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Appeal to Reason

J. A. WATLAND

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Semi-Centennial Anniversary

NEXT year when the national convention of the Socialist party meets it will be precisely fifty years since Abraham Lincoln delivered his historic speech appealing to the recently born republican party to stand its ground unflinchingly and bear its revolutionary banner on to victory.

Two years ago the republicans of the nation mustered thirteen hundred thousand strong. We did this under the single impulse of resistance to a common danger, with every external circumstance against us.

Two years after these words were addressed to a new, weak party—but a party with a mission—that party swept the country, elected a republican congress and placed Abraham Lincoln in the presidential chair.

The Socialist party is stronger today than the republican party was fifty years ago. It is far more securely grounded in the acceptance of its principles by the rank and file.

As an appropriate commemoration of this historic landmark of half a century ago, consecrated by the devotion of the immortal Lincoln, the APPEAL proposes to issue a semi-centennial revolutionary edition that will shake the country from center to circumference.

The plan is to issue this edition immediately after the adjournment of the national Socialist convention so that it may contain the national platform, names of candidates and other essential features of the proceedings, and place a copy of it, as nearly as superhuman efforts and the extreme capacity of the APPEAL will make this possible, into the hands of each and every one of the fifteen millions of voters in the United States.

The campaign will be in full swing when this edition is reeled from the press and every nerve in the APPEAL anatomy will be strained twenty-four hours a day until the task is accomplished.

The Panic will have its grip on the people and they will be sympathetic and responsive as never before and this continental edition, we are fully persuaded, will fire their blood and swing them into the advancing column of the Socialist Party and the Social Revolution.

THE panic will come as long as the people feel that they must have it and cast their votes to bring it around.

THE scientific analysis of the capitalist system made by Socialists and the forecast based upon it years ago are now realized. The panic is on and all the magic of the sleight-of-hand performers from Pierpont Morgan to Hinky Dink cannot conjure it away.

WHY more battleships? Why, my son, the steel trust gets \$550 a ton for the armor plate that the senate investigating committee said the nation could make for \$67 a ton.

THE postoffice department requires a bond from banks in which postoffice funds are deposited. Mr. Roosevelt tells the Little Rich and the Frugal Workingman to deposit their money in the banks without security of any kind.

THE real work of statesmanship will be carried on by the silent and dignified (senate) members," says the Kansas City Journal, making fun of "rangers." Yes, and the real work of burglary is carried on by the silent and dignified members of the gang, too.

THERE is only one thing that prevents the abolition of the horrible social and industrial conditions that prevail. That is the profit that some influential people make out of the conditions.

THE crucial test of the panic," says the Wall Street Journal, "will come when the banks resume cash payments." True enough! People who have had their little funds tied up in banks will make haste to get their hands on the cash when the banks pay. If they are wise they will buy postoffice money orders, payable to themselves.

THE president tells you that the banks are sound and that you should put your money in them so the banks can get the interest on your money. That is all very well to tell the horse marines, but the government does not deposit its money in banks except that the banks give special security for such deposits.

A CONFERENCE was recently held at the white house, President Roosevelt presiding, to discuss "currency legislation." Senator Aldrich, of Rhode Island, representing the Standard Oil company in the senate, was the guest of honor and principal speaker.

THE republican party stands for Big Industry, such as produced the panic in 1907 under Roosevelt.

Socialism would avoid this evil by increasing the wage fund to equal the value of the nation's wealth, giving to each worker an exact equivalent for labor performed.

A FINANCIAL system that depends for its safety on having the many put their money in bank so that the few can use it to make profit off the many, is a very poor system.

THE Kansas City Journal says the "fools did it," meaning the poor fools—the little fellows with a few dollars laid by for a rainy day.

ONE issue of the New York World had a list of a column of suicides for the day before! And a list of 125,000 workmen thrown out of employment in that city alone!

If you cannot trust the control of any industry to the owners, how can you trust them to own it? If they are not safe to own they are not safe to control.

TAKE YOUR CHOICE!

The Republican and Democratic parties stand for capitalism; capitalism stands for private ownership; private ownership stands for wage slavery and wage slavery stands for Poverty, Panics and Prostitution.

The Socialist party stands for Socialism; Socialism stands for collective ownership; collective ownership stands for industrial freedom and industrial freedom stands for Peace, Plenty and Prosperity.

TROOPS MUST GO!

Another Victory for Prompt Action in Which the Appeal Took the Lead.

The federal troops at Goldfield will have to go, skidoo, vamoose. The edict has been issued and the soldiers will not stand on the order of going.

The Appeal proved from the very beginning that there was absolutely no excuse for sending federal troops to Goldfield. President Roosevelt knew this as well as Governor Sparks and the mine owners, but the usual tactics were employed of intimidating strikers by the exercise of military despotism.

No financial law will pass this or any other capitalist congress that does not have the approval of the bankers of the land, and the bankers will not have any law that will prevent them from making more and more profits out of the people.

The Pittsburg clearing house refused to accept certificates from the Fort Pitt bank to make good its balance due. The bank closed its doors. The miners of Goldfield refused to accept unsecured clearing-house certificates and quit work.

The readers of the Appeal and the people generally have responded nobly for which we take this occasion to return our heartfelt thanks.

THE Kansas City Journal, in its issue of December 8th, has an editorial in which immigration is discussed and in which appears the following: "The laws are wise in rejecting the penniless and friendless."

THE Big Rich are wholesale money-getters. The only way they can afford to skin the workers is by the bunch. When they go about the plunder of individuals the victims must be possessed of enough to make it worth while.

THE Big Rich are howling a great howl at the great corporations because the Big Rich have touched them. The small fry of the capitalist persuasion fear that they will be fleeced by the big ones and reduced to wage-earners.

As a striking confirmation of what I have said, I append the following paragraph from the Wall Street Journal of December 17th: "For the four months, beginning with August and ending with November, the hand of adversity has not been lightly laid upon the manufacturing enterprises of the country."

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THE panic is the common school of fools.

WHAT is your candid opinion of a bogus prosperity that invariably ends in a panic?

PANICS are the birth-pangs of the new social order now evolving from the old social disorder.

GENERAL STRINGENCY has succeeded General Apathy. The capitalists are great jokers.

CONSCIENCE, candor and courage are needed in this crisis. The truth must be spoken without fear of consequences.

If you have gray matter enough to generate a clear thought and manhood enough to express it this is your chance. The people are listening.

ACCORDING to capitalist economies the panic is due to impaired credits, and this is due to scarcity of money, and this to lack of confidence.

THE capitalist system has not yet developed to a point where it can be overturned—but it is rapidly nearing that place. This panic has created a mental condition in hundreds of thousands who are willing to see it go, because they have lost hope of succeeding under it.

DR. W. H. GUILFORD, registrar of vital statistics of New York, says the panic is responsible for the sudden increase in the number of deaths and suicides. The number of persons who died from heart disease for the week ending November 30th, was 164, an increase of nearly 100 per cent over the same week last year.

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\$5,000.00 REWARD.

THE APPEAL TO REASON has made the charge that Theodore Roosevelt, the governor of New York, signed the bill that was lobbied through the legislature of that state by the Harriman interests that made the bond issue of the Chicago and Alton railroad a legal investment or savings banks, thus securing the sale of said bonds and constituting the notorious "Alton Deal," which has been exposed by the Interstate Commerce Commission as the most gigantic railroad bond swindle ever perpetrated in the United States.

This charge made by the APPEAL and supported by the journals of the New York assembly and other documentary evidence from authentic sources, has been denied by certain friends of President Roosevelt eminent in the councils of the nation, and the APPEAL TO REASON now not only reiterates the charge, but offers a cash reward of FIVE THOUSAND DOLLARS to any person or persons who can and will successfully disprove it, Senator Chester I. Long, of Kansas, preferred.

The executive and legislative records of the State of New York during President Roosevelt's administration and at the time the bill in question was passed and signed will be accepted by the APPEAL as competent and conclusive evidence.

The friends of President Roosevelt have now a substantial incentive to interest themselves in his vindication.

APPEAL TO REASON. References—Crawford County State Bank, Girard, Kan. First National Bank, Girard, Kan. Girard State Bank, Girard, Kan.

How to Stop Panics.

There is but one way. And that is to put a stop to the system which produces them. A panic is but an effect. There is an active cause behind it, and until that cause is removed the panic is as sure to come at certain economic periods as the freshets are in the springtime.

Let us put the matter in the simplest possible form. The population of the United States is approximately ninety millions. A great majority of these are people who work for wages. They work with tools called machines. These machines are owned by capitalists. With these machines the workers can produce in great abundance, but the product goes to the capitalists. All the workers receive in exchange for their product is wages and these wages will buy but a fraction of the product.

What next? "Overproduction." The surplus has glutted the markets at home and abroad. What next? Suspend or curtail production, reduce wages and limit the hours. This means idle men, or men only half employed. They no longer draw wages or their wages are reduced.

Political quack doctors now appear with their nostrums. But not one of them hints at the cause of the panic if he has sense enough to know it, which is doubtful.

Now we are suffering at the present time the effects of "overproduction," so we are told. But that is a lie. If the workers who produced this surplus had what they needed and what rightfully belongs to them, the "overproduction" would vanish in a week.

Can you, not now see the cause of the trouble and the way out? All that is necessary is that the workers shall receive the full product of their labor. As it is now their surplus products in the hands of idle capitalists throw them out of employment.

This change can be brought about only by the reorganization of society on the basis of the common ownership of the tools of production by the workers themselves. Idle capitalists as such must be dispensed with. They are at the bottom of the trouble. Abolish private ownership of the tools by the capitalists and the capitalists as such disappear.

Now, how are the workers to get possession of the tools of production and reorganize society upon a co-operative and fraternal basis? Easy enough, if they will use their

brains in their own interests with but half the diligence with which they are now using their hands for the benefit of the capitalists.

All they have to do is to unite, industrially and politically, and stand unflinchingly for collective ownership in accordance with the platform and program of the Socialist party, the only party which stands squarely on the issue of the class struggle between the workers and the shirkers.

This is the solution, and the only solution, of the panic problem. The republican and democratic parties, supporting as they do the capitalist system in which labor is robbed of its products and then kicked out into the street to starve, are the breeders of panics, the enemies of the people and corrupt to the core.

The Socialist party, based upon the principles of true democracy and the greatest good of all, will put an end to panics and usher in a new and brighter era for humanity.

How soon that may depend entirely upon YOU, THE PEOPLE.

Socialist Representation.

Slowly but steadily the Socialist sentiment is spreading; slowly yet surely the Socialist movement is conquering capitalism and getting control of the law-making power of nations. The following table shows the number of Socialist and labor representatives which have already been elected and now sit in the national legislative bodies of the leading nations of the world:

Table with 2 columns: Country and Number of Representatives. Includes Austria, Argentina, Belgium, Britain, Denmark, England, Finland, France, Germany, Holland, Italy, Luxembourg, Norway, Serbia, Switzerland, Sweden.

The number of Socialist representatives is increasing every year and ultimate and complete triumph is but a question of months and days. All the leading nations have Socialists in their parliaments and congresses with the single exception of the United States. We shall make our start the coming national election when we shall elect our first national representative, and then we shall forge ahead swiftly and lead them all in proclaiming the Socialist Republic.

THE Frugal Poor and the Little Rich have been branded as traitors to their country and as unpatriotic because they hastened to the bank and demanded their money. Even the Father of the Teddy Bear took a shot at these poor devils. It now develops that the Big Rich, including some of the society swells of New York, hid out sixty millions in currency and then demanded a premium for its return to circulation. This does not include the millions hoarded by Rockefeller. Oh, yes, the Big Rich are a patriotic bunch.

THE coroner holds he Dupont-De Nemour Powder company responsible for the appalling explosion at Fontanet, Ind., which wrecked that town and destroyed thirty lives. That will be the end of it. The company can stand the responsibility if the people can stand the rest. Profit is king and lives are cheap. This is capitalism.

### A Stupendous Crisis

BY LUCIEN SANIAL.

As applied to present conditions, this expression "Panic," is, I dare say, most inadequate. It is not, indeed, a mere panic—a contagious state of groundless fear caused by a trifling accident—that we are now passing through. As may plainly be seen in the glaring light of the economic developments that have taken place during the recent period of capitalistic "prosperity," what we are witnessing today is a stupendous crisis in its incipient stage; a crisis of unprecedented magnitude and world-wide import, that will test to the core the mettle of which the proletarian classes of America and Europe are made.

In proof of the correctness of this view I shall here confine myself to a brief statement of facts, sufficiently suggestive without comment.

In the five years' crisis that followed the crash of 1893, the ground was cleared by an extraordinary rate of commercial mortality for the justification of industry on a scale previously unheard of. At the same time the rate of wages fell enormously under the pressure of an immense body of unemployed labor.

Long kept within narrow limits by a reduced demand—even for mere necessities, which many people could not buy—the domestic market had shrunk far below the national capacity of production. Our mercantile class finally sought outlets abroad, not only for the products of American agriculture, which the growing populations of Europe have heretofore required in steadily increasing quantities, but for nearly all kinds of American merchandise in competition with European manufacturers on their own markets.

Our exports increased enormously while our imports, for a time at least, remained stationary. In the four years, 1898-1901, the balance of trade was 2,400 million dollars in favor of American capitalism, or at the rate of 600 millions a year.

To this unexpected amount of surplus value, created by American labor and realized as profit by its exploiters through their mechanism of international exchange, was added the still more unexpected graft of the Spanish war; a graft peculiarly welcome at that time, chiefly because of the assurance therein implied of much more of the same sort, that would come from the maintenance of a large army and the creation of a powerful navy for the "protection" and exploitation—perchance also for the expansion—of our colonial empire.

At any rate we had a beginning of "prosperity." So said the capitalists, and for good reasons. So said many of the working people also, who heard that the wages of some had here and there been raised 5 or 10 per cent, while the price of necessities had already risen 20; nevertheless they were all glad enough to have steadier employment on any terms, for they had long been taught by dire experience that constant work for a bare living is the sum and substance of proletarian prosperity at its highest.

Yet the question was, "How long will it last?"

Then came the financier and answered:

"It must last; with such balances of trade I shall soon make Wall Street the financial center of the world."

"Three conditions, however, are required to attain this patriotic object.

1. Unity of action. We must meet the still divided foreigners on their respective markets with crushing masses of concentrated capital. Even our greatest industries (with the exception of petroleum) have not yet fully emerged from the domestic competitive stage. They must be trustified to the utmost, including land and sea transportation, which is a fundamental requisite in trade as in war.

2. Perfection of machinery. Our industrial plants are not yet by any means fully provided with the most improved machinery. American superiority in this respect must be carried to the highest possible point and vigilantly maintained.

3. A thoroughly subdued wage-working class. We cannot successfully fight the enemy abroad with a rebellious army at home."

In accordance with this program the preliminary work of extensive trustification was first attended to. It began with the iron and steel industry on a dazzling scale of one billion in stock and three hundred millions in bonds. Half the stock, called "common," was pure water; together with a fair number of millions in cash, it was the reward of "financial ability"—as Mallock would say.

This splendid achievement was quickly followed by others on similar "principles." From an analysis

which I lately made of the census of manufacturers for the year 1904 as compared with 1900, it appears that in seventy-four industries, 11,450 establishments were absorbed during that period of four years, and that, leaving aside the enormous amount of pure water stock issued for the benefit of the trustifiers, the actual capital of those industries increased 1,500 millions, or about 40 per cent.

And right here observe that this increase of actual capital came almost entirely from the profits of the trustified industries, over and above interest paid to bondholders and dividends to stockholders; so that, to this extent, the water of trustification was converted into gold. (Keep that fact in mind, for it is—as we shall see presently—an important factor in the pending crisis.)

Let us add that in transportation, 150,000 miles of railway, representing an actual capital of ten billions, were consolidated into nine "systems," each financially controlled by a "genius."

Now as to the second of the three conditions above stated:

Not only were the great industrial plants immensely improved in their mechanical appliances and general organization, but new ones were established at geographical points calculated to facilitate distribution and reduce to a minimum the cost of transportation and production.

Some idea may be formed of the extent to which this work of transportation was carried on from the census figures of the money value of the machinery turned out in the calendar year 1904, which was by no means the most productive year of the prosperity period and may therefore be safely taken as moderately representative of the annual average of that period. This value (including 112 millions of agricultural machinery) exceeded 1,500 millions!

Reader, bear in mind also this second great fact; for this was the lever that set the prosperity machine in motion; and when that lever had to be reversed a crisis was inevitable.

And so strong was the motion thereby imparted on the domestic field, that, so long as it lasted, the original scheme of financial domination over the world's markets had to lie dormant in the brain of its progenitors.

For the same reason the enforcement of the third condition of the program had to be adjourned, although several local tests were made—in Colorado and Idaho, for instance—of the drastic means by which the patriotic co-operation of the working class in the international war for the financial supremacy of its exploiters might have to be secured.

And now the question arises: How and why did it come to pass that the lever had to be reversed at the very time when the agricultural, mining, manufacturing and commercial development of the country was calling most loudly for a still larger output of machinery, especially for the purpose of transportation?

No capitalist mouthpiece has as yet dared to directly answer it. "Financial flurry," they say; "temporary loss of confidence caused by strenuous babble and the bursting of a few indiscreet banks; worst of all, 'money hoarding'; and they wind up with frantic appeals to 'The People' to pour into the banks, practically bankrupt, every cent left in their pockets."

Manifestly, the present state of affairs is an effect, not a cause. What is the cause?

With the advent of the prosperity era came a corresponding period of reckless waste and wild speculation, highly favorable to sober financiers. Absorbed in the trustification of great industries, these had left the distribution trades in the hands of the middle class, which also became fairly prosperous. More profit was made by that class than could be invested in its business. With a part of its surplus it bought such water-filled bonds and stocks as the financiers and their respective combinations of great capitalists were kind enough to let them have at rising prices. The other part was deposited in banks.

The larger financial institutions were, of course, controlled by the great financiers, and the smaller ones had to follow their lead. A considerable portion of the increasing deposits was used by the trustifiers in the carrying out of their grand schemes, and another portion was borrowed by speculators on such "securities" as the financiers were discreetly unloading upon them.

As early as midsummer of 1905, of the enormous sum of deposits in national banks, state banks, savings banks and loan and trust companies (amounting in the aggregate to 11,250 millions) more than one-half had either been loaned upon or invested in "securities."

This year the deposits reached the fabulous sum of over 14 billions, and while no statement is as yet obtainable concerning loans of the kind in question, it is a notorious fact

that the proportion they bear to deposits has considerably increased.

Can it be then a matter of wonder when one of the largest and most trusted institutions of New York collapsed, the consequent revelation of the financial methods in vogue caused an immediate "panic" as a preliminary effect, to be immediately followed by a widespread suspension of industry, which in view of a "liquidation" absolutely impossible—not only now but at any future time—without disaster, must soon eventuate in a crisis unparalleled in the past!

The future outcome of that crisis can easily be foreseen. The domestic market being practically closed, foreign outlets will be desperately sought by the trustified industries, now equipped with sufficient machinery to inundate the world with their products.

In other words, the second and third part of the original program will have to be carried out at any cost and under any circumstances.

But as an international war between the national capitalists of the various countries must evidently be fought out by masses of national labor marshaled against masses of other national labor, we may first expect a fierce battle in each nation between the working class and its exploiters. Then may International Socialism appear on the scene as a factor with which capitalism has not yet learned to reckon.

#### Individualism or Socialism?

"The best hope of protecting the country against the extremes of individualism, which is anarchy, and against the perils of Socialism, lies in intelligent government regulation—regulation that will give us the industrial efficiency of combination and the life-giving qualities of competition."—Wall Street Journal.

Which is like saying that we ought to have light and darkness at a given place at the same time. Competition died when combination stepped to the front. The "life-energizing" qualities of competition disappeared when the "industrial efficiency of combination" was developed.

In discussing the solution of present-day problems, competition, as a remedy, must be eliminated. It is not possible, neither is it desirable, that Standard Oil be divided into a thousand competing plants. You understand that perfectly well, do you not?

You can start at St. Louis and travel to New York without change of cars and over one railway system. This railroad system consisted of a score of lesser companies a few years ago. This necessitated frequent change of cars, the annoyance of looking after baggage, purchasing tickets and loss of sleep. Today the trip is made in one continuous run, much to one's comfort and economy of time. Wouldn't it be a senseless thing to force the railroads to go back to the old days of separate and competing lines?

Most people today recognize that the trust is here to stay. It has made a place for itself in our industrial life as permanent and necessary as the mower, the thrashing machine and the linotype.

Our Wall street contemporary recognizes this fact when it says:

"The whole population of the country may be divided into groups of isms and everybody belongs to one or the other. At one pole of economic policy is individualism. At the other extreme stands Socialism. The struggle of corporate policy as related to government is really a contest between individualism and Socialism for control of the corporation."

You see we are getting along famously now. Our opponents are forced to admit that the trust is here to stay. This they strenuously denied a year or two ago.

They now admit the necessity for control, which they also denied a few months ago.

The only question now left to settle is whether the corporation shall be controlled by "individualism or Socialism."

No one except a few trust owners are now advocating individual control. Mr. Rockefeller and Mr. Baer, for instance, who believe that God gave these vast properties into their hands to operate in the "interest of the people," provided a fat profit can be made. They say "let us alone; we know what is good for you."

Government today is making a fruitless effort to control the trust and to the extent that the trust is controlled, just to that extent are we getting away from individualism. The weakness of the present effort at government control is that the government is controlled by the individuals who own the industries. It is inevitable that such control will be in the interest of the individuals whose property is subject to such control.

Does it not follow, then, that the ownership of the trust must be transferred to the nation before it can be regulated and controlled in the interest of all?

"Dodge the question as you may, Mr. Reader, you are led up to the parting of the ways: Individualism or Socialism."

You can't escape in the wilderness between the two. Which road will you take?

### Panic Philosophy

BY EUGENE V. DEBS.

THE average man understands in a vague way that there is a panic, so-called, and he is more or less concerned about it according as it affects his business or his employment. But he has never studied economics and knows nothing about the laws governing social development. The panic distresses him, it is true, but he is not philosophic enough to inquire into its cause; he simply wants to get rid of the plague.

And so the average man falls easy prey to the political quack in the service of the industrial baron who glibly rings the changes on "financial stringency," "elastic currency," "lack of confidence," "tariff revision," "trust regulation" and like meaningless twaddle.

It is a fact to be deplored that the average man is a mental child; reads little and that mostly rapid nonsense; thinks less, and reasons not at all.

He has to have a "leader" in politics, a "boss" in industry, and a "shepherd" in religion, and they all have a hand in fleecing him to a respectable standstill.

When this average nonentity who is potentially a man hears of a panic he thinks of it as a screw loose in a machine which a turn or two of the magical monkey-wrench of "confidence" will tighten up, when all will be well again.

That a panic, i. e., industrial congestion and social paralysis, accompanied by widespread poverty, misery and despair, is the logical effect of an antecedent cause; the poisoned fruit of a corrupt and decaying system, does not occur to his inchoate mentality. This point, the simplest and yet most fundamental in the philosophy of panics, must be driven home to his simple mind.

The business "panic" follows in the wake of its corollary, "business prosperity," as inevitably as the tides rise and fall in obedience to the laws governing their motion.

In a word, the "panic" and its attendant suffering and distress are the corrupt fruit of the corrupt system of capitalism, whose foundations are laid in the broken lives of a quivering mass of wage-slaves.

Abolish the capitalist system and the "panic" will scourge the people no more.

**WE CAN NOT** get Mr. Moran or the closing down of some industries for the Appeal. Their time is taken up collecting what YOU say. No one can blame them for refusing to work for the Appeal and thus do themselves out of a good thing. But you! Are you entitled to any excuse for not fighting for your own? Or are you willing to work harder to pay the Prices the trusts are paying for your food? Take your choice, state, and don't let the trusts get the credit for doing what you are doing. You are not—you are behind a great deal.

#### The Panic and Crime.

Commenting on the startling increase in crime, the New Orleans Times-Democrat says:

"The financial flurry in the east and the closing down of some industries have added to Coxe's army and sent unemployed and hungry persons into the cities by thousands. These invaders would be more numerous were they recognized early in the season, when the police inaugurated a campaign of prevention, rounding up all the tramps and hoolies they could find."

No more scathing criticism of the present capitalist regime could be made than appears in this little paragraph. *Men must eat!* Unable to earn a living through the closing down of factory, mill and mine, herded together in great gangs in the cities, what is society to expect but crime? But is it a crime to steal bread for a hungry wife and children when opportunity to work is denied? I leave the answer to the local preacher in your town. Ask him!

#### Now is the Time,

While the panic is on, to make an impression on the public mind and cause people to comprehend the cause of conditions by placing in their hands "The Scarlet Shadow," Walter Hurt's great economic novel, the most powerful propaganda story ever written. It will awaken the average intelligence as nothing else would, and set the dulllest person to thinking. Give it to your neighbor to read. Price, \$1.50, postpaid.

#### To Nationalize the Mines.

London.—The nationalization of mines is the latest Socialist proposal, which has been affirmed "in principle" by the Miners' Federation at its conference at Southampton. The proposal was made by John Wadsworth, M. P., who pointed out how the workers were robbed under the present system of private ownership. In the coal boom of 1906, he said, the output of British coal realized \$30,000,000 more than the previous year, and of that huge sum the workers got only \$17,500,000, while the coal owners and middlemen pocketed the rest. The rise in wages did not amount to more than 50 cents per ton, and anything above that went into the pockets of the coal owners and the middlemen. The proposal is significant of how Socialism is spreading among the labor unions in England.

#### Panicked Prosperity Wanted.

Luther Burbank, the wizard of plant breeders, has succeeded in producing a thornless cactus. The opportunity is open for him to produce a kind of prosperity that does not turn to a snake after several years of growth.—Wall Street Journal.

#### Why not try Socialism?

### Panics and Suicide.

There is a phase of the panic phenomenon entirely aside from its economic basis and financial aspects which merits special attention. We have reference to the sudden undoing of men who for years have served as shining examples of the possibilities in "free America" and who cap the climax of their brilliant (?) careers with suicide.

There is this paradox in capitalism: While it lavishes its special favors upon an exclusive class it demands a complete and awful accounting in the final settlement, not infrequently the life-blood of its most pampered devotees, offered by their own hands.

Every panic deals out disaster to men who feel themselves immune and who are impatient of the complaints of others that there is anything wrong with the existing order. Their nests are finely feathered, their boards sumptuously spread, and no thought of impending danger casts its shadow athwart their flowery pathway.

Presto! The markets have shifted and the financial skies are overcast. Within a twinkling the storm lets loose. Crash follows crash and wreckage and desolation mark the track of the devastating panic.

Men who were millionaires are now penniless. Stripped of their fortunes, they find themselves alone, buffeted by the pitiless elements, the doors of their former neighbors barred in their faces.

What a horrible awakening! Men who have always been poor can stand poverty, being used to it from childhood, but to the rich man, accustomed to the power of wealth and all the elegancies wealth provides, sudden poverty is a terrible shock and little wonder that in the first frenzied impulse that follows the victim seeks escape through the backdoor of self-destruction.

In the present panic hundreds of men of wealth, caught in the maelstrom and swept into the abyss of the dispossessed, have ended their lives in suicide rather than take the chances of enduring for even a few weeks the horrors—which fall to the lot of millions during all their sad and wretched lives from their cribs of straw to their pine boxes in the potter's field.

Conspicuously in evidence among the suicides of prominence in the present panic is the case of Charles T. Barney, president of the Knickerbocker Trust company, of New York. Mr. Barney was one of the leading business men in the great metropolis. He was accounted a genius in finance and climbed the dizzy heights with steady step until his eminence was universally acknowledged.

If there was a man in the United States a year ago who was regarded sound financially beyond all question, that man was Charles T. Barney, president of the Knickerbocker Trust company. His wealth was estimated at twenty million dollars. He was called in consultation when matters of supreme financial importance were discussed. His was a name to conjure with. It was sufficient in itself to settle the question of the solidity of a corporation or the soundness of a business enterprise. The very name of Barney in a directorate fixed its commercial standing beyond all doubt.

From this supreme eminence and in the hour of his greatest power he was hurled into the abyss by the ruthless hand of the destroyer. Panics are no respecters of persons.

Barney, with all his fabulous wealth and power, could not withstand the shock.

Dazed, stunned by the fall, made desperate by the realization that his fortune was shattered and that he was but a wreck of his former self, the great financier and promoter seized a pistol and sent a bullet crashing through his brain, ending in tragedy a career that scintillated with what men regarded as brilliant achievements in the half-crazed world of high finance.

The moral is plain. No man enjoys absolute economic security in capitalism. The richest may fall and fall and many of them do, and life in a plutocratic palace may be finally snuffed out in the stifling atmosphere of a ghastly alms house.

Nothing is sure and nobody is secure in capitalism. Economic security, vouchsafed by nature to every bird, is denied to man—by himself. He fears he may lose his job, or fail in his business; he dreads old age when he shall no longer be able to struggle for his existence. The gaunt spectre of poverty is ever in his vision and he clasps his little hoard in his miserly hand and seeks escape as if some demon were on his track to seize him in its skeleton clutches.

In the capitalist competitive system each shift for self; society is chaos, life is war, each day a battle, labor a commodity and all the future is wrapped in the mists and clouds of doubt and uncertainty, despair and death.

Millions go down into the bottom-

less depths of the yawning abyss. Not one can boast the kind of success of which an honest soul would dare feel proud.

Capitalism, the breeder of panics, the ravager of homes, the blighter of hopes and the destroyer of lives, must be uprooted and overthrown and supplanted by the Socialist republic.

When the people socially own the means of production and industry is organized and carried forward on the basis of mutual economic interests and co-operative labor the land will be filled with plenty for all and the day of the accursed panic will be gone forever.

#### Roosevelt and the Panic.

For once the APPEAL can with clear conscience take a stand in defense of President Roosevelt. He is being accused by the *American Business Man* and divers other papers and persons with being responsible for the panic. "Roosevelt's policies," they say, have destroyed confidence, impaired credits, unsettled business and brought on the crisis. It is a sad delusion these disgruntled capitalists, who probably have been smitten in the seventh rib in the fracas, are laboring under. Roosevelt's policies never disturbed anything or anybody, for the very sufficient reason that he never had any policies. It is therefore wrong to blame him for the panic. There would be as much reason for charging his stable boy, Governor Buchtel, of Colorado, with causing the San Francisco earthquake.

No, President Roosevelt never had any policies. He has picked up one thing after another in entertaining the galleries and dropped them all at the command of his political masters.

Roosevelt is a graduate of Boss Platt's school of politics, which has no policy but to play the people for fools and fleece them to a finish. When Roosevelt was governor of New York he took his orders from Platt and in reward Platt promoted him to the presidency. It is to the old sinner's credit that he has since expressed his regret for making Roosevelt president.

No, President Roosevelt cannot be charged with the panic. He has quite enough to answer for.

Roosevelt and the panic are alike products of the capitalist system and both are doing their share to hasten the overthrow of that system.

Within a few days Roosevelt has reiterated his determination not to be a candidate for a third term. This announcement has been a long time coming, notwithstanding it has been the subject of continuous discussion in the capitalist press during the past two years. It is true that the president had previously announced that he would not again be a candidate, but the people would not believe him. His friends said he would accept to save the country and that his patriotism could be relied upon not to forsake the people and allow the nation to perish. But the president kept the people in suspense; would not say a word to allay their anxiety.

And thereby hangs a tale. President Roosevelt was "feeling out" the situation and awaiting the psychological moment. But the more he felt the more he found that he was spent and that he was slated as a back number. He waited and continued to "feel" the country. Then came the panic. Another sharp decline in his stock. He rushed to Rockefeller and Morgan, threw himself upon them and cried "Simply to thy cross I cling." Another fall in the Roosevelt market. Then came his thirty-thousand word "message." It fell like a wet blanket and then followed the announcement that he would not be a candidate for re-nomination. Wise conclusion, indeed.

The president is very egotistical, but not entirely blind. He can still read handwriting when it appears on the wall in electric letters.

President Roosevelt when his term expires will be a political corpse. In six months, when the republican nomination is made, his name will scarcely be mentioned. Were he to run for office again he would be buried in an avalanche of ballots.

It is therefore easy to understand why Roosevelt positively declines the renomination in one breath and in the next aims a vicious final kick at the Western Federation of Miners by shoving the federal troops into Nevada at the behest and for the special benefit of his personal friends and campaign contributors, Simon Guggenheim, of Colorado, and W. A. Clark, of Montana, whose names are in the pantheon of plutocracy and whose claim to distinction rests upon their holding the market record for high-priced seats in the United States senate.

Roosevelt and the panic are of a piece, and in another generation or two will be remembered only as plague spots in the history of a benighted people.

Appeal 25c year in Clubs of Four.

### Why Government Control?

BY FRED D. WARREN.

IF the capitalist has built, through his own individual initiative and enterprise, the great machines of wealth production and distribution, why should government seek to control them?

In whose interest does Mr. Roosevelt and the republican and democratic politicians seek to control and regulate trusts?

Do not the railroads, the oil refineries and coal mines belong to Rockefeller, Gould, Morgan et al.?

What business, then, has government to step in and say that these industries shall not be controlled in a manner entirely satisfactory to these gentlemen?

The fact is that whenever your party admits—as both the republican and the democratic parties through their spokesmen have admitted—that the trust magnates are no longer competent to run their own business without interference on the part of government, then have you acknowledged that private ownership of industries has reached a point where it becomes a menace to the nation.

Forced to this conclusion, as you have been by the logic of past events, you are ready to take up the next phase of the problem, viz., ownership.

You can't dodge this problem because ownership carries with it control.

If you have made up your mind that the nation shall control the trusts, you will be forced by the same inexorable logic of necessity to make up your mind that the nation can control them in no other way.

#### The Working Class.

Social groupings change from time to time in the evolution of the race and social systems develop, flourish, decline and fade away. In the present system there is a distinct class known as the working class. This class works for wages, principally with its hands, produces all wealth and is numerically in a great majority.

There is another distinct class called the capitalist class. This class works with its brains. Its function is to secure to itself the wealth produced by the working class. Of itself it produces nothing—except poverty and panics.

Now it is clear that if the working class, which also has brains (although it does not seem so), would only use them, it would not need the capitalist class to rob it of its product.

The present social system is based upon classes and its troubles are due to the ceaseless conflict of these classes. The idle capitalists who produce nothing and the industrious workers who produce everything are at war over the product.

Now, there are those economists who say the workers cannot get along without the capitalists. They are not joking, either, and that is the joke of it. But it is easily explained.

They get paid for saying this out of the product legally stolen by the capitalists from the working class. And so they quite naturally conclude that the interests of capitalists and workers are identical and that they ought to be good friends, which is tantamount to saying that the interests of burglars and their victims are identical. According to this logic if it were not for the capitalists the workers would be in a sad plight—they would have nobody to rob them of what they produce and would not know what to do with their wealth.

The trouble, and the only trouble, with the working class is that it does not use its brains. It does not develop the mental capacity to think for itself. It is content to read newspapers that belong to capitalists, listen to politicians, priests and preachers that are paid by capitalists and follow leaders that are the lieutenants of capitalists.

The working class has got to open its eyes and come to its senses; think for itself and act for itself. It is high time.

Shake off the barnacles, ye workers of America, and muster your class for action!

Wipe out trade divisions and organize in one vast industrial body in the interest of the whole working class!

Join the Socialist party whose political banner is the only one inscribed "The Working Class," and march in a united body to the ballot box and emancipation.

#### Still Had a Kick.

One of a party of gentlemen left the corner seat in an already crowded railway car to go in search of something to eat, leaving a rug to reserve his place. On returning he found that in spite of the rug and the protests of his fellow passengers the seat had been usurped by a woman clad in handsome clothes. With flashing eyes she bared upon him:

"Do you know, sir, that I am one of the directors' wives?"

"Madam," he replied, "were you the director's only wife I should still protest."—Chicago Socialist.

CRISES IN THE UNITED STATES

BY F. M. EASTWOOD.

FINANCIAL and industrial crises are phenomena peculiar to the capitalist system of production. To comprehend the nature and cause of these regularly recurring periods of "hard times" one must analyze capital: that mysterious something which all profess to clearly understand, but the real essence of which is obscured no less by the alleged economists than by the thoughtless man of the street who imagines capital to be nothing more or less than accumulated money or wealth.

Money or accumulated wealth may or may not be capital. To be capital it must be in motion functioning in the capitalist process of production. But money and wealth cannot be capital unless directed by capitalists, and capitalists are impossible without laborers as well as wealth. It takes wealth, capitalists, laborers and activity to constitute capital. It is, therefore, apparent that capital, instead of being the simple thing some would have us believe, is in reality a process—a complex process involving not only wealth, but also those who own wealth and those who produce wealth.

The man who owns wealth becomes a capitalist when he buys material and labor power, merges the two in products and sells the product on the market. The man of wealth becomes a capitalist, not for his health or amusement, but that by converting a certain amount of wealth into materials and labor power, and then by converting the product of that labor power into more money than he had at the beginning. These conversions of money into materials and labor power and the reconversion of the product so obtained into more money form the units of which the process capital is composed.

To interfere with this process in any way is to precipitate a crisis. For the capitalist system to operate smoothly there must be a continuous buying of materials and labor by the capitalist and a continuous selling of products by the same party. There must be a continuous selling of labor power by the wage workers and a continuous buying by them of the things they have made. But the laborers cannot buy all the things they have made. If they could, they would get the full product of their labor and there would be nothing derived from the process by the capitalist. It is necessary for the capitalist to find a market wider than that of his laborers to absorb the surplus which these workers are unable to buy.

To provide this market for surplus products the capitalist utilizes each of the institutions of capitalist society. In the first place he uses the church, which sends its missionaries into foreign fields to cultivate a desire for civilization—namely, the things the capitalist has to sell. Then he uses the government, which sends its soldiers to protect the missionaries and finally establishes a purely commercial missionary called a consul. And it is not infrequently happens that the same ship which conveys the first contingent of religious teachers to a heathen land also carries a cargo of merchandise, such as the untutored can appreciate.

When the savage becomes civilized he learns how to wear clothes and take medicine to cure the whiskey habit which he has learned from civilized man. For this he pays with the product of his own labor, sometimes gold and sometimes wares that exchange for gold in some other foreign market. Then the gold comes back to the land of the capitalist to be invested in more materials, more labor or in the property of those who are being expropriated by the process.

To realize on these surplus products the capitalists build a great commercial machine, which is operated partly by means of money and partly by means of credit. He may pay for some of the ships that carry his goods to other shores, and the prospects of quick returns may lure him to buy other ships to be paid for with profits to be realized in the future. But suddenly he finds that the foreign and home markets are filled with merchandise that can't be sold. There has been a "glutted overproduction." The banks, when he is called upon to pay for his ships that were expected to pay for themselves. The process is then obstructed and there is a crisis.

The first of these in the United States occurred in 1819, when the capitalist system had got far enough under way to produce a surplus that couldn't be sold in Europe because that part of the world had been im-

pooverished by the military career of Napoleon Bonaparte. These wars, which had stimulated trade through enormous consumption of products and the withdrawal of producers from their regular work to serve in the armies of Napoleon or his enemies, now involved all nations in the ruin that followed. American capitalists had overreached themselves in land speculations and transportation schemes that would have taken many years of successful operation under prosperous conditions to pay for. Factories closed and the streets of New York, Philadelphia, Baltimore, Pittsburg and other eastern cities were thronged with destitute men and women seeking work. Prices fell, but the unemployed could not buy at any price, since they had no money and no means of getting any.

As usual all these calamities, instead of being charged to the real cause, were blamed upon the national bank which had been chartered three years before and had served its part in the process, but was no more than a part of the process. The national bank went out of existence in 1831 with its failure to secure a renewal of its charter, and state banks took its place only to stimulate another expansion of credit and activity that culminated in the crisis of 1837. Transportation and land companies again entered on a career of wild speculation. Cotton planters spent all they could gather and went in debt for land and slaves, for they had a great and growing cotton market in England.

But a crisis overtook England in 1836 that put the cotton factories out of business or on short time and correspondingly reduced the price of cotton. New Orleans banks, which had lent largely on cotton, went to the wall, and a general crop failure in the north precipitated a general panic that resulted in a general fall in prices which involved real estate as well as factory products. After five years of depression the country got rid of its surplus product and surplus credit and got down again to a slow and conservative basis.

In 1857 came the third panic, which was, as usual, accounted for as the result of undue speculation, the historians generally overlooking the fact that all business where the capitalist system of production prevails is a speculation in the surplus product of the working class. The country suddenly realized that it had more railroads, more ships, more coal mines and more iron mines than it needed. This panic did not affect the workers so much as the preceding one, as land was more readily acquired for use and the hard times were literally escaped by the workers running away from them into the west to search for California gold or "squat" on the western plains.

The next panic followed the period of artificial prosperity resulting from the civil war. War tariffs and war prices had stimulated production, which as usual in such times was paid for partly in substance and partly in promises. Inability to sell goods on hand made their owners unable to pay debts falling due. As at the time preceding the panic of 1857, too many railroads were being built. The homesteaders who had run away from the preceding panic had caught the credit fever and borrowed money on everything they owned in order to buy more. The failure of Jay Cooke, the leading banker and financier of the time, was the signal for a general scramble to cover which was to some extent aggravated by such calamities as the Chicago fire. But the surplus was finally used, wasted or disposed of at its real value and business again resumed operations on a possible basis.

Barring a little financial flurry in 1884, which was not of any national consequence, the next panic came on schedule time in 1893. Fear of unlimited silver coinage is usually given as the reason for the loss of confidence and sudden contraction of business. Frantic demands for payment in gold were made when payment in anything that would in turn pay the debts of the receiver would have been more than acceptable. The capitalists of the east who owned mortgages on western farms were desirous of keeping as much value in each dollar as possible and went into fits at any proposition to inflate the currency, while they held up the free silver bugaboo to a startled people until in the election of 1896 free silver was decisively defeated and four years later the gold standard was triumphant.

Before this the industrial capitalists had conceived the idea of organizing industry as to control the volume of production and overcome to some extent the recurring periods of panic and stagnation. Trusts, mergers and combines, manufacturers' associations and working contracts were beginning to make themselves felt, and in the few years preceding the present time had made such progress that when the bubble

burst with the failure of the Knickerbocker establishment in New York the capitalists had the industrial situation well in hand and laid off thousands of workmen before the surplus had accumulated to any great extent. This present panic came six years ahead of time by reason of accelerated production and will likely prove far less disastrous to the big capitalists than preceding crises, but the effect on the working class is the same as ever. A million workers are today out of employment because they have made more things than they can buy or than their employers can sell. All or part of them will remain permanently out of employment, for the organization of the factory owners is so perfect that entire industries are controlled from one source, which prevents the enormous accumulations that with present means of production would be almost beyond comprehension. The steel trust, one of the most highly organized, has probably discharged more men than have been let out from any other one industry.

The result is that financial flurries may be looked for more frequently, while the industrial crisis, instead of coming once every twenty years and involving all workers, will likely spread out over the twenty years and become a chronic condition for a large number of the working class. Were the capitalists permitted to perfect their organizations it is likely that they would soon eliminate financial panics altogether, but the reactionaries always "view with alarm" the efforts of capital to complete its mission. The so-called democrats would throttle the trusts and turn the wheels of progress backward, and they succeeded in fooling some of the workers into thinking that such a program is of benefit to the working class.

It is safe to predict, however, that the forces of reaction will only delay, but not destroy, the methods of modern business. The overthrow of the trusts is a mission reserved for the working class to bring about when the time is ripe and all the conditions become such as to demand it; but they will do that work by establishing an industrial republic that will abolish the useless financiers and with them their financial panics, and that will further perfect the organization of industry so that each worker will get the full value of what his labor produces, precluding the possibility of an industrial panic by consuming as much as they make unassisted by such artificial means as a foreign market.

Money.

The money of any nation should not be current in any other nation. Then it will stay at home and perform the function for which it was created. Foreign exchange is always made by reason of exports and imports, and balances of trade should always be a "balanced account," as its name infers. Any other kind of money will be an aid to speculation. Foreign exchange is always made by reason of exports and imports, and balances of trade should always be a "balanced account," as its name infers. Any other kind of money will be an aid to speculation. Foreign exchange is always made by reason of exports and imports, and balances of trade should always be a "balanced account," as its name infers. Any other kind of money will be an aid to speculation.

THE SOCIALIST VOTE.

Table showing the Socialist vote in this country since 1888. Columns include year, number of votes, and percentage of total vote.

Darrow's Speech and Goldfield.

I have just re-read Clarence Darrow's memorable speech in the Haywood case, and I must say that I am more impressed than ever with its value as a propaganda book. One reading it, could not fail to comprehend thoroughly the conditions obtaining at Goldfield, Elko and Leadville. It is at the same time an intimate treatment of the Western mining situation. The price is 25 cents, \$1.00 a hundred, \$50 a thousand.

QUESTION BOX

I see by history that panics come regularly in this country about every twenty years with a smaller panic in between each of the greater ones. How would the establishment of a Socialist government do away with these regularly recurring crises, which seem to be inevitable?—A. M. Portland, Ore.

While panics are an inevitable result of the capitalist system of production, it does not follow that they are a necessary part of an equitable system. Were each productive laborer to receive the full value of his labor's product, each could readily adjust an overproduction by quitting work until the surplus were consumed. But under the present system the surplus does not belong to the man who produced it. The man who produced it has neither it nor the means of sustaining his life while the surplus is being disposed of.

You can readily see that there was not and could not be such a thing as overproduction until the individual members of the working class became able to produce more than was required to supply their immediate needs. And you can also see that after the average workingman became able to produce more than enough for himself he could have so regulated his work as to have used all he made, no matter how much.

But when he works for wages and receives in the form of wages a less value than his labor has brought forth, there goes into the hands of his employer a surplus value which the laborer is unable to buy back. The more productive the laborer becomes the greater is this surplus which is not his and which he is unable to purchase. This places his capitalist employer under the necessity of finding another market for the surplus, and unless he is successful in finding such a market the product will accumulate and force him to discharge the workers who then become less competent than ever to buy what the capitalist would sell. The worker is not only a producer,

SLAVES Do not rebel. Anybody can do it. It is a mere matter of will. All slaves are not to be sold. They are to be used. They are to be used for the labor he can perform, and now labor is being bought—no! the bodies of men and women. Your interest lies in providing YOURSELF with a steady and reliable demand for your labor. Socialism is the only system that will furnish that opportunity. It is worth the time and money you will and can put in to bring it about. Let us have that club of subscribers this week, if you please.

but he is also a consumer. He is depended upon to buy and use as much of his product as he can. But, since his wages are not sufficient to purchase all the value his labor creates, there must be other consumers found to take the surplus and pay the employer the price for them, which constitutes his profit. Were this surplus small enough and did it consist of things that the employer might personally consume, he might use up the surplus; but the surplus of one employer may consist of mountains of coal, which will more than warm him, to be sure, but which cannot feed or clothe him unless sold and the proceeds converted into food and clothing.

Under such conditions the man with much coal discharges his miners, since he has more than enough of what their labor produces, and sets out to sell his coal. But other industries have passed through an experience similar to his. The steel workers cannot buy coal because they have made too much steel and their wages have been cut off in the same way as that of the coal miners. The mill hands can't buy coal for the same reason. Farmers and shop-owning mechanics may have an abundance of the special articles which their labor creates, but all these things are a drug on the market the same as the coal.

It is under such conditions as these that farmers burn corn for fuel because they can't sell the corn to get the price of coal. And the mine owner can't sell his coal because the farmer can't sell his corn. Nothing can be sold because there is too much of everything. People shiver because there is too much coal and go hungry because there is too much corn and wheat. The surplus of clothing in the hands of the factory owner causes the people who worked in the factory and made the clothing to go without the garments they need. Everybody has made too much and as a result they have too little. It is only one of the inconsistencies of the capitalist system, and can be expected at intervals so long as the workers are silly enough to submit to continuous and systematic robbery, together with these inevitable results.

Socialism proposes that the producers shall own the land and machines with which they work; and, that, as a result of such ownership,

each worker shall retain this surplus or its equivalent value for his own use. If he produces coal and exchanges it for the corn and clothing produced by other workers there need be no such conditions as now prevail during crises and depressions. If, under socialized industry, there were an overproduction of coal, it would be because all who would work had been supplied with all the coal they could use. And the same would be true of other things that contribute to the comfort and sustenance of the people. And if there were too much of everything on hand at any one time the producers being the owners of those things need only stop production until the surplus were used up by themselves. But there could not be too much of anything so long as needed by anyone who would work to pay for it.

If, as Socialists assert, the present government will sooner or later break down because of the same things which produce panics, how is it that the government has survived so many of these crises?—T. J. Wakecey, Kan.

For the same reason that an individual can go through the colic, whooping cough, measles, chicken pox, small pox, pneumonia and yellow fever to finally die of old age. The capitalist system, like the human body, survives these ills incident to its growth to finally succumb to the sum total of its weaknesses.

There are a few people who nurse the illusion that they are going to live forever, and practically every nation has its traditions to the effect that it is the last and perfect form of its kind, and, therefore, destined to eternal life and the ultimate rule of the earth. But the cemetery of history is full of such nations, which died because they did not know how to live, and because some other nations were born better fitted to live in their places.

The failure of human institutions is generally caused by their inadequacy and the birth of new institutions which serve the purposes of society better. Chattel slavery, while not a producer of industrial crises, had its weaknesses, which finally forced it aside. Wage slavery has its weaknesses, which manifest themselves to some extent in panics and also in feverish periods miscalled prosperity. But nothing is perfect and all things are subject to change when the necessary conditions are ripe.

Contributory Factors.

While the fundamental and efficient cause of the modern panic is the exploitation of the working class and the consequent inability of that class, which constitutes the bulk of population, to consume its product, thereby congesting the market and paralyzing production, there are a variety of contributory factors which may precipitate the crisis and intensify its severity.

Among these may be mentioned swindling stock speculations, corrupt juggling conspiracies, "bulling" and "bearing" the market (sharking would be a more appropriate term) and similar benevolent capitalist designs for fleecing their neighbors and enriching themselves.

During the past few years of "unparalleled prosperity" innumerable schemes of piracy in "high finance" were concocted; reckless extravagance and rank corruption seized upon the administration of wealthy corporations, both private and public; the politics of the state and nation were shamelessly debauched; high offices brazenly prostituted, and all that capitalism might continue to wring from labor the reward of its industry and hand it over to the scions of capitalist nobility to be squandered in sensuous revelry and riotous self-indulgence.

The starting point of the fast and furious financial whirl which wound up in the present panic dates from Roosevelt's election in 1904, which was literally bought for him at the price of millions of dollars put up by the trusts and which the trusts had stolen from the working class.

That is putting the case in plain, unvarnished terms to be understood by men seeking the truth and to shock with the force of a galvanic battery the sensitive nerves of the spineless apologists and other craven hirelings, mental, moral and physical, of the capitalist class.

To repeat, the trusts, the economic vultures of capitalism, bought Roosevelt's election with money they stole from labor, put their collar on his neck and lifted him into the presidential chair. This statement, however critically analyzed, is absolutely true and challenges contradiction; and those whose fury it will excite may abuse the APPEAL, but they will not disprove it.

The trusts, therefore, having bought and paid for President Roosevelt, he was theirs to have and to hold during the continuance of the contract. In justice to Mr. Roosevelt it must be said that he has made good and that the trusts have no cause for complaint against his administra-

tion. He has been absolutely true to every trust. Not a pin-feather of a single one has been singled.

The spectacular charges of President Roosevelt upon "swollen fortunes" and "rich malefactors" has been a necessary part of the play. The fierce facial expressions he has affected before the camera represent him in his attitude toward the trusts—before the footlights. Behind the scenes he and the trusts exchange congratulations over the smoothness of the game.

To pay the earth, to snort and cavort, to rush up and down the land, to charge full tilt a la Don Quixote, to kick up dust, dress like a cow-boy and swagger like a vaudeville hero, to be surrounded by newspaper lackeys and cameras, to scowl and scold, and fuss and fume, to have tons of powder burnt in firing salutes in his honor, to be feted by parasites and cheered by fools, to mount into conspicuous places for exhibition and parrot platitudes about good citizenship and the badness of the vicious, to be the whole thing and do absolutely nothing—that is Theodore Roosevelt, president of the United States, as he will be known to history when the pen that writes it is no longer dipped in the poison of plutocracy.

Theodore Roosevelt as governor of New York was deaf, dumb and blind while the insurance scoundrels, some of them, such as Depew, his own political pals, were literally gutting the insurance companies, and other scoundrels were stealing everything that was loose in that state.

It was at this very time that Roosevelt as governor signed the bill that put into Harriman's hand the gun at the point of which he held up the stockholders of the Alton Railroad company, in what is now known as the "Alton Deal" to the tune of \$62,660,000.

It was this gigantic railroad steal that started the whirl of frenzied finance. In due time the insurance companies were in the grand swim. Alexander, Hyde, Depew et al. were all true to their trust. Roosevelt looked on with calm serenity. He was paring off the bill of sale of himself and the mortgage on his administration.

Later on the traction scandals were uncovered in New York and the nation was staggered by the stench. For daylight robbery of millions of dollars under the very noses of its custodians this piece of piracy capped all the climaxes of scientific scoundrelism. Elihu Root, Roosevelt's confidential advisor, had hatched this satanic raid and made his fortune by it, and that qualified him for Roosevelt's cabinet as minister of state.

So one ulcer after another broke until the pus flowed like lava and the country stood aghast. These were some of the preliminary factors in precipitating the panic which now prevails and which will wring the heart of the American people to agony and tears before it has run its course and is buried with its predecessors in the cemetery of the past.

The Bank Craft.

The total amount of deposits in all the banks of the United States is twelve billions (\$12,000,000,000). The total amount of money of all kinds—gold, silver, paper and copper—on December first, was \$3,269,065,058, some of which was in the treasury. The banks have, therefore, obligated themselves to pay four dollars for every dollar in existence. The banks hold only a small part of the money in existence, so that they have not on hand but about ten to fifteen per cent of cash to pay what they owe. A number of readers ask how it comes that the banks have more deposits than there is money. By loaning credits. I borrow \$1,000 at the bank to pay my help. The bank gives me credit for the amount on my pass-book so I can use it; I pay it to my employes who spend it with the merchant who puts the money back in bank and gets credit for it; then it is borrowed again by someone else who gets credit the same as the first merchant and myself, and thus the bank deposits show \$3,000 of deposits with but one thousand, and the bank draws an interest from each one of us at 8 per cent, or a total of 24 per cent on that thousand dollars which some one originally put into the bank until he would need it. This is done over and over again, until the deposits mount up to five and ten times the amount of the money that the bank ever had. If this were not done, there would be no profit in banking. If the bank loaned only its own money it would be silly to build such a fine house and go to all the expense of putting up those pretty gold signs that fluke you suckers. The rapidity with which banks multiply shows how profitable it is to loan other people's money several times over and get an interest on it. The figures concerning the total amount of money issued and the total bank deposits you can get free for the asking by directing your request to the secretary of the treasury, Washington, D. C.

A new Kerr book, "When Things Were Doing," by Chas. A. Steere, has just reached us. It is the Ryan Walker case, made on what will happen in the change to Socialism, and is a splendid outline of the Socialist program. We are sending a copy to the president, and have no doubt a noise similar to the blowing up of the Independence Depot will be heard when he reads it. Our supply is limited to 500 copies. Order today. Cloth, \$1.00.

"Wall street is a necessity, says one writer. Yes, and necessity, the old law tells us, knows no law."

THE SCARLET SHADOW.

The APPEAL is in receipt of an enthusiastic letter from the Ryan Walker case, stands at the head of his profession in America. He had just finished reading the "Scarlet Shadow," and writes as follows: "I am tickled to death over the success of the 'Scarlet Shadow.' It is wonderfully written, with a vivid and appealing story. It ought to give the public a jolt they won't forget soon." "This is what you will say of the book after you read it." The "Scarlet Shadow" has the unique distinction of being a historic novel written on the spot, with living, breathing characters and women as its leading characters. The author himself played no small part in the stirring events he so vividly depicts. The second edition has been reissued, and a third is now on the way. Let me suggest that you send to the APPEAL for a copy of inquiry of the local book store. The price is \$1.50.

The One-Eyed Is King.

BY BRUCE ROGERS.

IN the rich folk lore of Andalusia there is a quaint saying that "In the land of the blind the one-eyed is King." It is to say that he who understands the clearest is best fitted.

The Socialist's comprehension of public affairs is his armour and shield. He despises rainbows of promise and the delusions of hope. He holds at naught the miserable moralities of the pious peddlers and is not concerned about a "happy land far away."

He interprets disturbances in the social order most accurately because back of his philosophy is the profound learning and logic of all the exact sciences.

He analyzes the doings of men in the light of the doctrine that we follow that thing which we conceive to promise us our most substantial good.

Under a principle which he has discovered in the capitalist system of production, known in the Socialist books as the Law of Surplus Value, he can tell you why every so often the wheels of industry must stop, the factories shut down when men do want for the very means of comfort and life, and why when the bosom of bounteous mother earth is swollen and taut with the wealth of plenty yet must the little bellies of children be pinched and shrunken, and wolfish hunger stalk the lives and smite with wretchedness abject, the laughing eyes of the innocents who dwell in the places of the evil smells.

His notion of the Struggle for Existence is a true accounting for the fact that the beautiful daughters of toiling sires must be fed like the maid Andromeda into the insensate maw of the world's chief monster, and the Scarlet Door mark the beginning of their joyless journey along a tortuous and miasmatic path to the pottersfield.

He can tell you why the panic is, and why others must come, so long as the present mercile system obtains. And the Socialist is the one man who can explain to you our ridiculous president's inane and senseless message, and how that wordy document comes to be refuted by all contemporary fact.

The Socialist is an incessant reader of books.

Open at least one eye!

What is a Clearing House?

In country towns where there is more than one bank, you will see the cashier or teller from one of the banks going to the other taking the checks of that other bank back to get the cash or pay the balance due such other bank at the close of each day's business. In large cities a more elaborate method is pursued, because this bank to bank visit each day would be too slow and troublesome. So that a member of each bank repairs to a place called a clearing house, and each takes with him all the checks on all other banks taken in by him, and pays them to an officer who gives each bank credit for all it has sent and charges it with all the checks that have been brought against it. If the balance is against the bank by reason of having more checks presented against it by all the other banks than it has taken in checks that have been issued by all the other banks, it pays the balance and thus equalizes the accounts. Or vice versa. The banks admitted to this clearing house form a legal organization. It is this legal organization that is issuing the "clearing-house scrip" that is causing so much trouble and discussion in the cities. None of the banks are responsible for these checks, except as they have deposited with this clearing house so much of collateral consisting of notes due the bank, and if these notes are not paid the scrip would not be worth anything.

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