call asked why the immense tracts in the South which could be rented at low rates were not taken up by Northern laborers. To this Mr. George said he supposed people did not like to go South.

Senator Pugh—I am told that near New-York there are houses and lands that are cheap and yet the working men remain in tenements. A.—Does it look reasonable that this could be so?

Senator Pugh—No, it does not. A.—You will find that it is not a fact. You go to Harlem and you find large tenement-houses a little better than those further down town and they are all occupied. The poorer a man is the more difficult it is for him to move. He is living from hand to mouth and has not power to get away.

Mr. George then took up the subject of monopolies, and began by stating his own experience with the Western Union Telegraph Company. This experience, he said, had made him an advocate of a telegraph system under Government control. This company had swallowed all smaller and weaker ones, and then grossly abused the rights of citizens upon whose patronage it largely depended. In 1868 Mr. George said he came across the plains from San Francisco to negotiate with the telegraph companies concerning the sending of news from an Eastern city to San Francisco, where a friend had embarked in a newspaper project. The Associated Press had refused to sell news to the new paper though a large price was offered for it. Mr. George then went to Western Union, and the telegraph company agreed to carry the news for \$900 a month from Philadelphia to San Francisco. The paper was started, and Mr. George began to send the news, which was much more satisfactory than that of the Associated Press. In a very short time, however, he received a notice from Gen. Eckert that he must file his news in New-York City. Mr. George protested against this, but, coming on to New-York, continued his dispatches to San Francisco. The next move of Western Union was in the form of a notice from that monopoly that thereafter Mr. George would be charged \$2,000 a month for the same number of words that he had paid \$900 for. Getting no satisfaction from the management he called on President Orton, who finally said: "Mr. George, those are our terms. If you do not like them you can build a telegraph line of your own to San Francisco." As a result the paper went under. "This is what I call a monopoly," said Mr. George. The reason of this action the witness attributed to an agreement between the Associated Press and Western Union, and it was his belief that they worked in each other's interests continually. There was no use, he thought, in fighting such a corporation. Mr. George believed that the Government should operate a telegraph line in connection with its postal business, and he believed it could be managed at a much less cost than the lines of private companies. One of the great evils of such a corporation was in its keeping back all the benefits of new inventions from the people. Western Union did not look with favor on the patenting of inventions and discouraged their adoption. Great service, the witness thought, had been rendered to Western Union in the late strike by the newspapers both in printing rose-colored reports of the affairs in the Western Union main office and through the editorial pages. In this manner the Associated Press had done much toward defeating the strike. The man who had charge of the press department could wield an immense power if he chose. Another evil, he said, was that private dispatches were habitually taken advantage of and used by the operators of the company.

Senator Blair—Is there any other interest influencing the Western Union monopoly? A.—At the head of the company certainly stands an unscrupulous man.

Senator Blair—Do you think that the public have any cause of complaint against the Western Union for linking with the interests of the Associated Press as well as business interests? A.—No, I do not know that they have. If under the control of the Government, Mr. George thought that there would be a smaller chance for favoritism and less chance for combinations in the interests of a few.

Q.—In the end will there be a remedying of the abuse. If the Associated Press disseminates false news will not the public sooner or later find it out? A.—Yes, I think it will.

In answer to a question by Senator Pugh, Mr. George said he did not believe that labor received its rightful share. The average wages of capital was indicated by the rates of interest. Many laborers in the Eastern States could not make enough money to live upon, and the whole family was compelled to work in the factories. Wages were now at the minimum in many industries. If American laborers could live on rice, soon wages would fall to that level.

Senator Blair—Is there anything the laborers can do but combine to better their wages or meet this downward tendency? A.—The only thing to do is to wrest the advantages which have been gained by individual skill and distribute them among the many. This applied only to land, not to other property. At this point Senator Blair and Mr. George indulged in a long discussion concerning the distinction between land and other property. Mr. George said that combinations of laborers could do some good, but very little. If wages were raised in one branch of industry others would flock into that branch from other employments. This was obviated by glass-blowers in some places, who refused to teach the trade to any but their children. Wages could only be raised permanently by a general rise in every branch of industry. The capitalist could hold out longer than the laborer, and the land owner longer than the capitalist. Mr. George had no faith in small remedies or ameliorating measures. He thought the protective tariff should be removed and a start made on a free trade basis. If the State owned the land it would increase continually in value, and every one would benefit from this increase and share in it instead of as now only the few. Co operative societies the witness thought of not much value to laborers. They were simply educators, and this was what must be removed. The Government could do some good, however, by breaking up monopolies like the Western Union by establishing a postal telegraph, abolishing laws of collection of debts, simplifying laws, and removing the tariff. Mr. George did not believe in sumptuary laws. If a man gained wealth he thought he should be allowed to do with it what he pleased. There was no remedy to be found in such laws.

Senator Blair—Now, Mr. George, if you were a supreme dictator in the United States, what would you do first to carry out your theory? A.—Well, first I should abolish all taxation except upon land values, add to the Government control railroads

and telegraph systems, abolish the navy, West Point, and Annapolis, abolish the law for collecting debts, and simplify other laws.

Senator Blair—Do you think we have a navy? A.—We have many naval officers.

Q.—Suppose England should attack us, what would we do without a navy? A.—What would we do with the present navy? At any rate, we have no commerce. We could use torpedoes.

Mr. George thought the land systems in Ireland, England, and the United States did not differ materially. Laborers in Great Britain in some vocations he thought as well off as in this country. On the whole, this country was better for a laborer. It was a new country and there was yet some good land unoccupied. Mr. George thought the tariff increased monopolies, and was no protection. If goods coming into the country under free trade should close up some manufactories other exports would offset the loss.