

## **The Progressive Hand Book of the Labor Exchange. The Dawn of Equity**

### **Section 2, Pages 31 - 60**

The concept of a Labor Exchange was developed by G. B. De Bernadi of Independence, Missouri. This booklet was compiled by E. Z. Ernst who was a general organizer for the Labor Exchange. The booklet contains lectures by Ernst, several items by M. G. Weaver and De Bernardi as well as information about the purpose, membership, by-laws, etc. of the Labor Exchange, which was described as a benevolent association "organized for the purpose of employing the idle men and women at useful labor and to distribute the wealth created equitably among the producers who contribute in the production of the necessities and luxuries of civilized life." The booklet was published by the Progressive Thought Company of Olathe, Kansas.

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## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

26.

### THE PROGRESSIVE HAND BOOK

"3rd. To defray the expenses of administration economically conducted.

"4th. To support the sick, the disabled and assist the families of deceased members.

"5th. To maintain schools, especially evening schools, libraries and places of instruction and amusement.

"6th. To extend the field of its operations by the acquisition of additional means for the employment of idle labor."

### THE MEMBERSHIP FEE

Is placed at \$1.00 for life, no matter what the age of the applicant may be. This fee is necessary to aid in paying the general expenses of the organization work, or the educational part of the plan could not be carried on. The one dollar for a life-membership, without dues, is the cheapest expense money we ever heard of for starting a beneficiary association. This being the inauguration of the greatest and grandest beneficiary association that man ever thought or dreamed of, why not push the work and teach the ignorant at so small an outlay. Is it not fair that a pupil should pay a dollar for knowledge acquired by forty years of study and sacrifice worth more than all the gold of creation to any laborer when properly applied? Many organizations pay not only larger fees but also quarterly or yearly dues besides.

The Labor Exchange, with but \$1.00 expense in a life-time, promises much greater and more lasting advantages and benefits than all other organizations, societies, associations, lodges or leagues, secret or open, political parties, communism, colonies, insurance and loan companies, stock institutions or monopolistic corporations of any kind, even if they all combine their forces and<sup>es</sup>.





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

27.

The teachers must eat and be clothed; even on the most economical plan it costs something. The printing, paper, postage and incidentals, writing, lecturing and occasional traveling, lodging, etc., too numerous and tedious to mention; organizers' expenses, the propaganda for all the general work and other necessities to convert the world from a semi-barbarous state to civilization and an ultimate paradise, must be met by those who can raise a little dollar. The movers must stand hundreds and even thousands of times as much and still are not getting leisure enough to take a peaceful meal nor an hour of pleasureable recreation outside of duty. They draw no salary nor idle away any time and yet there seems to be a hesitancy, on the part of some people, to help to pay the mite which will prove the greatest blessing to themselves.

As soon as the fees be sufficient, with the aid of donations, to keep the general work from suffering, Real Estate will be secured in a business center and the construction of a Grand Central Exchange Temple begun, by employing the idle, the like of which very few persons can conceive. In this Grand Center every member will be a dollar share-holder. Instead of paying rent then we will be able to draw rent from the outsiders who will naturally want to do business in the Center (of the Earth as it were), and the dollar will "grow."

If it were not for the ignorance of the masses and their determination to follow and nurse their headstrong, inbred, bigoted sophisms, we would not need one dollar. We could then take the instructions of the Labor Exchange principles, go to work producing wealth, and as fast as products be deposited, the certificates would be issued to be made use of for exchange or trade everywhere. But because of stupidity a few are sacrificing to make the necessary trades with those who will not



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

28.

### THE PROGRESSIVE HAND BOOK

take anything but the old money. Everyone who aids in this matter can reasonably expect to be rewarded many fold in the very near future. For the first dollar a membership certificate is issued, and for all subsequent deposits the deposit certificates are issued which can be used as circulators from point to point among members and others who understand the plan. There is no risk to run. The investment is all profit. Investigate and be convinced.

#### A MEMBER

Is any person of good, moral character, who has paid the fee, filled out and signed the obligation of membership with witnesses and returned the same to the general office, and the membership certificate will then be forth-coming from the Center. It matters not where a member lives or how much he may move from place to place in any clime. County, state or national lines cut no figure in the jurisdiction of the Labor Exchange operations.

#### HOW TO START AN EXCHANGE.

Get together seven members and organize by electing proper officers, select the names you wish to appear upon the charter and send them, with \$2.50, to the General Office and secure a Charter with Branch number. Proceed at once to select the proper person for manager whose business it will be to take charge of the deposits, issue certificates, make exchanges, cancel retiring certificates, etc. As soon as your number arrives, print off some blank Deposit Certificates of various denominations to make convenient exchanges. Secure a place for a Depository to store products. It need not be a grocery, but simply to hold in security the goods placed in the care of the society.





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

29.

If you have a trusty cobbler in your number, who is a little slack in work, get him a room where he can pile storage in the back part while he plies his trade in the front, or, for that matter, the storage may be locked with some one at a convenient location who can store the goods and issue the Deposit Certificates. These matters can be arranged by the Local Branches to suit themselves, or in harmony with the surrounding conditions.

The certificates are issued only by proper authority and with the signature of the officers and the depositor. They are never issued except for products or service rendered.

The proper arrangements having been made, the shoemaker sitting in the front of the storage room repairing shoes, we call A. Soon Farmer B. comes in with ten bushels of corn, worth 30cts. at wholesale, and deposits it, receiving Deposit Certificates representing \$3. Then C. the miller having more flour than he can sell readily, but no money, brings in a few sacks of flour, say \$5 worth, at wholesale. D. the cooper is not very busy, so he makes a few extra barrels, tubs, buckets, etc., to the amount of \$5, and deposits them. E. the blacksmith forges some iron work which he deposits and gets a proper amount of Deposit Certificates, thus it is the case with all the producers except that their business and conditions vary the transactions a little. Thus the laboring people have produced wealth and deposited it in the charge of the society where any one can get it at retail prices if they produce proper amount of Deposit Certificates or other valuable commodities in exchange. While the certificates are out among the people they can be used for convenience to facilitate trade from hand to hand with as much correctness and safety as though they were money. They are always good because they are issued on deposits of greater value. Thus depos-



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

30.

### THE PROGRESSIVE HAND BOOK

its are put in at wholesale and taken out at retail, at the current prices, which leaves a profit to the institution in favor of each producer as a shareholder according to the amount he has deposited.

When the "Checks" return to A in exchange for goods, they are filed away. New ones are always issued on each deposit of product or for service rendered. The more wealth there is produced, and deposited, the more medium of exchange there will be in circulation, and that too, without the iniquities of usury.

There are many ways of starting and operating a Labor Exchange, but one correct Principle of Justice. We think this the simplest and most feasible, on the whole, for idle labor.

If the wealth is in the form of live stock, cumbersome personal property or real estate, or when the owner does not wish to part with his property, he may chattle or mortgage upon good security and receive Exchange Certificates for short or long time, by paying less than two per cent per annum, to cover expense of transactions. As long as the security is good, and the interest paid, there is no foreclosure; and at any time part can be redeemed in labor, product, or certificates, as the borrower desires and opportunity affords. In case the borrower can not redeem, and wishes to make a settlement, then the pledged property will be fairly appraised, the obligation canceled and the balance returned to the owner. No robberies are tolerated in any form.

### BY-LAWS FOR BRANCHES.

We have very little "red tape" in our work and are in no wise conventional, believing more in results than rituals. Each Branch Exchange can adopt by-laws to suit themselves, but because many seem to think we should formulate them, we produce the following outline for consideration.





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

31.

The name of this Association is the Labor Exchange, Branch No. . . . , acting under a grant from the General Office, and in conformity with the agreement, laws, rules, regulations and charter of the Labor Exchange granted G. B. De Bernardi and others, under the state laws of Missouri, as a Benevolent Association.

Any person of good character, not addicted to intemperate or immoral habits, may become a member of this institution by paying \$1.00 and complying with the rules of Labor Exchange.

A quorum shall consist of not less than seven working members.

Meetings of the Labor Exchange shall be conducted upon the general principles of equity and equality for all mankind.

28152. Dues may be voluntary contributions, of which a strict account shall be kept by the secretary, and Time Certificates issued for the same to be redeemed when the officers declare the institution self-sustaining and able to cancel said certificates.

The officers of the Labor Exchange shall be president, vice president, secretary, accountant and an executive board of seven directors. All of which shall constitute officers of the Exchange.

Elective officers, by virtue of their office, shall be members of the executive board and shall perform such duties usually devolving upon such officers and other duties as provided by the Constitution and Charter.

Business meetings shall be held once a month, and upon all questions of import the membership shall have a fair opportunity for voice by ballot.

Term of office is for one year, but in case the membership conclude that any officer should be removed, for lack of ability or misdemeanor, the case may be arbitrated; and then voted upon by giving notice to that effect over one regular meeting previous. In which case a two-third vote



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

33.

tive workers at once, cheap at any price. Board and traveling expenses with two dollars per day for time will secure more valuable service than you ever dreamed of before. Try it.

### AN EASY LESSON ON EXCHANGE.

BY M. G. WEAVER.

Without some trading nearly all would eventually perish in spite of the hardest toil. Trade is an exchange of values. All products are the result of labor. Trade, then, is simply a labor exchange. A fair trade is the exchange of equal values produced by toil. It is generally not convenient to trade even and direct. How can the balance be settled? By returning an equivalent at the first opportunity. If A gives value to B, but accepts the amount from C in return, how can this be adjusted? By C getting that value from B.

When a trade is left unfinished for a time, an account is made to show who owes the balance, and to whom it is due. A due bill issued by the debtor and held by the creditor will best accomplish this. Thus, when B got A's toil he gave him a due bill. A holds this to show that so much is due him by B. A takes it to C and exchanges it for equal value. Now, C holds it to show that it is due him, and can present it to B, the original debtor, for cancellation by an equivalent in labor. Now, when the circuit is complete, every one having received his due, this due bill in B's hands is worthless. New ones are made with new obligations and stand temporarily to represent value until the product or service is supplied.

In the past our people have agreed that only one party should issue such promisory due



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

32.

### THE PROGRESSIVE HAND BOOK

shall decide, in other cases a majority vote is sufficient.

Record of the membership shall be kept, with age, occupation and location, by the secretary. The executive board shall have power to select a manager, whenever it is deemed necessary, who shall carry out the instructions of that body.

These by-laws may be changed at any regular meeting of the Exchange after submitting said amendment to the Exchange for a term of at least two regular meetings before action is taken thereon.

### POINTS.

Some points of advantage that the Labor Exchange has over all the other reform movements is, first, that relief can be had as soon as a few agree and operate this plan properly. That it does not in the least interfere with any of your regular work but will aid in enlarging and improving business all around. That no majority is needed and you need not leave home to form a colony in some barren place, nor fret about which political party will hold the offices or what sectarian church is the farthest from justice. Because very little or no capital is needed except willingness and ability to do something for yourselves and society. All the advantages cannot be pointed out in writing or print.

### IMPORTANT.

Don't waste valuable time that is worth millions of money to the working people of any state if properly utilized. One or two good lectures from our authorized lecturers and organizers is worth more to any county, if acted upon, than thousands of dollars spent in charities, church missionary or political agitation. Because you don't understand a good thing at first glance it is no reason you can't learn if you will try. Send for demonstra-



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

34.

THE PROGRESSIVE HAND BOOK

bills, and when others needed any they had to go there. In that case, A, B and C could not exchange labor until one of them first toiled for, or obligated with the issuer. The others must wait till the bills arrive. To borrow the bills would not better it, as some one would first have to work to secure the loan. To borrow on security is simply selling labor with the privilege to buy it again, and under this plan the people suffer for the want of bills of exchange in the midst of abundance. One man's promises are not a just representation of all men's obligations. Any medium of exchange, whether of gold, silver, paper or any other material, is but as a promise to pay the holder—a due bill. Labor and its products only are just and final payment.

Nobody wants money that is not redeemable by labor, and to make it safe it must be issued on labor products of all sorts upon equitable principles by a true system of justice to all. What virtue has gold as money? none but the foolish whims of duped and silly people. Wherever labor is done, due bills are necessary for the convenience of trade. Where no exchange bills can be issued very little prosperity is visible. To facilitate toil and exchange, and prevent stagnation in trade by keeping every one employed who wants work, the certificate of value should be issued in every local trade-center as fast as they are needed on the service and product of the laborers.

Who shall issue them? Select a competent and trustworthy person as accountant whose business it will be to receive products on deposit, issue certificates, and do an exchange business on every line locally and in a general way between various branches, as well as keep on hand a stock for the convenience of exchange members. As long as the certificates are out among the people doing all sorts of trading (much the same as





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

### OF THE LABOR EXCHANGE.

35.

money only a great deal safer and in every way far better) the products, or the value of them, remain in stock (but not wind or watered stock) to redeem them? As fast as they are returned to the place where issued, they are paid in goods; and the certificates are canceled and retired, and the stubs will show the amount of business done and to whom belongs the profits of the trade. New ones are always issued on new products. Upon this plan there need be no waiting for the "medium of exchange," for work can begin at once at any place. Work will keep hustling up, demanding more help, and trade will be a permanent boom in every locality. Will you try it and save yourself and posterity from pending ruin?

### COLONIZING.

We are in favor of colonizing if it is done in the right way. But we do not believe in going from home and surroundings to some desolate spot to begin anew and then get run down by the power of the law, aided by the great majority of the people we are trying to elevate from slavery and poverty. The proper way is to colonize the products of toil and issue our own Exchange Deposit Certificates. It will give us all the advantages of beginning at once, right where we are with everybody receiving the benefits if they work or merit exchange by the deposit of values. It is foolish under the present conditions to wait one day to form a colony. Go to work immediately where you are and colonize your labor with other workers and exchange the surplus. If you had half an idea of the heaven you could establish without delay in your own home in less time than it will take to get one county to vote for justice you would bounce to work. Two men and women can make an exchange but more are better. Colonize by all means, but go at it in the right way.



## HOW TO EQUALIZE WAGES.

"How can you equalize the wages of skilled and unskilled labor, or how can you know the value of the different kinds of work?" This seems, to many, a very difficult question to answer, yet, when the plans of true co-operation are fully understood, this is as simple as anything and can easily be adjusted by the rules of justice.

Who regulates the wages now! is it the toilers or the speculators? Is it the tedious and most valuable labor that gets the most pay, or is it not the superfluous and trashy kind which is best rewarded? On the whole, we do not care for the money wages and seldom reckon that way. It is the value of the product of toil that will figure mainly as the true basis of exchange in this system.

Suppose an article is worth \$2.00 to society and Jones produces it all right in two days and receives the Deposit Certificates for that amount of value, while Smith who is a skilled workman completes a similar article of the same value in one day and gets Certificates for the same amount. Why not, is it not just? Our trouble at present lies mainly in unjust payment and unfair exchange of products. More than one half of our people are not producers at all but still they are consuming the products of labor. Is this justice? Our rule will have a tendency to stimulate thrift because the full value of every production will be placed to the credit of the real producer.

In cases where the value of products have not yet been properly adjusted, on fair basis, an arbitrating committee can be selected to equalize according to the best authority. Under these conditions supply and demand will regulate the price





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

37.

of products and services. The price of products will be the same to all and each will naturally drift into the occupation best suited to taste and ability.

We cannot see why a clerk should receive more pay than a farm hand, or why the president of a railroad system should cost more than the locomotive engineer. We think that when the correct adjustments are made and men and women are given an equal chance to promote the welfare of themselves and others, there will be no trouble in finding the proper person for every station. If there is a difference in mental or muscular power, it is certainly not human to give the stronger an advantage over the weaker. Is it not enough to give the stronger more of the products if they by exertions produce more value? As each will hold Exchange Deposit Certificates in accordance to the wealth he has created, it will give the industrious an opportunity to have plenty of everything civilization can create.

A mechanic is more essential to good society than a president is to a nation, yet note the absurd difference in their compensation. The farmer is the foundation upon which all civilization rests and is given the least consideration for toil and service. Under the present competitive system the most worthy are being crowded down, while the worthless arrogant leeches are being exalted. Destruction is rapidly making inroads and ruin is inevitable unless the co-operative principles of Labor Exchange are speedily introduced.



## THE ROOT OF ALL EVIL.

BY M. G. WEAVER.

One morning, after a stormy night at sea, ten men found themselves on a desolate island. One was lucky enough to have a gun, another a hatch et, another a saw, another had some fishing tackle, and one had nothing but money, a useless article on an island, while five had nothing at all.

Knowing the prevailing craze for gold, the one with the shiners, called Jack, offered each of the men a dollar apiece to work for him that day. This they eagerly accepted, being elated to strike a job the first day. Three were put to erecting a tent of poles and bark, two to construct a table, bench, etc., for furniture, one to hunt, another to fish, one to hunt for fruits, nuts and berries, and the remaining one to prepare a dinner of the sundry products. Now the day being nearly spent, all were tired and hungry. When the table was set, Jack said to the workers, "All these things have I ordered and paid for, no one can dispute my exclusive right of possession; now I propose to give you all a square meal for a dollar each." This hunger compelled them to accept. After the meal, Jack said, "Those who have no money for lodging can not stay here to night." All silently departed feeling badly cowed. When they had located themselves for the night, Sam said, "Just think what blockheads we have been to-day building that tent and doing everything, providing a lot of good eatables and giving it nearly all to that fat, lazy Jack just for the privilege of handling those nine dollars a few minutes!" "No," said another, "we are not to blame, Jack, the greedy plutocrat, just went and took it." "Yes, but with your own consent," replied Sam. "Well he furnished the capital for the enterprise and it





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

39.

is not more than right for us to allow him something for interest." "I'll tell you where we missed it," retorted Sam, "we worked too cheap. Had we received two dollars each it would have been plenty for all necessities and some over." "That's what I say. The labor is ours and we have a right to ask any price for it we like. Let us organize and strike for two dollars."

All agreed to do so. The next day, Jack, having enough provisions left for himself, refused to comply with the terms proposed, the nine were laying around idle and hungry.

1st Voice. "What is the reason we have such hard times to-day, no work, no food, and no shelter?"

2d. Voice. "Overproduction I suppose, there is no demand for anything."

"No demand!" cried Sam, "don't we need anything?"

2d Voice. "Yes, but we have no employment, so where is the money to come from to pay for what we need? Most people must do with but little when the market is overstocked. The trouble is, we worked too fast. It is all due to the labor-saving machinery we used. I am sure that if we would have caught the fish by hand, cut the bark with our teeth or a sharp stone, caught the rabbits with a pointed stick, etc., we would have plenty of work to-day."

"No," replied Sam, "there is not too much produce, but it is not justly divided. One man is over-stocked and nine are destitute. Does Jack alone constitute the market, independent of our demands?"

Sam went to Jack for his opinion on the question.

"I will tell you how it is" said Jack, you see it matters not how great the demand is, if you have no money, it don't count a straw in the market. Let me tell you that your present trouble



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

40.

### THE PROGRESSIVE HAND BOOK

originated in extravagance? You wanted to live as good as the rich. Men in your circumstances must economize or suffer more."

The next morning Jack offered the desired wages and all went to work with light hearts and lighter stomachs. When, by co-operative efforts, they had again prepared a big dinner, Jack told them the market was going up and that he was obliged to have \$2.50 apiece for dinner. But, none having enough, they wrangled with each other for money until at last seven managed to pay; the two weakest had to do without. But, after dinner, Jack threw a few bones to the unfortunate two beggars, remarking, that he felt it his duty to be charitable to the poor. When the nine had again departed to seek shelter in the woods, Sam called them together and addressed them, thusly:

"We have been fools long enough! Let us be men, and make a change, Experience has proven that, if we surrender our labor to Jack for gold, we are entirely at his mercy and we get back the scantiest necessities of life. We had organized to have our wages raised and the price of our necessities went up even faster than the wages. This wage system is all wrong, and we don't have any use for the consumers of our product if they will not do anything for us. Now let us organize a Labor Exchange and only sell our labor for equal toil and not cheat ourselves by accepting that soft glittering, almost worthless, metal, which neither feeds, warms nor shelters. If we had worked for ourselves from the beginning, instead of working for gold, we would all be well fixed to-day. Let Jack alone, and we will see if he can catch fish with his stuff as easily as he has duped us. We can make our own checks to keep account of deposit and facilitate trade—out of paper—and exchange on equal basis, in any civilized country."

Early the next morning everything was in a bustle. Three new huts were started and every-





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

41.

body worked with unusual zeal and energy. When Jack came to hire them—offering as high as fifty dollars each for a day's work—no one paid any attention to him. Seeing he could not get their services in that way, he took Sam aside and offered to loan him all his money to carry on the enterprise in hand if he would allow him to share at their table and of their products for interest, because of the "capital" invested.

"No!" said Sam. "No one would work for it now. None want it. As an exchange medium we can take less expensive material, of our own make, thus saving the interest and much unnecessary work. If you want to share our wealth you must also share our toil. For labor only will we yield our labor and its products, and on no other condition."

Jack laid his heavy purse aside, as a relic of past iniquities, and went to work like an honest man, doing his share for the privilege of eating along at the table and sharing the wealth created by labor.

Since the tables are turned, improvements are swelling rapidly, and there are no more strikes, over-production, loafing, panics, tramps, landlordism, spurious laws, unequal taxation, toadyism, superstitions nor inequalities to be heard of except in the past history of half-civilized countries.

Moral: Join the Labor Exchange and enjoy its benefits.

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### HARD TIMES AND HOW TO EASE THEM.

BY M. G. WEAVER.

Not long since we enumerated the unemployed of our borough and found nearly five hundred in need of work. Most of these had families depending on them, with their supplies, and their landlord's patience, almost exhausted.



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

42.

### THE PROGRESSIVE HAND BOOK

As the weather was damp and chilly the scant supply of coal was soon consumed. Pitiful reports were heard daily, and our sympathies for humanity anxiously longed for speedy relief.

We laid the facts before one of our most wealthy capitalists and plead with him to establish some enterprise for the employment of our idle, but to no effect. He said, "With the present markets the profits would be too small to justify the undertaking," and that he could do better by waiting six months longer, expecting by that time to get ten hours toil for 25cts. Seeing this class of people were bound to have their "thirty pieces of silver" at any cost, we turned to our magistrate, who said he could raise no money in any way to help our poor, that our best people are continually protesting against high taxes and that his only hope for re-election rested on keeping them down to the lowest possible notch.

Therefore, not wishing our population to be compelled to migrate to the County Alms House, we resolved to make a persistent effort to collect a little cash from our best(?) men to establish, on a small scale, some enterprise to employ the idle. We succeeded in getting a little towards relieving their most pressing needs, but towards our project we could not get a dollar.

One night, while pondering upon the urgent needs of the people, it occurred to me that, perhaps we would better go for aid to the very people who are the most interested in the project—the unemployed. After a few days deliberation we matured a plan, and in the following Sunday morning's papers appeared a call for all those who want work to assemble in the Town Hall in the evening at seven o'clock. Over five hundred responded, with anxious faces and different ideas as to what was going to be done with them. We told them that as soon as we could raise sufficient capital they should all have plenty of work, that





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

43.

we had asked the capitalists for money for this purpose, but as they are not in need of employment themselves, they seemed to care very little about others. We therefore have called together those directly interested, the idle laborers themselves, to see if we could not get it from you. As time is money and you have lots of time at your disposal, at least at present, and already wasted many thousand dollars worth in loafing; we propose to borrow from every one, all the time and energy you can spare, to invest in various manufacturing enterprises for your mutual benefit. We mean that you shall put in your work, and take Deposit Certificates for pay till you get a start; and finally you shall have the value of a dollar for every day you work and be the owners of all the factories and products besides. There is a glorious future before you if you will but work for Time Deposit Certificates a little while until we get started. How many are willing to utilize your spare time to better your own and your fellow-workers' conditions? There were murmers of dissatisfaction among the ignorant; who wanted the "Ready John," the "Chink" and would rather loaf than work for nothing. They thought they would starve long before they could own a factory; that we just wanted to speculate on their labor for personal profit, etc. They did not believe in labor, but based all their trust on the "Almighty Dollar." Others argued, that as they had no work they might as well lend a hand and give the thing a trial, as to throw away their time altogether. Those more brave than the rest said, "We will always labor for this grand cause and become our own employers and as long as we can keep body and soul together we will not work a stroke to swell the purse of the millionaire."

Finally about three hundred declared themselves willing to combine efforts for mutual benefits. The vote of these people, for business man-



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

44.

THE PROGRESSIVE HAND BOOK

ager, fell on me. Being winter it was hard to get a start, as materials were scarce, but next Monday morning we sent ten men to each of five farmer's near by, to pick corn-husks for mats; instructing them to ask for credit until the rugs were made. Before night each of the fifty men brought in a great bundle of husks. Some farmers would not take anything, others wanted a few mats, and all were willing to wait for pay or take deposit receipts. The husks were soon distributed among the idle willing hands and in two days it was worked into six hundred neat, useful, square and oval door mats, which we shipped to the city without delay. Then because nothing more could be done that week, we devoted our time to the educational department, laying plans for further work and by Saturday evening the returns arrived. The mats were worth at least \$60 wholesale, but owing to the forced sale we only realized \$28 clear of all expenses. Thus we earned the first week nine cents each on an average. This was a poor show for a beginning but it was done without a cent of capital. Now that we had a little cash for material we made a better showing for the next week.

On Monday morning I hired a team and sent two men for a load of clay, and when they came back, I sent three others to the mountain for wood, such as used in making rustic seats, chairs, flower stands, etc. I got some boards, nails, varnish and other necessities, all costing \$8. As soon as the first load of laurel arrived I put a half dozen carpenters to work making rustic furniture. With the remaining \$20 we bought several barrels of plaster paris and invested the balance in basket willows. Now we were about prepared to give all steady work. As soon as the clay was dried and sifted, it was distributed among the women and the artistically inclined, and each was requested to make one or more original models of ornaments.





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

45.

From nearly a hundred odd and curious models we selected a dozen patterns of real merit and cast them in plaster. Some of the women and children helped to make baskets and fancy work, of a useful variety, such as took considerable skill with but slight expense. We stationed our best salesman at Chicago, to dispose of them to the highest bidder. As fast as returns came in we invested in such materials, tools, etc., as would pay better profits. So we did not stay long on the lower round of the ladder.

The third week, I invested \$200 in dry-goods and employed some of the women making shirts, over-alls, dresses, etc., which many of us needed very much. One member, a shoemaker, was furnished with material to make us substantial foot-wear. At the end of the first month we had made and sold nearly \$3000 worth of goods, an average of only \$10 each. This was uphill work, but it gave us a leverage for the next month's operations.

The way we keep accounts deserves attention. To every one who contributed a day's work, or the value thereof, to the general stock, I issued, by authority to me granted, a Certificate of Deposit for one dollar's worth of product which could be drawn from the general stock if desired, and those who got clothes, shoes or any other product of labor, or service, had to return for cancellation enough of their "checks" to cover the market value of what they received. Thus at all times the amount of receipts in any member's hands shows just how much he is entitled to get for his deposit of toil or value. These certificates are made personal drafts to the producer against the combined stock in trade, and enables members to negotiate among themselves as an exchange in any transactions, by proper endorsement, and because of the stubs remaining in my care a record is kept of the relative ownership of



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

46.

### THE PROGRESSIVE HAND BOOK

the balance remaining in the general fund. Outsiders take them because they are good for so much product.

The second month we realized out of labor \$6,000, being an average of nearly \$20 each. Then we bought eighty acres of land for \$8,000 as a truck and chicken farm to help supply the members with the necessities of life. We put ten men to farming it, and gave any member privilege to buy products needed, when for sale, in exchange for "checks" at market price. This farm now belongs to all the members in the proportion that each helped to pay for it by work or deposits.

Most of the outsiders, seeing the members hold clear title to real estate, now take the labor certificates as pay for rent, store bills, etc., and make profits of trade they should miss if they would not take them, and in another month, when we had bought a brick-making plant for \$7,000, our certificates were handled freely and circulated in the borough above par, in many cases, because they were based on the best security in the world—the products of honest labor. The members are now on good footing; they have a dollar for every day they worked, even at the mats, and are the joint owners of over \$15,000 worth of property. This wonderful triumph of labor took our town by surprise. The "lower classes" are now on the road to rapidly become the "upper" and lots of outsiders are leaving their jobs, of stuffing the idle, to join us

In many places, throughout the country, the laborers hearing of our grand victory started on the same plan, and members are enrolled from every trade and profession. We no longer need to sell our goods at a sacrifice, to Chicago speculators, but can exchange with other branches with a great saving of labor, rents, speculations, usury, taxation and other robberies, which unnec-





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

### OF THE LABOR EXCHANGE.

47.

essary expenses have dwarfed civilization in the past.

In six months our membership had trebled and the real estate exceeded \$50,000, besides a lot of brick houses just started in which we propose to place all the latest improvements for health and convenience that labor can produce by the application of mind and muscle. Such are the results from the willingness of a few noble men and women to work on an equitable principle for the benefit of themselves and humanity, rather than to waste their time in idleness and grumbling. Regarding my pay, as some would like to know where I got it, I will state that my toil as a successful manager was considered equal to a regular workman and for every day I faithfully applied myself to the business, I was also allowed a deposit certificate, the same as any other member who was daily and regularly employed, therefore we are equal share holders if we put in the same amount of toil although it may be classed as a different kind of work. We permit all members to perform such labor as best suits their taste and ability and reward them in accord to the value of their productions.

I remain most faithfully and fraternally yours  
for the Labor Exchange.

### SOURCE OF MONEY.

If a clock was out of order and we were to apply to the king to issue more wheels or springs and cast them at random into the clock, or hand them to a speculator to throw them in for personal profit, it would be as rational and as effective as to call upon the government to adjust the financial clock by issuing some additional legal tender paper money and filtering it into commerce through the banks, or sub-treasuries. Turn the



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

48.

### THE PROGRESSIVE HAND BOOK

question on all sides, ponder upon is as we may, we can not avoid the conclusion that the issue of money by the government is the most illogical, the most inappropriate and most bungling piece of business imaginable. It has not the remotest analogy with the object in view. In the machinery of exchanges money should be the wheel whose cogs should be perfectly adjusted, in number and in size, to meet the wheels of commerce, of merchandize and service and keep them in perpetual motion without jars, jumps or stoppages. Money should be ever present and in value exactly equal to the requirements; no more, no less. Being a portable evidence of ownership, it should bear upon its face that fact, in spirit and in truth. Such money can not originate in civil powers whose duty is simply to protect citizens in that ownership. It must emanate from the party who receives merchandize or service and pass to the party who gives the merchandize or performs the service. What has the government to do with commercial transactions with the course of trade? The government performs service for the people and it has certainly a right to draw upon said people for the means to sustain itself. The people can not refuse to honor these drafts, and the government should, by some method, equalize the burden of these drafts upon the people so as to bear equitably upon all of them in the proportion of their material, means or ability. This is all the issue, all the financiering the government should do.

If necessity is the mother of invention, what necessity could induce a government to invent a medium of exchange, when it has nothing to exchange? And, as modern money is a certificate of ownership, why should a government issue such certificates, when it holds nothing that any citizen could own? Those alone who have goods and service to exchange, feel the necessity of de-





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

49.

vising means and mediums for the speedy, safe and equitable performance of such exchanges. Again, after these means and mediums have been found, they should be in the control of those who need them and not in the control of government, or banks; and should not be withdrawn from the channels of trade. Not one single, valid argument has ever been adduced to prove that the government is the proper fountain for the issue of money. All who speak or write about it do but reiterate the same worn out assertion that "the constitution has vested the power of coining (not issuing) money in the government." The force of habit has held that right there. Such vested monopoly has made of finances the most discordant and pernicious piece of machinery used by the human race. It goes by fits and starts. Sometimes it piles up money in the public treasury; at other times the treasury is empty. Sometimes money flows freely in the channels of trade; at other times the channels are drained, and are commercially paralyzed. Nature can always be relied on to supply materials, and man can be relied upon to extract from nature the necessities and comforts of life. Money deranges everything. It causes millions to suffer in sight of plenty. Take away the control of money from the government and banks—place it in the control of industry and commerce—and the machinery of exchanges will run smoothly. Even now all the improvements made in the monetary machinery, all that is ingenious, valuable, effective; letters of exchange, checks and clearing houses are the inventions, not of government, but of individuals. If these improvements were also to be issued and controlled by government, industrial progress would be in a barbarous state.

The only pernicious part of the machinery, the part which causes financial panics, is the part controlled by government. If the object in



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

50.

THE PROGRESSIVE HAND BOOK

allowing government the monopoly of money-making rests upon the plea of establishing and maintaining justice between the parties to an exchange, it has certainly proven an ignominious failure. Almost all commercial iniquities are based upon money restrictions. The instability of prices, the purchase of land for rise, the forestalling of goods, gambling in produce, monopolies and trusts, public bonds and private mortgages are all due to money restrictions caused by government control.

Away with prerogatives, with despotism, with tyranny, and with all ancient, contracted notions. Let industry, and all instrumentalities necessary to industry, be free.

G. B. DE BARNARDI.

INDEPENDENCE, Missouri.

BRO. BARNES has for many years been a student of advance features of reform and for some time an ardent advocate of the "Single Tax" theory, but after studying the Labor Exchange system, he writes us the following letter as the

### RESULT OF INVESTIGATIONS.

BRO. E. Z. ERNST:— I have just received and read the last number of your paper and think I have the idea of the Labor Exchange.

I have always thought the producer should alone have the results of his productions but never before saw clearly how he could get it. I have advocated many reforms that would have been good if adopted as far as they went. One money (of paper), one tax, (of land values), one brotherhood of the race, free trade, free land and free men, has been my platform for years, and I think I am thoroughly conversant with many other so-called reforms, but I had about despaired of ever





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

51.

getting the people educated up to a reform, owing to the apathy of those most needing it. But having recently read "Trials and Triumph of Labor," and two numbers of your paper with your recent letter in reply to my inquiries, I am convinced that the Labor Exchange, for immediate application and far reaching influence for good in equalizing the wealth of the country and stimulating industry, is far more feasible, and can be brought about with the least friction, of any reform I ever thought of. It would hurt none but those who now get more than they produce; especially the money changers who have always been a barnacle on the ship of state and a leach on the body politic sucking the blood of the nation. It would eliminate the millionaire, for if labor gets all it produces there would be no surplus of wealth to make him of. It would turn all people into producers of wealth, and what an abundance we would have with our increased facilities for producing it.

At present, less than half the people are regularly engaged in productive avocations. No wonder there are so many tramps who refuse to work when they know (for many are philosophers) that, if they work, they will get less than one third, in wages, of their product. I imagine they reason this way: "If I labor for the community and it takes more than two-thirds of the products of my toil, which should have come to me, as wages, it is a greater robbery from me, by the community, than if I stopped laboring and stole one-third from the community."

Under the Labor Exchange plan it will be disgraceful to be idle, besides, it will not be necessary to labor more than three or four hours a day to produce as much wealth as is now produced, if all are employed, as they would be under the Labor Exchange system. Even the millionaire would finally come to it through



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

52.

### THE PROGRESSIVE HAND BOOK

necessity and want of occupation. Men would then choose their occupation and labor would be a delight instead of a drudgery. It would be cheaper to earn a living than to steal it. Theft and absolute idleness would be a disgrace, which it is not now. Under proper conditions of Freedom, when labor is emancipated from the present wage slavery, men would be honest. The cost of courts, prisons and poor-houses, would be saved to the people. Tenement-houses, the progenitors of crime and pestilence, would not be known as now. Lawyers and physicians little needed. They would be turned into producers of wealth.

There cannot be an over production of good things if the ability to consume is allowed as would be under the Labor Exchange plan. One beauty of the Labor Exchange is that the absolute freedom of the individual is not restricted by law. Other communistic or socialistic theories imply such restriction. The freer the people are from restrictive laws, where they infringe not upon the equal freedom of any other person, the better. Laws governing money matters will finally be eliminated.

As labor will be the measure of value and owing to varieties of climate and abundance of natural resources in different parts of the world, the price of an article will be measured by the amount of labor attached to it and not as now by the money wages it costs. So there would not be a shadow of excuse for a tariff, and the army of custom house officers would be turned into productive uses. The hope of the altruistic optimist, with faith in the solidity of the race, that "if one member suffer the whole body is in pain," as Christ put it, will be realized in fruition "when swords shall be beaten into plow shares and spears into pruning hooks and we shall learn war no more forever."





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

53.

As much as I value other reforms, I am convinced that it will take nearly a generation to educate the majority to them, even if there is not a complete cataclysm and catastrophe of this civilization, which seems pending. There must be something done immediately. Otherwise we have reached the climax of our civilization and must go as did Babylon, Egypt, Rome and Greece.

Yours for "Progressive Thought."

J. C. BARNES.

HINDSBORO, ILL., Jan. 20, '94.

P. S.—That allegory of Weaver's is the best thing I ever saw in so small a space. J. C. B.

### THE VALUE OF THE CERTIFICATE.

A complete introduction of the Deposit and Certificate system will very shortly cure more evils than any ordinary reformer has yet thought of. It is the lack of understanding on this point, by the toiling masses, that keeps them in poverty and has given advantage to the finance manipulators of all countries and ages in the past. It is but a very simple trick to free ourselves from the grasp of shylock if this plan is taken. Money has no real power without the aid of labor, and if the workers will discard it, the possessors of gold, silver or lawful money would be compelled to work or starve at the mercies of the working classes. Let us try for freedom and be men.



## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

54.

### THE PROGRESSIVE HAND BOOK

#### WORDS ON FACE OF CHECK

No. .... July Series, 1894.  
 "IN LABOR WE TRUST."  
 Certificate of Deposit Receivable for Goods at  
 issued by Branch No. ...., of  
 THE LABOR EXCHANGE.  
 Depositor..... Deposited.....  
 Market price ONE DOLLAR, deposited with the  
 KANSAS CITY BRANCH, NO. ONE.  
 Date.....189.. ..... Pres.  
 ..... Local Acct. .... Sec.

Below is the wording of the back of the De-  
 posit Certificate. All rights reserved.

.....  
 Signature of Depositor.

This certificate is receivable at Face value  
 by the Labor Exchange Association in payment  
 for merchandise for sale, for work, services and  
 all debts to the same.

This Certificate of Deposit is based upon,  
 secured by, and redeemable in Real and Personal  
 Property in the keeping of the Labor Exchange  
 Association.

Property held for the redemption of this Cer-  
 tificate cannot be mortgaged nor pledged for  
 debts, nor can it be withdrawn except on presen-  
 tation of this Certificate, but it may be exchanged,  
 by the Exchange Association, for other property  
 of Equal Value.

.....  
 Depositor.

Pay to.....

Space for endorsement.....

The checks are made with a complete record  
 stub so that a correct account is always in the  
 hands of the branch manager.





## The Progressive Hand Book of the Labor Exchange. The Dawn of Equity

OF THE LABOR EXCHANGE.

55.

### THE LABOR EXCHANGE.

#### Obligation of Members.

I..... of the age of..... years,.... sex,  
and by occupation..... now residing at  
..... County of..... and state of  
..... In consideration of the rights, privi-  
leges, benefits and protection conferred upon me  
as a member of the Labor Exchange Association,  
and to the end that the property of the said As-  
sociation, upon which the safety of said benefits  
is based, may not be sacrificed at reduced value  
by forced liquidation in legal tender money, here-  
by promise and agree that for any article or arti-  
cles of merchandise and monies that I may de-  
posit in the keeping of, labor and services that I  
may perform for, or for any certificate of deposit  
that I may hold on, said Labor Exchange, I will  
accept as sufficient compensation thereof mer-  
chandise, propety, labor, or services of equal  
value, and relinquish any rights, and liens which  
may have resulted in my favor and against the  
property of the Association by reason of said de-  
posits; labor or services.

In testimony thereof I have hereunto signed  
my name in the presence of the following sub-  
scribed witnesses, this..... day of..... 189..

..... [SEAL].

Witness .....

Witness .....

#### WHEN ALL MANKIND

will be usefully employed and when drones shall  
be known no more, how numerous will be the  
comforts and luxuries of life added to the human  
family, not for the idle but for the industrious.  
When every person shall have all the shelter, all  
the food, all the luxuries, all the sanitary appli-  
ances with the appurtenants to regulate heat and  
cold by the pressure of a button, in fact have all