

the principle of the Single Tax, was not made clear to me."

"Quite possible," I answered. "These are special subjects, the meaning of which in all their bearings could only be understood from a knowledge of that principle."

"Well, then, explain this principle to me."

"In the ten minutes in which we are going to travel together you ask me to explain to you an economic problem about which in Germany alone over 200 special books and pamphlets have been written?"

"You know that a business man has a natural aversion to purely theoretical discussion. A sound and sane proposition must be capable of a short and clear definition, and even ten minutes may be considered sufficient under certain conditions."

I replied that I would be ready to help him as well as I could; that he was quite right—ten minutes might be considered quite a good while. But first I would like to hear a little about his exhibition.

Of course he immediately grew eloquent; described vividly the new features of the exhibition building, and the advantages he expected to be derived in his special trade from this exhibition, which enabled the members to show the brilliant progress they had made.

At this point I interrupted him: "How do you manage to cover the cost of this undertaking?"

"Of course the principal thing is the space rent."

"Is it not very difficult to distribute the places in your exhibition building quite justly without consciously or unconsciously giving one exhibitor an advantage over another?"

"Oh, you theorist! When a business man takes hold of a thing he does it from a clear and plain point of view. The places are simply sold to the highest bidder. Whoever wants a desirable place in front, perhaps a corner in a good light, has to pay more for it than he would for a place in a less desirable location."

"Then you don't rent the places according to their size?"

"Oh, dear no—according to value! Would it not be foolish not to ask more for a good light front corner than for a space three times larger, away down in the back of the building?"

"Yes, but if somebody rents such a good place, and is not successful; does not do any business, or less than he expected?"

"That is his own affair. Whether the exhibitor exposes that which he has to offer, well or badly; whether it is to the taste of the public or not; whether his goods are desirable, or whether they are trash—that is all his own affair. We can only give him the same opportunity as to everybody else. Who demands much must pay much, but what each individual does with the oppor-

tunity so acquired, is a matter of his own intelligence, his own care, and his personal ability. Whatever he gains by these is his own profit, and the community has nothing whatever to do with it."

The train commenced to slacken speed.

"I must leave you at the next station," I told my friend.

"I was so glad to meet you, and had hoped to hear something from you about the principles of the Single Tax, and here I have myself been talking all the time about our exhibition, and about our conditions for renting spaces in it."

"I did not tell you anything about Single Tax, because you have done so yourself most beautifully. Imagine the land of a community distributed just exactly as the spaces in your exhibition, and you will understand the principle of the reform I am advocating. The burden is distributed according to the demand each individual makes upon the land of the community. No matter what you may call it—assessment, ground rent or land tax—it comes to the same thing. Whatever the individual may do with the land he uses, is his own affair. Diligence, ability and thrift will not be taxed. How did you express it? 'When a business man takes hold of a thing he does it from a clear and plain point of view.' Just so; apply this point of view to our communal and federal life, and you will be a Single Taxer. Just think it over. Good morning."

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THE PROTECTIONIST "COST-OF PRODUCTION" THEORY.

From an Article in the Chicago Record-Herald of August 25 by C. M. Koedt.

President Taft's theory is that the difference in the cost of production between foreign countries determines the advantage one has over the other. This is the same as saying that if it is cheaper to produce iron and textile wares in England than in the United States, then under free trade these goods would be produced in that country and exported to this, to the detriment of our labor and capital. This theory is entirely misleading. International trade in its final analysis consists in exchanging merchandise, the balance in value only being paid for, as in a bank clearing-house system.

Trade between nations is not determined by the cost of production in the different countries, but by the relative cost of production of different articles in the same country. Thus, if in England the cost of producing 100 spades is \$100, and in the United States \$120, while at the same time in England the cost of producing 100 yards of cloth is \$80 and in the United States \$130, then, according to the President's theory,

both spades and cloth would be manufactured in England and exported to the United States, and the production of these articles here cease. But nothing would be less likely.

This is what would naturally happen: The United States manufactures and exports spades to England, which manufactures and exports cloth to the United States. Because, in exchanging, say, an even 100 spades for 100 yards of cloth England would receive spades costing her \$100 for cloth costing her only \$80, while the United States would receive cloth costing her \$130 for spades costing her only \$120. This exchange is consequently to the advantage of both countries. There might be trade, of course, not only at the figures quoted, but within the range of advantage of either country, which trade would depend upon the strength of the supply and demand in both countries.

President Taft, with his old, moldy, fallacious cost-of-production theory, appears to have been mostly an onlooker at the building of the tariff wall. Perhaps we are expected to be glad and contented that canary seed was put on the free list, but in the light of actual facts the people are plundered in all directions for the benefit of special interests.

The trouble appears to be the persistent obfuscation of the ever-living, fundamental, economic truth, proclaimed by Adam Smith, that consumption is the sole end and purpose of all production and that the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer.

With men like Aldrich and Cannon domineering our law factories, the interest of the consumer is almost constantly sacrificed to that of the producer; and they seem to consider production and not consumption as the ultimate end and object of all industry and commerce.

The tariff has passed, but discussion will not down. It augments, because the fraud of the few and the folly of the many have been recognized. The people have been humbugged for a long time without knowing, but now at last they do know.

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THE SACRED RAGE OF THE PEOPLE.

From the London Nation of October 23.

The blaze of indignation that has swept from one end of the civilized world to the other, from Paris to Montevideo, on hearing the tidings of the execution of Senor Ferrer is significant in various ways. In the first place, it is a vindication of what we may term the inherent virtue of the people. Historians and sociologists have been too prone to dwell upon a certain susceptibility to sheer brutality, and to baser suggestions of blind ferocity which they attribute as dominant motives

to the collective mind. A crowd, they argue, is a lower organ of humanity than its individual constituents, its emotions and its conduct are more irrational and more unjust, unfounded fears and suspicions operate as more potent irritants, it rushes into violent action and always repents too late. Even when for the visible chance crowd we substitute popular opinion, the same faults are found by those who from conviction, interests, or temper are enemies of democracy. For in this analysis of the general mind it is nothing else than the whole cause of democracy that is at stake. If the people in its aggregate capacity is irredeemably ferocious, credulous, and incapable of self-control, it is difficult to maintain that the ultimate control of government is better left in their hands than in those of some oligarchy of superior persons trained to act upon their individual judgment, and perhaps possessed of enough good will to keep in check their selfish proclivities.

It is because it affords a practical refutation of this partial judgment of the popular mind that we are glad to witness this powerful display of the popular sense of justice. There is in every people a wisdom, an instinctive intelligence and a passion for right, a veritable voice of God. It is often beclouded, poisoned, and perverted to mean ends. But in the suggestion which works so powerfully upon the popular mind there is almost always a nucleus of sound passion; the mob of lynchers is goaded to a not wholly ignoble fury of sympathy with the victim of some cruel deed; "Mafficking" itself, with its degrading orgies, has its kernel of perverted patriotism.

The people is better as well as worse than its individuals, a crowd is capable of nobler judgments and greater heroism than its average member. Superior persons who sneer at or denounce the voluble indignation of ignorant folk who hardly know the place of Spain upon the map, and never heard the name of Ferrer until last week, only convict themselves of the ignorance which belongs to their superiority. It is true that this popular judgment is not based on a cool consideration of detailed evidence; it is largely instinctive. But the instinct is not so blind, so ill-informed, as is represented. The plain lessons of the secular struggle for toleration and for liberty are branded by just, though formless, traditions upon the minds of millions who have never heard of Lord Acton or buried themselves in the archives of national history. The unholy alliance of Church and State for the suppression of free thought, free speech, free press and free action, is perhaps the greatest, the most potent, and the most oppressive iniquity that history discloses through the ages, and even in the most liberal countries today the forces of reaction are constantly working towards re-establishing in some new shape this famous confederacy of spiritual authority and physical power. It needs no min-