

upon human rights in the name of destiny and duty.

One of the autocratic fruits of our new military regime is ripening. Not long ago in Manila, Gen. Otis punished a native editor, by military law, which is nothing but arbitrary coercion, for having printed matter objectionable to the military authorities. Last week in Porto Rico, the American military governor suspended the leading paper of Ponce for criticising the military government. Before congress adjourned, a leading McKinley supporter in the lower house, said seriously upon the floor, that if some of the speeches made there in criticism of the president's policy had been made in Manila the speakers would have been tried by court martial and shot. How long will it be, at this rate, before American newspapers are edited at the point of the bayonet, and American orators allowed to speak only what the president approves. Is there nothing suggestive of the early appearance of such a regime, in the disposition of the imperialists to classify anti-imperialism as treason, and their critics as traitors?

Our imperialists have borrowed from the tory imperialists of England what they evidently regard as a seductive phrase—"trade follows the flag." This is their appeal to the instinct of commercial greed, for leave to make foreign conquests and establish foreign colonial systems. It would be only a freebooter's plea if it were true. But it is not true. England has been beguiled with this phrase; and that trade may follow her flag she has established an empire over the world, an empire such as that which the McKinley faction are trying to have this country build up for us. But Lord Farrer, in the *Contemporary Review* for December, has questioned the phrase. He showed that notwithstanding the enormous growth of the British empire during the last forty years, both in area and in population, there is no tendency whatever for trade within

the empire to grow any faster than trade with foreign countries. British trade with foreign countries at the beginning of the forty years was almost three times as great as with British colonies; and at the end of the period the proportions were precisely the same. Mr. Chamberlain undertakes to weaken the force of Lord Farrer's conclusion; but all he has been able to do is to show that trade with free trade countries, including colonies of the empire, increases faster than trade with protectionist countries. To the benefit of that showing American protectionists who have suddenly developed such a partiality for foreign trade that they are willing to spill blood to promote it, are welcome.

The modicum of truth in the theory that trade follows the flag is easily extracted. A subject people trade with the governing country whose flag floats over them, whether they want to or not, simply because they have to. If another flag be substituted, they will trade with the country to which that belongs; again because they have to. To illustrate: Cuban trade followed the Spanish flag when Spanish law so decreed. It would now follow the American flag should the American congress command it to. But left to itself, it would follow no flag. It would then be determined, as all trade when free is determined, by the best interests of the persons trading. The notion that trade follows the flag is true only when the flag is made a symbol of coercion, and then it is as true of the black flag of piracy as of any other flag.

"I wonder," writes George V. Wells, apropos of the article on "Who Pays the Taxes?" which *The Public* recently republished from the *Des Moines Leader*,—if *The Public* will endorse the unwritten, half-concealed assumption in the argument, that the wages of workingmen would be raised, or workingmen be benefited, by economy in public expenditures.

By no means. The first effect of real economy in public expenditures in

any town or city would be to reduce taxes and improve the public service, which would tend to raise wages; but this very tendency toward higher wages would stimulate competition for opportunities to work, which would react upon the labor market and tend to reduce wages again. In the end, therefore, wages would be lower rather than higher. The only persons to benefit in the long run would be the owners of local monopolies, the largest of which and the one to ultimately absorb all the pecuniary profits of more economical government, being the site of the town—the building lots within the sphere of its influence. An extreme illustration may make the point clearer. If the government of a town could be carried on without any taxes at all, wages there would be no higher for the same work than in a neighboring town where taxes were high and public revenue wasted. But land values would be higher. That this would be so, may be clearly seen upon a little reflection. There would be extra competition for a chance to live and work in that town; and the necessary effect of the competition would be to reduce the value of labor, of which there would soon be an abundant supply, and to advance the value of land, of which there would be no greater supply than before.

It is refreshing to find in a trade paper like the *Engineering and Mining Journal*, of New York, an acknowledgment of the truth that "high wages promote rather than prevent the lowest cost of production." The *Journal's* reason for this conclusion is as sound as the conclusion itself. It is that high wages "encourage the introduction of labor saving appliances and increase the intelligence and the efficiency of workmen." In proof of its conclusion the *Journal* shows that—though the wages we pay are the highest in the world, the total cost of production, and especially the labor item in the cost of production, for nearly everything we produce, is lower here than it is anywhere else in the world,