

rent." Did Henry George see only this? Did he not also see the results that would follow its *public* appropriation? And does Mr. Bernard Shaw see it? And if he did, would he not cease to characterize as "eighteenth century superstitions" the watchwords of Liberty, Justice and Natural Law? To those eighteenth century philosophers of France, Rousseau, Voltaire, and their English disciples, spite of much exaggeration, civilization owes a debt greater than to the laborious German architects of artificial societies, with their theories of men as automata, and the State as the omnipotent scene shifter, theories from which the later school of English Fabian Socialists to which Mr. Shaw belongs have borrowed in diluted solutions.—THE EDITOR.]



## CONCERNING HON. WM. F. DRAPER'S ARTICLE IN THE "OUTLOOK" ON TARIFF REVISION.

(For the Review.)

BY J. A. DEMUTH.

"Antiquity cannot sanctify that which is wrong in reason and false in principle."  
—Galileo.

Because one speaks as one having authority is not a sufficient reason why his doctrines should be received without question, especially if one is propounding an economic theory which is not above reasonable suspicion of having been fathered by aims for personal profit.

Under such circumstances its weight is naturally discounted, and those who rise up to call its truth in question may at least be accorded reasonable grounds for doing so.

Thus it is that when Hon. William Draper responds to the question: "Should the Tariff be Revised?" we are free to express the opinion that his personal advantages are father to his conclusions.

When he is directly benefitted by the present high tariff it is human nature, and certainly *protected* human nature, that Mr. Draper should use his best arguments in his efforts to convince the masses, who enjoy only the indirect benefits of being taxed, that the present high tariff should stand. We have heard much various and varied arguments in favor of protection—its cardinal virtue being always the bulwark of American labor—"our wage-earners"—that we are not surprised when Mr. Draper tells us in one and the same breath that "our foreign trade has increased by leaps and bounds under the present tariff without injuring any of our producers" and that "To *increase* it further by a *reduction* of the tariff would mean that industries that do not now possess the home market would be placed at still greater disadvantage for the benefit of those that possess the home field and desire a larger foreign outlet. I wish these fortunate ones all success in obtaining it, if they can do so under fair conditions; but it is not fair to destroy other industries for that purpose."

In the next paragraph we are told that "our home market is immensely more valuable than any increased foreign market would be under absolute free trade." I have been experiencing some difficulty in harmonizing these statements. It is plain that the present high tariff has caused the foreign trade to increase by leaps and bounds. We know that. We know positively that we can sell sewing machines, agricultural implements, steel rails and numer

ous manufactured commodities in foreign markets at much lower prices than they can be sold at in our home market. But if this condition is the result of our present tariff, how could a *reduction* of the *cause* of this condition still further augment it? Then here is this virtual admission by our ex-ambassador that notwithstanding the multiplicity of protected industries, many of them enjoying not only the home market but also foreign markets, there are still industries among us which do not possess the home market. Why?

Having increased our tariff so that the foreign market has, for some industries, increased by leaps and bounds, we must not increase it further by *lowering* the tariff if we do not wish to be unjust to industries that do not now possess even the home market, and thus place these unfortunates at a still greater disadvantage. Then notice that our ex-ambassador, whose heart is touched by the perilous condition threatening our industries which cannot even find a home market, unblushingly expresses the wish that these fortunate ones may succeed in obtaining it. (What, increase in foreign trade, or tariff reduction, or both?) if they can do so under fair conditions; "but it is not fair to destroy other industries for that purpose." What other industries—those which do not now enjoy a home market? Then in the next clause we are assured that our home market is more to be cherished than any increased foreign market that may be secured by absolute free trade.

Then free trade *would* secure foreign trade? Also, a *high tariff* has resulted in foreign trade increasing by leaps and bounds. Which is tantamount to an admission that we are bound to have foreign trade, willy-nilly, whether we have absolute free trade or our present high tariff! Is this not true? Has not our ex-ambassador said it? Then, later on in this extremely lucid dissertation, Mr. Draper tells us, in effect, to cheer up, that—"The clamor, such as it is, is really not for a *general* revision, but for a reduction in certain schedules; and might be easier to consider and act upon if there was agreement on the schedules to be reduced." Yea, verily.

Concerning trusts, he says: "As to the combinations and so-called trusts, none of them whose products have tariff protection control the American market, and none is likely to do so." He declares: "I am not a 'trust-buster.'" Has anyone accused him of being one?

He further believes "that neither corporations nor individuals should be permitted to work injury rather than good to the body politic." Still he finds a slight difficulty in bringing about a reduction of the tariff on even "certain schedules," owing to a lack of agreement as to which schedules should be reduced! He admits that "When a new tariff is made, there is a clash of interests, and whatever is adopted is a compromise—and will be, as long as human nature is human nature."

Now, if I am correct in my understanding of the foregoing, the above arguments stand for the following:

1st. The foreign trade, by reason of our present tariff, has increased by leaps and bounds.

2d. A reduction of our present tariff would increase our foreign trade.

3d. Free trade would increase our foreign trade, but would injure our home markets. That is to say: we could secure a profit on goods sent abroad, while at the same time foreign interests could secure a profit on goods sent into the United States.

4th. The clamor is not for a general reduction, but for certain schedules.

5th. The revision of certain schedules could be accomplished if those directly interested in any certain schedules are willing to have their assured profits wiped out.

6th. None of the so-called trusts or combinations control the American market, and are not likely to do so. Which means that the power of the An-

thracite lords and the Oil lords and the Steel lords and other lords is purely visionary. In short, there are no trusts—and the protective tariff is really of no advantage to them because they do not even control the American market!

All of which clearly demonstrates again that a wrong principle, logically extended, cannot fail to end in chaotic conditions, so far, at least, as equity is concerned.

Measures of expediency, as the protective tariff, are inevitably the sum of efforts for personal advantage. That is to say: unless legislative measures are considered on the basis of their moral quality, they must be considered on the basis of their expediency; and whether a measure is voted as expedient or not depends on whether the majority of voters see, or think they see, in it an advantage for themselves or their party. A measure adopted because of its expediency is, therefor, a measure for either the majority, the specially privileged, or the cunning—or for either or all combined. It stands on one hand as spoils for the majority, the cunning or the strong, and on the other as an indication of the duplicity of the masses.



## LAND SPECULATION IN NEW YORK.

A recent Editorial in the New York *Sun* points out certain phases of land speculation in this city as a result of the opening of the subway. It says that "speculation in real estate is less of an incidental pursuit followed by men of means engaged primarily in other lines of business than it was. It has become a distinct profession, with a huge volume of capital at its command." This "permits exploitation of bigger areas of land and enables professional operators to discount values further in the future." "At the beginning of the present speculation big tracts of land were bought up by certain corporations and syndicates," and these "resold their purchases in subdivisions to smaller speculative interests."

This editorial goes on to say that typical lot quotations in the Bronx rose from \$1,500 to \$5,000; in the upper Lenox Avenue district from \$6,500 to \$10,000; on Washington Heights from \$7,500 to \$15,000. These values are based on the rents anticipated, those in the Bronx being placed at \$5 a room a month.

This significant editorial thus concludes: "The enormous value added to outlying land by new transportation facilities has already been appropriated by the real estate speculator and his ally who handles the savings of the community deposited with financial institutions and life insurance companies."

So it happens that the savings of the community are used to make more efficient the system by which such earnings are depleted. It also proves how the present system must result in the concentration of such ownership in fewer and fewer hands. Land speculation is no longer a game at which the poor or even the moderately rich can play.

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The New York *Sun* urges that Prof. Goldwin Smith should write a book on proposed economic reforms, and says: "The world would be richer and wiser for such a message from his pen." Let us see. Was it not Goldwin Smith who once told us that poverty could not be due to private property in land, since "there is poverty in Venice, which has no land at all?" This conclusion is certainly "rich" enough. By all means let Prof. Smith write such a book.