

THE CONSUMER.

"I never loved a dear Gazelle
Nor anything that cost me much.
High prices profit those who sell,
But why should I be fond of such?"

"Theme with Variations."—Carroll.

IN examining the scanty records of antiquity side by side with the abounding ones of modern times, the careful student cannot but marvel that while in all other respects the doctrine of evolution is so manifestly upheld, the character of the Consumer gives it the lie. While (as the learned philosopher Herbert Spencer has irrefutably shown) all other things have, from being monotonously homogeneous and darkly indefinite, grown to be divertingly heterogeneous and dazzlingly definite, the Consumer, in spite of these perplexingly complicated changes in his environment, has not altered a jot. To-day, as in the times of Aristotle or the earliest Egyptian dynasty, his one indissoluble and indestructible characteristic is the love of bargains. Ancient or modern, his god is Cheapness, in the passion of whose adoration he sinks all regard for causes and consequences.

His ideal of conditions under which production shall take place is aptly illustrated by the parable of "The Two Broom-makers." These competitors, in order to satisfy the constant clamor for cheaper goods rife in their neighborhood, kept on cutting prices to the point where one was driven to the wall and compelled to shut his shop. Shortly after this untoward conclusion, the defeated manufacturer, meeting the victorious one, said:

"My friend (if I may be permitted so to address you), tell me, pray, how was it possible for you to undersell me, since (I confess it with shame) I stole all my materials?"

"Nothing simpler than that," replied the other: "I stole my goods ready-made."

Not that the Consumer countenances stealing. Oh, no! his religion forbids that. The Bible says, "Thou shalt not steal." But it does not say, "Thou shalt not eliminate wages, interest, rent, and profits." Such elimination is therefore a purely economic matter with which

faith and ethics have nothing to do; indeed (on the authority of some), they actually prescribe it. It is hardly necessary to add that by its means the Consumer gets all the benefits of stealing, without losing his chance or perhaps increasing his chance of going to Heaven.

Hence it is but natural that from the earliest times to the present day the mind of the Consumer has been intent upon eliminating, or at least reducing to the lowest possible level, those irksome factors of price. Guided by the light afforded by the knowledge of this characteristic, events of economic legislation from the earliest days to the present which might otherwise puzzle us are as easy to comprehend as the syllogism "Barbara." We are, for instance, no longer at a loss to understand the admiration in which the institution of slavery has always been held by the most eminent thinkers and philanthropists, and why it formed an integral part of the polity of such enlightened nations as the republics of Greece and Rome, and until quite recently of that of the United States of America. For do not slaves work without wages, and therefore does not slavery conduce to Cheapness? *Ergo*, slavery is a beneficent institution and slave-ownership an enlightened expression of philanthropy.

However, in the progress of time slavery, notwithstanding its manifest advantages to the Consumer, ceased to become practicable among Christian nations, and henceforth the element of wages could no longer be entirely eliminated. It then became essential to do the next best thing, viz., to keep wages down as low as possible and repress the injurious desire of laborers to obtain high wages in their selfish interests. Consequently, as soon as slavery and serfdom were abolished, we find the statute-books of civilized countries teeming with expressions of indignation at the insolence of the wage classes, who constantly desired to combine together in order to rob the poor Consumer, and who sometimes actually refused to do work unless their tyrannical exactions were submitted to. Laws fixing hours of labor and the proper pay for the laborer now began to adorn legislative records. This beneficent legislation of a positive character was, moreover, helped out (as such legislation always must be) by indirect and ancillary laws, as, for instance, statutes against vagrancy. If a beggar or a workman took it into his head that he would rather beg than work for wages that he deemed beggarly, these laws took the conceit out of him. And indeed, what would have been the use of making laws regulating wages and fixing the hours of labor if the laborer had the option of refusing to work?

Some historians have criticised the old English vagrancy laws as too severe; and it must be admitted that they appear cruel when we read them without a knowledge of the situation which made them necessary. But knowing as we do that they were only prompted by benevolence in the interest of the poor Consumer, we can appreciate and value them, for there are only two methods of reducing wages to their lowest level. One is the simple one of direct regulations, fixing how much a laborer is to get for each particular job and the length of time in which he is allowed to accomplish it; the second, such indirect regulations as will tend to promote a lively competition among laborers. But what is the use of laws for the promotion of competition among laborers unless the laborer can be compelled to labor? If he is allowed to stop work and go begging, laws fixing hours of labor become meaningless.

We must, however, bear in mind that in the middle ages the laborer had no vote. From the day he obtained the suffrage, legislation tending to eliminate or at least mitigate him as an element of price has been swept out of existence. He has become even more important to the politician than the poor Consumer. If a price should now be fixed, it would be at a maximum and not at a minimum; if hours of labor are now regulated, it is at a minimum and not at a maximum. By legislation and otherwise the laborer is now supposed to be entitled to exact as much as the "traffic will bear." Competition between laborers, instead of being excited, as it formerly was, is now discouraged. Combination to raise the rate of wages is no longer a conspiracy, but a duty. The poor Consumer, who in previous ages was so well protected against the men who work with their hands, is now abandoned to their merciless exactions. He must recoup himself elsewhere.

Interest, the second element of price, has been, as history teaches us, looked upon with even less favor than wages. We find that sages and "other friends of their kind" have constantly declaimed against it, and that laws abolishing it or restricting it have always been received with acclamation. We do not read that it had ever been anywhere entirely suppressed, as wages are when slavery prevails; the reason for this historical discrimination in favor of interest being that you can whip a slave into working, but you cannot whip money into circulation: in other words, where there is no interest to be got, money vanishes, and this has never been considered desirable. When nations or individuals desire to borrow, it is convenient to have

some one around who has something to lend; and indeed, without people around who have money to lend, even legislators sometimes found life not worth living. Moreover, the hardship of borrowing is not remediless.

If the money-lenders become too importunate in their demand for interest, and possibly even go so far as to ask for the return of the principal when it is inconvenient to return it, you can in case of necessity murder them, or banish them, or outlaw them, or clip the coins on them if you are barbarous and mediæval; if you are enlightened and of the nineteenth century, you can repudiate your debt, or enact laws for the free coinage of silver. In spite, therefore, of the disfavor with which interest has at all times been regarded, it has been tolerated as a necessary evil and tempered by such methods as outraged nations and individuals always resort to when it becomes inconvenient, for the time being, to be bothered with it. It can be regulated by usury laws and other devices to keep it at a minimum, but there is but little hope of ever entirely eliminating it.

Rent, the third factor of price, and resembling interest in many respects, has, like interest, been tolerated at all times, but for altogether different reasons. In ancient times, as well as in the middle ages, the people who took rents took care also to make laws; and holding so agreeable a double position, their claim for recognition could not well be disputed. No serious attempt to regulate or restrict rent has therefore ever been made, excepting in Ireland.

Indeed, as a rule the landlord was favored in many ways by legislation at the expense of the other factors of price. When legislating it was important to him to think of himself as landlord and to forget himself as Consumer, making up for his losses in the latter aspect by repressing the other elements of price. Not that the Consumer did not resent this preferred claim, and chafe under the despotism which recognized it without the mitigation that wages, interest, and profits had always received; and so this despotism also was frequently tempered by burning the landlord and legislator's house over his head and cutting his throat. However, this means of relief never yielded more than a temporary advantage, as the landlords continued to exercise the law-making power and preside over the enforcement of the laws made by them, so that the punishment swiftly followed the crime.

Latterly, the position of rent, unlike that of the other factors of price, has been completely vindicated as far as the Consumer is con-

cerned. For did not Ricardo discover that rent is not an element of price at all? Since that wonderful discovery was made the landlord has been able to keep on increasing his income without any prejudice whatsoever to the Consumer, including himself as such, and thus rent has been allowed steadily to rise without serious objections on anybody's part—excepting always in Ireland. That discovery has, in fact, enabled the landlord to kill two birds with the one stone. He has more of the wherewithal for purposes of consumption, and yet as voter can continue to aid in reducing the other factors of price which alone tend to make consumption expensive. There would seem now no limit to his prosperity were it not for Mr. Henry George, who has rightfully argued that on the very account of this condition of happiness, so superior to that of the rest of the community, the landlord ought himself to be eliminated. Not, indeed, for the mere negative benefit of the Consumer—as since Ricardo's discovery such elimination could by no possibility benefit the latter, as with or without rent expenses now remain the same—but on the higher ground of pure philanthropy and for the benefit of society in general, which ought to confiscate such a source of innocuous revenue. His argument, too, is meeting with constantly increasing favor, and some day, when we shall have reached a higher plane of civilization than that in which questions of mere elimination of elements of price are of importance, it will engage the serious attention of then otherwise unoccupied legislators.

Unpopular, however, as wages, interest, and rent have at all times been, they have never awakened the resentment of the Consumer to the degree called forth by that remaining augments of prices known as profits. It seems, in truth, absurd that any one should get more for a thing than he himself has paid for it. While there may be some justification for wages when any one who chooses can see work actually being done; while there is an excuse for interest because the lender actually deprives himself of his own money, and an excuse for rent because any one who chooses can see the land on which rent is paid, it is not so evident that it is just to pay for so simple a thing as lying awake at nights thinking, and borrowing money. It seems hard to be required to pay compensation for these operations every time one buys a loaf of bread or a paper of pins. Then, again, the man who takes the profit is so obtrusive; while wages, interest, and rent are modestly hidden in the price, and the Consumer can only obtain a glimpse of them by an effort of thought, for which, as we know, the Consumer, whose whole bent of mind is directed toward “con-

suming," has neither time nor inclination. Thus the man who takes profits not only obtrudes his own person to the Consumer's eye, but he actually takes wages, interest, and rent under his wing, as it were, and incorporates in himself each hateful element of price. Is it a wonder, then, that he continues to be rightfully the subject of repressive legislation after such legislation has been abandoned as to the other elements? By squeezing him are not all these squeezed at the same time, without troubling either the brains or the conscience of the legislator or of his constituents?

Philanthropic people look with horror on the often-described terrors of factory and all other kinds of labor. Their hearts bubble over with infinite compassion whenever they are brought face to face with moving pictures of the difficulties attendant upon work. Their conscience prompts them to favor constantly increasing wages, but they feel that it would be wrongful that those wages should be increased at their expense. This is a proposition which is not for a moment to be thought of. What a comfort it is, then, for them to know that, after all, the profit-taker pays the wages; and as he is but a drone in society who does nothing but borrow money and think, it is pleasant for them to feel that they can still all their pangs of conscience and give vent to their sympathetic feelings for down-trodden humanity at the expense of so useless an object.

The same methods that used to be employed with so much success in keeping wages down to the lowest level, and possibly eliminating them altogether, have gone on, *pari passu*, for the benefit of the Consumer in respect of keeping down profits and possibly eliminating them. Profits, therefore, similar to wages, have been the subject of repressive legislation ever since Europe emerged from barbarism into statute-making. It is as easy to fix the price at which articles are to be sold as it is to fix the rate of wages, and just as easy as it is to prevent the laborers from combining in order to raise the rate of wages is it to prevent profit-takers from conspiring together in order to raise their profits; and it has been found at all times that laws against forestalling, engrossing, restraint of trade, combinations, trusts, and all other devices by which profits are expected to be increased (either by destroying competition or by restricting production) are easy to enact. After having enacted such laws, you can let competition do the rest. If that, then, goes to the extent expressed by the parable of the broom-makers above cited, so that the profit-taker will steal his things ready-made and eliminate for you the items of rent,

wages, and interest, and have his own share of price reduced to a minimum by appropriate legislation, the Consumer's millennium is at hand.

And the accurate historian must record with satisfaction that in the United States both methods of keeping down profits and consequently prices are making excellent progress, and if they are allowed to continue without interruption this millennium will be brought about by the aid of Congress, State legislatures, and the courts, with as little trouble as the transformation scene in a pantomime. In happy company side by side, the two methods adorn our records, sometimes employed at the same time on the same object and sometimes parting to meet again. Consider the wonderful results already accomplished by this combination in the matter of railroad rates! Can any one picture the unheard-of prosperity to which they will lead us when in the progressive lowering of those rates, affected by the united efforts of railroad commissions and unrestrained competition, wages, interest, rent, and profits in railroading, which make so large an item of cost to the Consumer, shall have been entirely eliminated?

Indeed, it is likely that by this method not only will it be impossible in future to construct any more of those instruments of tyrannic exaction, but perhaps even the time may come when those now existing will be torn from their beds, and their rolling-stock and appurtenances burned in a grand bonfire to Liberty; and when that happy period will have been reached, things will be so cheap that even the poorest wage-earner will be able to drive to his workshop in a coach-and-four. But superior in its probably beneficent effects, even to railroad commissions and the laws for unrestricted railroad competition, is that flower of benevolent legislation protecting the poor Consumer compared to which all previous statutes ancient and modern are only blooming buds—the Federal Anti-Trust Law. This is a law fitting to make the mediæval legislators turn in their graves with admiration and envy; and it is only proper that its first effect will be to secure for us an unflinching output of cheap whiskey.

Oh! for the Pindar to sing dithyrambs to the glories of our vigilant administration, which under the ægis of this sublime law, through the instrumentality of our revered courts, supported by the potency of our armies and navies, is now waging a holy war against those arch-conspirators who have combined together to restrict the production of that necessary of life! Would that in the revival

of the humane institutions of the middle ages, which is now so fortunately progressing, the pillory be included, so that after conviction, instead of obtaining the obscuring shelter of the prison walls, these malefactors may be put in stocks and exposed under the brilliant light of the day, as living witnesses to our controlling maxim: "*Fiat justitia pereat mundus*"—"Let us have bargains, though the world be drowned in liquor!" It is high time, too, that this crowning work, so auspiciously begun, be speedily brought to its consummation; for in the happy era now dawning upon us, when rent, interest, profits (and possibly wages) shall have been eliminated, life without unlimited whiskey is unthinkable!

ISAAC L. RICE.

THE STANDARD OIL TRUST: THE GOSPEL OF GREED.

WHY condemn a trust which, it is alleged, is merely a partnership on a large scale? If you do not object to two men combining with two thousand dollars of capital, to carry on a mercantile business, why condemn two thousand men combined with a hundred millions, under the form of a corporation, or of eighteen corporations, in which the two thousand are stockholders, to engage in buying, selling, producing, and manufacturing a single commodity, together with all the ingredients, materials, and necessities entering into the business of such buying, selling, producing, and manufacturing? The answers which the writer of the article on "Ten Years of the Standard Oil Trust" in the May FORUM seems to think so impossible to make are found in the statement of the questions. Indeed, there are many sufficient answers. One is apparent by direct admission in the article, "that association confers power upon the associates, that it gives them an advantage over unassociated individuals, and that such power may be used for evil as well as good," and in the statement, "While contending that association decreases prices, I must necessarily acknowledge that it makes competition by individuals difficult."

The conclusive answer to these theories is the same as the answer that would be made by free Americans to a proposition to establish in the United States a despotic monarchy. It is opposed to the spirit of our people and their institutions; it has been tried and condemned. It is not, as is pretended, the invention of a new system of economies for the benefit of mankind; it is merely seeking to impose upon us, galvanized into seeming life, a decayed relic of a former age, which our ancestors cast off and buried. There are still other objections to the kind of trust defended by Mr. Dodd beyond those that it tends directly to the establishment of monopoly and is a dangerous concentration of power in the hands of a few. The recently invented combination which has come to be known as a "trust" is formed by placing a majority of the shares of stock of a corporation in the control of persons called trustees. These are usually chosen from others than the body of stockholders or boards of direction of the several corpora-