success to the fact that *they have been only partially successful.*

This may sound funny, but it is true.

If the principle were universally applied, they would *handle more money, but they would not buy more goods.*

It does not matter whether the wages are $1.00 per day or $1,000.00. The net result to labor would be *just the same.*

Purchasing power is just as important as wages; and speculation in land, inflated land values, scarce jobs, and ever raising rents will keep the workers up against an economic stone wall, no matter what else they do.

The only way to lower rent is to tax unused land into the market; land is the only thing that taxation will make cheaper.

Every dollar taken from capital in increased wages without reducing rent one dollar, simply *adds another dollar to prices* and the net gain to labor is nothing.

To try to solve the labor problem by the arbitrary acts of trade unionism is sheer economic madness; it cannot be done. There is no science in it.

Organization will not save the workers from poverty, it cannot; economic education alone can do it.

The laws of economics are as inflexible as any of the laws of nature. They cannot be successfully defied.

Henry George has outlined these laws as has no other man in human history, and until trade unionists get acquainted with his doctrines and utilize the knowledge therein contained they will flounder around in the bogs of poverty. For them there is no special providence. They must think if they wish to be saved.

HENRY H. HARDINGE.

INCIDENTAL SUGGESTIONS

STATE REGULATION OF LOCAL UTILITIES.

Minneapolis, June 20.

This letter deals only with the legal effect of the recent adoption of state regulation of public utilities in Wisconsin upon the power of communities to get what they have long been seeking from their service corporations. The gist of this demand has been either (1) lower rates for the same service or (2) better service at existing rates. I deal now, not with the justice of this demand, but with the loss of power toward enforcing it.

Before Wisconsin delivered over the control of local utilities to her state railway commission, the remedies open to cities and towns in securing better conditions were:

1. Direct appeal to the courts to secure enforcement of the terms of existing charters.
2. Or, where such charters were not exclusive, the establishing of competition by chartering new private companies or building municipal plants. Or sometimes only the threat of such a resort, as a means of bringing existing companies to time.
3. Or, upon the expiration of existing franchises, the municipal purchase of plants on terms fixed by their original charters.

But with the triumph of "state regulation" there came in that device innocently named "the indeterminate permit," which, by the way, was proposed to our own legislature at the last session. These permits, in plain English, are elastic and unlimited new charters issued by the commission as substitutes for existing charters, many of which would have expired at or about the present time. They change the terms of the expiring contracts without the consent of one of the parties (the municipality). They are thus really unconstitutional because "impairing the obligation of contracts," although I admit the courts would deny that, having always held that a charter to or on behalf of a municipal corporation was not as sacred as a charter to a private corporation.

At any rate, under the state regulation system the remedies now open to the public are (in theory):

1. Fixing of utility rates by the Commission.
2. Fixing of service standards by the Commission.
3. Fixing of purchase valuations by the Commission, after which there is the further resort of
4. A possible court review of the case.

But there are some important drawbacks to these remedies in practice which deserve attention. In the first place the commission does little or nothing on its own motion. And when it is appealed to it is often exasperatingly slow in hearing a case and coming to a decision (two, five or seven years in certain cases). Meanwhile the conditions complained of go right on and redress, if granted, is correspondingly delayed and sometimes expensive to obtain at all.

But often redress is not granted at all, and, when concessions are sometimes ordered, they are as a rule a great deal less substantial than might have been secured under the old charters in the courts or by settlement outside. The overwhelming majority of decisions have been largely or wholly unfavorable to the public.

But a favorable order now and then does not necessarily mean anything. For the commission is not at all sure to enforce its own orders (e. g. for service improvement), and if a corporation doesn't like an order it practically tells the commission "to go to." Nor does the commission seem to be jealous of its dignity or power when a corporation is the offender.

Or if it is a rate decision the company doesn't like, it gains the same further delay by appealing to the courts. For these have not as yet refused to review any decisions favorable to the public.

They have, however, refused to review certain important doctrines of the commission favorable to the corporations, such as the allowance of an indefinite amount of "going concern" value. This is

one reason why the towns don't appeal so often as the corporations do. But the chief reason is that they are generally exhausted of both funds and patience after fighting a case before the commission. The corporations charge up legal expenses as a part of the rates they are allowed to collect. But taxes spent for that purpose can't be thus passed on. They "stay put." It takes the fight out of the public to have to finance the adversary as well as its own defense.

I conclude therefore that state regulation in Wisconsin is not a sympathetic protection to public interests. The commission does not, like a wise and benevolent father, relieve the cities and towns of all just concern over their utility problems. That, of course, is the pretext. But the real effect has been to fasten new and tighter bonds upon them just at a time when, in a strictly legal view, the old ones were about to fall off. And it has not only created arbitrarily new obligations, but has complicated the old process of getting final judgment, increasing the cost and difficulty of the contest and consequently public unrest and exasperation.

STILES JONES.

NEWS NARRATIVE

The figures in brackets at the ends of paragraphs refer to volumes and pages of The Public for earlier information on the same subject.

Week ending Monday, June 29, 1914.

Mexico and United States.

A peace protocol was signed at Niagara Falls on the 24th by the Mediators, and the American and the Huerta delegates. The protocol signed reads

Article 1. The provisional government referred to in the protocol No. 3 shall be constituted by agreement of the delegates representing the parties between which the internal struggle in Mexico is taking place.

Article 2. (a) Upon the constitution of the provisional government in the City of Mexico, the government of the United States of America will recognize immediately and thereupon diplomatic relations between the two countries will be restored.

(b) The government of the United States of America will not in any form whatsoever claim a war indemnity or other international satisfaction.

(c) The provisional government will proclaim an absolute amnesty to all foreigners for any and all political offenses committed during the period of civil war in Mexico.

(d) The provisional government will negotiate for the constitution of international commissions for the settlement of the claims of foreigners on account of damages sustained during the period of civil war as a consequence of military acts or the acts of national authorities.

Article 3. The three mediating governments agree on their part to recognize the provisional government organized as provided by Section 1 of this protocol.

"Protocol No. 3" referred to above was signed two weeks earlier, and set forth that a provisional government, to be constituted, as later provided, shall be recognized on a certain date, to be agreed upon subsequently, and from that time forward shall exercise governmental powers until the inauguration of a constitutional president. [See current volume, page 612.]

The signing of the protocol brings the peace issue squarely before the warring factions. The mediators consider their original task as finished, but they and the American delegates to the conference will exercise their good offices in enabling the Huerta and the Carranza delegates to come to an agreement. The new conference is expected to take place at Niagara Falls as soon as General Carranza signifies his readiness.

General Villa captured Zacatecas on the 23d, after severe fighting. The Federal dead are given as 4,500 and the wounded 2,000. The Constitutionalists lost 700 killed, and 1,100 wounded. Five thousand prisoners were taken and considerable arms and ammunition. But the city was short of food, and General Villa is providing for the famished poor. Aguas Calientes, capital of the state of that name, and the next strong point south of Zacatecas, is reported to have been evacuated by the Federals.

Congressional News.

The House judiciary committee on June 23 received the report of the investigators who took testimony on charges against Federal Judge Emory Speer of Georgia. The report condemns many of Judge Speer's acts, denouncing them as "tending to approach a condition of tyranny and oppression." Some of the charges were that a jury was rarely allowed to return a verdict contrary to the court's wishes, that the conduct of the court was such that confidence in its usefulness as an aid to justice was impaired, that officials of the court were used as private servants by the judge, that assets of bankrupt estates were allowed to be wastefully dissipated and that receivers were frequently appointed without notice and without just cause. But these acts the investigators found do not constitute ground for impeachment, and consequently no further proceedings are warranted. [See current volume, page 560.]

The House on June 23 accepted a Senate amendment to the naval appropriation bill au-