

around that provision by giving to treason another name, whether it be "subversion" or something else.

It is to be hoped that the appeal of Gov. Nash to the several states to designate January 29, the birthday of the late President McKinley, as a public holiday, will not meet with a favorable response. President McKinley identified his name with nothing especially worthy of commemoration, unless a wretched tariff system and imperialism are to be so accounted. But if he had done so, there ought to be originality enough in the American mind to think of something better as a memorial than making a holiday of his birthday. If the memory of our great men, and of those whom their friends think great, is to be perpetuated by the manufacture of holidays, there will come a time not far in the future when all days will be holidays.

The abolition of passes by the railroads, if they enforce the rule, is a good thing. Whoever rides upon a pass rides at the expense of other passengers. That is the normal effect. No honest man should desire to do it.

SOCIALISM IN THE CONCRETE.

He who thinks of the socialist political parties, of socialist speeches, of socialist literature, or of all these combined, as socialism, has but a dim perception of some of the most important phenomena in the history of his own time. Though socialist organizations, speeches and literature have to do with socialism, they are no more socialism than maps are geography, or mile posts the highway. The most influential school of socialists regard socialism as a social evolution, and their conception of the subject is being impressively confirmed by events. It can be best understood, not through socialist literature, for there is no gospel of socialism and its literature is a bewildering maze of contradictions, but through the modern phenomena of trusts, studied in the light of the theory of historical evolution.

Not that the trust is a socialist ideal. Far from it. In all socialism

there is a democratic aspiration, and trusts are not democratic. Yet they are believed by democratic socialists to secrete democratic germs, which will eventually develop the autocratic trust into an industrial democracy, somewhat as political democracy has been developed out of feudalism and monarchy.

However this may prove to be, doubtless the economic, as distinguished from the ethical, principles of socialism, are already in process of more or less imperfect exemplification by the trusts, the most perfect of which in that respect is the United States Steel corporation. This trust, which controls 65 per cent. of the American steel industry, owns not only the natural sources of production upon which it depends, but also all the related artificial machinery of production and distribution. It is a gigantic socialistic embryo. So at least it distinctly appeared to be in a vivid pen sketch, by Mr. Ray Stannard Baker, in McClure's Magazine for November, 1901, a sketch which is valuable as a socialistic study because, besides being vivid, it is evidently a true account, as far as it goes, of the business methods of the steel trust.

Mr. Baker describes the organization of the steel trust as— a republican form of government, not unlike that of the United States, with a president; a cabinet, or executive committee, which is likewise a supreme court, having practically all the power of the board of directors; a treasury department, or finance committee; a legal department (the general counsel); and a congress (board of directors), elected to office by individual voters or stockholders.

The government of the trust, besides being republican in form, is federal in principle; for, writes Mr. Baker—

It is a general though erroneous impression that when the steel corporation was organized all of the ten absorbed companies lost their identity, being merged in a single huge concern managed from New York city. But the United States Steel corporation is rather a federation of independent companies, a combination of combinations, each with its own distinct government, officers, sphere of influence, and particular products. The Carnegie Steel company, for instance, is still

independent of the Federal Steel company, and yet both are a part of the United States Steel corporation in the same way that Pennsylvania and Illinois, while separate states, each with its own government, are part of the United States.

But this government is primarily industrial, as distinguished from political. Its purpose is the production and distribution of steel commodities, from the ore and the coal in the mine, through all the processes of manufacture and transportation, to the finished and delivered article. In this particular it differs from the socialistic state only in the fact that its field of operations is limited to the steel industry, whereas the socialistic state would be expected to monopolize even more completely and to operate even more perfectly, all branches of industry.

Still in analogy to the theory of the American government, the steel trust distinguishes between common functions and those pertaining to the constituent companies respectively:

While each subsidiary company retains the entire management of its own manufacturing plants, it has been the policy of the new corporation to combine in great general departments those factories of production common to all the companies. For instance, most of the subsidiary companies owned their own iron mines, their own coke ovens, and controlled their own ships in the lakes, and each had a department to care for these interests. Now the ore and transportation interests are gathered in one great department. . . .

The economy effected by this concentration of common interests into one central department is thus described:

. . . the coke interests, the export department, the foreign offices in London, and certain branches of the sales departments, are each grouped under a single head. By this method a single agency distributes iron ore, coal and coke, between the various plants as needed, avoiding cross shipments, and supplying plants always from the nearest sources, thereby saving freight charges. Much of the economy of production depends on the efficacy of distribution. Formerly serious delays resulted from the inability to obtain vessel tonnage at the right time, or to load the ships with the right kind of ore when wanted, for many companies, while owning plenty of one kind of ore, were compelled to purchase other kinds to make the proper mixtures. Under the new system, however, the splendid fleet of 115 ves-

sels on the great lakes is all under the control of one man . . . and the ore-distributing system is all under another chief. The ships can thus be directed by telegraph to the ore-docks in Minnesota, Michigan or Wisconsin, where each immediately secures a full load and carries it to the dock or mill where that particular kind of ore is most needed. . . . Coke and coal are distributed much in the same manner by a central department.

Such centralization is confined, however, as already indicated, to operations of common concern. With reference to functions pertaining to the constituent companies individually, the impulse of competition (more definitely, perhaps, emulation) is encouraged. Mr. Carnegie had already made this a feature of his company, before the federation. He encouraged "friendly rivalries between his plants, spurring them on with rewards, and by firing the pride of accomplishment he succeeded surprisingly in adding to the efficiency of his force." Following Mr. Carnegie's example, the steel trust, while in absolute control, and consequently able to insure harmony through its central authority, has, nevertheless, so adjusted the relationships of the constituent companies that —

one company buys of or sells to another, as formerly, and the bargains are driven just as shrewdly as ever, each president being keenly ambitious to make a good showing for his company. The disputes which naturally arise are settled by the executive committee, sitting as a sort of supreme court.

As to products which vary with the producing company, wide latitude is allowed, each company being permitted to drive the best bargain it can in the open market. But— in cases where several companies produce the same thing—steel rails, for instance—they agree on a price and appoint the same agents throughout the country.

Not only are economies secured by this system of production and distribution, but every department of the trust, says Mr. Baker, "runs smoothly, noiselessly."

In this great trust, then, we have an example, only partly developed economically and not at all ethically, but faithful and favorable as far as it goes, of socialism in the concrete.

To perfect this system economic-

ally, with reference to socialistic ideals, what is needed is that the trust should encompass all great industries instead of only two-thirds of only one, and manage them in substantially the same way. To perfect it ethically, with reference to socialism, what is needed is the democratization of the trust, so that all who work in it, the day laborer at the bottom, as well as Mr. Schwab or Mr. Morgan, at the top, shall participate equally in its government and share equally in the value of its products.

Whether that is practicable is too complex a question for present discussion. One industry might be managed upon this plan with economic success, even though the plan would break down if applied to all industries. For that reason the steel trust proves nothing regarding the economics of socialism; it only illustrates. So the plan may work under a plutocratic system, the board of directors being chosen by the majority of shares, when it would not work under a democratic system, the board being chosen by a majority of the workers. On this point also the steel trust illustrates the character but does not demonstrate the practicability of socialism. It may be doubted, too, whether, when the trusts had monopolized business, the employes would be able to socialize trusts. The power that perfects the trust is a power which no workmen, other than the specially skilled, can hope to cope with by organization.

But there is scant room for question that socialism is the goal toward which the trust tends. Those socialists are right who see in the trust phenomena their predicted socialistic evolution. If socialism comes at all, it must come in one of two ways. Either by the absorption of industries by government, or by the absorption of government by industrial agencies. Both tendencies are at work. Government is reaching out, not through the influence of socialist parties, however, but under the pressure of grasping private interests, and in the form of protective tariffs, subsidies, and the like, for the regulation of functions which are distinctly individual and non-invasive. Concurrently, trusts are reaching out for the control of government. It is impossible

to read Mr. Baker's account of the steel trust without seeing in that organization the possibilities and prophecy of an overmastering governmental machine. If there were no opposing tendency, it could be predicted with almost absolute certainty that the trust would at no distant day evolve into an autocratic, plutocratic, all-embracing and paternal socialistic state. Whether this state would in turn evolve democratic socialism, conceding the possibility of such an ideal, would not be so easy to foresee; but that the evolution would reach the point of paternalism, if unobstructed, is as certain as any human prophecy can be.

Fortunately, however, this tendency is obstructed. The opposition to an extension of government into the sphere of private industry is not dead. During these years of advancing monopoly and imperialism it has been sleeping; but now it is awaking, as it always has and always will whenever autocratic tendencies gather momentum and begin to disclose their true character. And this same opposition to the absorption by government of individual functions is also an obstacle to the absorption of government by trusts. The tendency of trusts to develop a socialistic state cannot persist, because the only thing that gives it power at all is monopoly of the natural sources of production. The steel trust, for instance, is cohesive and powerful, not because of its commercial economies, but because directly and indirectly it monopolizes ore beds, coal mines and transportation terminals. Abolish these monopolies, and the steel trust would be as impotent as a monarch without the power of taxation.

This very simple but potent truth is gaining recognition. Public thought is being influenced by it more and more. It is crystalizing a popular opposition to the development of the trust idea, and consequently to socialism. It is the key to the economic problem, to the political problem, to the social problem. And it is destined to make the issue over which another great struggle for liberty will be made; namely, whether we shall on the one side perpetuate monopolies of nat-

ural sites and resources, and so foster trusts and promote socialism, or, on the other, undermine those monopolies and thereby advance and strengthen the cause of individual liberty?

NEWS

Serious fighting continues in South Africa. On the 3d a British force came in conflict with a Boer force near Amersfoort, in the southeastern Transvaal, and drove it from its position. The news dispatch mentions no casualties. But on the 4th the same Boer force renewed the engagement with a detachment of the same British force at the same place; and in this affair the British lost 19 killed, including the major in command, and 13 wounded. Also on the 4th, at Bronkhorstspruit, a railroad town 40 miles east of Pretoria, a party of Scots Grays was ambushed by Boers and in the fight lost 6 killed and 10 wounded. Two or three minor skirmishes are reported, in one of which the British killed 5 Boers and captured 29.

The British government is buying land in the Orange Free State with a view to laying it off in small allotments and populating it with friendly settlers. In the Thabanchu district this policy has been carried to the extent of the purchase of 28,000 acres, where 80 farms had, by the reports of the 5th, been allotted.

Computations of casualties in the war, based upon British official reports and emanating from London, put the total Boer loss, since the beginning of the war, in killed, wounded and prisoners, at 18,320. The number of deaths is not particularized. British losses for the same period are put at 24,293, of which 9,113 were sustained in actual fighting, the total death losses being 19,430. The total number of British invalided home, of whom the majority recovered and returned to their commands, is 64,330.

American sympathy with the Boers found emphatic expression on the 5th at a mass meeting at Cleveland. The attendance was large, being reported by the press dispatches as 4,000. Ex-Congressman John J. Lentz delivered the principal speech. His sympathetic sentiments were indorsed in brief speeches by Mayor Johnson and Wil-

liam J. Bryan, the latter happening to be in Cleveland as Mayor Johnson's guest. Carefully prepared resolutions addressed to President Roosevelt were adopted. Meanwhile active efforts are being made for the collection of funds for the relief of non-combatants in the British reconcentration camps pursuant to the proclamation of Gov. Yates, of Illinois; and Rev. Dr. Hiram W. Thomas and his wife, Vandalia Varnum Thomas, have been selected by the committee appointed by Gov. Yates, composed of Judge E. F. Dunne, Mayor Harrison and Peter Van Vliessingen, of Chicago, to go to these South African camps for the purpose of distributing the money. In accepting this appointment Dr. and Mrs. Thomas write:

In the name of God and humanity we are ready to go to that far-off land. Gladly will we be the bearers of the generous offerings and deep sympathies of the people of our country of the free to the noncombatants—the aged, the mothers and children, the sick and dying—whose husbands and fathers are fighting so grandly for home and country, for the rights of man.

While Americans are thus manifesting sympathy for the Boers in their resistance to British invasion, the similar invasion by the United States of the Philippines continues to meet with similar though less effective resistance. As the reports, like those from South Africa, pass through the military censorship of the invading power, they cannot be regarded as either complete or wholly reliable. But some idea of the situation may be spelled out from them. Gen. Bell was reported on the 5th from Manila as conducting a vigorous campaign in Batangas province, Luzon; from which it is fair to infer that the resistance to American dominion in that province is also vigorous. Conditions in the island of Samar are reported from Manila as still unsatisfactory, "owing to the difficulty of finding the insurgents;" which implies either that there are none or that, like the Boers, they do not fight their better-equipped enemy in the open, but attack him unawares. The latter implication is the more probable. In the island of Leyte, at Ormoc, the Americans have captured four cannon, powder factories, fully-equipped workshops, and a quantity of war material, all "belonging to the insurgents." Notwithstanding this evidence of determined resistance, the American civil authorities at Manila

declare that the island of Leyte "is now perfectly peaceful."

A remarkable document relating to the American occupation of the Philippines came to light on the 4th through the war department at Washington. It is signed by nine American soldiers, who have been among the Filipinos for many months, and is addressed to their comrades in the American army. In this document the signers say to their comrades that—

the time has arrived for us to break the silence and let you know the real truth, so that you will see the folly of continuation of fighting these people who are defending their country against the cruel American invasion in the same manner in which our forefathers did against England in those glorious days of our grand and noble liberator, Gen. George Washington. . . . That the war may soon end we ask the men of the American army stationed in these islands to present themselves to the Philippine authorities as we did. . . . Near every town there are always stationed forces of Filipino troops, to whom, should you so desire, you can present yourselves with or without your rifles, and to avoid danger it is best to hide it in a secure place, and after you have presented yourself, inform the Filipino officer or chief of the guerrillas and they will recover it and pay you some money in return.

On the basis of this document, one of the signers, J. Thomas Kreider, corporal Thirty-eighth U. S. V., was recently tried by military commission in Manila, and upon conviction of treason sentenced to imprisonment at hard labor for life; but Gen. Chaffee disapproved the sentence on the ground that the evidence of an overt act of treason was not conclusive. He thought the preponderance of proof favored the contention of the accused soldier that he was held by the Filipinos as a prisoner and took no part in operations against the United States, gave no aid and comfort to the enemy, made reasonable effort to escape, and was compelled by his captors to sign the proclamation by threats of violence in case he refused.

At the opening of congress on the 6th, after the holiday recess, the Philippine question was made the subject of a bill, introduced in the house by Representative Henry A. Cooper, of Wisconsin, chairman of the committee on insular affairs, providing for a permanent form of civil government, beginning January 1, 1904, for