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EDITORIAL

CAUGHT “RED-TONGUED.”

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THE “sparks” that flew in Massachusetts, in the bout between Robert Luce, a spokesman for the manufacturers, and Eugene N. Foss, the paladin of the “common people,” or the “consumer,” then running for re-election for Governor, illuminate many a dark corner in the House of Capital. One of these sparks, together with the particular corner that it lights, has been considered in a previous issue. There is another brilliant spark with its correlated mysteriously black corner, that should not be passed unnoticed.

Robert Luce, stand-pat manufacturer, was making a “poor mouth.” Dividends are low; they are now too low for real prosperity; a lower tariff will almost wipe out dividends; whatever prosperity is now enjoyed will be materially scuttled if the duties are reduced. Thus, in substance, ran Mr. Luce’s plea.

And then, up stepped Governor Foss, the “commoner,” with his answer. It amounted to a general denial with specifications in figures:—in 1907, the Acushnet Mills paid 66 per cent; in 1910, they declared a stock dividend of 100 per cent. In 1907, the Dartmouth Mill paid 86 per cent. In 1903, the Bourne Mill paid 40 per cent. In 1906, the King Philip Mill paid 50 per cent. in stock or cash at the option of the stockholder. In 1907, the Laurel Lake Mill paid a stock dividend of 100 per cent. In the same year the Merchants Mills paid a stock dividend of 50 per cent., the Poccassett Mills paid a stock dividend of 100 per cent. In 1906, the Tecumseh Mill paid a stock dividend of 50 per cent., and in 1909 a bond dividend running in different years from 16 per cent. to 67 per cent. And so right along with the rest of the mills.

The particular dark corner that these sparks threw light into are not so much the mendacity of the capitalist, nor yet the vast amounts that the capitalist fleeces the workers of. These dark corners have been pretty well lighted before. The particular dark corner, to which attention is here called, is one that usually escapes ob-

servation.

The figures quoted by Governor Foss are fierce; and fiercely were they denied; and emphatically did the Governor authenticate them.

The capitalist affects devotion to two principles, among others. He affects devotion to his Government; he also affects devotion to "honesty in business." Seeing, however, that profits are the impelling force with him, he is driven to violate both—as the above "sparks" in the conflict between Robert Luce and Governor Foss illuminate.

In search of profits, the capitalist lies to his Government by pretending that he is manufacturing at a loss, or with a very narrow margin. The pretence causes the tariff to be raised, in order that the "loss," with which the whining capitalist manufactures, be turned to a gain; or that the "narrow margin" be widened, and the trembling capitalist may travel not quite so near the jagged edge on the precipice of bankruptcy.

In search of profits, the capitalist also tries to sell his stock. The higher he sells above par, the larger his gains. In order to sell thus profitably, he must show, or try to show, tremendous dividends. And he does show such dividends—on paper.

This double-dealing goes on safely enough for a while, until a snag is struck. When the snag is struck the truth leaks out. The capitalist is then bound to have lied to his own Government, and to have lied to his fellow capitalists abroad whom he stuck with stock.

The American top-manufacturer has two sets of reports—

One for home consumption, declaiming upon the "princely wages" that he pays, and deploring the smallness of profits, and urging the raising of the tariff to equalize the cost of production between America and the pauper labor abroad;

The other report is for consumption abroad, extolling the tremendousness of profits, and thereby winking between lines at the dirt-cheapness of labor at home.

In the dark corner illumined by the combined statements of Robert Luce and Governor Foss, our top-manufacturer is caught red-tongued.

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