

unto you, do ye even so unto them,' to the solution of the race problem. I accept the challenge.

"To begin with: The best man living to-day is descended from a savage. His remote progenitors inhabited caves, or tents made of skins. They subsisted on nuts, roots, grubs and game, and upon the flesh of men who were strangers to them. All strangers were classed as enemies and were unreluctingly hunted down, tortured by every cruel device that the savage could invent, and murdered as a matter of course.

"The average man of to-day is, in himself—mind, I say, in himself—but a step in advance of the savage that I have described. The tribes are larger to-day. The Russian tribe will murder the Jewish tribe; the British, the Boer tribe; the Spanish, the Cuban tribe; the American, the brown and black tribes, and the latter, being the least advanced, require even less incentive to savagery.

"I repeat, Mистер Flyntt, the average man of to-day is—in himself—but a step in advance of the aboriginal savage. Sometimes, even the savage will show mercy to the captive who submits in humility, but none to the defiant. In this respect the difference between the savage and the average man of to-day is simply that the latter will usually show mercy to all who are not defiant. But the average man of to-day, if someone call him a liar, will answer: 'If the man who just called me a liar will meet me outside of the park when I finish my speech I'll cut his throat from ear to ear!' So, annyhow, I seen it in the papers the other day.

"The average man is still a very dangerous man, and is only held in check by his superiors. The average man is still ready to join a mob if the object of vengeance is of another race; and he is repressed for the greater part of the time only by the influence of the comparatively few, who have risen above the average in morality—who hear, and strive to practice the command: 'Whatsoever ye would that men should do unto you, do ye even so unto them.'

"An ignorant man is, naturally and inevitably, a menace to society. To permit the black children of the South to grow up in ignorance is to invite insurrection. To permit them to grow up in general ignorance, but with the particular knowledge that they are despised by the whites, is to plant in its native soil the seed of hatred.

"The ignorant man never looks back

so far as to first causes; he is mentally near-sighted. The blacks of the South see the burning at the stake of one of their fellows—back of that, nothing. It makes no difference to them what the murdered man's offense was; they only see that the white men burned him at the stake. The lower the scale of intelligence, the sweeter the thought of revenge. The example of vengeance is set by the white man, in burning their fellow; therefore, vengeance is permissible, he argues. If he wreak vengeance upon an innocent white man, so also have the whites, in frenzied, drunken mobs, killed not only the guilty, but the innocent blacks as well.

"The blacks, conscious of the legal right of liberty, are nevertheless held in industrial bondage—a bondage more extreme than that of the white laborer of the North only because the Negro is more ignorant and therefore more easily exploited. At bottom, the race problem is but a phase of the social problem. Back of it all, and underlying it all is the assumption of inequality of human rights.

"Answer me this, Mистер Flyntt: Don't you want all men to accord you equal rights with them?"

"You bet, I do," answered Flyntt.

"Don't ye suppose that every other man wants the same for himself?"

"Of course; they want the same, but—"

"Not too fast, Mистер Flyntt," interposed Mulligan; "my question is: Don't ye suppose that every man wants equal rights for himself with all other men?"

"Yes. At least that," answered Flyntt; "and most of them want more than that."

"Very well," said Mulligan; "the command is: 'Whatsoever ye would that men should do unto you, do ye even so unto them.' Every man who confesses a wish for the enjoyment of rights equal to those of all others, is thus commanded to accord equal right to all others. Hate breeds hate, love breeds love. Men do not hate those that love them. They do not hate those that act as if they loved them. Ye may say that ye cannot love the Negro; but ye can accord him every right that you enjoy; which if ye do, he'll know that ye do not hate him; and if ye do not, he—and everybody else—will know that ye despise him.

"As the rule, the Negro is accorded no rights. He is simply permitted to exist. The white man overreaches him at every turn. He bargains for the

Negro's services on terms that would make an old-time slaver blush for shame. He arrests the Negro on a trumped-up charge, and by forms of law throws him into the stockade, the chain gang or the mines. The great, writhing, struggling, aspiring mass of black humanity in the South is 'kept down' by means of every device that the superior intelligence of the whites can invent. And that brooding mass of black humanity is composed of 10,000,000 temples, each the habitation of an unconquerable soul!

"The thief is safe among thieves so long as he observes the thieves' code of equity. The gambler is safe among gamblers so long as he observes the gamblers' code of equity. The business man is respected among business men so long as he is true to the business men's code of equity. Equity is the pole star to which all human society irresistibly tends; and he who stands in the way of this universal progress is responsible for whatsoever means are employed to overcome his resistance; for the imperative Fiat has gone forth: 'Whatsoever ye would that men should do unto you, do ye even so unto them.'"

HORACE CLIFTON.

THE STEEL TRUST STEAL.

The United States Steel Corporation is easily the greatest industrial giant on earth.

It has twice as much capital and twice as much net earnings as any other concern.

Its total capitalization was, on December 31, 1903, \$1,442,714,114.

Its net earnings for the first 33 months of its existence (ending December 31, 1903) were \$327,267,512.

This is at the rate of \$119,000,000 a year, \$9,917,000 a month, \$330,000 a day, and \$33,000 an hour for ten hours a day.

Two men could not count the dollars made by this great monopoly.

For the two years ending December 31, 1903, it produced 15,832,922 tons of finished steel goods on which it made net profits of \$242,479,916. Its net profits, then, averaged \$15.31 per ton. A large portion of these goods consisted of rails, blooms, billets, structural work, etc., which, according to Mr. Charles M. Schwab, cost only about \$12 per ton to produce.

Its gross sales and earnings for 1903 were \$536,572,871, and for 1902 and 1903 about \$1,100,000,000. These, however, included sales from one subsidiary company to another. These

probably amounted to about \$300,000,000, leaving \$800,000,000 as the gross receipts for the two years. As \$242,000,000 was net profits, the total cost of the goods produced was \$558,000,000. The net profits, therefore, were over 40 per cent. of the total cost of the goods.

In 1902 it paid \$120,528,343 to an average of 168,127 employes, and, in 1903, \$120,763,896 to an average of 167,709 employes. The total of wages and salaries for these two years was more than \$1,000,000 less than the net earnings for the same time.

The total taxes paid in 1903 were \$2,972,600. The taxes, then, were less than one-fifth of one per cent. on \$1,500,000,000, and only one per cent. on \$300,000,000. It is probable that the assessed values of all of the mills, plants and transportation properties are less than \$150,000,000, and that the taxes paid on this property are about \$2,000,000. It is not probable that all of the mining properties, which Mr. Schwab values at \$1,000,000,000, are assessed for more than \$60,000,000, probably not \$40,000,000.

Allowing \$100,000,000 as the monopoly value of these properties when combined under one ownership, a fair valuation of them would be between \$500,000,000 and \$600,000,000. This would indicate that there is about \$1,000,000,000 worth of water in the capital of this giant trust.

This is under a protective tariff that enables this trust to make profits of 40 per cent. upon the sale of its goods. The total value of its products in most prosperous years and at high tariff monopoly prices, is only about \$400,000,000. Taking the lean with the fat years, it is not probable that its total sales will average more than \$300,000,000. A fair profit on these sales would be \$24,000,000 a year. This is about what the trust would make, if all unnecessary tariff duties were removed. This, capitalized at five per cent., would give \$480,000,000 as the fair anti-monopoly value of the steel trust properties.

Mr. Schwab said in a letter to Mr. H. C. Frick, in 1899, that steel rails were made here for less than \$12 per ton, while the cost to produce them in England was \$19. He said that similar differences in cost existed as to other steel products.

In 1897, when the famous Carnegie-Rockefeller deal was made, whereby Carnegie agreed to pay Rockefeller 20 cents per ton royalty on iron ore, and to pay high freight rates for carrying

it, and Rockefeller agreed never actively to engage in the manufacture of iron and steel, Carnegie said that "Pittsburg-to-day can make and deliver a ton of steel anywhere in the world at as low a cost as it can be made at the point of delivery." Again, on September 1, 1903, he said at Barrow-in-Furness that there have been made and sold without loss, hundreds of thousands of four-inch steel billets at three pounds for a penny—or \$15.30 per long ton.

This trust is now exporting its goods to all parts of the world. On November 1, 1903, he United States Steel Products Export company, whose stock is held by one of the subsidiary companies of the trust, became the selling agent for all exported products. But few men now know the export prices on goods, and the danger of these prices leaking out to an inquisitive public is greatly lessened. The value of its products sold abroad for the year ending June 30, 1904, probably exceeded \$25,000,000. In 1901 Mr. Charles M. Schwab, the president of the corporation, testified that all goods were sold at "very much lower rates than those here."

This trust is now openly and avowedly making an aggressive fight for control in all the markets of the world. It is feared abroad because of its low prices; and here, because of its high prices and its dictatorial and bulldozing methods.

The steadily growing export business of this trust from year to year, and its aggressiveness in obtaining and holding foreign markets, together with the statements of Mr. Carnegie and Mr. Schwab as to the cost of producing steel, make it certain that the bulk of the goods exported are sold at a profit rather than a loss. Hence it is fair to estimate as tariff profits during the last two years, the full difference between the export and home prices of its goods, unless this difference exceeds the full amount of the tariff duty.

The evidence of Mr. Schwab before the Industrial Commission in 1901, the letters presented in the Senate by Senator Bacon last April, and the testimony of Mr. J. J. Hill before the Congressional Merchant Marine Commission on May 24, make it clear that while the trust has for three years held the price of steel rails firmly at \$28 per ton in our market, it has been selling them abroad at from \$5 to \$12 per ton less than \$28, and that the difference during the last two years

has been from \$8 to \$12. The duty, however, is only \$7.84 cents per ton.

During the years 1902 and 1903 the trust produced 3,855,101 tons of steel rails. Our total exports were only 98,111 tons. Perhaps 75,000 tons were exported by this trust. Multiplying 3,780,000 by 7.84, we get \$29,635,000 as the amount extorted from us, on steel rails alone, by the steel trust with the tariff club in its hands.

The export price of barb wire has remained almost steadily at \$2.20 during the last two years, while the home price has varied from \$2.65 to \$3.15. The duty on barb wire is \$28 per ton.

The export price of wire nails has changed but little from \$1.35 per 100 pounds during the last two years. The home price has varied from \$1.85 to \$2.05. The minimum duty is \$11.20 per ton.

The export prices for tin plates have varied from \$1 to \$1.40 per 100 pounds under the home prices. The testimony before the Chamberlain Commission showed that American tin plate was, early in 1904, being sold in Canada at 10s. 9d., or \$2.60 per box, delivered. Allowing 20 cents for transportation, the export price at Pittsburg was about \$2.40 per box. The home price was then \$3.64. The duty is \$1.50 per box.

The export prices of plain fencing wire have varied from \$1.25 to \$1.37½ during the last two years. The home price has varied from \$1.85 to \$2. The duty is \$1.50 per 100 pounds.

The export prices of most other kinds of wire have averaged about \$12 per ton below the home prices. Our exports of wire nails in 1902 and 1903 amounted to 65,000 tons, and of wire to 231,000 tons.

The tariff profits on the other products of the steel trust, as reported in its second annual report for the years 1902 and 1903, are estimated in this same way.

Of the total exports of the steel trust, amounting to \$25,000,000 or \$30,000,000 a year, probably not one ton or one pound of steel is sold abroad at as high prices as are realized in this country.

Based largely upon these differences in prices, and somewhat upon the importations of competing goods, after paying the tariff duties, the tariff profits of the steel trust are estimated as follows:

TWO YEARS' TARIFF PROFITS OF THE STEEL TRUST.

Statistics of production from the second annual report of the United States Steel

Corporation for the two years ending December 31, 1903.)

Finished Products for Sale.	Production 1902 & 1903.—Tons.—	Tariff Profit.
Steel rails	3,835,191	\$29,635,000
Blooms, billets, slabs, sheet and tin plate bars.	1,275,929	9,950,000
Plates	1,169,254	12,880,000
Merchant steel, skelp, shapes, hoops, bands and cotton ties	2,252,155	22,250,000
Tubing and pipe	1,539,883	11,800,000
Rods	211,029	1,800,000
Barb wire	700,000	9,000,000
Wire nails	800,000	8,250,000
Other wire and products.	749,414	8,400,000
Sheets—black and galvanized	738,791	8,760,000
Tin plate	900,000	22,000,000
Finished structural work.	550,721	10,000,000
Angle and splice bars and joints	278,663	2,100,000
Spikes, bolts, nuts and rivets	96,243	1,200,000
Axles	256,503	2,880,000
Sundry iron and steel products	79,236	600,000
Totals	15,832,922	\$162,345,000

The tariff, then, is responsible for \$162,000,000 of the \$242,000,000 of net profits made by this giant monopoly in 1902 and 1903. Without this unnecessary tariff the profits would have been but \$40,000,000 a year, instead of \$121,000,000.

If, as is probably true, this trust produced about two-thirds of our total output of steel, the total tariff profits on all iron and steel products and goods are about \$123,000,000 a year. These are the factory profits. The tariff costs paid by consumers are probably 25 or 30 per cent. more, as many of these steel products do not reach final consumers until they have been sold and resold many times, and have become parts of machinery, etc. The total tariff "graft" from the duties on steel products, is, then, \$150,000,000 or \$160,000,000 a year. This is not, of course, the whole of the tariff "graft" from the iron and steel schedule, which includes all kinds of machinery, implements, hardware, etc.

Iron and steel form the basis of our entire manufacturing industries. There is not a factory of any kind that does not use iron or steel as a raw material, or that does not use machines composed mainly or largely of iron. There is not a manufacturer outside of the iron and steel industry itself, that does not feel the high price of steel products and goods. This \$150,000,000 or \$160,000,000 a year is the handicap which the unnecessary duties in the iron and steel schedule of the Dingley bill put upon these manufacturers.

Hundreds of small industries, handicapped in this way, are having the life crushed out of them by this tariff juggernaut. They are dying hard, and are forming manufacturers' free trade and reciprocity leagues,

and are yelling desperately to Congress to take the duties off steel goods and stop the progress of the tariff monster. Meantime the wise men at Washington are saying: "Statesmen spare the tariff; touch not a single schedule."

That this tariff does nothing for labor is evident. According to the trust's own report, its net profits are greater than the total labor cost of producing its goods. This in itself is evidence of an unfair division of earnings. It means that the manufacturers not only get the tariff profits, but that they keep them. It means that the workers produce two dollars for every dollar they get. Such an unfair division of earnings does not exist outside of the protected industries.

But, since 1903, wages in most steel mills have been cut an average of 25 or 30 per cent. Besides, about 40,000 workers have been laid off. The trust managers propose to make their profits in bad as well as good times. There may be adversity for the workers; there is nothing but prosperity for a highly protected monopoly, like the steel trust.

BYRON W. HOLT.

The government's Philippine show at St. Louis, which was expected to cost \$250,000, has cost nearly a round million up to date. This may be termed a typical Philippine exhibit.—Boston Herald.

Dr. Edward Everett Hale "sees the era of everlasting peace approaching."

Heavens! which way is he looking?—San Francisco Star.

BOOKS

MAYOR McCLELLAN'S BOOK.

It is a pleasing and interesting fact that an American politician about the time of his successful election should publish a scholarly book. Mr. McClellan's brief history of the Oligarchy of Venice (Houghton, Mifflin & Co., Boston, \$1.25) would do credit to a professional historian. It shows patient study, good arrangement, and it is withal written in a style that is easy, simple, and clear.

The best feature of the book is that it gives evidence of a confident and sure insight into the real significance of different forms of government, and judges these by a true democratic standard. The worst feature, indeed the only seriously bad feature, is that the author attempts too much within his 202 brief pages. The result is that some of his later chapters are overcrowded with bare events.

The first two chapters are the best in

the whole book. In these he shows how clearly he sees the causes of both the rise and the fall of Venice, and furthermore he differentiates at once the peculiar development of the Venetian state as distinct from that of the rest of Europe.

The peculiarity of Venice was that she had no land to start with. "Having," says the author, "neither lands to grant nor to be granted, she was absolutely outside the dominant system of Europe." So was it that feudalism did not concern her. "With no lands to inherit," he continues, "a landed aristocracy was an impossibility. Being of necessity a commercial state, the only aristocracy she could develop was that of wealth. And it is this fact which in great measure explains the peculiar form of her evolution."

What her peculiar form of evolution was is very clearly shown, and it is a great lesson. "In other countries of Europe," says Mr. McClellan, "the evolution of government was from above, downward—power at first concentrated in the hands of the few gradually passing to those of the many—in Venice the process was exactly reversed." In Venice the people were at first supreme, and lost power little by little, until finally the oligarchy ruled omnipotent. At first the popular assembly was composed of every male adult who chose to attend. It was, says the author, "very similar to the old Saxon Folk-Mote, or the New England Town-Meeting of our own day." Gradually, in a community where wealth was the standard, the rich more and more usurped power, and thus the government was formally changed into an oligarchy. The downfall of Venice is the story of the ultimate weakness of such a government.

But why did the people lose the power with which they began? This is the great question, and it cannot be said that the author is explicit enough in the answer. What destroyed the political power of the people in Venice is the same thing that is destroying the political power of the people in America. Details may differ, but the cause is the same, namely, the lack of economic equality accompanying political equality. When the people, through lack of intelligence and eternal vigilance, permit and uphold laws that favor the concentration of wealth rather than the proper distribution of wealth, the result must inevitably be the loss of political power. This is the lesson which Democracy will have to learn.

J. H. DILLARD.

"FREE AMERICA."

Bolton Hall's "Free America" (Chicago: L. S. Dickey & Co., 79 Dearborn St.) is characteristic of its author. Mr. Hall dedicates the book to "those who are poor and wish to become rich, or who are rich and wish to become rich-