

# "H. C. L."\*

BY ARCHIBALD HENDERSON

INITIALS are the modern symbols of fame. It is no longer enough to be a plain, simple great man—with a good, honest name—like John Morley or Bill Taft. Abbreviation—attenuations—these alone connote true distinction. There was a time when men of eminence were content with the names, surnames and given names which pertained to them; but now they hanker after the glory of initialdom. A certain obstreperous American was once well enough satisfied to be known as Mr. Theodore Roosevelt; to-day he would doubtless not recognise himself under any appellation save "T. R." In the eighties a struggling Irish author would have rejoiced to be known—even as Bernard Shaw; to-day even his wife calls him "G. B. S." So pronounced is this initialising craze that Mr. Edwin Lefevre has memorialised it in a singularly brilliant and captivating story of metropolitan "nerve" which bears as title simply the initials of the bold, bad hero.

From his post in "The Conning Tower" a witty observer has noted the conspicuous and paramount features upon the surface of modern life. These he has made famous by the simple process of initialising them. Thus he began with himself; and who is there so benighted who does not thrill with the joy of recognition, at the sight of the initials "F. P. A."! Without labouring the point—which is keen enough to have made itself felt already—I would aver that this is the origin and cause of the widespread public recognition of the high cost of living—its perpetual leaping to the eye in the challenging and cryptic form: "H. C. L." Of course it must be acknowledged that prices are really

going up; that Governor Capper is once more howling about the Western farmer; that somebody has recently gobbled up fifty million dollars on flour; that we have a food administration; that we pay fourteen dollars and thirty cents to maintain a soldier to every one dollar that Germany pays; and—that we are at war to make the world safe for democracy. But it cannot be successfully denied that "F. P. A." had made the "H. C. L." famous long before August 1, 1914. Indeed, it may be said that the "H. C. L.," thus initialised, would have been famous had Prinzip never fired the world-conflagration with an assassin's shot.

How little does the average person understand the practices as opposed to the principles, the despotisms as distinguished from the laws, by which food-stuffs are produced, marketed and sold! The "Common People," caricatured daily in the press as a frowsy but genial idiot, complacently imagine that prices have some relation to supply and demand. The childish assumption is that if crops are bumper and cattle flourish abundantly upon the Western plains, therefore the prices of wheat, corn, butter, meat to the consumer will fall in response to the economic fact of increased supply. But this is a fallacy, carefully fostered by the text-books on economics. Manipulation, if uncontrolled by law, makes ducks and drakes of such principles as that of supply and demand, for example. America is receiving to-day one of the most salutary lessons in all of her history. If ever there was a country drifting, nay, lunging, with rapidly accelerating speed toward lavish extravagance, wasteful frivolity and epicurean laxity, that country was the United States of the other day. The very word "joy-ride" is an eloquent symbol for the

\* *The High Cost of Living.* By Frederic C. Howe. New York: Charles Scribner's Sons.

attitude of a people who zealously mortgaged their homes to buy a Tin Lizzie. Life itself became one mad, unending joy-ride—an irresponsible breaking of the speed laws of modern economics and of ancient thrift.

If the war has for us many a challenge, many an appeal, none is so compelling, so salutary, as the challenge to set our own house in order, the appeal to protect America, economically, for herself. To-day we no longer look askance at socialism and its fruits, the municipalisation of industry. There is nothing more impressive, from the social and economic standpoint, than this great fact emerging from the war while yet at its height: that men and nations, whether despotism, monarchy or republic, resort inevitably to socialism and its practices, in forms more or less universal, at the margin of desperation. This may express itself in a food dictatorship, in the municipalisation of the fuel supply, the taking over without compensation of the railroads of a country, the nationalising of all industries in munition manufacture. So powerful has become this influence that already leading men in England—like Gilbert Chesterton and Norman Angell—are talking freely of a universal industrial revolution in England after the war. The influence of socialism in the political councils of Russia since the downfall of the imperial régime has been, whether more for evil than for good, an influence of extraordinary power and aggressiveness. As I write a candidate for the position of Mayor of New York City asserts (with how much reason the election alone will show) his confidence in his own election. From the standpoint of America, one of Germany's supreme problems of internal administration and liberation is: how to make the Reichstag, more than a third of the membership of which is socialistic, something more constructive in legislation than an ineffective debating society.

The cause of the high cost of living, as pointed out by Mr. Howe in the opening sentence of his most valuable and timely work, is that "the feeding of the

nation has been left almost wholly to chance and to unorganised, uncontrolled agencies." This country is in the infancy of governmental control of industries, as compared with Germany, for example; but it is clearly time to grow up and to learn as we grow. As matters stand to-day you and I, instead of being under the protection of a governmental control that will prevent profiteering and industrial pyramiding, are at the mercy of thousands of individuals and organisations devoid of national conscientiousness and united for the sole purpose of exploitation and the securing for themselves of the maximum of profit. It is undeniably true that the banking and credit of the country are highly organised; that the great industries—steel, iron, oil, tobacco, etc.—are integrated by means of powerful systems of administrative control; that transportation itself is organised to a high degree. But, while it is true that the Federal Government has elevated agriculture to a place in the Cabinet, it remains equally true that the farmers to-day suffer from a shocking and remorseless tyranny as yet unremedied in any adequate way through government intervention and control. The greatest concern of all—the feeding of the people—is "wholly unorganised, wholly disintegrated." No permanent remedy can be effected until a searching and comprehensive study has been made of the problem of the feeding of the people from the point of view—not of the wholesale or retail merchant, not of the commission merchant, not of the middleman, not of the trader whose trade supervenes, in various shapes, between the acts of production and consumption—but of the producer and the consumer. There is one outstanding fact driven home with relentless logic by the author of the present work: the imperative necessity for the socialisation of man's first industry, which precedes all others in immediate, material importance, the industry of keeping himself alive.

To-day certain things are happening to agriculture in this country which, unless wisely checked and judiciously con-

trolled, must produce, within a brief period, a state of affairs so alarming that the material welfare of millions will be both threatened and jeopardised. The price of food has rapidly increased, while production has either remained stationary or substantially fallen off. The prime class to whom we look for increased production, the farmers, are gravely discouraged by conditions; there is a rapid increase in urban as compared with rural population; and there now remain more than four hundred millions of acres of land in the United States unimproved. The growth of tenancy is so startling that we can scarcely believe the figures: an increase up to 37 per cent. (1910) of farms in this country operated by other than owners. Along with these disquieting conditions go certain disturbing facts which confront all classes: that prices are abnormal; that the food supply is far below normal, and that the stifling by industrial interests for selfish ends of the free play of the law of demand and supply creates artificial prices in the interest of monopoly. For example, the prices of the twenty-five most common and necessary food commodities of the average family have almost doubled between April, 1915, and April, 1917. The actual "prosperity" induced by the war has not gone to the great bulk of the people, but principally to the favoured two per cent. who own among them sixty-five per cent. of the country's total wealth. While the privileged classes are thus fattening on war profits, prices of foodstuffs are "tangoing with the stars" and food production, instead of rising, is slowly falling.

The problem of profits is analysed with entire lucidity in this admirable volume; he who runs may read. The destruction of the incentive to production is the curse of the American system. The price of the chief article of food for a great part of the civilised world, for example, is "fixed by a group of men in the grain pits of Chicago and Minneapolis who have no interest whatever in wheat except as a commodity whose uni-

versal use makes it the easiest of all things in which to speculate." By controlling the quotations of wheat all the year round by *fictitious* sales, the grain exchanges depress the prices during the months when the farmer sells; and then, after having bought in the supply on their own terms, they either force up the price or permit it to assume its normal price in the markets of the world. The farmer is powerless, under present conditions, to hold his wheat for the inevitable. The farmer must store his wheat in anticipation of the rise; but he finds that the interests, working in sympathy with the great milling establishments, own or control the storage warehouses. Moreover, the farmer must borrow heavily of the banks in order to hold on to his crop for six months. Again he finds himself in the power of his oppressors; for the very banks upon which he is dependent for loans are largely under the control or influence of the same men who own the warehouses, the mills, and operate on the food exchanges. For example, the speculators got the 1914 crop away from the farmer at a low figure and then put up the price thirty-eight cents for their own benefit. After clearing out the 1914 crop, selling to Europe at high prices, they manipulated the market and bore it down sixty-eight cents in order to get the 1915 crop cheap! By the manipulation of export prices the grain interests gather in another immense profit, running up into scores of millions. Furthermore, the fraudulent practices of under-grading, short-weighing, over-docking and price gouging procured to the farmers a loss of fifty-five million dollars on the four hundred and sixty-eight million bushels of wheat sold between July, 1915, and January, 1916. It is calculated that this type of manipulation procured to the farmers in 1915 a loss on their wheat, corn, oats and rye—i.e., the excess sum paid by the consumers—of more than a billion dollars. This is indeed a "system of financial slavery."

A precisely similar system prevails in the case of the packers and the cattle-

men. The cattlemen cannot sell to their customers; they must sell to the buyers of the few great packing houses, who arbitrarily and despotically fix the price of meat on the hoof. The cattlemen must accept these prices or ship their cattle home at a loss. The condition which at present renders the cattlemen hopeless is that there are no public slaughter houses and no competition among buyers. The packers control the banks; and the cattlemen, who are too weak financially to resist, must accept the cash prices offered by the packers. The remedy seems to lie in political action alone; and the cattlemen desire the establishment of public abattoirs as the only means of protection against the system of privately owned stock-yards and packing houses. With government-owned terminals and packing houses, as in Australia, Germany and Denmark, for example, the cattlemen believe they would be protected against the ruinous exploitation to which they are now hopelessly subject.

Another notorious means of abuse is cold storage, which, instead of being, as it should, an agency of universal service and a means of cheapening the price of food, is really one of the principal agencies of the speculator. The wild speculation in eggs in the spring of 1917 forced the price of eggs up to seventy-five cents a dozen here when eggs in England, after two and half years of war, were selling at thirty-two to thirty-five cents a dozen. American eggs passed through fifteen or sixteen middlemen's hands in reaching a market, each one of whom took off a profit! Fictitious sales in "paper eggs" enabled the speculators to pocket excess profits of six million dollars on the Easter trade alone in the United States. By "pyramiding" his holdings, borrowing on a valuation which he himself artificially fixes, the speculator greatly enlarges the scope of his operations and thus further monopolises the market. The fictitious daily quotations of the speculators have been judicially pronounced "untruthful, wilful, deliberate, intentional, systematic and fraudu-

lent." Public ownership again is pointed to as the key to the food situation; and it is believed that the cold-storage evil and with it food speculation can be corrected in no other way than by the public ownership of the cold-storage plants.

There can be no doubt that there is a need for middlemen in many branches of industry. But it is frequently the case that a "legitimate function has been converted into a gambling transaction." In certain instances, great quantities of food have been callously destroyed to keep up the combine; and the "withholding of food to produce famine prices is so common as no longer to excite comment."

The evils of the transportation system, the tyranny of the railroads, have been dwelt upon so often that consideration here is needless. The railroads are run for the railroads; whereas large considerations of national service should continually operate. Railroads, it has been stated, actually make use of alleged car shortage to coerce mine owners to sell coal to the railroad on the road's terms. The railroads themselves are the arbiters as to the freight they haul; and Mr. Howe insists upon immediate public ownership upon the general ground that the railroads cannot be trusted, since it is to their interest in so many cases to decide in opposition to the public welfare. The transportation, packing-house, and cold-storage industries, through a system of interlocking directorates, virtually constitute together a conspiracy. This is the principal explanation of the singular dearth of food in a country boundless in its potentialities for food-production. At a time when the population of the country is rapidly increasing, it is an alarming symptom that the total loss in all cattle was five and three-quarter million head! In the spring of 1917, eight hundred thousand pounds of spring vegetables were allowed to rot on the wharves along the Hudson River—at the very time when the poor of New York were on the verge of food riots. It is a comparatively simple matter for the food speculator, in the interest of maintaining high prices, to inform the farmers, after

his produce has reached New York, say, that the market is glutted and there is no sale, or only a ruinous one, for his produce. Remove the obstacle of the uncertainty of a market by placing the railroads in public hands, says Mr. Howe, and we should thereby "bring agriculture back to life again and reclaim the abandoned farms of the country to labour." The first and most important aims of government, he affirms, should

be to increase the production of the comforts and necessities of life, and then see that those who produce them receive the full result of their labour. "Possibly the improvement in the condition of the people would be so marked that the evil conditions, under which so large a portion of the people live, would pass away and a new kind of society would come into existence born of the absence of poverty, of ignorance, of fear."

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