THE WIDOW AND ORPHAN

The untiring vigilance with which the Associated press and the hired writers on the great dailies work, should command the admiration of all. The inventive genius is as great as their never-ending activity. Just at present they have started a new scheme, somewhat resembling an old one worked for so long that the people have tired of it, but which did most excellent service for years. The old scheme came to be known as the "widow and orphan racket." When any attempt was made to resist the extortions of the railroads they always talked about the widows and orphans who owned the stock and that their rights must be protected. Now they say that the laboring man owns the railroads. A long dispatch was sent out by the Associated press declaring that there were a million owners of railroad stock in the United States. The wage-workers had invested their savings in railroad stock and the inference was that the railroads no longer were owned by the Goulds, Vanderbilts, Hills and Harrimans, but were owned by the wage-workers, and these great moguls were simply trustees, operating the roads for the benefit of the poor wage-workers. They did not go quite as far as Baer and openly claim that they were the trustees of God, holding the wealth for the glory of His name, but they came very near to it. Every household of the land will be flooded with that sort of literature in the future until the theme is worn out and then they will spring something else. That is the sort of stuff the people of this country have been fed upon for twenty-five years and more of the same sort will be furnished in the future.

The dailies say that there are a million separate owners of railroad stock. What of it? There are 80,000,000 people in this country and 6,000 of them own 99 per cent of the wealth.

UNBLUSHING EFFRONTERY

The unblushing effrontery of republican politicians is worthy of pyschological investigation. The Independent cannot understand the mental makeup of a man who seven years ago contended with all the strenuity of a bright and vigorous mind against the quantitative theory of money, and who will today, without any explanation as to why he changed his mind, base all his argument upon the very foundation he denied seven years ago.

The speech of Ellis H. Roberts, treasurer of the United States, upon "The Effects of the Inflow of Gold," before the American Bankers' meeting at San Francisco Thursday, is a case in point.

Independent readers need not be told the republican arguments in the campaign of 1896. Everything, save gold, then responded to the laws of supply and demand. A big crop of wheat, or a lighter demand for it, or both, meant a fall in the value of wheat—other things remaining as before—and a fall in the price of wheat (which is simply the "value" of wheat stated in terms of money). A scanty crop or a heavy foreign demand would drive wheat prices up. Both republicans and populists agreed upon this. But the republicans contended that the laws of supply and demand could not affect the value of gold—"because gold is the standard, you know." Gold was equally as immutable as God. There wasn't any difference but the letter "l".

This phase of the question was disputed by the populists, who contended that natural laws have no exceptions. An increase in the supply of gold bullion, without a corresponding increase in the supply of other things, must inevitably bring about a fall in the value of gold. This would not be so responsive, however, as, for example, in the case of an enormous crop of potatoes, because gold is a lasting material, practically imperishable, and the yearly output is a very small percentage of the total stock in the possession of mankind; while potatoes are perishable and must be consumed or allowed to waste within the year. Further, the populists applied this natural law to coined money, and contended that an increase in the denominational sum must result in a decrease in the value of each "dollar;" but that as each coin bears its "price" stamped upon it, the fall in the value of the "dollar" would be shown only in the increased "prices" of other commodities given in exchange for the dollar.

Accordingly, if last year it required three bushels of wheat to buy a coined dollar; and this year two bushels would command it, the rise in the "price" of wheat from 33 1-3 cents to 50 cents might be caused by one or more of several conditions: The supply of wheat this year may have been less; the demand may be greater; or the number of coined dollars may be greater. Say last year there were 6 bushels of wheat, 2 mouths to feed, and 2 coined dollars; this year there are only 4 bushels of wheat, but there are 3 mouths to feed, and 3 coined dollars for use in exchange. Evidently the value of "dollars" has fallen and the "value" of wheat risen; but the dollar is still nominally "a hundred-cent" dollar.

Giving statistics regarding the rapid inflow of gold bullion in the past five years, Mr. Roberts said:

> "This plethora of the precious metal in our country presents three problems interesting and important. What is to be the effect on our currency? What on prices and wages? What on our world relations?"

Answering the first question, Mr. Roberts scents a "possible peril," because—

> "Our circulation is undergoing an immense and continuous inflation. In five years the money in circulation in this country has run up from \$1,816,516,392 to \$2,404,617,069, an increase of \$588,020,677. The strength is that of this growth \$358,604,872 has been in gold, coin and certificates, an annual addition in that form of nearly \$72,000,000. We are to confront a further increase in our circulation, of which gold will constitute not far from \$80,000,000 a year. That precious metal, including the certificates standing for it, is now 42.27 of the total, and its share advances steadily."

"And gold," says the treasurer, "differing from notes of national banks, is money of final reserve and redemption, and the credit built upon it is higher and broader, so that the potential inflation may be carried further." But what possible difference could "inflation" make, if the republican contention of 1896 was correct? Let Mr. Roberts answer:

> "Prices of commodities have undoubtedly been borne upward by the inflation. Special influences have affected iron; Bessemer pig, which was \$10.25 in August, 1898, cost \$21.75 at the same time in 1903; steel billets in the same interval have risen from \$14.75 to \$34; No. 2 red winter wheat, which was 74 cents, became 74¼ cents; mess pork from \$9.75 jumped to \$18.25, and family beef from \$11.50 to \$15; cotton from 5 11-16 cents advanced to 8 9-16 cents; Ohio fleece wool fell from 28 to 27 cents.
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> "By index numbers, the advance of all commodities has been from \$76.808 to \$97.891, or twenty-one points. On full examination, the employers' association of Chicago finds that the cost of living in this country has increased 15 per cent in five years. Carroll D. Wright, head of the bureau of labor, with all the data of the anthracite coal commission, declares the advance to be from 15 to 17 per cent. These figures may be accepted as authoritative.
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> "Advance in wages follows increase in cost of living. In recent years it has come fast and strong. Large railway companies and other corporations have added 15 per cent at one step to wages paid, to meet the recognized advance in cost of living. The drift had been downward in wages from 1893 to 1898; since it has been steadily upward. In many cases it has exceeded the rise in cost of living. The general average may safely be stated at from 15 to 20 per cent. Persons with fixed incomes are burdened with the heavier cost of living without any offset, as they have the benefit of a fall in prices of commodities, when that occurs."

Without accepting his figures as to relatives rises in cost of living and in wages, let us bear in mind Mr. Roberts' statement that "prices of commodities have undoubtedly been borne upward by the inflation." What inflation? Why none other than that 588 millions of gold and silver coin and national bank notes injected into the circulation since 1898—an increase of more than 32 per cent in five years.

Isn't such a change of front, without a word of explanation, the most unblushing effrontery? Nevertheless it is a sincere tribute to the wisdom of the populist position.

TOM JOHNSON'S FIGHT

Tom Johnson is making one of the bravest fights any man ever made. The national democratic committee has given him no assistance whatever. There has not been a single democratic speaker sent into the state, while the republicans have rushed in every available speaker in their party. Raymond, the special correspondent of the Chicago Tribune, has been traveling with Johnson and he reports to his paper that "nowhere can one find the slightest trace of any help either from outside the state or from campaign orators of recognized note within its borders."

Besides that, he also says that the McLean democrats are doing all that they can to defeat Johnson and adds that it "is a certainty that half of the old line democrats will stay at home and the other half will vote the republican ticket."

What chance there can be for any one to hope to ever make a reform party of the democratic party is past comprehension. Every time that a man like Tom Johnson gets a nomination, the leaders of the party turn out and help the republicans to defeat him.

One thing is certain. If Tom Johnson does win in this fight, the McLean crowd of gold bugs will be kicked clear out, and the door locked against them. Tom Johnson has the courage to do just that sort of thing.

PUBLICITY

The shipbuilding trust fiasco is the third affair of its kind recently. Preceding it have been the break-up of the asphalt trust and the Consolidated Lake Superior company. The losses to shareholders in these three corporations have totaled \$100,000,000, yet nobody has been punished. This is an amazing statement of fact, yet true. The comparison between corporate methods of this kind and the prohibited business of the three-card monte man or the shell game man is so close as to defy distinction, except that the corporations have had "eminent" financiers engaged in their management while the other men are not. And yet the trustful public has as fair an opportunity in one as the other. That punishment should be meted out to somebody cannot be gainsaid, but the ruined stockholders are usually unable to make much headway in this direction. In any event, the duty of investigation should fall on the government. The policy of issuing stock for which no value exists is a fraud per se and punishable under the common law if not under the statutes.

> The damage done at this time consists not only in enormous losses or actual ruin to shareholders of the defunct corporations. It is the blow to public confidence that is most serious. Nobody can be sure, under the corporate policy of nonpublicity and secret market agreements, as to what it is represented to. The sooner the federal government exercises its right to inquire and enforces the policy of publicity, the better it will be for public confidence and the general business situation.—Pittsburg (Pa.) Leader.

Publicity alone will avail nothing. But a national corporation law, after the model framed by Prof. Horack in his "Organization and Control of Industrial Corporations" (Equity Series, 1520 Chestnut st., Philadelphia), would go a long way toward correcting the evil. Without doubt it would be sufficient after the natural monopolies are taken over under government ownership.