

PROGRESSIVE DEMOCRACY¹

THE HIGH COST OF LIVING

EDITORIAL BY THEODORE ROOSEVELT

THERE can be no more important question than the high cost of living necessities.

The main purpose of the Progressive movement is to place the American people in possession of their birthright, to secure for all the American people unobstructed access to the fountains of measureless prosperity which their Creator offers them. We in this country are blessed with great natural resources, and our men and women have a very high standard of intelligence and of industrial capacity. Surely, such being the case, we cannot permanently support conditions under which each family finds it increasingly difficult to secure the necessities of life and a fair share

of its comforts through the earnings of its members.

The cost of living in this country has risen during the last few years out of all proportion to the increase in the rate of most salaries and wages; the same situation confronts alike the majority of wage-workers, small business men, small professional men, the clerks, the doctors, clergymen.

Now, grave though the problem is, there is one way to make it graver, and that is to deal with it insincerely, to advance false remedies, to promise the impossible. Our opponents, Republicans and Democrats alike, propose to deal with it in this way. The Republicans in their platform promise an inquiry into the facts. Most certainly there should be such inquiry. But the way the present Administration has failed to keep its

¹ In a series of editorials, of which this is one, Mr. Roosevelt is repeating in essence the statement of his political faith made before the Progressive Convention at Chicago.

promises in the past, and the rank dishonesty of action on the part of the Penrose-Barnes-Guggenheim National Convention, makes their every promise worthless.

The Democratic platform affects to find the entire cause of the high cost of living in the tariff, and promises to remedy it by free trade, especially free trade in the necessities of life. In the first place, this attitude ignores the patent fact that the problem is world-wide, that everywhere, in England and France, as in Germany and Japan, it appears with greater or less severity; that in England, for instance, it has become a very severe problem, although neither the tariff nor, save to a small degree, the trusts can there have any possible effect upon the situation.

In the second place, the Democratic platform, if it is sincere, must mean that all duties will be taken off the products of the farmer. Yet most certainly we cannot afford to have the farmer struck down. The welfare of the tiller of the soil is as important as the welfare of the wage-worker himself, and we must sedulously guard both. The farmer, the producer of the necessities of life, can himself live only if he raises these necessities for a profit. On the other hand, the consumer who must have that farmer's product in order to live, must be allowed to purchase it at the lowest cost that can give the farmer his profit, and everything possible must be done to eliminate any middleman whose function does not tend to increase the cheapness of distribution of the product; and, moreover, everything must be done to stop all speculating, all gambling with the bread-basket, which has even the slightest deleterious effect upon the producer and the consumer. There must be legislation which will bring about a closer business relationship between the farmer and the consumer. Recently experts in the Agricultural Department have figured that nearly fifty per cent of the price for agricultural products paid by the consumer goes into the pockets, not of the farmer, but of various middlemen; and it is probable that over half of what is thus paid to middlemen is needless, can be saved by wise business methods (introduced through both law and custom), and can therefore be returned to the farmer and the consumer. Through the proposed Inter-State Industrial Commission we can effectively do away with any arbitrary control by combinations of the necessities of life.

Furthermore, the Governments of the Nation and of the several States must combine in doing everything they can to make the farmer's business profitable, so that he shall get more out of the soil, and enjoy better business facilities for marketing what he thus gets. In this manner his return will be increased while the price to the consumer is diminished. The elimination of the middleman by agricultural exchanges and by the use of improved business methods generally, the development of good roads, the reclamation of arid lands and swamp lands, the improvement in the productivity of farms, the encouragement of all agencies which tend to bring people back to the soil and to make country life more interesting as well as more profitable—all these movements will help not only the farmer but the man who consumes the farmer's products.

There is urgent need of non-partisan expert examination into any tariff schedule which seems to increase the cost of living, and, unless the increase thus caused is more than countervailed by the benefit to the class of the community which actually receives the protection, it must of course mean that that particular duty must be reduced. The system of levying a tariff for the protection and encouragement of American industry so as to secure higher wages and better conditions of life for American laborers must never be perverted so as to operate for the impoverishment of those whom it was intended to benefit.

But, in any event, the effect of the tariff on the cost of living is slight; any householder can satisfy himself of this fact by considering the increase in price of articles, like milk and eggs, upon which the influence of both the tariff and the trusts is negligible. No conditions have been shown which warrant us in believing that the abolition of the protective tariff as a whole would bring any substantial benefit to the consumer, while it would certainly cause unheard-of immediate disaster to all wage-workers, all business men, and all farmers, and in all probability would permanently lower the standard of living here.

In order to show the utter futility of the belief that the abolition of the tariff and the establishment of free trade would remedy the condition complained of, all that is necessary is to look at the course of industrial events in England and in Germany during the last thirty years, the former under free trade, the latter under a protective system. During these thirty years it is a matter of common

knowledge that Germany has forged ahead relatively to England, and this not only as regards the employers, but as regards the wage-earners—in short, as regards all members of the industrial classes. Doubtless many causes have combined to produce this result; it is not to be ascribed to the tariff alone, but, on the other hand, it is evident that it could not have come about if a protective tariff were even a chief cause among many other causes of the high cost of living.

It is also asserted that the trusts are responsible for the high cost of living. I have no question that, as regards certain trusts, this is true. I also have no question that it will continue to be true just as long as the country confines itself to acting as the Baltimore platform demands that we act. This demand is, in effect, for the States and National Government to make the futile attempt to exercise forty-nine sovereign and conflicting authorities in the effort jointly to suppress the trusts, while at the same time the National Government refuses to exercise proper control over them. There will be no diminution in the cost of trust-made articles so long as our Government attempts the impossible task of restoring the flint-lock conditions of business sixty years ago by trusting only to a succession of lawsuits under the Anti-Trust Law—a method which it has been definitely shown usually results to the benefit of any big business concern which really ought to be dissolved, but which causes disturbances and distress to multitudes of smaller concerns. Trusts which increase production—unless they do it wastefully, as in certain forms of mining and lumbering—cannot permanently increase the cost of living; it is the trusts which limit production, or which, without limiting production, take advantage of the lack of governmental control, and eliminate competition by combining to control the market, that cause an increase in the cost of living.

There should be established at once, as I have elsewhere said, under the National Government an inter-State Industrial Commission, which should exercise full supervision over the big industrial concerns doing an inter-State business into which an element of monopoly enters. Where these concerns deal with the necessities of life the Commission should not shrink, if the necessity is proved, of going to the extent of exercising regulatory control over the conditions that create or determine monopoly prices.

By such action we shall certainly be able retrogressive and reactionary. There is no progress in it. It represents an effort to go back; to put this Nation of a hundred millions, existing under modern conditions, back to where it was as a Nation of twenty-five millions in the days of the stage-coach and canal-boat. Such an attitude is toryism, not Progressivism.

In addition, then, to the remedies that we

to remove the element of contributory causation on the part of the trusts and the tariff towards the high cost of living. There will remain many other elements. Wrong taxation, including failure to tax swollen inheritances and unused land and other natural resources held for speculative purposes, is one of these elements.

The modern tendency to leave the country for the town is another element; and exhaustion of the soil and poor methods of raising and marketing the products of the soil make up another element, as I have already shown. Another element is that of waste and extravagance, individual and National. No laws which the wit of man can devise will avail to make the community prosperous if the average individual lives in such fashion that his expenditure always exceeds his income.

National extravagance—that is, the expenditure of money which is not warranted—we can ourselves control; and to some degree we can help in doing away with the extravagance caused by international rivalries.

These are all definite methods by which something can be accomplished in the direction of decreasing the cost of living. All taken together will not fully meet the situation. There are in it elements which as yet we do not understand. We can be certain that the remedy proposed by the Democratic party is a quack remedy. It is just as emphatically a quack remedy as was the quack remedy, the panacea, the universal cure-all which they proposed sixteen years ago. It is instructive to compare what they now say with what they said in 1896. Only sixteen years ago they were telling us that the decrease in prices was fatal to our people, that the fall in the production of gold, and, as a consequence, the fall in the prices of commodities, was responsible for our ills. Now they ascribe these ills to diametrically opposite causes, such as the rise in the price of commodities. It may well be that the immense output of gold during the last few years is partly responsible for certain phases of the present trouble—which is an instructive commentary on the wisdom of those men who sixteen years ago insisted that the remedy for everything was to be found in the mere additional output of coin, silver and gold alike.

There is no more curious delusion than that the Democratic platform is a Progressive platform. The Democratic platform, representing the best thought of the acknowledged Democratic leaders at Baltimore, is purely can begin forthwith, there should be a fearless, intelligent, and searching inquiry into the whole subject, made by an absolutely non-partisan body of experts, with no prejudices to warp their minds, no object to serve, who shall recommend any necessary remedy, heedless of what interest may be helped or hurt thereby, and caring only for the interests of the people as a whole.