

he is exactly \$95,000 ahead of the game.

Such a kindergarten illustration ought not to be necessary to convince anyone that a country, like an individual, is enriched by the wealth it takes in and not by what it sends out; but the protectionists have stood on their heads so long that kindergarten exercises seem to be necessary to get them to seeing things right side up. The service that exporting performs for an individual or a people is not in the exporting itself, but in the importing that it induces. It is the imports and not the exports that enrich.

David B. Hill's friends are allowing it to leak out that Mr. Hill intends to make a fight for the democratic nomination for president three years hence. This announcement, though doubtless serious, is made early enough to give it the flavor of summer politics. Mr. Hill has no chance of getting the nomination. Democrats don't want this man, who gives no other evidence of his democracy than the label he wears; and though the plutocrats of the party would prefer him even to Gorman, indeed to anybody but Cleveland, they are not likely to be so foolish as to nominate him if they get control of the convention. Their candidate will be a dark horse—somebody like the McKinley democrat now mayor of St. Louis, whom the financial combines know and can trust but of whom the people have heard little or nothing. Hill is one of those men whom a democrat might properly vote against, not because he knows the opposing candidate but because he knows Hill.

In an article in Collier's Weekly, recently reproduced in the Commoner, Mr. Bryan discusses the trust question carefully and forcibly. Following his usual analytical method, he divides the subject into three parts. First, he considers the existing "condition;" secondly, the probable result of "present tendencies;" and thirdly, "the remedy." In very much of what Mr. Bryan says we heartily

concur. When, for instance, he argues that the trust issue involves a conflict between competition on one hand and private monopoly or socialism on the other, he generalizes accurately. That, indeed, is the essence of the trust issue. He phrases it with characteristic brevity and force. "If the people decide," he says, "that competition should be suppressed, they must choose between private monopoly and socialism." And in mentioning the alternative, he does not halt at socialism as it is now most generally understood. He refers to the extreme of socialism to which a socialistic tide would inevitably sweep us. By socialism, that is, he does not mean merely "that system of socialism, now called extreme, which would place the government in control of all the forces of production and distribution, but a still more complete system, which would make the state the beneficiary of all service rendered and the distributor of all compensation." This startlingly exact presentation of the trust issue should arrest general attention and command the most serious consideration of the conscientious men of all parties. Even more impressive is his challenge to public opinion to decide between competition and its opposite. "If competition is desirable," he argues, "a private monopoly is indefensible; if, on the other hand, the suppression of competition is a thing to be desired, some plan must be devised to make the suppression complete." By way of moral suggestion, he adds: "It would be obviously unfair for one portion of the community to be protected from competition while another portion was subjected to it." In other words, the alternative which the trust question presents to the American people is competition or socialism—full and free competition or its absolute and complete suppression. In all this and much more we find ourselves in full accord with Mr. Bryan's view; and we should be in accord with him throughout, if all he says were in harmony with these fundamental conceptions.

But Mr. Bryan's remedy seems to us to be at variance not only with his evident preference for competition, but also with the principles of democracy as recognized in this country. He proposes "the extinction of private monopoly" by state statutes regulating the business of outside corporations within their limits, and by acts of congress supplementary to the state laws. "These acts of congress would forbid monopolies from engaging in interstate commerce, and from using the mails, interstate telegraphs and railroads. They would prohibit the watering of stock by corporations engaged in interstate commerce. They would forbid corporations doing more than a prescribed proportion of interstate business. They would require all corporations to sell to all customers at the same price and on the same terms, and would remove the tariff from trust-made articles. And to this end, they would provide a congressional license for corporations engaged in interstate commerce. These propositions, coming from a democrat to the democracy—though Mr. Bryan has proposed them before, and thereby smoothed the way for them—must be at least disturbing to men who shrink from the republican tendency, already alarmingly strong, to centralize all power in the national government; while those who dread the advances of socialism, must be aghast at this democratic proposition to strengthen enormously the foundations already laid for making of the American government a great socialistic state. All these proposals for federal action are centralizing, federalistic, and in an objectionable sense socialistic, save only one—that with reference to the abolition of protection for trust made goods. Judged only by his remedy, Mr. Bryan might fairly be supposed to have decided the issue of competition versus socialism against competition. Yet that is not what he intends to do. He believes that this complex machinery in restraint of free trade would extinguish private monopoly.

Mr. Bryan's error, a most serious error as we cannot but regard it, and one fraught with great danger when his far-reaching influence is considered, is traceable to his assumption that private monopoly consists in some power peculiar to corporations. He supposes, that is to say, that corporations make trust monopolies, instead of seeing, what is the fact, that monopolies make trust corporations. This fundamental misconception appears early in the article we are considering. After describing the development of trusts, from combinations of separate corporations by agreements in restraint of trade to the present system of one consolidated corporation owning many plants, he distinguishes corporations, however large, from monopolies. That makes a promising beginning. But the promise does not hold out. Mr. Bryan's distinction soon evaporates and ceases to be distinguishable. For he describes the monopoly feature as appearing "whenever a corporation is sufficiently powerful to control the market."

We should be glad to believe that what Mr. Bryan means by that is that this power to control the market rests not upon consolidation of mere competitive interests, but upon privileges existing anterior to the consolidation. Evidently, however, that is not his meaning. He clearly supposes that the monopoly feature is a manifestation of consolidation. There is no indication that he attributes monopoly to legal privileges which might belong to an individual quite as well as to a corporation, and which would give to that individual as great a power. On the contrary, he assumes that corporations can throttle competition in manufacture by merely acquiring all the plants, even though there were nothing monopolistic in the plants themselves. Thus, he says, that—

if all the woolen mills now in existence should be gathered under the control of one corporation with a capital of half a billion, who could compete with it successfully? If a person

amply supplied with capital to conduct under ordinary conditions a successful mill were to compete with a monopoly, such monopoly would be able, at a very small expense to itself, to undersell him in his particular field, while maintaining prices in other parts of the country. If an organization of equal capital attempted rivalry, it would first have to overcome the advantage which the established industry had secured by the advertisement of its wares, and then, if it were successful, the country would have more woolen plants than necessary to supply the demand, and more skilled laborers than would be required for the work.

The assumption in that illustration is that the woolen mills have no legal privileges—no tariff advantages, no transportation rebates from privileged railways, no patents, no superior water power, no advantages of location, no facilities whatever that are not subject to competition on even terms. Yet there is nothing in experience to show that a woolen mill trust or any other kind of trust, without those advantages, could dispose of rivals in the way Mr. Bryan describes. And every consideration of economic principle gives assurance that potential competition would hold it in complete subjection to the public good. "The advantage," so called, "which the established industry had secured by the advertisement of its wares," could not, under circumstances of free competition, survive a depreciation in the quality of its goods or an arbitrary increase of their price. When opportunities are equal—that is, when competition is not shackled by law—no business combination can control the market after it ceases to satisfy the market. The trick of underselling at the point of competitive attack and recouping in higher prices afterwards or elsewhere, would no longer work. If natural opportunities were not monopolized, competition, actual or possible, would, like air pressure, be effective everywhere and at all times.

Natural opportunities being no longer monopolized, actual competition would not be necessary to prevent trade combinations from becoming

monopolies. The ever present possibility of competition would be enough. For this reason, an overproduction of plants and an oversupply of special operatives could not occur. No one would compete unless the market called for competition; and if the market called for competition, the combination could not destroy its rival. Every instance to the contrary will prove upon investigation to be a case in which the destructive combination possessed some legal advantage—transportation, tariff, location, patents, sources of natural supply, or all together. Even in his article, Mr. Bryan does not mention a single trust which has not back of it some or all of these legal privileges or advantages. The Standard Oil trust owns exclusive pipe lines and dockage rights and controls the best natural sources of oil supply. It is the legal monopolies it has consolidated, and not its perfect organization, that makes it an oppressive trust. The steel trust depends for its power not upon its organization of the steel industry, but upon its indirect control of transportation terminals and its direct control of more than 80 per cent. of the natural sources of steel supply. As to the steam pump trust, what would it be without its patents and the privileges it derives from other privileged trusts? Let Mr. Bryan test the rubber trust and the envelope trust by the principles here suggested, and he will find that they, too, are powerful by reason of their consolidation not of competitive interests but of monopoly interests. Take away their underlying privileges of transportation, patents, and land, and competition, actual or possible, would make quick work of their oppressive power.

That is the key to the trust question. The remedy is not more restrictive laws, as Mr. Bryan proposes, but free competition. We concede that competition completely free cannot be quickly secured. But every step in that direction, every shackle removed from competition, will tell.

Let Mr. Bryan come back to the fundamental principle he himself declares. Let him realize the full force of his postulate: "If competition is desirable, a private monopoly is indefensible." Realizing that postulate in its fullness, and desiring competition, he must advocate the abolition of all private monopoly. When he does this, he will strike a blow at the vitals of the trust. Whatever else he does will help and not hurt it. His plan for interference by the federal government, if adopted, would only strengthen and adorn the commercial monster he seeks to destroy.

In discussing the Ohio democratic convention last week we concluded with the remark that Kilbourne may win "if Johnson's support and the popularity of Johnson's tax agitation prove sufficient to hold in line the Bryan men whom McLean's convention insultingly dismissed," and added that this "appears now to be the only hope for Kilbourne." Quoting those observations, the Dubuque Telegraph—which is by odds the most aggressive and able democratic daily of Iowa, and second to none in the party anywhere for ability, sincerity and sound democracy—makes them its text for the following comment:

If this is the only hope, Kilbourne may as well abandon hope. The state ticket, which was nominated by the McLean reactionaries, is against Mayor Johnson's reforms; and as these would not be ushered in by its success, the Bryan men will not fall in line. They would cheerfully render a service to Tom Johnson, whom they admire and honor for his sterling democracy, but as they can render him no service by supporting the ticket, and are unwilling to hand the democratic party over to plutocratic control, instead of voting the ticket they will vote against it. In Ohio nor anywhere are the men who upheld democratic principles and the democratic candidate in 1896 and 1900 to be deceived by the trickery of putting forth a platform declaring democratic principles and nominating a ticket and secretly negotiating for the support of privileged interests antagonistic to the principles. What the welfare of democracy now imperatively demands is the success of the regular republican ticket in Ohio

by a majority larger than has ever before been given to any ticket in the state. The reelection of Gov. Nash by a majority of 200,000 will end the reorganization movement everywhere, and force the reactionaries into the republican ranks, where they have been training for five years and should remain.

The Dubuque Telegraph evidently makes the mistake of supposing that the fidelity of an Ohio governor to the declarations of his party platform is of considerable moment. But it is not at all important. In Ohio the governor has little legislative influence and no legislative power. If a tax reform legislature, bound by the tax planks of the democratic platform, were elected, it would make no difference who might be governor nor what he might like, or have secretly agreed, to do. Having but little patronage, he could do but little to influence the legislature against its pledges to its constituents. Having no veto power, he could not obstruct it. The Telegraph would be wiser, therefore, it seems to us, if it advised the Bryan democrats of Ohio to see to it that legislative candidates are nominated and elected who can be depended upon to make the tax pledges of the platform good in spite of the secret negotiations which the Telegraph suspects the state organization to have made with the privileged interests. To defeat those interests in the legislature, which has power, rather than to rebuke at the polls the candidate for governor who would have none, is the most effectual way of stamping out the reactionary movement in the democratic party in Ohio.

The delight with which such "democratic" papers as the Chicago Chronicle exploit what they regard as the repudiation of Bryan and Bryanism by the Ohio democratic convention, shows where their hearts were in the presidential campaign. While pretending to champion democracy, they were really playing into the hands of plutocracy. Betrayed by these enemies within, assailed by a combination of powerful interests without, it

is not remarkable that the democratic candidate went down to defeat last fall. The really remarkable thing is that with an open enemy appealing viciously but effectively to the patriotic fury which the smell of blood always engenders in a mob; with that enemy commanding fabulous wealth and dictating the livelihood of millions of workmen; with the terror which power like this inspires; with a reckless use of this terror unparalleled except by the same enemy at the previous election; with nearly every secular and religious paper in the land subservient to its interests; with an effrontery in the misrepresentation of issues and facts which only this vast press conspiracy could save from exposure; and all this supplemented with the aid of papers like the Chronicle, which encouraged the candidate it professed to oppose and betrayed the party it pretended to serve—with this accumulation of political power to contend against, the remarkable thing is that Mr. Bryan polled so large a vote. In a total of 13,969,770, he fell only 849,455 behind Mr. McKinley. When the Chronicle sneers at Bryan, for whom 6,358,789 American citizens voted last fall, and jauntily rules him out of the party which it renounced in 1896 and betrayed in 1900, it affects to despise a political force that cannot be despised with impunity. It was Bryan's magnificent leadership and devoted following alone that made possible even an approximation to what was, against such prodigious odds, his phenomenally large vote. No other democratic leader could have commanded the confidence or done the work necessary, under the circumstances, to accomplish so great a result. Cleveland polled only 4,911,017 when elected in 1884, only 5,538,233 when defeated in 1888, and only 5,556,918 when elected again in 1892. These circumstances considered, the Chronicle's sneers at Bryan now only accentuate the purse-born motives that impelled its desertion in 1896 and its treachery in 1900. Its right to sneer at Bryan and to describe con-