

the fact is still remarkable that a man who knows how to get 50-year street car franchises from a Republican legislature of Ohio, does not know at sight that this statement of his is a sheer absurdity.

To admit duty free foreign articles that compete with products of American trusts, would stop all business! Could there be ranker nonsense? Why, even if all foreign articles—not merely those that compete with trusts, but all—were admitted duty free, still it would not stop business. It would have the contrary effect, as any intelligent person may see with a little reflection. Think a moment of how it would operate. All foreign goods that are produced cheaper abroad than here would come in free. No others would come, for it wouldn't pay to bring them. Nor would these come unless they were paid for; and they would be paid for with goods that are made here cheaper than abroad. Thus we should have a free exchange of goods that foreigners produce to best advantage for goods that we produce to best advantage. So far from stopping business, as the learned Senator fears, that would stimulate it.

Nor would it do so at the expense of labor. Cheap production does not mean low wages. It means high wages. Wherever wages are highest, the production of things to which the country and the people are adapted is cheapest. Isn't the production of 100 units of anything—yards, pounds or gallons—by a workman who gets \$4 a day, cheaper than the production of 10 units by one who gets only \$1 a day? American labor gets higher wages, yet produces cheaper, than labor in any other country in the world.

We can almost hear Mr. Foraker objecting that the exchange of American goods for foreign goods is not what we want, but the exchange of American goods for money. But if that is what we want, we are

not getting what we want. Although our excessive exports appear by the figures to be enormous, something like \$500,000,000, we get but little gold in return. So far as these much-vaunted figures show, we get neither gold nor goods. The boasted exportation is a dead loss to the country. It never has been paid for and never is to be. The acute and accommodating statisticians of Mr. Foraker's party have figured out that we are getting paid in foreign stocks and bonds, but these stocks and bonds cannot be found upon the market. We are selling our own stocks and bonds already instead of buying foreign stocks and bonds. Then these statisticians tell us that we are buying-in our outstanding stocks and bonds from abroad. But the truth leaks out that we are selling more than we are buying-in. Finally they explain that we have large bankers' balances on deposit abroad, because bank interest is higher there than here. But recent revelations in connection with the impending crash in Wall street, spoil that little romance. As money gets tight and interest rises, the American banks do not draw against Europe, as they would if they really had balances there. The price of exchange has hardly declined at all. And it is admitted in explanation that not only have the American banking interests no balances abroad, but that they are indebted to foreign bankers to a vast amount. The evidence is complete. If we really have been exporting millions of wealth more than we import, we have either been giving it away or have been robbed of it, for nothing appears to come back in payment.

Notwithstanding the determination of the plutocratic end of the Republican party to "stand pat," and of the inclination of Roosevelt to be "a sleeper" in the middle, the democratic Republicans are getting wide awake to the tariff bunco game. Of this fact Mr. Roosevelt's frosty receptions while on his Western campaign tour, gave impressive evidence. That excellent agricultural week-

ly, the Farmers' Voice and National Rural, of Chicago, well says:

Going out to preach the "shackling of cunning" by governmental restraint and control that would neither restrain nor control, he found the plain people clearer headed than he and his advisers as to the monster's vulnerable parts. The President's programme, prepared with care and containing catchy phrases about the public's rights, was to the people's ears like sounding brass and tinkling cymbals. He said: "We will catch the monster and put him in a cage." The people said: "Stop feeding him and he will die!"

Had Mr. Roosevelt gone farther he would have been still more chilled by the frosty atmosphere.

In his speeches he had been neither "standing pat" with Senator Hanna nor "drawing to fill" with Gov. Cummins. He blew neither hot nor cold (apologies to Mr. Hanna for shifting the metaphor), but only in a tepid sort of way, about not changing things unless it were thought advisable, though of course where change is advisable it ought to be made, yet in such a way as to do lots of good and no harm, etc. That kind of shilly-shally would not have done in Iowa—not with Gov. Cummins on the same platform, and the Governor would have been on the same platform in at least one place. It was indeed so certain that a continuance by Roosevelt of his Western trip would seriously embarrass him and his party, that his reason for breaking it off has been questioned. Wonder was expressed when the news came, whether the speaking tour was not terminated (returning for a metaphor to the source from which Mr. Hanna draws) by "cold feet" rather than a game leg. Of course this is not to be considered. The evidence seems clear enough that Mr. Roosevelt's physical condition necessitated the abandonment of his campaign programme. Nevertheless, though his injury was not constructive nor diplomatic, as some have uncharitably suspected, it was a manifest godsend to him and his distracted party.

The trouble in Wall street is a

symptom of the financial collapse which is as inevitable as fate. Our much-boasted "prosperity" has been no more genuine than that of the old "South Sea bubble" of France or the "tulip craze" of Holland. If workmen have got any increases of wages they have had to work harder and to pay more for a living. The wage increase is fictitious. While it has helped to fatten statistics, it has not helped to feed and clothe workers and their families. If business men having no monopoly privileges have done a more pushing trade, they have not reaped profits in proportion. If farmers have flourished at all, it is because they have had good crops and not because they were able to earn more by work. The rise and fall of the wages of the agricultural laborer, who has nothing but work to sell, is the true test of prosperous conditions in agricultural production, and his wages have not much increased. Brisk business has indeed prevailed, but those who have conducted it have not reaped the profits:

"Prosperity" profits have been reaped by trust manipulators. Out of retorts made by monopolies, they have blown a great balloon of values, which they label "prosperity" and exhibit to the multitude for its applause. A pin prick in this balloon may at any time let out the gas and cause "prosperity" to collapse; and the disturbance in Wall street is one of those much-feared pin pricks. Not only are conditions ripe for a panic, but Wall street knows it. Therefore Wall street goes to the government treasury for help—just as the farmers did when they wanted loans on their wheat, and just as Coxey's army did when it wanted work. Not only does Wall street know it, but the administration also knows it. Therefore the treasury responds to the Wall street clamor—just as it did not to the clamor of farmers and Coxey's men. Loans upon and investments in "industrials", with values enormously inflated by trust manipulation, is the notorious fact which

makes a panic almost as certain as sunrise. For months the struggle to avert it has been coming more and more plainly into sight, and it is a struggle that cannot continue much longer.

Secretary Shaw may have temporarily relieved the "bulls" of Wall street, but he has done more than almost any other one man to hurry on the ultimate collapse. At his word, millions are freed from the bank reserves and emptied into the pockets of the gamblers. He argues that as government deposits are secured by bonds there is no necessity for requiring also a reserve against those deposits. But bank reserves are not held against particular deposits, but against deposits in general. His act, therefore, weakens the very basis of the confidence of the entire army of bank depositors in the security of their accounts. Again, the bonds to secure government deposits are no longer to be United States bonds, but anything the Secretary chooses to accept. Is it too much to fear that a secretary of the treasury who can be frightened into making these unprecedented changes may be frightened into taking poorer and poorer securities? How long will it be before the steel trust bonds, into which the preferred stock of that "prosperity"-breeding institution is to be transformed, are accepted at Washington as security for government deposits in national banks?

Some idea of the political revolution Mayor Johnson is making in Ohio may be got from the resignation of the president of the Roosevelt Association of Cleveland, J. J. Breitingger, and the reason he gives for it. Mr. Breitingger has been for several years a faithful Republican worker in Cleveland, and in his letter of resignation he describes the condition of things political with a clear eye and a steady hand. Referring to the attitude of the Republican leaders in Ohio he says:

The Republican party has in the past stood for equal rights; but this

is not the case when the leaders of the party endeavor to use the party in the interest of a few for personal gain.

After going into detail he concludes:

Mayor Tom L. Johnson is to-day the champion of the people's rights. He is fighting for the very principles that the leaders of the Republican party should stand for to-day had they remained true to the interests of the people.

Relying too implicitly upon Mr. Roosevelt's statements of fact in his Cincinnati speeches, we fell into the error last week (p. 385) of admitting that anthracite coal is on the free list. Nominally, it is on the free list, but in fact it is protected by a tariff of 67 cents to the ton, the same as bituminous coal. The explanation is that anthracite coal, to be upon the free list must be above a certain grade—92 per cent. of fixed carbon,—and that the foreign anthracite which could compete with ours, is all of lower grade than that. It was also an error to admit that petroleum is on the free list. It, too, is there nominally. But there is a supplementary provision in the tariff law which imposes upon foreign petroleum the same duty that the country from which it is imported imposes upon American petroleum. In fact, therefore, both petroleum and anthracite coal are dutiable; and Mr. Roosevelt's argument that the coal and oil trusts are not supported by the tariff, even if it were sound otherwise, would fall to pieces for this reason alone.

Some of the criticisms of Secretary Hay's Roumanian note do not appear to be well considered. This is especially true of the one which a Roumanian noble makes in the form of a retort, when he asks: "What will Mr. Hay say if Roumania requests the powers to interfere and stop the persecution of Negroes in the United States and demand explanations in regard to the treatment of Filipino prisoners?" Mr. Hay might say several things. One thing he could certainly say quite effectively, and that is that the American outrages upon Negroes in the South and Filipinos