

Sympathy was expressed for the ideas represented by the orator of the evening, admiration for his manhood, his courage and his ability. Amid a burst of applause Bryan stepped forward and began his address. His only reference to Quinn was to thank him for his courtesy in refraining from doing anything that would leave unpleasant memories attached to the meeting.

This single incident ought to be enough to convince any fair minded man of the malice of the Hearst papers and their Republican coadjutors in their efforts to make it appear that Mr. Bryan has compromised with Roger Sullivan.

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Garrison's Free Trade Fight.

The Free Trade Broadside, published at Boston and of which William Lloyd Garrison is editor, begins its second volume with the April number. This number is the best that has yet appeared, which is no reflection upon its predecessors, for the publication has steadily improved. There is no side-stepping of the tariff issue, no compromise with protection, on the part of the Broadside. Protection is either right and good, or it is wrong and bad; and if wrong and bad, a little of it is not only a little wrong and a little bad, but is a step in the direction of the evil extreme. Trade is a mark of civilization and progress. The larger its volume and the wider its field, the higher the civilization and the greater the possibilities of progress; and inasmuch as it must be free to have its volume largest and its field widest, free trade is the secret of civilization and progress. This is the attitude of the Broadside on the question of expediency. On the question of public morality, it stands for the inherent right of every producer to trade his products without obstruction. And by free trade the Broadside means not tariff freedom alone, but freedom from all industrial burdens. One of the notable features of this issue of the Broadside is the letter of Mayor Johnson of Cleveland, written to a cloakmakers' union among his constituents when he was in Congress. The union had asked him to vote for a higher duty on cloaks. He replied that he would do nothing to keep up duties but everything to cut them down. Mayor Johnson is a free trader, who, like Garrison, is never an Indian "afraid of his horses."

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The Benefits of Protection.

The necessity of correcting an error into which we had fallen regarding the profits of the steel trust (p. 29) has led to further consideration of the recent report of that organization. Its net profits for 1907 amounted to 161 millions. To

this should be added some 6 million dollars, deducted in the statement as "interest on bonds and mortgages of the subsidiary companies," but which was clearly a payment for use of capital and not on operating account, making the total profits of operation of the whole organization about 167 million dollars. The total business done by the trust during the year, including transactions between the subsidiary companies as well as sales to the outside public, is stated in the report at 757 million dollars. No statement seems to be made of the amount of sales to the public as distinguished from the transactions between the subsidiary companies. The production of "finished products for sale" is given as aggregating 10 million tons, and as it seems to have been the policy of the trust not to sell raw materials to the outside public, this will probably indicate approximately its entire business for the year, except as to transactions between the "subsidiary companies." The average profit would thus be from \$15 to \$16 per ton of finished product.

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The market value of those "finished products" is rather difficult to estimate accurately, but an inspection of the items would seem to show that the average price for the whole would fall between \$30 and \$35 per ton, and the total value between 300 and 350 millions of dollars. The net profits of the business would therefore approximate very closely to fifty per cent of the total sales. This figure is borne out by the observations of visitors at Homestead who have estimated a total cost for steel rails of about \$15 per ton, as well as by the testimony of a high official of the trust, given some few years ago, to the effect that it could turn out such rails at about \$14 per ton. In the transaction of this business some 210,000 employees were required, to whom wages and salaries aggregating 161 millions of dollars were paid. It is to be noted that this is almost the identical amount of the net profits reported, so that for every dollar paid out in wages and salaries, another dollar went to the trust as net profits.

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Now compare that showing with the manufacture of iron on the foundry side of the business, as disclosed by a certain St. Louis concern, making special castings for customers from their own patterns. This is a business involving a very great deal of detail and a corresponding amount of labor and personal attention—quite unlike in this respect the business of the steel trust, which consists almost wholly in the manufacture of staple

articles in large quantities. Yet much of this business, having the benefit of no monopoly and subject to keen competition, is done, as we are assured, at a margin of net profit not exceeding 5 per cent on gross sales—rising in most prosperous years to barely 10 per cent. The foundry business in question has a product of about 5,000 tons per annum and pays out annually about \$125,000 in wages and salaries. Its proprietors are well satisfied with a net profit of \$25,000 per annum—say \$5 per ton of product, or one-fifth of the amount paid out in wages and salaries.

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Let us see how the comparison works out:

For the highly protected monopoly:

A net profit approximating 50% of goods sold.

A margin of over \$15 per ton in the manufacture of a staple article, involving no risk of loss and salable to all the world.

A net profit equal to practically 100 per cent of all wages and salaries.

For the smaller industry, subject to keen competition:

A net profit barely averaging 10% of sales.

A margin seldom exceeding \$5 per ton of a special product involving great detail and close attention, and practically unsalable except to the special parties for whom made.

A net profit equal to about 20% of wages and salaries.

Under a fair economic system, the profits of manufacture of such a product as that of the steel trust should not exceed 10 per cent of the selling price, or about \$2 per ton; and it is safe to say that with free trade and free land, this level would soon be reached. Everything above this is simply an extortion from the public, made possible only by those two giant evils—Land Monopoly and Tariff Monopoly.

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Intelligent Referendum Voting.

Now that the demand for initiative and referendum laws to protect the people from non-representative representation has assumed the proportions of a popular wave rolling over the country, the plutocratic press and machine politicians are profoundly concerned lest many questions be submitted at one time, and the people become too confused to vote intelligently. In this connection it should be remembered that the issue here is not whether the people would legislate with perfect intelligence by referendum, but whether their legislation would be more intelligent than that which they have been getting from uncontrollable legislatures.

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Could it be less intelligent? Experience indicates that it would be more so. In Oregon, for instance, at an election two years ago (vol ix, p. 227) when eleven questions were be-

fore the people on referendum, every question was intelligently decided. Some may have been decided wrong. That depends upon the point of view of the critic. But all were decided right according to the consensus of opinion of the State. No one doubts this now. Therefore all were decided intelligently. Can as much be said for legislation by representatives upon whose action there is no Referendum veto nor Initiative command? At that election, the members of the faculty of the State university of Oregon appointed one of their number to investigate every question to be voted on and report with recommendations. His report was discussed and adopted by his associates, all of whom voted accordingly. Here was truly an exercise of intelligence. And behold, the people at the election rejected every proposition which these intelligent and deliberate college professors had condemned, and adopted all but one of those that the college professors had approved. The exception was the woman suffrage amendment. It so happened that the college professors favored this, while a small majority of the people did not. In our opinion, as in that of the college professors, the majority of the people were in this instance wrong; but shall we therefore say that they voted unintelligently?

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Oregon is soon to vote again on public questions. This time there are nineteen. That such questions as are most of these—they are described in another column—exist to be put forward at all, is at least suggestive of unrepresentative legislatures in the past. But that apart and how can it be said that those questions will not receive intelligent consideration from the people? The argument on both sides of each is laid before every voter officially, as well as in the usual way. Won't he be better qualified to vote on them himself than under the old system he would be to choose a representative with an irrevocable power of attorney to vote on them for him?

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Queer Americanism.

With no little surprise we learn that the following sentiment has a place in a document of the Ohio State Board of Commerce, put forward as an argument against the initiative and referendum:

The American people have never failed to respond to a call to do military duty whenever the authority or the integrity of their government has been attacked by an armed enemy. An enemy using ballots instead of bullets as a means of overthrowing our system of representative government should be met with an equal display of loyalty, patriotic endeavor and unyielding resistance.