

What about payment for the balance? "We must have got it in advance." Not at all. The "favorable" balance—excess of outgo over income, gold, silver and merchandise all considered,—since 1898, is \$6,783,851,192. Since 1834 it is \$9,406,470,509. We were evidently not paid in advance. "Going to get it in the future then." But where's the evidence? American bankers' rights to draw on London, foreign stocks and bonds on our exchanges, American investments in foreign land titles—where are they all? Don't point to future payments unless you show evidence of some legal or commercial right to them; and you can't show any such rights which are not in the aggregate exceeded by corresponding rights the other way. If we have rolled up nearly 10,000 millions excess of outgo over income in the past 75 years, what reason have you for expecting a reversal of that flow, unless you can show the documents or unless you expect us to abolish Protection? And if the flow were reversed, so that our income instead of our outgo were in excess, wouldn't that be an unfavorable balance of trade?



"But freight on foreign ships, tourists' expenditures abroad, immigrants' remittances to the home folks," etc., etc., etc. Oh, yes, we hear about these often, but what are the facts? How much one-sided trading of that kind is there, and why is it "favorable" to the United States? Then "what about American shipments at American prices on paper, but at cut prices in reality, whereby the export or outgo figures are 'stuffed'?" A fact, no doubt; but how much, and why favorable to the United States? "Just one thing more: Would ground rents for American land owned abroad, and dividends on the watered stock of special privilege corporations held abroad, and that sort of thing,—would they account for our excess of outgo, for our 'favorable' balance?" Very largely, no doubt, but what are the facts and why is that condition favorable to the United States? Can only echo answer?



#### With Apologies to the "Lineotypeortwoster."

[Scene—White House. Secretary enters with engrossed message.] "Where do I sign?" "Right here, sir." [Signs without reading.] "Beg pardon, sir; but wasn't that a rather strong approval of free trade to sign without examination?" "Free trade! Bless me I thought it was a quit-claim to Alaska."

### "THE RULE OF REASON."

As Court decisions based upon legal technicalities are not looked upon with favor, it is natural that the so-called "rule of reason" basis should produce a friendly feeling for the recent Sherman law decisions.

It is important to bear in mind, however, that reasonableness in making laws, and reasonableness in applying them, are two very different things; and that Courts have to do with the latter only.

Unfortunately what appears reasonable to one man or one body of men, may appear unreasonable to another. Thus a law-making body may consider it reasonable to broadly declare certain acts illegal, as for instance acts in restraint of trade; while a law-applying body may consider it unreasonable that such acts in all cases be held illegal. But it is not necessary to decide which opinion is correct in order to determine whether it is reasonable or unreasonable for the law-applying body to make the law conform to its own opinion of reasonableness. It is evident that in so doing it must change its own character and usurp the function of the law-making body.

The rule of reason as to law-making should be commended to the duly constituted law makers. Surely the rule of reason as to applying laws requires only that the intent be reasonably determined and put into effect.

Judges are not responsible for the making of laws, but they should be held responsible for applying them as made. It is obviously impossible to have government by the people unless this is done.

The determination of our highest Court to make laws conform to its own opinion of reasonableness, must break down the lingering opposition of real democrats to the application of the Recall to judges.

W. G. STEWART.



### PRESIDENTIAL TENDENCIES.

The Taft administration, like that of President Grant, will be historically memorable as one under which the Republican party was brought to the verge of disruption. Under Taft, as under Grant, there is general complaint that the President, whose personal integrity has never been seriously assailed, and whose good intentions may be conceded, is in the hands of designing advisers. Their first interest is not to serve the public, nor to conserve the welfare and reputation of the Administration, but to promote the financial profit of the various monopolies to whose service they were

attached before they became Presidential advisers. Under Taft, as under Grant, scandal has followed scandal. There has been and is a wide public suspicion that things at Washington are wrong.

There is a difference in degree.

Under the Grant administration the charges were of personal corruption and grafting on the part of men close to the President; while under the Taft regime the complaint is rather that his closest advisers and counsellors are men who cloak their devotion to private interests under a false and pretended devotion to public interests. The allegations are not so much of personal corruption, as of granting legislative and executive privileges to the few to exploit the many under the forms of law.

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Conditions which created the Liberal Republican movement of 1872 and the Progressive Republican movement of today are closely analogous. Men like Sumner, Schurz and Trumbull saw a President of their own party, elected in response to a great patriotic impulse, surrounded and flattered by dishonest men, who were making merchandise of his friendship. Grant trusted these men to the point of infatuation. He would not be convinced of their unworthiness even when legal proof was furnished of their criminality.

Protest to the President was vain. Right or wrong he stuck to his friends. It was impossible for the better element of the party to get his ear. Loyal Republicans, becoming alarmed at his obtuseness, joined with the Democrats, whom they had but lately accused of conspiring to disrupt the government, in an effort to overthrow the Grant oligarchy. They failed in 1872; but the country became convinced of the facts, and Tilden was elected in 1876 as a protest against the corruption which had flourished in Washington unchecked for the eight years of Grant's administration.

So with the Progressive Republicans.

Their movement had germinated before Mr. Taft came into office; but the President's acts are responsible for its growth and militancy. Progressive Republicanism is strong today because Mr. Taft filled his cabinet with trust servitors and corporation lawyers; because he named as his Secretary of the Interior the private attorney of land grabbers and would-be monopolists of the public resources; because in a white heat of anger he dismissed from office faithful officials who exposed the Secretary's faithlessness; because he counselled with tariff beneficiaries concerning the passage of tariff legislation, and pronounced the worst tariff law ever enacted to be "a reasonable

fulfilment of Republican pledges"; because he stamped with his approval a railroad law drafted to promote railroad extortion, and commanded its passage by Congress unamended; and because he has publicly confessed his attempt to coerce independent Republicans into supporting his reactionary policies by withholding patronage from them.

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Mr. Taft has another source of weakness, which, while rather intangible in its manifestations, has gone further than anything else to weaken popular confidence in him. It is a popular belief that he sympathizes instinctively with the moneyed and privileged aristocracy, which is the only form of aristocracy we have in America, and which is the worst and most heartless form of aristocracy known to civilization. If he has a single democratic instinct he has never displayed it. This is due, probably, to the fact that he has never had to hustle for a living. He has held office since his youth, and appointive offices at that. All his appointments came to him through political influence or friendship, and the potent influences in politics in his generation have been those of privilege and great wealth. He has grown up in an atmosphere where democracy is abhorrent, and unconsciously he has imbibed the contempt for it which his "class" feel to such an extent that it has become a part of him. His opposition to Direct Legislation and the Recall is as natural as his hearty appetite.

The President's specific acts and his recognized cast of mind have alienated from him hundreds of thousands of Republican voters. It is not necessary for them to distrust his personal honesty or the purity of his purposes; they have little faith in his democracy, and little in his ability to choose disinterested friends or to discriminate between good and bad advice. They doubt whether the welfare of the country—the best good of the everyday unprivileged citizen—is safe in his hands.

So pronounced has this distrust become that even his selfish counsellors now acknowledge that his chances of re-election are slim. If they hoped for his re-election they would not be urging him to the inevitable doom that will follow if he vetoes pending tariff legislation. Their asking him to veto this legislation is the best indication that they regard him as a political derelict.

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The Progressive Republican movement, which has stoutly opposed the reactionary tendencies and policies of the Taft administration, has been

handicapped in that it has not gone to the root of democracy. It has not yet learned the full nature and extent of privilege. Some of its leaders have made sorry spectacles of themselves, pleading in the Senate for protection for the industries of their sections. They have yet to learn that protection in any form is privilege and that no progressive movement can develop as it ought to develop, nor accomplish much permanent good, until those identified with it are willing to give up their share of the illegitimate favors of government.

Failure of the Progressive Republicans to understand these things is responsible for the weakness of the present opposition to Mr. Taft's re-nomination. Had they not flinched on the Canadian trade agreement, their movement would be much farther advanced than it is today. Even so, they must soon choose, according to present indications, whether they will support Mr. Taft for re-election, or will follow the example of the Liberal Republicans of the early '70's, and organize a secession from the party.



The last two-and-a-half years have revealed an irrepressible conflict between two types of men, both of whom call themselves Republicans. One element believes that it is the business of government to foster monopoly at the expense of the public; the other, however ill-defined may be its ideas of what constitutes monopoly, believes that it is the duty of the government to protect the public from monopolistic depredations. That such an interneecine conflict bodes ill for the party and good for the people is plain upon the face of it.

D. K. L.

## EDITORIAL CORRESPONDENCE

### FOR THE SINGLE TAX IN OREGON.

Portland, Oregon, August 1.

In Clackamas County, Oregon, the first Initiative petition under the County Home Rule Tax amendment\* adopted last fall is now being circulated for signatures, so that the voters of the county may determine at the election in 1912 whether or not they will substitute the land-value tax for the general property tax.†

\*See The Public, volume xiii, page 1233; current volume, page 679.

†The petition is set out in full in The Public for July 21, 1911, current volume, page 679, but is repeated here in full, for the convenience of the reader, as follows:

**"Warning.**

"It is a felony for anyone to sign any initiative or referendum petition with any other name than his own or to knowingly sign his name more than once for the same

It is pertinent to say a few words in regard to the preparation of that bill.

Enemies of the Initiative, led by The Oregonian, which is a bell-weather of Special Privilege, assert that Initiative measures are hastily drawn up, carelessly put together, without time for consideration or amendment. In regard to the great majority of measures hitherto placed upon the ballot by Initiative petition in Oregon, that assertion is absolutely false. If it were true, the progressive measures that have been initiated by petition and adopted by the people could be easily and successfully attacked in the courts; but the enemies of the local option, liquor law, of the direct primary law and the corrupt practices act, and other laws enacted by the people, have not been able to find a weak spot in the armor.

The first draft of the foregoing county tax measure—which is the form in which it will be used in

measure, or to sign such petition when he is not a legal voter.

**"INITIATIVE PETITION.**

"To the Honorable Ben W. Olcott, Secretary of State for the State of Oregon:

"We, the undersigned, citizens and legal voters of the State of Oregon and of the County of \_\_\_\_\_, respectfully demand that the following proposed bill for a local law for the County of \_\_\_\_\_, shall be submitted to the legal voters of said County of \_\_\_\_\_ in the State of Oregon, for their approval or rejection at the regular general election to be held on the first Tuesday after the first Monday in November, A. D. 1912, and each for himself says: I have personally signed this petition; I am a legal voter of the State of Oregon and of the County of \_\_\_\_\_; my residence and post-office are correctly written after my name.

**"A BILL**

"For a local law for the County of \_\_\_\_\_ to exempt from taxation all trades, labor, professions, business, occupations, personal property and improvements on, in and under land, and to require that all taxes levied and collected within said \_\_\_\_\_ County shall be levied on and collected from the assessed values of land and other natural resources, separate from the improvements thereon, and on and from the assessed value of public service corporation franchises and rights of way.

"Be it Enacted by the People of the State of Oregon in \_\_\_\_\_ and of the County of \_\_\_\_\_:

"Section 1. That all business, labor, trades, occupations, professions, and the right to conduct, work at or practice the same; and all forms of personal property; and all improvements on, in and under all lands shall be and hereby are exempted from taxation for any purpose within \_\_\_\_\_ County, and no tax shall be imposed upon any trade, labor, business, person, occupation or profession under the pretext of a license or the exercise of the police power within said County; but in its application to licenses and permits this is intended only to prevent the raising of revenue from such licenses and permits, and to prevent exacting of fees therefor greater than the cost of issuing the permit or license, and is not intended to impair the police power of the County, City or State.

"Section 2. All taxes within \_\_\_\_\_ County shall be levied on and collected from the assessed values of all lands, water powers, deposits, natural growths and other natural resources, and on and from the assessed values of public service corporation franchises and rights of way. This act does not affect corporation license fees and inheritance taxes collected directly by the State, nor such lands as are used only for municipal, educational, literary, scientific, religious or charitable purposes, already exempt from taxation by law."