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EDITORIAL

President Wilson and Mexico.

Little comfort for jingoes, annexationists and exploiters is to be found in Samuel G. Blythe's account in the Saturday Evening Post of May 25 of President Wilson's views on the Mexican sit-President Wilson plainly says therein: "When we have finished with Mexico, Mexico will be territorially intact." What President Wilson promises will be done. We could not be so sure were Congress to do the promising. The memory is still too fresh for that of the pledge made by Congress in the Teller resolution at the outbreak of the Spanish war, to the effect that there would be no annexation of territory. In spite of that promise, and in spite of President McKinley's denunciation of criminal aggresion, we committed the wrong against the Philippines that to this day has not been righted. So a promise by Congress would be justly subject to doubt. It is different with President Wilson. His word will be kept.



With assurance that there will be neither annexation nor indemnity, the greater part of the incentive to provoke a war will be destroyed. Did not powerful American interests cutertain the hope that war would result in annexation, there would be little heard of any possibility of war. So President Wilson practically assures peace.



As encouraging to the cause of popular rights as it must be discouraging to the Otises and Hearsts is the President's insistence that the mediation proceedings result in "a settlement of the agrarian land question by constitutional means—such as that followed in New Zealand, for example." He realizes that such a settlement is one that predatory interests would avoid. Their demand for establishment of order, he says, "is not order for the benefit of the people of Mexico, the great mass of the population, but order for the

benefit of the old-time regime, for the aristocrats, for the vested interests, for the men who are responsible for this very condition of disorder." And how shocking to Tory sentiment must be this expression by a President of the United States: "I say to you that the old order is dead. It is my part, as I see it, to aid in composing those differences as far as I am able, that the new order, which will have its foundation on human liberty and human rights, shall prevail."



The suggestion of the New Zealand idea as a possible solution of the agrarian problem is in-It is true that New Zealand's land measures are far from perfect and in more than one respect depart from correct principles. Yet they stand as an attempt—clumsy and blundering as it is—to apply a fundamental remedy to a fundamental evil. They mark a departure from efforts to cure economic troubles without touching the cause. It does not follow that in the suggestion of New Zealand's example the land laws of that colony must be literally copied. It should not be difficult to eliminate the mistakes, the most glaring of which are the exemption of small holdings from taxation and the graduated tax features, especially the one that deals more gently with a domestic monopolist than a non-resident one. Let Mexico improve on the New Zealand system by making its land value tax apply to all holdings so as to give to the people all the values that they have created and so as to leave none to those who have not created them. There will then be established indeed a "new order which will have its foundation on human liberty and human rights." S. D.

The Land Question Outside of Mexico.

Mexico is not the only nation that needs, as President Wilson suggests, such land regulations as those of New Zealand. That the United States is also in need is shown not only by recent events in Colorado, Michigan and West Virginia, but by the presence of unemployed in all of our cities, by recurring periods of industrial depression, by discouragement through inflated land values of farming and other industries, by the growth of a tenant class in the rural districts, by emigration of farmers to Canada, and by the general prevalence of poverty together with all the vice, crime and misery resulting from poverty or from fear of it. The New Zealand system, with its many serious mistakes eliminated, would give to us as well as to Mexico industrial peace so badly needed.

High Cost of Finance.

Without attempting to pass upon the fundamental principles involved in the plea of the railroads before the Interstate Commerce Commission for a five per cent advance in freight rates, it must be apparent that the general freight-paying public will have to be shown beyond a reasonable doubt that such advance is necessary before the permission will meet with popular approval. When the roads stated that wages were steadily advancing, and that materials were going up, while freight rates remained the same, they did not present the whole case. The logic of events calls for higher wages for labor and lower rates for service. Else, where are the advantages of invention and discovery? Industrial progress consists in devising ways and means of enabling one man to do the work of two. And when the fruits of such a saving of labor are fully and honestly distributed, it must necessarily result in the one man's getting the pay of two. Anything less than this is a denial of the original premise.



What has become of all the savings that science and invention have made possible in railroading? The latest type of locomotive handles thirty cars as easily as the earlier types pulled ten. And each car has a capacity four to eight fold greater than the cars of thirty years ago. The air-brake and the automatic coupling have reduced the train crews per ton until the actual wage paid for moving a ton of freight one mile is less—in spite of the rise in nominal wages-than formerly. What, then, has become of the gains from science and invention? Mr. Mellen, in his testimony before the Interstate Commerce Commission at Washington, is disclosing some of the leaks. Ordinary citizens complain of the advance of the price of meat from twenty to twenty-five cents; but Mr. Mellen explains how his road, at the behest of Mr. Morgan, paid \$35,000,000 for a road worth only \$5,000,000. That was an advance worthy of note. It is not so easy to pay dividends on thirty-five millions as upon five millions; and to do so necessitated one of two things: Either a reduction of wages, or an advance in rates.



If the New Haven case were an isolated one in fact, instead of in discovery, it would have less weight. But the many reasons pointing in that direction leads to the suspicion that were the whole truth known this little transaction would be found to be typical of a vast deal of high financing. The