

time, and such movements as that of the committee on congestion of population will help in the work.

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THE TARIFF HUMBUG.

From some points of view the interesting bunch of statesmen now in session at Washington furnish an amusing spectacle.

Some of these gentlemen call themselves Republicans; others call themselves Democrats.

But let it be understood that in order to be elected to the national legislature a man must affiliate with one of these groups. The majority of the people are tied to the superstition that there are two great political parties in the United States, of diametrically opposite principles. As a matter of observation, this is not the fact. There is only one great political party at the national capital, and this is the party of the Interests.

The deception lies in the label on the party bottle. These different professionals are working in the same interests. For illustration, the recent gas corporations of the city of Chicago,—the "Ogden" and the "People's,"—one under Republican and the other under Democratic control—are now united into one corporation. But the above remarks allude especially to the tariff discussion in Congress.

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The poet hath said that "Conscience doth make cowards of us all." The tariff makes criminals of us all by making that a crime which is not a crime.

The right to trade is a natural, inalienable right. It is as natural for a man to trade as it is to eat. Why then should it be made a crime for men to trade freely, whenever, wherever and with whom they please?

It is tacitly admitted, nay, it has always been generally accepted, that trade is the greatest promoter of civilization. Indeed trade is the origin and genesis of civilization. To quote an eminent authority: "To find an utterly uncivilized people we must find a people among whom there is no exchange of trade. Such a people does not exist and so far as our knowledge goes, never did. To find a fully civilized people we must find a people among whom exchange of trade is absolutely free and has reached the fullest development to which human desire can carry it. There is, unfortunately, no such people."

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Nobody really believes in a tariff. If the most rabid protectionist would honestly analyze his feel-

ings he would have to admit he desires absolute freedom to trade for himself and wants restrictions only for the other fellow—so strong is the notion that a successful trade can only be accomplished by forcing another to make a poor one, in other words, by injuring him.

The most persistent protectionist will not hesitate to smuggle provided he can do so without getting into trouble.

The "courtesy" of the Treasury office is a well known custom extended to influential officials and politicians returning from abroad.

The ordinary person is pleased if he may be made the recipient through the kindness of a friend traveling abroad of some article of value escaping the custom house tax. Such a person as a rule will be found accepting the protective idea.

The rich heiress is limited to only as many trunks full of costly wearing apparel as she may claim she has worn, perhaps once, before embarking from the foreign port. Such a person is more than likely a beneficiary of the tariff.

What a mean advantage this, to take of the forced-to-stay-at-home public.

On the other hand, let some simple-minded individual who instinctively feels he is committing no crime be caught with a few small valuables in his possession while crossing some imaginary political line, and lo, here is a criminal of deep dye. Compare him with those "eminently respectable" financiers, the sugar barons, whose greed so grows upon what it feeds on, that, not satisfied with the liberal protection secured to them, they are caught defrauding the revenue. Well might we exclaim, "Oh, Respectability! what crimes are committed in thy name!"

JOSIAH EDSON.

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THE ECONOMIC SIGNIFICANCE OF RISING PRICES.

Advance in price of iron is generally heralded as a sure sign of growing prosperity.

While it is true that a sustained advance, coincident with maintained or increasing output, signifies increased purchasing power on the part of the public, this is of minor importance compared to the economic significance of the price-advance in itself. For, is it not an axiom of political economy that increased productivity tends not toward higher but toward lower prices?

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Rising prices for iron may indicate increased general affluence, but we should not lose sight of the further fact, that it may also indicate a power

in monopolists of the sources of supply to charge, not merely an equitable price, but a price—any price—within the power of the consumer to pay. If this power really exists, not only in relation to iron, but also in relation to the raw materials of industry in general, then it is evident that prices will be arbitrarily advanced to absorb any increase in the people's power to pay.

If adverse conditions have forced prices down below the point that affords an equitable margin of profit, then a return to that point should be matter of general gratification. But, under the monopoly conditions that now prevail in the field of raw materials, the public cannot possibly know when that point has been reached.

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Where the element of competition is freely operative, price may indeed fluctuate within narrow limits, but the unvarying tendency is to the point of equitable remuneration for service rendered.

But where the factor of competition is absent, in the field of monopoly, the point of equitable remuneration affords no check to the upward tendency of prices.

In the competitive field, A must perforce limit his selling price to what his competitor B, would accept. But in the field of monopoly, C is the sole operator, and he charges, not the same that someone else is willing to accept, for there is no one else, but all that his customers, A and B, can be forced to pay. His price stops at the point which in his judgment will afford him, all things considered, the largest possible return.

He could exact more, for a brief period, but only at the penalty of shrinkage in volume of sales, with the further risk of crippling his customers, and thus inducing panic and general business depression. In fact, this is precisely what he does do, in the end; he did it in '73, in '93, and last, in 1907.

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The point is, that the monopolists of the sources of supply of the raw materials of industry have the power to charge all that they choose to ask, and that prices in that field are determined, not by value of service rendered, but by the monopolists' judgment as to the paying power of the public.

Advancing price of raw materials is a manifestation of the monopolists' method of forestalling the public of the prosperity that otherwise it would enjoy.

Under competitive operation, increasing business activity and gradual decline in the price of

iron would coincide, distributing thus prosperity to the general public. But under existing conditions, business activity and rising price of iron will coincide, thus apportioning the activity to the public and the prosperity to the monopolist.

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These truths are becoming manifest to an increasing number of the people; which fact accounts for the widespread sentiment in favor of a revision downward of the tariff.

For the public is getting hold of the fact that the protective tariff buttresses the monopolist's position; that in the absence of the tariff the American public would have access to sources of supply not controlled by American monopolies.

It is only a vague sentiment with the general public as yet, however; it does not amount to a settled, intelligent conviction. The prevailing sentiment is in favor of equal opportunity, and many who ought to know better actually believe that such condition exists.

"We've equalized *opportunity*. This is the *most* that society *can* do; it *cannot* equalize *men*." That is the way a certain voluminous dogmatist puts it, emphasis and all. The quotation shows that the author of it is, in sentiment, in favor of equal opportunity; and it further shows that he is ignorant of the fact that equalization of opportunity still waits upon the action of society.

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Let us hope that society cannot, nor ever will be able to, equalize men.

And let us also hope, and confidently believe, that society will yet equalize opportunity, to the end, in part, that the increasing productivity of human society shall not longer afford special opportunity to the few to arbitrarily advance the price of the raw materials of industry.

Let us believe that society can do this. Let us see to it that society shall do this.

The sign of its accomplishment will be progressive decline in prices with increasing productivity, and a consequent tendency toward universal prosperity.

EDWARD HOWELL PUTNAM.

EDITORIAL CORRESPONDENCE

THINKING OUT LOUD.

Oakland, California, July 26.

Intellectual, prosperous graft sometimes pays a compliment to woman's sense of justice. One of the most notorious graft-corporation organs in the country (Oakland Tribune) asserts that "many