

The Conservation of Capital

Address of

Mr. James J. Hill

At the

Minnesota Conservation
And Agricultural Development Congress

Saint Paul, March 17, 1910

THE CONSERVATION OF CAPITAL

By JAMES J. HILL

Four years ago, on the Minnesota State Fair Grounds, I called attention to the waste of our national resources and to the choice between facing about and inviting national disaster. I stated our position in these words: "The highest conception of a nation is that of a trustee for posterity. The savage is content with wresting from nature the simple necessities of life. But the modern idea of duty is conservation of the old and modeling of the new to the end that posterity may have a fairer dwelling place and thus transmit the onward impulse. The ideal of the prudent, loving, careful head of every family is the true ideal for a nation of rational men. The average state is filled with visions of its place in the procession of the years, while it overlooks the running account of daily expenses. As a prudent man, about settling himself in life, sums up his possessions, his opportunities for earning income and the demands upon him of a family to be fairly cared for and left in a position to begin the world at least as advantageously as he did himself, so the people of the United States should know with reasonable exactness just where we shall stand half a century from now".

At the time it was spoken, this warning was less seriously received at home, perhaps, than in European countries where it was widely circulated and

discussed. But the sober second thought of our own people soon lifted the subject to its proper place, and conservation is now a watchword not only for the nation but for the several states. The public is beginning to understand and sympathize with the broader view that sees national resources, industries and interests closely related to and dependent upon one another. How rapidly and how far the movement has traveled and its scope extended is shown by the resolution adopted by the National Conservation Congress as its creed, and the schedule of subjects drawn up by its committee.

The resolution reads: "Resolved. That the objects of this congress shall be broad, to act as a clearing house for all allied social forces of our time, to seek to overcome waste in natural, human or moral forces". The programme of topics for debate and report included lands, irrigation, navigation, water powers, flood waters, forests, minerals and other resources. Such is the width of vision and interpretation of the conservation interest today. But there is one subject missing; and it is the second in importance of thorn all. Next after the conservation of the land, its area, use and fertility, must come the conservation of national capital, in the shape of cash and credit.

Experience has shown us how surely prosperity follows the right employment and misfortune the abuse of this great national resource. Yet in the schedules of proposed conservation activity the waste of national power through excessive expenditure and overburdening of credit has apparently been overlooked. I propose to add this forgotten item to the list. I would suggest, that the friends of conserva-

tion take steps everywhere to give to this indispensable possession the same protection from the spoiler that we are trying to give to the soil, the forest, the water power and deposits of mineral wealth.

We are living in an age of world-wide financial delirium. Most nations have thrown away moderation in the spending of money. A couple of centuries ago, when a monarch wanted money for his pleasures or his schemes of aggrandizement, he had to place a new tax on windows or chimneys or salt or some other object such that the people felt the pressure immediately. Both were warned in time: and before the process could go too far, either protest or revolution attempted to remedy the evil. Modern conditions are totally different. The immense increase of wealth all over the world has greatly augmented the supply of capital. The mobility of this capital, the ease by which through international exchanges it can be made to satisfy a need now in one country and now in another, strengthens the impression that it is inexhaustible.

Take France, which is able to finance almost anything from a war to a manufacturing enterprise in any part of the world. Leroy-Beaulieu estimates that the wealth of the French people increases by about a billion dollars every year. This increment may be drawn upon by enterprise anywhere. It is not gathered in huge fortunes, but is distributed among millions of holders in small sums of a few thousand francs each. These are collected by the great banking concerns, ready for employment on good security in any quarter of the globe. While France is the best saver, she is not the richest of the nations. The average wealth per capita in some

other countries is higher. The per capita wealth in the United States shows the following changes in the last sixty years:

1850.....	\$307.69
1860.....	513.93
1870.....	779.83
1880.....	870.20
1890.....	1,035.57
1900.....	1,164.79
1904.....	1,318.11

Undoubtedly, at present scale of prices, the per capita wealth of the United States today is well over \$1,500. In most other nations the growth, while not so rapid, has been steady and substantial. The addition of these uncounted billions to the aggregate wealth of the world has stimulated the spirit of financial adventure and the love of squandering inherent in mankind. Its availability has lulled to sleep natural prudence and quieted the alarm of moments of sanity in the spendthrift's life; with what results we shall presently see.

If credit has, as Daniel Webster said, done more than all the mines of the world to develop and increase its industry, the potential dangers of credit are equally great. Expansion or contraction of cash is measured by millions, and of credits, by billions. The increase of apparent resources by an easy resort to borrowing, the mortgaging of a patrimony not our own to obtain material for present extravagance, the diversion of wealth from productive to unproductive uses,—all these have gone further than most people realize. It will be worth while to examine current public waste of cash and credit. It is measured by current debt and current expenditure

everywhere, as compared with the same items only a few years ago.

The people of the United States inherited from its founders a wholesome tradition against debt, which is only now disappearing from the conduct of national affairs. This, together with the enormous resources at our command and the consequent ability of our people to pay increasing taxes without distress, has kept our national debt at a moderate figure. Until the time of the Spanish war and the Panama canal, it decreased. It now tends to rise, concealed under the polite fiction of certificates of indebtedness to cover treasury deficits. If the advocates of large bond issues for all manner of internal improvements should carry their point, if that resource is not definitely restricted to the emergency of war, we will be in the condition of Europe, where the motto of even chancellory now seems to be, "After us, the deluge".

The following figures give the estimated total of the national debts of the countries of Europe at different dates. Where statistics cover so wide a field there may be some inaccuracies of detail; but, in the great aggregate, these are of no practical consequence:

1785-89.....	\$2,070,600,000
1814-18.....	7,213,800,000
1845-48.....	7,967,000,000
1874.....	18,027,800,000
1905-07.....	29,552,800,000

These are not statistics of expenditure, but of debt. After raising from their people by taxation all they can be made to contribute without dangerous unrest, the balance of money spent by these

governments increased by twenty-seven and a half billion dollars in one hundred and twenty years. It increased eleven and one-half billions, or more than 60 per cent in the last thirty years. The annual interest charge of Europe is now over \$1,200,000,000 a year. She is in the position of a debtor who must constantly add to the principal of his obligations in order to get money to keep him from defaulting on the interest.

The new budget threatens to shake the political foundations of England with its revolutionary proposals for raising more money, where borrowing had become impossible without turmoil and another drop in the price of consols. Germany has been issuing treasury bills for years to cover deficits. The debt of the empire and the several states combined is over \$4,000,000,000. The other nations of Europe are mostly traveling the same road. Now how about ourselves?

Leaving out the debts of counties, municipalities and school districts, the aggregate debt of all the states and territories, less sinking fund assets, was \$274,745,772 in 1880; in 1890 it was \$211,210,487; and in 1902 it was \$234,908,873. The decrease for the first decade was 23.1 per cent and the increase for the twelve-year period to 1902 was 11.2 per cent. Inasmuch as there was in the former a readjustment of debts in many states by scaling down the principal, a fair comparison on equal terms would probably show that the actual burden of debt on the states only is growing slowly but with a tendency to accelerate its movement.

Very different is the showing when the obligations of counties and other minor civil divisions are

included. In our cities modern extravagance finds its most untrammelled expression. The total debt of the states, including all these minor civil divisions increased \$13,921,443, or 1.25 per cent between 1880 and 1890. Between 1890 and 1902 it increased \$727,778,393, or 64 per cent. Nearly three-quarters of a billion in twelve years, an average increase of \$60,000,000 a year in the amount borrowed by the people, ought to make any country stop and think. Most of the actual material development is privately financed, and carries its own bonded indebtedness, which the public finances cannot take into account. The figures down to 1910, outside of and in addition to the national debt, would probably show an increase of a billion and a quarter to a billion and a half dollar? for the last twenty years, and a grand total of over two and a quarter billion dollars; about double what it was in 1890.

Debt figures, however, do not begin to tell the story of our national extravagance. Only a small part of our expenditure is represented by debt tables. The rest is raised by increased taxation. In part this consists of new imposts, new licenses and fees; and in part it come from increased assessments of all property that provide more revenue without showing an increased tax rate. I know of nothing bearing more directly or forcibly upon the subject of national waste and the conservation of national resources than the profligacy disclosed by our public expense ledgers. Every figure that follows has been taken from official records, or is the result of compiling their contents in summaries never before presented to the public judgment.

First, as to the nation. For the United States

government the official statements cover only what are known as "net ordinary disbursements". This total does not include the whole of the disbursements for the postal service, or any payment on the principal of the public debt, or those extraordinary expenses that cut an ever increasing figure in national finances. It covers mostly routine charges, and therefore falls far short each year of the actual appropriations made by Congress for that year. Taken alone, figures so far under the fact would be misleading. Relatively they are sufficient for the purpose, since they vary with our general policy. A comparison of the net ordinary expenditures by decades will show the trend of national spending. The amounts are as follows:

1870.	\$293,657,005
1880.	264,847,637
1890.	297,736,487
1900.	487,713,792
1908.	659,196,320

Although the great business expansion of this country began right after the Civil War, the expenses for 1890 were but four million dollars greater than those of twenty years before. Since 1890 these expenditures have grown by \$180,000,000 each nine years on the average, or \$20,000,000 a year, until now they are 121.4 per cent more than they were eighteen years ago. Expressed in terms of per capita outgo, these charges, which are only part of the cost of maintaining the federal government, rose from \$4.75 in 1890 to 86.39 in 1900 and to \$7.56 in 1908.

Shift the focus of the glass a little closer and look at our states and cities. By official records

the total expenditure of state government alone in all the states and territories of the union combined was 877,105,911 in 1890, and \$185,764,202 in 1902. The increase in these twelve years was \$108,658,291, or 141 per cent. The aggregate expenditures of all the states together with their minor civil divisions of counties, municipalities and school districts, rose from 3569,252,634 in 1890 to \$1,156,447,085 in 1902. The increase was 8587,194,451, or 103 per cent. Expressed in per capita terms, this means that the cost of state government only was \$1.24 for each person in 1890 and \$2.35 in 1902; for states and minor civil divisions combined it was \$9.09 in 1890 and \$14.64 in 1902. A few exercises in compound proportion will show what it may be twenty or thirty years hence.

Official figures from 1880 to 1909 have been obtained from thirty of the states, including all New England: New York, New Jersey and Pennsylvania of the mid-Atlantic section; all the representative commonwealths of the rich middle west and northwest; and a sprinkling of the states of the south and the extreme west. These, including as they do two-thirds in number, four-fifths of the population and the great bulk of the wealth of the whole country, will show whether or not local extravagance is still spreading its wings. The aggregate expenditure of these states, not including their counties or municipalities, increased 28.6 per cent between 1880 and 1890; 58 per cent between 1890 and 1900; 90.7 per cent between 1900 and 1909. Expressed in per capita terms, the cost of government in these thirty states was \$1.78 for each individual in 1880; \$1.79 in 1890; \$2.35 in 1900; and, assuming the same rate

of growth in population as in previous years, according to the government estimate, \$3.84 in 1909. All these different series of statistical facts, traced independently, confirm and reinforce one another. It is always asserted, when the truth is told and a demand for economy is made, that the development of the country and its increase of wealth have been so great as both to require and justify this enlarged outlay. The answer to the charge of a billion dollar session of Congress is that this has become a billion dollar country. The apology is neither relevant nor true. It is not necessary that expense should increase in the same ratio as growth. But the growth of expenditure has so far outrun the growth of the country that the actual figures are almost, incredible. The following little table, exhibiting the whole situation, might be printed at the top of every letterhead used by any man in public office anywhere in the United States:

Increases

Wealth	1870	to	1890	116%	1890	to	1904	65%
Foreign Trade	"	"	"	99%	"	"	1908	85.4
Value Manufactured Products	"	"	"	121%	"	"	1905	58%
Net Ordinary Exp. U.S. Gov't	"	"	"	1.4%	"	"	1908	121.4%
Expenditures 30 States					"	"	1909	201.6%

The moral of these half dozen lines is overwhelming and their proof of public waste is complete. The rate of development of the country was far more rapid in the twenty years from 1870 to 1890 than it was in the eighteen from 1890 to 1908. Yet in the earlier era, when every great national asset was doubled in twenty years and the pressure for enlarged activities was correspondingly severe upon

the state, the net ordinary expenditures of the United States increased but 1.4 per cent. If it is national growth that makes government costly, how about this period? Since then, with a commercial expansion expressed by a much smaller percentage, these net ordinary expenses have jumped over 121 per cent. The wealth and business of the country for the most part increased but little more than half the ratio in the second period as in the first: the expenses of the federal government increased 88 times as fast; and the expenses of the state governments in the last nineteen years went up over 200 per cent. By such facts as these, quite as convicting as slaughtered forests or exhausted mine? or impoverished soils or appropriated water powers, two things are settled once for all: no honest man should ever again adduce material development as a sufficient reason for the growing appropriation bills of nation or state; and the conservation movement should give to economy in national, state and municipal expenditure ft leading place on its programmes, and a share of effort commensurate with its importance and the country's need.

The phenomenal increase of public expenditure has already produced a plentiful crop of public ills. It is one of the causes of the increase in prices now disturbing the people. This increase follows in a suggestive way the inflation of national and local budgets. The average cost of the supplies that must be bought for practically every household has increased about 50 per cent between 1896 and 1909. During the past year there has been a marked tilting of the price level. Foodstuffs cost from 10 to 70 per cent more than ten years ago. Inquiries are

now under way which, when fairly and intelligently carried out, will give some accurate measure of the extent, and force of the movement of prices. The reports of the Federal Bureau of Labor show that, if we represent the average prices of the ten years 1890-1899 by 100, the price of food in 1908 was 120.6; of clothing, 116.9; of fuel and lighting, 130.8; of metals and implements, 125.4; of lumber and building materials, 133.1; and of all commodities combined, 122.8. These are wholesale prices. If to them be added the profit of the retailer, a fairly good idea can be formed of the new conditions of our national life.

The man who attempts to place entire responsibility for these changes upon one single act or influence lacks either fairness or intelligence. As in most great economic movements, the cause is complex. Something is due to enormous currency inflation. The total per capita in the United States in 1896 was \$21.41, and in 1909 it was 335.01. Although population had grown by many millions in these thirteen years, the amount of money to each individual had increased by \$13.60, or more than 60 per cent. The increase in the total gold production of the world, which rose from \$118,848,000 in 1890 to over 8427,000,000 in 1908, has been made the basis for one form and another of credit issues aggregating a vast sum. Even a rudimentary knowledge of economics or monetary science shows that such changes must produce a rise of prices.

The tariff is another contributing cause. It is true that it can furnish but a partial explanation. For to only a limited extent can the rise in food prices be affected by or traced to the tariff. As to commod-

ities that we export, the tariff is inoperative. It generally affects prices directly as we become importers. Nevertheless the tariff must bear its share of responsibility for rising prices. Common sense says that, when the cost of the necessities of life in a town on the Canadian side of the Detroit river is reported at nearly twenty-five per cent less than on the American side, the tariff accounts for the difference. It says that a man will raise his charges to the full extent that he is guaranteed against competition. He who believes that the sudden and violent rise of prices in 1897% following the enactment of the Dingley law, and the similar movement following the passage of the tariff act of 1909 have no relation to those legislative achievements would argue that the rise of the Seine had nothing to do with the recent inundation of Paris.

Combinations which are actually in restraint of trade, which have monopolized their field and are either controlled by a common secret management or a secret agreement to maintain exorbitant charges are partly responsible. If the operations of these had been followed with the same interest by the public and checked with the same rigor by state and nation that are displayed in agitation against the railroads which for years have been subject to public control, open to public inspection and which, practically alone among the agencies affecting directly the common life, have given their services at lower and lower prices every decade, the country would not be so stupefied as it is today by a great hardship or so bewildered about the remedy.

Still more of the rise of prices is due to the decline of agricultural products as compared with the

increase of population. Taking the average for five year periods, the wheat crop of the country increased 41 per cent in the twenty-five years ended in 1908. From 1880 the population increased 74 per cent. The decrease in wheat exports was 24 per cent. When wheat sold at 65 cents per bushel, it was because the world's product was relatively in excess of the world's demand. The ratio is now reversed, and demand, taking the world as a whole, is gaining on supply. And this is particularly true of the United States, with its rapid increase in population, its drift to the cities and its consequent actual falling off in important items of food products. Between January 1, 1909, and January 1, 1910, the number of cattle other than milch cows in this country decreased by more than 2,000,000, following a decrease of 700,000 the year before. The number of swine decreased 6,365,000, on top of a decrease of nearly 2,000,000 the year before. The number of mouths to be fed is always increasing. These are conditions under which a simple exercise in division proves the necessity of price advances. It was definitely shown in advance that they must come.

When due allowance has been made for the effect of these forces that make for dearer living, there still remains a large unexplained balance. This must be credited to the lavish expenditure which has now grown to be a national trait, which is eating up our accumulated wealth, and which is forcing prices higher and higher by consuming our resources unproductively, encouraging indolence and luxury, and compelling resort to a constantly ascending scale of wages. With these three powerful economic

forces converging upon the price average, the country could no more escape the corresponding rise and no more cure it than you could keep the mercury from rising in the tube of a thermometer while you were holding a burning glass so as to focus the blaze of the sun upon its bulb. This is the full meaning of the somewhat widely quoted statement made by me, that it is not so much the high cost of living as the cost of high living that afflicts the country.

Waste, idleness and rising wages, all interrelated to one another, now as cause and now as effect, are, next, to an over-issue of irredeemable paper, the three most powerful forces in the world to raise prices. First, waste. This is shown in the federal, state and municipal expense bills already exhibited. Only a few weeks ago there was mild objection in Washington to the demand of a certain investigating body for an appropriation of a quarter of a million dollars to pursue inquiries on which it had already spent \$651,000 without any practical results. A charge of over \$7,000,000 a year for secret service, an appanage of dictators and abhorred by every really free democracy, awakened a certain amount of criticism. In every state there have been created within the last thirty years dozens or scores of commissions, boards, official posts, all with salaries attached, all asking for more and all heaping up incidental expenses. Billions of free capital have been absorbed by the great wars of recent times, and by such disasters as visited San Francisco, Southern Italy and Paris. We are spending some hundreds of millions at Panama, and the aim of legislators ambitious of popularity

is to find new vents for the treasury. Now you cannot cheat the first four rules of arithmetic. As you cannot eat your cake and have it, too, so you cannot spend your money for one thing and also use it for another. Capital in untold volume has been withdrawn by all these policies from productive employments. The same money that has bought an automobile is not on hand to build a steam thresher. There has been less capital for production; hence less production; hence a diminished supply; hence higher prices.

Second, habits of idleness thus encouraged diminish production. Where so much public money is flowing down the gutter, many a man finds it easier to scoop up what he wants than to work for it. The fashion of public extravagance is of all fashions the first and most easily imitated. As the supply of capital dwindles on the one side of the economic machine, the supply of labor dwindles on the other. We must expect to see this also reflected in higher prices. And as long as the world has to live by labor, there will be no more escape from and no exception to this law.

Third, perhaps the greatest factor of all in the price problem is the wage rate. Everybody knows that labor cost is the principal item in all forms of industry. The wage rate has been rising steadily in this country. Powerful forces are back of this movement. It has public sympathy. To resist it is difficult and may be dangerous. As the labor supply diminishes, for reasons just stated, wages rise still more. High wages and high prices work in a circle. Every rise of one is reflected in a rise of the other. But somebody has to pay these wages. They do

not come out of the air. In the end labor suffers when the business no longer pays a profit and the payrolls cease entirely by the closing up of an industry no longer profitable.

As cost of production is chiefly labor cost, the price of the finished article must go up if the price of labor is raised. This is just as true of the farm as of the factory. And the wages of farm labor have risen with the wages of labor in the trades. The complaint of every farmer who has to hire help is that farm laborers are both scarce and expensive. The fact that tea, coffee, sugar and such commodities, which are mainly imported, have risen little or none while other prices were soaring indicates that the high American wage rate contributes to its cause. Since the laborer must receive for his work such compensation as will supply him with the necessities of life at whatever market price they command, so his wages must rise with every rise in the cost of living.

The effect of national waste of capital is felt immediately in the added weight of taxation. One of the last things men learn is that, every dollar paid out by a government must first have been paid in by the community. The income raised by any tax save those on articles of pure luxury is so much taken from productive industry; and, where not utilized for public protection, in that narrow range of activity which alone is either proper or profitable for the state, is as truly wasted as if it were spent on public games or childish bonfires. Logically, the progress of the tax-collector, the search for new objects and new methods of taxation and the exaltation of a tax into something beneficent in itself instead of a

necessary evil have kept pace with the advance in national and local extravagance.

The taxes collected annually from the railroads of the country have increased more than 200 per cent since 1889. They increased by forty million dollars and by more than \$100.00 per mile of track between 1900 and 1908. Franchise taxes, inheritance taxes, taxes on corporations and income taxes are all recent additions or suggestions. They are referred to here with neither approval nor disapproval as means of collecting money, but as part of the evil progeny of our dissipation of free capital. Not only these but a host of others must be resorted to if we carry out all the schemes that are hatched in the hotbed of waste. The experience of England with her revolutionary budget, of every Continental country groaning under heavy taxes, must become our own if our policy is not reversed. The effect upon industry, prosperity and national character of a constantly mounting tax rate, with its withdrawal of larger and larger sums every year from the fund that should be devoted to industrial enterprises and to the reproduction of wealth, is just as certain as the effect of drawing checks upon your bank to an annually larger and larger percentage of the deposits you make.

In this way, insidiously and without realization by the general public, often under the specious names of improvement and reform, capital is dissipated, discouraged and quietly abstracted from industry. In this way the volume of employment is greatly lessened, because there is less capital for payrolls. In this way high prices and high wages and high taxes may all work together for the

impoverishment of a nation by exactly the same process that works impoverishment of its soil. The analogy between reckless waste of natural resources and of capital is so close, the necessity of conservation in the one directions well as the other is so evident, that it is not easy to understand why the more thoughtful of our people did not long ago take steps to apply a corrective.

The modern theory that you can safely tax the wealthy is just as obnoxious as the medieval theory that you can safely oppress or kill the poor. It is obnoxious not because Wealth deserves special consideration, but because capital is the mainspring of all industry and material development: and, after you have devoted so much of it to the unproductive purposes that the state represents when it transcends its primary function as keeper of the peace and administrator of justice, there will be just so much less left to pay out in wages and devote to the creation of other wealth. It is a fixed fact, exactly as it is that when you subtract x from y something less than y must remain. Of course the laborer suffers even more than the capitalist. The countries in which such forms of taxation are being carried furthest are precisely those in which employment is scarce and precarious, and labor finds it necessary to lean more and more heavily each year upon the weakening arm of state and public charity. In fact the whole subject is several thousand years old; and it is as amazing to find modern legislatures mulling over it as it would be if they debated hotly the comparative advantages of the rack and the thumbscrew as instruments of torture. The conclusion of the whole matter is well summed up in a

recent article by Mr. J. Killa Brooks in the Fortnightly Review, in words as apt for the United States as they were for the British public to whom they were addressed:

"Modern British financial policy, popular and democratic financial policy, the policy of taxing the wealthy for the benefit of the masses, is not a new one. It was practiced by the Athenian democracy in the time of Cleon, and it led to the economic decay of Athens. It was practiced in ancient Rome and it led to the economic decay of Rome. It was practiced by the Spaniards who plundered and drove out the wealthy Moors, who in the Middle Ages had made Spain a flourishing and wealthy industrial country, and it led to the economic decay of Spain. Throughout, antiquity and the Middle Ages we meet with examples of the policy of taxing the rich out of existence for the benefit of the poor, and ruin has invariably been the result of that popular and democratic policy".

So it has been throughout history; and so it will be with us unless we are wise enough to avoid the hoary rock on which are plainly inscribed the legends and the warnings of the nations that made shipwreck there. It is to that, late and to no other that the socialistic experiment and all the policies that lead up to and feed it, the policies which, directly or indirectly are responsible for the major part of increased public expenditure, must inevitably drag any country.

The saving feature of our situation is that it is not complex, and that the remedy is not obscure. The laws of conservation are everywhere few and plain. As the way to resume specie payments was

to resume, so the way to conserve capital is to quit wasting it. We conserve our material resources by taking steps to stop their destruction. Just so must we save the wealth of the country, its capital, its credit, from the predatory poor as well as the predatory rich, but above all from the predatory politician. Nothing less is worthy of us as honest men or as a people living under a government of their own fashioning and control.

The ideal of intelligent economy must be restored; let the rule be that every dollar unprofitably spent marks a crime against posterity just as much as does the dissipation of material resources.

Expenditure must be cut down all along the line: since a comparison with twenty years ago shows that it might be cut in two without injury to any real interest.

Credit everywhere should be conserved by a sharp scrutiny of new bond issues. The nation should reserve them for the crisis of war; no state need ever borrow again if it is wisely and honestly governed; the city that has fifty years of corporate life behind it, or has found it necessary to refund any portion of its bonded debt instead of paying at maturity, should be slow to draw upon its credit or mortgage the lives of its children yet unborn.

Stop grafting, the offspring of public extravagance and the parent of civic decay; not only the gross form that robs treasuries, but the more subtle and more dangerous species that infects the masses of the people themselves.

Individual and public economy; a just distinction between a high standard of comfort on one side and vulgar ostentation or criminal waste on the other;

a check on income-wasting, debt creation and credit inflation; --these are the essentials of the new and better conservation. The reform is so great, so indispensable, so linked to our moral as well as our material progress that it would seem to appeal to the heart and mind of every American and win his enthusiastic devotion until its last battle shall have been won. Patriotism and self-interest strike hands here for the protection of our homes and happiness from those most dangerous of all enemies, the foes within our own borders.

Include this in your programme. Declare for the conservation and utilization of a resource without whose painful accumulation through centuries our forests and our mines would still contribute little to comfort or progress, and our fields would still wait the plow; a resource which represents the concentrated efforts and pains and hopes of a mighty past—every act of self-sacrifice of the father for his child, every reward of labor told into the treasury of savings for the future, the pulse of the strong hearts and the strain of the mighty sinews of all the millions who now are in their graves and have handed down to us their sacred trust. Encircled by the impregnable barrier which such a comprehensive policy of conservation should erect about it, the future of this nation would be secure indeed.