

ment would have "hit hard." The Canadian elections have mussed up all these pretty political plans. Although Mr. Taft did secure a chorus of friendly newspaper shouts with his Freetrade policy for print-paper, and although some insurgent Republicans were temporarily embarrassed, the Canadian elections clear the atmosphere in American politics; not to the satisfaction of Mr. Taft, to be sure, but for the public good. Nor is there any loss in popular value of a single one of the Freetrade arguments that President Taft and the newspapers have advanced in support of Canadian reciprocity.



If Canada had adopted that agreement, our newspapers might have been satisfied to continue their championship of Protection robbery in other than print-paper transactions, but it is hardly likely that they will do so now. Already reports are current that indicate higher prices for print-paper in consequence of the defeat of Canadian reciprocity. So newspapers will probably have to continue taking "pot luck" with other American consumers in this game of forcing excessive price burdens upon consumption for the benefit of monopoly interests in production. They are more likely, therefore, than they otherwise might have been, to grow in grace in all Freetrade directions.



Not only was this particular Reciprocity agreement a "fake" for fooling voters with, but reciprocity itself, as a principle of international trade, is a false principle, and in practice as an international policy it would be dangerous. It is a false principle because it rests upon that fallacy of Protectionism that free trade countries are at a disadvantage in their commercial relations with protection countries, which is obviously unsound in doctrine and evidently untrue of experience. It would be dangerous as a policy of international trade because it doubles the opportunity for special monopoly interests to manipulate for special protection. This danger is exemplified by the Canadian reciprocity agreement. First, there was a joint commission to formulate the agreement. The commission may not have manipulated in behalf of special interests, but its opportunity was good. Then the officials in power in both governments had to be consulted and satisfied with compromises between interests; and by the same token, so had their party supporters in business circles. Then the agreement had to go through Congress, where special interests might pull all sorts of secret wires. And after that, if by any

possibility the agreement had been unsatisfactory to dominant special interests, those interests could fight it all over again in Canada as in this case they did. All reciprocity agreements must pass through those possibilities of corrupt manipulation, the almost inevitable result of which would be agreements that serve such special financial interests as are involved, and at the expense of public interests. Every consideration that weighs against Freetrade weighs against Reciprocity agreements, and many more; every consideration that can be urged for Reciprocity agreements is a stronger one for Freetrade. Only special interests are benefited by Protection, and only the most influential special interests can be benefited by Reciprocity agreements.



None the less though were those Freetraders in the right, both as to principle and policy, who supported the Canadian reciprocity agreement while it was conspicuous as an issue. It would have been suicidal for them to reject a measure of Freetrade offered by a Protectionist President. It would have been unfortunate for their cause if an anti-Protection Congress had defeated the agreement. And, affirmatively, if the agreement had been confirmed on both sides of the border, their cause would have had the benefit of an object lesson for Freetrade. They were striking at a weak place in the fortifications of Protection. But the defeat of the reciprocity agreement by Canada, by Protectionists in Canada, by the reactionary tory party of Canada, should be worth more to Freetrade than its confirmation would have been. The circumstances taken together can hardly fail to break the ranks of the Protection legions and throw them into hopeless confusion. Even as an object lesson, the higher prices of food on the American side, following upon the heels of the Canadian election, must have a salutary effect upon the opinions of American consumers. Meanwhile, President Taft may have opportunity to reflect upon the political advantages and other values of his veto of a home measure for freer trade in wool, and of the veto by Canada of his overtures for reciprocity.



Labor Strikes and Hunger Strikes.

Familiarity with labor strikes has obscured their essential meaning, a meaning which the consumers' food strikes of Europe are now bringing to attention. Economically, the classes in each kind of strike and their interests in the matter are the

same. A labor strike is economic warfare by impoverished producers for better pay, or for better working conditions (pay in another form); a food strike is economic warfare by impoverished consumers for cheaper subsistence. One is a strike of the working classes as *producers*, the other is a strike of the working classes as *consumers*.

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There is also a growing understanding of the necessity for strikes. Labor strikers are looking for their enemy beyond the employer, often as poor as the poorest among them, as hard-worked and as solicitous about keeping his job and of putting up bars against competition. Similarly, food strikers are looking beyond "the middleman." Evidence of resistance to conditions rather than persons comes out on all hands. Higher wages for work regardless of employers, lower prices for food regardless of middlemen. These demands are one in substance. Once intelligently unified in the minds of the people, and they will sound the knell of all those subtle privileges, little and great, whereby the producing masses are impoverished by low wages as producers and by high prices as consumers, in order that parasites may live luxuriously in the sweat of other folks' faces. Let wages and products for consumption be once fairly recognized as identical, and there will be no longer any necessity or temptation for strikes of any kind. Privilege will disappear, for the unprivileged will not support it; and each man's wages for consumption will rise or fall with his service in production.

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The essential demand of strikes, of labor strikes and hunger strikes alike, is simply *opportunity to work and live*. They may often be unjust in their modes and details, apparently or in fact, but on the whole their impulse is just and their purpose orderly. If this were not so, how would it be possible for a few families to live safely in ease and luxury in the midst of overwhelming millions who work hard and live poor? There is economic malpractice in social affairs, ladies and gentlemen of luxury and ease; and the malpractitioners are not the working poor who go upon strike.

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Land Values and Public Utility Rates.

In a few words Edward W. Bemis has shown where the increased land values of a public utility's plant properly go, as matter of corporation book-keeping. It was in his testimony in the gas case at Des Moines. Corporations have been putting

those values into investment account and thereby making a basis for increasing rates of service. It is one of the claims of railroad companies, that their rates must be kept up or made higher in order to pay dividends on additional "capital"—the additional "capital" being higher values of their land, due to social growth. In the Des Moines gas case, the company had paid \$35,000 for its land, and according to its demands the value of the same land, irrespective of improvements, had increased in value to \$200,000, wherefore the company claims the right to rates for gas high enough to yield dividends on this \$200,000 of land value. But Mr. Bemis testified that the difference in value is not to be considered for rates, but for distribution as dividend in case of sale of the land.

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Isn't it plain enough that he is right? If the stockholders in case of sale get the increase in value—in this instance \$200,000 less \$35,000—and meantime get dividends from higher gas rates, they get two dividends on the same investment: One of about 500% on the investment of \$35,000 in land; a second in higher rates for gas calculated upon the increase in the value of that land; and neither is earned by the company. Increased land value is due to the progress and increasing necessities for land of the whole community. But by treating it as an "investment," corporation bookkeepers are able to fool the public into the absurd belief that rates for public utility service must rise with falling cost of service. Mr. Bemis has put his finger upon a tender spot in corporation accounting, one which is felt far beyond Des Moines and in the family of corporations far outside of gas companies.

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An Argument that Slops Over.

That judges would degenerate into mouthpieces of the mob if subjected to popular recall, is an argument which proves too much for its purpose. If that is the moral make-up of our judges, they would degenerate into office boys of corporations without the recall; and of the two, mouthpieces of the mob are preferable on the bench to corporation office boys.

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And what is this mob that would recall crooked judges? Isn't it the same lot of folks who decorously vote on election day? And wouldn't they vote as thoughtfully and decorously on the recall of a judge as on the election of a President? But when Mr. Taft wants votes, he doesn't speak of