

EDUCATIONAL SERIES

THE COST OF LIVING

According to Bradstreet's, the cost of living is still advancing. It is now within a fraction of one cent of the highest mark in our history, and at the present rate of increase, soon will establish a new record in altitude.

This increase can not be attributed to the slight net increase in the tariff under the Payne-Aldrich law. It is more largely due to the constantly increasing greed and daring of the beneficiaries of the tariff system in taking advantage of that system to form extorting combinations and to raise the rates of extortion.

It is true that a good many necessities of life are not directly affected by the tariff. But all are indirectly affected. Once eliminate the outrageous provisions of the tariff and the whole market would adjust itself to a more reasonable basis—the basis of lower prices to the consumers and smaller profits to the trusts.

While the trusts exact more and more, penny by penny, they continue to divide enormous profits and watered stock, and enjoy the increasing values of their shares, and they marvel that the country should be conscious of the cost of living. It is a great system, this system of tribute. It insures luxury for the needy rich, and as for the poor, they neither ask it nor expect it.—Kansas City Times (rep.)

HIGH TARIFF TO BLAME

Following is an Associated Press dispatch: New York, December 17.—"President Taft, in his message to congress denies that the recent and constantly increasing cost of living is due to a protective tariff, a statement which proves nothing so clearly as that his training as a lawyer has not made him a statesman, still less a political economist."

John Bigelow, former ambassador to France, statesman, diplomatist and author, thus criticizes the president in a letter written to the "civil forum," whose annual banquet was held in New York. Mentally alert, though in his ninety-second year, Mr. Bigelow gave his views by letter because he was unable to attend the banquet. The civil forum, which counts many distinguished men among its officers, encourages the freest utterance of opinion from its platform.

"Of course, under these auspices," continues Mr. Bigelow, "I see more prospect of a revolution than of any reform in our government. For the last two years there has been a larger army of wage earners on strike; that is, in revolt against their employers, than was at any time engaged in our civil war by the confederate states, thus far less bloody because enforced concessions to the demands of the wage-earners. How will he (Taft) explain the extraordinary impulse given to the white slave traffic, except by the tariff, which compels women to abandon their proper home life and take refuge in factories of protected industries for their daily bread, or else if not in consequence, abandon themselves to a life of shame."

THE GOUGING OF THE CONSUMER

If the tariff is responsible for the high cost of living why are prices kept so high, and kept advancing, on foodstuffs that are not affected by the tariff?

Some light on this question is shed by a number of the wholesale grocers of New York. They have made complaints, to the United States attorney, that what amounts to a criminal conspiracy exists among a good many manufacturers to maintain high prices to the consumer. By virtue of this conspiracy, it is charged, they compel wholesalers to keep up prices at an exorbitant figure. The New York World has secured copies of some of the contracts and affidavits manufacturers have been compelling wholesale dealers to sign, the effect of which, the World shows, has been to increase prices from 20 to 30 per cent to housewives on many of the staple articles needed in every kitchen.

"Not content," says the World, "with receiving their own profit, and seeing that wholesaler and retailer receive a profit on the goods handled, the manufacturers have been insisting on high prices to the consumer." Those prices represent profits, at every stage of the transit

of the article from producer to consumer, far beyond what wholesalers and retailers, if left to do business according to business principles, would care to exact.

The contracts cited by the World bind the wholesalers to sell at a certain figure—a figure beyond all reason. No orders are filled unless that contract is signed. And the contract contains this clause:

"We further agree that when requested by the company we will refuse to sell the commodity at any price, or loan or exchange them for other goods to any dealer who is selling or has sold same for less than the contract price."

The head of the largest wholesaling house in Boston is quoted in the World as follows:

"The attitude of the manufacturers is bad. We do not try to dictate to them at what price they shall sell their foodstuffs and claim they have no right to enforce prices on us that affect our dealings with the public. If wholesalers and retailers are satisfied with a profit that will enable the public to buy for seven cents an article for which they have been compelled to pay ten cents, we believe it is our right. The difference of nearly 30 per cent is just about the average difference housewives are compelled to pay on many staple articles that they could buy cheaper if it were not for these objectionable contracts."

What chance has the consumer? Tariff trusts tax him for the last penny the tariff enables them to gouge out of him. And proprietary concerns tax him by means of contracts which refuse to allow dealers to handle the article except under an ironclad agreement to charge an outrageous profit. And these manufacturers are combined in an organization known as "The Specialty Manufacturers' Association," representing a capitalization of nearly \$150,000,000 and when any luckless dealer violates his contract with any one of them he has the entire combination to fight. There is therefore no competition, and no chance for any. The combine fixes the price, and the consumer must pay for it or go without. And the man who attempts to fight a foodstuffs combine by refusing to eat has heavy odds against him.

The Sherman act is still on the statute books. It has been there for some seventeen years. Under its provisions all such combinations as this in restraint of trade are illegal. The penalty is not only fine but imprisonment. It is also possible, under the act, to compel a dissolution of the trust. This law has been upheld in the courts. The nation pays a president, and attorney general, a department of commerce and labor and hundreds of law officers generous salaries for enforcing the law. But they don't enforce it. They don't want to "interfere with prosperity." They say we must have "peace." But the president has told us, himself, that he has a large fund of "sympathy" with the men in the bread line!

The consuming millions are entitled to the kind of government they vote for. And that is the kind they are getting.—Omaha World-Herald.

THE PRESSING DANGER

It would appear that the only way in which big business can be allowed to throttle competition and dictate prices in the United States is by the enactment by the congress of legislation similar to that which the president in his Des Moines speech advocated. We are now coming to a crucial period. If big business intimidates or overawes congress to modify the anti-trust law in the way the president suggested, we may just as well submit to have the prices of everything we buy and everything we sell fixed by the aggregation of capital which now rules this country. Our readers may assume that because President Taft was exalted to his high position on the recommendation of Roosevelt therefore anything that he may suggest is in the line of the Roosevelt policies, and may therefore fail to read his recommendations closely. We pointed out at the time of this speech that any such legislation as the president urged would give the big business free scope absolutely to do as it pleases with the people. If Aldrich had made this suggestion the entire country would have cried out against it, but coming from the president, the supposed friend of the Roosevelt policies, people have assumed that it was all right. Nothing has surprised us more than the apparent blindness of the American people and the political leaders to the real effect of the presi-

dent's suggestions. As we said before, so we say now, that his position is inconceivable except on the theory that he has gathered around him a lot of corporation lawyers and turned over to them the task of framing legislation, such legislation as will be acceptable to Mr. Aldrich and Mr. Cannon.—Wallace's Farmer.

THE INCOME TAX IN KENTUCKY

To the Editor of the Courier-Journal: I am surprised to find from the response to your inquiries addressed to the members of the incoming legislature that there seems to be some ground for doubt as to what action that body will take on the proposed amendment of the constitution authorizing an income tax.

For one hundred years it was held by the United States supreme court that congress had the power to levy an income tax. During Mr. Cleveland's last term congress passed an act to levy such tax, and Mr. Cleveland signed the bill. By a change of mind of one of the judges over night a bare majority of the supreme court held this act unconstitutional, thus reversing a century's decisions. From that time until the present every democratic national convention has declared in favor of a federal income tax. Public opinion has forced even the republican congress to submit the amendment now offered to the States. This tax tends to place a larger burden on those most able to bear it.

Even the monarchical countries of Europe impose such a tax. Our tariff tax falls most heavily on the poor. An income tax would fall most heavily on the rich, and thus serve to equalize the injustice of the tariff.

The states most likely to vote against the amendment are the northeastern states, where millionaires and multimillionaires most abound. Is it possible that Kentucky is to be lined up with those states? Is there to be a doubt where our next legislature, which is so overwhelmingly democratic, is to take its stand.

The voters of Kentucky overwhelmingly favor the amendment. Let us trust that their representatives will act in accordance with their will.

W. B. FLEMING.

Louisville, December 13, 1909.

HOME RULE AT LAST

The announcement recently made by Premier Asquith that the liberal program includes home rule for Ireland will be gratifying to the world at large and especially to Americans. In this country there has been almost universal sympathy with the aspirations of the Irish people to govern themselves and there will be general rejoicing that victory now seems in sight.

Democracy—democracy in a larger than partisan sense—seems on the eve of a great triumph. If the right of Great Britain's representative body to speak for the people is vindicated, the burden of landlordism lessened and home rule to Ireland granted it will make the coming election memorable in the annals of English history.

IS IT SO IGNORANT?

If the boys at the forks of the democratic creek do not take kindly to Mr. Bryan's suggestion of prohibition as a party issue, we suppose Mr. Bryan is ready to offer transmigration, predestination or infant baptism, if any of these appear to be more satisfactory.—Houston Post.

If the Houston Post does not know that Mr. Bryan has never made a "suggestion of prohibition as a party issue" then the Post is not entitled to rank among even the moderately informed newspapers. If it did know the facts and deliberately mistated them, then "the boys at the forks of the democratic creek" will know how to classify that publication.

THE STORAGE PROBLEM

The storage of water in the mountains is in its infancy. It is difficult to estimate the amount of desert land that can be reclaimed by the saving of the waters that go to waste during flood periods—waters that not only go to waste but do great damage in the lowlands. Here is a field for creative genius, for every acre reclaimed is a valuable addition to the nation's possessions.

And the storage of water suggests the storing of energy. What a tremendous increase there would be in worthy effort if the energy expended in idleness or on vice were saved for virtuous undertaking! Our schools, our colleges and our churches are engaged in the storing of human energy that otherwise desert lives may be converted into fruitful ones.