

HIGH PRICES.

From a Sermon by the Rev. Herbert S. Bigelow, as Printed in the Ohio Journal of Commerce.

The cause of high prices can be divided into two parts—first, what is not the cause, and second, what is the cause?

First of all, the increased production of gold is not the cause, neither is the tariff, so I cannot be preaching either Republican or Democratic politics.

Gold is the measure of all values. Cheap gold must raise all prices alike. You make hats; I make shoes. Hats are \$5, so are shoes. Suppose that hats go to \$10. What difference is that to me, if shoes go to \$10? Prices are nominally high, but I can still get a hat for a pair of shoes. If hats went to \$10, while shoes remained the same, I would be injured; but if this were the case, cheap gold could not be the cause, for cheap gold necessarily means increased prices of everything of which gold is the measure of value; that is, of all labor products and of all labor also.

The tariff, then, say some. This also is a fallacy. Suppose by reason of some unaccountable increase in the demand for shoes my shoe business suddenly became twice as profitable as your hat business. You do not make hats because you want hats. You make hats because you want money. If you can get money more easily making shoes, you will quit the hat business. If you do not go into the shoe business, enough others will, to bring my profits down to the average return.

But suppose this increased profit in the shoe business were due, not to an increased demand for shoes, but to a tariff on shoes. Will not the advantage due to the tariff invite fresh competition just as certainly as though it were due to something else? What, then, is the cause? Let us look at it before we give it a name.

You may raise the price of your hats as high as you like, but how can you compel the public to pay your price? You cannot, unless you can prevent others from making and selling hats more reasonably.

Notice now the ways of doing this. If you can get a patent on something that the people want, you can charge a high price because the patent makes it impossible for the public to buy of anyone else.

Or you may get a franchise fixing some unreasonably high price at which you are given the exclusive business of selling goods. If you have hats or shoes to sell, of course you will not be foolish enough to expect such a grant. But if you are selling gas or electricity or street car transportation, you will seek a franchise which will protect you from competition while it permits you to charge enough to pay the customary widows' and orphans' dividends.

Again, you may engage in some business, like

railroading or the manufacture of woollens, which, while not resting on any legal privilege, nevertheless requires such vast investments of capital that combination is easily possible, and, through the formation of trusts or by secret understandings, iniquitous profits may be reaped.

Finally there is one other way. Get the possession of something which men have to have, but which cannot be reproduced. If you can find anything answering to that description, get it and you will find that you will have the power to reap where you have not sown.

There is only one thing answering to this description that I know of, and that is land of a certain character. The land of a growing city, ore fields, coal lands, water power lands, are examples of something that cannot be reproduced, and yet they must be had.

These are four ways of making people pay you exorbitant prices—patents, franchises, collusion with your competitors, and the ownership of social value in land. The best name for these four things is monopoly—and arsenic would be a good remedy.

BOOKS

BERNSTEIN'S SOCIALISM.

Evolutionary Socialism. A Criticism and Affirmation. By Edward Bernstein. Translated by Edith C. Harvey. Published by the Independent-Labor Party, 23 Bride Lane, London, E. C. Price 1 shilling net. Also by B. W. Huebsch, New York. Price, \$1 net.

In this book English readers may study the ideas underlying the "revisionist" influence in the Socialist politics of Germany, which began to attract general attention through Bernstein's activities some ten years ago. Opponents of socialism regarded the book when it originally appeared in German (*Die Voraussetzungen des Sozialismus, und die Aufgaben der Sozialdemokratie*) as a fatal attack from within, while old line Socialists denounced it as an abandonment of the fundamental principles of Marxian socialism. The author himself declares his continued belief "in the socialist movement,—in the march forward of the working classes, who step by step must work out their emancipation by changing society from the domain of a commercial landholding oligarchy to a real democracy which in all its departments is guided by the interests of those who work and create."

Bernstein's socialism is distinctly progressive, as opposed to the type which looks forward to a collapse of the capitalistic order. He therefore rejects the policy of segregating socialistic activities from the general activities of democratic reform. Supporting the social growth idea, he

favors co-operation with the non-socialist efforts that make for socialistic growth.

Although taking Marx for leader, he nevertheless criticises him freely, and in a friendly manner, yet without reserve, exposes some of the weaknesses of Marx's worshippers.

Among the errors that appear in Marx's work, as Bernstein concludes, and one to which revolutionary socialists cling tenaciously, is the notion that under the present social order wealth concentrates in a few hands. In opposition to this, Bernstein shows by statistics that the social surplus is in fact diffused, and that the working class itself, and not a capitalist class, absorbs "the parasitic elements of the social body." Although it is this conclusion especially that has brought him into sharp conflict with Marxian leaders, Bernstein does not regard it as at all inimical to socialism of the evolutionary in contradistinction to the revolutionary or catastrophic species. "Whether the social surplus produce is accumulated," he writes, "in the shape of monopoly by 10,000 persons, or is shared up in graduated amounts among half a million men, makes no difference in principle to the nine or ten million heads of families who are worsted by this transaction. Their struggle for a more just distribution or for an organization which would include a more just distribution is not on that account less justifiable and necessary." In other words, the social conflict which orthodox Marxians see as a clash of interests along class lines, appears to Bernstein (correctly as it seems to us) as a clash of interests along moral lines—a clash over questions of justice and not of personal classes.

Because he finds himself in controversy with socialists who have sprung from his own school, that of Marx and Engels, Bernstein maintains his opinions by a systematic criticism of all the other points of the Marxian theory which appear to him especially mistaken or self-contradictory, tak-

ing the conciliatory ground that "the further development and elaboration of the Marxist doctrine must begin with criticism of it."

Accordingly, he first inquires into the theory of the materialist interpretation of history and historic necessity, which he characterizes as beyond denial "the most important element in the foundation of Marxism, the fundamental law, so to say, which penetrates the whole system." Any one who advocates that theory he classifies as "a Calvinist without God," and concludes that a true understanding of the Marxian idea does not warrant the theory in an absolute sense. Economic forces and motives, he argues, do not alone determine the social movement.

The doctrine of class war is regarded by Bernstein as an error springing from the distorted materialist conception of history, and this in turn as unfolding the Marxian doctrine of surplus value.

So the author re-examines and criticises the doctrine of surplus value. In the course of this criticism he goes behind the mask of "value," and finds that the true substance of the doctrine is not "surplus value" but *surplus labor*—the labor which the worker must perform without compensation. "When surplus labor was performed in ancient time," he writes, "it was not hidden by any conception of value. When the slave had to produce for exchange he was a simple labor machine. The serf and the bondsman performed surplus labor in the open form of compulsory service; the journeyman employed by the guild-master could easily see what his work cost his master and how much he reckoned it to his customer." The concept of value hides this fact in modern industry, but the fact continues, and the surplus value theory is a misleading reference to it.

Marx never based his demands upon the surplus value doctrine, the author continues, but upon

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the doctrine of a necessary collapse of the capitalist mode of production,—a process of greater and greater centralization of capital and an increased rate of exploitation of labor. As a tendency this doctrine is conceded by Bernstein. But not as a fact. He invokes statistics, as we state above, to prove that it is "quite wrong to assume that the present development of society shows a relative or indeed absolute diminution of the number of the members of the possessing classes," and contends that "their number increases both relatively and absolutely." Regarding this, however, as no menace to the essentials of socialism, he seeks, as one of the purposes of his criticism, to check the menacing influence upon socialism of socialists who cling to the expectation of a class war between a diminishing capitalist class and an increasing proletariat.

BOOKS RECEIVED

—Searchlights. By George W. Coleman. Published by the Arakelyan Press, Boston. 1910. Price, 75 cents, post paid.

—Each for All and All for Each. By John Parsons. Published by Sturgis & Walton Co., New York. 1909. Price, \$1.50 net.

—The Daily News Year Book, 1910. (Formerly "The Reformers' Year Book.") Published by The Daily News, Ltd., London and Manchester.

—Scientific Living. The New Domestic Science. By Laura Nettleton Brown. Published by The Health Culture Co., 1133 Broadway, New York. 1909. Price \$1.00.

—Blue Book of the State of Illinois, 1909. Compiled and Published by James A. Rose, Secretary of State. Printed by the Illinois Printing Co., Danville, Ill.

—Proceedings of the Cincinnati Conference for Good City Government and the Fifteenth Annual Meeting of the National Municipal League. Held November 15th to 18th, 1909. Clinton Rogers Woodruff, Editor. Published by the National Municipal League, North American Bldg., Philadelphia.

PERIODICALS

—The Milwaukee Idea, "published weekly by the Republican Municipal League, in the interests of clean politics and good government," has in its initial number a brief account of "Milwaukee's Garbage Disposal Plant," which on being put into operation this Spring "will burn the refuse without use of other fuel," simultaneously saving the heat and converting it into steam at the rate of 18,000 pounds per hour.

A. L. G.

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In the Consular Reports of January 31, 1910 (Department of Commerce—the Bureau of Manufactures), Consul Norton of Chemnitz notes that "careful calculations have recently been made in Germany to establish the average amount paid for rent in the leading cities and the proportion this item bears to the entire budget of the average family." In seventeen large cities the average annual rental varies from \$60 to \$171, and the percentage from 12 to 22.8, the latter being in Berlin. "The item of rent is proportionately less than in England, where as a rule one-fourth of the income is devoted to this purpose."

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Of the Shirtwaist Workers' Strike in New York, Edward T. Devine says editorially in the Survey for January 15: "The struggle is not fundamentally against an intolerably low wage, or unsanitary shops, or exposure to exceptional physical risks. . . . The real grievances are the sub-contractor, the slack periods, and interference with the organizing of unions. The girls have become convinced—and this very fact is one of the most extraordinary of all—that the only effective remedy for their unsatisfactory condition is a union, in full control of every shop on the side of the employes, and authorized to bargain with the employers on their behalf. The Survey initiated an investigation of this strike by a committee of two women and two men and through one of the members, Dr. Woods Hutchinson, reports results in its issue of January 22. Dr. Hutchinson, after an account of committee method, and conditions found, remarks that "it is probably not too much to say, though here I would not involve any other members of the committee, that at least one-third of the strike and

Women's Trade Union League of Chicago

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