

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 inspiring. 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. S. D.

### 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

twenty-five millions of Alton stock issued by Harriman, leads one to wonder how the Rock Island's \$71,297,000 grew to be \$192,502,580. It would seem that other men beside Mr. Mellen should have an opportunity to explain. The roads complain that they must have more money in order to make needed improvements, but that they cannot borrow unless they can show greater earnings; hence, the necessity for the advance in freight rates. But while the discrepancy between freight rates and dividends can be mended by raising the rates; it can also be corrected by lowering the cost of operation. Sixty and seventy-five thousand dollars a year is a pretty high salary for railroad presidents; it is high even for men who gracefully and willingly defer to the judgment of Mr. Morgan. Whether or not Congress passes a minimum wage law, it might with profit enact a maximum wage law for business in which the government is a recognized partner. Private cars, special service, de luxe trains, all drain the treasury. But worst of all is the watered stock. By all means let the investigation go on. While the government is making a physical valuation of the roads, let it also make a moral valuation of the men in charge of the roads. S. C.



### Inefficiency of American Craftsmen.

Again Americans must confess failure to take full advantage of their opportunities. We have been regaled from time to time by carping critics with tales of inefficiency, of lack of technical training, and of failure to rise to occasions. Our schools, we are told, are lacking, our ideas of education are at fault, and our methods of child-culture are wrong. And now we have indubitable evidence that we are sadly deficient in at least one calling, that of muckraking. A few years ago when the muckraker brought to light such putrescence as set the press and pulpit in a flutter, and astounded the world, our only consolation lay in the fact that the story was "grossly exaggerated." Yet scarce had we finished cleansing the Augean Stables of frenzied finance, than we were plunged headlong into the Stygian Pool by the revelations of the National Association of Manufacturers, and no sooner had we dragged ourselves out that we were thrown into the Pit of Acheron by the story of Mr. Mellen.



What next? Are there still other depths to which we must go? How many more idols must we see shattered? And what shall we say of our

incompetent muckrakers, who overlooked such glaring examples? Is the Department of Justice to uncover more rottenness than did the sensational press? When a man like Mr. Mellen lays bare such a record as that of Mr. Morgan one may well look askance at all the great financiers. We are in danger of losing the old axiom of English law—a man is innocent till proven guilty; and of being compelled to accept the French—a man is guilty till proven innocent. But the worst is over. The crowning evil of the frenzied finance period was the vitiated public opinion, that state of mind that placed a halo above the head of every man who amassed a fortune. That idolatrous worship of success has been shown to be a sham; and the people are returning to sanity and rightness of mind. S. C.



### LaFollette Offends Privilege Once More.

Senator LaFollette has again brought upon himself loud denunciations from the organs of Privilege. He has taken 366 pages of the Congressional Record of May 12 to print—not his own argument—but principally statements of railroad supporters designed to influence the Interstate Commerce Commission in favor of an increase in freight rates. Other Senators and Congressmen habitually make use of the leave to print privilege. But it is only when something is inserted which Privilege prefers not to have published that such protests are made. So while these protests are based on professed zeal for economy in use of public funds, there is ground for suspicion that there may be some other reason at bottom. Possibly it may be the few pages devoted to opposition arguments. Or may it not be fear lest publication of some of the favorable communications may cause them to have a different effect than was intended? S. D.



### The Trust Problem in Congress.

The Progressive party policy on the trust question is perhaps defined in the bill of Congressman Murdock of Kansas, which empowers an interstate trade commission to determine by investigation, in the case of any monopoly, whether its monopolistic power is based upon "control of natural resources, control of terminal or transportation facilities, control of financial resources, or any other economic condition inherent in the character of the industry." In speaking in the House on May 19, Congressman Hinebaugh of Illinois, a Progressive party member, urged the Democratic majority to adopt this provision in its bill for an