

1911

The Growing Grocery Bill

BY
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THIS earth is like a big bombshell. The high cost of living is the fuse. The fuse has burned nearly to the shell. Something is about to happen. Either the fire will be put out and all will be well, or the fire will not be put out and all will be hell. The French revolution was caused by the high cost of living. And a woeful woman, walking the streets of Paris, beating a drum and crying "bread," was the spark that set off the shell.

No one wants an explosion in this country. But I shall venture to say that we are taking no great pains to prevent one. The most we are doing is to blame Mr. Morgan, Mr. Rockefeller, or Mr. Armour. We believe they have the power to prevent an explosion, but refuse to use it. May I suggest that none of these gentlemen, nor all others like them, have such power? They are as helpless as any similar number of men who could be found in the streets. We, the people, alone have the power to prevent an explosion. We simply do not know how to use our own strength.

We should make haste to learn. The extreme gravity of the present situation calls out loudly against delay.

If there is a happy land upon the face of the earth, the maps do not show it. This is the fifth year of hard times in America, and no one knows how much longer they will last. Times are hard in England, hard in France, hard in Germany and hard in Austria. In all of those places, the rain has fallen, the sun has shone, men have worked, the earth has yielded, but still it is becoming increasingly difficult to keep alive. Everywhere, the cost of living is not only high, but becoming higher. Work is hard to get, but it is no harder to get than food.

I was told at the Bowery Mission in New York that within a radius of a half mile from the mission were 50,000 idle men who could find no work, 10,000 of whom were absolutely homeless. Nobody knows how many idle men there are in the country, though in Europe, they keep track of such facts. Some estimates place the number of unemployed men and women as high as 5,500,000, but they are only estimates. All we know is that the number must run into millions. Yet, in the face of such conditions, the cost of living goes steadily up.

The Flimsy Crop Excuse

THE official excuse for the lifting of price is, of course, the shortage of crops at home and abroad. How familiar this old excuse sounds. Was there never a time, judging from the trend of retail prices, when crops were not short? When business is booming and crop-records are broken, we are told that the cost of living must be high because there is so much prosperity in the country. But when there is no prosperity in the country, we are not told that we may have lower prices. On the contrary, the flimsiest excuse is seized upon as justification for still further increases. This year, food-prices must go up because of short crops. The Department of Agriculture early lent itself to the movement to increase prices. As long ago as September, a bulletin was issued to prepare the people to pay more. Crops were short, and, therefore, prices must be higher. And prices are higher. They have risen. Yet the same department issued another bulletin in November, after all of the crops had been harvested, in which the shortage, as compared

with the average for the last five years, was fixed at four-tenths of one per cent.

Europe is no nearer a just famine than we are. A drought, last summer, hurt vegetables, but left the supply of staples as great as ever. Wheat, corn, and rye came fully up to the average. No official report contends to the contrary. Even in Germany, where the anxiety of the masses is so great, there was no shortage of anything except vegetables.

Hunger, the problem with which we are dealing, is therefore a world-problem. Its causes can never be understood unless it be considered as a world-problem. The same causes that make prices high in America make prices high everywhere else. Mr. Morgan, Mr. Ryan, Mr. Rockefeller and other similar American gentlemen have little or nothing to do with the cost of food in Germany, yet, according to the *New York Post's* Berlin correspondent, it can be statistically shown that "a marked increase in the cost of the necessaries of life began about ten years ago, and that prices have been rising ever since." The cost of living, therefore, began to increase in Germany about the time that it began to increase everywhere else, and has continued to increase precisely as it has, continued to increase everywhere else.

Now, let us see what we can do toward getting at the causes of these successive world-wide increases. Great causes always run far back. Let us, therefore, go far back.

Men do business to-day in order that they make a profit upon the capital that they invest in the business. That there is no other incentive is proved by the fact that no one puts capital into a business in which he believes he can make no profit, or continues to keep capital in a business after he is convinced there is no profit in it. This system of making and distributing goods is called the capitalist system, because it is dominated by capitalists.

Yet the world has not always employed this system of making and distributing goods. Since history began, the world has employed several systems. The capitalist system of making goods for profit is comparatively new. It

may roughly be said to have begun about the time of the French revolution. Prior to that time, the system of making and distributing goods was called the feudal system. Feudal lords owned all of the land. The working people were serfs. They were put to death if they dared to leave the land upon which they were born. Their only compensation was as little food and clothing as they needed to keep them alive. And, when one feudal lord became embroiled in a quarrel with another, the business of their respective serfs was to go out and kill each other.

The Economy of "Trusts"

THE feudal system was an improvement upon savagery and barbarism, but it did not last. It did not last for the same reason that savagery and barbarism did not last—the people outgrew it. Feudalism, when it had done all it could for them, had only prepared them for something better. It had only led them to the top of one hill to enable them to see a fairer valley and a higher hill beyond.

Then came capitalism—not at a leap or at a bound, but gradually—and the conversion of serfs into freemen. But human nature did not change. The strong still wanted to live off the weak. A few wanted to ride the backs of the many. And, so, when the feudal form of exploitation ceased, another form of exploitation took its place. Capitalists hired the freed serfs to work for them and paid them wages. In order to make a profit upon the labor of the wageworkers, the capitalists did not pay them as much as they earned. They paid them as little as they could. So great was the competition among the workers for jobs that it was unnecessary to pay them more than enough to keep them alive and enable them to rear children to take their places.

Now, the capitalist method of producing goods has changed a great deal since that early day. In the beginning, capitalists competed with each other for trade. Competition, in fact, was thought to be the life of trade. Competition certainly prevented great extortion, but it also made the cost of production so high that retail prices were necessarily relatively high. As competition became

fiercer, the cost of selling goods became so great that it threatened the elimination of all profit.

Out of this situation, grew the trust. By ceasing to compete, capitalists saved the great cost of competition. By producing on a great scale, they reduced the cost of production. Improved methods of manufacture have still further reduced the cost. So great have been these economies that trust prices, although they represent a tremendous profit, are nevertheless usually lower than the prices of their competitive forerunners. Oil is cheaper since the Oil Trust came. Freight charges and passenger fares are less than they were before the control of all the railroads came within a few hands. Oil men, railway men and other great capitalists make more money than they used to only because the volume of business is greater and the application of the trust principle has so reduced the cost of production that the percentage of profit is greater. In other words, while the trusts are serving the public better than competitive producers ever did, they are gouging the public more than competitive producers ever did. The amount that the public pays in excess of the cost of production is the amount out of which the public is gouged—the sum that represents no kind of value; only profit. When kerosene oil sold at 25 cents a gallon and the cost of production was 20 cents, the buyer paid only a fifth of his money for nothing. But if Mr. Rockefeller sells for 12 cents a gallon oil that cost him only 3 cents a gallon, the buyer pays three-quarters of his money for nothing, even though he buys oil for less than half its former price.

It is the money that a nation or an individual spends for nothing that tends to make the nation or individual poor. We could go on for ever and grow richer while paying a dollar for each dollar of necessary labor cost, but we should invite only disaster if we were to pay five cents for each cent of actual value that we buy. The United States Treasury itself would go broke if it should adopt the policy of paying even 101 cents each for all of the gold dollars that might be offered.

Is it not possible that these facts, rather than the activities of Mr. Morgan or any other person, explain the

world-wide increase in the cost of living? Do not these steps lead up to the present situation:

Competition, while it kept down profits kept up production-costs and, by its own intensity, eventually compelled the competitors to become co-operators—in trusts.

Trusts reduced the costs of production and distribution, and retail prices, but enormously increased profits—the proportion of selling price that represents no real value to the purchaser.

Trusts also, by establishing monopolies, use their monopolistic powers, in some instances, to charge more than was formerly charged by competitive producers. The Beef Trust is a case in point.

Why Prices Are High

DO not these facts throw a little light upon the causes that underlie world-wide increases in the cost of living at a time when the world has produced plenty of food? Business has become organized and centralized until a few men may be said to hold the power of life and death over all the others. They tell us whether we may work or not. If we work, they tell us how much money we shall receive for our work. They offer us a sum that represents the lowest sum upon which we will consent to exist, and we take it because we know there are plenty of idle men willing to work for a bare living. And when we buy back from them the goods we have made, they tell us how much we must pay. We have nothing but wages with which to buy, and our wages for making a thing are never as much as the price they charge for the thing. Their profit must be added—that something for nothing.

We pay something for nothing as long as we can, but periodically times come when the system breaks down. Such a time is called an industrial depression. The whole game goes to smash. Mr. Morgan cannot bring good times. Mr. Rockefeller cannot bring good times. Nobody can revive business, because nobody wants business revived except upon the old profit basis. If we were willing to eliminate the profits for a few capitalists, business could be revived at once, because we have millions of idle men eager to work and plenty of machinery.

and land upon which they might work. But nobody is permitted to work with machinery unless the men who own the machinery think they can see a profit in his work. So we flounder around for a varying number of years, during which millions of men are out of work, and eventually slowly get on our feet again. The old something-for-nothing game is then resumed and continued until it breaks down again.

Right here I would call attention to a very alarming development in the capitalist system. The capitalist system, let it be explained, is like everything else—it is evolving and changing. Here is the development.

Centralization of business has so concentrated the control of the necessities of life that the coming of an industrial depression no longer reduces the cost of living.

When the trusts did not hold the business of the country so firmly in their grasp, an industrial depression that put millions of men out of work was accompanied by a substantial reduction in the cost of food, clothing and shelter. It was so in 1893. It was so in 1873. It was not so in 1907 and it is not so now. Prices are going up instead of down.

This development means that the capitalist system has evolved to the point where it places in the hands of a few capitalists absolute power of life and death over the rest of the people. In the old days of competition, the cost of living came down after an industrial depression because the competitors, having produced more than they could sell, threw their stocks upon the market for what they would bring. They had no organization to hold them together and maintain prices. But in these days, capitalists not only act in concert in maintaining prices, but they have no over-stocks to worry them. In the haphazard competitive production, more was produced than the people could buy. Industrial panics came upon us because of so-called over-production. But the trusts make no mistake. They know from day to day how much the country is buying, and produce only what is required. Now, when the something-for-nothing system breaks down the shelves of the manufacturers are bare. ~~Nothing~~ is thrown on the market for what it will bring.

Everything that is put on the market is made to bring all that can be wrung from the people. That is why prices are high to-day, notwithstanding the fact that this is the fifth year of hard times and little work.

You will have difficulty in overestimating the seriousness of this development. It has in it the seeds of a revolution more bloody than that which deluged France. It gives a few men the power to control the food supply of the nation. It places a tax-gatherer at every table. It consigns millions upon millions to hunger and actually starves thousands to death. Millions can be starved for a time, and starved with safety to the starvers. So slowly does the human mind act. But such power carries with it the seeds of its own destruction. It will not always be safe to keep millions hungry. Unless the system is changed, the day of reckoning will come. These hungry men will demand a right to live. They will stop at nothing to secure this right. *And they will get it!*

*What shall it profit this country if it deny these men a few years more and pay for the denial with oceans of blood? Bloodshed is not pleasant to contemplate, but it is less unpleasant before it happens than afterward. I contemplate it now, not only here, but everywhere. I don't expect it—I fear it. I don't expect it, because I believe the people will apply the remedy before it is too late.

The Co-Operative Buying Fallacy

WHAT is the remedy? Is it in buying co-operatively? Some persons believe so. A Brooklyn woman and five associates who have learned that by buying co-operatively they can get 10-cent lettuce at 2 1-2 cents a head, 5-cent radishes at 1 cent a bunch, and a few other things in proportion are loudly proclaiming their discovery as the solution of the problem that plagues a world. As well might one who had seen a baby ride wagon-like on a roller skate proclaim that a roller skate was the proper vehicle upon which to cross the continent. The co-operative plan of buying is good only in the sense that it suggests the good. It minimizes a few profits, but it is a child's weapon. Let there be enough co-operative buyers seriously to threaten profits and they will quickly,

discover that they get no reduction. A profit system that has robbed a world for more than a century is not going to wilt simply because women choose to change the manner of their buying. That would be too easy. Dealers would simply change the manner of their selling and we should be where we started.

Nor can the problem of the high cost of living be universally and permanently settled by municipal buying. A city, here and there, may be able to buy potatoes from the farmers and sell them at cost far below that of the retail merchant. What does it signify? Simply that the methods of exploitation would have to be changed a little if exploitation were to continue. But does anyone believe that the gentlemen who are interested in exploitation would fail to adjust their methods to new conditions if all cities should adopt the policy of buying for their inhabitants and selling at cost? If all cities bought potatoes, how long would it be until either the farmers organized and increased prices, or until some sharp Wall Street man organized the American Farm Products Company for the purpose of buying everything the farmer raises, hiking up the price and selling it to municipal governments? The United States government itself could not permanently reduce the cost of living if it were to undertake to buy the food supplies of the whole nation. Manufacturing nothing, as the government does, the government would be compelled to buy everything. The great staples of life, it could buy only from the trusts. It could not even buy wheat from the farmers, because the government has no mills to grind the wheat. The government could buy from the farmers only vegetables and small truck.

The trusts, having no other customer but the government, would immediately change their exploitive methods to fit the occasion. Wholesale prices would go out of existence. Nothing but retail prices would be known. Those retail prices, then as now, would be the highest the trusts believed they could collect without a riot.

Imagine the government, as the only purchaser of flour, bargaining for enough flour to make the nation's bread for the next week. Suppose even the President

himself were conducting the negotiations with the head of the flour trust.

The head of the flour trust, in reply to an inquiry, remarks that the price of flour is \$7.50 a barrel.

"I know that is the retail price of a single barrel," replies the President, "but I want to buy 100,000 barrels."

The trust gentleman smiles and replies that the price of 100,000 barrels will be precisely the same a barrel, as the price for a single barrel.

Now, your President may become as excited as he pleases. He may denounce the flour trust and call its names. He might as well save his breath. Upon him is the responsibility of providing flour with which 90,000,000 people may make bread next week. He must buy the flour, or the people will have no bread. The flour trust will own all of the flour and all of the flour-milling machinery in the country. Under the law, it can set its price upon its own property. If the flour trust says that the price of flour is \$7.50 a barrel, the President will pay \$7.50 a barrel or he will get no flour, and the people will get no bread. Is there any escape from this conclusion?

Can the Government Lower Prices?

IT is not enough to say that co-operative purchasing has worked well on a small scale. It is not enough to say that Mayor Shank, of Indianapolis, actually bought potatoes in Michigan last fall for 69 cents a bushel and sold them in Indianapolis at 75 cents a bushel at a time when the retailers were charging \$2. Nobody denies that the mayor did these things. But the point is that most cities did not do these things. That is why Indianapolis and a few other cities were able to do them. They deviated from the ordinary practices of trade. The trusts have their traps set to catch only those traders who come through regular channels. It would be foolish to try to catch others, because there are not enough others to make it worth while. But let there be enough others to make it worth while, and the trusts would quickly change the setting of their traps to catch the nimble gentlemen who were trying to run around the ends of their fortifications. In short, if the United States Govern-

ment itself, were to undertake to buy everything that every citizen needs or wants, most prices would be no lower than they are now, and in five years no prices would be lower than they are now. Business would simply adjust itself to the new conditions and exploit the people collectively instead of exploiting them individually. Greater concentration in the buying power would be met with greater concentration in the selling power. Many lines that are now weakly organized would become highly organized, and we should be fortunate if, in five years, the cost of living were not higher than it is now. To believe otherwise is to believe that a system of exploitation, based upon private profits that has stood all over the world for more than a hundred years is inherently so vulnerable that it can be destroyed simply by buying collectively instead of individually.

If the present system depended for its vitality upon sales to individuals, it could be destroyed by collective purchasing.

But the present system does not depend for its vitality upon sales to individuals. It depends for its vitality upon the ownership and control by a few of the means of life for all. Think that over for a minute and see if it is not so.

If it is so, what good would it do to put Mr. Morgan, Mr. Rockefeller and all of the other rich men in jail? Mr. Morgan did not make the system under which he and the other gentlemen are operating. It was here in this world long before any of them were here in this world. It is greater than any of them or all of them. It sometimes bends and breaks men of their class as readily as it breaks anybody else. In matters of great moment, they can no more control it than they could control an earthquake. They are as powerless to bring good times to-day as you are. If they were not, they would bring them. With the stock market low, it would mean billions to them to have good times set in to-morrow. But they, like everyone else, are powerless in the face of such an emergency. They cannot change the system. Only the people can change it. And if Morgan and all other rich men in the world were in jail, the

system would go on if the people did not stop it. Morgan and the other gentlemen would have successors in industry. Their successors would change the forms of business, but they would not change its substance. Its substance would still be exploitation. They would "call in their green certificates and issue red ones in their places," as James J. Hill blithely said he did when the United States Supreme Court ordered the dissolution of the Northern Securities Company. But the old game of exploitation would go on under whatever forms might be necessary to fit the new conditions, precisely as the Standard Oil Company and the American Tobacco Company are going to go on, regardless of the solemn order of the United States Supreme Court that they break up and fade away.

On the other hand, what good would it do, so far as reducing the cost of living is concerned, if we were to destroy the trusts and restore the competitive conditions of 1870? Mind you, it seems as improbable that we could do this as it does that we could remove the Rocky Mountains to the Atlantic seaboard, but if we could, would it do any good? Were times so good in 1870 that we can never forget them? Wages and the cost of living were both low. And then as now, the masses were facing hunger all the time while the little cream there was went to a few. Why should we believe the situation would be much different if we were to restore the same conditions?

Then there are gentlemen like old Uncle Jimmie Hill who believe the remedy for the high cost of living is in living more simply. Uncle Jimmie, with a mansion in St. Paul and another in New York, is in a highly advantageous position to suggest such a remedy. He knows the simple life by its first name.

It is, of course, true that, as a nation, we live much better than ever we did before. Thank the trusts for that. They enormously increased the productivity of labor. They enormously increased the annual output of goods. And, almost invariably, they reduced prices. It is quite possible that if a man were willing to live in a floorless log hut, raise his own bacon and sell garden

truck to buy his clothes, he could exist to-day for less than he could have existed forty years ago. Kerosene oil and cotton cloth would cost him only half as much.

But if everybody wanted to live that way, nobody would have any more money after paying his bills than he has to-day. Again, this is an instance of what only one or a few can do profitably. If one man chooses to live like a miser, he can save money, because he is getting the wages that others set by demanding a better living. But if the whole nation were so to starve itself that its consumption of food would be reduced one-half, two things would happen. Wages would be reduced to meet the cost of living, and millions of men would lose their jobs. Wages would be reduced because there is always an army of idle men who are willing to work for a bare living, whatever it costs, and millions of men would lose their jobs because decreased national consumption would leave them no work to do.

Who Holds the Loaf

QUITE fortunately, nobody wants to go back to the old days of the log hut and the razor back. Human nature does not work that way. The more things human beings see, the more they want. The trusts, by spreading before them a great variety of manufactured articles, have shown them how easy it is to produce wealth. Thank the trusts for that. They have put a peg behind the standard of living past which it will never slip. What we have we shall hold. And we shall get more.

What then, is the remedy for the high cost of living?

Let me lay some facts before you and then see if you cannot answer the question yourself.

Every remedy heretofore mentioned in this article and a great many others proceed upon the assumption that in settling this matter about the loaf of bread we should always let the other fellow hold the loaf. We may impose regulations upon him. We may prohibit him from striking below the belt, or wearing less than six-ounce gloves. We may even decree that he shall not train nights to keep up his muscle. But that dear old loaf for which we are fighting, he must always hold.

Would it change the nature of this struggle if we were to hold the loaf for a while? Instead of talking about collective buying through clubs, cities or even states, suppose we were to talk a little while, as the Socialists do, about collective manufacturing? Suppose the government, for instance, instead of spending \$437,000,000 for the Panama Canal had spent this money for wheat lands and flour mills? Do you believe there would be ever again a question about the price of flour? Would that not be one question that was settled?

We have plenty of money—the government has. We are wasting \$300,000,000 or \$400,000,000 a year to support an army and navy that the rich want to use when they become embroiled with rich men of other nations over markets, trade and profits. Suppose we were to use this and other money in settling the trust question. When a trust became particularly obnoxious, suppose we were to settle it once and for all by having the government build a big plant and become a competitor? If the government can build warships and the Panama Canal it could also, if we wanted it to, make shoes and weave cloth. It could also bake bread and run trains. Nothing that we do is too great or too little for the government to do. The government can station a uniformed soldier in Madison Square, New York, to lure homeless men into the army. The government could just as easily tell this man to bake bread or make shoes.

Maybe this plan would not work at all. It might blow up the first night. I do not know. I only know that your plan of letting the other fellow hold the loaf is already blown up and has been blown up for a good many years. It doesn't work. It doesn't feed the people. It keeps all of us poor all of the time and some of us starving part of the time. In the coldest winter nights, it keeps some of the sidewalk gratings in New York covered with prostrate men who hope to get a little warmth from the boiler rooms below.

And, I want to tell you of another thing that it is now doing for the first time in history. It is putting the brunt of hard times upon workingmen in cities and their families. You may well become concerned about this fact.

You cannot over-estimate its importance. Wherever you are and whoever you are, it deeply concerns you. You may feel that you can depend upon the farmers to keep the peace. The trusts have so well organized business that they can always compel the consumer to pay high prices and can, therefore, pay the farmer what he calls good prices. For the first time in our history, the farmers were able to see a panic sweep over the country in 1907 without feeling it. They have not felt it to this day. For two years after the panic, the prices of farm products did not fall at all. Some of them have since fallen a little, but not much. The farmer may perhaps be depended upon to keep the peace.

Can you say as much for the millions of working men and women in cities who have no work? Can you say as much for the millions of working men and women in cities who, if they have work some of the time are nevertheless confronted with the constantly increasing cost of living? They have borne the full brunt of this terrific panic and they are bearing it to-day. Worse than that, they are getting mighty small thanks for bearing it.

To Relieve Conditions

DO you believe that millions of citizens who are confronted by such conditions in cities help to make this republic a safe place in which to live—that they will always consent to starve, decorously, noiselessly and in an orderly manner?

If you do not think so, what are you, the people, going to do about it? You are the only ones who can do anything about it. Don't you believe it is worth doing something about before it is too late? The millions of working men in cities could make a lot of trouble in this country if they wanted to. Why make them want to? Why not let them hold the loaf a while? Why not proceed at once to give them a square deal? To give it to them would hurt nobody but the gentlemen who are always screwing up food prices. Why are you so solicitous about them? If you are not solicitous about them, why do you play their game? Why do you always insist that in any re-arrangement that shall be made, the loaf shall always remain in the same hands?

Maybe you believe the government could not be trusted to hold the loaf. Maybe you believe the crooked politicians would get in and mess everything. Who would elect crooked politicians to office—you? Who elects them now—you? Why, of course not. Our dear old friends, the trusts, elect them to do their bidding and keep the loaf in their hands. But tell me, who would be the flour trust's senator if the government were the flour trust and you were the government? Did you ever think of that? Will you please think of it again the next time you hear someone say the government could not be trusted to make flour or shoes?

Get hold of the loaf! The other fellow has held it long enough. To give one man the bread that another man must eat places too much power in the hands of the man who holds the bread. He is almost certain to misuse it. The temptation is too strong to make the other man a slave. The men who are holding the loaf to-day are abusing their power. If you and I were in their places we should probably misuse it just as much. It places too great a premium upon wrong-doing. It is the wrong way to live. But until we are prepared to take over the loaf, what is the use of crying out against the high cost of living? What we are getting is the logical result of our votes. If we tell a man that we will make him a multi-millionaire if he will starve us hard enough, we cannot much blame him if he does it.

We have blamed almost everybody else for our condition but ourselves. In seeking relief, we have tried almost every other remedy except taking the loaf. Every other remedy has failed. Is it not about time that we should blame ourselves for present conditions, and go sanely about it to relieve both the national hunger and, what is still greater, the national fear of hunger?

NATIONAL HEADQUARTERS SOCIALIST PARTY

CHICAGO

