

## CHAPTER IX

### THE MATHEMATICS OF A DREAM

In the midst of the consternation his revelation had produced, Ernest began again to speak.

"You have said, a dozen of you to-night, that socialism is impossible. You have asserted the impossible, now let me demonstrate the inevitable. Not only is it inevitable that you small capitalists shall pass away, but it is inevitable that the large capitalists, and the trusts also, shall pass away. Remember, the tide of evolution never flows backward. It flows on and on, and it flows from competition to combination, and from little combination to large combination, and from large combination to colossal combination, and it flows on to socialism, which is the most colossal combination of all.

"You tell me that I dream. Very good. I'll give you the mathematics of my dream; and here, in advance, I challenge you to show that my mathematics are wrong. I shall develop the inevitability of the breakdown of the capitalist system, and I shall demonstrate mathematically why it must break down. Here goes, and bear with me if at first I seem irrelevant.

"Let us, first of all, investigate a particular industrial process, and

whenever I state something with which you disagree, please interrupt me. Here is a shoe factory. This factory takes leather and makes it into shoes. Here is one hundred dollars' worth of leather. It goes through the factory and comes out in the form of shoes, worth, let us say, two hundred dollars. What has happened? One hundred dollars has been added to the value of the leather. How was it added? Let us see.

"Capital and labor added this value of one hundred dollars. Capital furnished the factory, the machines, and paid all the expenses. Labor furnished labor. By the joint effort of capital and labor one hundred dollars of value was added. Are you all agreed so far?"

Heads nodded around the table in affirmation.

"Labor and capital having produced this one hundred dollars, now proceed to divide it. The statistics of this division are fractional; so let us, for the sake of convenience, make them roughly approximate. Capital takes fifty dollars as its share, and labor gets in wages fifty dollars as its share. We will not enter into the squabbling over the division.\* No matter how much squabbling takes place, in one percentage or another the division is arranged. And take notice here, that what is true of this particular industrial process is true of all industrial processes. Am I right?"

\* Everhard here clearly develops the cause of all the labor troubles of that time. In the division of the joint-product,

capital wanted all it could get, and labor wanted all it could get. This quarrel over the division was irreconcilable. So long as the system of capitalistic production existed, labor and capital continued to quarrel over the division of the joint-product. It is a ludicrous spectacle to us, but we must not forget that we have seven centuries' advantage over those that lived in that time.

Again the whole table agreed with Ernest.

"Now, suppose labor, having received its fifty dollars, wanted to buy back shoes. It could only buy back fifty dollars' worth. That's clear, isn't it?"

"And now we shift from this particular process to the sum total of all industrial processes in the United States, which includes the leather itself, raw material, transportation, selling, everything. We will say, for the sake of round figures, that the total production of wealth in the United States in one year is four billion dollars. Then labor has received in wages, during the same period, two billion dollars. Four billion dollars has been produced. How much of this can labor buy back? Two billions. There is no discussion of this, I am sure. For that matter, my percentages are mild. Because of a thousand capitalistic devices, labor cannot buy back even half of the total product.

"But to return. We will say labor buys back two billions. Then it stands

to reason that labor can consume only two billions. There are still two billions to be accounted for, which labor cannot buy back and consume."

"Labor does not consume its two billions, even," Mr. Kowalt spoke up.

"If it did, it would not have any deposits in the savings banks."

"Labor's deposits in the savings banks are only a sort of reserve fund that is consumed as fast as it accumulates. These deposits are saved for old age, for sickness and accident, and for funeral expenses. The savings bank deposit is simply a piece of the loaf put back on the shelf to be eaten next day. No, labor consumes all of the total product that its wages will buy back.

"Two billions are left to capital. After it has paid its expenses, does it consume the remainder? Does capital consume all of its two billions?"

Ernest stopped and put the question point blank to a number of the men. They shook their heads.

"I don't know," one of them frankly said.

"Of course you do," Ernest went on. "Stop and think a moment. If capital consumed its share, the sum total of capital could not increase. It would remain constant. If you will look at the economic history of the United States, you will see that the sum total of capital has continually increased. Therefore capital does not consume its share. Do

you remember when England owned so much of our railroad bonds? As the years went by, we bought back those bonds. What does that mean? That part of capital's unconsumed share bought back the bonds. What is the meaning of the fact that to-day the capitalists of the United States own hundreds and hundreds of millions of dollars of Mexican bonds, Russian bonds, Italian bonds, Grecian bonds? The meaning is that those hundreds and hundreds of millions were part of capital's share which capital did not consume. Furthermore, from the very beginning of the capitalist system, capital has never consumed all of its share.

"And now we come to the point. Four billion dollars of wealth is produced in one year in the United States. Labor buys back and consumes two billions. Capital does not consume the remaining two billions. There is a large balance left over unconsumed. What is done with this balance? What can be done with it? Labor cannot consume any of it, for labor has already spent all its wages. Capital will not consume this balance, because, already, according to its nature, it has consumed all it can. And still remains the balance. What can be done with it? What is done with it?"

"It is sold abroad," Mr. Kowalt volunteered.

"The very thing," Ernest agreed. "Because of this balance arises our need for a foreign market. This is sold abroad. It has to be sold abroad. There is no other way of getting rid of it. And that unconsumed surplus, sold abroad, becomes what we call our favorable balance of

trade. Are we all agreed so far?"

"Surely it is a waste of time to elaborate these A B C's of commerce," Mr. Calvin said tartly. "We all understand them."

"And it is by these A B C's I have so carefully elaborated that I shall confound you," Ernest retorted. "There's the beauty of it. And I'm going to confound you with them right now. Here goes."

"The United States is a capitalist country that has developed its resources. According to its capitalist system of industry, it has an unconsumed surplus that must be got rid of, and that must be got rid of abroad.\* What is true of the United States is true of every other capitalist country with developed resources. Every one of such countries has an unconsumed surplus. Don't forget that they have already traded with one another, and that these surpluses yet remain. Labor in all these countries has spent its wages, and cannot buy any of the surpluses. Capital in all these countries has already consumed all it is able according to its nature. And still remain the surpluses. They cannot dispose of these surpluses to one another. How are they going to get rid of them?"

\* Theodore Roosevelt, President of the United States a few years prior to this time, made the following public declaration: "A more liberal and extensive reciprocity in the purchase and sale of commodities is necessary, so that

the overproduction of the United States can be satisfactorily disposed of to foreign countries." Of course, this overproduction he mentions was the profits of the capitalist system over and beyond the consuming power of the capitalists. It was at this time that Senator Mark Hanna said: "The production of wealth in the United States is one-third larger annually than its consumption." Also a fellow-Senator, Chauncey Depew, said: "The American people produce annually two billions more wealth than they consume."

"Sell them to countries with undeveloped resources," Mr. Kowalt suggested.

"The very thing. You see, my argument is so clear and simple that in your own minds you carry it on for me. And now for the next step. Suppose the United States disposes of its surplus to a country with undeveloped resources like, say, Brazil. Remember this surplus is over and above trade, which articles of trade have been consumed. What, then, does the United States get in return from Brazil?"

"Gold," said Mr. Kowalt.

"But there is only so much gold, and not much of it, in the world," Ernest objected.

"Gold in the form of securities and bonds and so forth," Mr. Kowalt amended.

"Now you've struck it," Ernest said. "From Brazil the United States, in return for her surplus, gets bonds and securities. And what does that mean? It means that the United States is coming to own railroads in Brazil, factories, mines, and lands in Brazil. And what is the meaning of that in turn?"

Mr. Kowalt pondered and shook his head.

"I'll tell you," Ernest continued. "It means that the resources of Brazil are being developed. And now, the next point. When Brazil, under the capitalist system, has developed her resources, she will herself have an unconsumed surplus. Can she get rid of this surplus to the United States? No, because the United States has herself a surplus. Can the United States do what she previously did--get rid of her surplus to Brazil? No, for Brazil now has a surplus, too.

"What happens? The United States and Brazil must both seek out other countries with undeveloped resources, in order to unload the surpluses on them. But by the very process of unloading the surpluses, the resources of those countries are in turn developed. Soon they have surpluses, and are seeking other countries on which to unload. Now, gentlemen, follow me. The planet is only so large. There are only so many countries in the world. What will happen when every country in



the world, down to the smallest and last, with a surplus in its hands, stands confronting every other country with surpluses in their hands?"

He paused and regarded his listeners. The bewilderment in their faces was delicious. Also, there was awe in their faces. Out of abstractions Ernest had conjured a vision and made them see it. They were seeing it then, as they sat there, and they were frightened by it.

"We started with A B C, Mr. Calvin," Ernest said slyly. "I have now given you the rest of the alphabet. It is very simple. That is the beauty of it. You surely have the answer forthcoming. What, then, when every country in the world has an unconsumed surplus? Where will your capitalist system be then?"

But Mr. Calvin shook a troubled head. He was obviously questing back through Ernest's reasoning in search of an error.

"Let me briefly go over the ground with you again," Ernest said. "We began with a particular industrial process, the shoe factory. We found that the division of the joint product that took place there was similar to the division that took place in the sum total of all industrial processes. We found that labor could buy back with its wages only so much of the product, and that capital did not consume all of the remainder of the product. We found that when labor had consumed to the full extent of its wages, and when capital had consumed all it wanted, there was still left an unconsumed surplus. We agreed that this surplus

could only be disposed of abroad. We agreed, also, that the effect of unloading this surplus on another country would be to develop the resources of that country, and that in a short time that country would have an unconsumed surplus. We extended this process to all the countries on the planet, till every country was producing every year, and every day, an unconsumed surplus, which it could dispose of to no other country. And now I ask you again, what are we going to do with those surpluses?"

Still no one answered.

"Mr. Calvin?" Ernest queried.

"It beats me," Mr. Calvin confessed.

"I never dreamed of such a thing," Mr. Asmunsen said. "And yet it does seem clear as print."

It was the first time I had ever heard Karl Marx's\* doctrine of surplus value elaborated, and Ernest had done it so simply that I, too, sat puzzled and dumbfounded.

\* Karl Marx--the great intellectual hero of Socialism. A German Jew of the nineteenth century. A contemporary of John Stuart Mill. It seems incredible to us that whole generations should have elapsed after the enunciation of

Marx's economic discoveries, in which time he was sneered at by the world's accepted thinkers and scholars. Because of his discoveries he was banished from his native country, and he died an exile in England.

"I'll tell you a way to get rid of the surplus," Ernest said. "Throw it into the sea. Throw every year hundreds of millions of dollars' worth of shoes and wheat and clothing and all the commodities of commerce into the sea. Won't that fix it?"

"It will certainly fix it," Mr. Calvin answered. "But it is absurd for you to talk that way."

Ernest was upon him like a flash.

"Is it a bit more absurd than what you advocate, you machine-breaker, returning to the antediluvian ways of your forefathers? What do you propose in order to get rid of the surplus? You would escape the problem of the surplus by not producing any surplus. And how do you propose to avoid producing a surplus? By returning to a primitive method of production, so confused and disorderly and irrational, so wasteful and costly, that it will be impossible to produce a surplus."

Mr. Calvin swallowed. The point had been driven home. He swallowed again and cleared his throat.

"You are right," he said. "I stand convicted. It is absurd. But we've got to do something. It is a case of life and death for us of the middle class. We refuse to perish. We elect to be absurd and to return to the truly crude and wasteful methods of our forefathers. We will put back industry to its pre-trust stage. We will break the machines. And what are you going to do about it?"

"But you can't break the machines," Ernest replied. "You cannot make the tide of evolution flow backward. Opposed to you are two great forces, each of which is more powerful than you of the middle class. The large capitalists, the trusts, in short, will not let you turn back. They don't want the machines destroyed. And greater than the trusts, and more powerful, is labor. It will not let you destroy the machines. The ownership of the world, along with the machines, lies between the trusts and labor. That is the battle alignment. Neither side wants the destruction of the machines. But each side wants to possess the machines. In this battle the middle class has no place. The middle class is a pygmy between two giants. Don't you see, you poor perishing middle class, you are caught between the upper and nether millstones, and even now has the grinding begun.

"I have demonstrated to you mathematically the inevitable breakdown of the capitalist system. When every country stands with an unconsumed and unsalable surplus on its hands, the capitalist system will break down under the terrific structure of profits that it itself has reared. And in that day there won't be any destruction of the machines. The struggle

then will be for the ownership of the machines. If labor wins, your way will be easy. The United States, and the whole world for that matter, will enter upon a new and tremendous era. Instead of being crushed by the machines, life will be made fairer, and happier, and nobler by them. You of the destroyed middle class, along with labor--there will be nothing but labor then; so you, and all the rest of labor, will participate in the equitable distribution of the products of the wonderful machines. And we, all of us, will make new and more wonderful machines. And there won't be any unconsumed surplus, because there won't be any profits."

"But suppose the trusts win in this battle over the ownership of the machines and the world?" Mr. Kowalt asked.

"Then," Ernest answered, "you, and labor, and all of us, will be crushed under the iron heel of a despotism as relentless and terrible as any despotism that has blackened the pages of the history of man. That will be a good name for that despotism, the Iron Heel."\*

\* The earliest known use of that name to designate the Oligarchy.

There was a long pause, and every man at the table meditated in ways unwonted and profound.

"But this socialism of yours is a dream," Mr. Calvin said; and repeated,

"a dream."

"I'll show you something that isn't a dream, then," Ernest answered.

"And that something I shall call the Oligarchy. You call it the Plutocracy. We both mean the same thing, the large capitalists or the trusts. Let us see where the power lies today. And in order to do so, let us apportion society into its class divisions.

"There are three big classes in society. First comes the Plutocracy, which is composed of wealthy bankers, railway magnates, corporation directors, and trust magnates. Second, is the middle class, your class, gentlemen, which is composed of farmers, merchants, small manufacturers, and professional men. And third and last comes my class, the proletariat, which is composed of the wage-workers.\*

\* This division of society made by Everhard is in accordance with that made by Lucien Sanial, one of the statistical authorities of that time. His calculation of the membership of these divisions by occupation, from the United States Census of 1900, is as follows: Plutocratic class, 250,251; Middle class, 8,429,845; and Proletariat class, 20,393,137.

"You cannot but grant that the ownership of wealth constitutes essential power in the United States to-day. How is this wealth owned by these three classes? Here are the figures. The Plutocracy owns sixty-seven billions of wealth. Of the total number of persons engaged in

occupations in the United States, only nine-tenths of one per cent are from the Plutocracy, yet the Plutocracy owns seventy per cent of the total wealth. The middle class owns twenty-four billions. Twenty-nine per cent of those in occupations are from the middle class, and they own twenty-five per cent of the total wealth. Remains the proletariat. It owns four billions. Of all persons in occupations, seventy per cent come from the proletariat; and the proletariat owns four per cent of the total wealth. Where does the power lie, gentlemen?"

"From your own figures, we of the middle class are more powerful than labor," Mr. Asmunsen remarked.

"Calling us weak does not make you stronger in the face of the strength of the Plutocracy," Ernest retorted. "And furthermore, I'm not done with you. There is a greater strength than wealth, and it is greater because it cannot be taken away. Our strength, the strength of the proletariat, is in our muscles, in our hands to cast ballots, in our fingers to pull triggers. This strength we cannot be stripped of. It is the primitive strength, it is the strength that is to life germane, it is the strength that is stronger than wealth, and that wealth cannot take away.

"But your strength is detachable. It can be taken away from you. Even now the Plutocracy is taking it away from you. In the end it will take it all away from you. And then you will cease to be the middle class. You will descend to us. You will become proletarians. And the beauty of it is that you will then add to our strength. We will hail you brothers,

and we will fight shoulder to shoulder in the cause of humanity.

"You see, labor has nothing concrete of which to be despoiled. Its share of the wealth of the country consists of clothes and household furniture, with here and there, in very rare cases, an unencumbered home. But you have the concrete wealth, twenty-four billions of it, and the Plutocracy will take it away from you. Of course, there is the large likelihood that the proletariat will take it away first. Don't you see your position, gentlemen? The middle class is a wobbly little lamb between a lion and a tiger. If one doesn't get you, the other will. And if the Plutocracy gets you first, why it's only a matter of time when the Proletariat gets the Plutocracy.

"Even your present wealth is not a true measure of your power. The strength of your wealth at this moment is only an empty shell. That is why you are crying out your feeble little battle-cry, 'Return to the ways of our fathers.' You are aware of your impotency. You know that your strength is an empty shell. And I'll show you the emptiness of it.

"What power have the farmers? Over fifty per cent are thralls by virtue of the fact that they are merely tenants or are mortgaged. And all of them are thralls by virtue of the fact that the trusts already own or control (which is the same thing only better)--own and control all the means of marketing the crops, such as cold storage, railroads, elevators, and steamship lines. And, furthermore, the trusts control the markets. In all this the farmers are without power. As regards their



political and governmental power, I'll take that up later, along with the political and governmental power of the whole middle class.

"Day by day the trusts squeeze out the farmers as they squeezed out Mr. Calvin and the rest of the dairymen. And day by day are the merchants squeezed out in the same way. Do you remember how, in six months, the Tobacco Trust squeezed out over four hundred cigar stores in New York City alone? Where are the old-time owners of the coal fields? You know today, without my telling you, that the Railroad Trust owns or controls the entire anthracite and bituminous coal fields. Doesn't the Standard Oil Trust\* own a score of the ocean lines? And does it not also control copper, to say nothing of running a smelter trust as a little side enterprise? There are ten thousand cities in the United States to-night lighted by the companies owned or controlled by Standard Oil, and in as many cities all the electric transportation,--urban, suburban, and interurban,--is in the hands of Standard Oil. The small capitalists who were in these thousands of enterprises are gone. You know that. It's the same way that you are going.

\* Standard Oil and Rockefeller--see upcoming footnote:

"Rockefeller began as a member . . ."

"The small manufacturer is like the farmer; and small manufacturers and farmers to-day are reduced, to all intents and purposes, to feudal tenure. For that matter, the professional men and the artists are at this present moment villeins in everything but name, while the

politicians are henchmen. Why do you, Mr. Calvin, work all your nights and days to organize the farmers, along with the rest of the middle class, into a new political party? Because the politicians of the old parties will have nothing to do with your atavistic ideas; and with your atavistic ideas, they will have nothing to do because they are what I said they are, henchmen, retainers of the Plutocracy.

"I spoke of the professional men and the artists as villeins. What else are they? One and all, the professors, the preachers, and the editors, hold their jobs by serving the Plutocracy, and their service consists of propagating only such ideas as are either harmless to or commendatory of the Plutocracy. Whenever they propagate ideas that menace the Plutocracy, they lose their jobs, in which case, if they have not provided for the rainy day, they descend into the proletariat and either perish or become working-class agitators. And don't forget that it is the press, the pulpit, and the university that mould public opinion, set the thought-pace of the nation. As for the artists, they merely pander to the little less than ignoble tastes of the Plutocracy.

"But after all, wealth in itself is not the real power; it is the means to power, and power is governmental. Who controls the government to-day? The proletariat with its twenty millions engaged in occupations? Even you laugh at the idea. Does the middle class, with its eight million occupied members? No more than the proletariat. Who, then, controls the government? The Plutocracy, with its paltry quarter of a million of occupied members. But this quarter of a million does not control the

government, though it renders yeoman service. It is the brain of the Plutocracy that controls the government, and this brain consists of seven\* small and powerful groups of men. And do not forget that these groups are working to-day practically in unison.

\* Even as late as 1907, it was considered that eleven groups dominated the country, but this number was reduced by the amalgamation of the five railroad groups into a supreme combination of all the railroads. These five groups so amalgamated, along with their financial and political allies, were (1) James J. Hill with his control of the Northwest; (2) the Pennsylvania railway group, Schiff financial manager, with big banking firms of Philadelphia and New York; (3) Harriman, with Frick for counsel and Odell as political lieutenant, controlling the central continental, Southwestern and Southern Pacific Coast lines of transportation; (4) the Gould family railway interests; and (5) Moore, Reid, and Leeds, known as the "Rock Island crowd." These strong oligarchs arose out of the conflict of competition and travelled the inevitable road toward combination.

"Let me point out the power of but one of them, the railroad group. It employs forty thousand lawyers to defeat the people in the courts. It issues countless thousands of free passes to judges, bankers, editors, ministers, university men, members of state legislatures, and of

Congress. It maintains luxurious lobbies\* at every state capital, and at the national capital; and in all the cities and towns of the land it employs an immense army of pettifoggers and small politicians whose business is to attend primaries, pack conventions, get on juries, bribe judges, and in every way to work for its interests.\*\*

\* Lobby--a peculiar institution for bribing, bulldozing, and corrupting the legislators who were supposed to represent the people's interests.

\*\* A decade before this speech of Everhard's, the New York Board of Trade issued a report from which the following is quoted: "The railroads control absolutely the legislatures of a majority of the states of the Union; they make and unmake United States Senators, congressmen, and governors, and are practically dictators of the governmental policy of the United States."

"Gentlemen, I have merely sketched the power of one of the seven groups that constitute the brain of the Plutocracy.\* Your twenty-four billions of wealth does not give you twenty-five cents' worth of governmental power. It is an empty shell, and soon even the empty shell will be taken away from you. The Plutocracy has all power in its hands to-day. It to-day makes the laws, for it owns the Senate, Congress, the courts, and the state legislatures. And not only that. Behind law must be force to execute the law. To-day the Plutocracy makes the law, and to enforce the

law it has at its beck and call the, police, the army, the navy, and, lastly, the militia, which is you, and me, and all of us."

\* Rockefeller began as a member of the proletariat, and through thrift and cunning succeeded in developing the first perfect trust, namely that known as Standard Oil. We cannot forbear giving the following remarkable page from the history of the times, to show how the need for reinvestment of the Standard Oil surplus crushed out small capitalists and hastened the breakdown of the capitalist system. David Graham Phillips was a radical writer of the period, and the quotation, by him, is taken from a copy of the Saturday Evening Post, dated October 4, 1902 A.D. This is the only copy of this publication that has come down to us, and yet, from its appearance and content, we cannot but conclude that it was one of the popular periodicals with a large circulation. The quotation here follows:

"About ten years ago Rockefeller's income was given as thirty millions by an excellent authority. He had reached the limit of profitable investment of profits in the oil industry. Here, then, were these enormous sums in cash pouring in--more than \$2,000,000 a month for John Davison Rockefeller alone. The problem of reinvestment became more serious. It became a nightmare. The oil income was swelling, swelling, and the number of sound investments

limited, even more limited than it is now. It was through no special eagerness for more gains that the Rockefellers began to branch out from oil into other things. They were forced, swept on by this inrolling tide of wealth which their monopoly magnet irresistibly attracted. They developed a staff of investment seekers and investigators. It is said that the chief of this staff has a salary of \$125,000 a year.

"The first conspicuous excursion and incursion of the Rockefellers was into the railway field. By 1895 they controlled one-fifth of the railway mileage of the country. What do they own or, through dominant ownership, control to-day? They are powerful in all the great railways of New York, north, east, and west, except one, where their share is only a few millions. They are in most of the great railways radiating from Chicago. They dominate in several of the systems that extend to the Pacific. It is their votes that make Mr. Morgan so potent, though, it may be added, they need his brains more than he needs their votes-- at present, and the combination of the two constitutes in large measure the 'community of interest.'

"But railways could not alone absorb rapidly enough those mighty floods of gold. Presently John D. Rockefeller's \$2,500,000 a month had increased to four, to five, to six

millions a month, to \$75,000,000 a year. Illuminating oil was becoming all profit. The reinvestments of income were adding their mite of many annual millions.

"The Rockefellers went into gas and electricity when those industries had developed to the safe investment stage. And now a large part of the American people must begin to enrich the Rockefellers as soon as the sun goes down, no matter what form of illuminant they use. They went into farm mortgages. It is said that when prosperity a few years ago enabled the farmers to rid themselves of their mortgages, John D. Rockefeller was moved almost to tears; eight millions which he had thought taken care of for years to come at a good interest were suddenly dumped upon his doorstep and there set up a-squawking for a new home. This unexpected addition to his worriments in finding places for the progeny of his petroleum and their progeny and their progeny's progeny was too much for the equanimity of a man without a digestion. . . .

"The Rockefellers went into mines--iron and coal and copper and lead; into other industrial companies; into street railways, into national, state, and municipal bonds; into steamships and steamboats and telegraphy; into real estate, into skyscrapers and residences and hotels and business blocks; into life insurance, into banking. There was soon

literally no field of industry where their millions were not at work. . . .

"The Rockefeller bank--the National City Bank--is by itself far and away the biggest bank in the United States. It is exceeded in the world only by the Bank of England and the Bank of France. The deposits average more than one hundred millions a day; and it dominates the call loan market on Wall Street and the stock market. But it is not alone; it is the head of the Rockefeller chain of banks, which includes fourteen banks and trust companies in New York City, and banks of great strength and influence in every large money center in the country.

"John D. Rockefeller owns Standard Oil stock worth between four and five hundred millions at the market quotations. He has a hundred millions in the steel trust, almost as much in a single western railway system, half as much in a second, and so on and on and on until the mind wearies of the cataloguing. His income last year was about \$100,000,000--it is doubtful if the incomes of all the Rothschilds together make a greater sum. And it is going up by leaps and bounds."

Little discussion took place after this, and the dinner soon broke



up. All were quiet and subdued, and leave-taking was done with low voices. It seemed almost that they were scared by the vision of the times they had seen.

"The situation is, indeed, serious," Mr. Calvin said to Ernest. "I have little quarrel with the way you have depicted it. Only I disagree with you about the doom of the middle class. We shall survive, and we shall overthrow the trusts."

"And return to the ways of your fathers," Ernest finished for him.

"Even so," Mr. Calvin answered gravely. "I know it's a sort of machine-breaking, and that it is absurd. But then life seems absurd to-day, what of the machinations of the Plutocracy. And at any rate, our sort of machine-breaking is at least practical and possible, which your dream is not. Your socialistic dream is . . . well, a dream. We cannot follow you."

"I only wish you fellows knew a little something about evolution and sociology," Ernest said wistfully, as they shook hands. "We would be saved so much trouble if you did."