

ance by the protesting nation of offers of mediation. Acceptance of such mediation must not be accompanied by difficult conditions. In no other way can interference with shipments be prevented from becoming an aid to one belligerent at the expense of the other. Should mediation be refused by the protesting nation, then it will no longer have reasonable ground for complaint concerning shipments. Should its antagonist refuse, then it can not justly complain about stoppage of shipments. The same action should be taken in the case of requests, said to have been made, that the United States endeavor to prevent alleged violation of neutrality by South American nations. If we must be annoyed and subjected to trouble and loss in order to satisfy participants in an inexcusable foreign war, it is not too much to demand in return cessation of fighting.

S. D.



The Iniquitous War Tax.

Richly deserved will be whatever condemnation may fall upon the Democratic party for the war tax which went into effect on December 1. It is the one measure enacted into law during this administration for which no reasonable excuse has been offered. If Congress was unwilling to meet the emergency for which it provided by reducing expenditures, it could have adopted the bill introduced by Congressman Bailey of Pennsylvania, which levied a surtax on incomes in excess of \$20,000. But the Democratic majority evidently considered party discipline more important than the public good and so voted instead for the present measure because urged by floor leader Underwood. The enforcement of this law must necessarily arouse just resentment. Good politics as well as good morals require the repeal of this law as quickly as possible.

S. D.



Prosperity and the Balance of Trade.

A number of Democratic papers have adopted the standpat habit of insisting, contrary to fact, that prosperity is here. Like the standpatters, they ignore the existence of widespread poverty and distress. Like the standpatters, their notion of general prosperity is prosperity limited to a small class. And like the standpatters, they are basing their false claims on the Balance of Trade fallacy. The fact that exports exceeded imports during the month of October by \$57,000,000 is being paraded as an indication. Fifteen years ago President McKinley pointed to a similar favorable balance and declared that we were

going to be paid for it in pure gold. But McKinley either did not know or ignored the fact that similar balances have been accumulating since 1833, and few, if any of them, have been paid in pure gold or anything else. These so-called favorable balances usually mean nothing more than so much wealth sent out of the country without return. Included in them must be tribute paid to foreign owners of American lands and to holders of securities in monopolistic enterprises. So far from being an indication of prosperity, this excess of exports usually indicates the reverse. There is nothing in the Treasury Department's report to show that October's balance is of a different nature than most of its predecessors. Democratic papers should be in better business than continuing to spread this old fallacy, or imitating the McKinleyite practice of pretending to see non-existent prosperity.

S. D.



A Fair Return to Capital.

The New York World, in commenting upon the more kindly public feeling toward railroads, says:

Granger wrath against common carriers would never have arisen to dangerous height if railroad managers had played fair; if they had charged traffic what it cost, not what it would bear; if they had demanded interest returns only on capital invested, not water; if they had refused to build up one enterprise or one community at the expense of others by discriminating rates or by secret rebates. In proportion as railroads deal fairly with the public in future, they may more and more confidently expect fair dealing in return.

That is true enough. Neither railroad men, nor any other class of men, should expect justice from the public till they render justice in return. But it should not be forgotten that railroad men are of the same species as the rest of us, and if their piccadilloes are somewhat more conspicuous than the general average, their temptations should not be overlooked. Reprehensible as their conduct has been, it is merely a more dramatic form of what the commercial world in general has been doing.



They should have "demanded interest returns only on capital invested, not water." That sounds good, and it is to be hoped that the World will thoroughly familiarize itself with the sound. It may be instructive in this connection to note the handling of mining properties. One set of men gets from the state a long strip of land, with the right to run trains of cars on it; another set of men get from the state parcels of land bearing