

Warning to Republican Leaders

A republican newspaper suggests that republican politicians make a mistake in laying claim to everything which the Almighty has in His beneficent Providence done for the well-being of the country.

It is a habit of republican editors and republican orators to claim everything, not only on election day but as to all the good things that come to the people, whether they be in the form of freedom from pestilence or in the shape of an unusually abundant crop.

The Wall Street Journal, a republican paper to whose utterances The Commoner has frequently had occasion to refer, printed in its issue of September 19, an editorial that deserves widespread publicity. The Journal says:

Many of the republican orators and editors appear to think that it is necessary for them to claim that the fruitfulness of the soil, the richness of mines, the increase in the supply of money and the magnitude of the commerce of the country are mostly due to the successive republican administrations.

Then the Journal points out that it is possible for a country to be prosperous in spite of bad government and that it is also possible to have good government without prosperity.

While claiming much for the republican party in the way of good government, the Journal says: "It is absurd to claim on its (the republican party's) part all that nature has bestowed upon us." That in itself is quite an admission coming from a republican newspaper.

An instance of what the Journal calls "extravagant overstatement" is found in the republican textbook of this year. In that book we are told that since the republican party first came into power we have changed from "a borrowing to a lending nation" and that we "have paid back the \$2,139,000,000 which the balance of trade showed against us in 1875, and the world now owes us \$3,584,000,000."

The Journal contends that even admitting that the facts are as thus stated, it is absurd for the republican party to claim that it has brought all this about. The Journal's comments are so interesting that we quote liberally from its editorial. It says:

"But the facts are not as stated, or rather this statement of the facts is misleading. What it asserts is that before 1875 this country had imported \$2,139,000,000 more merchandise than it exported, that this created a balance or indebtedness against us which, since 1875, the excess of exports over imports has enabled us to wipe out and to pile up the sum of \$3,584,000,000 in our favor and that this is due largely to the republican party and its policy of protection to home industries.

"This is a reassertion of the old doctrine of the 'balance of trade' which for centuries has been responsible for two-thirds of the wars that have cursed mankind. The idea is, of course, that when the country sells more than it buys that it is getting richer all the time, and reversely, when it buys more than it sells, it is getting poorer all the time. The true theory is, of course, that the larger the exchanges or aggregate commerce the country has the more prosperous it is. Trade activity consists in the magnitude of exchanges and not necessarily in the size of balances. The absurdity of the argument of the republican textbook is revealed when it is said that since 1875 Great Britain has imported about \$18,000,000,000 more than she has exported. In other words, the 'balance of trade' has been adverse to Great Britain to that enormous sum. And yet so prosperous has been Great Britain during that time, so enormously rich, that she has stood in the fore-rank of the nations, and the dominant party in that country—if it had in that period been

constantly in power—might put forth the claim that it should be credited with the wealth which had been created, because Great Britain had imported \$18,000,000,000 more than she had exported. The wealth of Great Britain is indicated by the fact that since 1875 its aggregate foreign commerce has amounted to upwards of \$100,000,000,000. In the same period the aggregate foreign commerce of the United States has aggregated less than half that amount.

"The statistics of the foreign trade, of course, show only a part of the actual commerce between nations. As a matter of fact, while there has been a 'balance of trade,' so-called, in our favor since 1875, that balance must offset an adverse balance in the tremendous volume of invisible exchanges such as securities and the like. These invisible exchanges are as much a part of the commerce of the country as the visible trade in merchandise, and it is in this invisible commerce that the prosperity of Great Britain largely consists. In putting forth the claim that there has been a large 'balance of trade' in favor of this country since 1875, the republican party is, therefore, making a partial statement. As a matter of fact, while we have exported more merchandise than we have imported, the balance of the invisible trade is greatly against us. Moreover, it is at least questionable whether this country has, in fact, changed from a debtor to a creditor nation, from a borrowing to a lending one. The statement to that effect in the republican campaign textbook is a repetition of the same claim that was made two or three years ago by Secretary Hay. There is, however, much uncertainty regarding this point. Many statisticians dispute it.

"We have before us now an article published by the University of the South from the pen of W. H. Allen, which makes a claim that the big trade balances in favor of this country are not large enough to offset our annual foreign debts, and that instead of having any surplus left to buy back securities or to make investments abroad, we are piling up a great deficit, which is to be met by selling or pledging more securities abroad or borrowing enormous sums from foreign bankers. In making this claim, the writer calls attention to the reports of dealings on the New York Stock Exchange from Jan. 1, 1897, to May 1, 1904, showing an excess of purchases of stocks for foreign account of over 3,000,000,000 shares; the reports of foreign investments in our securities and properties outside of the stock exchanges, and the decreasing general circulation of our gold currency in spite of an enormously increased issue of the same.

"The republican campaign orators might better leave the 'balance of trade' alone and stick to those facts and arguments which they may legitimately bring forward in support of their party. There is plenty to say without getting into deep water on this economic discussion, and in laying claim to everything which the Almighty has in his beneficent providence done for the prosperity and the well-being of this country."

Popular Elections

Some republicans claim that there is no difference between the parties on the question of the popular election of senators. It is true that the majority of republicans, as well as the overwhelming majority of democrats, favor popular elections; and yet, the republican party has done nothing to advance the reform.

On this subject the republican platform for

1904 is silent while the democratic platform declares: "We favor the election of United States senators by the direct vote of the people."

The democratic campaign book presents the record of the parties on this question in this way: "In the fifty-eighth congress there has been no test vote on the question of electing United States senators by the people. The last ye and nay vote bearing on that question was taken June 11, 1902, a little before the last congressional election. It happened in this way: House joint resolution No. 41, for an amendment to the constitution for the election of United States senators by direct vote of the people having passed the house of representatives without division, and having been pending before the senate committee on privileges and elections for six months without any report from the committee thereon, a motion was made to discharge the committee from further consideration of the resolution, in order that this matter might be brought up for consideration by the senate. A ye and nay vote being taken on the motion, there were 21 yeas and 35 nays, 18 democrats and three republicans voting ye, and thirty-five republicans voting nay. (See the vote at large in the Congressional Record, vol. 35, p. 6596.) This vote shows the relative positions of the two parties on the subject. Just before it was taken memorials in favor of the election of senators by the people had been presented from the legislatures of Idaho, Colorado, Michigan, Montana, Nebraska, Nevada, Oregon and Tennessee, and from associations and citizens in nearly all parts of the country, showing a strong and almost universal sentiment in favor of the measure. Many other state legislatures have within the last eight years presented memorials in its favor. Nothing but the overwhelming influence of the trusts and great special interests which seek to keep as far as possible from a situation in which the law-making power is directly answerable to the people prevents the party in power from yielding to the force of public opinion on the subject."

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