

#### 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 necessaries and luxuries of civilized life." The booklet was published by the Progressive Thought Company of Olathe, Kansas.

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# KANSAS HISTORICAL SOCIETY



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"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.

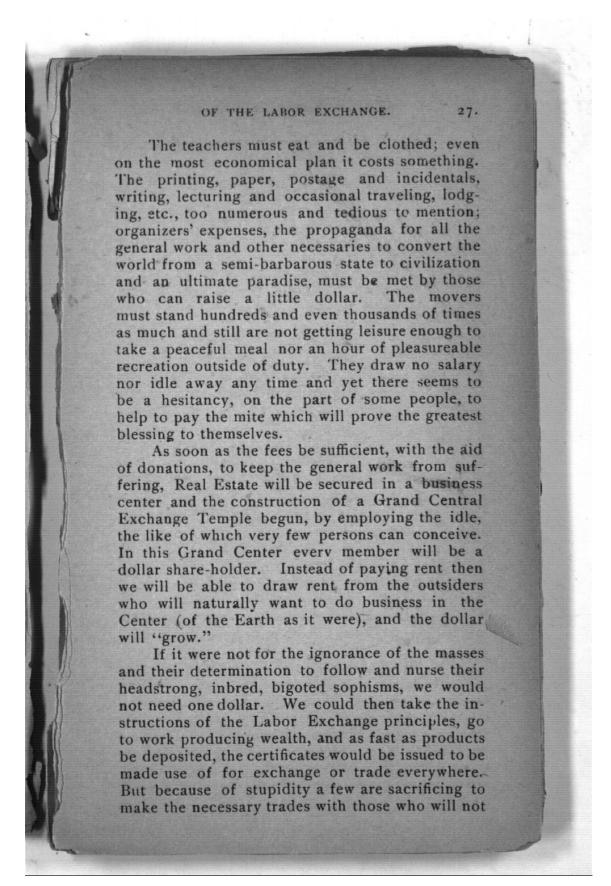
"6th. To extend the field of its operations by the acquisition of additional means for the employment of idle labor."

#### 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 wind, even if they all combine their forces and \$2.







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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.

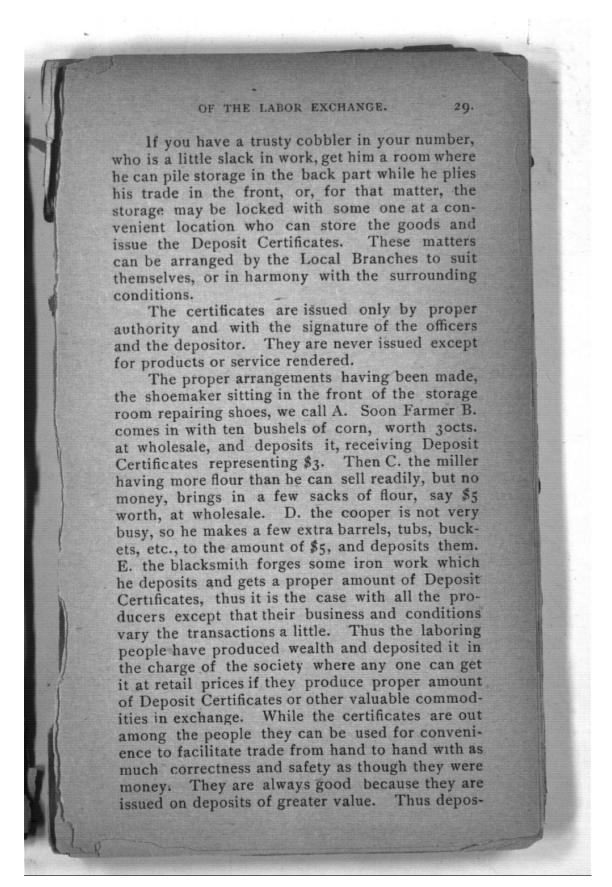
#### A MEMBER

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 grovery, but simply to hold in security the goods placed in the care of the society.







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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

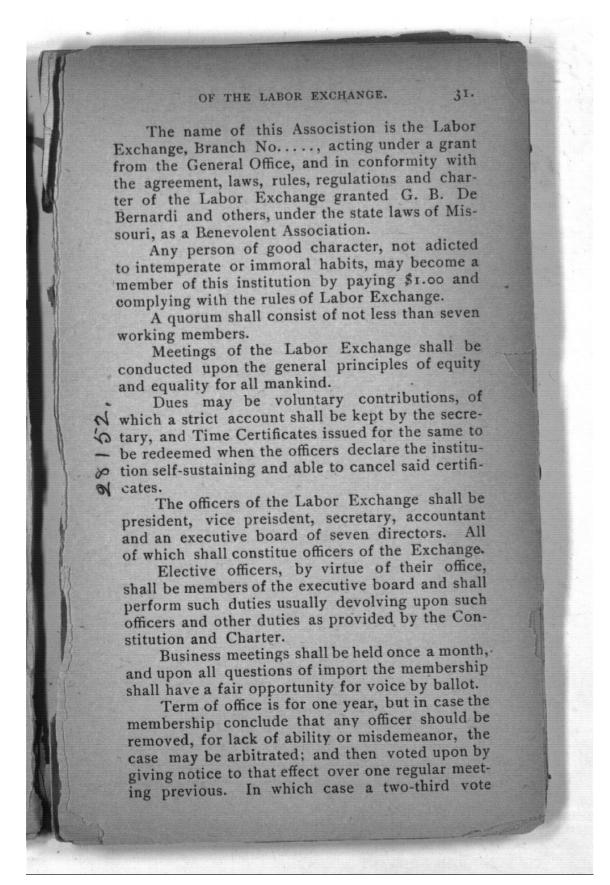
feasible, on the whole, for idle labor.

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.

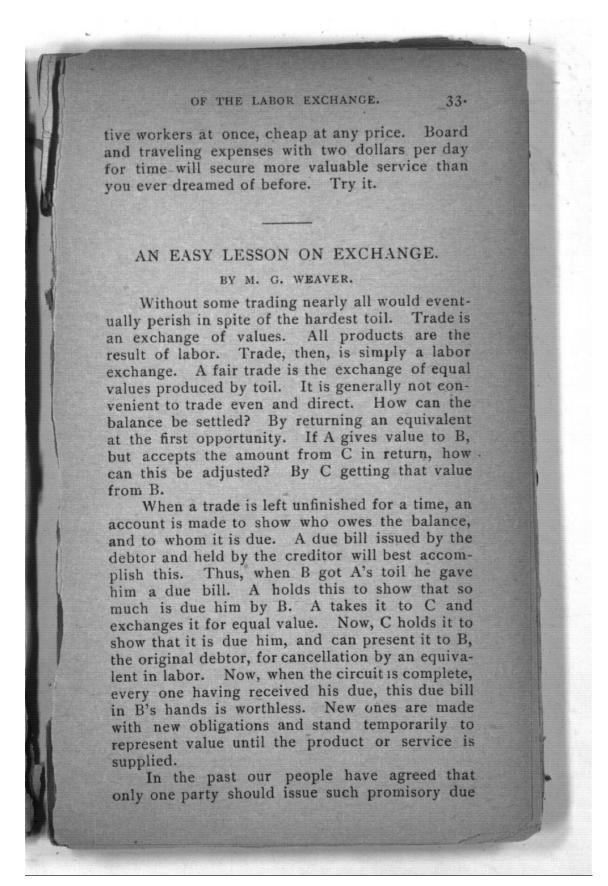
#### BY-LAWS FOR BRANCHES.

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.











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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-



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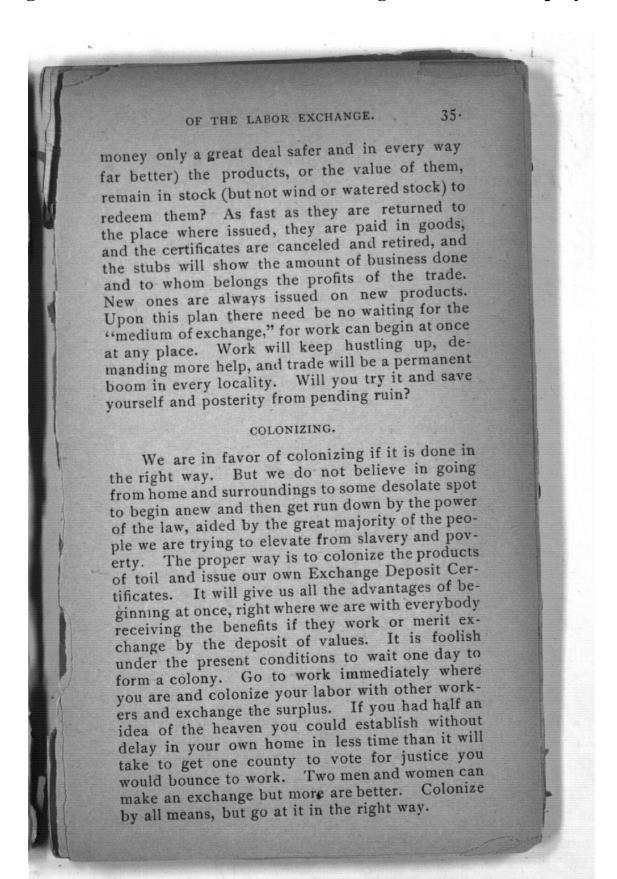
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bills, and when others needed any they had to go there. In that case, A, B and C could not exchange labor until one of them first toiled for, or obligated with the issuer. The others must wait till the bills arrive. To borrow the bills would not better 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. 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







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#### HOW TO EQUALIZE WAGES.

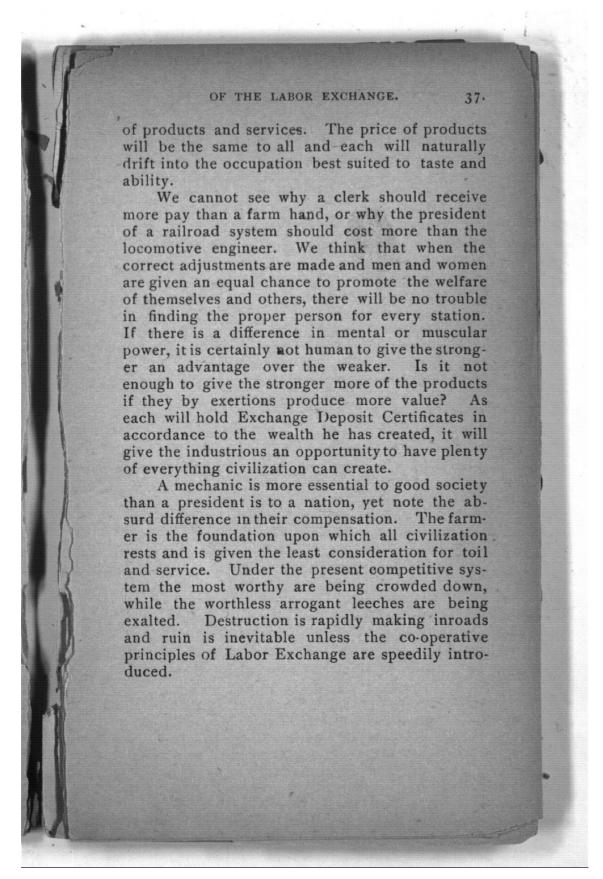
"How can you equalize the wages of skilled and unskilled labor, or how can you know the value of the different kinds of work?" This seems, to many, a very difficult question to answer, yet, when the plans of true co-operation are fully understood, this is as simple as anything and can easily be adjusted 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 Deposite Certificates for that amount of value, while Smith who is a skilled workman completes a similiar 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







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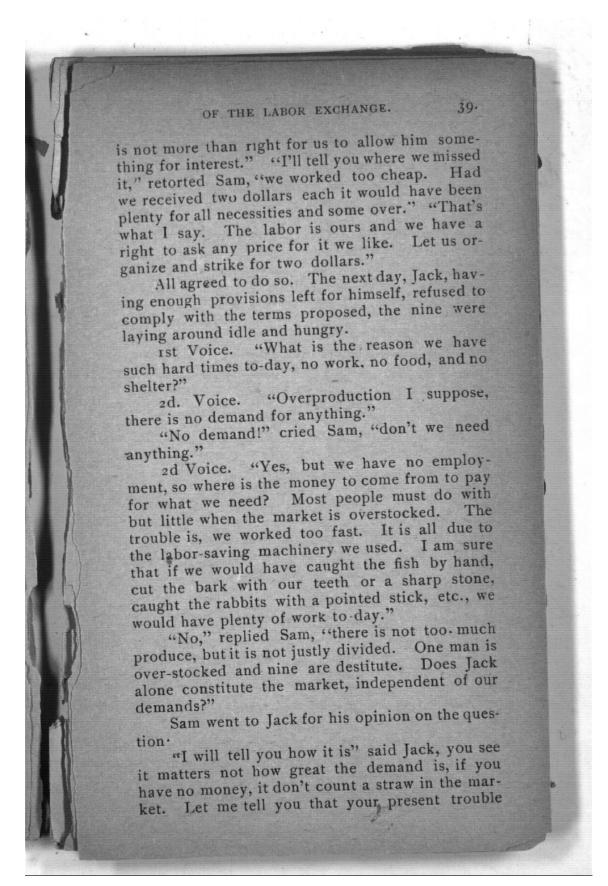
#### THE ROOT OF ALL EVIL.

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. the meal, Jack said, "Those who have no money for lodging can not stay here to night." lently 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







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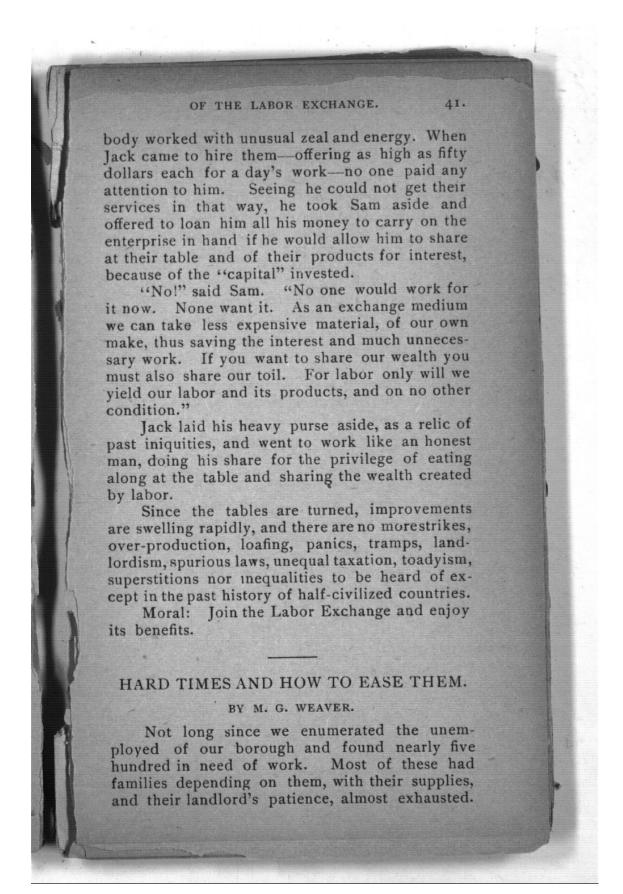
originated in extravagance? You wanted to live as good as the rich. Men in your circumstances must economize or suffer more."

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 Tack 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-







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As the weather was damp and chilly the scant supply of coal was soon consumed. Pitiful reports were heard daily, and our sympathies for human-

ity anxiously longed for speedy relief.

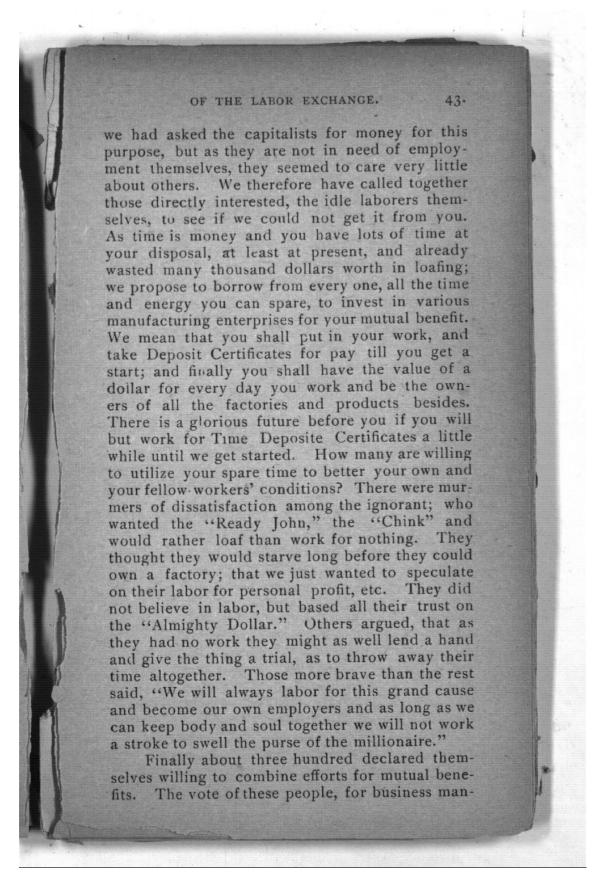
We laid the facts before one of our most wealthy capitalists and plead with him to establish some enterprise for the employment of our idle, but to no effect. He said, "With the present markets the profits would be too small to justify the undertaking," and that he could do better by waiting six months 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 occured 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







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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

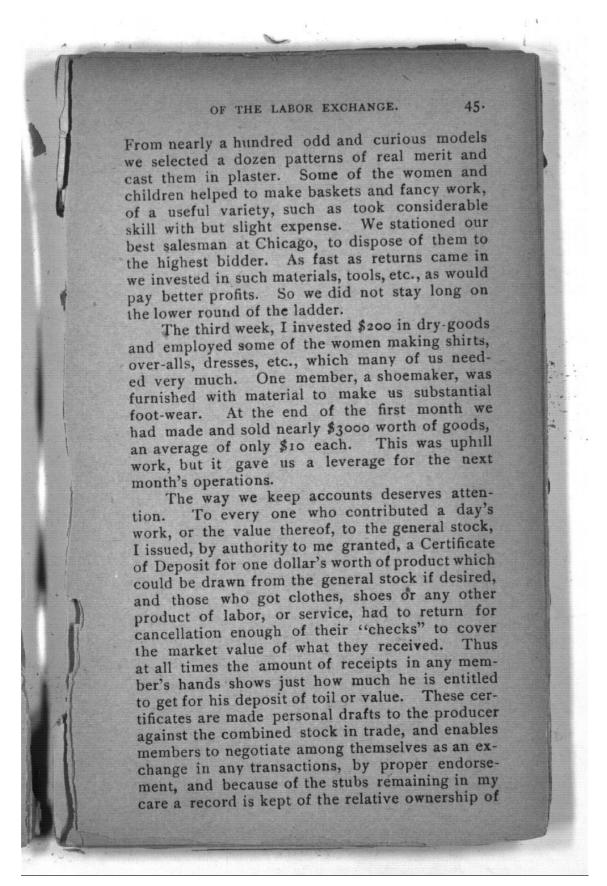
ceipts. The husks were soon distributed among the idle willing hands and in two days it was worked into six hundred neat, useful, square and oval door mats, which we shipped to the city without delay. Then because nothing more could be done that week, we devoted our time to the educational department, 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 necessaries, 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.







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

product.

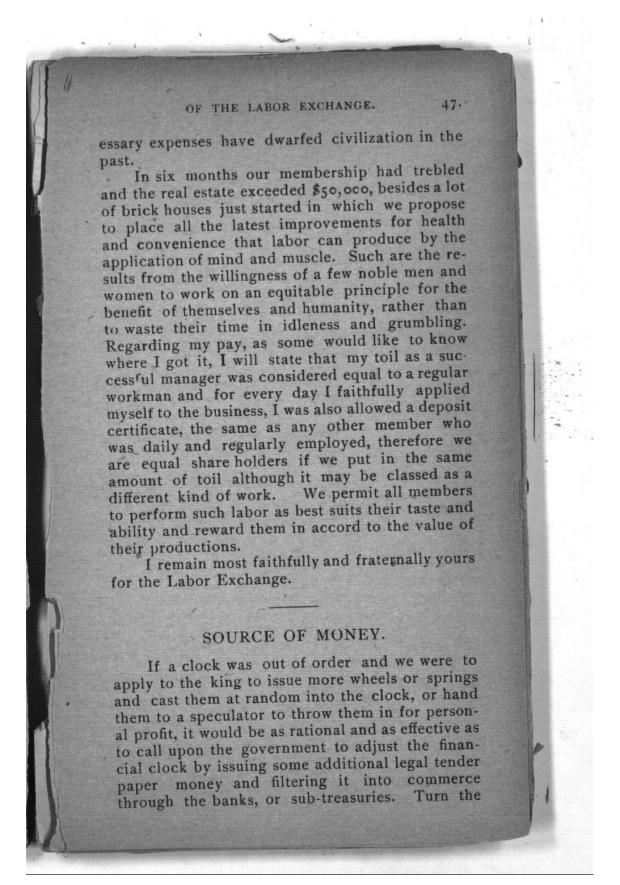
\$6,000, being an average of nearly \$20 each. Then we bought eighty acres of land for \$8,000 as a truck and chicken farm to help supply the members with the necessaries of life. We put ten men to farming it, and gave any member privilege to buy products needed, when for sale, in exchange for "checks" 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 The "lower labor took our town by surprise. 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 sacriffce, to Chicago speculators, but can exchange with other branches with a great saving of labor, rents, speculations, usury, taxation and other robberies, which unnec-



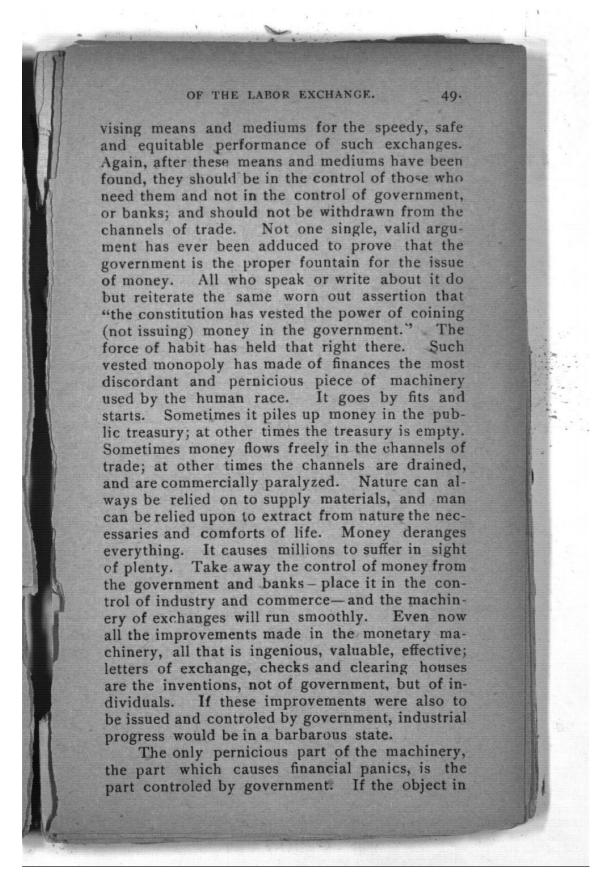




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THE PROGRESSIVE HAND BOOK 48. question on all sides, ponder upon is as we may, we can not avoid the conclusion that the issue of money by the government is the most illogical, the most inappropriate and most bungling piece of business imaginable. It 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 It must emanate from the party who ownership receives merchandize or service and pass to the party who gives the merchandize or performs the What has the government to do with service. 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-







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allowing government the monopoly of moneymaking rests upon the plea of establishing and maintaining justice between the parties to an ex change, 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

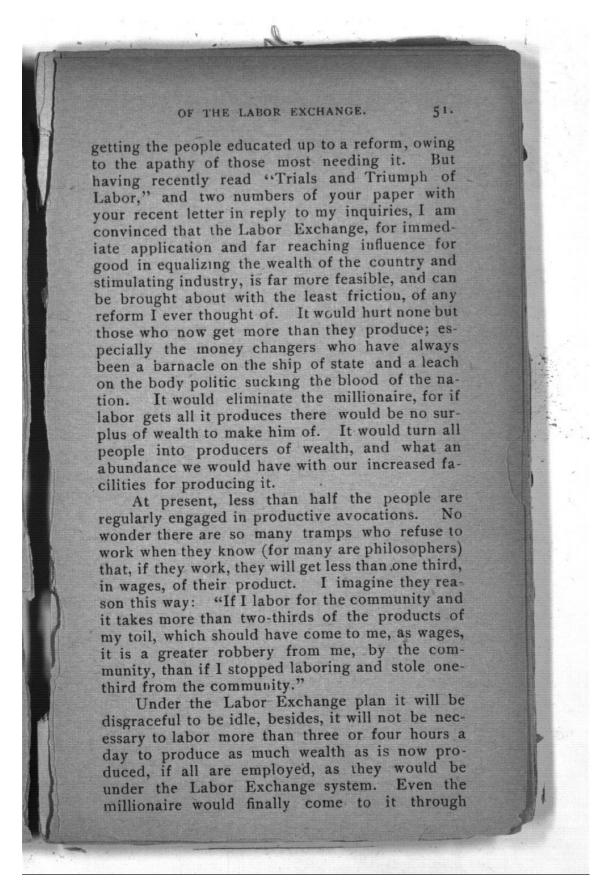
#### RESULT OF INVESTIGATIONS.

Bro. E. Z. Ernst: - I have just received and read the last number of your paper and think I

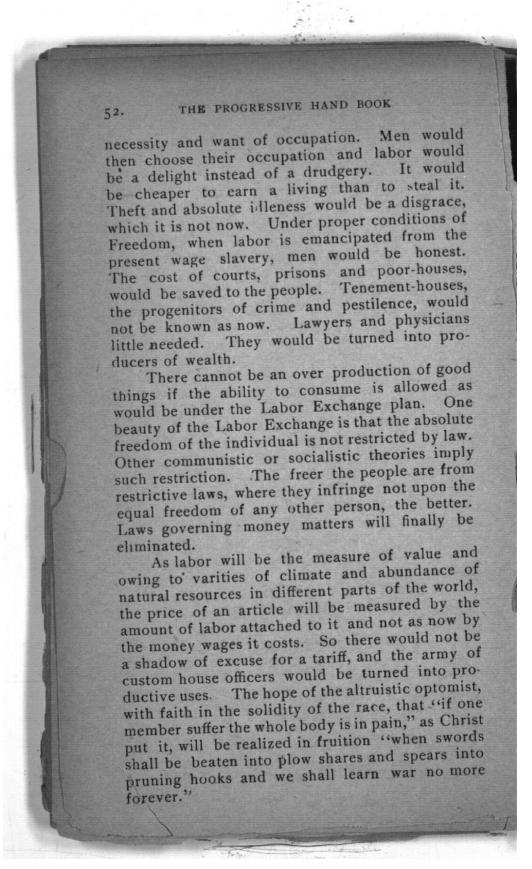
have the idea of the Labor Exchange.

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 brother-hood 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

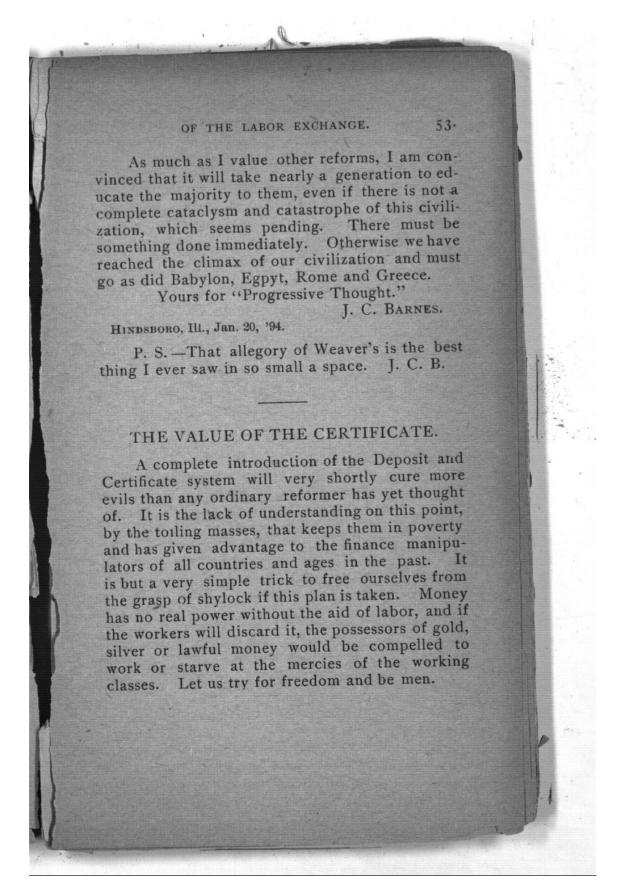














WORDS ON FACE OF CHECK  No July Series, 1894.  "IN LABOR WE TRUST."  Certificate of Deposit Receivable for Goods at issued by Branch No, of THE LABOR EXCHANGE.  Depositor Deposited  Market price One Dollar, deposited with the Kansas City Branch, No. One.  Date189
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Certificate of Deposit
Market price ONE DOLLAR, deposited with the KANSAS CITY BRANCH, No. ONE.  Date
Below is the wording of the back of the Deposit 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.
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.
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.
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secured by, and redeemable in Real and Personal Property in the keeping of the Labor Exchange Association.
Property held for the redemption of this Certificate cannot be mortgaged nor pledged for debts, nor can it be withdrawn except on presentation 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.



OF THE LABOR EXCHANGE. 55.	
THE LABOR EXCHANGE.	
Obligation of Members.	
Iof the age of years, sex, and by occupationnow residing atCounty ofand state ofIn consideration of the rights, privileges, benefits and protection conferred upon me as a member of the Labor Exchange Association, and to the end that the property of the said Association, upon which the safety of said benefits is based, may not be sacrificed at reduced value by forced liquidation in legal tender money, hereby promise and agree that for any article or articles of merchandise and monies that I may deposit 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 merchandise, 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 deposits; labor or services.  In testimony thereof I have hereunto signed my name in the presence of the following subscribed witnesses, this	
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 appliances with the appurtenants to regulate heat and cold by the pressure of a button, in fact have all	