

they might, by united action—both the employers and the laborers joining against the common enemy—kill Monopoly, and have all the produce to themselves.

In the absence of Monopoly, the whole field is free to employer and laborer. The effect of free competition is merely to crowd each individual into the place that fits him best—into the place, therefore, where he is most productive. The method or means by which the successful competitor crowds the individual into the place that fits him is by surpassing him in service to the consumer. The successful competitor accepts a diminished compensation for a given service; thus yielding up a measure of purchasing power from one individual producer to the whole body of consumers—he distributes purchasing power. Mark that. He distributes purchasing power.

The tendency of free competition is to induce the largest possible volume of production, and to compel the most equitable distribution. These conditions we might have if employers and laborers would unite and kill Monopoly. But not knowing any better, they fight each other for such portion of their joint product as Monopoly has found it impossible to divert to non-producers.

Mr. D. M. Parry, president of the National Association of Manufacturers, elucidates with marked exactitude the office of competition as the distributor of the joint product of capital and labor. Mr. Parry points out the fact that unrestricted competition would determine to the laborer an increasing proportion of that joint product. But he makes the fatal mistake of assuming that unrestricted competition would exist in the absence of the trades union.

While it is true that the absence of union among laborers would leave practically unrestricted competition in that field, yet, I beg to ask, would it leave competition unrestricted in other fields?

Would the railroads charge any less than the traffic would bear?

Would free competition in the field of labor squeeze the water out of the steel trust?

Would it curtail the Astor rents? Or would it have the effect of causing Astor's taxes to be advanced to an equitable basis as compared with taxes on the laborer's possessions?

Would it affect the icing charges of the private car lines?

Would it release the unused coal lands to competitive exploitation?

Would it cause the steel trust to forego the extra profit afforded by the tariff?

Would free competition in labor prevent legislatures from selling privileges? Would it nullify the effect of the giving of passes, and other forms of bribes, to public officials? Would it cause our system of personalty taxation to be other than a scheme by means of which the rich escape their just share of taxation, thus proportionately increasing the burden of the poor? Would it result in the farmer's getting a higher price for his cattle when the price of beef to the consumer is raised? Or would it enable the laborer to get his beef at a reduced price when the price of cattle on the hoof declines?

Would free competition in labor produce equitable taxation of railroad land values?

Mr. Parry in fact begins at the very tail end of the monopolistic train in his endeavors to eliminate the monopoly element from our economic system. What is much worse, his efforts halt right there.

The labor union is a product of monopoly far more than a creator of monopoly. Organization is the laborer's means of protection against the exploitations of monopoly. The labor union would never have come into existence but for the fact of pre-existing monopoly. Extinguish all other forms of private monopoly and the labor union would die for want of a reason for its existence; because then, as Mr. Parry says, competition would determine a constantly increasing proportion of the total industrial product to the laborer. Unrestricted competition would, in fact, distribute the produce of industry with impartial equity to both the laborer and his employer, the wages of both increasing commensurately with the increase in the productivity of the unit of labor.

But what will befall the laborer

if you destroy his union without first removing the cause which forced him into union?

Again, how will you destroy the labor union without first destroying the cause of its existence? The answer is: Nohow. It cannot be done.

Neither is it desirable, from the standpoint of the competing employer's interest, that it should be done.

If the general wage rate decline, will not the selling price of labor products decline equally? Impartial men of the intelligence of Mr. Parry will answer, Yes.

If the meanest employer in a group of competitors extend the working hours to twelve a day without advancing the day's wages, as a means of enabling him to undersell his competitors, will not the rest be forced to follow suit? Undoubtedly yes.

And if twelve hours, why not fourteen? And since the purpose of lengthening the hours of labor is to make possible a reduction in prices, for the purpose of underselling competitors, what final advantage or benefit of any kind do the employers get from it all?

And now mark: If the workmen's wages fall, and the employers' profits are kept down by competition, where goes the product of the additional hours of toil?

It goes to the monopolists—precisely the same as if wages and profits and the prices of commodities had remained stationary, and monopoly prices had risen.

Private monopoly is the generator of the labor union; and nothing short of its removal will extinguish labor unionism.

EDWARD HOWELL PUTNAM.

NEWS NARRATIVE

Week ending Thursday, June 1.

The Russian-Japanese War.

Interest in the Russian-Japanese war (p. 24) has been revived by authentic reports that the Japanese have achieved one of the most stupendous naval victories of history.

The destructive battle in which this victory was won, took place in the Straits of Korea and the

Sea of Japan, and lasted two days, the 27th and the 28th of May. The Japanese fleet was commanded by Admiral Togo, and the Russian fleet, en route from the Baltic to Vladivostok, by Admiral Rojestvensky.

Nothing definite had been heard of Rojestvensky's fleet after it had been reported as having passed through the Straits of Malacca into the China Sea (p.24) early in April, and even this report was questioned. Complaints were subsequently made by Japan that Rojestvensky was using Kaminranh bay, on the French Cochinchina coast, as a base of operations; but France formally denied any breach of neutrality in that connection, and no trustworthy disclosure of the facts was made from any source. Reports of a battle, with victory for Rojestvensky, began coming from St. Petersburg on the 26th, and continued until the Russian disaster could no longer be doubted.

The first news that has since proved to have been true, came from Tokio on the 27th. It was confined to a statement that Rojestvensky's main fleet, steaming in two columns, with the battleships on the starboard and the cruisers and monitors on the port side, had appeared in the Straits of Korea, and was headed northward for the Sea of Japan. The strictness of Japanese censorship and the inability of the Russians to transmit news, prevented any further information more reliable than rumors and guesses, until the 29th. Full information is not yet at hand.

Fighting began on the 27th about 6:30 a. m., in the eastern channel of the Straits of Korea, southeast of the Tsu islands. It continued without cessation throughout the day and night and the following day. Through it all, the Russians continued on their northerly course, pursued by the Japanese, so that the fighting of the second day occurred in the region of Liancourt rocks, which are westward of Oki islands. The practical destruction of the Russian fleet appears to have been completed by the 29th. Twenty-four of its ships, including all the battleships, had then been either

sunk or captured; 5,000 Russians had been killed or drowned; and 3,000, including Rojestvensky, himself, had been taken prisoners. Rojestvensky had been severely wounded before his capture, and is now in a hospital at Sasebo, Japan. Only slight losses to the Japanese are reported by them. But two Russian vessels, the cruiser Almaz and the torpedo boat destroyer Grozny, which reached Vladivostok on the 31st, reported heavy losses on both sides.

A startling climax to the Russian disaster at sea is a revolt in the Russian army in Manchuria (vol. vii, p. 823), which was reported from St. Petersburg on the 31st. According to this report Gen. Linevitch, in command in Manchuria, had that day wired the Czar "that the news of Rojestvensky's defeat has spread throughout the army in Manchuria and that the troops are in open revolt."

Public Sentiment in Russia.

Dispatches from St. Petersburg describe the effect of the Russian naval disaster as having brought a realization of the terrors of war into circles where it had been little felt theretofore. "For the first time," reads one of these dispatches of the 31st, "society and the entourage of the court are struck heavily. The defeats of the army brought grief mostly to families of provincial land owners, but in the lost Pacific fleet were many officers belonging to leading St. Petersburg families."

An extraordinary conference was reported on the 30th to have been called for the 31st to meet at the Czar's palace, Tsarkoe Selo, at St. Petersburg, for the purpose of considering the question of war or peace. It was to have included all the resident grand dukes, the members of the Czar's war council, and other high advisers. Such a conference was accordingly held, but no authentic reports regarding it are at hand.

Some expectations of the summoning of a national people's assembly, the ancient Zemski Sobor (vol. vii, pp. 732, 777), are also reported. The St. Petersburg cor-

respondent of the Chicago Tribune makes the following comment, in his dispatch of the 31st, on the expectation that the responsibility for peace or war will be thrown upon this national assembly: "This is now a hopeless course, as it means no escape for the autocracy. The bad faith of the government in canceling or shelving all reforms promised after the January agitation was so flagrant that any national assembly when convoked is certain to postpone the question of war or peace until it gets control of the machinery of the government itself. It is equally certain that the bureaucratic system will not take a subordinate position without a most stubborn fight. Neither of these great antagonistic forces is greatly concerned about the Czar's military humiliations."

The Swedish-Norwegian Union Endangered.

By the action on the 27th of King Oscar, of Sweden and Norway (p. 39), who has terminated the regency of Prince Gustaf and resumed his sovereign functions, the union of those two countries is in danger of disruption. The lower house of the Norwegian parliament had on the 18th unanimously adopted a bill providing for a separate Norwegian consular service abroad. So strong was the feeling of the members for the bill, and their confidence, in its popularity, that they refused by 80 votes to 6, to postpone consideration of it until after the people had had an opportunity to pronounce upon it. This bill the King vetoed on the 27th. He did so on the ground that the existing community of interest in the consular service of the two countries over which he reigns, is such that the joint consular service ought not to be abolished without the assent of both. His Norwegian cabinet protested urgently that his veto was not only the rejection of a pressing demand by the whole of the Norwegian people, but, as it was formulated in disregard of the cabinet's unanimous advice and without the advice of any Norwegian, it was a breach of the constitution and a violation of the constitutional rights, independence and sovereignty of Norway, and would mean dissolution of the union. They therefore resigned.