

# The Public

First Year.

CHICAGO, SATURDAY, MAY 14, 1898.

Number 6.

LOUIS F. POST, Editor.

Entered at the Chicago, Ill., Post-office as second-class matter.

For terms and all other particulars of publication, see last column of last page.

The Spanish fleet in Manila Bay was composed in part of wooden vessels and in part of steel armored vessels. This was to the Spanish authorities and newspapers a convenient distribution. It enabled them before the battle to speak of their powerful fleet of armored vessels, and after the disaster to bewail the weakness of their fleet of wooden ships.

In view of the revelations of the monthly treasury statement for April, it must have required extraordinary self-control for Mr. Dingley to tell congress and the country, as complacently as he did when introducing the war revenue measure, that if the war had not come upon us the Dingley tariff law would now be filling the treasury.

The Dingley tariff law was intended, according to its promoters, to increase the customs income. Either that, or it was not intended for any purpose whatever. While it was on its passage, that was the great virtue which its sponsors claimed for it. And when after months had gone by the custom receipts still lay low, Mr. Dingley and his protection confreres begged the country to suspend judgment until the effect of the anticipatory importations had passed off, and they would then see a rise in customs revenues such as never was. Well, it is nearly a year since those anticipatory importations were made, and not only has the Dingley law been in force a full three-quarters of a year, but Mr. Dingley himself says that if the war had not come to impose extraordinary burdens upon the treasury, the Dingley bill would only have

begun to do its perfect work. Yet what are the facts as revealed by the treasury statement for the month just closed?

Let us see.

It is true that internal revenue receipts were \$3,371,824 more than they were for the corresponding month of the year before. But it was not for an increase in internal revenue receipts that we were told by Dingley and his friends to look. They refused to impose any taxes which they thought would increase the internal revenue receipts. For the result of the Dingley bill in replenishing the treasury they told us to look to the item of customs receipts. Turning then to that, what do we find? Behold! The customs receipts for April of the present year were less than for April of last year by \$10,260,374.75.

Nor does this appear to be exceptional. The customs receipts for March of the present year were \$7,383,424.52 less than for the same month last year. On the whole, these receipts seem to be decreasing. They certainly have not shown any signs of increase. For the ten months from July 1, 1897, to May 1, 1898, they were \$15,989,664.75 less than during the corresponding ten months of 1896-97, when the Wilson-Gorman law was in force.

If total revenues under the operation of the Dingley bill have not declined, it is because the internal revenue receipts, which were not coddled by that bill, have increased slightly more than the customs receipts, which that bill was professedly intended to augment, have fallen off. Jerry Simpson was about right in saying that the war is a godsend to Mr. Dingley. It turns public attention away from the terrible failure of his much-vaunted tariff legislation.

In a moment of extreme weakness the Chicago Tribune, the republicanism of which in the strict party sense will not be doubted, gives a tricky financial scheme of the administration "dead away," and, incidentally, but with a friendly purpose, fixes a decidedly unpleasant responsibility upon the Cleveland administration. Here is the way of it. Speaking of the efforts of the un plutocratic democrats in the senate to divest the war revenue bill of its interest-bearing bond feature, the Washington correspondent of the Tribune says:

The chances are, therefore, that the senate will pass the bill substantially as it came from the house. Should the contrary prove true, the administration will possibly be forced to resort to the trick played by Grover Cleveland. A gentle hint to the bankers of Wall street would be quite sufficient to induce them to make a raid on the gold reserve and reduce it below the statutory limit. Thereupon Secretary Gage would be at once authorized, under existing law, to sell bonds to get more gold, and the greenbacks which would be the net result of the transaction would become a part of the cash balance and could be used to pay current expenses.

Note the important confessions in this statement. They relate to the famous "endless chain" of two years ago, when greenbacks, put into the treasury in exchange for gold, were shoved out again in payment of current expenses and then taken back in exchange for more gold, until the gold reserve for the redemption of greenbacks was reduced below \$100,000,000, whereupon Cleveland purchased gold with interest-bearing bonds issued over the head of congress under the pretended authority of an obsolete law. In this way, it will be remembered, several hundred millions of interest-bearing bonds were saddled upon the people upon the flimsy pretext of keeping up a gold re-

serve which, as a matter of fact, congress had never authorized.

At that time the "inherent unsoundness" of the greenback system was charged with the responsibility for this "endless chain," though there were people shrewd enough to suspect that in some manner Cleveland himself gave that chain a turn whenever he thought it might serve the purpose of his financial friends. That suspicion is now confirmed by the confession of the Chicago Tribune. According to the extract quoted above, the "endless chain" was in fact a "trick played by Grover Cleveland." His mode of playing it, according to the same confession, was to give "a gentle hint to the bankers of Wall street," which was "quite sufficient to induce them to make a raid on the gold reserve."

But that is not the whole extent of the confession. Cleveland's trick—so the Tribune calls it—is to be resorted to by the present administration if the anti-bond senators do not fall into line and consent to the utterly unnecessary, utterly unjustifiable issue of \$500,000,000 of additional interest-bearing bonds. In the event of the stubbornness of the anti-bond senators, so says the Tribune correspondent, "a gentle hint to the bankers of Wall street would be quite sufficient to induce them to make a raid on the gold reserve," whereupon "Secretary Gage would be at once authorized under existing law to sell bonds to get more gold," thus setting in motion the "endless chain" and enabling the administration, in spite of congress, to issue interest-bearing bonds without limit.

The rascality of the bond ring is equalled only by the effrontery of its newspaper agents.

The best brief statement we remember to have seen of the case for Americans who believe in making the United States a strong military and naval power, was recently published by one of the Chicago papers over

the signature of Peter S. Grosscup, United States district judge for the northern district of Illinois. In a speech at a public banquet in Chicago Judge Grosscup had declared his belief that at the end of the present war the United States would find that it had a warlike mission in the world; and as the report of his speech, and that of a subsequent interview on the same subject, did not accurately reproduce the judge's views, he undertook to set himself right in a communication, which, as we have said, is the best presentation of the subject from his point of view that we remember to have seen. For that reason it will bear re-printing here almost in full. With nothing omitted, therefore, which is essential to the argument, Judge Grosscup's communication is as follows:

A few facts, commonly understood, should preliminarily be recalled. The first is that America and Europe, with the latter's colonial dependencies on other continents, dominate to-day the moral purposes and the trade of the world. This domination is not a diminishing one. Europe is divided between those races generally known as Anglo-Saxon, including the British, German, Dutch and Scandinavian peoples, and those races known as the Latins and Slavs. The Latins, including the French, the Spanish and Italians, are a remnant of the Roman empire, itself conquered by the progenitors of the Anglo-Saxons. The Latin race, though still pre-eminent in many fields, is a diminishing race. The Anglo-Saxon, pre-eminent in all the arts and ambitions that make this age powerful, is an increasing race. It is the only race that has, since the beginning of time, correctly conceived the individual rights of men, and is, on that account, more than anything else, surviving, by fitness, the other races.

The next fact is that events foreshadow, with certainty, the breaking up of Asia. The first quarter of the twentieth century will probably break up these hitherto stagnant peoples and throw them into a modern atmosphere, and will undoubtedly cleanse and advance them as only a clean, wholesome civilization can. Into this field the moral purposes and commercial courage of the Anglo-Saxon are bound to project themselves. They are of the inevitable movements of mankind which doctrinaires and statesmen cannot, if

they would, hold back. Neither the trading instinct nor the conscience of mankind is the result of statecraft; they are irresistible forces. Statesmanship is impotent to do more than to measurably encourage and fortify them or discourage and repress them. Expansive America means a placing of all our advantages, physical and sentimental, on the side of the encouragement of our commercial and moral purposes; repressive America means the purposed and stubborn withholding of such advantages.

The policy in favor of little America would plant our harbors with torpedoes and mines and place across their entrances our warships, and there stop. Trade might go on with her fleets of merchantmen, for that could not be helped, but the government would furnish her no succor on the high seas, and no home ports away from our shores. Our emblem under such a policy ought to be the mud turtle, reaching out its head and arms in fair weather and when enemies are absent, but drawing back into its shell, signless of powers of aggression, in the presence of danger.

Expansive America, on the contrary, would put in every port of the world a consulate on a front street and conspicuously housed. The flag covering our trade and our principles would beckon, not slink. The existence of this republic and what she stands for commercially and morally would be constantly brought, by emblem and by act, to the populace, as well as to the foreign minister. Half of the population of the earth is about to become new purchasers in the markets of civilization. Are we willing to absent ourselves from these markets?

This war has demonstrated that if we wish to participate in future history and commerce to the best advantage; aye, if we wish only to hold our own, we must have our warships, the sea policeman, in every public water, with American sea stations in convenient neighborhoods.

What Judge Grosscup evidently aims at is universal trade. Nothing could be better. But, unfortunately, his conception of trade is that it consists in selling, and not at all in buying. He would consequently have the United States put on sea armor in order to open the markets of the world to American goods. Yet universal trade could be established ever so much easier, ever so much more peaceably, ever so much more success-

fully, by simply allowing Americans freely to buy foreign goods. For trade is neither a matter of buying alone nor of selling alone, but of buying as well as selling; and if Americans were allowed to buy foreign goods freely, foreigners would have to buy American goods.

We do not ignore the implied point that Americans could not sell in foreign markets without a navy at their backs, if those markets were closed to them by the navies of other nations. But foreign markets could not be effectually closed if our markets were fully open. The impulse to buy precedes the impulse to sell. Men are anxious to sell, that is to say, only because it is through selling that they are enabled to buy. Our first step toward universal trade, therefore, is not to establish a great navy to open foreign ports to our sellers, but to freely open our own ports to our buyers.

All the principles of complex international trade are simply exemplified by the transaction of the country boy who carries an egg to the cross roads store and barter it for candy. To drop into the military metaphor of those for whom Judge Grosscup speaks, the boy "invades" the store with his egg, because he wants the store to "overwhelm" him with its sugar sticks. If this nation received foreign goods as freely as the country storekeeper receives the boy's egg, we should find a market for our goods as reliable as the storekeeper's market for his candy. We should not then need to keep a navy to force foreigners who really want our goods to buy them, any more than the storekeeper has to employ a constable to force the boy to buy his candy. Neither should we have to keep a navy to defend our sellers in foreign parts from the sellers of other nations. But, just as the country boy would get his sugar sticks at the handiest store which offered him the most or the best sugar sticks for the fewest eggs, so would foreign buyers get their goods of us if we offered them good bargains. The way

to the realization of Judge Grosscup's ideal of universal trade is not through the destructive power of navies, but by tearing down our own commercial Chinese wall. When our people are allowed by their own laws freely to buy of other people as they wish to, other people will soon see to it that we have an opportunity to sell to them.

Senator Mason, of Illinois, is doubtless a very objectionable person, and he may be actuated by corrupt motives in his senatorial policy, but he is not incapable of saying true things once and again. His professed views as to the terms on which the present war should be terminated are, for example, unquestionably sound from the democratic point of view, whatever may be his motives for entertaining them. Mr. Mason says that "we should drive Spain from this hemisphere forever, and give the people of Cuba a chance to govern themselves." He would give the people of Puerto Rico the same opportunity. "These are the terms of peace," he adds, "that I would exact of Spain, and when we see those people possessing the same liberty for which our forefathers fought and bled, that would be all the compensation I would ask for the insults that Spain has heaped upon us." In this statement of his views Mr. Mason represents what ought to be the sentiment of the American people, and what we believe is so in fact; and if he faithfully holds to this position, he will be given the benefit of a good many doubts as to his political integrity.

It is instructive to compare medieval customs with the strictly modern customs of our own sensible Anglo-Saxon race; and in no respect will such a comparison prove more enlightening than in connection with taxation, that prolific cause of tyranny and revolution. In Spain, for instance, the prevailing riots are attributed to the octroi duties. It is reported that the rioters, though originally excited to action by the

defeat of the Spanish squadron in Manila Bay, are vigorously demanding the repeal of those duties.

To appreciate this, it must be understood that octroi duties constitute a time-honored system of raising revenues by taxing imports. Like all such systems they have often been utilized by special interests for purposes of protection. They differ, however, from our tax on imports in one notable but immaterial respect. Instead of being levied upon imports across national borders, they are levied upon imports into cities from the surrounding country. At the entrance to those cities in which these octroi duties are imposed, all dutiable articles are subjected to the tax; and so burdensome has it become to the city poor, who are thus forced to pay high prices for the necessaries of life, that with them the octroi is exceedingly unpopular. It has been the cause of many a riot in continental Europe besides the present riots in Spain.

But how much worse, let us ask, are the medieval octrois of Europe than our own tariffs—whether for revenue or for protection? How much worse are they, for example, than the system of duties which Mr. Dingley has constructed so elaborately for the purpose of compelling the poorer people of the United States to bear the pecuniary burdens of our war against Spain? Not a whit. We boastful Saxons also have our octroi duties. Nor are they confined to the custom house system. In America the octroi principle is carried to the point of taxing the poor man's horse—the bicycle—in every city where bicyclists sleepily allow it; and our English cousins have driven the free African natives to desperation by taxing their huts. Unfortunately for us, a comparison shows up the medieval Spaniard and the African savage to our disadvantage. They try to abolish their octroi taxes in the only way available to them, which is by means of riots; but we patiently submit to our multitudinous octrois, even though we could completely