

try, or were I the Czar with absolute power and disposed to make the people pay the price for it, create a "Great American Banana Industry." I could put a tax of one dollar apiece on bananas which are now selling in the streets three for a nickel, and inside of five years I could, with a good custom house service, have created and exploited a vast banana industry. It is true that a great many people who formerly ate bananas could not buy any bananas at all, and some people would have to buy fewer bananas; but it is also true that a great many people, who are plutocrats and aristocrats, would eat them because the common people—Dagoes, Jersey-men and Mississippians—could not.

If I continued that system of taxation in existence for twenty years, at the end of that time there would have come to the front a new generation that "knew not Joseph" nor cheap bananas; and the moment sensible people came into power with the idea of revising the banana schedule these gentlemen who "knew not Joseph" and had gone into the American banana business and perhaps formed a banana trust would come to the committee room of the national legislature, knocking upon the doors all the time, and giving utterance to cries of unutterable woe: "Are you going to strike down the Great American Banana Industry; are you going to reduce the duty from a dollar apiece on bananas to 80 cents? We can't stand it. It will ruin us. Are you going to make the people engaged in banana raising go to the soup houses? Are you going to discriminate in favor of pauper tropical sunshine against self-respecting American hothouse laborers?"

Let us stop a moment and follow the banana theory a little further, because I am fond of bananas. What would have been the result of establishing that industry? Merely this, that you would have deflected a certain amount of American capital and a certain amount of American labor engaged in the general hothouse industry into a different channel of hothouse proceedings, and instead of having their hothouses for the purpose they have them now they would have converted them into banana nurseries, and the consumers would be paying a dollar apiece, or perhaps 90 cents apiece, for bananas, because the protected interest would have to undersell somewhat the foreign markets.

After fifteen or twenty years "home competition" would have reduced the price of bananas in the American market to, let us say, 40 cents apiece, and then Republican orators and politicians would say privately, in newspapers, and

on the stump and within these walls, with due solemnity and without a mutual smile: "Lo, and behold! See how a protective tariff has reduced the price of bananas from 90 cents apiece in 1950 to 40 cents apiece in 1965—nearly 50 per cent. decrease in price to the consumer! Protection did it!

Yes! A reduction from superlative extortion to comparative extortion!

But in all this picture keep in mind one thing: While protectionism lasted bananas would never reach three for a nickel, because if they did, that public enemy—tropical sunshine—would be master.

What would you have accomplished? Would you have increased the wages of labor? Not a particle. You would merely have deflected capital from one channel to another, from one sort of hothouse production to another, or from a production which was not hothoused at all into a hothouse production. Would you have increased the demand for labor? Not at all, because this capital and this labor would have gone out of something else—something that with freer commerce or with free commerce would have been naturally profitable—into this business, which, otherwise unprofitable, you have by law made profitable.

CHAMBERLAIN HIT HARD.

Dr. Henry S. Lunn, who with Lord Lyveden is now in this country arranging for a visit next year to the St. Louis exposition of a large party of members of the British parliament, is president of the new Reform club in England and is one of the ablest and most vigorous of the opponents of the protectionist scheme of Joseph Chamberlain. The kind of blows he is giving Chamberlain is evident from the following extracts from an interview printed at Washington November 24:

"There is an infinite difference between the fiscal position of Great Britain and of America. Geographically, Great Britain could be added to one of the American states like Texas without perceptibly increasing the size of that state. Politically, Great Britain is part of an empire consisting of widely separated territories divided by oceans and hostile territories, while the United States are self-contained. Economically, if England alone, like Noah's ark, survived a universal flood, the majority of the population would be starved to death within three months. On the other hand, if the United States alone survived a great cosmic cataclysm, the population would be, practically speaking, unaffected, so far as the means of subsistence was concerned. Why is

this? Because in America the country produces everything from an iceberg to a banana. . . .

"At the present time England is prosperous beyond the wildest dreams of our ancestors. The income tax, which is the real test of national prosperity, was levied on gross incomes, in 1861 amounting to \$1,500,000,000; in 1881, \$2,330,000,000; in 1901, \$4,330,000,000. . . .

"During the last 40 years the number of paupers in Great Britain has declined from 47 per 1,000 to 25 per 1,000, while the wages of the average workman have increased 13.71 per cent. and the purchasing power of food has diminished from 143 to 100, so that a laborer who to-day has 100 shillings can buy produce worth 143 shillings 25 years ago, while at that date the laborer would only have 86.29 shillings to purchase at these higher values. Therefore, the real worth of the workman has nearly doubled during this period.

"Mr. Chamberlain has dwelt greatly upon the excess of our imports over our exports, and has argued that we are either selling our securities or running into debt. When we turn, however, to the figures, we discover that the income derived from British investments abroad increased between the year 1881 and 1891 from \$30,000,000 to \$54,000,000, and from 1891 to 1902 from \$54,000,000 to \$62,000,000. Moreover our gigantic shipping industry is estimated to earn \$90,000,000 per year, and, in addition to this, we have the great profits of our international banking, insurance, brokerage, etc.

"If the theory were right that we paid in golden sovereigns, as some embryonic economists have argued, we should have paid away during the last ten years \$8,000,000,000, which, as Euclid would say, 'is absurd.' This impossible sum is really the tribute of the nation to England, as the great creditor nation, and the payment of the nations for our great services rendered in shipping, banking, etc.

"The United Kingdom is in a particularly weak condition for retaliation. Our shipping is vulnerable, our imports consist of few and raw materials, and the greater portion of our exports are manufactured goods.

"Now, Mr. Chamberlain's remedy: Mr. Chamberlain comes forward with his remedy of preferential tariffs. What would be the result of giving preference when immediately elements of great discord would be introduced into the councils of the empire? Canada will complain unless she gets a great preference in wheat; Australia will then insist on a protection on wool, which Mr. Cham-

berlain has undertaken, as being a raw material, not to tax. New Zealand will demand a preferential treatment. What council of the empire can hope to decide between these conflicting interests? An attempt to enforce a uniform system of taxation upon such an empire would lead to many a Boston Tea Party.

"The great difficulty that confronts Mr. Chamberlain is that in any system of preference for the colonies, as he himself already admits, he must be driven to the taxation of food. He stated in one of his speeches that he was willing to go into any mechanic's house and say to him: 'Now, this policy, if it is carried out, will cost you so much a week more than you are paying at present for your food.'

"Mr. Chamberlain's next great argument is that wages will rise under protection. The argument from the United States is absurd: In the first place, because of your numerous natural resources, which are continually demanding skilled labor; and in the second place, because the United States itself is the greatest free trade area in the world, having absolute free trade between its different States.

"The British workman now stands first in Europe in money wages, and the purchasing power of his money, say as against Germany, is that 112 shillings will buy in England as much as 140 in Germany, while the average wages are 20 per cent. higher in England than in Germany.

"Mr. Chamberlain's great argument, which is appealing very largely to manufacturers in England, is that we are the dumping ground of the world for its cheap products. Can any happier fate befall a nation than to have everything it needs supplied at the lowest price? This is the final issue. Shall we consider the condition of the producer or the consumer? In a word, is scarcity or abundance the best test of a nation's prosperity? The English free trader wishes to continue that abundance under which his nation has become great and prosperous."

The Senator—It is high time that Oklahoma was admitted as a State.

The Cabinet Member—Oh, I don't know. Panama has not yet been admitted.

G. T. E.

History repeats itself. The Panamanians welcomed us; so did the Filipinos. But later—the Filipinos had an Aguinaldo. Will the Panamanians have an Aguinaldo, too? Let them not forget that we still have THE Funston.

THE THIRD PERSON.

I know a man (accounted wise)
Who thinks himself an ancient make
Of musket. Breakfast food supplies
His powder, and a Hamburg steak
The bullet, while a flannel-cake
Acts as the wadding. Then away
He shoots for all that fighting day;
Shoots to his car, shoots to his work,
Shoots here, shoots there,
Shoots everywhere
A dollar may be thought to lurk;
Shoots out to luncheon, shoots to drink,
Shoots home at night, too tired to think,
Shoots through the news, and, spent at last,
Drops, thankful that the day is past.
For all this stress from dawn to sleep
He gets his victuals, clothes and keep.
Ho! Ho! A foolish man is he.
(And very much like you and me.)
—Edmund Vance Cook, in Puck.

"Didn't you git no money from dat woman yer held up?" asked the first footpad.

"Naw," replied the other, shivering slightly; "she wuz from Boston."

"Well, Boston people has money."

"Mebbe dey has, but when I sez to her: 'Money or yer life, lady,' she sez: 'How dare ye speak to me widout de formality of a interdiction,' sez she, an' leaves me froze stiff."—Philadelphia Press.

If you don't try to live up to your ideals the chances are they'll come down.—Puck.

BOOKS

"BISOCIALISM."

A new word is "bisocialism." Yet it is one that may well serve a good use in contradistinction to "omnisocialism," another new word which Oliver R. Trowbridge has invented for his elucidation of "Economics" and "Political Economy." ("Bisocialism; the Reign of the Man at the Margin." New York and Chicago: Moody Publishing company. Price \$1.50.) This able analysis has but recently come into the book market.

"Omnisocialism," writes Mr. Trowbridge, "contemplates a complete readjustment of society . . . by destroying private capitalism, private commercialism, and the private employment of one man by another." Under it "all productive land-forms and all capital-forms would belong to the state; only satisfiorms and non-productive land-forms could be private property, and these only by purchase from the state." Bisocialism is much more limited. Indeed, it is fundamentally different. As described by Mr. Trowbridge it "does not imply the creation and maintenance of a little socialism here and there." Though "limited by clear lines of demarcation," yet "within the scope of the system, there will be no bounds placed upon the socialistic features;"

those things which are socialized at all will be completely socialized, while those which are left to individual control will be so completely individualized that they will not be called upon even to contribute to the revenues of the state."

The things which bisocialism socializes are, as the name implies, of two general classes—(1) "all ground values," and (2) "all public utility franchise values." It would completely "individualize all labor values and all capital values," and would "create and maintain an economic system" permitting "the fullest cooperation in industry and the fullest competition in exchange."

This sounds suspiciously like the single tax idea of Henry George; but Mr. Trowbridge differs from George in many respects, both in principle and in method. His work might be fairly regarded, perhaps, as placing the single tax doctrine upon university foundations and translating it into university patter. Be that as it may, he has assuredly presented the university cult with an exposition of the subject in harmony with their own habits of thought and terminology, and one which they cannot lightly toss aside as "unscientific." Mr. Trowbridge's work is laboriously "scientific." But it has the additional quality of being rigidly logical.

His fundamental economic concept is not concrete "wealth," as George insists it should be, but "value," as the university cult at present maintains. Neither does he believe, as George and the older economists taught, that labor cost (irksomeness) determines value. He holds with the modern university to the opposite view of demand, namely, that value is determined, not by cost of production, but by the least demand in the market—the demand of "the man at the margin."

The difference does not appear to be vital, however, as Mr. Trowbridge elucidates it. For value is shown to spring at last from utility, "fitness to satisfy desire," and disutility, "that which allays or neutralizes the satisfaction of desire." Out of the interplay of these two economic forces, "utility" and "disutility," through the exertion of labor-power, spring all the phenomena of value. Wealth, produced by labor, has value because it neutralizes disutilities of matter; advantageous land, needed by labor, has value because it neutralizes disutilities of space; and capital, produced and needed by labor, has the value usually termed "interest," because it neutralizes disutilities of time.

To follow Mr. Trowbridge's attractive and instructive reasoning to the end, would make inordinate demands upon our space and do but scant justice to a book which is as compactly written as is consistent with human interest in the