

clusion that competition should be abolished, are like those who, seeing a house burn down would prohibit the use of fire.

The air we breathe exerts upon every square inch of our bodies a pressure of fifteen pounds. Were this pressure exerted only on one side, it would pin us to the ground and crush us to a jelly. But being exerted on all sides, we move under it with perfect freedom. It not only does not inconvenience us, but it serves such indispensable purposes that, relieved of its pressure, we should die.

So it is with competition. Where there exists a class denied all right to the element necessary to life and labor, competition is one-sided, and as population increases must press the lowest class into virtual slavery, and even starvation. But where the natural rights of all are secured, then competition, acting on every hand—between employers as between employed; between buyers as between sellers—can injure no one. On the contrary it becomes the most simple, most extensive, most elastic, and most refined system of co-operation, that in the present stage of social development, and in the domain where it will freely act, we can rely on for the co-ordination of industry and the economizing of social forces.

In short, competition plays just such a part in the social organism as those vital impulses which are beneath consciousness do in the bodily organism. With it, as with them, it is only necessary that it should be free. The line at which the state should come in is that where free competition becomes impossible—a line analogous to that which in the individual organism separates the conscious from the unconscious functions. There is such a line, though extreme socialists and extreme individualists both ignore it. The extreme individualist is like the man who would have his hunger provide him food; the extreme socialist is like the man who would have his conscious will direct his stomach how to digest it.

Individualism and socialism are in truth not antagonistic but correlative. Where the domain of the one principle ends that of the other begins. And although the motto *laissez faire* has been taken as the watchword of an individualism that tends to anarchism, and so-called free traders have made "the law of supply and demand" a stench in the nostrils of men alive to social injustice, there is in free trade nothing that conflicts with a rational socialism. On the contrary, we have but to carry out the free-trade principle to its logical conclusions to see that it brings us to such socialism.

The free-trade principle is, as we have seen, the principle of free production—it requires not merely the abolition of protective tariffs, but the removal of all restrictions upon productions.

Within recent years a class of restrictions on productions, imposed by concentrations and combinations which have for their purpose the limiting of production and the increase of prices have begun to make themselves felt and to assume greater and greater importance.

This power of combinations to restrict production arises in some cases from temporary monopolies granted by our patent laws, which (being the premium that society holds out to invention), have a compensatory principle, however faulty they may be in method.

Such cases aside, this power of restricting production is derived, in part, from tariff restrictions. Thus the American steel-makers who have recently limited their production, and put up the price of rails 40 per cent, at one stroke, are enabled to do this only by the heavy duty on imported rails. They are able, by combination, to put up the price of steel rails to the point at which they could be imported plus the duty, but no further. Hence, with the abolition of the duty this power would be gone. To prevent the play of competition, a combination of the steel workers of the whole world would then be necessary, and this is practically impossible.

In other part, this restrictive power arises from ability to monopolize natural advantages. This would be destroyed if the taxation of land values made it unprofitable to hold land without using it. In still other part, it arises from the control of businesses which in their nature do not admit of competition such as those of railway, telegraph, gas and other similar companies.

I read in the daily papers that half a dozen representatives of the "anthracite coal interest" met last evening (March 24, 1886), in an office in New York. Their conference, interrupted only by a collation, lasted till three o'clock in the morning. When they separated they had come to "an understanding among gentlemen" to restrict the production of anthracite coal and advance its price.

Now how comes it that half a dozen men, sitting around some bottles of champagne and a box of cigars in a New York office, can by an "understanding among gentlemen" compel Pennsylvania miners to stand idle,

and advance the price of coal along the whole eastern seaboard? The power thus exercised is derived in various parts from three sources.

1. From the protective duty on coal. Free trade would abolish that.

2. From the power to monopolize land, which enables them to prevent others from using coal deposits which they will not use themselves. True free trade, as we have seen, would abolish that.

3. From the control of railways, and the consequent power of fixing rates and making discriminations in transportation.

The power of fixing rates of transportation, and in this way of discriminating against persons and places, is a power essentially of the same nature as that exercised by governments in levying import duties. And the principle of free trade as clearly requires the removal of such restrictions as it requires the removal of import duties. But here we reach a point where positive action on the part of government is needed. Except as between terminals or "competitive" points where two or more roads meet (and as to these the tendency is by combination or "pooling," to do away with competition), the carrying of goods and passengers by railroads, the business of telegraph, telephone, gas, water, or similar companies, is in its nature a monopoly. To prevent restrictions and discriminations, governmental control is therefore required. Such control is not only not inconsistent with the free-trade principle; it follows from it, just as the interference of government to prevent and punish assaults upon persons and property follows from the principle of individual liberty. Thus, if we carry free trade to its logical conclusions, we are inevitably led to what monopolists, who wish to be "let alone" to plunder the public, denounce as "socialism," and which is, indeed, socialism, in the sense that it recognizes the true domain of social functions.

Whether businesses in their nature monopolies should be regulated by law or should be carried on by the community is a question of method. It seems to me, however, that experience goes to show that better results can be secured, with less risk of governmental corruption, by state management than by state regulation. But the great simplification of government which would result from the abolition of the present complex and demoralizing modes of taxation would vastly increase the ease and safety with which either of these methods could be applied. The assumption by the state of all those social functions in which competition will not operate would involve nothing like the strain upon governmental powers, and would be nothing like as provocative of corruption and dishonesty as our present method of collecting taxes. The more equal distribution of wealth that would ensue from the reform which thus simplified government, would, moreover, increase public intelligence and purify public morals, and enable us to bring a higher standard of honesty and ability to the management of public affairs. We have no right to assume that men would be as grasping and dishonest in a social state where the poorest could get an abundant living as they are in the present social state, where the fear of poverty begets insane greed.

There is another way, moreover, in which true free trade tends strongly to socialism, in the highest and best sense of the term. The taking for the use of the community of that value of privilege which attaches to the possession of land, would, wherever social development has advanced beyond a certain stage, yield revenues even larger than those now raised by taxation, while there would be an enormous reduction in public expenses consequent, directly and indirectly, upon the abolition of present modes of taxation. Thus would be provided a fund, increasing steadily with social growth, that could be applied to social purposes now neglected. And among the purposes which will suggest themselves to the reader by which the surplus income of the community could be used to increase the sum of human knowledge, the diffusion of elevating tastes, and the gratification of healthy desires, there is none more worthy than that of making honorable provision for those deprived of their natural protectors, or through no fault of their own incapacitated for the struggle of life.

We should think it sin and shame if a great steamer, dashing across the ocean, were not brought to a stop by a signal of distress from the meanest smack; at the sight of an infant lashed to a spar, the mighty ship would round to, and men would spring to launch a boat in angry seas. Thus strongly does the bond of our common humanity appeal to us when we get beyond the hum of civilized life. And yet—a miner is entombed alive, a painter falls from a scaffold, a brakeman is crushed in coupling cars, a merchant falls, falls ill and dies, and organized society leaves widow and children to bitter want or degrading alms. This ought not to be. Citizenship