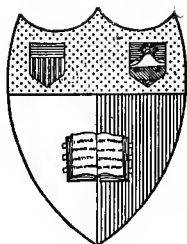


STATE SOCIALISM

AFTER THE WAR

THOMAS J. HUGHES

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# State Socialism

## . After the War



# State Socialism

## After the War

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*An Exposition of Complete State  
Socialism*  
*What It Is : How It Would Work*

By  
THOMAS J. HUGHES



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## Foreword

SINCE the beginning of the great world war in 1914, the opinion has been frequently expressed in the public prints and otherwise that this greatest of wars marks the beginning of a new era in the history of the world. There is to be seen in some of the leading papers and magazines of the day such expressions as, "vast changes pending throughout the world," "the greatest turning point in human history during the last twenty centuries," "the end of the age," and other similar expressions.

One writer speaks of it as "a crises of world evolution ushering in a better world for posterity," another as "marking the end of the old and the beginning of a new era." An English statesman says that at the end there will be a new Europe. A German-American writer thinks that some of the present European dynasties will be shorn

of their power and that the common people will rise to their own. A well-known American statesman says that it means the greatest impulse for Socialism that history records, while the German Socialists announce that they will renew their efforts with increased energy and determination at its close.

For a number of years there has been an increasing agitation and dissatisfaction concerning social and economic conditions in the principal countries of the world, not only upon the part of Socialists, but of others who do not so class themselves. For two or more years preceding the war David Lloyd George was proposing in England the idea of government ownership of many public utilities, even of the coal mines. These suggestions have already borne fruit in what is known as "The Commandeering Bill," a very drastic and highly socialistic measure, passed by Parliament in March, 1915, upon the insistence of Lloyd George. This law, as one writer puts it, gives the government absolute power to take over and conduct the

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whole or any part of the industry of Great Britain.

The newspapers were swift to see the profound change which this law wrought in British conditions. The *Daily Express* asserted that the new bill was State Socialism, while an American gentleman, who had resided in England five years and was a close observer of conditions, said that, as one of the results of the war, England was sure to enter into a definite movement toward government ownership and State Socialism. It will thus be seen that the entering wedge of a new order has already been inserted in the old system. What the new order is to be is a matter of conjecture. But inasmuch as England is a Christian nation whose spiritual life has been deeply quickened by the experiences of this war, it may be expected that she will look to the principles of Christianity, if it possesses any applicable to the subject, in her program of government ownership and State Socialism.

In this connection it is interesting to note

that students of prophecy are claiming that certain well-known prophecies are being fulfilled. And there certainly is some basis for the contention that the prophetic words of Christ, of nation rising against nation, and kingdom against kingdom, with famines and earthquakes in divers places, have come true.

A great world war of nation against nation was to be characteristic of the approaching end of the world, or, as others translate, the end of the age. A new age, or era, was then to begin; or rather, to become fully developed and established, for all the elements of the new era are now present, but only partially established and developed. What this new era is to be is fully and completely described by Jesus in his description of what he designated as "the kingdom of heaven." This was his way of speaking of a higher and superior civilization, a new age, era, or régime, which was to be established upon earth following a great world war which now appears to have taken place.

While the new age, according to the

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biblical description, is to be one of high moral and spiritual attainment, there is also to be a great social and economic advancement. There is to be a better system of property tenure, a different basis of distributing the means of subsistence between the rich and the poor, and a different system of wages. It is with the social and economic side of the new era, exclusively, that this work has to do, and whatever is herein set forth, it is maintained, has a sound scriptural basis.

There are three fundamental principles underlying the economic side of the new era as found in the teachings of Christ and the Apostles' example. These principles are:—a system of property tenure according to ability, or as ability is proved by earning capacity, according to earnings; a distribution of the means of subsistence according to needs; and the same or an equal wage. In the following pages the reader will find a description of a new economic system based upon these principles. We have, then, in the

teachings of Jesus, the foundation principles of a new and more beneficent economic order, and which in modern parlance is nothing more or less than State Socialism. It might be interesting at the present time to examine this new order, which is already beginning in the moral, spiritual, and economic changes that are now taking place in the different countries at war.

Many Christians have but little comprehension of the social scheme of Jesus as a whole, though the words by which it is set forth are almost as familiar as those of the Lord's prayer. Others have heretofore regarded it as visionary, impracticable, unsuited to our complex and diversified modern life, and something to take place in the distant future. But it is our complex modern life, especially the wonderful development in recent years of what is known as modern business methods, that has made this scheme possible and practicable, and brought it near.

The most natural and easy method of presenting the subject has been first to give a

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complete description of the new economic order, and then the scriptural passages upon which it is based. Hence, in chapters one to nineteen, the reader will find a new system of land tenure described, a new compulsory occupational law, a system of awards to take the place of inheritance, and a new system of wages. In order to give an adequate description of the new order and to show its adaptability to various phases of diversified modern life, it is necessary to enter into considerable detail, such as Repairs and Maintenance of Properties, Cost to the Citizen and to the State, Provisions for Widows and Orphans, Retirement Privileges, Public and Private Improvements, etc., which it is hoped the reader will not find too lengthy. In the nineteenth and twentieth chapters the scriptural foundation of the new order is stated and explained, and in the concluding chapters a description is given of modern business methods, showing their growth, expansion and adaptability to the new social order.

T. J. H.





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## CHAPTER I

### THE NEW ERA AND THE EUROPEAN WAR

THE movement demanding the curtailment of the immense armament expenditures of the leading European nations made but little progress when the great European war of 1914 broke forth. Bursting suddenly upon the world, and apparently without justifiable cause, it seemed that this greatest of all wars could have been easily avoided. Many reasons and excuses have been given as to its causes, such as commercial jealousy, race antipathies, and territorial ambitions. But the deep, underlying cause was the spirit of militarism, the attempt to maintain the balance of power and rule the world by force of arms, which is contrary to the divine plan and the higher order of civilization which is to be established upon the earth. And it now seems that this stupendous con-

flict, with all its horror and destruction, was inevitable and apparently necessary in order to exhaust and destroy the spirit of militarism, and thereby bring about an era of universal and lasting peace.

Though this most desirable of all objectives was not contemplated at the beginning, it was but the natural result of this, as it has been of other great wars. There is no doubt but that the experience of the Civil War, which was the greatest the world had known up to that time, is largely accountable for the pacific tendency in America. One of the most successful Union generals said, "War is hell." If to the victor war is hell, to the defeated it must be worse than hell. In order to destroy militarism and the desire for war, only let there be enough of it. And the longer the war and the more nations engaged, the more complete its destruction and greater the assurance of universal and lasting peace. At least at its close, the prospect of this seemed to be the one good result of the great European war.

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A cessation of hostilities was finally brought about by the intermediations of the neutral powers. It was then that the great question, *After the War, What?* loomed large upon the horizon. The war had resulted in a great unrest among the people of all European countries. There was an under-current of sentiment that a new era was dawning, and that vast changes were pending throughout the world. In fact, the war had not proceeded a month when thinking men of different countries, taking a philosophical view of the matter, began to feel and to realize that this greatest of wars was not merely a war, but a great climax in the history of the world ; that it marked the end of the old order of things, and would be the turning point for a new and grander dispensation for the human race.

Among the many opinions expressed was that of Lord Roseberry who said that old Europe was disappearing, never to reappear again in its present shape ; of Viscount Haldane, then Lord Chancellor of Great

Britain, who said that a great democratic and moral advance would result from the war. Also that of Woodrow Wilson, then President of the United States, who declared that great spiritual forces would assert themselves at the end of the war to enlighten the judgment and steady the spirit of mankind. That great moral and spiritual changes were taking place was conceded by all careful observers. The advanced position taken by the different governments regarding the use of intoxicants, and the deep religious waves which swept over the various nations during the war, was evidence of this. And in other respects, it was felt that this, the greatest of all wars, could not be without great and far-reaching results. Other wars had not been without great results,—results unforeseen and unanticipated at the beginning of hostilities. The American Revolution had no other object at first than the resistance of what was considered an unjust tax. It resulted in the independence of the Colonies and a new era of political freedom and democracy. Like-

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wise, it was generally realized that this war was the beginning of a new era of social and democratic advance in which all the people would be lifted to a higher plane.

Furthermore, it was a serious question with biblical students as to whether this war was to be identified with that described in the gospels, which was to indicate the approaching end of what is known as the present or apostolic age, and the beginning of a higher and more beneficent dispensation. Bursting suddenly upon the nations and spreading like a mighty conflagration until, including the European countries actually engaged together with their colonies and dependencies, it held within its grasp the larger part of the world, the scriptural prophecy seemed to be fulfilled: "And ye shall hear of wars and rumors of wars: see that ye be not troubled: for these things must needs come to pass: but the end is not yet. For nation shall rise against nation, and kingdom against kingdom: and there shall be famines and earthquakes in divers places." These were the

words of Christ Himself. And if there ever has been a time since the utterance of this prophecy in which nation rose against nation, and kingdom against kingdom, with famines and earthquakes in divers places, that time seemed to be during the great war just closed.

While the Lord Chancellor of Great Britain and the President of the United States were taking these long sighted, philosophical views of the outcome, and students of prophecy were highly expectant as to the dawning of a new era, conditions in England and other countries at war indicated that vast changes were actually beginning to take place. The ukase of the Czar of Russia prohibiting the use of intoxicants was as great a moral revolution, the result of a single act, as the world had ever witnessed. That this great reform was to be continued after the war was amply evidenced by the strong public opinion in its favor on the part of the Russian people. There was also evidence of a political reformation taking place in Rus-



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sia during the war. There were indications that greater political rights and privileges would be granted the people, with the prospect of local self-government in a "United States of Russia," promised by the Czar.

In Germany, the strict censorship prevented the outside world from obtaining knowledge as to any internal changes. But it can be assured that, in the midst of their many victories, a large part of the people grew tired of the war, and a deep though silent peace sentiment developed which was bound to mean much to the rest of the world in future years. France and Belgium were too deeply afflicted by the presence of hostile armies upon their soil to look much to the future. France, especially, was greatly sobered and made serious. Her religious life was greatly quickened, thus preparing her for the higher and more beneficent order which was to arise out of her affliction.

But it was in England that many indications of vast changes taking place were to be found. In contrast to the solidarity and con-

tentment with economic conditions in Germany and France toward the close of the first year of the war, there was much discontent with economic conditions and much strife and bitter animosity in the labor and industrial situation across the Channel. "Popular discontent," said ex-Senator Albert J. Beverage, who made a careful investigation of conditions in England at this time, "raised its many headed visage in multitudes of places throughout the United Kingdom. The workers on the Clyde had struck. The dock laborers at Liverpool had either stopped work or threatened to do so. Here, there and yonder, the protest of the toiler against conditions flamed up like a fire creeping beneath forest leaves and refusing to be extinguished. Bitter animosity arose.

"In an acrimonious article in the *London Times*, the Clyde men were dubbed 'Shipyard Shirkers': 'the shame of Sunderland is its large body of shirkers. . . . It is a common thing for men to be away three days each week. . . . Absenteeism is not

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wholly or indeed largely due to intemperance. The shirkers who parade the streets are a remarkably sober-looking body of men.' ”<sup>1</sup>

The laboring men were accused by the government of intoxication and by the *Times* and other London papers of idleness, intoxication, and inefficiency. On the other hand the British workingmen, of whom it was claimed the majority were sober and industrious, bitterly resented these attacks. “The Labor Journals saw in these assaults upon the workingman an effort to break down the whole trade-union system and exploitation of labor by the capitalistic classes. ‘This,’ declared *Justice*, an organ of the Social Democracy, ‘is the reason why Cabinet Ministers, shareholders and capitalistic pressmen have commenced this campaign of calumny against a body of men who, but a short time before, they were united in praising. First

<sup>1</sup>The above and following facts and quotations are taken from an article by Albert J. Beverage published in the *American Review of Reviews*, July, 1915.

it was the docker who was lazy, now it is the engineer—whose turn will be next? Not the shareholder, who calmly pockets his enhanced dividends, and then proceeds to abuse the men who made the dividends.’

“ Another signed article in this labor paper concerning the strike of the engineers on the Clyde said : ‘ We find the engineering shops seething with discontent, and it is difficult to say what may yet be the outcome.’

“ So grave did the economic strife in Great Britain finally become, and so acutely was the government embarrassed in conducting the war because of shortage of material and equipment, that toward the middle of March the most drastic and autocratic law ever passed by any legislative body in British history was enacted. Broadly speaking, this law, ‘The Commandeering Bill,’ gave the government absolute power to take over and conduct the whole or any part of the industry of Great Britain.

“ The newspapers were swift to see and frank to state the profound change which

this law wrought in British conditions, and justified it only on the ground of deadly emergency. The *Daily Mail* said that the law established 'a sort of industrial dictatorship.' The *Daily Express* asserted that 'The new bill is, of course, State Socialism. That must be accepted.'

"At a large labor meeting personally attended, following the first debate in Parliament upon the Commandeering Bill, bitter denunciations of the government were heard. The manufacturers, the shipowners, the dealers in life's necessities were, declared the speakers, using the war to squeeze blood-money from the people by an unconscionable raising of prices.

"At this particular labor meeting not one warm word was uttered in support of the war. But all demanded that the principles of the Commandeering Bill should be applied to food and fuel in order to relieve the distress of the people. 'If the government,' said they, 'is to take over factories and docks, and compel labor to toil immeasur-

ably in order that munitions of war shall be furnished, let the government also take over foodstuffs and compel dealers and carriers to sell reasonably for provisioning the poor.'

"Leaflets and pamphlets were distributed, filled with astounding figures showing the rise of prices and demanding government intervention.

" 'Oh! they amount to nothing,' said one of the most powerful men in England when told of this labor meeting. On the contrary: 'But you noticed that the chairman was a member of Parliament, that the representative of the British coöperative stores was one of the speakers, and that all of them were trusted representatives of the working classes,' remarked a studious observer when told of this estimate of the insignificance of this labor demonstration.

"Compared with the contentment with economic conditions found in Germany and France, what was seen, heard, and read of the labor and industrial situation across the Channel startled and surprised . . ."

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Another American, Mr. Reginald Wright Kauffman, who has resided in England five years, who has studied the national life, and who has the advantage of an acquaintance more or less intimate of each of the three social grades, in speaking of the effects of the Commandeering Bill, said :

“This means just one thing; it means that the cause of the labor unions, once stronger in England than anywhere else in the world, had been put back a quarter of a century. And it may mean more; two years ago, Lloyd George was playing with the idea of the government ownership of many public utilities, even the coal mines—the tendency may well end in wide-spread government ownership; it may well end in State Socialism.”

In a very interesting and highly illuminating article published in the *Christian Herald*, entitled, “England—Afterwards,” and in which he asserts that he will confine himself to such matters only as are already evident, Mr. Kauffman says further :

“One more change can be prophesied with certainty, and that a great one; the women will be given the ballot. What they could not gain by violence, by years of propaganda, by peaceful politics, they have gained by their conduct in this war. There can be no doubt upon the subject. I have talked with Englishmen of influence among constituents of every shade of political belief, and the verdict is everywhere the same.

“These things then are relatively certain, whoever wins the war or loses it, for England has awakened to her own internal condition. There will be new legislation upon the subject of illegitimacy; there will be sweeping changes in class distinctions; there will be a larger standing army,—perhaps even militarism; there will be a strong tendency toward prohibition; there will be at least a temporary decline of the powers of the trade unions and a definite movement toward State Socialism; there will be admission of woman to the use of the ballot.

“How much of this is good and how much



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bad, I am not here trying to determine; but I have shown, I think, that so much as is sure to occur inside of England is of considerably more importance to her, and perhaps inferentially to the world at large, than any changes of the map of Europe."

Englishmen, too, were equally awake to the coming changes. A few months later, after the Commandeering Bill had been put into operation, Lord Northcliffe, at the head of the greatest news gathering force in England, and in a position to sense the trend of affairs, said that by the end of the war England would have State Socialism. "Before the beginning of next year," said he, "my income tax will be \$2.50 on every \$5.00 of income. In my opinion this tax will never be less even after the war. On the other hand, the working classes are receiving higher wages than they have ever received before. In my opinion these wages will never be lower. The rich are going to be poorer and the poor richer, and by the end of the war England will have a species of

State Socialism. We are reconciled to and have accepted these conditions.”

He was of the opinion that there would also be a social revolution in the United States. “America will have its conflicts also,” said he. “It will be an internal reflex action of the great changes taking place here.”

But a complete system of State Socialism would, for the time being only, require an income tax of 50% from men of wealth. For the higher wages already being received by the working classes would lessen its cost and the tremendous war debts would revert to the State, the same as all other kinds of property, and if not subject to award would in time disappear. The entire income tax could then be devoted to the purposes of State Socialism which would not require an income tax of more than 20% or 25% at the utmost, which would be all the taxes for all purposes.

## CHAPTER II

### THE OPPORTUNITY IN AFRICA

THE industrial situation became still more acute during July, 1915, when more than 150,000 miners went on a strike in the South Wales coal fields. An Associated Press cablegram at the time said that the situation thus created was regarded as alarming: "So far there has been no violence. The men, however, display a stubborn determination to get what they want—higher wages—and not to work until they get it, no matter what danger may menace the nation as a result.

"But it is not the strike, threatening though it is at such a time to the welfare of the country, that is viewed with most alarm. It is the significance which must be attached to such action by an immense body of men employed in producing what is the

primary requirement of all munitions—the means to make motive power.

“They have struck in the face of the government’s declaration that strikes will not be tolerated, undermining, as they do, the rapid manufacture of war implements. By their conduct they have displayed perfect contempt for the measure of Lloyd George provided against such a contingency, that all strikers are subject to a fine of \$15 a day, in default of which they may be imprisoned.

“The South Wales strike is a serious blow to the government itself and one which may lead to more political disquiet. . . . The strike has been forced by the men of the Aberdale valley, who are strong Syndicalists, and have declared that the present was a good time to force the government to take over the mines. This policy has been advocated by the Independent Labor party, which is more extreme than the regular Labor party, and one of the leaders of which is J. Keir Hardie, whose parliamentary constituency includes the Aberdale valley.”

As the war progressed, the laboring man seized every opportunity to enter his solemn protest against economic conditions, to make known his dissatisfaction and to assert his unwillingness to serve the government in her time of need. In January, 1916, when the conscription bill was before Parliament, the National Railwaymen's Union, one of the strongest labor organizations in Great Britain, defied the government to pass the conscription bill.

“In the most drastic resolution yet adopted by any labor body,” said the Associated dispatches, “the executive committee of the railwaymen declared their organization would resist conscription to the last.” They hinted at an immediate strike of all railway workers in Great Britain if the bill would pass Parliament.

“‘Unless the government is prepared to confiscate the wealth of the privileged classes for the more successful prosecution of the war,’ the resolution read, ‘the railway workers will resist to the uttermost the con-

fiscation of men, whose only wealth is their labor power.'”

“We do not trust the union leaders,” shouted Lloyd George’s Christmas audience in Glasgow. “Whom do you trust?” he asked. The answer was swift. Several voices gave it: “Nobody.”

Toward this climax the British labor situation had been working for years. The British workingman had seen reform after reform started in his behalf only to end in disappointment by the reformer turning in other directions or to his own selfish interests. Time after time he had seen the government forced into a corner by the pressure for the betterment of his condition, and then wiggle out, having granted only a small fraction of what was needed.

The attitude of “trust nobody” was the result of a long continued dissatisfaction upon the part of the British workingman with his economic status, brought to an acute stage by war conditions. It had much to do with his attitude toward the govern-

ment during the prosecution of the war, and explained his sullenness, defiance, and refusal to serve his country when one should have looked for a high order of patriotic action. But no other attitude could have been expected. No country can have the full, enthusiastic and patriotic support of its citizens, so necessary for the successful prosecution of any war, with great discontent and dissatisfaction over economic conditions among a large part of its population. For a nation to be successful in war, as well as in the pursuits of peace and in its conquest for world trade, there must be no dissatisfaction or discontent with economic conditions. There must be no under-paid, under-fed class of inefficients. There must be no lower classes struggling for a bare existence. Every citizen must be well paid, well-fed, well trained and educated, and supplied with sufficient of the necessities of life to make him at all times efficient. There must be no other country better than his country; no place where more is done for the welfare of

the citizen. It was a final realization of this truth that caused England to take drastic measures to better the condition of the lower classes.

The strike of the South Wales coal fields was settled by the government persuading the mine owners to grant an increase of wages, and the conscription bill was passed in spite of the resolution of the railway workers, and of over 800,000 miners, and 1,577,000 votes at the Trades Union Conference. But these protests could not be ignored and the bill was amended before passed with many exceptions which greatly impaired its efficiency.

But a mere increase of wages was not sufficient to pacify the British workingman and hold him in check during the war. Before the Commandeering Bill could be put into successful operation, it was necessary for Lloyd George to make a strong appeal to their patriotism. In a speech in the House of Commons he declared that the success of the Allies in the war depended upon the atti-



tude of organized labor. "Labor has the answer," declared he. "There can be only one appeal, namely, to patriotism."

And not only were an increase of wages and an appeal to patriotism necessary, but also a strict adherence upon the part of the government of its promises to enforce the provisions of the Commandeering Bill as regards the owners' industry. That the government enforced these provisions was asserted by Lloyd George who declared in a speech before the Trades Union Congress at Bristol that these promises had been faithfully kept.

"I have seen resolutions from time to time," said he, "at trade union congresses about nationalizing the industries of the country. We have done it. The whole of the engineering industry of this country . . . is now state controlled, and the profits they make out of the war are annexed for state purposes. That is better than any resolution you have ever carried and when the experiment is made why not acclaim it? If you won't

accept a great leap forward along the path you want to go, you will never get there."

It was true. A great leap forward had been taken, and one that could never be retraced. In an address before the American Federation of Labor at San Francisco, C. J. Ammon of the British Trades Union Congress said that the war had accomplished some things labor had been seeking for decades—nationalization of railways, munition factories, and other industries.

Thus the industrial and economic situation continued until, at the intermediation of the neutral powers under the leadership of the President of the United States, a cessation of hostilities finally occurred. The warring countries, together with representatives of the neutral nations, then entered into a great peace council at the Hague. It was a prolonged and stormy session, for there were as many questions to settle as there were nations represented and delegates present. In general terms, the German demands of peace were: "Freedom of the seas; Freedom of Po-

land; World-wide recognition of the rights of Jews." And in the words of the Kaiser, "Lasting peace."

The territorial demands of the Germans embraced the establishment of Poland as an independent kingdom to be comprised of all of Russian Poland, a part of Austrian Poland, and a small part of German Poland. Belgium was to be restored to her sovereignty and future neutrality guaranteed, Germany to receive as compensation for the evacuation of Belgium the Congo state in Africa owned by Belgium, or a money indemnity. All French territory held by Germany was to be restored to France; France to cede her African colonial territory as compensation for the evacuation of France. Further demands of the Teutonic allies were, "Russia to grant autonomy to Finland, Serbia to be divided between Austria and Bulgaria, Great Britain to restore all of Germany's African colonies, and Germany to retain all of Alsace-Lorraine."

Throughout the negotiations much impor-

tance was attached to the disposition of African territory of which both Germany and England were in much need for colonial expansion, and foreshadowing the great era of African settlements and development entered into by England and Germany after the war.

Under the term, "freedom of the seas," Germany sought to nullify and render of little practical effect the power and supremacy of the British navy.

On the other hand, the British allies demanded in general terms, "the restoration of Belgium, security for France against aggression, the autonomy of Poland under the sovereignty of the Czar, the rights of existence for small nations, and the overthrow of the Prussian military machine." Thus, while Germany sought to nullify the power of the British navy, England sought the abolition of German militarism. And each country, while seeking to lessen the power of the other, worked toward the end desired by the world at large,—disarmament and permanent peace.

There were other questions of territorial changes between Russia, Turkey, Austria, Italy, and the Balkan states. But of far more importance than any change of boundary or any of the questions above mentioned except that of disarmament, was the settlement of internal questions which each nation was to adjust for itself. For a number of years before the war there had been an increasing agitation over social and economic conditions in various countries of the world. This agitation was proof of one thing—that there were large masses of people in every country dissatisfied with the old order of things. While this agitation had been carried on chiefly by socialists, there were many others who admitted that there were many things in economic and social conditions that needed correction. That there was much dissatisfaction in Germany was evidenced by the strength of the Socialist party in that country, where it was the strongest of any place in the world. A year or two before the war the industrial situation in Germany was anything

but satisfactory. At that time hundreds of thousands of men were out of employment, while heavy expenditures were maintained all the time for armament purposes. The nation was growing more restless and the Socialists gaining in power. It has been even intimated that the war was brought on to save the government from the embarrassment of this situation. But the experiences of this war, victorious though they have been, have added many an adherent to the German Socialists who favor disarmament and peace. And it is to the German Socialists we may look for world peace as well as great internal changes in Germany itself.

There were little or no outward signs of dissatisfaction with economic conditions in France or Belgium during hostilities. But in these countries, the chastening of this most terrible and greatest of all wars resulted in a greater feeling of sympathy and brotherly love, a loosening of the bonds of selfishness and the lowering of all people to a more common level. Here, as well as among the

higher classes in other countries, a greater spirit of democracy and good will was engendered, which portended not only the complete political and religious democracy of all European people, but a rapid advance toward economic democracy, toward which the world had been vainly struggling up to this time.

But in England, as we have seen, the great discontent over economic conditions reached an acute stage during the war. Increase of wages, nationalization of certain industries, together with intimations and promises upon the part of leading men of State Socialism at the end of the war held the situation in check. But after the conclusion of peace there was great uncertainty and perplexity as to the industrial situation and grave fears as to the future. Large numbers of workers employed at good wages in the manufacture of munitions and in keeping the army at the front were thrown out of employment. The industries of the country were disarranged, and like the other belligerents the country

was exhausted industrially and financially from the long and costly strain of the war. Much of the foreign trade had been lost, while millions of soldiers returned home seeking employment.

It was during this trying period when the country was attempting to readjust itself to peace conditions and regain its foreign trade, with the industries disarranged, hundreds of thousands out of work, attempts to decrease wages, and the heavy burden of war taxes upon the people, that it seemed the country would revert to an even worse economic condition than before the war. With this prospect before the people, and the situation growing steadily worse, the slumbering fires of discontent became aflame, the masses seething with dissension and demanding all kinds of relief. It was difficult to tell to what the country was drifting. But the people had been awakened to their own. The much talked of government ownership and State Socialism during the war had given promise of a better and brighter



future. The Commandeering Bill had been passed and put into operation during war times as "a deadly necessity." Yet the government dared not repeal it. As Lloyd George had stated, a great leap forward had been taken,—a step which could not, and which the people would not permit the government to retrace. The powerful labor and trades unions not only forbade the government to repeal the bill, but demanded that its provisions be extended to other industries of the country; that such industries be taken over and the workingman thereby made an employee of the government, with better working conditions and higher wages as a matter of course.

There was also a demand that the land redemption scheme proposed by Lloyd George before the war be carried out. It had been suggested by this gentleman that all the idle lands held by the English nobility be returned to the crown from which the title was originally derived, and that under a new system of land tenure to be formulated

by a commission, the lands be held open for the use and occupancy of the people.

When the industrial situation reached its worst, with threats here and there of civil war and predictions of a reign of anarchy, in order to save the situation and divert the public mind, the government launched a vast and immense scheme of colonial development. While there was unanimous consent upon the part of all people that certain reforms should be made and certain demands granted, such as woman suffrage, temperance reform, and the land proposition of Lloyd George, there were other demands over which there was bitter contention. The owners of industry were not willing that any more of the industries of the country be taken over by the government. They were not in favor of any form of State Socialism.

But they had no objections to the government trying new schemes in the colonies. British East Africa was awaiting settlement and development. If the government desired to enter upon a new system of State

Socialism, let it try it in British East Africa. But few property rights had been acquired there and those that had been obtained were not of great value and could be easily recovered. Outside this, the owners of industry generally favored the settlement and development of British East Africa. It would relieve the industrial situation in England. And in this great new and fertile land hardly as yet touched by the hand of man, millions of idle men would find employment, and the country's surplus population for years to come find new homes and prosperity.

Thus England began a vast campaign of colonial settlement and development, and out of the turmoil and discontent of its laboring masses launched a scheme of State Socialism which meant much to her own and to the people of other countries. In the rich and undeveloped parts of Africa, a splendid opportunity was afforded to enter at once upon a full and complete program of State Socialism, to inaugurate a better order of

things in which there would be more of justice for all the people, to enter upon a new era of economic democracy—the next great forward and upward movement to be made by man. Thus it was that the new era first found expression in the newer and undeveloped lands of the world.

Such has always been the case. New lands and new countries are necessary for the progress and advancement of the world. It was in America, when it was a new land in the process of settlement and development, that religious and political democracy were first achieved. And in these great world movements of progress and advancement, something more than the hand of man is to be seen. It was more than a fortuitous circumstance that America was discovered, the exploration period past and the country ready for settlement at a time when there was great religious dissatisfaction and unrest in Europe. America had been discovered five hundred years before by the Norsemen, who made numerous voyages and attempted

to settle the country. But the time was not then ripe for this great event. America must be reserved for a later time when there was great religious dissatisfaction and unrest in Europe. Had the discovery of the Norsemen become known to the rest of Europe and the colonization of America commenced five centuries before it did, European civilization of that period, including religious beliefs, would have become so firmly established in the new land that it would have afforded no asylum for colonists seeking religious independence and freedom from persecution on this account. Out of this religious independence was born political independence. That America was in this remarkable manner reserved until exactly the right time was more than an extraordinary incident. It was the guiding and directing hand of Providence.

And the same may be said of Central Africa. Though a part of the old world and not far from where the greatest nations of antiquity arose and fell, the great dark

continent had never been penetrated. The great Egyptian civilization arose and fell upon her very borders, leaving her as dark as before. Even at the time of Columbus the greater part of Africa was marked on the maps "Unknown," with pictures of terrible beasts, showing the dread with which it was regarded. Not until the time of Livingstone, only about fifty years ago, was darkest Africa penetrated and its great resources and possibilities made known. And had it not been for the great religious zeal with which Livingstone was inspired, he never would have been able to overcome the almost insurmountable and impenetrable natural barriers with which Africa was surrounded, and to accomplish that which no man before him had been able to accomplish, for all previous attempts to penetrate the continent had failed. And yet within those barriers was a rich and wonderful country, still unsettled and undeveloped at the time of the European war. That this rich and fertile country, suitable to white settlement with its splendid

climate where everything can be grown, has been held in reserve until exactly the right time, when there was great unrest and dissatisfaction over social and economic conditions, when a new era was beginning out of a great world war, is more than a fortuitous circumstance. It was the hand of Providence. In the land to which Livingstone was called to give his life, the great dark continent, was to be established the highest and best civilization the world had yet seen. As in America religious and political democracy grew out of religious discontent and unrest in Europe, so in Africa economic democracy grew out of economic discontent and unrest in the same country.

## CHAPTER III

### COLONIAL EXPANSION

WHEN colonial expansion upon a large and unprecedented scale was finally decided upon as a definite policy, an act of Parliament was passed granting a large sum of money for the settlement and development of Africa.

The act of Parliament authorizing the expenditure of this money provided for a commission to formulate a system of laws for the new country. Upon this commission served some of England's ablest and foremost men, who devoted themselves earnestly and untiringly to the great and important work committed to their hands.

The task before the commission was not an easy one. What was to be the order of things in the new country? And not in Africa alone but in England as well, for it



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was realized that the establishment of a new order in Africa was but preliminary to the inauguration of a better system in the mother country. Just as in America, the attainment of complete religious and political democracy by the colonists had an immediate effect in greater political rights and freedom to the people of England itself, so it was realized that the establishment of a better economic order in Africa would have a beneficial effect and melt away most of the opposition at home. So then, what was to be the order of things in Africa, and England as well?

All classes of people seized the opportunity to make known their views and to insist upon their demands. The Trade Unionists insisted that the principles of the Commandeering Bill be adopted generally; that the government obtain ownership and control of the industries and run them direct without the intervention of the capitalistic class. The laborer would then become the employee of the government. The profits that formerly went to the capitalists and to the government

during the war would go to the laborer in higher wages. If this were done there would be no more strikes and labor troubles would cease.

On the other hand, the capitalists contended that government conducted industry would never be a success; that it always costs the government more to accomplish a piece of work than private individuals; that higher wages to workingmen, and wages not controlled by the laws of supply and demand, meant more costly production and higher prices to consumers; that men of energy and ability were needed to conduct the industries; that unless such men were given a sufficient reward and incentive such as under the capitalistic system, industry would lack proper heads and would fail. It was argued that coöperation had not been successful in industrial undertakings for this reason; that coöperation had been successful in buying and selling commodities, but not in their manufacture and production, which was quite a different matter.

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It was also contended that the country would be in competition with other countries of the world. In other countries wages were controlled by the natural laws of supply and demand. The number of hours and the prices of commodities were governed by the same laws. Any attempt to control or change any one of these factors or to prevent free and open competition would disarrange the industrial fabric and make the country unable to compete with other countries of the world. No country, in this age of the world, can live unto itself.

Certain members of the commission took this view of the case. On the contrary, there were others just as strongly in favor of government ownership and a system of State Socialism. Between these contending forces a satisfactory solution of the questions involved was effected. What was wanted was government ownership, but not government conduct or control of industry. The war having passed, there was no need of government control. But government ownership was desira-

ble for the purpose of effecting a more just and equitable distribution of the profits of industry between the capitalist and the laborer. The great wrong of the old system was that the capitalists received too large a share of the profits of industry and the laborer too little. The one lived in comfort, luxury and ease, while the other underwent a dire struggle for existence with multitudes in abject poverty and want. This was the task before the commission ; to effect a more equitable distribution of the profits of industry between the capitalist and laborer, and leave industry subject to the same laws of supply and demand as to wages, hours, prices, reward and incentive, the same as before.

There was also a demand for a different system of property tenure. It seemed to be generally the opinion that the old system, which had succeeded that of feudalism, was largely accountable for the great difference of material welfare between the rich and the poor ; that it had been tried in England the last six hundred years and had resulted in a

large portion of its inhabitants becoming paupers; that it had been tried in America under the most favorable circumstances and the results were turning out the same,—the wealth of the country was being collected into a few hands with the greatest fortunes the world had ever witnessed, while poverty was developing with alarming rapidity.

Even before the war, as heretofore stated, a different system of land tenure was proposed by Lloyd George for idle tracts of land held by the English nobility. The proposition to return these lands to the government, to be occupied and cultivated by the people, meant a system of government ownership of all such farm lands in England. With farm lands as with industry, the object of government ownership was not to conduct or control farming, but to effect a more equitable distribution of the means of subsistence, and to keep such lands open and of easy access to the people.

These were the tasks before the commission. After giving a full and impartial hearing to

all parties, after hearing the views and arguments of the leading men of England and other nations, a system of laws was formulated. They were adapted, with certain modifications, to a single industry, to a single city, to an entire shire or county, or to a combination of farm lands located in different shires or counties. They were widely discussed by the public press, by citizens, and after being given the widest possible publicity, were put into final form and adopted by Parliament.

Thus a great victory was achieved by the common people by means of which a system of wealth distribution and property tenure was obtained, as superior to the old system as the old system was to that of feudalism. Thus England started upon a far-reaching reform as regards her own land system, and peacefully and voluntarily gave to Africa that which was as great an economic advance as was the American constitution, wrung from her by seven years of warfare, a political advance.

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Shortly thereafter a large industrial army was sent to British East Africa and the development and settlement of the country was commenced upon a scale never before witnessed in the world. Towns and cities were erected with every modern improvement, including streets, sewers, light and water plants, municipal buildings, schools, churches, business buildings and residences, everything complete and ready for occupancy. In the country districts, farms were laid out and houses and other buildings erected thereon, public roads constructed, and irrigation and drainage systems were undertaken. Thus the world was given a most striking object lesson within the course of a few years as to what an industrial army of peace can accomplish for the good of man as compared with the destructive armies of war.

The greater part of the vast amount of work of constructing roads, ditches, dams, the erection of houses and the building of cities was done by machinery. Only the best and most approved methods of construc-

tion were used. Experts in all lines from different parts of the world were brought to the new country to give it the latest and best of old world methods. While this was taking place, commissions were sent to study the school, educational, business, agricultural, and penal systems of different countries. Profiting from the experiences of others, only that which was the best and most approved in all things was adopted in the new country. In fact, its great material progress and advancement over other countries consists largely in the adoption of the best and discarding the worst of what the rest of the world had to offer.

As soon as the houses were ready for occupancy, both in the cities and country, they were taken by settlers who came in a steady stream from England. Business of all kinds was flourishing. There were many splendid opportunities and offerings in the new country, and there was plenty of work for the workingman under a new and attractive wage system. Houses could not be erected fast



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enough to accommodate the great number seeking settlement in the new country.

The effect upon England was remarkable. With the departure of the first industrial army, she entered upon an era of good times and prosperity which continues and grows better every year. The new country furnished a large and profitable market, especially during the first years when there was no manufacturing and all supplies were imported from England. This of itself was a great impetus to all lines of industry. But in addition, the exodus of so many thousands from the home country made a place and room for those that remained. As a consequence all lines of industry flourished, wages have been increased and are now the highest ever known in the country. The standard of living has been raised, and the whole condition of the common people has been much improved.

The steady stream of pauperism that used to pour into the East End of London from all over the country, to be consumed and

destroyed by starvation and the terrible conditions there, has ceased. Men in the prime of life are no longer crowded out of the industries and forced into pauperism, as was the case before the war. They now find work at good wages on the farms, and in the factories and mines of the country. This great forward and uplift movement, which has cost England no more than the former armament expenditures, has paid well. It has furnished a place for her surplus population in a new land where they can live in comfort and plenty, and has been almost as profitable and beneficial to those that remained at home.

But of far greater import than all this prosperity and betterment, within a short time after the establishment of the new order in Africa, was the inauguration of a full and complete system of State Socialism in England. No prosperity or betterment under the old system could equal the general good and welfare for all the people under the new system. While many of the industries of the

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country had been nationalized and the profits applied to various funds for the workingmen's benefit, now all activities were to be nationalized including even the workingmen's earnings. Never again would the country revert to the old ways. Poverty, want, inferiority, and inefficiency, as formerly known among the masses, were to disappear forever.

A few years after the settlement and development of British East Africa commenced, similar movements were started in German East Africa, in the French and Belgium Congoes, Portuguese Africa and British Rhodesia. While this was taking place, the settlement and development of Alaska began. At an early day a strong public opinion developed in the United States that the great natural resources of Alaska should not be given over to be exploited for private gain by individuals or corporations, as were the resources of the United States itself, but should be held in reserve and be used for the benefit of all the people. That a different course was to be pursued in Alaska was

evidenced by the recovery back from private interests of valuable coal lands and other rights which had been obtained under the old land laws. This was not accomplished without a hard and bitter fight. The country then entered into a definite program of government ownership by the passage of the Alaska Railroad Bill, authorizing the government to construct and own a railroad in Alaska for the purpose of developing its natural resources.

The next step was the passage of the Alaska Coal Land Leasing Bill, by means of which the government was to retain ownership of coal and other valuable mineral lands, instead of passing title to private individuals as heretofore. Following this, it was announced by the Interior Department that an "Agricultural Land Leasing Bill" would be formulated and presented for passage to Congress.

All this was accomplished quietly, and with little or no opposition from any quarter. Thus quietly and unconsciously, perhaps, a

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public sentiment developed which led directly to a policy of government ownership in Alaska and the establishment of an entirely different order from that which prevailed in the United States. After the new system has been completely developed and successfully operated in the settlement and development of Alaska, we may look for its adoption in one or more of the Western States. And then to spread from State to State like other reforms, such as prohibition, woman suffrage, mothers' pensions, and workingmen's compensation. Or there may be an awakening of State Socialism, as predicted by Lord Northcliffe, an internal reflex action of the great changes which occurred in England.

But let us return to Africa where the new era, in a material and economic sense at least, has been fully established, and the settlement and development of which has been the wonder of the world. Never before in the history of the world has a country been as rapidly settled, improved and developed. While

everything has a new, modern appearance, it is difficult for the traveler to realize that it has all been erected and constructed within the course of a few years. The fine system of public roads of perfectly smooth concrete, over which fly swiftly moving autos and gyros as upon railroad tracks; the attractive country homes and farm buildings, with electrical equipment for doing every kind of housework and motor machinery for doing every kind of farm work; the great irrigating systems with their vast dams and reservoirs; the beautiful towns and cities covering such large areas, free from smoke and soot, heat and power being brought from distant mines and waterfalls upon electric lines; the artistic modern houses with sleeping porches and pretty gardens and the rare and beautiful flowers and trees, giving the cities a beautiful park-garden appearance; the model schools and churches,—the construction of all this, within so short a time, is the triumph of modern machinery, the miracle of modern methods. In this rich and prosperous coun-

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try every one fares well, all the people live in peace and comfort and lack none of the necessities of life. Regarded by its inhabitants as the ideal country, it has been called Equal-land because all its citizens, women as well as men, have both political and economic equality.

## CHAPTER IV

### A NEW SYSTEM OF LAND TENURE

UPON the principle of government ownership, a new system of land tenure was formulated by the Parliamentary commission and put into successful operation in Equaland. While the old system was a great advance over that of feudalism which it succeeded, yet it had been far from satisfactory, and much criticism was made of it in the years preceding the war. It was generally admitted that the land was the basis of wealth, and that all industries and lines of business were dependent upon what the land produced. Furthermore, all life rested upon and was sustained by the productivity of the soil. The land being the basis of wealth and the source of man's sustenance, it followed that, in order to have a more equitable distribution of wealth and the means of subsist-



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ence, there should be as free and easy access to the land as possible. As long as a nation is able to give its citizens free and easy access to its land, it will have little poverty, and all its citizens will fare well. But wherever a large portion of the citizens of any country is denied easy access to the land from any cause, pauperism prevails and national degeneracy and decay exist.

England had always been a country of large estates, most of the land being owned by a small portion of the population. The land was high priced, was seldom for sale, and generally remained in the same family from one generation to another. The land having been difficult to obtain, a large part of the people were denied access to it. Those that did have access to it, outside the few owners, were renters and laborers. All those citizens seeking the independence and material welfare to be derived from the ownership or control of land, have been obliged for the last two hundred years to leave England for other countries such as America, Australia, Canada

and South Africa, which afforded freer and easier access to the land. A large portion of those unable to leave the country, the less capable, less competent and desirable part of the population, was collected in the towns and cities, sinking deeper into pauperism and degeneracy every year, and becoming a menace to the nation. Such were the conditions at the beginning of the war.

On the other hand, the land of France was divided into small farms which gave a larger number access to it. There was not the extent of poverty in France there was in England. It was one of the wealthiest countries in the world, the basis of its wealth being its farms, and all the people fared comparatively well. It was quite likely, with the idea in view of correcting this fatal defect of high priced and unaccessible lands in England, that Lloyd George demanded a different system of land tenure, to be applied first to the idle lands in the hands of the nobility, and then to all cultivable lands in general.

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For the last two hundred years, what is now the United States had afforded free and easy access to the soil to its own and to the citizens of other countries. But nearly all the public lands having been taken, and there having been but a comparatively small amount thrown open to settlement within the last twenty-five years, pauperism has rapidly developed in America within this period. As long as there was plenty of land open to settlement or to be had at a low price, there existed little or no poverty in the country. But this condition no longer existing and the land formerly taken being now high priced and beyond the reach of a large number of citizens, they thus no longer have free and easy access to it. And as the population of the country increases and the land becomes still higher priced, the number denied easy access to it will increase. The great majority of these will become dependent renters, common laborers, the owners of little if any property, while the less competent and capable will sink

into pauperism in which there are already ten millions in the United States.

The old system of land tenure was brought to America from Europe and became firmly established in the country at the time of the Revolution. While a great political advance was attained through the American Constitution, there was little or no improvement made in the system of property tenure. Conditions at the time of the early settlement of the country and the adoption of the Constitution did not demand any change in this respect. There was nothing like the pauperism and severe struggle for existence there is to-day. The early settlers did not leave Europe to avoid poverty, but to escape religious persecution. The new country was so vast, great portions of it being still unexplored and unknown, the amount of land so much and almost without limit, that the time when all would be taken could scarcely be conceived. But the time came when conditions were different even in America. Its vast extent of territory was finally taken.

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There no longer was easy access to the land, and the results turned out the same as in European countries. The wealth of the country was collected into a few hands, while the many owned little or nothing.

In the Middle States land which had been given away or sold at the low price of one dollar and twenty cents per acre increased in value two or three hundred times, and was worth two to three hundred dollars per acre. That there had been immense frauds committed under the land laws in the taking of large tracts for grazing, timber and mineral purposes, and in the seizing of important water sites, was well known. In more recent years, the country was treated to the spectacle of a free for all race in the opening of certain Indian Reservations to settlement. Upon the border of the lands to be opened, thousands of people gathered with every kind of vehicle and means of travel imaginable. Each claim was to be given to the one who reached it first. The boom of cannon was the signal for the start,

whereupon the people rushed pell-mell over the fields for the rich prizes of fine farm lands and valuable town sites. Other lands have been disposed of by means of a grand lottery, free tickets given to the people, and the nation's heritage disposed of by chance. Thus, what in the beginning was intended to give every one a free or low priced home, became permeated with fraud and degenerated into a free for all race, or a drawing by chance.

The question was raised, Why give away the land at all? Why give away the land any more than any other part of the national wealth? Suppose ten million dollars were to be taken from the United States treasury to be disposed of by chance. Or suppose this money secretly located in different parts of a large field in amounts of two or three thousand dollars, with one or two capital prizes of fifty or a hundred thousand dollars. And suppose it were made known that upon a certain day there was to be a great free for all race for these prizes. Every citizen who

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desired could participate and choose his own means or method of making the race. All would be held on the starting line until a certain time when the boom of cannon would give the signal for the start. The people of the country would not have tolerated anything of the kind for a single moment. Yet the land was just as much a part of the common wealth as the money in the national treasury. In fact, the land constitutes the largest part of the wealth in the United States and other countries. To give it away, or to dispose of it in any manner, is to part with that which is the chief source of wealth belonging to all the people.

The title to all land originates with or is derived from the State, or the king, emperor, or other ruler who represents the State. Such being the case, instead of giving away or disposing of the land, what would be more natural and simple than to let the title remain in the State? It was a recognition of this principle, influenced, no doubt, by the great land frauds and the exploitation by

powerful interests of its great natural resources, that led the United States to adopt a system of land tenure based upon this principle in Alaska. And the same principle is the foundation of the system formulated by the Parliamentary commission and put into successful operation in Africa. Under this system, the title of all land remains in the State or a subdivision of it, for the use and benefit of all the people. Free and easy access to the land is thus secured for all time, whereas the old system afforded it only in the settlement and development of new countries while there was still plenty of cheap or free public lands to be had.

Every citizen does not have access to the land to go upon and cultivate it whenever he pleases. The State gives the citizen a certain possessory right or title, by means of which the citizen becomes the trustee or agent of the State to cultivate the land. Though the trustee for the State, the citizen is his own master and manager. He is not controlled or directed by the State, and is



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given as much independence and control of the land as an independent owner. His title is fully protected and safeguarded by law. It may be sold, bought, or otherwise disposed of, but is not subject to inheritance. His children are otherwise provided for, and if old enough, take title direct from the State which places them on an equality with all other citizens.

The chief objection to the old system of property tenure, and that feature of it which caused the collection of the wealth of the country in the hands of the few, with little or no ownership and poverty on the part of the many, was the right of inheritance. By means of it wealth was preserved and kept intact in the same family from one generation to another. Large fortunes were thus accumulated, because wealth possesses the inherent power of adding to itself. As a result, those who possessed no ability or merit, who rendered no service to society, were permitted to exact a toll from society for the sole reason that they happened to be rich men's heirs.

No one should be permitted to reap anything from society except through his own ability, according to his own merit, and in return for his own services rendered society. There being no right of inheritance in Equaland, every citizen is upon this basis. Since the ultimate title to all property, both real and personal, is in the State, upon the death of the citizen who has had control of it, the property reverts to the State to be awarded to other citizens according to ability and merit.

There should be no distinction between real and personal property. Both should be treated alike under the law. Large fortunes are made in personal as well as in real property. In fact, some of the largest fortunes in America have been made almost entirely in personal property. So much of the business of all countries is organized into corporations, the stocks of which are personal property, that if the accumulation of wealth in the hands of descendants is to be prevented, the law of inheritance must apply to personal as well as real property.

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As the title to all property is in the State, we have complete government ownership of every kind and class of property, the citizen's personal effects excepted. And as all property belongs to the State, every citizen engaged in any kind of business, occupation or employment is theoretically and legally the trustee, agent or employee of the State. This is State Socialism in its fullest sense, for out of this relationship the State does many things for the citizen it would not otherwise do. This relationship of trust and trustee, or employer and employee, covers every occupation and calling in life. Practically, every citizen is his own independent master, conducting his business or employment as he sees fit, without any control or direction on the part of the State, doing the best he can for himself and in free and open competition with his fellow man. All kinds of business, including farming and the employment of labor, are conducted along the same lines and upon the same principles as in other countries. The law of supply and demand regulates prices

and controls wages. There is the same rivalry and competition in all occupations, each citizen trying to succeed, to do the best and obtain the most for himself. But back of all this is the relationship of trustee, agent or employee, which, while it leaves each citizen free and independent to act for himself, makes a great difference in the condition of the people as a whole.

## CHAPTER V

### THE HOUSING SYSTEM AS APPLIED TO CITY PROPERTIES

It is necessary to explain that British East Africa is composed of a number of States or Provinces, each Province being made up of a certain number of Districts. A District corresponds in size and population to a county, parish or shire in other countries, and contains from 20,000 to 50,000 inhabitants, in the agricultural sections, to 100,000 or more population in the urban sections. The District is the unit by which the system is administered, though it is further divided into Sub-Districts for certain working purposes. In agricultural sections a Sub-District corresponds to a Township, from six to eight miles square containing from 400 to 800 population, and in cities to a ward containing from 1,000 to 10,000 population.

Some of the largest cities cover an entire District, being subdivided into Sub-Districts according to size. The ultimate title of all property within its borders is in the District for the use and benefit of all its citizens.

The first question raised by most visitors to this country is, "The title of all property being in the District, on what basis does the District give the use and occupancy of its property to the citizen?" There is as much difference as to the amount of property under the control and possession of different citizens as in any other country. There are farms of all kinds and sizes on which are buildings of different sizes and values. In the towns and cities the houses range in size from four or five room cottages worth from \$1,000 to \$1,200 occupied by the common workingman, up to the costly and palatial homes of the most successful business men. One also sees the widest possible difference in the amount of property in the possession of citizens for business purposes, from the small storekeeper possessing but a

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few hundred dollars' worth of stock, up to the great stores or manufacturing plants possessing capital of hundreds of thousands of dollars.

The basic principles underlying the distribution of the District's property among its citizens are simple. The first factor is the amount of the citizens' earnings for the District. Let us first examine the housing system, different from anything found in any other country, and which secures a home to every family, no matter how poor or humble.

In other countries a large portion of the workingman's wages, ranging from 25% to 33½%, is consumed in rent. This is a constant and ever increasing burden. But in this country there are no landlords standing between the citizen and his home. The District itself furnishes each citizen with a home, in many instances with no rental whatever, and which is to all intents and purposes a home belonging to and owned by the citizen.

Since the housing system is based largely, though not altogether, upon the amount of the citizen's earning for the District, each head of a family is given for home purposes the property use of three times the amount of his annual earnings, based upon a five year average. Two-thirds of this amount, or twice the annual earnings, is for the home itself, consisting of house and lot, flat or apartment, and one-third is for personal property, such as household goods, furnishings, etc. This amount secures a good and substantial home to every citizen in accordance with his position and station in life,—to the citizen earning \$500 per year a property worth \$1,000 and \$500 for furnishings, and to the citizen earning \$1,000 per year a property worth \$2,000 and \$1,000 for furnishings. If the citizen so desires, a larger proportion can be used for the house and lot, and a less amount in personal property. The amount of personal property, however, is limited to one-third the whole except when used for business or earning purposes.



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In providing each householder with a home, the value of both the lot and house is taken into consideration. How are the values of properties ascertained? It is quite necessary that there be a just and equitable method of originating and maintaining the values of properties between citizens, and between the citizen and the District. Let us first illustrate how values originate. Take a householder who has been earning \$1,000 per year for five years, who thereby becomes entitled to a property worth \$2,000. If there is a property of this value vacant in the Sub-District in which he resides, he must accept it, and if not satisfactory, await a chance to better himself. But if there is no property of this value vacant, and it becomes necessary to build, the citizen selects a lot which is awarded him in competition with bids from other citizens and in accordance with what other lots have been taken at in the vicinity. In starting new towns and in new additions to old towns, if there is a good demand and necessity for more houses, public

auctions are held, and the lots disposed of to the highest bidders. Lot values thus originate.

Suppose in the case above that the citizen is awarded the lot at the sum of \$400. He is given a deed of possession giving him the exclusive right and title as against all other citizens, but the real title or fee simple, however, remains in the District. This leaves \$1,600 for the construction of the house, which amount is placed to his credit at his bank, designated "house fund." He selects his own architect, contractor and workingmen. He has the house constructed and pays for it by checking upon the \$1,600 which can be checked upon for this purpose only. He furnishes the District duplicate receipts covering all his transactions, including the payment of the money. The money once paid out cannot come back to him, as it must be accounted for by the recipients and goes to make up their earnings as agents or trustees of the District. The citizen thus has every incentive and interest to see that

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he receives the most for his expenditures, the same as if the money were his own.

The citizen has had the house constructed and not the District. In return for his time and trouble he obtains a house according to his ideas and to suit him. It is stamped with his character and individuality. Those who do not like the trouble of building must await their chances with houses already constructed.

In the next five years this citizen may increase his earnings to \$1,500 per annum. He would then be entitled to a property of the value of \$3,000. If he prefers to remain in the same property he is allowed \$1,000 for improvements or enlargement. Thus the citizen may retain the same property a lifetime, if he so desires.

Plans for all new houses and enlargements must be obtained from, or be submitted to, a public architect for an estimation as to cost, and in order that they may be as sanitary, convenient and comfortable as possible. The house belongs to the public, while the citi-

zen who builds it may live in it only a few years.

All resident properties have a value and grading which begins in the manner above illustrated. These values are subject to increase or depreciation according to what new builders bid for vacant lots and the prices at which citizens are willing to take houses when vacant. Properties are graded according to values as follows :

	<i>Costing or valued at</i>		<i>For man earning per annum</i>	
Grade A . . . . .	\$1,000	to \$1,500	\$ 500	to \$ 750
“ A1 . . . . .	1,500	“ 2,000	750	“ 1,000
“ B . . . . .	2,000	“ 2,500	1,000	“ 1,250
“ B1 . . . . .	2,500	“ 3,000	1,250	“ 1,500
“ C . . . . .	3,000	“ 3,500	1,500	“ 1,750
“ C1 . . . . .	3,500	“ 4,000	1,750	“ 2,000
“ D . . . . .	4,000	“ 4,500	2,000	“ 2,250
“ D1 . . . . .	4,500	“ 5,000	2,250	“ 2,500

And so on up the scale.

The value or grade of a property starts with the price bid for the lot and the cost of the house, as above explained. It may move up or down the scale according to the demand for it as follows. Suppose a property in Grade B which cost originally \$2,200. The builder may have made a good selection

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in the location which grows in value. He may occupy the property free of rent and other charges, as long as he makes the yearly earnings with which he started, \$1,100 per year. He is entitled to the benefit of his good judgment in selecting the location, and permanency of the home and family is desirable.

At his death, or if he vacates for any cause, the house is open to selection to all citizens entitled to a home in Grade B or any higher Grade, and is given to that one who offers and has the highest amount of home value to his credit. Thus, suppose a citizen earning \$1,500 per year, who has a home credit of \$3,000, makes an offer for and accepts the property at this valuation. The property is thereupon raised in grade to correspond, and is supposed to have this value. There must have been good reasons for offering this much for the property when the citizen could have had a property in his own grade ranging in value from \$3,000 to \$3,500. The inducement could not have been in the

house, which is the same. It must have been in the location which has become more valuable.

When this property becomes vacant again it is advertised, giving the grade, which is now C. If no one entitled to a property in this grade selects it, after a certain time, from thirty to sixty days, it is advertised in the next lowest grade, B1, and if there are no offers in this grade, it is advertised in the next lowest grade, B, throwing it open to selection to citizens entitled to properties in these grades. The last occupant may have been mistaken in his judgment. The value he put on the property was not a sound one. He may have discovered his mistake and vacated for this reason as soon as he found another property vacant in his own grade. Other citizens do not value the property as high and refuse to accept it at his valuation. Hence, the property is lowered in grade. Or the last occupant may have used good judgment. Others are of the same opinion and select the house, when vacant, at his valua-

tion. The property thus remains in the same grade and may do so indefinitely. Thus properties rise and fall in value or grade, the same as in other countries when bought and sold.

Apartment houses and flats are constructed by a number of citizens going together upon a coöperative basis or by the District itself. Each suite of rooms is treated as a single property, and is valued and graded according to location and its proportion of cost to the whole. The same rules and regulations as to occupancy apply to a suite of rooms as to a single property.

Since all properties are owned by the District, a system of this kind is necessary. Properties appreciate and depreciate in value. It is a means of furnishing each citizen with a home according to his own choice, and at a valuation he puts upon it in competition with other citizens. The awarding properties to the highest bidders preserves values to the State. It also saves all disputes among citizens as to what properties they

shall occupy, and as to whether some are more favored than others in this respect.

No citizen is permitted at any time to have the property use of more than he is entitled to according to his earnings. It is the object and purpose of the law that all citizens be treated with absolute equality with reference to the use of the District's property. But the earnings of many citizens vary from month to month, and year to year. Outside those who have steady positions and fixed salaries, there is a large class, including farmers, business, professional and working men, whose earnings are not uniform. There must be some method of adjusting differences between the District and the citizen when the earnings are not uniform. This is accomplished by means of rental charges. If the earnings of the citizen vary, or fall below the amount on which the property was awarded him, he is charged with and pays the District the rental value on the difference. On the other hand, if the citizen should increase



his earnings, the District either furnishes him with a more valuable property or pays him the rental value on the difference.

The rental charge generally adopted throughout the country is 8% of the property value. It is based upon the value of the use of the District's capital, worth 4%, of which the citizen has the use in lot, house, and personal property. Each citizen is, therefore, charged with the value of the use of what property he receives from the District for home purposes at 4%. To this is added 4% for maintenance, repairs and depreciation, making the rental charge or value 8%.

All differences between the District and the citizen are easily adjusted by means of rental charges. Suppose a citizen has been earning \$1,000 per year and has taken the use of \$3,000 worth of property, \$2,000 in a home and \$1,000 in personal property. For some cause or other his earnings fall to \$800 per year, according to which he is entitled to the property use of only \$2,400. If he desires to remain in the same property,

he pays the District the rental value of the difference, 8% on \$600, or \$48 per year rent.

While no citizen is permitted at any time to have the use of more property than he is entitled to, at the same time, permanency of the home is secured by permitting the citizen to occupy a house as long as he pays the rental difference in case of decreased earnings. A citizen may thus occupy a property a lifetime if he so desires, even though his earnings decrease, without the slightest injustice to other citizens. I am informed that it rarely becomes necessary for the District to eject a citizen from a property on account of decreased earnings. These are matters that adjust themselves. If the earnings decrease greatly, the rental charges become so large that the citizen can no longer meet them and have sufficient for his other wants. In such case, he voluntarily gives up the property and obtains one in accordance with his earnings and thereby avoids the payment of rent.

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Another use made of the rental charge is the protection of values. It sometimes happens that a property is lowered in grade because of a lack of demand at some particular time. If there should afterward be a demand in this grade and necessary to build, a rental charge attaches to the property that has been lowered in order to bring it back to its original grade if possible, or if not, that the District's loss may be equalized by a rental charge. Likewise, if the cost of constructing a new house should run over the amount to which the citizen is entitled, the District furnishes the extra amount upon which the citizen is charged rent.

Permanency of the home is well secured under this system. On the other hand the system is elastic, and admits of an easy exchange of properties for those who desire change. Citizens entitled to properties in the same grade are permitted to exchange or trade with each other, the District accepting the exchange, any differences of values being adjusted by means of rental charges. If a

citizen has a property that does not suit him, he has the opportunity each time there is a vacancy in his grade to make a change; whereas an owner of property cannot change so easily and is often required to hold on to a property because unable to dispose of it at any time. Under this system the award of a property to that citizen having the highest amount of home value to his credit is practically the same as a sale to the citizen. The vacating of a property when another is to be had that suits better is, in effect, a resale to the District. But there are not the risks and losses in these sales and resales there sometimes are in other countries under private ownership. Here, if a citizen makes a mistake or obtains a bad bargain, he has the opportunity to correct it the first time there is another suitable property vacant. Whereas, under private ownership the citizen generally must accept his loss and abide the consequences of his mistake or bad bargain.

While the ultimate title of all property is in the District, the relationship of the citizen

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to the property is that of an owner and not a renter. Every citizen is given the use of a home in accordance with his earnings because he has earned it, is entitled to it, and it is his by right. Even the occupant of a suite of rooms in a flat or tenement has possession by title directly from the District, because he has earned it and it is his by right.

## CHAPTER VI

### THE HOUSING SYSTEM AS APPLIED TO FARM PROPERTIES

THE District not only furnishes each householder with the property use of three times his annual earnings, which provides every citizen with an appropriate home in accordance with his earnings and station in life, but goes further, and looks to his needs. A large family has need of more room and a larger house than a small one. It may have been noticed that the values of properties in Grade A, in the table on page 88, run from \$1,000 to \$1,500, and that there is the same variation in each grade. While in each grade there are properties of different values to accord with the earnings of the man with a small family, there is also a difference in value caused by larger houses for large families.

Districts differ as to the amount of

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additional home value allowed for the needs of larger families. It ranges from \$50 to \$100 per child with a limit at four or five children. In some Districts a man with a family of five children or more is allowed \$250 for the larger house needed, while in other Districts the allowance is \$500 additional home value. In many Districts larger houses are obtained at small additional cost by constructing them plainer, less stylish and elegant, and in less valuable locations, but not lacking in any of the necessary conveniences and comforts.

As the District furnishes each householder with a house in accordance with the size of his family, if it is unable to do so at any time, it pays the citizen the rental value on the difference. On the other hand, if a citizen occupies a house larger than he is entitled to, on this account he is charged with and must pay the District the rental value on the difference. This would be in addition to any rental charges caused by decreased earnings.

For illustration, take the case of a young man just married, no children, and earning \$800 per year. These earnings entitle him to a home of the value of \$1,600. As his family increases, the District must furnish him with a house in size and value suitable to his larger needs, or pay him the rental value of the difference. When he has two children he is entitled to \$200 additional for a larger home, and when he has four children or more to \$400 additional. If in either case the District is unable to furnish him the house in size and value he is entitled to, it pays him the rental value on the difference, which in the first case would be \$16 per year, and in the second \$32 per year.

But whenever a larger house is vacant, the citizen must accept it ; if not, the payment of the rental value on the difference to him ceases in proportion to what he is entitled to as compared with what he is offered. If his family consisted of six, and a house is offered him suitable for four, or \$1,800 value, and he refused, he would lose the rental credit on



\$200, and if he refused a house suitable for six, he would lose the remainder of the rental credit. The District could not afford to pay the citizen a rental charge when it has properties of the size and value to which he is entitled vacant. On the other hand, it cannot afford to let him occupy a large house when he no longer needs it. Hence, as his children reach maturity and leave home, if he continues to occupy the same property, each time a child leaves a rental charge attaches, on account of his lesser needs, at the same rate at which it accrued when his family was increasing. When all his children have left, he would have to pay a rental charge of \$32 per year if he retained the same property, which, in most cases, is sufficient inducement to cause him to move and seek a smaller property in accordance with the needs of his smaller family.

As a matter of fact, there are no difficulties in this respect. Inquiry in a number of Districts in different Provinces brought forth the assertion that families easily and natu-

rally adjust themselves to the size home needed. A small family has little desire for a large house because of the extra care and labor in taking care of it. This, together with the rental charges, causes the man, who has occupied a large house until his children have grown and leave for themselves, to seek a smaller house suitable to the reduced size of the family.

The District also furnishes each family with a house in size according to needs in the country sections, the same as in the cities. From the allotment of three times his annual earning, the farmer obtains his house, barns, other farm buildings, and personal property such as household goods, tools, and machinery.

That the farmer must obtain both his house and farm buildings out of the allotment due him might at first thought seem unjust. While the city man has the full value of his allotment in the house and lot alone, he has been obliged to expend from one-fourth to one-third his allotment for the

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lot. Whereas the ground occupied by a farmhouse and buildings is of comparatively little value, and buildings being necessary for every farm, the farmer is not charged with the value of the ground they occupy. This gives him the whole of his allotment for buildings and personal property and enables him to obtain both his house and barns.

It is necessary for the District to have a value on all town and city lots, because all values belonging to the District must be preserved and maintained ; and without putting a value or price on lots their values could not be preserved and maintained. Then there is such a great variation in the value of lots in the same town or city, that, in order to avoid disputes between citizens as to whether some are more favored than others, it is necessary to have a price on each lot to be deducted from the allotment so that those citizens who obtain the best lots pay for them.

But it is not necessary for the District to have a price on its farm land, neither as

regards its use and occupation by the citizen, nor to maintain its value. Farm land has a different value and from a different cause than city lots. In what does the value of farm land consist? It consists in what the land is capable of producing in products. A piece of land that produces nothing is worth nothing. A piece of land that produces large crops is worth twice as much as a piece of land that produces only half as much. This is the real basis of the value of farm land everywhere. What a piece of land is capable of producing is termed its soil value. This must be distinguished and kept separate from what is known as the labor value in the crops or products. In \$1,000 worth of farm products there is generally \$500 worth of labor and \$500 worth of soil value. The proportion of labor value and soil value depends upon the kind of products produced, some crops requiring more labor than others. Neither soil without labor, nor labor without soil can produce any crops.

Every piece of land possesses a soil value, which is determined from what it is capable of producing during a number of years. If a certain farm produces an average of \$1,000 worth of products per year for a number of years, it possesses a soil value of \$500 per year. This is the real value of the farm and represents its worth to the District. Hence, in order to preserve and maintain its values in farm lands, the District requires the citizen occupying the farm to equal the average crops each year, or pay it its loss in soil value, except in cases of unavoidable loss. The farmer must also, the same as the city man, equal the average annual earnings in accordance with what he has received from the District for buildings and personal property, or pay the District the rental value on the difference. That is to say, if a farmer had been earning \$1,000 per year and by reason thereof had been given the use of \$3,000 for buildings and personal property, if his earnings should fall to \$800 per year, he would be charged with using \$600 more

property than he is entitled to at 8%, or \$48 per year rent, the law being that if any citizen has the use of more than he is entitled to he must pay the rental value on the difference, and vice versa. In addition to the payment of this rent, the farmer would also have to pay the District its loss in soil value in the \$200 worth of products. By these means the District preserves and maintains its values both in the buildings and in the land.

There being no monetary value attached to the land, farms, then, are graded according to what they earn and the value of the buildings upon them, as follows:

<i>Farm earning</i>				<i>Buildings</i>	
<i>per year</i>					
\$ 500 to	\$ 750 . . . . .	Grade A	. . . . .	\$1,000 to	\$1,500
750 "	1,000 . . . . .	" A1	. . . . .	1,500 "	2,000
1,000 "	1,250 . . . . .	" B	. . . . .	2,000 "	2,500
1,250 "	1,500 . . . . .	" B1	. . . . .	2,500 "	3,000
1,500 "	1,750 . . . . .	" C	. . . . .	3,000 "	3,500
1,750 "	2,000 . . . . .	" C1	. . . . .	3,500 "	4,000

And so on up the scale.

In the erection of new buildings and in improvements and enlargements, each farmer is permitted to expend the allotment due

him as he deems best. He is allowed to determine how much is to go into the house and how much into the barns. He is supposed to know his needs best. The Sub-district exercises some control, but not often, because not necessary, in seeing that the necessary barns are not neglected and too much money put in the house. Plans must be approved by a competent architect in order to keep the cost within the allotment. If a mistake should be made, and the buildings cost more than the allotment, the occupant pays the rental charge on the difference until he can increase his earnings.

To illustrate how a farmer may use the allotment due him for building purposes, let us take the following example :

## FARM, TWENTY-FIVE ACRES

<i>Earnings per year</i>	<i>Size family</i>	<i>For larger family</i>	<i>House</i>	<i>Barns, etc.</i>	<i>Total buildings</i>
\$1,000 . . .	2 . . .	. . .	\$800 . . .	\$1,200 . . .	\$2,000
1,000 . . .	5 . . .	\$300 . . .	800 . . .	1,500 . . .	2,300
1,000 . . .	6 . . .	400 . . .	800 . . .	1,600 . . .	2,400

This farmer starts with a family of two, himself and wife. His family increases to

six, and for the extra house room the District allows him \$400. But the farmer thinks he needs more and better barns and expends the money in these, being willing to put up with the inconvenience of a small house. Or, if he had desired, he could have expended the extra allotment, or part of it, in land improvements such as drainage, tilling, ditching, etc. The District gives the farmer the privilege of expending the allotment in whatever way he deems best, and in this respect gives him the privileges and makes him the equal of an owner of the land. Many an owner in other countries would have expended any extra money in the same way. And it would probably be good business policy to so expend it, for the probabilities are that the extra barn will bring the larger house through larger earnings by reason thereof.

But suppose the farm becomes vacant. The next occupant must take it as he finds it. Suppose the next occupant has a family of two, the earnings of the farm continuing



the same, \$1,000 per year. The house is the right size, but there is more money invested in the barns than he is entitled to. He pays the District the rental value on the difference, or \$32 per year, as long as the situation lasts. If the family should increase, allowance would be made until there was a family of six, when the rental charge would cease. Or by increasing his earnings, he could apply what he would be entitled to on the increase and thereby diminish or entirely dispose of the rental charge against him. Or if this occupant had taken the use of but \$600 in personal property, he would be entitled to the use of \$2,400 in buildings, in which case no rental charge would have attached.

The following is another example of allotment spent or invested in farm buildings :

FARM, TWENTY-FIVE ACRES

<i>Earnings per year</i>	<i>Size family</i>	<i>For larger family</i>	<i>House</i>	<i>Barns, etc.</i>	<i>Total buildings</i>
\$1,000 . . .	2 . . .		\$800 . . .	\$1,200 . . .	\$2,000
1,000 . . .	5 . . .	\$300 . . .	1,100 . . .	1,200 . . .	2,300
1,000 . . .	6 . . .	400 . . .	1,200 . . .	1,200 . . .	2,400

In this instance the occupant has spent the allotment so as to give the right size house. So far as a change of occupants is concerned, the system works smoothly however the allotment is expended. If the next occupant has not the size family to suit, either too large or too small, the difference is easily adjusted by means of a rental charge.

The foregoing is the method by which the District furnishes each householder with a home in accordance with his earnings and family needs,—to the laboring man earning \$400 to \$500 per year a modest home valued at \$800 to \$1,200 in keeping with his simpler needs; while the business or professional man, earning \$10,000 or \$20,000 per year, can procure a home with \$20,000 or \$40,000 in accordance with his larger needs. So that in this country, where the title of all real estate is held in common by the District for the benefit of all, there are resident properties of all kinds, sizes and values, the same as in every other country. In the cities one

sees rows of neat, comfortable cottages for workingmen, or large apartment houses surrounded by beautiful and shaded lawns in which the home value of the citizen is obtained in a suite of rooms. On another street all the houses may be of larger value, \$5,000 to \$10,000 properties, and on the finest streets \$40,000 or \$50,000 properties. In the country regions one sees the same difference and variety in the size, style and value of houses and farm buildings in accordance with the size and earnings of the farm:

The law limiting the home and furnishings of each citizen to three times the amount of his annual earnings applies to all citizens alike, the rich as well as the poor. There could not be one rule for one and another rule for the other. The term furnishings includes all personal property of which the citizen and his family have the exclusive use, as distinguished from property used for business or earning purposes. All citizens, therefore, are limited to the use of a

home and furnishings three times the amount of the annual earnings.

This limitation is a wise and beneficial law. It enables the District to supply the poorest and humblest citizen with a good, substantial home ; at the same time it affords the wealthy finer and more elegant homes—not the costly and palatial residences possessed by the rich in other countries, but fine enough and good enough to satisfy all reasonable men.

## CHAPTER VII

### A NEW SYSTEM OF WAGES

FOR living expenses the District pays each citizen the same or an equal wage with every other citizen. To be entitled to the equal wage, the citizen must earn the full pay or wage in his work or employment, beginners and apprentices, not earning the full wage, being paid in proportion. Thus, if the full wage in a certain work or trade is \$3.00 per day, a beginner earning only \$1.00 per day receives one-third the equal wage paid by the District.

In this connection it is necessary to make a distinction between the terms equal wage and earnings. The equal wage is what the District allows or pays the citizen, —to every citizen the same no matter what his work or business, whether common laborer, artisan, business man, professional man, or farmer. Earnings are what the

citizen makes or earns in his work, employment, or business. The citizen engages in whatever work or business suits him best in a free, open, and competitive market, the same as in any other country. But every citizen being the trustee, agent, or employee of the District, whatever his work or business, accounts to the District for his earnings, and out of the earnings of all, after making certain deductions for other purposes, the District pays to every citizen the same or an equal wage.

The wage paid by the District varies from month to month, and year to year. In fact, it is very seldom the same, being dependent upon what the District makes or earns during a month or year. In prosperous months or years the wage paid is higher than in other months or years in which conditions exist which affect the prosperity. In agricultural sections it is high, and is likely to be far above the average for the year during crop selling periods, and below the average when there is little or nothing to sell.

Then again, the equal wage paid varies in different Districts. The District being the unit by which the system is administered, and no two Districts being alike in size, population, quality of soil, and character of industries, it is seldom that the wage is the same in two Districts. Still there is not a great variation and it is something near the same in Districts of the same Provinces or in the same scope or character of country.

The equal wage is paid monthly and averages from \$25 to \$30 per month. Visitors to the country, when first informed as to the amount of the equal wage, often express astonishment. A wage of \$25 to \$30 per month might be sufficient for the ordinary workingman and correspond with what he receives in other countries. But what about the citizen who earns \$400 to \$500 per month? To pay this citizen the same low wage and put him in this respect upon the same basis as the workingman seems contrary to all their ideas and opinions as to what is just and equitable. Such visitors are in-

formed that the equal wage is only a part of what the citizen receives, and are requested to reserve judgment until they ascertain all the District does for the citizen.

As a matter of fact the equal wage is high, this being a rich and prosperous new country, still in the making. In several European countries, where the wages paid in the industries are less than here, the equal wage would be somewhat less. It would depend upon what all citizens within a county or shire earn during the month.

The primary object in giving the property use of three times the amount of the annual earnings is to supply every citizen with a good and comfortable home, and the necessary personal property to furnish it. So the object and purpose of the equal wage is to supply every citizen with the necessities of life,—sufficient food and clothing to properly sustain the bodily functions. A monthly wage of \$25 to \$30 may seem small for living expenses, even for the workingman. But it must be remembered that the citizen



is also furnished a house to live in and the personal property to furnish it, and that it is not necessary for him to expend any part of the equal wage for furnishings or rent, except in cases of decreased earnings. In other countries from one-fourth to one-third the earnings of workmen and others, who do not own their own homes, is paid for rent. But in this country the whole of the monthly wage can be expended in food and clothing, and with proper care and economy is sufficient to supply each citizen with these necessities of life.

But every citizen has need of more than the bare necessities of life. One of the basic laws of the country is, "to every one according to his needs." All that the State does for the citizen is based upon this principle. The law giving each householder a home twice the value of his annual earnings is based upon need. The common laborer, whose earnings are small and tastes simple, does not want or desire the large and expensive house of the man of much ability whose

earnings are large. Likewise, the common laborer does not care greatly for education, culture, and the other refinements of life. His nature is easily satisfied in this respect. Nevertheless, he has needs in addition to a home and the bare necessities of life. He needs entertainment, recreation, and an opportunity of making the most of himself and family.

The man of ability, on the other hand, is not so easily satisfied. There are great differences in men. No two are alike, and no economic system could succeed long which attempted to put all men on an equality. The higher nature of the man of ability delights in culture, education, and all the refinements of life which do not appeal to the common laborer.

The higher needs of all citizens should be provided for. The District makes such provision by paying to each citizen 20% of his earnings in addition to the equal wage. This constitutes a fund known as "Special Needs." It is sufficient to supply the com-

mon laborer with his simpler special needs. It also enables the larger earners to enjoy more of the refinements of life than those who show less ability by less earnings,—to surround themselves with those things that appeal to and contribute to the culture and development of their higher tastes and more refined natures.

Aside from these considerations, the special need fund is general in character and is intended to cover special needs of all kinds. The equal wage paid every citizen for living expenses may not be sufficient in all cases. Out of the personal property fund the farmer must obtain his house furnishings and farm implements, and the mechanic his tools. This fund may not always be sufficient for the purpose. To provide for deficiencies of this kind and to cover other needs not otherwise sufficiently supplied, is the special need fund. Twenty per cent. for special needs is not an arbitrary figure, but has been adopted because it is the most suitable for the purpose. A less per cent. would be too little for

the citizen, and a larger per cent. could not be afforded by the District.

Basing the need of the citizen upon the amount of earnings may not appear to be a high standard. There are those who take the position that the citizen's need should be supplied irrespective of earnings. In this connection the need of the State itself must not be lost sight of. It is necessary for the State, or District, to maintain and support itself. There must be sound business principles back of what it does for the citizen, or it would soon be in a position where it could do nothing at all. Making the need of the citizen dependent upon his earnings sustains the State and is an incentive to the citizen to exert himself to the utmost that his needs be supplied. Incentive is highly essential in any society. If needs were not based upon earnings, many citizens would engage in impracticable pursuits, and others would follow callings which appeal to them but for which they have little or no ability. Every citizen, for his principal occupation at least, should

engage in that work or calling in which he can earn the most in order that the State or District as a whole may be properly maintained. Hence, it becomes necessary, so far as all those citizens who are capable of earning anything are concerned, to base needs upon the amount of earnings, both for the good of the citizen and the State.

## CHAPTER VIII

### REPAIRS AND MAINTENANCE OF PROPERTIES

EACH householder is also allowed 10% of his earnings for repairing and maintaining the real and personal property of which he has the use. This is known as the "Repair and Maintenance Fund." Five per cent. is for keeping up repairs on the house in which he lives, and 5% is for renewing and maintaining his personal property. Houses need repairs and personal property wears by usage. These are needs that must be provided for. Granting each citizen a certain proportion of his earnings for this purpose gives to each an amount that is in proportion to the value of the real and personal property of which he has the use.

As to how the Repair Fund is to be expended is left largely to the citizen. He de-

cides what repairs are to be made, buys the material, selects the workmen and bargains with them as to wages. Being the occupant of the property, which is to all intents and purposes his own, he is supposed to have sufficient incentive to do the best he can for the property and receive the most for the money.

The Repair Fund ranges from \$50 per year for a \$2,000 property to \$100 per year for a \$4,000 property, and so on up. Repairs costing considerably more than the yearly allowance are obtained by the occupant accumulating a repair fund by drawing upon it as lightly as possible for two or three years. The Sub-district in case of necessity advances an amount equal to what has been saved, charging the advance against future years.

The Sub-district exercises some control over the expenditure of this fund. Being the owner of the property, it has the right to insist that no necessary repairs be neglected, and the money spent for those not necessary. In each Sub-district there is a House Board which has nominal control and supervision

over all houses within the Sub-district. This Board employs a superintendent of buildings. When a citizen desires to make repairs he sends notice to the House Board, which sends its superintendent to inspect the premises. If there is nothing else necessary to be done ; or if it is not necessary to accumulate a fund for a large repair needed in the future, the repair applied for, whatever it may be, is allowed. There is seldom any difference between the superintendent and the citizen, for most householders are of sufficient judgment to know what is needed. But if not, or if indifferent, the Board has the right to direct the expenditure of the money in those things really needed to save and protect the property. Suppose a house needed a new roof, electrical, or heating appliance now, or in the near future. The Board would not permit expenditures in other things not needed and which could be postponed.

For apartment houses and flats, the repair fund is made up of 5% of the earnings of all families occupying the building. A certain



per cent. of this is taken for the repair and maintenance of the building as a whole, and the balance distributed among the apartments according to the earnings of the occupying families.

In case the householder vacates the property before the end of a year, any part of the repair fund not expended may be used by the next occupant. Though based upon earnings, the repair fund is for the maintenance of the property, and for this reason remains with the property. But the citizen moving loses nothing, as the house to which he moves has a fund for the year, either expended or to be expended. It is the duty of the House Board to see that all houses are kept in good condition and the necessary repairs made. For those houses occupied by transients, or those not interested in keeping up the property, the repair fund is taken charge of by the Board and expended by it. The Board also keeps up the necessary repairs on empty houses from Sub-district funds. It should also be mentioned that, in case of de-

creased earnings, the 8% rental charge keeps the repair fund intact, the rental charge being made up of 4% for the use of the District's capital invested in the property, and 4% for depreciation, or maintenance.

## CHAPTER IX

### ANNUAL RECEIPTS OF THE CITIZEN AS TRUSTEE OF THE STATE

THE following tables, compiled from the records of a District Auditor, show what each householder receives yearly, and the cost to the District and to the citizen on earnings ranging from \$350 to \$1,000 per annum.

In order to ascertain all that the citizen receives from the District, not only the Equal Wage, Special Need, and Repair Funds must be taken into consideration, but also the real and personal estate of which he has the use, which is charged against him at the rate of 4% per annum. The citizen, however, does not pay this charge, except a proportionate part in case of decreased earnings.

From the table on page 129 it is seen

## Equal Wage, \$300 Per Year, or \$25 Per Month

<i>Earnings.</i>	<i>Equal Wage.</i>	<i>Special Needs, 20%</i>	<i>Repairs, etc., 10%</i>	<i>Total Money.</i>	<i>Property Use, 4%</i>	<i>Total Received.</i>	<i>Cost State.</i>	<i>Cost Citizen.</i>
\$350 per year	\$300	\$70	\$35	\$405	\$1,050 4% - \$42	\$447	\$97 per year	\$ 10-2. %
400 "	300	80	40	420	1,200 4% - 48	468	68 "	19-3.4 %
450 "	300	90	45	435	1,350 4% - 54	489	39 "	48-8. %
500 "	300	100	50	450	1,500 4% - 60	510		77-11. %
550 "	300	110	55	465	1,650 4% - 66	531		106-15. %
600 "	300	120	60	480	1,800 4% - 72	552		135-18. %
650 "	300	130	65	495	1,950 4% - 78	573		164-20.5 %
700 "	300	140	70	510	2,100 4% - 84	594		193-22.7 %
750 "	300	150	75	525	2,250 4% - 90	615		222-23.6 %
800 "	300	160	80	540	2,400 4% - 96	636		251-26.2 %
850 "	300	170	85	555	2,550 4% - 102	657		280-28. %
900 "	300	180	90	570	2,700 4% - 108	678		
950 "	300	190	95	585	2,850 4% - 114	699		
1,000 "	300	200	100	600	3,000 4% - 120	720		



**Equal Wage, \$360 Per Year, or \$30 Per Month.**

<i>Earnings.</i>	<i>Equal Wage.</i>	<i>Special Needs,</i> 20%	<i>Repairs, etc.,</i> 10%	<i>Total Money.</i>	<i>Property Use,</i> 4%	<i>Total Received.</i>	<i>Cost State.</i>	<i>Cost Citizen.</i>
\$350 per year	\$360	\$70	\$35	\$465	\$42	\$507	\$157 per year	
400 "	360	80	40	480	48	528	128 "	
450 "	360	90	45	495	54	549	99 "	
500 "	360	100	50	510	60	570	70 "	
550 "	360	110	55	525	66	591	41 "	
600 "	360	120	60	540	72	612		\$12— 2%
650 "	360	130	65	555	78	633		17— 2+
700 "	360	140	70	570	84	654		46— 6+
750 "	360	150	75	585	90	675		75— 10%
800 "	360	160	80	600	96	696		104— 13%
850 "	360	170	85	615	102	717		133— 15+
900 "	360	180	90	630	108	738		162— 18%
950 "	360	190	95	645	114	759		191— 20+
1,000 "	360	200	100	660	120	780		220— 22%

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that the citizen, who earns only \$350 per year, receives from the District a total of \$477 or \$127 per year more than he earns, while the citizen earning \$1,000 per year receives a total of \$750 or \$250 less than he earns. It is also seen from the same table that on earnings less than \$600 per year there is a loss to the District, while on earnings of \$600 per year and more, there is a gain. This makes the cost of the system fall upon those who earn the most and who are able to bear it. There cannot be a more equitable distribution of the means of subsistence, poverty cannot be abolished and all citizens supplied with the necessities of life, without some system that will give more to the weaker and less able members of society than heretofore. State Socialism does this, supplying every citizen with sufficient of the necessities of life.

The costs of the system, borne by those citizens who earn the most and who are therefore able to meet it without any real denial to themselves, is not too large in pro-

portion to what is gained. While the citizen who is able to earn only \$350 per year receives from the District \$127 more than he earns, and the citizen earning \$1,000 per annum receives \$250 less than he earns, the latter citizen is rewarded by the District in proportion to his larger earnings. He receives more from the District and is able to live better than the first citizen. While both citizens receive the same wage, \$330 per annum, the citizen earning \$350 per year receives \$70 for special needs, while the citizen earning \$1,000 receives \$200 for this purpose. While the first citizen receives only \$35 for the repair and maintenance of his real and personal property, the latter receives \$100 for this purpose. The first citizen is given the property use of \$1,050, \$700 of which is in a house and lot and \$350 in household furniture, while the second is given a home worth \$2,000, nearly three times as valuable, and \$1,000 for furnishings. It is thus seen that there is much difference between the situations of the two citizens,



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and while the cost of the system is 25% of the earnings of the one, he is rewarded in proportion, and has every incentive to maintain his earnings at \$1,000 per year, and keep himself from falling to the position of the other.

## CHAPTER X

### RECEIPTS AND COSTS BY MONTHLY PERIODS

As heretofore stated, State Socialism is operated by monthly periods. The citizen accounts to the District for his earnings, and the District pays the equal wage and 20% for special needs at the end of each month. The Repair and Maintenance Funds are drawn upon as needed. To save time in making calculations, a handbook, containing tables, figures, and other information completely covering every detail of the system, is used by the District Auditors, a copy of which is to be found in the possession of every citizen.

The following and other tables and figures found herein have been taken from this book, entitled "The Citizen and the State."

Having shown what the District pays the citizen yearly, the following table showing

Table of Wage Paid, and what Citizen Receives, and what it Costs State, and what it Costs Citizen. Wage \$30 Per Month.

Monthly Earnings.	Equal Wage.	Special Needs 20%	Total Money.	Repairs, etc., 10%	Rent Value.	Total Received.	Cost State.	Cost Citizen.
\$30.00	\$30	\$6.00	\$36.00	\$3.00	\$3.60	\$42.60	\$12.60	\$ .45
32.50	30	6.50	36.50	3.25	3.90	43.65	11.15	1.90
35.00	30	7.00	37.00	3.50	4.20	44.70	9.70	3.35— 5+
37.50	30	7.50	37.50	3.75	4.50	45.75	8.25	4.80— 8%
40.00	30	8.00	38.00	4.00	4.80	46.80	6.80	6.25— 10%
42.50	30	8.50	38.50	4.25	5.10	47.85	5.35	7.70— 11+
45.00	30	9.00	39.00	4.50	5.40	48.90	3.90	9.15— 13+
47.50	30	9.50	39.50	4.75	5.70	49.95	2.45	10.60— 15+
50.00	30	10.00	40.00	5.00	6.00	51.00	1.00	12.05— 16+
52.50	30	10.50	40.50	5.25	6.30	52.05		13.50— 18%
55.00	30	11.00	41.00	5.50	6.60	53.10		14.95— 19+
57.50	30	11.50	41.50	5.75	6.90	54.15		16.50— 20+
60.00	30	12.00	42.00	6.00	7.20	55.20		17.85— 21+
62.50	30	12.50	42.50	6.25	7.50	56.25		18.33— 22%
65.00	30	13.00	43.00	6.50	7.80	57.30		
67.50	30	13.50	43.50	6.75	8.10	58.35		
70.00	30	14.00	44.00	7.00	8.40	59.40		
72.50	30	14.50	44.50	7.25	8.70	60.45		
75.00	30	15.00	45.00	7.50	9.00	61.50		
77.50	30	15.50	45.50	7.75	9.30	62.55		
80.00	30	16.00	46.00	8.00	9.60	63.60		
82.50	30	16.50	46.50	8.25	9.90	64.65		
83.33	30	16.66	46.66	8.33	10.00	65.00		

monthly receipts and payments will give a more true and accurate idea as to what the District does for the citizen. An equal wage of \$30 per month has been selected from the list of tables showing receipts by the citizen on earnings from \$30 to \$83½ per month, or \$1,000 per year. Any other equal wage could have been selected, but \$30 per month is a fair figure, and representative.

From the foregoing table it is seen that the man earning \$30 per month receives from the District \$12.60 more than he earns. He receives the equal wage, 20% of his earnings for special needs, 10% for repairs, and is given a rental credit of \$3.60 for the month. Earnings of \$30 per month, or \$360 per year, would entitle him to the property use of \$1,080, the use of which at 4% per annum is \$43.20, or \$3.60 per month. If this citizen has possession of \$1,080 worth of property, he is charged \$3.60 for the use of it, in which case his rental credit for the month balances the rental charge against him. But he may have possession of more

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than \$1,080 worth of property. Let us suppose his average earnings are \$40 per month and that, on this basis, he has the use of \$1,440 worth of property. The rental charge against him would be \$4.80 per month. His earnings being only \$30 for this month, he would pay the District \$1.20 rent, the rent to be paid being the difference between the rental charge and the rental credit or twelve cents for each \$1.00 of decreased earnings, irrespective of the occupant's earnings.

If, from any unavoidable cause, this citizen should not be able to earn anything for the month, he would receive the equal wage, but not the 20%, for this is based upon earnings. And in such case he would be charged with the full rental value.

It is observed from the above table that the citizen earning \$30 per month receives his rent free, including the repair fund, and \$6.00 more in money than he earns. The man earning \$40 per month receives \$6.80 more than he earns, or, his rent value and repairs being \$8.80 for the month, he earns \$2.00

toward these. The man earning \$45 per month receives \$3.90 more than he earns or earns \$6.00 on his rent value and repairs, and the man earning \$50 per month receives \$1.00 more than he earns, or earns \$10 of his rent and repairs. The man earning \$52.50 per month is fully self-supporting: that is, he earns all he receives from the District, and forty-five cents additional. On all earnings of \$52.50 per month and over, there is a gain to the District in the amounts and percentage shown in the table. On all earnings of \$83½ per month or \$1,000 per year the percentage of gain to the District is the same. These gains offset the losses, and make possible a more equitable distribution of the means of subsistence between the larger and the smaller earners.

## CHAPTER XI

### INCOMES IN EXCESS OF ONE THOUSAND DOLLARS PER YEAR, AND CAPITAL FOR BUSINESS PURPOSES

ON earnings which exceed \$1,000 per year, the citizen receives from the District on the first \$1,000 the same as other citizens earning \$1,000. From the excess, the District reserves for common use the same percentage as is obtained by it upon earnings of \$1,000, pays the citizen 20% of the excess for special needs, 10% for repairs and maintenance, and gives him the use of the balance for business or other purposes. This makes the cost to all citizens earning \$1,000 and up the same.

It has no doubt been observed that the percentage of cost to the citizen is a rapidly increasing one. If no limit were made, the cost on the larger earnings would be excess-

ive and unreasonable. For instance, if there were no limitation, the cost to a citizen earning \$10,000 per annum on a yearly wage of \$330 would be 56.7% of his earnings. So large a cost would make the citizen lose incentive, and would be injurious and detrimental to the business and industrial life of the country. It is therefore necessary to make a limit so that a sufficient amount of the citizen's earnings can be free for business and industrial purposes.

The opposite table shows what is received on earnings of \$1,000 per year and upward, on an equal wage of \$350 per year.

In this table each citizen is paid the equal wage, 20% of his earnings for special needs, 10% for repairs and maintenance of his real and personal property. On the first \$1,000 of his earnings he is given the property use of \$3,000, the use of which at 4% is worth \$120 per year. On an equal wage of \$350 per year each citizen also receives 47% of his earnings in excess of \$1,000 which can be used for business purposes, or in a home



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<i>Earnings, Per Year.</i>	<i>Equal Wage.</i>	<i>Special Needs, 20%</i>	<i>Repairs, etc., 10%</i>	<i>Property Use of \$3,000 4%</i>	<i>Balance of Excess, 47% Capital, etc.</i>	<i>Total Received.</i>	<i>Cost to Citizen.</i>
\$1,000	\$350	\$200	\$100	\$120	\$000	\$770	\$230
1,100	"	220	110	"	47	847	253
1,200	"	240	120	"	94	924	276
1,300	"	260	130	"	141	1,001	299
1,400	"	280	140	"	188	1,078	322
1,500	"	300	150	"	235	1,155	345
1,600	"	320	160	"	292	1,232	368
1,700	"	340	170	"	329	1,309	391
1,800	"	360	180	"	376	1,386	414
1,900	"	380	190	"	423	1,463	437
2,000	"	400	200	"	470	1,540	460
2,500	"	500	250	"	705	1,925	575
3,000	"	600	300	"	940	2,310	690
3,500	"	700	350	"	1,175	2,695	805
4,000	"	800	400	"	1,410	3,080	920
4,500	"	900	450	"	1,645	3,465	1,035
5,000	"	1,000	500	"	1,880	3,850	1,150
10,000	"	2,000	1,000	"	4,230	7,700	2,300
15,000	"	3,000	1,500	"	6,580	11,550	3,450
20,000	"	4,000	2,000	"	8,930	15,400	4,600
30,000	"	6,000	3,000	"	12,930	22,400	7,600
40,000	"	8,000	4,000	"	18,330	30,400	9,200
50,000	"	10,000	5,000	"	23,030	38,500	11,500
100,000	"	20,000	10,000	"	46,530	77,000	23,000

and furnishings in the same way and in the same proportion as on earnings below \$1,000 per year. For instance, a citizen who earns \$10,000 per year receives for living expenses the equal wage \$350 per year and \$2,000 special needs, or a total of \$2,350. He receives \$500 for the repair and maintenance of his house, and \$500 for renewing and keeping up his personal property. Each year he is given the use of \$4,230, making a total of \$7,700 received, or of which he is given the use on a wage of \$350 per year. On the first \$1,000 of his earnings he is given the property use of \$3,000, \$2,000 in a home and \$1,000 in personal property. If he desires a finer home he can make use of the \$4,230 each year in this way until he has a property and furnishings of the value of \$30,000, or three times the amount of his annual earnings, the same as any other citizen. Of this amount \$10,000 can be in personal property such as household furniture and personal belongings for himself and family. But after he has obtained a

home and personal property of this value, the excess capital each year must be invested, or made use of for business purposes. No rental charges on account of decreased earnings attaches to this capital, for it is obtained directly from the citizen's own earnings and not from the District.

Since the State is the owner of all the real and personal property, and the citizen is the trustee, agent, or employee of the District, all the earnings of the citizen belong to the District, and the District has the right to limit or prescribe the use of its capital which it entrusts to the citizen. For these reasons it has a right to say how much of its capital the citizen may have for his own exclusive and personal use, and what proportion shall be used for business purposes, of which the whole community, as well as the citizen himself, receives a benefit. For capital used personally is dead capital; that is, it earns nothing and benefits only the family which uses it. But capital invested in business, or to earn an income, is active and is

beneficial to the District as well as to the investor.

The District also limits or fixes the amount given the citizen for living expenses. We have seen that the man earning \$10,000 per year has \$2,350 for this purpose. The man earning \$20,000 per year has \$4,350 and the man earning \$50,000 has \$10,350 for living expenses. This is neither an unwise nor an unreasonable law. The amount for this purpose is sufficient to satisfy any reasonable man. Take the man earning \$10,000 per year. He can have a home worth \$20,000, personal property of the value of \$10,000, receives \$500 per year for repairs to his property, and \$500 per year for renewing and maintaining his personal property. He is given \$2,350 for pure living expenses, and receives \$4,230 each year to be actively invested in business or used otherwise. This is sufficient to enable him to live in a way, manner and style befitting his station, ability and earning capacity. It is not sufficient to permit extravagance and luxury.

The amount of money any man can use personally and really enjoy is limited, beyond which it becomes mere extravagance and luxury, in which the amount of real personal enjoyment is very small in proportion to the cost. If one man in any society is allowed to use \$1,000,000 for a palatial home for himself, it means that one thousand men are the owners of no home at all. If one man is allowed to expend \$1,000 for a cloak for his wife, it means that one hundred women must go without cloaks, wear old, worn and ragged ones, or possess none at all. If one man can sit down to a banquet costing \$100 per plate, it means that one hundred men must go without, or be content with half a supper. In any society in which all the people are to fare well, the luxuries and extravagances of the few must be dispensed with. Poverty can never be removed or avoided, unless a limit of some kind is put upon the expenditures of the rich.

On a wage of \$350 per year, the citizen is

given the use of 47% of his earnings in excess of \$1,000 per year for business, home, or investment purposes. The 47% of excess earnings is obtained as follows: the District deducts for general use the same percentage on the excess as is obtained by it on the first \$1,000 which is 23%. Thirty per cent. of the excess is paid the citizen for special needs and repairs, making a total of 53%, and leaving 47%, the balance, which is given the citizen for business purposes. The cost to the citizen, as well as the amount he receives for business purposes, depends upon and varies with the amount of the equal wage.

The opposite table shows the cost to the citizen and the amount of capital reserved or given him for business purposes on an equal wage of \$25 to \$30 per month.

Table showing the percentage of cost to the citizen on earnings of \$1,000 per year and over, and the percentage of the excess earnings reserved as capital for business purposes.

Earnings \$1,000 per year, or \$83.33 1-3 per month.

<i>Equal Wage.</i>	<i>Cost to the Citizen on \$83.33 1/3.</i>	<i>Percentage of Excess Earnings for Business Purposes.</i>
\$25.00 per month.	\$23.33 1/3 or 28%	42%
25.50 " "	22.83 1/3 " 27.4%	42.6%
26.00 " "	22.33 1/3 " 26.8%	43.2%
26.50 " "	21.83 1/3 " 26.2%	43.8%
27.00 " "	21.33 1/3 " 25.6%	44.4%
27.50 " "	20.83 1/3 " 25.0%	45.0%
28.00 " "	20.33 1/3 " 24.4%	45.6%
28.50 " "	19.83 1/3 " 23.8%	46.2%
29.00 " "	19.33 1/3 " 23.2%	46.8%
29.50 " "	18.83 1/3 " 22.6%	47.4%
30.00 " "	18.33 1/3 " 22.0%	48.0%

## CHAPTER XII

### DISTINCTION BETWEEN SINGLE AND MARRIED PERSONS

A DISTINCTION is made between a householder, or a head of a family and a single person or worker. What the head of the family receives outside the equal wage is based upon need, and in some instances the equal wage is paid solely because of need, as when the citizen is unable to obtain employment. But with a single person having no family of his own or no one dependent upon him, the case is different. For instance, a single person living at home whose parents provide and maintain the home and who are able to partially or wholly support their children, does not have the needs of a head of a family or of a single person upon whom some one is dependent for support.



For this reason, such persons are paid the equal wage only and are not allowed the special need, repair and property funds unless their earnings are in excess of their receipts. A family which is composed of at least two persons has need of the equal wage and the special need, repair and property funds. But it would be an economic mistake for the District to grant all these allowances to a single person whose earnings are less than his receipts, unless there was need of them for the person's maintenance and support, the need of the citizen being one of the basic and fundamental laws of the land outweighing any economic considerations. Hence, such person is paid the equal wage only, this also being one of the fundamental laws of the land to which there are but few exceptions.

But single persons whose earnings are in excess of their receipts are allowed the same as heads of families. In such case there is no economic loss to the District, and while there may be no need on the part of

the citizen arising from the necessities of life, there is a higher need of an ethical character in that the citizen's incentive must not be destroyed by requiring too large a part of his earnings for public purposes. There are also other needs of the single person which should not be ignored. Something is generally required for education, training, or there are special needs in getting established in a trade, business, or profession. The mechanic needs tools, the farmer implements, stock and poultry, the professional man office equipment, and the business man capital. Thus, while needs for living expenses are less, other needs in obtaining a start may be fully as large and urgent. Hence, when the citizen demonstrates by the amount of his earnings that he possesses the proper ability and capacity, he is granted the full allotments for these purposes. This reasoning, of course, does not apply to a single person fully established, and many citizens favor a further distinction in order that income may be based strictly upon

needs. This, however, is a question to be adjusted in the future.

Likewise, a single person upon whom another or others are dependent for support is paid the full allotment, for such a person is the head of the family. Family groups are formed in various ways. A householder or head of a family does not necessarily mean a married person. Any one who maintains a lawful and legitimate home is the head of a family, and entitled to the full allotment. This includes a widower maintaining a home with one or more children whether minors or of age; a son or daughter living with a widowed mother; a brother and sister living together, or an elder brother or sister at the head of a family of younger brothers and sisters. In case of the death of the husband, the wife or any one of the children, without respect to age or sex, may become the head of the family entitled to the full allotments in accordance to earnings. Generally, that one of the family who has the highest earnings becomes the

head and the property and other allotments are based upon his or her earnings. In such case, other members of the family are treated as single persons.

If a family so desires, the earnings of all can be combined, in which case it is paid but one equal wage, but the special need and property funds are thereby enlarged. The earnings of all minors are added to those of the head of the family since there is but one wage paid on the combined earnings with special need and property allotments in accordance with the whole. The earnings of the wife are also added to those of the husband, the two treated as one and paid but one wage. Also the wife may be the head of the family in case her earnings are more steady than those of the husband.

There is no distinction as regards males and females in the payment of the equal wage. All earners of legal age whether male or female are entitled to the equal wage. The only exceptions are minors, and in case of marriage but one wage is paid a

husband and wife. The payment of the equal wage to women the same as men has had a tendency to increase the wages of women in nearly all the industrial, mercantile, and professional occupations. There are very few single women who do not deserve as much as they receive, from \$25 to \$30 per month. Any attempt upon the part of merchants or manufacturers to reduce the wage of women below the wage paid by the District results in public disfavor and a loss of business and patronage which few can afford to incur.

Another distinction between a single person and a head of a family is that when the head of a family is unable to obtain employment the District obtains it for him, and if unable to do so, pays him the equal wage. But such is not the case with the single person living at home and upon whom no one is dependent, or whose earnings are not necessary for the family's support. In such case, the equal wage is paid only when the person has employment.

In some Provinces there is a limitation as to the cost to the citizen so that the cost cannot exceed 20% or 25%, whatever the limitation may be. Where there is such limitation, the amount of earnings at which the excess begins may vary. If the limitation should be 25%, it is seen from the table on page 129 that on an annual wage of \$330 the limit is reached at \$1,000. If the annual wage should be less than \$330 the limit would be reached at a figure less than \$1,000 per year earnings. For instance, if there should be an unusually poor year, and the annual wage paid only \$230, the limit would be reached at about \$700 instead of \$1,000. In such case, on all earnings over \$700 per year the District would deduct the same amount as is obtained by it upon the first \$700, pay the citizen 30% of the excess for special needs and repairs, and give him the use of the balance for business or investment purposes.

The District auditors have a simple device for finding the lower limit in case the an-

## DISTINCTION BETWEEN PERSONS 155

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nual wage is less than \$330 on a 25% limitation. It is simply this, for each dollar the annual wage is less than \$330, lower the limit three dollars. This brings it within the 25% limitation.

## CHAPTER XIII

### RETIREMENT BENEFITS, AND PROVISIONS FOR WIDOWS AND ORPHANS

UPON retirement each householder retains his household goods and personal effects, and is given a homestead in value twice the amount of the average of the annual earnings for all the years he has worked. He is also paid the equal wage and 20% of his average annual earnings for special needs, and 10% for repairs and maintenance. Thus, if a citizen's average for all his working years is \$800 per year, he would receive upon retirement \$160 per year for special needs, \$80 for repairs, etc., the equal wage, and a property to live in of the value of \$1,600. This enables every citizen during old age or disability to live in a property and on a plane and in a manner in harmony with his former method of living.



There are no paupers, no infirmaries, nor poorhouses in Equaland. There is no necessity for them. Every man is paid a wage and income during his entire lifetime sufficient to support him on an equality with other citizens and in accordance with what he has been accustomed. Instead of Infirmaries, there are Hotels, Sanitariums, and Old Folks' Homes. There is no charity about them. They are conducted by individuals or corporations for profit. The guests pay their board and other expenses from the wage and income received from the State.

Retirement does not occur at any specific age, but depends upon the health, strength, and capacity of the citizen. It may occur any time the citizen becomes incapacitated, as by accident in the prime of life or decline in old age. As a man begins to decline, he obtains lighter work requiring less hours of labor, sometimes the District finding it for him. Most men desire to be busy or to work at something. When the citizen is no longer

able to work, he makes application to the District Retirement Board to be placed upon the retired list.

The retirement privileges are taken advantage of chiefly by the workingman and salaried employee who has little or no capital. Whatever real or personal property he has had the use of for business or earning purposes is surrendered to the District, and in return therefor he receives an income based upon his average earnings. When a business man retires, whatever business, capital, or investments he may possess are surrendered to the District. When a farmer retires, he surrenders the farm he has been occupying. The same is true of every other citizen. However, business men and others, who have obtained possession of capital which has been invested so as to bring an income, generally rely upon their business or income to take care of them in old age.

Upon retirement, a man and wife are given the privilege of selecting the mode of life that suits them best. Not all old people

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desire to, or are able to maintain a home. If they should desire to board, travel, live at a sanitarium, or old folks' home, the District gives them the right to do so. In such case, instead of selecting and occupying a property, they are paid its rental value; that is, if there is a good demand for houses and few or no vacancies. But if there are vacant properties, and especially of the size and value to which the couple is entitled, the District could not afford to pay them the rental value and have the property vacant. In order that there may be no loss to the District from too many old people living in sanitariums which are attractive and desirable places, the District requires all those who are able to keep house to select a property in case there are vacancies, the rental value of which is paid them if they do not wish to occupy it, only in the event of its occupancy by others.

Those who desire to maintain a home generally select a house of the size and value to which they are entitled, though they may remain in any property of which they have

the possession, if they so desire. But by selecting a property of the value to which entitled, the payment of rental charges is avoided. The value of the home to which a man is entitled upon retirement is generally less than during the prime of life or the best working years, as it is based upon the poor years, as well as upon the good years. Having selected a home, the man and his wife are entitled to its possession and occupancy the remainder of their lives.

Upon the death of either the husband or wife, the survivor receives one-half the equal wage, 10% of the average annual earnings for special needs, 5% for repairs and maintenance, and the property use of one and one-half times the average annual earnings. This is one-half of what the husband and wife together receive, and is based upon the theory that it requires one-half as much for living expenses and other needs for one person as for two. With proper management, supplemented by personal efforts to earn something, which the District expects

of all who are able, the income paid is sufficient to enable the widow or widower to live in a manner in harmony with their former methods of living. In cases of infirmity and incapacity, further allowances are made in accordance with needs.

If the husband dies leaving the widow and minor children, the widow is given additional house value in accordance with the size of the family. She is also paid certain amounts for the support and maintenance of the children. In case of the death of both parents, certain payments are made to, or in behalf of the minor children for their support and education. It must be remembered that no property, real or personal, can be inherited. Upon the death of the father, all the property of which he had the use and possession reverts to the State. Neither the widow nor the children can acquire title to anything from the father, except household goods, personal effects and heirlooms. Their rights are obtained directly from the District itself. When old enough, the child or heir

acquires the use and title to property from the District in accordance with earnings. But this leaves the widow, and the children until they are old enough to earn for themselves, without an income or means of support. This is why the widow and children are paid incomes for their maintenance and support.

Since all the property or wealth of the parents reverts to the District upon their death, the District in return endeavors to support each child, and give it as good a living, education and training as the parents would have done, if living. The income paid the child is a certain amount per month according to age, to which is added a certain percentage of the parents' average annual earnings. It is sufficient to secure good homes for all children among the people. Families compete with each other for homeless children, and old ladies and widows help support themselves by furnishing them a home. Most children are free from institutional life which is lacking in home influ-

ences and home surroundings so essential to the welfare and happiness of the child.

There are no child paupers, no charities, nor charitable institutions in behalf of children. Every orphan receives an income in his own right from the State sufficient for his education and support, because he has need of it, and in order that he may become a useful and self-supporting citizen.

## CHAPTER XIV

### A CONCRETE EXAMPLE AND ILLUSTRATION

To illustrate the operation of a District as a whole, the following facts and figures have been obtained from the Kijabe District containing about one hundred thousand population. Approximately, 70,000 people of this District live in towns and cities, the largest city, Kijabe, containing about 60,000 people, with smaller towns of 300 to 2,000 population. The citizens of Kijabe and the smaller towns are merchants, storekeepers, manufacturers, professional men, clerks, mechanics, and workers of various kinds, while agriculture is carried on in the country sections and is an important industry. There are both larger and smaller Districts in the country, the larger being city Districts and the smaller rural. The operation of the system is the same, however, in every District, since the principal difference is in the amount of



earnings as a whole, the number of workers, with some variation as to the percentage of cost of operation.

In the Kijabe District there are 26,692 citizens entitled to the equal wage, 24,647 of whom are active earners and 2,045 wholly or partially on the retired list. The whole number of active workers in a community range from one-third to one-half the total population. Only about one-fourth the population, however, receive the equal wage and other allotments. The reason is, as before stated, the earnings of minors, which comprise more than one-third the total population and less than one-tenth of whom are workers, are added to those of the parent, or head of the family. The earnings of wives who work are also added to those of the husband. And after deducting the number of daughters living with parents, also students and others who as yet have no regular occupations, the number of earners entitled to the equal wage is reduced to about one in four of the total population.

The earnings of the active citizens of this District range from \$30 to \$100 per month, with a number of business and professional men, and farmers earning from \$2,000 to \$3,000 per year, or an average of \$250 per month. Several citizens earn from \$4,000 to \$5,000 per year, and a few of the most successful ones \$8,000 to \$10,000 per year.

The earnings of all citizens for the month just closed were \$1,616,978, or an average of \$65.60 for each of the 24,647 active workers. An average of \$65.60 per month, or \$787.20 per year is a favorable comparison with the average earnings of the citizens of other countries. After elaborate calculations, "based upon thoroughgoing statistics," the English national income was estimated by Chiozza Money at \$8,750,000,000, the national income of Germany by Dr. Karl Helfferich at \$11,250,000,000, and of France by Leroy-Beaulieu at \$5,000,000,000. Dividing the total population of these countries by four to ascertain the number of citizens who earn this income and who would

receive the equal wage and other allotments, it is found that the average income or annual earnings of each citizen would be \$770 in England, \$693 in Germany, and \$505 in France. These estimates were made before the war. During the war, official and other estimates placed the English national income considerably higher, and as a matter of fact, the general increase of wages among all classes during the war would raise the amount of the average income or annual earnings of each citizen.

The estimates for France were made several years before the war, and in view of the large increase of money and the rise of prices in the years preceding and during the war, there is reason to believe that the average income in France is as high, if not higher than in England.

The only information available as regards the United States is an estimate by the Department of Agriculture that the average income of the American farmer is \$640 per year. The average in all the principal agri-

cultural sections and in the cities is certainly higher than this. In the Second Revenue District, New York City, there are 15,000 persons whose total income is one billion dollars annually. This in itself, to say nothing of the earnings of all the other citizens, is sufficient to make an average of over \$700 for each one of the 1,375,000 earners or heads of families in the city. Taking into consideration all information available, it is more than likely that the average income of all classes in America is as large, and perhaps larger than in England.

The earnings for the month in the Kijabe District were distributed as follows :

*Total Earnings*

\$1,616,978

\$323,395	20%	Special Need Fund.
161,976	10%	Repair and Maintenance Fund.
365,480		Total Public Expenses.
33,334		Use of Excess Capital, -44.4%

\$884,187    \$884,187    Total for all purposes, except equal wage.

\$732,791 Wage Fund.

The wage fund of \$732,791 gave a wage of \$27 to each of the 26,692 citizens, and left a balance of \$11,107 in the treasury.

From the total earnings of \$1,616,978, 20% was deducted for special needs, 10% for repairs and maintenance, and \$365,480 for public or common uses, such as cost of administration, salary of District officials, maintenance of schools, police and fire departments, the incomes paid retired citizens, widows and orphans, and such other public expenses as are raised by taxation in other countries.

There are a number of citizens whose earnings are in excess of \$1,000 per year, or \$83½ per month. As heretofore explained, these citizens are given the use of a certain percentage of the excess earnings, dependent upon the wage to be paid, for business and other purposes. The excess earnings for the month were \$77,553. It was found that after deducting the special needs, repair and general public expense funds, out of the balance an equal wage of \$27 could be paid each citizen, leaving a balance of \$11,107. On a wage of \$27, citizens whose earnings are in excess of \$83.33½ per month

are entitled to the use of 44.4% of the excess, making \$33,334 which must be deducted for this purpose before the payment of the equal wage.

The wage fund is the balance of all the other items. It is what is left after providing for all fixed charges and expenses. It is the one variable and changeable item,—the adjuster of all the other items, so that whatever the earnings the system is workable.

The 20% paid each earner for special needs, the 10% for repairs and maintenance are fixed charges. So are the incomes paid retired citizens, widows and minors, and the amount to be reserved for business purposes. The amount required for public expenses is also fixed and certain, being determined in advance for each year by an Appropriation Board, the same as public expenses and taxes are determined in other countries. A certain proportion of the yearly public expense is deducted from each month's earnings, thereby eliminating the payment of taxes, which is an unnecessary process under State Socialism.

All these items are fixed and definite, easy to determine, and with what is left for wages the system is easily operated.

In the Kijabe District the earnings of all citizens for the last fiscal year were \$20,219,748. The equal wage averaged \$28 per month, leaving a balance of \$9,436 in the wage fund at the end of the year. The excess earnings amounted to \$1,438,636. Deducting this from the total earnings, there remains the sum of \$18,781,112 representing the earnings of all citizens whose earnings were \$1,000 per year and less. These citizens were entitled to the use of \$56,343,536 worth of property, \$37,562,112 in houses, farm buildings, etc., and \$18,781,112 in personal property, to each three times the amount of his annual earnings. As a matter of fact the District has more than this amount in houses and buildings, and the citizens have more than this amount of personal property. The year being slightly below the average, there was a considerable sum paid the District as rental charges. But the present year

may be above the average, in which event an equal amount of rental charges may be returned the citizens.

While a certain amount of personal property is perishable such as household goods, furnishings, farm machinery, tools, etc., a large part used as capital for business purposes, investments, etc., is permanent in character and is accumulative and keeps adding to itself. For this reason, in the course of time the amount of personal property in a District may equal or exceed the amount invested in houses and buildings.

The total public expenses for the year were \$5,130,180. Of this amount \$1,632,420 was paid for cost of operation, official salaries, schools, police and fire protection, etc., which sum compares favorably with the general public expenses of a similar well improved and prosperous District or County in the United States. The sum of \$1,842,796 was paid for the support and maintenance of retired citizens, widows, and orphans. The cost of State Socialism may seem considerable to



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citizens of other countries. But in no other country are there as many benefits and privileges returned to the citizen. The District makes nothing from its citizens. All that it takes from them, outside of necessary operating and running expenses, is returned again. The above amounts not only cover ordinary public expenses, old age and accident insurance for the citizen himself, but also the most liberal and complete insurance known in the world for his wife and children in case of his decease.

After deducting the two items above from the total public expenditures, there remains the sum of \$1,654,964. This is known as the property fund and is the source from which the District obtains and perpetuates the property to which its citizens are entitled to the use in accordance with earnings. It has been seen that the citizens of this District, according to the earnings for the last fiscal year, are entitled to the use of \$56,343,336 worth of property. Supposing the earnings to be about the same for a number of years, the

\$1,654,964 amounts to \$57,923,740 in thirty-five years. It is thus seen that the system is self-supporting and self-sustaining. All the real and personal property of which the citizen is given the use could be renewed every thirty-five years. But this is not necessary. While a part of the personal property is perishable it is replenished by the maintenance fund of 5% per year, its average life being twenty-five years. But the houses, farm buildings, etc., are permanent in character and last several generations. It is thus seen that the older and more improved a country becomes, not so much is required for building purposes, and, except the allowance of a certain percentage for decreased values and decay, only the increase of population or increased earnings need to be provided for. Not so much being required for building purposes leaves a larger amount to be distributed as wages or in other benefits.

It is thus seen that there are no more difficulties or obstacles in operating a District than there are in the running of an ordinary

County, Shire, or Municipality elsewhere. Public or common expenditures include more items than elsewhere and a larger percentage of the people's earnings are required for common uses. But there is no indefiniteness or uncertainty. There are no unknown or unascertainable factors so far as the public as a whole is concerned and which cannot be provided and taken care of. And so far as the citizen himself is concerned, the only indefinite factor is the equal wage. But this is determined and paid each month, and the variation is not large enough to cause any uncertainty or inconvenience regarding living expenses.

## CHAPTER XV

### PUBLIC AND PRIVATE IMPROVEMENTS

THE method of making and paying for public improvements does not differ greatly from that employed in other countries. Public improvements of a general nature and beneficial to all the people, such as sewerage, water, etc., are paid for by the whole community, money for which is raised by District bonds. For making improvements which especially benefit a certain class, such as street improvements, country roads, drainage, irrigation, etc., bonds are issued and the cost of the improvement is assessed against abutting properties according to benefits, and paid for by the occupants by means of rental charges.

The value of the improvement is added to the value of the property. The property is benefited, or increased in value by the amount

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of the assessment. The assessment is made upon this basis. Hence, the property holder is charged rent on whatever property value he may be using more than he is entitled to by reason of the improvement. For illustration, suppose a street or other improvement of the value of \$200 has been made to a certain property, the property is valued at \$2,000 and is occupied by a citizen earning \$1,000 per year. By reason of the improvement the property is now worth \$2,200. Money to make the improvement is obtained by bonds to be paid for in ten years at 4% interest. The District or Sub-District makes the yearly payments on the bonds. The first payment is \$28 being \$20 principal and \$8.00 interest. If the earnings of the occupant of the property remains the same, he is charged with occupying \$200 more property than he is entitled to at 8% per year, and the interest on the bonds, making a total of \$24. On ten year bonds the rent and interest paid by the citizen almost equals the payments on the bonds made by the District. Improvement bonds

are frequently made payable in fourteen years, in which case the yearly rental charges paid by the citizen equal the payments made by the District.

When the bonds have been paid, the interest charge ceases. But in case the property holder does not increase his earnings, he continues to pay rent on whatever value the improvement adds to the property according to its condition. As streets and other improvements are used and much worn by the public and in time have to be rebuilt, it would not be just to keep charging the property holder rent on the original cost. Appraisements, therefore, are made every five years to determine their condition and real value to the abutting properties.

Rental charges made on account of public improvements may cease by the occupant of the property assessed increasing his earnings, for he thereby becomes entitled to the use of more property. The District can give him the use of this increase in a street, or any other improvement, as easily as in an

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addition or improvement to his house or in a more valuable house. The one costs it no more than the other. It is thus seen that the District or Sub-District obtains money for special improvements upon its bonds, makes payments on the bonds out of general funds, and reimburses itself by means of rental charges on whatever values the improvements add to the benefited properties.

A similar method is used in behalf of farmers to borrow money to make land improvements for the purpose of increasing earnings. Principal and interest are paid for by the Sub-District out of common funds, the farmer being charged interest and rent. All such loans must be approved by the Sub-District Board. Or the landholder can borrow on his own responsibility without the approval of the Sub-District Board, the principal and interest to be paid out of his own income,—the equal wage and special need fund, the loaner having a lien on these until paid. If the earnings should increase, the borrower obtains funds from the Sub-

District, to which he is entitled by reason of the increase, to discharge the debt, the loaner also having a first lien of this fund.

There are other regulations, methods, and laws covering the loaning of money to make land improvements which we will not take the time to elaborate. Suffice it to say that all such loans are permitted and obtained with the view of increasing the earnings of the farm and which the occupant is not willing or cannot do by his own labor. Considerable money is borrowed in all agricultural Districts for this purpose, and it is a means of developing and improving the country much more rapidly than otherwise.

On the other hand, many landholders make their own improvements without borrowing. Those whose earnings are in excess of \$1,000 per year frequently make use of the surplus for this purpose. It has been shown that on an equal wage of \$27.50 per month the citizen is given the use of 45% of the excess. Thus, a farmer earning \$2,000 per year would be given the use of



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\$450 a year or \$2,050 in five years. The best place for him to use this capital would be in making improvements on his own farm to increase his earnings; to invest it where it would be under his own control and mastery. In case of a sale of his rights, or his removal to another farm, he would receive whatever he has so expended in money or in other property. Those whose earnings are less than \$1,000 per year make improvements by performing the labor themselves and by paying for what material is necessary out of their individual income. By so doing, no rental charges are incurred. Many like the independence and freedom from any debts or charges to be deducted from their income. By proving and reclaiming the land, the farmer increases his earnings. For every \$100 added to his earnings by draining, irrigating, clearing, and reclaiming an acre or two of land, the District gives the landholder \$300 for more buildings, furniture, machinery, or to be used in the improvement and reclamation

of still more acres. The landholder thus goes on bettering his surroundings and condition, bettering his farm, buildings, and all connected with it, increasing his earnings with the assurance that he can have the use of the farm as long as he desires, and receive from the District, when he is no longer able to work, retirement benefits in conformity and harmony with his method of living during his active years. Or, what is more probable, by reason of his having increased his earnings, he is likely to receive an award from the District of a more valuable, better, and more productive farm than his own, and thus keep on going up and up, the position he finally occupies being limited only by his own ability and capacity.

The banking business of the country is upon a sound and safe basis. It has been observed that in loans made to landholders for land improvements, the Sub-District pays the principal and interest and in return charges the farmer rent and interest. A whole community being thus responsible for an obliga-

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tion makes it as safe and secure as a bond. The Sub-District has a sure and easy method of collecting any rental charges or interest due it by simply deducting the amount out of the equal wage or other income going to the citizen.

The District itself, being similar in working principles to a corporation, is often a large borrower for various purposes. Large sums are also loaned business men and corporations, and upon bonds for making public improvements of all kinds. Money loaned business men is protected by a lien upon the business, and the banks are further safeguarded by a superior system of knowing and ascertaining the condition of any business at any time.

There is a larger proportion of capital free for business and industrial purposes than in other countries. The reason is that since all land is owned by the State, there is no buying and selling of the fee as between individuals, leaving a larger amount of capital free for other purposes. As a consequence, there

is ample capital for business and industrial purposes, and for developing the great and almost unlimited natural resources of the country.

## CHAPTER XVI

### A NEW COMPULSORY OCCUPATIONAL LAW

EVERY citizen who is paid the equal wage must perform the same or average number of yearly labor hours. A compulsory occupational law requires every citizen who is able and capable to become an employee of the State and to engage in some work, employment, business, or occupation. Wives and others having household duties or the care of a family, and children supported by parents are excepted. So are citizens upon the retired list, mothers having the support of a family, and others able to devote only a part of their time to earning. Those citizens able to work only a part of the time are paid a proportionate part of the equal wage to correspond with the number of hours performed. With the above exceptions, all citizens must become actively employed as workers and

earners for the District and perform the requisite number of labor hours.

There are no idlers, neither an upper rich nor a lower poor class, living off the rest of society. If poverty is to be eliminated in any country it is as necessary to abolish the one class as the other. If all citizens are to fare well, all must be of service to society. All must contribute time, labor and ability for the maintenance of themselves and for the benefit of the community as a whole.

If the citizen is not able to obtain sufficient work to perform the required number of labor hours, the District obtains it for him, and if it fails or neglects to do so, the citizen is entitled to the equal wage. The citizen must be willing and ready to work at all times. This entitles him to the wage if the District fails or neglects to furnish the necessary amount of work.

While the District guarantees employment to every citizen in case he cannot find it himself, it does not assume to furnish any particular kind of employment. Each citizen

must maintain himself in his particular trade, business, or occupation, and perform the requisite number of labor hours therein. If he fails to do so, the District, through its central employment bureau, furnishes him work with farmers during busy seasons, with other employers of labor, and upon public works. Farmers who fail to perform the necessary number of hours make up the average on public roads and ditches.

The labor hours performed by wives and minor children who assist in supporting the family by working part of the time are added to those of the husband, and the family receives but one equal wage. The earnings and labor hours of a father and grown son or daughter, living at home, are sometimes joined when either is unable to find sufficient employment to cover the requisite hours. The great majority of citizens, however, succeed in finding sufficient employment in their regular occupations without joining labor hours, for by natural laws the different trades and industries adjust them-

selves to each other as to the amount of work to be performed in each. If business or production is good in the chief industry of a District and labor well employed in it, the same condition prevails in other industries and pursuits. All business, including every occupation and pursuit, is so related and interdependent that one cannot be prosperous without having its effect upon the others. For instance, in those Districts in which agriculture is the principal occupation, if it is a good year for crops and farmers are required to perform more hours, the large crops cause more business and activity in all other trades and pursuits. The same is true whatever the chief industry of a District, whether mining, manufacturing, or agriculture.

Agriculture is the chief occupation of the country at large, and is the basis and foundation of all other industries, both as to business conditions and the number of labor hours required. Monthly crop bulletins are issued showing crop conditions in each Dis-



trict. Manufacturers and business men are given reliable information as to what are to be business conditions for the year from these reports, and regulate their activities accordingly.

But further than this, each District issues a monthly report giving the number of labor hours performed during the month in the District. These reports cover every work, trade, business and occupation, and give the average number of labor hours performed by all citizens in the District during the month. They are awaited with much interest by the people, for from them each citizen is informed whether he is keeping up with the average.

At the end of the year, the average number of labor hours performed by all the citizens of the District is ascertained, which number each citizen is required to perform for the year. At the end of the year some are above the average, some below. Those below the average must make up the deficiency the beginning of the next year on

public works if necessary. A proportionate amount of the equal wage is withheld until the deficiency is made up. Those above the average have the excess credited to the next year, or to any future year in which they may fall below the average. Many citizens keep ahead of the average and have labor hours to their credit in case of future contingencies.

The District does not attempt to control labor, designate or limit the number of hours to be performed each day or year. During the growing season farmers work a large number of hours per day, making up for the off season when little work is to be done. They are perfectly free as to how many hours per day, and as to when they work, the only requirement being that they perform the required number of yearly hours. This is the case with all the trades and industries. The number of hours per day is regulated by custom, the condition of the industry, the supply and demand for labor and not by law. Neither is the number of

yearly hours arbitrarily fixed, but automatically adjusts itself according to the amount of work to be done. In busy and prosperous years all workers put in more time; in poor years, less time. The yearly average varies from 1,500 to 2,000 hours, the monthly average from 120 to 180 hours, and the daily average from 5 to 7 hours. There being no idlers and much of the common labor performed by labor saving machinery, the number of labor hours are less per day than in other countries where these conditions do not prevail.

The law requiring every citizen to perform the average number of yearly labor hours is strictly enforced. Sickness or disability excuses the citizen during which he is supported by the District. If it is but a temporary indisposition, the lost time must be made up before the end of the year. But in cases of severe illness the citizen is given sufficient time to recover and is not required to make up the lost time unless physically able. Furthermore, he is paid an additional

income if needed by the family on account of sickness.

The District also supports the citizen when he is out of employment in case it is unable to find employment for him. It refuses support only when the citizen refuses such work as is offered him. The citizen who does not work or who earns nothing has no income and receives nothing from the District, for what he receives is based upon what he earns. It is extremely difficult for one to live without work, and few attempt it, for there are no public charities, and soliciting of alms is prohibited by law. The District provides for the citizen under all circumstances, except those who refuse to work. Hence, extensive public and private charities as in other countries are unnecessary, and there is no excuse or reason for begging or the solicitation of alms.

The District is very good to the citizen who does his part, but very severe to the one who is able but does not. If a citizen is not reporting a reasonable number of hours at

the office of the Sub-District in which he resides, there is an enquiry and investigation. If there is no apparent physical ailment, a medical examination is made to determine the amount of energy and vitality possessed, and if deficient in these, the citizen is treated. Laziness is a disease and is often cured so that the citizen becomes a willing and ready worker. It is only the wilfully lazy and the habitual shirkers that the District has to deal with, and its measures with these are severe when necessary.

The wilful and persistent shirker may be sentenced to hard labor on public works under guard and with ball and chain. If this is not sufficient, he may be given a term in a reformatory or penitentiary, at some hard, disagreeable and undesirable labor. Most of the hard, undesirable, and unhealthy work is performed by the criminal class instead of the poor and unfortunate as in other countries. For instance, since there is practically no child labor, the unhealthy and dangerous work such as that performed by

breaker boys at coal mines is performed by criminals. Other kinds of unhealthy and undesirable work are given the criminal, due consideration given the condition of his health in any work assigned him.

Notwithstanding this feature, the penal system of the country is one of the best and most humane in the world. The relationship of the citizen to the District is not changed by the conviction of crime and the serving of sentence. He is still the employee of the District, his earnings are accounted to the District and he receives the same income and wage as other citizens in accordance with earnings. Out of his income, the prisoner's maintenance is paid while serving his sentence. The rest is applied upon the support of his family, if he has one; if not, he obtains the use of it upon his release. The District supports the dependent families of its prisoners. The penal systems of other countries in taking a criminal from his family, in making the innocent family suffer in this way for the crime of the father, in

paying the criminal no wage, in turning him out at the end of his term practically penniless, do not give the criminal a fair chance, and are costly to the State. A penal institution that cannot be run upon a business basis and pay a profit out of its proceeds is not worthy of existence.

There is not a large class of confirmed criminals here as in other countries. The penal institutions of most countries are filled with men who, because they have committed one crime, are given no chance to earn an honest living, and are thus forced to a continuance of the criminal life. It is extremely difficult and often next to impossible for the criminal to find employment. But in Equaland, after serving sentence, the criminal is given the same chance and opportunity and is placed upon exactly the same basis as other citizens. Upon his return to his District, if he is unable to find employment himself, the District obtains it for him, or pays him the equal wage if it fails in doing so. Being thus assured employment, or a

means of support, there is not the inducement to the continuance of the criminal life. Neither are there the incentives or opportunities to enter the criminal life in the first instance. Much crime is the result of idleness and the lack of employment. But in a country in which all are required to be workers, and in which idleness is prohibited by law, many a young man who might have become a confirmed criminal is made a useful and serviceable citizen.



## CHAPTER XVII

### MEANS OF ASCERTAINING THE NUMBER OF LABOR HOURS

THE question naturally arises, what means has the District of ascertaining the number of labor hours performed by each citizen? The citizen being the employee of the District, his wages and earnings are not payable to himself but to the District, as would be the case with a business firm or corporation. What the employee of the business firm earns belongs to and goes to the firm. The business transacted is in behalf of the firm. All monies received, representing profits or earnings, go to the firm, since the employee is paid a specified amount for his work or services. The same principle is applied to the District and its citizens or employees.

Workers of every kind employed in stores, offices, factories, the trades, and at common

labor, are paid for their services by check, stating both the amount payable and the number of labor hours performed. These checks are required by law to be made payable to the Sub-District in which the citizen resides per himself, as follows :

“Pay to the order of Sub-District No. 10, of District No. 21, per John Smith, the sum of Twenty Dollars.

The General Supply Company,

Per \_\_\_\_\_ Treasurer.

For forty hours' work.”

This check cannot be used personally by John Smith or cashed by him. The only use he can make of it is to turn it into the Sub-District office, and obtain credit for the amount of earnings and the number of labor hours performed. All citizens report their earnings to, and deal with the Sub-District in which they reside. This is for the convenience of the District and to facilitate the operation of the system, since a District is divided into a number of Sub-Districts, each containing from 500 to 2,000 or more popu-

lation, about one-fourth of whom are workers or employees of the District.

In all the towns and cities, a large number of citizens are employees of different business houses, firms, companies, and corporations which not only keep an account of their employees' time, but generally pay in accordance with time. Such being the fact, it is easy matter for the District to obtain from the different firms and corporations the number of labor hours performed by each of their employees by requiring them to be stated upon the pay check. Payment by check is an easy, safe, and convenient method of paying employees and is in general use in all countries. Perhaps a more general and extended use is made of it in this country, because it is so well adapted to the operation of its economic system.

Hence it is that pay for all kinds of work and service is generally made by check,—the day laborer performing odd jobs here and there requiring a few days or only part of a day, as well as the regular employee of the

business firm or corporation. Professional men, such as doctors and lawyers, are also generally paid by check, the number of labor hours stated thereon, the same as on the pay check of the commonest laborer. The same is true of the bank president, cashier, the manager of a large business firm or corporation, the directors and stockholders, as well as all the employees, for every citizen must obtain credit for the average number of labor hours for the year.

Physicians are given so much time for each office treatment, and have a minimum charge as to time, such as an hour, or half hour. They are also given credit for a certain amount of time in making calls upon patients. When the physician presents his bill, it contains a statement as to the number of calls or treatments, the amount of time, as well as the amount due. And when the patient pays the bill, he makes a statement on the check as to the amount of time, thereby giving his endorsement and approval as to its correctness.

The lawyers and other professional men

also have minimum charges, keep an account of time consumed in services rendered clients, and obtain credit by having the time certified to on the pay check. Professional men are given five years in which to establish themselves, during which period, if they are unable to obtain sufficient business to perform the requisite number of hours, they are paid a proportionate part of the equal wage. There is always considerable professional business at the disposal of the District. This patronage is generally given those professional men unable to obtain sufficient business of their own accord to enable them to get in the requisite number of labor hours.

When the work or service is not paid for in cash, the employer or debtor issues his note or due bill payable to the Sub-District, and specifying thereon the number of labor hours performed. The citizen delivers the note or due bill to the Sub-District office, obtains credit for the time, when the note or bill is paid, for the amount in earnings. The 20% for special needs and 10% for re-

pairs are based upon cash earnings. Hence, if the citizen is paid by note or due bill, he would not be given credit for these amounts until the note is paid. He would, however, be paid the equal wage, if he has worked the average number of hours for the month even though none of his earnings are cash.

If payment should not be made by check or if it should be in money, as may be the case for small sums, a receipt is given by the payee and statement made as to the amount of time consumed which is signed by the payer. Both the receipt and statement are made in triplicating books. One copy goes to the payer, one to the Sub-District office, and the third is retained in the book. These books can be obtained only at the Sub-District office, each page is numbered and must be accounted for, and no changes can be made in the writing without its being detected. Or what is known as the punch receipt book may be used, in which the amount received and length of time is punched in duplicate on the printed pages

of the book. At the end of the month the book containing punched duplicates of every receipt given is turned into the Sub-District office, and the citizen is given credit for the number of labor hours performed. Payment by check, however, is the method most generally used, because it is the easiest and most convenient, safeguards the District, and is the most favored by the people.

This is the method by means of which the District ascertains the number of labor hours performed by the large number of citizens which comprise the employee class, and which includes every one who is paid for work or service of any kind, from the president of a bank or railroad corporation down to the commonest laborer.

Those not belonging to the employee class but who are in business of any kind for themselves, such as proprietors of stores, restaurants, barber shops, etc., are given credit for the number of hours their places of business are open. In all towns and cities the different lines of business commence and

end at the same hour each day and it is a matter of common knowledge whether a particular business is open during business hours. In the case of the business man, his business stands for him as to the number of labor hours required. He must, however, devote most of his time to his business, but his time is not marked by the hour like that of the employee. It is frequently necessary for him to be away from his business, and he is given the liberty and privilege of doing so as often as he may deem necessary and best, without any account being taken of his time. But if he devotes only a small part of his time to his business each day, it is not then his principal work or business, and he can obtain credit only for the amount of time actually devoted to it.

Building contractors and other employers of labor on a large scale keep an account of their own time and charge it to the contracts performed by them. The time and labor required to figure on and obtain contracts, employ labor, and supervise and



direct the work are as necessary and indispensable as the work of the employees. Hence, the large contractor, as well as the small one employing only a few men and perhaps working with them, keeps an account of and charges their time which is certified to by the one for whom the contract is performed.

Capitalists, investors, stockholders, and directors of business firms and corporations, obtain credit from the various firms and corporations for the amount of time necessary to look after their interests. A citizen may have sufficient capital invested to require all his time in looking after and preserving his investments. He is given credit in labor hours for the amount of time thus required, for the care and preservation of the capital of which the citizen is the trustee for the District is as important a work as any.

There remains another class,—a very large and important one,—the landholder. The farmer here is much the same as elsewhere. He labors by himself out in the fields or

about his farm buildings, no one but himself knowing how long or how much he works. His hours are also very irregular and vary much at different times of the year. During the busy season he labors early and late; during the slack season, little or none at all. It may be an easy matter to ascertain the number of labor hours performed by the farm hand, for he is but an employee, the same as other employees, and his time is certified to by his employer who pays him. But what about the farmer himself? Visitors to the country display considerable curiosity as to what method is employed to ascertain the number of labor hours performed by this class of citizens. From the nature of the case, it might seem difficult to obtain an accurate and satisfactory means. But such is not the case. The number of labor hours performed by the farmer is ascertained by the number of bushels or pounds of each kind of product sold.

It is known by accurate and scientific tests how many labor hours are required to pro-

duce so many bushels or pounds of any kind of product in any kind of soil. These tests are made under the supervision of the District Experimental Stations in different parts of the District. There are also reliable records based upon the actual experience of the farmer himself, for each Sub-District office in the rural sections keeps a yearly record of all the products produced upon each farm within its borders, and the number of labor hours performed by each farmer in producing these crops. From these records an annual average of products and hours required is obtained for each farm and each kind of soil in the Sub-District. These averages supplemented and qualified by the tests of the Experimental Stations form a reliable basis as to the number of labor hours required for the production of the different products.

At the beginning of the season each farmer is furnished a report giving the acre average for his farm and the labor hours required, which he fills out as the season progresses, as follows :

**Farm No. 10, Sub-District 15, District 21.  
Acres 25. Tillable land, 24 acres; waste, 1 acre.  
Occupant, John B. White.**

Capacity, or 5 yr. average.	Corn 60 bu.	Wheat 50 bu.	Oats 40 bu.	Tobacco 1,000 lbs.	Fruit 100 bu.	Cotton 1,500 lbs.	Dairy 400 lbs.
Labor Hours per 100 lbs.	100	75	75	16½	20	12½	25
Acres Planted and Date.	4 A.	6 A.	6 A.	4 A.		2 A.	4 cows 24 A.
Five Year Average.	240 bu.	300 bu.	240 bu.	4,000 lbs.	100 bu.	3,000 lbs.	400 lbs.
Labor Hours.	240	225	180	500	20	375	100
Crops Sold. Labor Hours, Cr.	300 bu. 300	200 bu. 150	225 bu. 168	4,500 lbs. 562	100 bu. 20	2,800 lbs. 350	440 lbs. 110
							Total, 1,640 Total, 1,660

It is seen that the five year average for this farm is sixty bushels of corn per acre ; that it requires 100 labor hours to produce 100 bushels of corn ; that four acres of corn are planted, which will require 240 hours, and that 300 bushels are raised and sold, for which the occupant obtains a credit for 300 labor hours ; and that on all his products for the year he is credited with 1,660 hours.

It is also known how many labor hours are required to bring a crop to a certain stage of development, how many are required for the plowing and planting, how many for the first and second cultivation, and how many for the harvesting. Each month John B. White sends a report to the Sub-District office stating the condition of each crop, the percentage of the average, and the number of labor hours performed. Each farmer in the Sub-District makes a similar report, and each Sub-District makes a monthly report to the central District office. These reports are issued for the information and guidance of farmers and other workers in the District,

but are not conclusive as to the number of labor hours performed, as this is determined by the number of bushels or pounds of each product sold.

The capacity of the above farm is the five year average, neither the best nor the poorest year. Seasons vary and in the same season some crops do better than others. Of crops planted by John B. White, some may be doing well and are above the average as corn and tobacco, and others poorly as wheat, oats, and cotton. His object is to raise sufficient crops to give him a yearly credit for 1,500 or 1,600 labor hours, as this has been the average for several years; or, if it is an extra good season, producing more crops and requiring more hours, the average is likely to be 1,700 or 1,800 hours. He is informed of this by the reports published each month by the central District office.

Now, although some of his crops are doing well and others not so good, yet taking it altogether, if he sees he is likely to raise enough crops to obtain credit for 1,500

or 1,700 hours, he bothers no one about it. But if any of his crops become injured or destroyed by unavoidable cause, as excessive drought, excessive rain, by insect, pest, frost, etc., and the loss is likely to be such that he will fall below the required number of hours, though perhaps he has put as much labor on those crops as others, or at least always some labor,—he reports such damage or injury to the Sub-District office, stating the probable loss in bushels or pounds, and the estimated number of labor hours. The damage must be reported at a time when it can be viewed and the loss ascertained by the crop inspector of the neighborhood. John B. White has kept a record of the number of hours performed on each crop as it was growing. It is also known at the Sub-District office how many hours are required to bring each crop to a certain stage. With these as a basis the loss is ascertained and John B. White is given credit for the number of labor hours lost.

Other farms in the same neighborhood of poorer quality soil will not produce as many

bushels per acre, though the same number of labor hours are required. The average per acre may be only one-half as large as the above farm. In such case the occupant would obtain credit for the same number of labor hours, though he produces only one-half as many bushels or pounds of products. Frequently there is the same kind and quality of soil throughout the Sub-District. Often the same kind of soil runs through several Districts. Three or four grades of soil in the same Sub-District is generally the limit. For this reason it is not difficult to test the capacity and thereby the number of labor hours required for the production of all kinds of crops in the different soils.

On account of the capacity being a five year average upon which the labor hours required is based, good seasons make up for the losses in poor ones. It also frequently happens that the farmer has labor hours to his credit, and it is only in especially poor years, when unusual damage or injury has been



caused to the crops, that he claims credit for hours lost.

Nearly every farmer is a producer to a more or less extent of live stock and of dairy and poultry products. The number of labor hours required to produce these products are obtained from dairy, poultry and stock farms, where it is easy to ascertain the number of labor units required in proportion to the pounds of products, since the work is devoted exclusively to one line.

The farmer is given credit for labor hours in accordance with the number of bushels or pounds of products sold and not the number produced, for the reason that labor hours are based upon and credited only upon earnings. Other citizens must turn over their earnings to the Sub-District office before credit for labor hours can be obtained. The one is dependent upon the other. And not until after the farmer has sold his products can he account for his earnings to the Sub-District office. Another reason is that a portion of a farmer's products may be consumed by him-

self and family or fed to his stock, or poultry. He should not receive credit for anything consumed by himself, for this is not earnings for the District. Neither should he receive credit for what is fed his stock or poultry, but only for the stock or poultry products sold.

When the farmer sells his products the number of bushels or pounds must be stated upon the pay check which is made payable to the Sub-District office in which he resides, per himself. Upon delivery of this check to the Sub-District office, he obtains credit for labor hours in accordance therewith.

## CHAPTER XVIII

### AWARDS

MENTION has been made as to how capital for business purposes is obtained. Those citizens whose earnings are in excess of \$1,000 per annum are given the use of a certain percentage of the excess for business or investment purposes. But capital for business purposes is not limited to citizens whose earnings are in excess of \$1,000 per annum. To make such limitation would bar many citizens from entering upon a business career. Hence, a citizen is permitted to use a portion of the allotment due him for business purposes, whatever the amount of his earnings. A certain proportion must be reserved for a homestead, because the State contemplates and makes provision for a home for every citizen. But by accepting a less valuable property

than entitled to, a citizen can obtain the use of the balance due him for business purposes.

With the capital thus obtained as a nucleus, more is borrowed of a bank. Many a young man obtains a start in this manner. If successful he is permitted to use the allotment due him from increased earnings for business purposes. Having once selected a home he is not obliged to use any more of his earnings for this purpose, unless he so desires. And by making use of all his increase earnings in his business, he may be able to build up a large and prosperous business. But if not successful, the business is closed out by the bank or District, and the citizen given the use of his capital or what remains of it for home purposes.

The citizen, as agent or trustee of the District, is given full and absolute control of his business, but upon his death or retirement the business reverts to the District. His widow and children are otherwise provided for as heretofore explained. The children

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cannot inherit anything from the parent; neither can the parent dispose of or give his business to them to be managed and conducted by them after his decease. When the children are old enough to be earners and engage in business for themselves, they are given an equal opportunity with all other citizens. Whatever business may be given into their control and management, the amount of capital given them for business purposes is dependent altogether upon their earnings. Every citizen is given an equal opportunity, for none have the advantage over others by inheritance or deed of gift from an ancestor. What each citizen obtains for himself and the position he attains in society is dependent wholly upon his individual merit and ability.

When a business reverts to the District upon the death or retirement of its manager or owner, it is offered as an award to other citizens upon a competitive basis. It is offered complete as a running concern including the capital invested in it, ready to

be turned over to a new manager or owner. All those citizens who have been engaged in the same business are eligible, and the award is made to that one of the applicants who has exceeded the others the most, or who has been the most successful business man among them. All the best and most successful businesses are thus given into the control and custody of the most capable and competent citizens. This is to the best interests of the District and all its citizens, for the more successful a business the more beneficial it is to the District. It is also a reward, an advancement, and a recognition of the merit and ability of the citizen.

When several citizens are applicants for an award, it is simply a matter of mathematical calculation as to who has exceeded the others. The business record of each applicant for the last five years is taken as the basis. All the elements that go to make up a successful business are taken into consideration,—the amount of personal capital invested, the amount of borrowed capital, the

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amount of earnings, of debts, credits, overhead expense, and the percentage of profits.

Figuring for an award presents several new and interesting arithmetical problems. The results are often surprising and are awaited with much interest by the applicants and the clerks and employees of the business involved. Sometimes a citizen who has been running a comparatively small business wins an award over another with a larger and apparently more successful business. Smaller earnings are frequently overcome by a higher percentage of profits. Thus a man whose business has been earning \$1,800 per year but whose percentage of profits is 25% may exceed another whose earnings have been \$2,200 per year from a larger business but whose percentage of profits is only 20%.

Oftentimes an award is won on a small margin of advantage in some one item, as in a few more dollars personal capital invested, a little less borrowed capital, a few dollars more earnings, a slightly higher percentage

of profits, or a little less debt or overhead expense. This is a constant incentive to every ambitious business man to do the very best he can and to make his business successful and profitable in every particular, for an award of a larger and more profitable business may be open to him at any time.

When a citizen accepts an award he surrenders the business previously conducted by him to the District. This in turn is offered as an award to other citizens, and so on, making a series of awards until an opening is made for a new man, generally a clerk or sub-manager, to engage in business for himself.

A large part of the business of the country is in the hands of corporations which are organized and started the same as in other countries. Capital stock is sold to citizens who use a portion of the allotment due them for this purpose. The citizen becomes the trustee of the District as a stockholder or member of the corporation. He has as much incentive to look after and preserve his investments as if he were the absolute owner,



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for if a loss should occur the citizen would lose the earnings and the use of the capital. This is a favored form of investment. Watered stock and fictitious values are prohibited; the companies are regulated by law; are well managed; the dividends large.

The corporation itself continues indefinitely, but upon the death of the citizen the capital stock owned by him reverts to the District, and is open to award to stockholders in the same or other companies, who submit and surrender if successful a certain amount of stock as the basis for the calculation. Every citizen judges for himself as to whether he wishes to be an applicant for an award. What he is to receive must be better and more valuable and profitable than what he has. Otherwise, it is more profitable for him to retain his own business or capital stock.

If a business becomes old and antiquated and no longer profitable, it is closed out upon the death of the owner and the proceeds turned into the District treasury.

Farms also revert to the District upon the death or retirement of the occupant and are offered as an award to other farmers upon a competitive basis. That one who has exceeded the other applicants the most, based upon his record as a farmer for the last five years, receives the award. Each Sub-District office keeps a full and complete record of every farm and farmer within its territory, from which record the necessary facts and figures for each applicant are ascertained. All the elements of success in farming are taken into consideration and enter into the calculations,—the number of acres farmed, the kind and character of soil, its conservation, the amount of earnings from soil products, and from other than soil products, such as stock, poultry, dairy products, and to what extent the applicant has exceeded the yearly average for his farm and the same kind of soil in the Sub-District. A man who has been farming a poor piece of land often gains an award over one who has had a much better quality of soil, because he has

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done better in comparison with what he had though the amount of his earnings may be less.

An enterprising farmer obtains possession of a poor piece of land with low earnings, and by good management and scientific, intensive cultivation, greatly increases the earnings. Such a man is very likely to be awarded a larger, better, more profitable farm, and in the end to obtain possession of the best there is in the District.

Awards are constantly taking place. When a landholder dies, instead of his land being sold to pay debts or divided among his heirs, it is offered as an award. And as the one who obtains the award surrenders the farm he occupied which in turn is open to award, and so on, there is a constant incentive to every farmer down to the very smallest, including the farm hand or day laborer for whom an opening is made, to increase his earnings and do the best he can. For thereby he is likely to receive an award of something better and more valuable

than he had, and thus move on up the scale to one of the best and most valuable farms in the District.

Award takes the place of inheritance and is the method of disposing of a citizen's rights at his death. It is always confined to citizens in the same business or occupation. At any time during his lifetime the citizen may buy, sell, trade, or exchange a business, corporation stock, or any other property right. By these means citizens change from one business or occupation to another or from one form of investment to another. A landholder may sell or exchange his rights to farm a piece of land, convert the capital invested in machinery, live stock, poultry, etc., into money, and with the capital thus arising, purchase or engage in another business. The land itself, however, is never bought or sold. Title to this remains in the District. It is only the citizen's right to use the land and occupy the buildings that is bought or sold. The consideration in such sales is generally the value of the

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buildings and other improvements. For instance, suppose a farmer has been earning \$1,500 per year on a certain farm and by reason thereof has acquired \$3,000 worth of buildings. In making a sale, another citizen who has to his credit the use of \$3,000 turns this credit over to the party selling which is taken by him in other properties or in money for business purposes.

Personal property of all kinds, such as a business, corporation stock, and anything used for business or money-making purposes can be bought and sold. Buildings used for business purposes such as stores, offices, factories, warehouses, etc., are classed as personal property and are subject to sale. Ground rent is paid for the use of the ground on which all business buildings are located to the District in which is the title.

In selling or disposing of a business, corporation stock, or any other right or property of which the citizen is the trustee, the title in the District is preserved, and the money arising from the sale does not come into the

citizen's hands, and cannot be used by him personally. Payment is made by check payable to the District per the seller in order to make title good in the purchaser. The check is deposited in a bank designated "trust fund," and can be used or checked upon only for business or investment purposes.

## CHAPTER XIX

### CHANGE OF RESIDENCE

A CITIZEN may change his residence from one District to another or to another State without losing any of his property rights. This is necessary in order that no citizen may be confined to any one District for life and to facilitate a change of residence. A citizen may obtain temporary employment in another District, and his earnings paid over to and accounted to the District of which he is a resident which pays him the equal wage and other benefits. The same is true of those citizens whose business is transacted in different Districts or States as commercial travelers, salesmen, and others who travel from place to place. Their earnings are accounted to, and the equal wage and other benefits are paid them by the District in which they have their place of residence.

When a citizen changes his residence to another District, he is permitted to take with him whatever personal property may be necessary for his needs, such as household goods, farming utensils, machinery, etc. Or he may convert his personal property into money by public or private sale, in which case the proceeds are forwarded by the old District to the new one for his use and benefit. Or if he has capital invested in business and needs it for business purposes in the new District, he may convert it into money by sale or otherwise which is forwarded to the new District for his use. The reason is that the citizen has earned nothing in the new District and is not entitled to anything from it, either in the way of personal property or capital for business purposes. The new District accepts the record of the old District as to the citizen's annual earnings, and furnishes him a house, if a town or city resident, in accordance with his former earnings. It runs no risk in so doing, for if the earnings should not equal that required, the difference is made



up by rental charges. The new District can also without risk let the newcomer have the occupancy of a farm in accordance with his former earnings, if any are vacant or open to occupancy. If the earnings fall below that required by the farm, the District's loss is made up by a rental charge on the buildings and the payment of its loss in soil value. When the new citizen has resided in the District long enough to become a legal resident he is eligible to an award.

The citizen who has resided in more than one District, upon retirement, is paid retirement benefits by each District in proportion to the number of years and the amount of his earnings in each. And upon his death, the income paid his widow and children is pro-rated according to his earnings in the different Districts.

It is necessary in order for a citizen to become a resident of a District to first obtain work in the District. Becoming a resident means an employee, rendering an account of earnings and receiving the equal wage and

other benefits. Citizens are perfectly free to live anywhere if they have sufficient means for their support. But those not having a sufficient income to live outside their own District must first obtain employment or have an occupation before making a change of residence. This law also applies to immigrants coming into the country from other lands. Foreign travelers are accorded all the rights and privileges of travelers the same as in other countries. A foreign traveler or visitor may remain in the country indefinitely, as long as he has the means of paying his expenses. But immigrants without means of support, neither friends nor relatives who will care for them, are not permitted to enter or remain in the country unless employment or an occupation is obtained in some District.

Since the country is new and rapidly developing, national employment bureaus at the principal seaports of entry find places for all desirable immigrants.

If a citizen wishes to leave the country and make his residence in a foreign land, the

present worth of his property rights and benefits according to his age and prospects in life is ascertained and paid him in money by the District or Districts of which he has been a resident. People from foreign lands with capital, desiring to become residents and engage in business, must convert their capital into property rights to be used like other citizens for home, business, or farm purposes. Most immigrants, however, have only sufficient money to settle them in the country. But those who do bring capital receive a full equivalent, considering all that the District does for the citizen, his wife and children. As long as the citizen lives he has the full use and benefit of his capital. The difference is that he cannot dispose of it at his death to his wife or children. But in a State which provides so well for these, no citizen need give any concern about their welfare in case of his decease.

## CHAPTER XX

### THE KINGDOM OF HEAVEN AND THE NEW ERA

WHEN in Equaland, my attention was called by different citizens of the country to an interesting claim or theory as to the origin of its economic order. The commission authorized by Parliament is supposed to have formulated the system. This commission has been greatly extolled for the great work it accomplished in giving to the world something entirely new. There was nothing like it in force or operation in any known country. There were no guides or precedents in history.

The same thing has been said of the American Constitution. The Constitutional Convention had no guides or precedents to follow. The Republics of Rome and Greece had existed under entirely different conditions and were no criterion. The Republics of Venice and Holland were in a very pre-

carious state, and could not be taken as models. Swiss institutions were mentioned only to be criticized. "And yet," says Bryce, "there is little in the American Constitution that is new. There is much that is as old as Magna Charta." Whence, then, was the American Constitution obtained? "It was a growth, an adaptation of English Constitutional law." Likewise it has been said of the economic system of Equaland: "There is little in it that is new, but there is much that is as old as Christianity. It was a growth and development of Christian principles and their adaptation to modern industrial life."

In fact, the claim is made that Jesus is the original source of the system and that the basic principles upon which it is founded are set forth in the gospels.

On the other hand, there are those who claim that no specific social system is to be found in the teachings of Jesus; that Jesus was not a social reformer of the modern type; that sociology is a recent science and that

modern political economy was unknown in His day. In answer to this, it is contended that if modern sociology or political economy were unknown in Jesus' time, still there existed the great differences between the rich and the poor, the question of property and the question of wages, the same as in modern life. The differences between rich and poor were before Jesus as live and pressing questions, as they are before us to-day. Riches and poverty were problems He dealt with, and it was not necessary for Him to know or have in contemplation modern socialistic or economic science to do so. He could set forth fundamental and basic principles as regards the rich and poor, property and wages,—principles that are true and applicable whatever the superstructure of society above them, whether the primitive conditions of His day or the complex structure of modern society. Just as there are certain fundamental principles relating to personal rights and liberties which are as true to-day as they were in the time of Magna

Charta and the forming of the American Constitution, though the condition of society is vastly different in these different periods. Fundamental and basic principles are the same irrespective of time or conditions.

The Kingdom of Heaven was a subject constantly referred to by Jesus in His discussions with His disciples and fellow men. It is a theme to which He repeatedly referred and which He took great pains to elaborate and describe. Several of His best and most noted parables were given to illustrate and describe it. The word "heaven" refers to a place somewhere among the vast expanse of stars, but the phrase "the kingdom of heaven" refers to a régime, or era, to be established upon earth. Jesus has so stated and described it. While the Kingdom of Heaven is primarily a moral and spiritual condition having to do with man's relation to God, it also has a social phase or aspect which has to do with man's relation to man. In describing the social phase of the Kingdom, Jesus set forth certain fundamental

principles. While it may be true that no specific social system is described by Jesus, nevertheless He set forth certain fundamental principles which are the basis of, and which form the chief characteristics of, the social order above described.

The first of these principles relates to wages. It has been observed in the economic system of Equaland that the State or District pays each citizen an equal wage. It is asserted that the parable of the vineyard clearly and distinctly sets forth this principle.

In this parable (St. Matthew 20 : 1-16) the Kingdom of Heaven is likened unto a householder who went to the market-place to hire laborers to work in his vineyard. Some were engaged early in the morning, some at the sixth, some at the ninth, and still others at the eleventh hour of the day. "And about the eleventh hour he went out, and found others standing; and he saith unto them, Why stand ye here all the day idle? They say unto him, Because no man



hath hired us. He saith unto them, Go ye also into the vineyard. And when even was come, the lord of the vineyard saith unto his steward, Call the laborers, and pay them their hire, beginning from the last unto the first. And when they came that were hired about the eleventh hour, they received every man a penny. And when the first came they supposed that they would receive more; and they likewise received every man a penny. And when they received it, they murmured against the householder, saying, These last have spent but one hour, and thou hast made them equal unto us, which have borne the burden of the day and the scorching heat. But he answered and said unto them, Friend, I do thee no wrong: didst not thou agree with me for a penny? Take up that which is thine, and go thy way; it is my will to give unto this last, even as unto thee."

In the foregoing words Jesus sets forth the wage system of the Kingdom of Heaven. Each laborer is paid the same or an equal

wage, a penny each, though the services of some, who worked the whole day, were more valuable than those who worked only a part of the day.

The lord of the vineyard represents the community, the state, or district, and all earning or working citizens being employees of the state or district are to be paid the same or an equal wage, though the services of some are worth more to the district than those of others.

There is an important qualification as regards those employed at the eleventh hour. The question is asked, "Why stand ye here all the day idle?" The answer is, "Because no man hath hired us." These men stood watching and waiting for work all day. They were willing and ready to work at any time any one would hire them. That they were not only willing to work but exceedingly anxious to do so is shown by the fact that they remained in the market-place until the eleventh hour looking for work. Many men seeking employment will try for

an hour or two and then give up for the day. But these men remained until the eleventh hour. The lord of the vineyard should have hired these laborers earlier in the day. They were in the market-place wanting work when he hired the others. He must have either overlooked them intentionally or made a mistake as to the amount of work to be done. In either event, for the one hour's work he paid them the same or an equal wage with the others. This has been interpreted to mean that the laborer, the employee of the district, must be willing and ready to work at all times; that if he fails to find employment all or part of the time himself, the district should find it for him; and if it neglects, fails, or refuses to do so, he should receive the equal wage.

Another great economic as well as moral principle is set forth in the parable of the talents (St. Matthew 25 : 14-30). "For it is as when a man going into another country called his own servants, and delivered unto them his goods. And unto one he gave five

talents, to another two, to another one; to each according to his several ability; and he went on his journey." He that received five talents gained five other talents, and he that received two, gained two more. But the servant who received one talent digged in the earth and hid his lord's money. Those who made use of their talents were suitably commended and rewarded while the one who hid his lord's money is severely condemned, and the talent taken from him. "Take ye away therefore the talent from him, and give it unto him that hath ten talents. For unto every one that hath shall be given, and he shall have abundance: but from him that hath not, even that which he hath shall be taken away."

This parable contains a great moral truth or principle. A man's powers, capacity, or ability increases or shrinks according to use. It also contains a great economic truth or principle. The lord followed this in entrusting or distributing his property among his servants according to their several ability.

This was the best method he could have taken for both conserving and increasing his wealth.

The lord in this parable also represents the community, the state or district and the servants the citizens. These were in fact more than mere servants. They were trustees or agents of the lord, for they were entrusted with his money for trading or business purposes.

It has been observed that in the system of property tenure of Equaland, as above set forth, each citizen is given the use of property for home, personal, and business purposes in accordance with his earnings. And as the amount of a citizen's earnings is indicative and proof as to his ability, the same economic system underlies this system as that set forth in the parable,—to each according to his several ability. The system of awards by which a property or business is awarded upon a competitive basis to that one of the competitors who has exceeded the others, and thereby proved himself to possess the most ability, is also in harmony with this principle.

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That such a system is best for the state, or the community as a whole, is self-evident, for if the property of a state or community is in the hands of those citizens who possess the most ability, and according to ability as proved and demonstrated by earnings, its property will be the best conserved and increased, and the community as a whole fare the best. It is also best for the citizen, for the amount of property entrusted to each citizen, being dependent upon his ability as proved by earnings, is a constant incentive for him to put forth his best efforts and endeavors. In those countries in which private ownership obtains, many a man has dissipated his ability simply because life has been made too easy by a comfortable inheritance.

The parable of the talents has been cited as sanctioning or upholding the system of private ownership, and the increase of wealth by the property-holding class. The increase of wealth is undoubtedly sanctioned by this parable. It is also approved and encouraged

in Equaland, for the more successful a citizen is, and the more he adds to and increases the capital or property entrusted to his care, the more beneficial he is to the community or district for which he acts as trustee. But the system of private ownership and inheritance as existing in different countries can find no basis for its justification in this parable. The lord entrusted his property to his servants, "to each according to his several ability." All his servants were called; each one was given an opportunity. While the servants were given the widest possible latitude, no instructions nor directions being given, and were perfectly free to act for themselves, it is to be noticed that the lord at no time relinquished his ownership of the property. In endeavoring to justify himself, the unprofitable servant said, "and I was afraid, and went away and hid thy talent in the earth: lo, thou hast thine own." The lord thereupon exercised his right of ownership by taking the talent away from this servant and giving it to the one with ten talents.

But was this one talent given to the latter servant absolutely and unconditionally, to be his for all time and pass to his heirs at his decease? Was he given absolute and unconditional ownership in the other ten talents possessed by him? It is not so stated, neither is it to be inferred. All that any of the servants possessed belonged to the lord to be held by them as a trust. To have given them absolute ownership with the right to pass the property to their heirs would have at once destroyed and nullified one of the chief principles of the parable,—to each according to his ability. For at the death of the original servants, their heirs would have become holders of the property, not according to ability, but for the sole reason that they were the heirs of the original holders. The ability of the heirs is likely to be entirely different from that of the original servants. It is thus self-evident that the right of private ownership and inheritance is not sanctioned by this parable and that it is contrary to its spirit. The



principle, to each according to his ability, can be preserved and maintained from one generation to another only when the property held by each citizen reverts at his death to the original owner, the community, to be awarded other citizens according to ability by some such system as that in vogue in Equaland.

From this parable, then, is drawn the principle of common ownership ; that all citizens are, or should be, the servants, trustees, agents, or employees of the common owner,—the lord, or district ; that the property or wealth of the district should be entrusted to its citizens according to their ability ; that all citizens should be given a share, or opportunity, according to ability ; that the citizen should be given the widest possible latitude and freedom in his use of the district's wealth,—a freedom that to all intents and purposes amounts to and is the equivalent of individual ownership, the only requirement being that the citizen shall render an account.

## CHAPTER XXI

### THE TEACHINGS OF CHRIST AND THE APOSTLES' EXAMPLE

It is apparent that the disciples understood that the Kingdom of Heaven was to be established upon earth; that a common ownership, and "to each according to his needs," was to be the economic order of this kingdom. This is apparent from the fact that the original apostles established a communistic order among themselves and followers immediately after Pentecost. "And all that believed were together, and had all things common. . . . For neither was there among them any that lacked; for as many as were possessors of lands or houses sold them and brought the prices of the things that were sold, and laid them at the apostles' feet: and distribution was made unto each, according as any one had need" (Acts 2:44; 4:34-35).

In this communistic society were eleven of the original apostles. Whence did they obtain the communistic principle? It was derived from the Master Himself. It was the kind of life they had lived under Him. While He was with them they carried a common purse, and there was none among them that lacked. When collected together again after Pentecost, why did the apostles establish a communistic society? To show in their own lives, and to give the world an example of, what the full and complete Kingdom of Heaven is to be. There is a spiritual side of this kingdom. There is also an economic side. Christ so taught them, and being so fresh from Pentecost, they were but attempting to live out His teachings and show the kingdom in its completeness.

Much has been made of the fact that no attempt was made to establish a communistic society in any of the other early churches, and that the experiment at Jerusalem ended in failure. None of the other churches contained eleven of the original apostles who

understood the kingdom as no others did. Neither is the failure of the attempt at Jerusalem an argument against the desirability and advisability of the communistic principle. At the time of the formation of the American Constitution all previous attempts to establish a republican form of government had failed. And there are countries in the world to-day in which this form of government is impracticable and others in which it is established but is a failure. So it may be said of the communistic society. The failure of the attempt at Jerusalem is no argument against its desirability or practicability. The world was not ready for it at that time. It was not then capable of establishing and maintaining a communistic order. In fact, not until the twentieth century and the great progress and advancement that came with it, was the world capable of this higher and more desirable form of society.

It has been said of the communistic society at Jerusalem that it was not communism in any proper sense of the word ; that no one

was required to produce for the common good, as in all communistic societies. "There was no common economic production. The possibility of a higher communistic ownership in the instruments of production had not yet arisen above the horizon of common thought. Individual and family production were the only kind commonly known. Thus the first Christians produced separately and consumed in common."

It has been observed in Equaland that while the title of all property is in the district, its citizens are given the use of its property, including the instruments of production, in accordance with earnings or ability. Each citizen has complete control of what property he possesses and exercises all the rights of ownership. For all practical purposes, so far as the citizen himself is concerned, individual ownership exists, but his property rights cannot be transferred to his heirs. There is no common production any more than in any other country. The district itself is engaged in no business, neither does it undertake any

production. The instruments of production are in the hands of individual citizens, corporations and companies. Each citizen, corporation, or company acts for itself. The district makes no attempt to control their activities or to dictate their policies. They may be in competition with each other, or cooperating with each other. No attempt is made to control or to change the methods of production. These are left to natural economic laws, and are the same as found in other countries. Hence, the economic system established by the early Christians in the primitive methods of those days, when there was only individual and family production, was the same as that established in the complex and highly advanced methods of modern industry in Equaland,—common consumption but separate production.

This is both communism and individualism. The equal wage, distribution according to needs, and the reversion of all property upon the death of the citizen to the district to be awarded others in accordance with abil-

ity, is communistic. Exercising the rights of private ownership over the means of production and other property entrusted to the citizen during his lifetime, is individualistic.

An equal wage, a common ownership with individual holdings according to ability, therefore, are the fundamental principles set forth by Jesus in the parables of the vineyard and of the talents. A common ownership and a distribution according to needs is the economic order attempted by the disciples. Nothing is said regarding the disposition of property for productive purposes among the disciples. They were expecting the near return of their Lord and for this reason probably undertook no production.

But from the teachings of Jesus and the example of the apostles it is maintained that the economic phase of the Kingdom of Heaven is clearly and distinctly set forth. This kingdom is to be established upon earth. It is here now in the hearts of men. But some day it is to be established in its fullness and completeness, covering the

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whole earth and reigning in the hearts of all men. The establishment of the kingdom upon earth was one of the great desires of the Lord. It was a theme constantly in His mind and which He always kept before His disciples. After the salutation to the Father, it is the first request or petition in the Lord's prayer. "Our Father which art in heaven, Hallowed be thy name. Thy kingdom come. Thy will be done, as in heaven, so on earth."

"Thy kingdom come." The position of this petition in the Lord's prayer shows its importance in the mind of Jesus, and having given this prayer to be the prayer of His disciples and followers everywhere, it should be the first and greatest desire of their hearts as it was that of the Master. "When ye pray, say . . . Thy kingdom come." This is always to be the first request to ask of the Father, no matter what the circumstances or the situation.

Few Christians understand or comprehend what the Kingdom of Heaven is. To many, so far as it relates to this world, it is a far-



off, impracticable and visionary state, unsuited to modern life and present conditions. But it is modern life with the advancement made in business and industrial methods that has brought it near and made its economic side possible and practical.

If all Christians had a clear comprehension of what the kingdom really is, the prayer, "Thy kingdom come," would not be an empty and meaningless petition upon their lips. It would be the earnest and sincere desire of their hearts, and would be supplemented by their efforts to bring the kingdom to pass. If the kingdom as described by Jesus possesses an economic side, or if a certain economic system is in harmony with the teachings of Jesus, then all true Christians should put forth their efforts toward the establishment of that economic order. God accomplishes His purposes through the instrumentality of man. Man is the medium through which God works. Prayer has little effect unless supplemented by works.

The establishment of a better and more just economic order by Christian nations,—one in harmony with the teachings of Jesus which would correct the wrongs and injustices of the present system,—would prepare the way for the coming of the Lord Himself. The present system is too full of wrong, injustice, poverty, and suffering to be the order of the coming kingdom. The Lord of that kingdom will come suddenly. No man knoweth when. “For as the lightning cometh forth from the east, and is seen unto the west; so shall be the coming of the Son of man.” The spirit of Christ does come thus suddenly and powerfully into the hearts of men, and some day His spirit will strike as lightning throughout all the earth, when He will come again in person.

But will the world be prepared for His coming? Will it be wholly ignorant and inexperienced as to the economic order of the new kingdom? A new economic order cannot be established in a day, a month, or a year, and requires years for its develop-

ment and perfection. There is a class of true and devout Christians who earnestly desire and expect the near coming of the Lord, but who make no effort to right existing wrongs, or to bring about the kingdom. They say the Lord Himself will right all wrongs and establish the new order when He comes. As to what the new economic order is to be, they give themselves little concern, saying Jesus will also take care of this when He comes. But Christ has nowhere said or promised that a further revelation is to be given in this respect. His teachings along these lines are clear and distinct. He has already given all that is needed. It is the duty of Christians to make use of what light they have. They cannot ignore what Jesus has already taught, and expect something more or different. Jesus has set forth the great fundamental principles of a new order of things. These principles are an equal wage, a property tenure according to ability, and a distribution according to needs.

It is certainly time, now that prophecy has

been fulfilled by the great wars that were to indicate the approaching end of the present age, for Christian people to give serious consideration to the social principles of Jesus, and to be ready for the establishment of a more beneficent economic order, one in harmony with the teachings of Jesus. They can thus make ready and prepare the way in this respect for His coming.

Just how or when the kingdom will be established, no one knows. Whether there will be a natural growth and development following the war, as most of us hope, or whether a period of anarchy will first ensue, as some predict, cannot be told. But in either event, Christians should be ready and prepared, and willing to do all within their power to bring about a new régime. What has been described in the preceding pages is but an example, or indication, of what the new order may be, and is merely intended to show the possibilities of a more benign dispensation based upon the three principles above set forth.

## CHAPTER XXII

### MODERN BUSINESS METHODS AND THE NEW ORDER

HAVING shown what the State Socialism of Equaland is, we will now endeavor to explain the methods by which it is operated and maintained. What is the means or mechanism by which the system is operated in actual practice? This is a question in which the traveler from other countries is generally much interested, for upon it depends the success of the system. We have seen that each citizen, being the trustee, agent, or employee of the District, is required to render an account of his earnings to the District. By what means does the District require the citizen to account to it, and how does it know, when rendered, that the account is a true one?

In the first place, it may be said, both as

regards the economic system itself and the methods by which it is operated and maintained, that the Parliamentary commission which devised it formulated very little that is new. It simply made an enlarged use of that which had been well tried and tested, and the actual workings of which could be studied from actual experience in the leading countries of the world.

The commission called to its assistance the best and most noted business experts of different countries. There were several well-known merchants and manufacturers from America,—men who were the masters of business on a large scale, employers of thousands of workers. There were also business experts, men scarcely known to the general public, but who were masters and inventors of business systems and methods. Why was this class of men called? Because the mechanism by which such an economic system could be operated was primarily and essentially a business proposition for the solution of which men experienced in the conduct of business on a

large scale were the best qualified. A comparison between a District and a corporation will illustrate this.

A great corporation may have millions invested in its business ; it may have plants, warehouses, and stations throughout the world ; it may have a vast amount of personal property, machinery, railroads, steamships, mines, wagons, horses, stables, automobiles, trucks, cars, tanks, etc. It may have from 10,000 to 50,000 employees. Though so vast, with ramifications so intricate that no single mind can grasp it in its entirety, it works harmoniously and smoothly as a unit. The corporation knows the exact condition at any time of every plant and warehouse, and of all its machinery and personal property. It has an exact record of everything its agents and representatives are doing. It knows the amount of product of each plant, the cost of each item manufactured to a fraction of a cent, the amount of goods in each warehouse or station, the amount of sales of each one of its thousands of salesmen, the

number of hours of work and the earnings or wages paid each employee.

Each District as a unit is in a sense a corporation. All property and business is owned in common, managed by citizens who are trustees, with wages and allotments paid and granted to each according to earnings. It may have a population of from 25,000 to 200,000 or more, with from 6,000 to 50,000 or more workers. Unlike the great corporation, no business is conducted by the District as a whole. While all business is in the hands of citizens as agents or trustees, they are independent of the District as to the manner and method of conducting business, and may be in rivalry and competition with each other. The great business corporation must have an exact, itemized record of every transaction connected with its business each day, though there may be 50,000 or 100,000 such transactions in a single day. But such exact and multitudinous knowledge of every detail is not necessary to the District, because it does not direct and control as a unit the



business within its borders as does a corporation. The one thing of essential importance for the District to know is the earnings of each working citizen. It must know the amount of salary or wages paid each employee, the earnings of every firm, corporation, or individual engaged in any kind of business, as well as the earnings of every agriculturist, and every worker of every kind within its territory.

How can it know this and have exact and reliable information upon which it can depend? How does the great corporation know its earnings as a whole, as well as the earnings of each individual plant, station, and warehouse, the cost and expense of every item of its vast business, as well as the amount each plant, warehouse, and station, and each individual agent or employee contributes to the whole earnings?

The principle by which such vast interests are directed and controlled is that every employee of the corporation shall make a record of all particulars of each transaction at the

time when the transaction takes place. In every sale by an employee, no matter how large or small the amount, a written record is made of the sale generally in triplicate by means of carbon paper, one copy of which goes to the purchaser, one to the corporation, and one remains with the one making the sale. Everything starts from and is based upon this itemized "bill of sale." So by means of duplicating, or triplicating, or manifold forms, a record is made at the time it takes place of every item of its great business.

The same principle is made use of in the great department store. The big store is in fact thirty or forty stores in one. Its invoice may show millions of dollars of stock; it may have from 6,000 to 8,000 employees; it often makes as high as 50,000 sales a day. How does it keep track of its great business, know the amount of stock in the stock rooms, in each department, the sales each day in each department, and by each salesman? It has a means of knowing not only these, but every act and every transaction,

its exact nature and character, of every one of its thousands of employees, and conducts its great business more successfully and with less loss than the individual merchant who uses less thorough and systematic methods. The principle is the same as that employed by the large corporation ; a record must be made of all the particulars of each transaction at the time it takes place. Each day a duplicate or triplicate of each one of these records finds its way to the Auditing Department, where they are scrutinized, analyzed, classified, tabulated and summarized, compared as to the amount of cash, charge, and C. O. D. sales, and the whole made to balance to a cent. In fact there must be a balance before the next day's business can be started. Here, also, everything starts from, and the elaborate system by which the great store is conducted is based upon, the familiar "bill of sale," a carbon copy of which is given by the clerk to the customer, itemizing and stating exactly the particulars of every purchase.

In Equaland the same principle has been adopted and applied to every kind of business, whether it be a merchant selling goods in a store or a farmer delivering products to a warehouse, an exact record must be made of each transaction at the time it takes place. As in the case of the big store or corporation these records are made in triplicate by means of handy, convenient, and easily manipulated, triplicating sales books or pads. This "bill of sale," required by law and demanded by all citizens in every transaction, is the starting point, the basis upon which rests the whole superstructure of the system by means of which the earnings of every citizen in the District conducting an independent business is ascertained.

The growth and development within the last fifty years of the thorough and elaborate business systems by means of which great business enterprises, whether local, state, or inter-state, are successfully conducted and controlled, have furnished the mechanism by which complete State Socialism has been

made possible and practicable. The system of modern business is one of the greatest and most valuable inventions of the present age. Not the product of any one mind, but worked out and perfected as conditions arose by hundreds of brilliant and practical men, it has not been heralded to the world like the noted individual inventions, nor have its importance and economic value been generally appreciated and understood. Its growth and development have caused the world to progress more toward a more just economic system within the last fifty years than in all the rest of the time since the death of Christ.

## CHAPTER XXIII

### ENLARGED USE OF MODERN METHODS

WE have stated the principle upon which the economic system of Equaland is based. Let us now see what advantage and value the principle has and what adaptation has been made of it. In the first place, business upon a large scale is a distinct advantage and is conducive to the maintenance of State Socialism. To illustrate, take a manufacturing plant employing 8,000 or 10,000 people. The plant is conducted upon the thorough, systematic business methods briefly explained above. It must keep an exact record of everything connected with its business. This record is necessary for the conduct, management, and control of its business. It cannot be intelligently and successfully directed without it. The manager, board of directors, and stockholders can step into the

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Auditing Department at any time and ascertain what the company is doing in every department, the amount of output produced within a certain period, the amount of raw material purchased, the amount of sales, expenses, wages paid, and the earnings or profits to be paid as dividends. The company keeps a record of the amount of salary or wages paid to each one of its 8,000 or 10,000 employees. It also keeps a record of the number of hours' work performed by each.

Now it being necessary for the corporation to keep an exact record of every item of its business, without which the management cannot successfully direct and control it, and from which the stockholder can obtain any information desired concerning the company, so the District obtains from the same records the earnings of the company and the dividend paid each stockholder. It also depends upon these records as to the salary or wages paid each employee and the number of hours' labor performed by each.

The same is true of the department store

with its 50 to 10,000 employees. The exact records kept by the Auditing Department of the store of every single item and transaction connected with the business relieve the District from the necessity of keeping such records. It depends upon the records of the store and obtains from it, whenever desired, any information it may want as to the number of employees, wages paid each, number of hours of work, salaries of managers, earnings to the firm, or dividends paid stockholders. The same is true as to what is termed a chain of stores, a number of stores located in different parts of a city or District, under the control and direction of one management, or owned by one company with a single or central auditing department.

Thus it is easily seen that business conducted on a large scale, or large enough to justify and require an auditing department, is an advantage, and is conducive to the maintenance of a system of complete State Socialism. If all business and employments of a District could be conducted upon a large



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scale by companies, corporations, or combinations, the operation of State Socialism would be a simple matter. The District would then have but comparatively few large companies from which to receive reports of the earnings and labor hours of its citizens.

It must be admitted that there are many advantages in conducting business upon a large scale. The power of concentrated capital is great and there are many economies that can be effected over those in a small business. Indeed, the advantage of large business to the maintenance of State Socialism was so apparent, that at first it seemed to the Parliamentary commission that all business of Equaland would have to be conducted by the same methods,—by corporations upon a more or less large scale, and that no place could be found for the small retail dealer. In fact, in various countries of the world, the big store or corporation, by means of its economic advantages and power of large concentrated capital, had made such inroads upon the business of the

small dealer, that it became a serious question whether the small dealer could hold his own against his powerful rivals.

The only way he could survive and keep himself from being extinguished was to adopt the same sure and safe modern methods that have made success possible for the big store and other big concentrations of capital. It was also necessary to the maintenance of a complete system of State Socialism that the small dealer adopt the same thorough, systematic methods. So two problems were solved at the same time, and their solution was of as great importance for, and as necessary to, the individual business man as to the State.

Let us see, now, how the problems were solved and examine the workings of the system as applied to the small dealer, the farmer, and all kinds of business. The methods employed by the big store are elaborate and intricate. They are necessarily so to cover every detail of the thousands of acts and transactions upon the part of all of its

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employees every day. In order to work the system, a special set of employees are necessary who give their entire time to this work alone. They constitute what is known as the auditing department. Into the auditor's hopper pours every detail of the great business in a constant stream, every part of which is gone over carefully and audited. In the smaller stores of eight or ten departments and fifty employees, a single auditor can handle the entire business. In the largest stores of 8,000 to 10,000 employees, two hundred or more experts in figures may be required in the auditing department.

A disadvantage of the small store is that its business is not large enough to justify the services of an auditor, and the manager or owner has not the inclination, ability, or time necessary to give this work the thorough attention it requires. This objection has been overcome in Equaland by the institution of licensed public accountants, or auditors. Every business not large enough to justify its own auditing department is required by

law to engage the services of, and be audited by, a public auditor or firm of auditors, under which the business is conducted on practically the same methods employed in the big store.

This solution of the problem is certainly a simple one and presents no extraordinary or startlingly new idea. It no doubt originated with what is known as a chain of stores, a number of stores owned by a single company and under one auditing department, methods for the successful running of which had been worked out and thoroughly tested before Equaland was thought of. A number of independent dealers employing the services of the same auditing firm is little different from a single firm or company owning a number of stores run by one auditing department. The difference is that the individual dealer is his own manager and conducts his business according to his own judgment and ability, and is not controlled and directed as is the head of one of a chain of stores. He buys his own stock and sells his own goods; if he

is unusually successful the profits are his own and do not go to swell those of a company of which he would only be an employee. Another difference is that though the same auditing firm which he employs may do the auditing for ten, twenty or thirty other stores, the business of all the stores is not audited as a whole, but each is separate and independent of the others. The small dealer thus has the advantages of the same system used by the big store or chain of stores, at no greater cost in proportion to the amount of business transacted; and by use of the same safe and sure methods employed by them, he is able to hold his own against his powerful rivals.

An auditing firm of two or more members and a few clerks is capable of handling from fifteen to twenty stores. There are auditing firms of every size, from those consisting of a single auditor and a clerk or two in the smaller towns, up to those employing one hundred and fifty to two hundred in the larger cities.

All auditors must have a license from the State, and are under the supervision of a State Commission which controls the business methods and systems to be followed. The system is thus elastic and open to improvement, as better methods are devised or invented.

## CHAPTER XXIV

### THE INDIVIDUAL BUSINESS MAN AND THE NEW ERA

THE system by which the big store or corporation is conducted is well known and needs no explanation. It has been worked out, tried and tested in every detail. But it may be interesting to see how the same system has been applied to the individual dealer. The following general description is given to show the value of this system to the individual merchant and its use and importance in maintaining the economic system of Equaland.

To the auditing firm, the single store or individual merchant is the same as a department of a big store. All the business of the store is transacted through the auditing firm which represents the District, for which the merchant is the trustee, and the same thor-

ough business methods are used as in the large store or corporation. When the merchant buys goods he uses a "Buyer's Manifest Order Form," by means of which three copies are made of each order of goods bought. One copy is retained by the merchant, one goes to the auditing firm, and the third copy, after being scrutinized as to errors and approved as to prices by the auditing firm, goes to the seller. This is required by law in order that the auditing firm may have an exact record of every purchase by the merchant, and to prevent collusion between the merchant and the seller.

The goods are bought, delivered, and checked with practically the same thorough, systematic methods as are used in the big store. An exact record is made of every part of each transaction, by means of which record the merchant is protected against any errors, carelessness, or collusion on the part of his employees or the wholesaler; at the same time, the District is protected from



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error, carelessness, or collusion on the part of the merchant himself.

Having purchased the goods, the merchant now figures carefully and fixes their selling price. This is necessary in order that he may be sure of covering overhead expenses and profits. A duplicating book is used for this purpose, and the goods marked in accordance with the record made in this book, one copy of which goes to the auditing firm. The merchant is now charged with the net cost of his complete stock of goods, and also with their selling price. While the merchant himself is so charged, all his employees are likewise charged and held responsible for a certain price. No goods through error, carelessness, or collusion can be sold at less than regular prices by any of his employees without its being detected; for the auditing firm carefully scrutinizes all sales checks of goods sold each day to see that prices correspond with regular selling prices.

If for any reason the merchant wishes to

cut prices, he must have an accurate record between the regular and the bargain price. The merchant is perfectly free to fix whatever price he desires, and to change prices whenever he sees fit. But all sales must be in accordance with prices fixed in advance of which the auditing firm has been furnished a record. This is only good business and is necessary in order to balance his books at the end of the year. Furthermore, it protects the merchant against any collusion, error, or carelessness on the part of his employees, and at the same time protects the District as against the merchant.

It is very important that every merchant ascertain carefully the total cost of doing business. In this is included such items as light, heat, water, gas, delivery, clerk hire, postage, delinquent accounts, insurance, rent, advertising, interest, etc., commonly known as overhead expense. The merchant carefully determines in advance the total amount of his overhead expense. As the expense occurs, both he and the auditing firm keep an

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accurate record of every item by means of a triplicating expense account book. Whenever he pays out anything or incurs a debt which belongs to overhead expense, an itemized record is made of all particulars, to whom paid, how much, and for what. One copy goes to the auditing firm. Thus, if money is paid out of the cash register or by check on his bank account, it is properly accounted for. There cannot be a balance of either one unless all copies of bills of money paid are turned over to the accounting firm.

If the merchant does not pay cash at the time, he makes an itemized record of the transaction, marking it "charge." Two copies are delivered to the creditor and one is retained by the merchant. The creditor takes or sends one copy to the auditing firm which is necessary in order to become a legal charge against the merchant. It will thus be seen that there is little opportunity for the merchant to falsify or conceal the amount of his overhead expense.

Can the merchant, through collusion, pay

more than the true amount, charge it to expense account, and afterward receive a rebate from the payee? If he is dealing with another merchant, firm, or company, it too is under an auditing firm and all money or payments received must be accounted for. If he is paying an individual workman, payment is made to the Sub-district in which the workman resides, which must be properly receipted and accounted for by the workman.

We have now come to the selling of the goods. It has been stated that an itemized record of every sale must be made in triplicate at the time of the sale. This record shows the exact character of each sale, the kind and amount of goods purchased, the price paid, whether cash, charge, or C. O. D., and whether to be delivered or taken. All this is written in the little sales book or pad, in the hands of every clerk, and familiar to the customers of all the large and best stores everywhere. The triplicating system had been perfected and adopted in other countries as being the best and most advantageous

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from a business standpoint. So what is universally required in this country is nothing more than what had already been proved to be good business in other countries.

By the use of the triplicate, one carbon copy is retained in the book, and another delivered to the customer. The third copy goes to the accounting firm together with all the sales checks of each day, where they are carefully scrutinized, analyzed, tabulated and summarized. The charge sales are properly entered; the total amount of charge sales for the day is ascertained, the total cash sales, the total of both charge and cash, and the total sales by each clerk. A comparison is made with the amount of cash registered, and the amount of charge sales, and the whole must be made to balance to a cent. Every sales check must be accounted for. If one is missing or has been lost, the day's business cannot be balanced.

Once or twice a day an employee of the accounting firm calls upon the merchant to collect the carbon copies of all transactions

for the day, examines the record of the cash register, and furnishes the merchant with an itemized summary of the previous day's business. In case the merchant has not previously telephoned or sent for them, the clerk may leave at this time the auditing supplies needed, such as sales books, order books, etc. All auditing supplies are furnished and handled only by licensed auditing firms. Each firm has its sales checks made of specially prepared paper which contains the firm's water-mark. They also have a certain tint and are printed with a safety ink which reveals instantly any change, alteration, or substitution which might be attempted in the writing. Another safeguard is that the sales book is so made that the writing on the carbon copy which goes to the auditing firm is on the back and in reverse, so that it cannot be changed without detection. Each sales book, or pad, contains from fifty to one hundred and fifty checks, serially numbered. Upon delivery to the clerk, a record is made of the first and last number, and each sales check must be

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accounted for by the clerk. This is a protection to the merchant as against the clerk, and at the same time, the merchant being held accountable for the sales checks of all the clerks, it is a protection to the District as against the merchant.

By the above means the auditing firm obtains a full, complete and exact record of the merchant's business. Like the manager, director, or stockholder of the big store, the merchant can go to the auditing firm at any time, and find out the exact condition of every part of his business. Exact knowledge is necessary to the successful conduct of any business. The auditing firm furnishes him this knowledge. Furthermore, it gives him counsel and assistance as business experts. If the profits are not what they should be, or if the overhead expense is too large or not correctly estimated, or if there are unknown losses and leaks, the auditing firm will assist him in discovering the cause and devise a way of preventing them. If he is buying or carrying too large a stock of any kind of

goods, if he is carrying too large a credit account, if he is giving credit where he should not, or if there are accounts that should be collected, the auditing firm will so advise him.

In fact, thorough systematic methods cover every detail of the merchant's business, the same safe and sure methods which make the big store a success. In Equaland the individual merchant is more successful and better able to hold his own against his big rivals than in any other part of the world. Business failures are less here than elsewhere, and there are not the enormous losses from this cause there are in other countries. This is a great advantage to the community as a whole, and to bankers, wholesalers and creditors of all kinds who do business with the merchant. Few failures mean a great economic gain to the country. Millions of dollars are lost and wasted in failures in the United States every year. It is said that ninety-five per cent. of the business men in the United States fail at one time or another during their careers.



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This is not the case in Equaland. Even the younger men just starting in business and with only partial experience have in the auditing firm a guide and pilot that keeps them from the many by-paths that lead to failure and disaster, and puts them on the way to success.

Likewise, this same system which requires all business to be conducted according to the best and most approved methods under the direction of a competent auditing firm, is a protection to the State, and is the means by which the economic system of the country is maintained. By means of it exact and reliable information is furnished the District as to the earnings of each individual business man, as well as the wages paid and the number of hours worked by each of his employees. In case the merchant is an applicant for an award, the exact condition of his business in every particular can be ascertained, from which can be determined to a fraction of a per cent. his measure of success. The auditing firm has a complete and accurate record of

everything,—the amount of goods he purchased, the amount sold and the price, the amount on hand, the overhead expense, the amount of credits due, the amount of debts, from all of which items the profits are determined. The merchant cannot pad his sales, or conceal his debts, or the true amount of his overhead expense. All sales must be in accordance with previously determined prices and the customer is the safeguard to see that the prices are correctly stated on the itemized bill of sale. All money received must be accounted for and properly applied either to the purchase of stock, overhead expense, or earnings.

In the small store the cash register is the cashier. The amount of cash registered each day must correspond to the total of cash sales checks. No money can be taken from the cash drawer, either by the merchant or any of his employees, without properly accounting for it and charging it to expense account. Otherwise, a balance cannot be made for the day's business. Neither can the mer-

chant pay out of his bank account without accounting for the money, for the auditing firm keeps a record of this also. Nor can goods or merchandise be taken from the store either by the merchant or any of his employees without charging or accounting for them. The merchant is charged with the invoice price of his complete stock of goods. What is not sold must be in stock and if anything has been improperly taken or disposed of, the invoice at the end of the year will disclose it.

It will thus be seen that, by the above methods, the auditing firm has a complete and exact knowledge of every detail of the merchant's business, the same as the auditing department has of each department in the big store, or in each one of a chain of stores. He is charged with and must account for everything connected with his business, the amount of goods purchased, the amount sold, cash received, cash paid out. He must turn over to the accounting firm a copy of every sales check for

goods sold. Should one be lost or missing, the business for the day cannot be balanced. Likewise, he must furnish it with a copy of the record of money paid on expense account, or his cash account either on hand or in the bank cannot be balanced. A system of this kind is like a machine. A record of every transaction in the business must be made and turned over to the auditing firm for the proper working of the machine. If one record is lost, missing, or not reported, no matter how small the item, it is like a cog dropping out of the machine. The machine does not work properly, and a balance for the day, or month, or year, cannot be obtained.

The auditing firm does the complete auditing of the merchant's business and relieves him from all work of this character. It can do it at less expense than the merchant can do it himself. By means of adding machines it quickly obtains a summary and balance of each day's business. The merchant's business is too small for him to own

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such a machine. The auditing firm keeps an accurate and systematic record of his credit accounts. It employs a collector who does this work for all the merchants under the firm. His accounts are thus collected quickly and better than he could do it himself. Furthermore, the collector has the time to look after his bad accounts. The merchant has neither the time nor the disposition, and he could not afford to employ a collector of his own.

The accounting firm also acts as an information bureau on credits. It gives the merchant reliable information as to whom credit should be extended, and to what amount. He is in touch by telephone at all times with the firm and has devices for obtaining information without giving offense to the customer.

Creditors pay their accounts either at the store, or at the office of the accounting firm. Such accounts as are not collected by the collector are generally paid direct to the accounting firm.

The accounting firm also does the merchant's correspondence. Generally the merchant calls each day at the firm's office. He obtains such information as he wishes to know concerning his business and consults the firm concerning any details on which he desires advice. At this time he will likely dictate to a stenographer such correspondence he wishes to write. The whole is done within a short time and these matters are off his hands and taken care of for the day. His business is not large enough to afford a stenographer, or even perhaps a typewriter of his own. If for any reason he has not the time for a personal call, he will communicate with the firm by telephone, obtain by this means any information he desires, or dictate to the stenographer any letters he wishes to be written.

In the larger cities and towns a still more extended use of the system has been made. Where there is a sufficient number of stores of the same kind, whether groceries, drugs, restaurants, etc., to employ the services of

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one accounting firm, the latter also acts as a buying agency. Goods or supplies can thereby be purchased in larger amounts, or in car-load lots, at less prices, by combining the orders for each kind of goods of all merchants. This plan overcomes one of the advantages of the big store, or chain of stores,—the buying of goods in large quantities at less prices. There are other uses of the plan, such as the same delivery system, the same drayage, a common warehouse for storing stock and a means of supplying each other when out. It will be seen that such a system of individual merchants is very little different from, and that it possesses almost as many economic advantages as, a chain of stores conducted by a single company.

The system outlined above is used in all kinds of merchandising, no matter how large or how small the amount of business. For hotels and cafés other systems are used designed to meet the conditions there arising, which are well known in other countries where they were first developed, and concern-

ing which the reader can inform himself from any book on modern business methods.

In those lines of business in which the sale is small such as restaurants, quick lunch counters, confectioneries, bakeries, barber shops, etc., quicker and more expeditious devices are used for receipting the customer and for ascertaining the sales of each waiter or clerk and the total sales for the day. Instead of a blank sales check upon which the items of each sale are written, a sales check is used on which is printed different amounts, running from five to fifty cents, or whatever amounts suit the business. The amount of each sale is punched upon this sales check instead of written. If there is more than one purchase by the same customer, the highest amount punched is the amount to be paid. These checks are consecutively numbered and in pads of from fifty to one hundred and fifty each. All checks must be accounted for to the auditing firm, first by the manager for the whole, and by each clerk or waiter for the checks in their custody.



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Still another check is used which is especially adaptable to the smallest business, such as the small barber, or cobbler shop, news, candy, or fruit stand, etc. This check is a quick means of receipting the customer and an accurate means of ascertaining the receipts for the day. Different amounts are printed on this check, the lowest amount being at the bottom. A perforated line runs across the check so that the amount of each purchase can be easily torn off. From that part of the check remaining in the book the amount of each sale is ascertained, and from these the total of the day or week. These checks are in pads of fifty to one hundred and fifty, are consecutively numbered, and all must be accounted for.

So far as the purchase of stock, tools, or supplies, and overhead expense is concerned, the same system used in the large stores applies, for an accurate record must be kept of these in the smallest business as well as in the largest. The record, however, is much smaller, simpler, and easier to keep.

Still another device is that of stamp cancellation. In some districts and states this system is also used to cover receipts for small amounts. Stamps are obtained of the accounting firms who keep an accurate record of the amount furnished each citizen. In every transaction a stamp is torn from a sheet, or roll, and canceled. Small stamp canceling machines are used which quickly detach and cancel the stamp at the same operation.

This system is both inexpensive and reliable. The great postal systems of all countries rely upon canceled stamps to cover millions of receipts from all their branches. Millions of revenue are also collected by the same means. The same system is applicable to any business, especially the small business, the requirement being that a stamp be canceled covering the amount of cash received in each transaction.

Every one who conducts a business of any kind receipts for the money received by one of the above methods,—either a sales check,

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punched check, tear off check, or canceled stamp. The receipts are accounted and turned over to some accounting firm with which the business is connected. At the end of the month the citizen pays the amount of his earnings, less twenty per cent. for special needs, to the Sub-district office in which he resides, which is verified and certified to by the auditing firm. In return he receives the equal wage and other allotments and benefits herein set forth. All those citizens not engaged in any business for themselves, such as workingmen, employees of all kinds, and farmers, deal directly with, and report and turn their earnings over to the Sub-district office in which they reside.

## CHAPTER XXV

### THE FARMER AND THE NEW ERA

THE same system applies to farming and all allied occupations. The successful farmer must be a good business man as well as a good farmer. Lack of systematic business methods has been the cause of many a failure. Landlords are also taken advantage of by tenants because they trust to honesty and there is a total absence of business methods between them. Trusting to honesty is a poor policy and has long ago been discarded in good business circles.

In Equaland the business side of farming is transacted according to business methods. We have seen that each individual merchant or business man is charged with the net cost of all goods purchased during the year, and with their selling price; that he must account for all goods purchased in

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sales or else have them in stock when the invoice is taken; and that he must render a true account of his overhead expense.

So each farmer is charged with the cultivation of all the tillable land on the farm he occupies; with maintaining his average earnings; with producing a certain amount of crops each year; with accounting at the end of the year for all products produced either in sales, or on hand to be disposed of later. If the average earnings of a farmer have been \$1,000 per year and by reason thereof he has been given the use of \$3,000 in buildings and personal property, \$1,000 must be made each year or a rental charge paid covering the deficiency. And whenever the earnings fall below the average the District's loss in soil value must be paid, except in cases of strictly unavoidable cause.

All citizens, including farmers, must earn a certain amount each year in accordance with the value of the real and personal property of which they have the use for home purposes, or must pay a rental difference.

But this does not apply to earnings in excess of \$1,000 per year used for business purposes, or to farms received upon an award. If a farmer who has been earning \$1,000 per year receives an award of a farm earning \$1,500 per year and on which there are \$3,000 worth of buildings, he is not charged with earning \$1,500 per year, but \$1,000 per year for five years, at the end of which time a new average is established which he must maintain. One man should not be required to equal the average of another whose farm has been awarded him for the reason that the former occupant might have been an exceptional man whom very few could equal on the same farm. And then a large part of his earnings might have been from stock, poultry, etc., in which he was unusually successful. Hence, each man is charged with maintaining his own average in case of award, but otherwise the amount of earnings must be in proportion to the value in the buildings and personal property.

Each farmer is also charged with produc-

ing a certain amount of crops each year. In those countries in which individual ownership obtains, the landowner can do as he pleases with the land. He can cultivate it poorly, indifferently, or not at all. The loss is his own and no one is interested except himself, his family and his creditors. But under a community system the District, or State, is financially interested in each piece of land. The land belongs to the District as a whole, and the use of each piece of land possesses a certain monetary value each season, which should be realized in accordance with the season. But this is no more than every farmer owes himself no matter in what country or under what system he lives,—to realize in crops the monetary value of the use of the land occupied. The vast majority of farmers everywhere voluntarily strive and endeavor to obtain a certain amount of crops, to equal the average for the season, to do at least as well as the majority.

So each farmer is charged, not with pro-

ducing all of which his land is capable by the most intensive and improved methods of cultivation,—only a few are capable of doing this—but with equaling the average for the same kind and character of soil throughout the Sub-district. This is a requirement that nearly every farmer can meet, which the great majority are desirous of meeting, and it protects the State against the indifferent and inefficient. If the farmer exceeds the average he will be rewarded accordingly. If he fall below the average he must pay the District its loss in soil value.

This average is obtained at the end of the year from the amount of crops actually produced. When the crops are planted, each farmer makes a record in a duplicating book issued to him for the purpose as to the date, kind of crops, and the number of acres planted. He retains one copy of this record and sends the other to the auditing office of the Sub-district, and thereupon becomes charged with producing the average crop as above explained. He also makes a duplicate



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record in his Crop Report Book each month of the condition of each crop as compared with the normal. Weather conditions and other causes that have damaged or retarded the growth, and the extent, or amount, are given ; also the number of labor hours performed. The monthly crop report made out by each farmer is presented for approval, or correction, to the crop inspector, or reporter, for the neighborhood before going to the Sub-district office. There is such an inspector in each neighborhood of from one to two square miles in extent according to the density of population and size of the farms. They are appointed by the Sub-district and are paid for their services. Being reliable and competent men, through practice and experience, they become skilled in judging true crop conditions. They make such correction of the farmers' report as is necessary to make it conform to the facts. If a certain crop should be below the average from any avoidable cause, such as neglect, poor cultivation, poor management, etc., it is so reported. Like-

wise, if any crop is below the average from unavoidable cause it is so reported ; also the extent and cause, so that the farmer may obtain credit for the labor hours lost.

The Sub-district office also makes observations and tests of its own. All favorable and unfavorable conditions, such as the time of planting, condition of ground, amount of rainfall, and the effect of each on the different crops, also damage from any cause, such as drought, excessive rains, frosts, injury by insect, wind-storm, or from any other cause are carefully noted and recorded. It is also known at the Sub-district office, from records and scientific tests, how much each piece of land produces and the number of labor hours required to bring any crop to a certain stage.

From the reports of the farmers, approved and corrected by the crop inspectors, and from its own observations and tests, crop bulletins are issued monthly by each Sub-district office. These crop bulletins are remarkable for their accuracy as to true crop

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conditions. They are not much different from the crop reports issued in different countries, except instead of being based upon general estimates, they are based upon reliable and accurate information as to the condition of every crop.

These bulletins give each farmer notice while the crops are growing as to what the average is, as well as the number of labor hours being performed. When it is remembered that each farmer must equal the average in crops and perform the average yearly labor hours, it is important that he have information concerning both.

The final reports are not made out and sent in until after the crops have been harvested. In order to ascertain on the part of the District the amount of crops actually produced, and to be fair and just to the farmer and not estimate and charge him with more than he has produced, tests are made while the crop is being harvested to ascertain by measurement the amount produced. These tests are easily and quickly

made. For instance, a field has a certain number of rows of the same length. A row is selected, the crop removed and measured. From this the amount of crop for the whole field is computed. After a sufficient number of crops have been tested to cover the different kinds of soil, the different conditions of the various crops in the same soil, a separate report is made by the crop inspector for each crop in his territory. Each farmer receives a duplicate of the report on his crop. If any find that they are charged too much, a test is made to ascertain the true amount.

It is not necessary to so test those crops which are harvested or prepared for market by machinery. There are many machines, such as thrashers, clover hullers, corn huskers, etc., which measure the crops handled by them. The machine owners are required to report to each Sub-district office the results of each crop handled by them within its territory. More crops are handled by machinery in Equaland than in any other country, and machine measurements are an accurate

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means of ascertaining the amount of crops produced.

It will thus be seen that the Sub-district office obtains from the final reports of the machine men and the crop reporters reliable information as to how much crop each farmer has produced. The farmer is now charged with and must account for, either in sales or otherwise, the full amount of crops. If he should hold a crop for some time, a certain allowance will be made for shrinkage, if any; also an allowance will be made if there has been any loss or destruction by unavoidable or unpreventable cause. He may also consume what is needed for table use. But with these exceptions, all products must be accounted for; he is so charged, the same as the merchant is charged with accounting for his complete stock of goods.

We have also seen that the merchant is charged with a certain selling price fixed by himself. So the farmer is charged with obtaining the market price at the time of the sale. If he should have a damaged or infe-

rior product which does not command the market price, the Sub-district office has notice thereof in the reports of the crop inspector. Each farmer uses his own judgment as to when and where he will market his crops. But he must account for all products sold and at a certain price.

It is difficult for him to dispose of anything and not account for it, because an itemized record, no matter how large or small the transaction, must be made of each sale at the time it takes place. For this purpose a triplicating sales book is used similar to the one used by the merchant and his clerks. One copy of each record goes to the purchaser, one to the auditing office of the Sub-district. The third copy remains in the book for the farmer's convenience and protection. The Sub-district office supply the sales books, the checks are consecutively numbered, cannot be changed without detection, and each one must be accounted for.

An additional safeguard to the District is that when payment is made by check, which

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is generally the case, the check is made payable to the Sub-district in which the payee resides, per himself. Small cash sales are sufficiently protected by the sales check, and gardeners, dairymen, etc., use the punched check, the tear-off check, tickets, or stamps to save time.

At the end of the month the farmer accounts to the auditing office of the Sub-district by presenting copies of all sales checks used, together with money checks and cash covering and balancing the sales checks. He receives credit for products sold and labor hours in accordance therewith. At the same time he has for his own reference and study a complete and accurate record as to how well he has succeeded as a whole and with each crop. A study and comparison of this record with his cost or expense record is instructive and profitable. And in case of error on the part of the auditing office as to the amount of his sales, or dispute with any purchaser, he has an itemized record of each transaction.

Can the farmer sell anything surreptitiously and not render an account thereof? Under the system in use, it is difficult for him to do so. He could not possibly so dispose of only a small part of his products. When it is remembered that each farmer must maintain the annual earnings of his farm, produce or equal the average crop for the year, obtain credit for a definite number of labor hours each year, it is seen that he must produce and sell enough product to meet all these requirements before he could sell anything surreptitiously. Furthermore, the Sub-district office has a record as to how much crop he has produced. All his neighbors are interested in seeing that the District receive full returns; so are all persons with whom he deals and sells. The sales check protects and safeguards the District the same as it protects the corporation, or big store, against its employees. All citizens with whom he deals require the sales check to be given not only because it is the law of the land, but also because all are interested in the



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full proceeds going to the District. Lastly, there is every inducement to the farmer to make his earnings as large as possible on account of the increased income and allotment he would receive therefrom. Furthermore, an award of a superior and more valuable farm is often dependent upon a few dollars more earnings.

## CHAPTER XXVI

### MODERN BUSINESS METHODS AND AGRICULTURAL OCCUPATIONS

THE farmer is also charged with conservation of the soil. The land must not be robbed of its fertility and exhausted to make quick returns. No good farmer does this for thereby he only injures his source of livelihood and income. In fact, in Equaland the consequences to himself are greater than elsewhere and the soil is generally better conserved than in some countries where private ownership obtains. In the first place, each farmer must both keep up his annual earnings and come up to the average of crops produced in the Sub-district each year. The farmer who abuses his land is soon in a position where he cannot do this. Rental charges attach and the District's loss in soil value must be paid. And in cases of exhaustion a special charge is made covering

the damage done the land. These charges reduce his income and soon drive him to a less valuable farm, or out of the occupation altogether.

In the second place, a farmer who has a charge against him of abuse of land is not eligible to an award. He cannot obtain an award of a better farm except by excelling others both as to the amount of earnings and the condition in which he has kept his land. It would not be just to his competitors in case of an award to allow him to reap the benefits of quick and larger returns for a short time by exhaustion of the land. If a piece of land is abused it is always known by the crop inspector and the neighbors. It is easy to prove the fact and it may be depended upon that neighbors will see to it that such a farmer obtains no unjust advantage over them in this respect.

The farmer is also charged, the same as the individual business man, firm, or corporation, with rendering a true account of his expenses. It is simply a matter of good

business for the farmer, as well as the merchant, to keep an accurate expense account, and in this country it is necessary because the amount of income, allotment, as well as awards, are dependent upon net earnings.

There are two methods of paying expenses, one known as the charge, and the other as the pay system. If the pay system is used the farmer makes use of a certain amount of his allotment, or property use, to which he is entitled, for this purpose. Thus, suppose a farmer wishes to get ahead of his expenses by putting them upon a cash basis. His gross earnings are \$1,500 to \$1,600 per year. His expenses for labor, seed, fertilizer and other items for which no allowance is made, is from \$200 to \$300 per year. On the first \$1,000 of his earnings he is entitled to the property use of \$3,000. We will suppose that he has to his credit \$200 to \$300 of this which he has not made use of. He obtains an order for the amount from the Sub-district office and deposits the same in a bank. The order, as well as the bank de-

posit, is designated, "Expense Fund." It cannot be drawn out, or checked upon for his personal use, because it is capital which belongs to the District but of which he is given the use for this purpose and which, if not used this way, would be invested in buildings or otherwise, and thus preserved for the benefit of the District. The only checks good against it outside those to a regular business concern are those payable to a Sub-district per the individual who has performed the labor or whatever it may be, and designated, "Expense." If for labor, the check will also designate the number of hours performed. It cannot be cashed by the person to whom delivered, but must be turned into the Sub-district office in which the payee resides in order for him to obtain credit for its amount in earnings and labor hours.

The farmer also obtains orders from the Sub-district office and deposits in bank, the allowance due him each year for repairs to buildings, and for maintenance of ma-

chinery. Each of these funds are designated both on the order and bank book, are kept separate from each other, and can only be used and checked upon as above set forth, for the purpose for which each is intended.

Every time a check is issued upon any one of these funds, an itemized record of the transaction for which the money is paid is made in triplicate in the farmer's "Expense Account Book." One copy goes to the payee, one to the Sub-district office, which must be signed by the payee, and one is retained by the payer. At the end of each month or quarter, the farmer turns over to the Sub-district office all copies going to it, and they become his vouchers for expenditures on the different funds.

At the end of the year the capital provided for labor and kindred expenses is exhausted. He has used his capital, but it is in his gross earnings. He is therefore entitled to its repayment out of his gross earnings to be so used another year, and so on, as long as he desires it.

If the expense fund is exhausted before the end of the year, money is borrowed from a bank, especially for the handling and harvesting of crops which must be paid for in cash. The bank has a lien on the earnings which can be enforced whenever necessary. Or, if there is no expense fund, the charge method is used. Instead of payment in money, an order is drawn on the farmer's earnings by means of which so much of his earnings are transferred to the credit of the one performing the labor. Each order is drawn in triplicate, one copy of which is retained by the drawer; the other two are delivered to the party to whom the obligation is due. He retains one of these, and presents the other to the Sub-district office, whereupon it becomes a charge against the person who issued it. All three parties interested thus have a copy of the transaction. In this manner the Sub-district office obtains copies of all obligations the farmer incurs relating to expense. They are properly credited to the different persons to whom due and the

whole is charged against and taken from his earnings.

If the farmer is engaged in any line which requires the investment of capital, such as poultry, dairying, stock raising, gardening, or any specialty in which there is large and frequent expense, or numerous sales, such business can hardly be transacted except upon a money basis. Capital for these specialties is obtained and expenses accounted for as above explained.

As already stated, none of these funds can be checked upon personally. Only those checks are honored which are payable to a Sub-district and go to make up the earnings of the individual to whom issued. For this reason there is no opportunity for collusion. The individual never does receive the money, or any part of it, but he is paid the equal wage by the District. Thus, the money once paid out is disposed of for good and is beyond the control of both parties, payor and payee. It goes into a common fund to be redistributed to all. For this reason the Sub-district



can trust each farmer to see that he obtains value received for all monies paid out of the different funds.

The farmer is not required to render any account of products consumed by himself and family, such as milk, butter, vegetables, fruits, and nuts. Every farm has its garden, orchard, and poultry yard. So do most of the city residences. The State encourages all citizens to produce as much of their own living as possible. The labor hours being short, most citizens have the time and are desirous of obtaining the table and health benefits to be derived therefrom. City lots are large for this purpose and the cities are not as compactly and closely built as in other countries. So the farmer does not have much advantage over the city man in this respect.

What the farmer consumes himself, the same as the city man, must be produced outside the number of labor hours required for the year. He receives credit for labor hours only on products sold, and not on products consumed. Those occupying small places,

sufficient only to produce what they consume, must perform the full number of labor hours in other work, the pay for which goes to the Sub-district, to entitle them to the equal wage and other benefits paid by the District.

Each farmer is allowed to use a certain portion of his products in accordance with the size of the family to feed and maintain the poultry and stock consumed. But if, in addition to this, he is feeding and maintaining poultry, or stock, for market purposes, he keeps a record of the amount of products so consumed. It is only good business for every farmer to keep such a record in order to ascertain and study the amount of expenses and profits. The farmer charges himself with and accounts to the Sub-district office for the products so consumed and obtains credit for labor hours accordingly. When he sells any of his stock, poultry or dairy products, he uses the system before described and obtains credit for so much earnings and for additional labor hours for handling and care.

An inventory is taken semi-annually by a

special officer, similar to the tax assessor in America, of the amount of poultry, stock, etc., possessed by each farmer. Each is charged with an accounting in accordance with this inventory in sales at market prices. Losses by disease or other unavoidable cause are reported to and adjusted by the crop inspector.

## CHAPTER XXVII

### EXAMPLES OF BUSINESS TRANSACTIONS

As the ultimate title of all land is in the District, subject to the individual ownership and possession of its citizens, so the ultimate title to all capital and personal property used for business purposes is in the District, subject to the use and possession of its citizens. The title of the District in its capital is preserved in all transactions concerning it and follows it into whatever business it may be invested. This is necessary because the citizen is the trustee of the District, and in order that the capital or investment may revert to the District at the citizen's death to be awarded other citizens.

In order to illustrate how the District protects its capital, let us suppose a certain citizen, John Doe, has earned and is entitled to the use of \$10,000 capital for business pur-

poses. He obtains a check or order for this amount from the District Auditor, which check or order is designated, "District No. 21, State of——, Trust Fund." He deposits the order in his bank, the deposit being designated the same way on the certificate, or the bank book. The bank makes out a duplicate deposit slip, one copy of which is sent to the Sub-district auditor who thereby becomes notified as to where the money is deposited. This fund can only be checked upon for business or investment purposes and no personal checks against it are honored.

If corporation stock is purchased a check is drawn as follows :

"Pay to the order of District No. 21, State of——, per Henry Jones, Ten Thousand Dollars. For 100 shares General Electric Stock.

(Signed) District No. 21, State of——,  
Per John Doe."

The stock certificate is worded something like the following :

“This is to certify that District No. 21, State of ——, is the owner, per Henry Jones, of 100 shares of stock, par value \$100 each, in the General Electric Company.

The General Electric Company,  
By Wm. Smith, Treasurer.  
Countersigned, John G. White, President.”

The stock is transferred as follows :

“Title to the within stock is hereby transferred to District No. 21, State of ——, per John Doe. Consideration, \$10,000.

District No. 21, State of ——,  
Per Henry Jones.”

If Henry Jones should have been the resident of another District or State, the check would have been drawn to the District of which he was a resident.

Each time a check is drawn upon a trust fund in making a purchase, an itemized record of the transaction for which the money is paid is made in triplicate. One copy is retained by the payer, the second copy goes to the payee, and the third copy, being signed by both the payer and payee, accompanies the check to the bank, and is then

sent by the bank to the auditor's office of the Sub-district in which the payer resides. By this means the Sub-district ascertains exactly for what the money has been used. It keeps a record of the stock purchased for the District by John Doe, as trustee, and requires him to account for his earnings therefrom.

When John Doe sells the stock he makes out a triplicate bill of sale; one copy goes to the purchaser, one is retained by himself, and the third copy goes to the Sub-district auditor. Title does not vest in the purchaser until the Sub-district office receives its copy of the bill of sale. The check received in payment of the stock is deposited in bank, duplicate slips being made by the bank, one of which is sent to the Sub-district office.

Thus John Doe can invest his capital in the stocks or bonds of corporations located anywhere, his checks not good or honored unless accompanied by an itemized statement signed by the seller. He may sell to whom and whenever he pleases. The Sub-district office receives notice of every trans-

action, knows what is bought, sold, and where the money is deposited. All this is accomplished with very little additional time on the part of the original parties,—no more than that required by a saleslady in writing the particulars of the sale of a piece of calico. John Doe has absolute freedom of action, the only requirement is that he obtain the market price at the time of the sale. In the smaller cities there are Boards of Trade, and in the larger cities Stock Exchanges, the secretaries of which give their approval as to market prices. In those cities in which there are regular Stock Exchanges citizens who are large dealers in stocks and bonds make their transactions through auditing firms which make a specialty of this line of business, the auditing firm making daily and monthly reports to the Sub-district in which the citizen resides. Those who buy on a small scale or only occasionally transact such business directly through the auditor of the Sub-district as above explained.

The same method is used if the capital



should be used for business purposes. John Doe draws a check transferring the capital to whatever business it is invested. If it should be his own business, a check is drawn payable to the order of "John Doe, Groceries," "John Doe, Drugs," "John Doe, Hardware," or whatever the business may be. An itemized statement in triplicate is made at the time. One copy accompanies the check and goes to the Sub-district auditor who is thereby informed that John Doe has transferred so much capital to his business. Another copy is sent to the auditing firm of the business through which John Doe accounts for his earnings in the business. The same method is used if the capital should be invested with another firm, or in the purchase of a business.

If a business is purchased, a similar check is drawn, and the business is transferred as follows :

"Know All Men, by these presents, that I, the undersigned, Henry Jones, in trust for District No. 21, State of ——, for and in consideration

of the sum of \$10,000 do hereby transfer, sell and convey all my right, title and interest in a certain drug store located at the corner of Sixth Avenue and Tenth Street in the City of \_\_\_\_\_ to John Doe in trust for District No. 21, State of \_\_\_\_\_.

District No. 21, State of \_\_\_\_\_,  
Per Henry Jones."

If a farm is purchased the Bill of Sale, or Deed, is worded as follows :

. . . "for and in consideration of the sum of \$5,000 I hereby transfer, sell and convey all my interest in and right of possession to farm No. 142, Sub-district No. 18, District No. 21, State of \_\_\_\_\_, to John Doe, in trust for District No. 21, State of \_\_\_\_\_."

Signed as above.

What is sold in this case is the value in the buildings and other improvements, which carries with it the right to possession of the land. The land itself is not subject to sale. In this instance the occupant of the farm has been earning about \$2,000 per year from which earnings he has obtained, by using a portion of his surplus earnings for this purpose, \$5,000 worth of buildings

and improvements. In case he sells, he is entitled to the use of this much value, or whatever he can obtain on sale, in other ways, either in purchasing another farm, or for business or home purposes in case he desires to change his occupation.

The Trust Fund can be used only for business or investment purposes, and cannot be used personally, and no personal checks upon it are honored. A person who is an agent, employee, or trustee would have no right to use trust funds personally. This is the law of all countries.

In like manner, if John Doe is not occupying as valuable a house as he is entitled to, if he wishes to enlarge or improve his present house, or build new, the same method is used. Let us suppose he wishes to make \$2,000 worth of improvements to his present home. He draws a check and transfers \$2,000 to John Doe, "House Fund," with an itemized statement, a copy of which is sent to the Sub-district auditor, who makes a record of the fact. All checks on the fund in

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paying for the improvement are designated, "House Fund," until the whole is paid out. The Sub-district auditor is fully informed of each transaction by means of the itemized statements which accompany the checks.

So if John Doe has a certain amount of capital he is entitled to use in personal property, he transfers or deposits the amount in his personal property fund. Most citizens have four bank accounts, or funds. First, a personal fund into which is deposited the equal wage and 20% special needs, and upon which checks are drawn for living expenses, designated, "Personal." Second, the house or home fund in which is deposited any money to be used for building, improvements, etc., and also the yearly repair fund of 5% of the earnings. Third, the personal property fund in which is deposited funds for buying household furniture, tools, machinery, personal effects, etc., and the 5% of earnings allowed for replacing and maintenance. Fourth, the trustee fund in which is deposited capital to be used for business or investment

purposes. There is also an Expense Fund, used by farmers. These funds are designated Personal, House, Chattel, Trust, and Expense. Banks issue deposit books for each fund, also checks to correspond upon which is printed the name of the fund. This makes it an easy matter for the citizen to keep the fund separate by having a check upon which the fund is plainly designated. While there are five funds, only one is much used, the first or Personal. The House and Chattel funds are used only occasionally and are generally small. Many citizens leave these funds accumulate at the Sub-district office until needed. The Trust Fund is also used but comparatively few times, because it is generally transferred to a business where it becomes a part of the business under an auditing firm. For these reasons the extra funds, or accounts, do not require much additional auditing on the part of the banks.

Each time a check is drawn upon any one of the funds, except the Personal, an itemized statement is made in triplicate of the trans-

action for which the money is paid. One copy is retained by the payer, one is given to the payee, and the third copy, being first signed by the payee, goes to the Sub-district office. At the end of each quarter or year, with the exception of the "trust" checks which are reported at once, the citizen turns over to the Sub-district office the copies that go to it and they become his vouchers for expenditures on the different funds.

## CHAPTER XXVIII

### THE SYSTEM NOT CUMBERSOME, NOR EXPENSIVE

THE foregoing system, which is nothing but modern business methods enlarged and applied to all occupations and pursuits, covers every transaction of the citizen as trustee or employee of the District. It has been applied to every business, however small; to the professional man, capitalist, farmer, employee, as well as the common laborer. It has made possible a more equitable distribution of the means of subsistence between the rich and the poor.

The system is not cumbersome and does not require too much time. In the large Department Store there is sometimes as high as fifty thousand sales a day. Yet an itemized record is made of each sale and of every transaction that takes place between the different departments and the different em-

ployees in handling such a vast volume of business. Too much time is not taken by the employees in making these records as in any way to incumber the business, or to interfere with its success. The farmer's sales, which are generally in bulk, are few as compared with those of the retail store, and the record necessary in each instance is made in a moment's time. So the transactions of the capitalist, the receipt for services by the professional man, the employee, or laborer, are few as compared with those of the average retail clerk.

The working of the system does not require any more intelligence or education than has been heretofore possessed by the average farmer, or workingman. The new sales clerk takes her position behind the counter in the big store and, possessing only common intelligence and education, quickly learns, and is able to perform her part in the working of the system. All that is required of her, so far as the system is concerned, is the ability to write the items and add the



totals of each sale. In Equaland, where education is general and compulsory, every citizen is able to add and write. But it would not be absolutely necessary that the farmer or laborer be able to write to meet the requirements of this system. The inability to write is a great inconvenience, but that one can be successful, accumulate wealth and transact considerable business without this ability has been demonstrated in different countries. Those who cannot write must call upon and trust to others to do it for them. So the farmer who does not possess this art would have to trust to the purchaser, in case of a sale, to make the sale record for him, and the laborer would have to trust to his employer to make the bill of sale for his labor. If it should happen that both parties of a transaction could not write, a third person would have to be called upon to make the record.

If the farmer would not be able to make out his monthly crop report, the crop inspector would do it for him. In some Amer-

ican States each farmer is required to report to the tax assessor not only all items of personal property and their value, but also the amount of each kind of product produced by him during the year. Hence, the reports required in Equaland are no more difficult, intricate, or extensive than what is required in America in making tax returns, and necessitate no more intelligence, or education than what is now possessed by the average American farmer.

The system is not too expensive. The expense has not deterred business men and corporations from making use of modern business methods. In fact the system prevents losses and leaks, and saves far more than it costs. Each District, being like a corporation, needs the same protection from losses and leaks upon the part of its dishonest citizens as the business corporation, in order that the wealth produced and created each year may be preserved entire for the benefit of all. Hence, the system saves the people as a whole far more than it costs.

The successful working of the system requires no more honesty than has been heretofore possessed by mankind. Its object and purpose are to obtain from each citizen a true account of his earnings in order that a more just distribution of the means of subsistence can be made in accordance with need. One of the objects in designing and developing modern business methods was to protect the employer against dishonest employees, to require each employee to render a true and full account of all business transacted by him. That this object has been attained in a pre-eminent degree is well known to all those who are familiar with the practical workings of modern business methods. The economic system of Equaland being nothing more than this same system enlarged and applied to every business and occupation, requires no more honesty than has been heretofore possessed by the average employee of the big store or corporation, and protects the State against each citizen the same as the big store or corporation is protected against its employees.

The majority of mankind is honest; at least sufficiently so as to render true accounts when any system is used to detect dishonesty. The above system is greatly beneficial and highly favored by the honest majority,—that is, by the people generally. By means of it an exact record is obtained of the earnings of each citizen. It furnishes unquestioned proof as to exactly how much each citizen is entitled to from the District; the amount of income for living expenses, of allotment or use of capital in a home or business, retirement benefits, as well as who is entitled to advancement or promotion in case of an award. <sup>b</sup>

## CHAPTER XXIX

### CHANGES NECESSARY FOR THE BEGINNING OF THE NEW ORDER

THE question is frequently raised by sojourners in Equaland as to whether its economic system is adaptable to other countries, and if adaptable, what changes would be required in its adoption. While State Socialism may work well in a new country which has comparatively few large cities, is it applicable in the largest cities of other countries containing several million population?

A District, it has been observed, is similar to a corporation. Its citizens are its employees, accounting to it for their earnings and in return are paid an equal wage and other benefits. There are railroad systems or corporations in the United States having 150,000 employees. Counting four people to each employee, to allow for women

and children, would make a population of 600,000. The Railroad Company transacts a vast amount of business daily and monthly in handling its passenger and freight traffic, and expends millions of dollars annually in maintaining its right of way and rolling stock. The earnings of all employees go to the company and in return the company pays each employee a certain monthly or semi-monthly wage. If a single railroad company can handle successfully 150,000 employees, not only receiving their earnings but controlling all their activities and paying its employees monthly, so could a District containing the same number of employees which only receives the earnings of its employees but does not control their activities.

There are in the Postal Service of the United States 295,461 employees, according to the figures for May 1, 1916. It is operated as a single system or a unit. Allowing four people for each, these employees represent a population of 1,181,844. Should the demands

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of the service require it the number of employees might be doubled or trebled, representing a population of from two to three million. The earnings of the postal employees are accounted to the Post-Office Department and in return they are paid for their services monthly and in some cases semi-monthly. If instead of being scattered throughout the United States, the postal employees were located in a single District, or city, all within close personal touch and within easy telephone communication with each other; if, instead of all being engaged in the same occupation, they were engaged in different occupations, free and independent of each other and of the District so far as their occupations are concerned, would not the District be able to handle this number of employees as successfully as the Post-Office Department, obtain from each a true account of his earnings and in return pay each a monthly wage and other benefits?

We have in the postal system of the United States a demonstration of the fact

that a District or city of a million population could be successfully handled and operated under a system of full and complete State Socialism. In the leading countries of the world there are but comparatively few cities containing more than a million inhabitants. In the United States there are but three such cities, while a large portion of the inhabitants live in smaller cities and rural counties containing from 25,000 to 50,000 population, and in which under State Socialism there would be from 6,000 to 15,000 employees. The average District in the United States would contain about 50,000 population.

A District should embrace an entire city, and in case the earnings of a certain District should be much in excess of the average for the State, such excess should be accounted for to the State. Such a provision might be advisable in case there were a number of wealthy citizens or millionaires residing in the same District whose earnings would swell the average beyond that of the rest of the State. In all the larger European and Ameri-



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can cities there are slum sections in which congregate the poor. By making a District co-extensive with a city, the slums or poor sections, where the earnings are low, can be taken care of by the rest of the city where the earnings are high. The inhabitants of the slums would not earn as much as they receive. They would generally receive their rent free, and in some instances more. The object and purpose of State Socialism is to banish poverty and effect a more equitable distribution of the necessities and conveniences of life.

As to whether the largest cities of the world, such as London, New York, Berlin and Paris, could be operated as a unit, let us take for an illustration a certain railway system. There are in the service of the Pennsylvania Railroad System, East and West of Pittsburgh, approximately 225,000 employees. All the accounting for the entire System is taken care of by two accounting departments, one for the Lines East of Pittsburgh and one for the Lines West of Pittsburgh, each

accounting department being in charge of a comptroller. These two departments handle all the statements of earnings and expenses for the entire Pennsylvania System, and the employees are paid twice a month through the Treasury Departments of the Lines East and Lines West of Pittsburgh.

We have, then, two accounting departments for 225,000 employees, or for 900,000 people, counting those dependent upon them. This would make one accounting department for 450,000 people, one-fourth of whom would be employees, entitled to the equal wage. On this basis, if we had a city of 4,500,000, we would need ten accounting departments, and in like proportion for whatever the size of the city.

It would be no more difficult for an accounting department at the head of a city than for an accounting department at the head of a Railroad Company, covering the same number of employees. The only thing necessary to be uniform throughout the city is the equal wage. The other factors are

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fixed and are run and operated in divisions, or sections, a Sub-district being such a section. If we had a city of 4,500,000 under ten accounting departments, all that would be necessary would be for the comptrollers to get together to determine what is to be the equal monthly wage for the entire city, and make the necessary equalizations among the different departments to cover the same.

In any city, a change from the present economic system to that of State Socialism could be effected peacefully and quietly without any disturbance to business or industry. All citizens would continue in the same trades and occupations and in the same positions they now hold. All business and all industries would be conducted in the same manner and by the same methods as at present. State Socialism does not in any manner attempt to change the methods of production. The difference would be that every business would have to employ the services of an auditing firm and be conducted according to modern business meth-

ods. This would only be good business policy for every business not now so conducted. At the end of each month all citizens would account and pay over their earnings to the auditor's office of the ward or township in which they reside and receive the equal wage and other benefits to which they are entitled.

No changes would be necessary as to the control and possession of real and personal property held by citizens, except properties rented for residential purposes. The individual ownership of property for resident purposes is not in harmony with the housing system, under which the county or city itself undertakes to furnish each citizen a home in accordance with earnings. Hence, individual ownership in this class of properties would cease, the properties would be turned over to the city and the former owners paid their rental value by the city as long as they live. At their death the properties would belong to the city absolutely. In the case of farm properties occupied by tenants, the buildings

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would go to the county to be administered under the housing system, the former owner being paid their rental value during his lifetime. The latter would also have control of the land, for the use of which the tenant would have to pay him rent or a share of the earnings. There would be no change as to the control of business properties occupied by tenants. Owners of this class of properties would continue to exercise the rights of ownership and control the same as before. With the above exceptions, then, all citizens would retain possession and control of whatever property, business, or other rights they possessed at the time of the change. Those citizens possessing more property than they are entitled to in accordance with earnings would be charged the rental value on the difference, and those in possession of less than they are entitled to would be paid the rental value on the difference. The only other difference would be that at the death of the citizen his property or business, instead of descending to his children, would revert

to the county or city to be awarded other citizens upon a competitive basis.

This would necessitate the repeal of the inheritance laws, as now in effect, in different countries of the world. In the United States, the inheritance laws, embracing the Statutes of Descent and Distribution, and of Wills, could be repealed by mere act of the State legislatures, for in many of the States they do not rest upon any inherent or Constitutional right, but only upon statutory, or legislative enactments. Congress has the power to repeal the inheritance laws for Alaska and to substitute therefor a law providing for the reversion of property to the State at the death of the possessor, and to pass other laws embracing the principles of State Socialism.

But whether the inheritance laws rest upon mere statutory or upon Constitutional right, as may be the case in some European countries, it is well known that the Constitutional law of any country can be changed, and is changed, whenever a strong majority

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of the people demand it. In England, for instance, the unwritten Constitutional law is more flexible and subject to change than that of the United States. If the people of England, or any other European country, desire State Socialism the inheritance laws can be changed and a system of laws embracing State Socialism passed and put into effect. There would not necessarily need to be any change in the political form of government of any country adopting State Socialism, as the laws embracing State Socialism would be subsidiary to, and operated under, the general political laws governing the country.

The necessary laws having been passed and put into operation, each citizen would be given the use of a certain amount of his earnings for home purposes; also a certain amount for household furniture, tools, machinery, and business purposes. A certain limit would be fixed beyond which the citizen's earnings would be free for business or investment purposes. As to how much property would be allowed for home purposes

would depend upon the number of families and an appraisement at their true value of all houses, apartment, and farm buildings in a city or county. As to where the limit would be fixed would depend upon the average annual earnings of all the earners in the city or county.

All working and earning citizens would become the agents, trustees, or employees of the State. But this would not be a great change for the great majority of people, for most people are in the trustee or employee class now. All teachers in the public schools and colleges are agents or trustees of the State in the conduct of the educational system. Officers of the army and navy, all admirals and generals are mere trustees or servants of the State, to whom is given very full authority, who render services of a high quality, for which they are paid a wage. The same is true of the judiciary, and of all national, state, city, and county officials. They are but servants or agents of the State, being paid a wage for their services. So in the



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business world, the officers and managers of all the large companies and corporations engaged in the many lines of business, the officers and managers of railroad companies, insurance companies,—in fact, all people who work for a salary or wage are in this class. Then consider the immense number of lesser employees now in this class, the large number of employees of the corporations, companies and individual firms engaged in every line of business; the large number of common workers of all kinds, workers in factories, in mines, and in every kind of work for which a wage is paid. All railroad employees from the president of the road down to the section hand, as well as all common soldiers and sailors are in the employee class. They are agents, trustees, or servants to do the particular work they are employed to do.

This class comprises a very large part of the people, from the common laborer up to men in the highest positions, railroad presidents and managers, college professors and

presidents, judges, generals, admirals, the active managers and directors of great corporations and business enterprises of all kinds. Since so large a number of our citizens now belong to this class, and render the State the highest, the best, and most efficient service of which they are capable, it would not be a very great departure from present conditions to require that all citizens be of this class. It would be far better for society as a whole. And is there any reason to doubt that the business man, manufacturer, stockholder, and farmer would render any less efficient service to the State if paid a wage and recompensed by the State in proportion to ability and earnings, than the college president, judge, general or admiral?

What, then, would be accomplished by the change to State Socialism? By making all citizens trustees or agents of the State absolute ownership of property would be abolished. The American Constitution abolished nobility and made all citizens equal before the law. But in the place of the nobility

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there has developed in this country a property holding class. Great fortunes have been accumulated and perpetuated by reason of absolute and unconditional ownership of property. Their owners possess greater power, live in greater luxury, and exact a greater toll from society than the nobility ever did. It is becoming more and more difficult for those possessing nothing to acquire property holdings. Children born of parents owning property have advantages over those who possess none. These can be overcome only by exceptional ability and energy, which the great majority do not possess. By the abolishment of absolute and unconditional ownership of property, all would be given an equal opportunity. The position any citizen would be able to take in society would depend upon his individual merit and ability. This, then, is what would be accomplished, economic equality, an attainment which would be as great an advance in the world's progress as was the achievement of political equality.



