

izing of women and children. Should it turn out that Gen. De Wet has been guilty of inhumanity in the instance of the peace envoys, his friends will have for him at least the poor excuse that inhuman methods of warfare were begun not by his side but by the British. And with reference to the implication that he has committed one of the greatest offenses known to the laws of war, maltreatment of peace envoys from the enemy, it is to be observed that the peace envoys in question were not envoys from the enemy. Lord Kitchener did not send them as his own representatives. They were a Boers' committee which he encouraged to go to De Wet on behalf of a mass meeting at Pretoria to urge De Wet's troops to lay down their arms. They were, in a word, what the British, had the situation been reversed, would call traitors.

A correspondent asks how we account for the continuous increase of the American export balance. He acknowledges that this cannot by itself imply increasing national profit, seeing, as all sensible men must, that profit, whether individual or national, depends upon import balances and not upon export balances—upon excessive income, that is, and not upon excessive outgo. But he doubts whether the draft upon the United States for rents, trust dividends, and other unprofitable exporting is great enough to account for the enormous and astonishingly increasing excess of exports reported by the treasury department. Our correspondent's doubt is well founded. The excess is not wholly due to unprofitable exporting. False figures enter very largely into the statistical excess of exports. We do not mean that the figures are falsified by the treasury department, but that it is done by exporters and importers.

By the falsifications of importers, the statistics of imports are reduced. Since importers pay import duties calculated on the value

of their goods at the place of purchase abroad, they make undervaluations in order to lessen the duties. On the other hand, by the falsifications of exporters, the statistics of exports are increased. Export statistics are gathered from exporters' invoices. As there are no export duties exporters are without incentive to undervalue. But they have a strong incentive to overvalue. An American manufacturer, for instance, sells a certain quantity of his product in the American market for, say, \$1,000. But in foreign markets, in order to compete, he must sell for, say, \$750. He is enabled to charge high prices on his home sales, by the protective tariff; but not on his foreign sales. It is important, however, in connection with his home trade, that he should conceal the fact that his home prices are higher than his foreign prices. So he invoices his foreign sale at \$1,000 instead of \$750, and secretly allows his foreign customer a 25 per cent. discount. If now he is paid by the foreign purchaser in full, the transaction figures in the treasury statistics as exports \$1,000, and imports \$750. The discount does not appear. Consequently these statistics show \$250 excess of exports. Yet there is in fact no excess either way. That illustration is not an uncommon instance. So extensive are such importing transactions, and so rapidly are they increasing, that the statistical falsifications they embody account in no small degree for our marvelously expanding "favorable" balance of trade. It is well known that a great variety of American tariff-protected goods are sold abroad at large discounts upon the home price. This is part of the business of protected trusts. And these exportations are doubtless invoiced at the high American prices. The discount is a matter of private bookkeeping only, and is not deducted from the exportation statistics. If these overvaluations were deducted from the statistics of exports, and the undervaluations were added to the statistics of imports, the "favorable"

balance would be enormously reduced.

But the whole balance of exports is not accounted for by statistical falsifications. A vast quantity of exports does go out from this country for which nothing ever has been or ever will be imported. To that extent the wealth of the country suffers a real and not a merely nominal loss. For instance, it was recently reported from New York, that the year had closed with the payment in corporate dividends alone of \$150,000,000, a large share of which would go abroad. In the same connection it was explained, though with what degree of veracity we are unable to say, that Queen Victoria has an annual income from American investments of \$400,000; that the prince of Wales holds American investments to the amount of \$500,000; that the emperor of Germany draws \$150,000 annually from American investments; that the Russian tsar draws \$500,000 annually from American investments; that the royal family of Spain draws \$100,000 annually from American investments; and that the royal houses of Belgium, Denmark, Italy, Holland, Japan and Greece each have substantial annual incomes from American investments. This country has no income, either present or prospective, for that outgo. And there never has been any income. Investments were originally made, to be sure; and that implies excessive imports in the past. But the treasury statistics give no proof of such imports. We ceased to be an importing nation in 1873. Since that time we have exported enough, over and above current imports (gold, silver, and merchandise all included), to pay off all our previous excess of imports with hundreds of millions over. Foreign investments, therefore, have been returned; and whatever we send to foreigners now in excess of what we get from them is a drain upon our national resources. It is like interest payments to an old creditor long after the prin-

cipal of his debt has been paid off. How absurd, then, are the boasts, one of which comes recently from the bureau of statistics at Washington, that the United States holds a place at the head of the exporting nations. It is essentially a boast that the United States leads the world in sending out more wealth than she gets in.

"AM I MY BROTHER'S KEEPER?"

It is with no intention of preaching a pious sermon that we quote these familiar words from Genesis. Yet there is within them a truth which might vitalize any sermon.

This truth is especially valuable now. Though wealth is abundant and wealth-producing power emulates omnipotence, it must nevertheless be confessed that degrading poverty and the more degrading fear of poverty are distinguishing characteristics of civilized life. Instead of lifting all to better conditions of opportunity, man's triumph over the forces of nature enormously enriches a few at the expense of the rest. It has done little to increase the comforts of the toiling masses even absolutely, but much to diminish their comforts relatively; and their industrial independence it has positively destroyed. The gulf between riches and poverty has not been filled in; it has been widened and deepened and made more a hell than ever. So dreadful is the poverty of our time felt to be, that it has inspired all of us with fear of it; with a fear so terrifying that many more good people than would like to acknowledge their weakness look upon the exchange of one's immortal soul for a fortune as very like a bargain. Such unwholesome circumstances make men ask of one another with growing eagerness: "Am I not my brother's keeper?"

Three answers to the question may be heard.

There is the answer of Cain as the slayer of his brother. It comes from those strenuous mortals who, denying that their brother has rights, acknowledge no duties toward him. They answer prompt-

ly and sharply: "No! I am not my brother's keeper. Let him prove his right to survive by surviving. The law of the universe is neither mercy nor justice; it is power."

Another answer is in spirit like the first; but instead of being strenuous it is hypocritical. It comes from professional philanthropists and their parasites, and from statesmen who seek conquest in the name of humanity; men who, while denying that their brother has rights which they are morally bound to accord, profess an obligation of charitable duty toward him. In oily phrase they answer: "Yes; I am my brother's keeper. It is my pious duty, a burden from which I must not shrink, to do him good and regulate his life."

The third answer like the second is affirmative. But it is not hypocritical, nor is it inspired by sentiments of conventional philanthropy. It comes from devoted men and women. Seeing and often sharing the impoverished condition of multitudes of willing workers in a society where wealth abounds and may be multiplied indefinitely, and attributing this impoverishment to industrial competition, they conceive of sacrifice for the brother as an ever present and normal duty, and forecast an industrial regime from which competition shall have been excluded.

The social ideal of the third class may be expressed in the familiar though much abused formula: "From each according to his ability; to each according to his needs." But this familiar formula is not to be interpreted in the familiar wooden way. To each according to his needs does not necessarily mean to each according to his selfish desires. It may just as well mean to each according to what is necessary for his greatest usefulness. And in some form of phrase or other, such is the interpretation which most if not all believers in the formula put upon it. The essential idea is not selfish getting but unselfish giving, not greed but sacrifice. But that ideal does not bear examination any better than its opposite.

Sacrifice is as far out of equilibrium in one direction as greed is in the other. Not sacrifice, but competition, is the law—and it is a law, a natural law, a law of human nature, an expression of the law which governs all human activity, namely, the law that men seek to satisfy their desires, be they good or bad, in the easiest known way—that is the law which furnishes the only rule whereby industrial equilibrium can be produced and maintained so long as the sentiment of self-interest in measurable degree persists in the world. Competition, if free and not made jug-handled by legislative schemes for resisting it, would maintain that equilibrium. It is truly, as some one has expressed it: "God's law of cooperation in a selfish world."

With competition free, everyone in normal mental and physical health who produced in proportion to his ability would share in proportion to his needs. For when we consider the principle of the interchangeability of labor, no healthy man's needs can exceed his ability to produce. His desires may, but not his needs. We have heard useless and luxurious people say they were born to be served, and under a self-sacrificing regime there would be no way of telling whether they might not be right. The queen bee is useful in the hive; why not they possibly in society? But free competition would furnish an infallible test. If that prevailed, they would be served in the degree that they rendered service, neither more nor less. To reflect at all upon the principle of the interchangeability of labor is to see that the relationship of ability to needs is held in equilibrium by free competition. While, for illustration, a hatmaker might not be able to satisfy his legitimate needs as to shoes with his ability as a shoemaker, he would be able to do so with his ability as a hatmaker, provided exchange were unrestricted. So a philosopher, a preacher, an actor or a teacher might fall very far short of satisfying his needs as philosopher, preacher, actor or teacher, if he had to make the needed things themselves; but if he were really useful to his brethren