

speaks his mind with simplicity and candor will manifestly appear as a humbug.

Is it a strange thing that one should wish to bring about a reign of righteousness in the community—especially after he had made a fortune for himself? Yet this is held to be just Johnson's weakness, whereas by ordinary methods of reasoning it might be accounted his strength. For he is safe whatever happens.

But suppose the pride of opinion urges him?—that and his ambition, Even from this low point of view is his sincerity inconceivable? May not one be ambitious to accomplish good, to plant institutions that will endure, and in view of which men will arise and call him blessed? Is there not a passion for righteousness as well as other passions? May it not be a source of pleasure to lead men to a goal of justice, with the incidental enjoyment that comes from being hailed as a leader? And in view of all this is not the public skepticism about some men, combined as it is with their unfathomable credulity respecting others when their prejudices or their cupidity is appealed to, one of the most amazing characteristics of vast masses of men?

There is no reason why we should not accept Johnson's statement of his motives. He is nothing of a demagogue. He does not tell men that they are wise and good and virtuous, for he knows better. He is often frank to the point of rudeness, and he has never retreated an inch for the sake of temporary success. He has more real backbone than Roosevelt ever dreamed of, and the resoluteness of his character has made him what he is. He does not owe his place to any adventitious aid of popular feeling—he has not ridden on the crest of a wave; he has fought his way through the rough waters and against the tide. The glamour of San Juan Hill is not upon him; he has not said the things people like to hear, but, on the contrary, has awakened the anger and opposition of the most powerful forces in the community by speaking unpalatable truths. Nevertheless he has triumphed, measurably, at least. And it is all due to the tremendous personality of the man, and the truth with which he is armed.

A presidential campaign, if such there might be, in which these two men should meet in the lists would be worth going a long way to see. The man who has never retreated against the man who forever retreats—the brave in words against the brave in deeds, the showy against the solid reputation. But more than that—typified in the two the struggle for a righteous social system against a blind acquiescence in things as they are, the intelligent, keen spirit of social reconstruction against the conservatism and respectability of all existing privilege.



SOCIAL REFORM THE ALTERNATIVE OF SOCIALISM.

(For the Review.)

BY EDWARD HOWELL PUTNAM.

Prof. Richard T. Ely, in his book (*Studies in the Evolution of Industrial Society*), in the last chapter, under the caption, "The Possibilities of Social Reform," argues that social reform is the alternative of socialism. Prof. Ely calls attention to the actual interference of government in many instances, and to the sentiment in favor of public ownership of natural monopolies, and the extension of governmental control of public utilities. He says that our present competitive system modified by reform, is both the scientific and practical alternative of socialism. This is undoubtedly true, for, Prof. Ely well says

that "the only plan of a society, having large and widespread support on the part of thinkers of capacity, which it is proposed to substitute for existing society, is socialism," and he concludes, with reason, that "The alternative which confronts us is, then, socialism or social reform."

The character of the social reform indicated by Prof. Ely is the extension of competition, to the exclusion of the various forms of private monopoly. That society will move toward the one or the other of these antipodal points is certain. The great question before society, and which is now up for solution is: Shall we have competition or shall we have socialism? None but the insignificantly few want monopoly. The intrinsic nature of monopoly is such that only the few can possibly be benefited by it; for it requires the exploitation of the many as the necessary condition of benefit to anybody. That the growing intelligence of the people, supplemented by vastly expanding education, will long tolerate such an absurd system is unthinkable. It is obvious, then, that Prof. Ely is right in the assumption that we must choose between social reform and socialism.

Prof. Ely favors the competitive system. And in the course of his able argument in support of social reform, as the necessary condition to the perpetuation of that system, he quotes at some length an editorial in *Boyce's Weekly* for March 4, 1903, written by A. M. Simons, "one of the ablest of American socialists," as Prof. Ely characterizes him. It may not be strange that the propagandist of socialism should evince ignorance of the socio-economic significance of what he himself says, but it is remarkable that Prof. Ely should have refrained from exposing the ludicrous weakness of Mr. Simons' argument, when he says, as Prof. Ely quotes him: "If a half dozen great department stores or finally one, will supply the city of Chicago and fill the demand in the retail trade at a less cost of human labor than a thousand, then, when once the private ownership of these few stores is determined, that ownership becomes as much a special privilege as does the ownership of the street cars and telegraph."

Here we have a private owner in competition with all the world, serving the public for a less consideration than anybody else can do, and Mr. Simons objects to it! Why? This private owner gives the public so much more for its money than anybody else can as to forestall anybody else from occupying the position of manager in his line of trade. And what is it that effectively prevents anybody else from entering into competition with this unique individual, this man of masterful ability? Why, nothing, but the fact that nobody else can render equal service to the public at so low a price. (Query: Is it the CAPITALIST who excites Mr. Simons' sympathy?)

Observe, also, that Mr. Simons, after reducing the number of establishments from a thousand down to one, seems to lose sight of the nine hundred ninety-nine managers, plus an uncertain number of other people, set free to engage in productive industry, to the greatly increased enrichment of society.

The socialist is a tolerable soloist; but political economy is orchestral, and the man that cannot keep in mind the multitudinous correlations that sustain the harmonies must needs make sorry work of wielding the baton.

Under socialism there would still be managers, of course, with the difference that the manager's salary would be determined by society. Now, suppose that society were to confiscate the "tools of trade" belonging to this man, and, recognizing his great abilities, should invite him to continue as manager. In view of the undisputed fact that he has hitherto served society at a less cost than anybody else could, would society ask him to cut his figure still lower? And in case he should decline, what then? Obviously since nobody else can fill the bill at his price, as has been demonstrated, somebody else must be employed, at a higher cost to the public! Could there be a plainer

demonstration of the fact that under free competition, society would secure the highest service at the least possible cost?

Elsewhere in the quotation as given by Prof. Ely Mr. Simons says: "Among those who seek to patch up and tinker our present society, few phrases are more frequently used than that of special privilege. This phrase is used to show that the abuses of our present society are specific, not generic, superficial, not inherent. It implies that if certain definite excrescences were peeled off, a smooth and beautiful social organization would be revealed beneath. With a little sticking plaster here and there, and a few patches judiciously applied, or, at the most, a few minor amputations performed, the social organization would be restored to health. With such people, monopoly and extortion are always due to some special privilege, some peculiar advantage, some abnormal situation. The ownership of land and franchises is particularly regarded as a 'special privilege.' Because the number or extent of these things is limited, therefore, they say, ownership confers a monopoly. This limitation, it is claimed, is peculiar to these few things and does not extend to the general mass of industrial capital. Here is where the socialist parts company with them."

But if we can show that "this limitation is peculiar to these few things, [or to some things], and does not extend to the general mass of industrial capital," the socialist parts company with us at his own peril. Perhaps we shall be able to show that Mr. Simons is not tossing us in the air and catching us upon his horns, but that, on the contrary, he merely thinks he is doing so.

Let us revert once more to the case of the great business director, who, through his unique ability, has become the sole retailer of the city of Chicago. Suppose we erect a building and stock it with the "tools of trade," equal in all respects to those that he owns, except that the new store is located in a suburb remote from the center of population, and, confiscating his centrally located property, offer as compensation the new plant. Will he be able, from the new site, to continue in command of Chicago's retail business? Of course not. But why not? Certainly not because he is any less able, personally, than before. Certainly not because of non-ownership of the "tools of trade," for he has them in as great abundance as ever. Why not, then? Simply and solely because his new site is a comparatively poor one. His former site was at the center of population, in a place most convenient of access to the public. Now, it is simply impracticable for the great mass of the public to reach him; or for him to reach them; at a cost that will enable him to compete with the new (though somewhat less capable) management of the business at the old site.

In view of these obvious facts, it seems to the present writer that the private ownership of a certain piece of land most conveniently situated with respect to the retail trade is an advantageous circumstance. Now, the site was not put there. It was always there; and the location of people about that site gave it its exceptional value. He who happens to own that particular site can get as much for his service in conjunction with his "tools of trade," as the man and the tools less favorably situated, plus the difference in economic value of the two sites. Or, to state it a little differently; he can get as much more than he could in a less favorable location as the difference in economic value of the two sites. This difference in value is not his product but the product of society; and some of us believe that society is entitled to its own. Our plan of appropriation is to tax the site according to its value. And we hold that if we do not do so, the private owner of the site will enjoy a "special privilege."