

The Public

Fifth Year.

CHICAGO, SATURDAY, AUGUST 16, 1902.

Number 228.

LOUIS F. POST, Editor.

Entered at the Chicago, Ill., Post Office as second-class matter.

For terms and all other particulars of publication, see last page.

A tin plate factory closed down on the 2d indefinitely. It did so because the employes had refused to concede a 25 per cent. reduction in their wages in order to enable the factory to get an order from the Standard Oil company. This should be explained. The Standard Oil company gets large quantities of its tin plate abroad and brings it in two-thirds free of tariff duty. Are we asked how that can be done? Under the tariff law tin plate, when imported, pays a heavy duty, for the purpose of building up tin plate factories at home and "protecting" American workingmen. But the importer is entitled to a drawback or recovery of two-thirds of the duty paid upon the imported tin plate which he afterwards exports. Now the Standard Oil company uses much tin plate for the cans of oil it exports, and through the drawback system it is able to get this supply abroad. Of course it does so, for tin plate is cheaper abroad than here. To get its order for this supply, however, the American tin plate factories have been trying to induce their men to drop 25 per cent. of their wages, and it is the refusal of the men that has caused the shut-down. Labor indignation meetings were held; and, wonder of wonders, in Pennsylvania itself, these meetings denounced the Republican tariff policy. One of the speakers put the whole tariff question in a sentence. He described it as a system of "protection for the Standard Oil company against American workmen." In principle that is just what the whole wretched system is. It fosters and pro-

tection. trusts, which increase the cost of living for American workmen; and it gluts the American labor market, which weakens the contracting power of workmen and lessens their independence.

And now this same plundering system of protection appears by the confession of high Republican authority to have fastened itself like a devil fish upon the government itself. Walter Wellman tells about it in his Washington letter to the Chicago Record-Herald of the 12th: Both he and that paper are Republicans. Mr. Wellman declares that he quotes, though he does not name, a member of President Roosevelt's cabinet, who assures him that the Republican party is powerless even to revise the tariff, except upward. Said this cabinet officer:

In the last session of Congress and the one before that an effort was made to revise some of the schedules by means of reciprocity treaties. You know what happened. Nothing was done. The protection interests involved in those treaties were powerful enough to block the legislative wheels. The treaties were rejected, and that method of revising the schedules and getting slightly lower duties came to naught. . . . Our party passed the McKinley law, and that law put the tariff higher than it had ever been before. We enacted the Dingley law, and its average duties are higher than the average of the McKinley law. As the Senate is now constituted I see no hope for any proposition to revise downward.

This cabinet officer incidentally reminds the restless spirits in his party of what is true, that the protectionists who are asking reductions cannot agree as to where the protection shall be taken off. It is the old story of the British tariff reformer from a herring fishery constituency, who favored putting everything on the free list except herrings.

Just there is the only strength that

protection has. The narrow fools who want their own particular industries shielded from competition, so that they can sell their goods to their neighbors for more than they are worth, stand as a bulwark in front of the great trusts which inflate their values with water, and then warn you to keep hands off the tariff lest you disturb their fragile edifice and precipitate a financial cataclysm. It is in fear of this that Mr. Wellman's anonymous member of the cabinet begs his anti-protection copartisans to leave well enough alone. After explaining that the money of the West is in the banks of the smaller western cities, that the reserves of these banks are in the banks of Chicago, and that the reserves of the Chicago banks are in the banks of New York, he goes on to say that in New York—

the money is not in the banks. There are only six national banks in New York that have not been below their legal reserves since January 1. You want to know where this money is? Well, \$450,000,000 is loaned by national banks on the bonds of industrial corporations. These corporations issued bonds instead of stocks because the national banks can take the former and can't take the latter. Intrinsically they are no better than stocks. In most of them there has been a lot of water-curing. Here you see where the \$450,000,000 of the country's surplus stands against a lot of undigested, promotion-produced securities. The trust companies have put out millions more in the same way. That is where we stand. It is all right as long as it is all right. But I don't want to see anything happen. I don't want to see these industrialists begin to topple over, to fall against one another and come down in a heap like children's play blocks. And this is one reason why I am opposed to a tariff revision agitation that might start things going the wrong way.

If that is what protection has brought us to, the quicker we get rid of it, root and branch, the better. There may be pain in the process, but the more acute the pain the greater the

certainty that the swindle will never be perpetrated again.

As to a financial catastrophe, the timid cabinet officer whom Mr. Wellman quotes, may as well pacify himself. The crash is coming fast enough without reference to tariff tinkering. He himself shows how helpless the banks would be if a storm struck, no matter what direction it came from; and that a storm is gathering is evident from the news from the Northwest. Out there an agricultural land boom, the sure precursor of financial disaster, is now big enough to attract general attention. As all business, farming included, is dependent upon land of some kind, it is evident that rising prices of land, if they keep on rising, must in ever increasing degree crowd business profits to the wall. This process cannot go on forever. There comes a time when business profits can no longer stand the squeeze. Then the weakest fail. They bring down the stronger, and these those that are stronger still, until even the strongest sway in the gale. For several years this process of squeezing business profits has been going on. Land of all kinds has been rising. But the phenomena have seemed to be local or exceptional. Building lots have gone up in some places. In others the sellers' price has only strengthened without rising. Mining rights have gone up, but the rise in land prices has been concealed by the fact that the mines are represented by stock. As there are many kinds of land so represented, what has been a land boom has seemed to be a stock boom. But now the phenomenal rise in the values of the new agricultural lands of the Northwest leaves no room to doubt that the land boom is on. And as agricultural land values are usually the last to boom and the first to totter, it indicates also that the cataclysm is not far off.

From an article in the Chicago Tribune recently, it seems that bare land in the Northwest has doubled in value in the last two years, and spec-

ulation is rife. The director of the United States mint, George R. Roberts, is quoted as saying:

There is the greatest amount of land speculation going on west of Chicago that has ever been known in that part of the country. I believe the banks out there are loaning a good deal of money on these land enterprises, and that this is really the secret of the early movement of money westward. The people are everywhere organizing syndicates to buy land, and there is hardly a crossroads community in Iowa that has not organized a syndicate to operate in the Dakotas or in Canada. Prices have advanced 50 per cent. in the last two years and the upward movement seems still on.

Estimates furnished by well-informed real estate men of Sioux City make the following exhibit of the prices per acre for agricultural lands in that part of Iowa:

	1896.	1900.	1902.
Improved	\$15 to \$25	\$20 to \$35	\$30 to \$50
Unimproved ...	10 to 20	15 to 25	25 to 50

The reason given locally for the phenomenal leap of land values of which that table is typical, is that they have been caused partly by uniformly good crops and partly by the realization of the people throughout the United States of the coming scarcity of arable lands by reason of the rapid settlement of desirable government lands. This explanation, though true, is only superficial. The deeper reason is that a general land boom is on. But how much more can agricultural industry stand in the way of bounding prices for its raw material. For, let it be observed, that while these land prices may be due in part to the impulse of agricultural prosperity, they do not enrich agriculture. They are the premiums for natural opportunity which agricultural industry yields to land monopoly.

Last Sunday's sermon of a Catholic priest at Shenandoah, Pa., is reported as containing this sentiment:

Every man has placed upon him by the God who sustains him the responsibility of earning his bread by the sweat of his brow, and he must be permitted to do this without interference.

What a splendid truth! How gloriously different this world would be

if that truth were the mainspring of all our laws. But when a man utters it, spot him! No matter who he is—prophet, priest or statesman; rich man, poor man, beggar man, thief—let him be who or what he may, spot him! What does he mean? Does he mean that every man must earn his bread by the sweat of his brow, or only poor men? Does he mean that he must earn it by the sweat of his own brow, or of somebody else's brow? Does he mean that no man must be permitted to interfere, or only strikers? These are searching questions. If you don't believe it, ask yourself what ought to be done to the strikers who prevent other men from working in the Pennsylvania coal mines by intimidating them; and when you have answered that, then ask yourself what ought to be done to the corporations that have preempted thousands of acres of coal deposits which they allow no one to work in. If it is wrong for striking coal miners to keep "scabs" out of the mines that are opened, why isn't it wrong for the land-grabbing corporations to keep both strikers and "scabs" out of the mines that are not opened? If you are tempted to say that one is contrary to law and the other is in conformity to law, then probe your conscience a little further? How can the grant of a defunct king or an act of the legislature make it right to interfere with men who want to earn their bread by digging coal out of natural deposits which no one else is using? Can you legislate wrong into right? We doubt if the Catholic priest of Shenandoah who expressed the splendid sentiment we have quoted, could stand this examination without either withdrawing from his splendid declaration or shifting his anathemas from the turbulent strikers to the placid owners of Pennsylvania coal deposits. When labor's unlimited natural opportunity is monopolized, even by law, we must not be too severe with laborers if they quarrel turbulently with one another over the few opportunities that the forestal-