

symptom of the financial collapse which is as inevitable as fate. Our much-boasted "prosperity" has been no more genuine than that of the old "South Sea bubble" of France or the "tulip craze" of Holland. If workmen have got any increases of wages they have had to work harder and to pay more for a living. The wage increase is fictitious. While it has helped to fatten statistics, it has not helped to feed and clothe workers and their families. If business men having no monopoly privileges have done a more pushing trade, they have not reaped profits in proportion. If farmers have flourished at all, it is because they have had good crops and not because they were able to earn more by work. The rise and fall of the wages of the agricultural laborer, who has nothing but work to sell, is the true test of prosperous conditions in agricultural production, and his wages have not much increased. Brisk business has indeed prevailed, but those who have conducted it have not reaped the profits:

"Prosperity" profits have been reaped by trust manipulators. Out of retorts made by monopolies, they have blown a great balloon of values, which they label "prosperity" and exhibit to the multitude for its applause. A pin prick in this balloon may at any time let out the gas and cause "prosperity" to collapse; and the disturbance in Wall street is one of those much-feared pin pricks. Not only are conditions ripe for a panic, but Wall street knows it. Therefore Wall street goes to the government treasury for help—just as the farmers did when they wanted loans on their wheat, and just as Coxey's army did when it wanted work. Not only does Wall street know it, but the administration also knows it. Therefore the treasury responds to the Wall street clamor—just as it did not to the clamor of farmers and Coxey's men. Loans upon and investments in "industrials", with values enormously inflated by trust manipulation, is the notorious fact which

makes a panic almost as certain as sunrise. For months the struggle to avert it has been coming more and more plainly into sight, and it is a struggle that cannot continue much longer.

Secretary Shaw may have temporarily relieved the "bulls" of Wall street, but he has done more than almost any other one man to hurry on the ultimate collapse. At his word, millions are freed from the bank reserves and emptied into the pockets of the gamblers. He argues that as government deposits are secured by bonds there is no necessity for requiring also a reserve against those deposits. But bank reserves are not held against particular deposits, but against deposits in general. His act, therefore, weakens the very basis of the confidence of the entire army of bank depositors in the security of their accounts. Again, the bonds to secure government deposits are no longer to be United States bonds, but anything the Secretary chooses to accept. Is it too much to fear that a secretary of the treasury who can be frightened into making these unprecedented changes may be frightened into taking poorer and poorer securities? How long will it be before the steel trust bonds, into which the preferred stock of that "prosperity"-breeding institution is to be transformed, are accepted at Washington as security for government deposits in national banks?

Some idea of the political revolution Mayor Johnson is making in Ohio may be got from the resignation of the president of the Roosevelt Association of Cleveland, J. J. Breitingger, and the reason he gives for it. Mr. Breitingger has been for several years a faithful Republican worker in Cleveland, and in his letter of resignation he describes the condition of things political with a clear eye and a steady hand. Referring to the attitude of the Republican leaders in Ohio he says:

The Republican party has in the past stood for equal rights; but this

is not the case when the leaders of the party endeavor to use the party in the interest of a few for personal gain.

After going into detail he concludes:

Mayor Tom L. Johnson is to-day the champion of the people's rights. He is fighting for the very principles that the leaders of the Republican party should stand for to-day had they remained true to the interests of the people.

Relying too implicitly upon Mr. Roosevelt's statements of fact in his Cincinnati speeches, we fell into the error last week (p. 385) of admitting that anthracite coal is on the free list. Nominally, it is on the free list, but in fact it is protected by a tariff of 67 cents to the ton, the same as bituminous coal. The explanation is that anthracite coal, to be upon the free list must be above a certain grade—92 per cent. of fixed carbon,—and that the foreign anthracite which could compete with ours, is all of lower grade than that. It was also an error to admit that petroleum is on the free list. It, too, is there nominally. But there is a supplementary provision in the tariff law which imposes upon foreign petroleum the same duty that the country from which it is imported imposes upon American petroleum. In fact, therefore, both petroleum and anthracite coal are dutiable; and Mr. Roosevelt's argument that the coal and oil trusts are not supported by the tariff, even if it were sound otherwise, would fall to pieces for this reason alone.

Some of the criticisms of Secretary Hay's Roumanian note do not appear to be well considered. This is especially true of the one which a Roumanian noble makes in the form of a retort, when he asks: "What will Mr. Hay say if Roumania requests the powers to interfere and stop the persecution of Negroes in the United States and demand explanations in regard to the treatment of Filipino prisoners?" Mr. Hay might say several things. One thing he could certainly say quite effectively, and that is that the American outrages upon Negroes in the South and Filipinos