

**THE CONCENTRATION OF
WEALTH, A STUDY AS TO
ITS CAUSES, RESULTS
AND REMEDIES, PP.1-103**

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The Concentration of Wealth, a Study as to Its Causes, Results and Remedies, pp.1-103 by
Albert Chavannes

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BY

ALBERT CHAVANNES.

Author of The Future Commonwealth, Vital Forces, etc.

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INTRODUCTION.

This book is specially addressed to the ever-increasing circle of intelligent men and women who realize that the undue concentration of wealth which is taking place in these times, is a danger to the moral and economic welfare of the people. I have tried to write it in such a spirit as will make it acceptable to the rich as well as to the poor.

For many years I have been impressed with the thought that our present economic system, well calculated as it is to call out all the latent energies and undeveloped resources of a new country, contains within itself the germs of new and serious dangers, which will eventually compel a complete change in our political and economic organization.

As years have passed by, and the concentration of wealth has increased, the thoughtful among us have become awakened to the presence of these new dangers, and are turning their attention from the time-honored controversies of the past, to the living issues of our day and our times.

This is not a scientific book. The reader will find within its pages neither deep economic discussions nor elaborate statistics. I have tried to present, as briefly and concisely as possible, a bird's eye view of the moral and economic results caused by the concentration of wealth, and have offered some suggestions as to its cause, and proposed some remedies which we could use to correct evils which all sensible citizens must deprecate.

The subject is so vast that I could only touch all the points

involved, so as to keep within the bounds of what I think a popular work ought to be.

We are at the beginning of a discussion which must precede the economic changes which I feel confident will sooner or later be made. By briefly sketching a portion of the battle-field where the conflict will rage, it may help many persons, who have neither time nor opportunity to give the subject an exhaustive study, to understand the trend of the coming conflict, and it may show to others, who are inclined to belittle the importance of the economic agitation which is now taking place, the fundamental difference which exists between the old spirit which controlled distribution in past ages, and the new spirit which seeks to establish a more just and humane equalization in the distribution of products.

Albert Chavannes.
Knoxville, Tenn.

THE
CONCENTRATION OF WEALTH

PART I.

OUR MILLIONAIRES.

My recollection runs back to 1843, when John Jacob Astor died in New York, said to be worth twelve or fifteen millions of dollars, and supposed to be the richest man in the United States. Even up to the time of the war of the rebellion, men with large fortunes were not common, and millionaires could almost be counted on the fingers of both hands. Commodore Vanderbilt and Alexander Stewart were considered very wealthy men in those days, and the concentration of wealth in private hands such as we see it now was then unknown.

All this is changed. Some of our citizens are said to be worth over one hundred millions of dollars. We hear of many worth from twenty to forty millions, and those who are worth one million or more number several thousands.

This startling increase in the concentration of wealth in private hands is naturally attracting attention, and is a subject worthy of study for all intelligent citizens—rich or poor—and it is the part of wisdom to investigate the causes of this concentration of wealth, its effect upon the economic and moral welfare of the nation, and whether this tendency will persist and increase.

Nothing in this world happens by chance, and if there exists among us social conditions which foster the concentration of wealth, it will undoubtedly persist as long as those conditions last, aggravated by the increased power which the control of wealth gives to its possessors.

Let us first inquire into the causes of this great concentration of wealth, and why it is a tendency which has only manifested itself of late years.

Accumulation depends upon production. Production must exceed consumption before it can be capitalized.

The production of a country is determined by its natural resources, by the amount of labor at its command, by the more or less extensive use of machinery, and by the enterprise and energy of its inhabitants.

The United States possess these agencies of production in a remarkable degree, and were making speedy progress in their development when production was checked by the civil war which turned the energies of the people in another direction. But since the end of the war, the increased use of steam and electricity, the influx of emigrants, the building of railways, have so stimulated enterprise, that production has greatly outrun consumption, and a large amount of wealth has been left over every year to be reinvested.

Certain social conditions, of which I shall write when I treat of the remedies, enable some men to gain possession of this excess of production, and thus to become millionaires.

The probabilities are that this large production will not diminish in the near future, on the contrary, all tends to show that it will steadily increase. It is clear that if the same conditions persist which have in the past enabled a few men to get possession of this unconsumed wealth, our millionaires will increase in number and power, and it becomes a serious question to consider what influence this

new element in our midst will have upon the welfare of the community at large.

The increase in the ratio of the concentration of wealth is very significant. In 1850 the capitalists of the United States owned 37 per cent. of the nation's wealth, in 1890 they owned 63 per cent. It is almost certain that this ratio will be kept up, and it may increase, for it is well said that it takes money to make money.

The laboring men do not earn enough to enable them to invest to any extent. The small amounts they are able to save from their wages are spent in increasing their comfort or in cheap amusements. Even the men of moderate means cannot spare much from the necessary expenses of their families, and a modest home and an insurance policy are usually the extent of their savings.

It is only the rich men who can save amounts sufficiently large to be used for productive investments, and this ability is greatly increased whenever they take their place among our millionaires. It is not necessary to use many arguments to show that the man whose income from all sources is only one thousand dollars a year, cannot expect to ever accumulate much wealth, while the men who have an income of from fifty to one hundred thousand dollars a year, cannot fail, if possessed of average intelligence, to add largely to their capital.

As we have now a large and ever-increasing number of men whose income ranges from fifty thousand dollars to several millions, we must expect to see pass into their hands the largest share of the unused production, and that at the end of twenty-five years from now, many of them will be worth five hundred millions, and that men worth twenty or thirty millions will be as common as millionaires are now.

One thing alone, under our present conditions, can prevent