

# TAFT'S FREE TRADE ORDER

Announcing that the executive committee of the Isthmian Canal commission had decided to purchase in the markets of the world the material necessary for the building of the Panama canal, the Associated Press says:

This important decision was reached with some reluctance because it was appreciated by Secretary Taft and the executive committee that there would surely be a great outcry from two great interests in this country, the producers of material and the ship owners, if the purchases were not limited to the American products.

But it was decided that the money consideration was so great that it could not be ignored, for it was held that in many cases fully fifty per cent more would be charged for the material needed in the canal construction than the same goods could be procured for in Europe.

The republican platform for 1904 said: "Protection which guards and develops our industries is a cardinal principle of the republican party. The measure of protection should always at least equal the difference in the cost of production at home and abroad." In his message to congress President Roosevelt went a step farther, saying that the measure of protection should be "more than" the difference in the cost of production at home and abroad. This "measure of protection" which the republican party has so freely given to the great interests that have regularly and liberally contributed to republican campaign funds has not been bestowed as a favor. It has been claimed that this "measure of protection" actually belongs to these people, and that to deprive them of it

would not only be to deny them their rights, but would mean the taking of bread from the mouths of the laboring men. American consumers have often protested against this "measure of protection," but whenever it was proposed to give the consumer relief there was "a great outcry from the great interests of this country" and the republican party heeded.

But now we are told that Secretary Taft proposes to proceed in utter indifference to the boasted rights of the tariff barons; that he proposes to ignore the "great outcry" which we all know will be forthcoming.

And what is the republican secretary's explanation for the abandonment of the protective theory? "The money consideration is so great that it can not be ignored, for in many cases fully fifty per cent more would be charged for the material needed for the canal construction than the same goods could be procured for in Europe." That is the very argument that has been presented for years and for years by the consumers of this country who have protested against a high protective tariff. What moment is it that the money consideration in this instance is large? Enormous though it be it is by no means so heavy a burden as that borne by the individual consumer who for years has found it necessary to pay "fifty per cent more for the material needed than the same goods could be procured for in Europe."

It is a mighty poor excuse that Secretary Taft and his republican associates give. Having asserted the government's right to be relieved from imposition in the way of exorbitant prices made possible by the protective tariff, the administration may find it a bit embarrassing when it comes to answer the individual consumer's plea. Republican orators will find it difficult to explain how it happens that their party gives "protection" to the

manufacturers, as a right, while the republican administration goes to Europe for its supplies because "the measure of protection" makes it possible for the American tariff baron to add fifty per cent to the price.

If the republican party is right on the question of protection, then Secretary Taft is wrong; if the party has not been grossly in error then Secretary Taft has no moral right to avoid the payment of that extra price made possible through "the measure of protection."

There is no doubting the importance of Secretary Taft's action. A Washington correspondent for the Chicago Record-Herald likens it to "a Shimose bomb shell." While republican newspapers are everywhere insisting that the party shall "stand pat" on the tariff question, Secretary Taft, acting evidently with the consent of the president, abandons the republican position. In the way of showing the absurdity of the republican party's contention he furnishes the most powerful illustration that has ever been offered in the history of a political organization given habitually to error.

Secretary Taft's free trade order places the grand old party of plunder by protection in a very embarrassing situation. It recalls the novel written by Mark Twain. The reader was carried along with a plot that became more and more intricate until it seemed that the hero of the tale would meet death whichever of the two courses confronting him he adopted. Just as the reader's interest was at its height he turned a page and read Mark's abrupt conclusion of the story in this way: "The reader will not see this story continued in our next or in any other publication. The fact is, the author has got the hero in such a mighty bad fix that he here and now washes his hands of the entire affair."

## SOME INTERESTING STATISTICS ON MUNICIPAL OWNERSHIP

The consular reports are giving some interesting information in regard to municipal ownership in Europe. Below will be found extracts from the report of Consul Walter C. Hamm of Hull, England, and Consul Frank W. Mahin at Nottingham, England. The municipalization of what are known as natural monopolies is going on in England, and where the experiment is tried it is nearly always found to result in great benefit to the community and to the employes. For instance, Mr. Hamm says that the construction of the municipal telephone system at Hull has brought about a speedy reduction in rates. The municipal telephone has reduced the rates in Hull to about \$2 a month, and street car fare to 2 cents. Gas is being sold at less than 50 cents a thousand feet, and electricity is furnished at 9 cents per unit.

At Leicester the city has taken over the street car lines, or tramways as they are called, and is going to operate about forty-two miles. The fare is 2 cents, and sometimes the distance travelled is nearly three miles. The gas and electric plants, and water plants, are also in the hands of the public in Leicester, and will run at a profit. Mr. Hamm says:

"The construction of a municipal telephone system in Hull has brought about a speedy reduction in rates. At a recent meeting of the corporation telephone committee it was announced that the charge for unlimited service over an exclusive line would be £5 (\$24.33) per annum to private houses and £6 6s (\$30.65) to business premises. This reduction has been followed by a large increase in the number of subscribers. The National Telephone company has been compelled to reduce its rates for unlimited service to private houses from £10 (\$48.66) to half that amount. To what

extent this reduction will affect the company in other towns and cities is a matter of interest. It is stated that in the agreements which the National Telephone company has with practically all the large towns and cities in England, and by which the corporations of those towns granted the company underground way leases, it was made a condition that in case it reduced its unlimited-service rate in any place below \$48.66, similar reduction must be made, if demanded, in all other towns. If this is the case, then other cities may now demand the same telephone rate that is made in Hull. Thus the competition in this city may prove beneficial to every city in England.

"A recent report of the comptroller of accounts of the Hull corporation throws some light on the position of other corporation enterprises and the success attending their municipalization. On account of the crematory \$530.44 was expended for maintenance and \$306.58 was received in the year ended April 1, so that there was an excess of expenditure of \$223.86 in this case. On the public baths during the same time there was an excess of expenditure of \$1,110.53. In the gas department the profit in the year was \$15,380, from which there is to be deducted interest on the debit balance and a sum for the sinking fund, leaving a net credit balance on the revenue account of \$2,637. The working profit of the waterworks was \$149,893; deducting \$12,652, city fund annuity; \$57,449, interest on loans, and \$8,622 for the sinking fund leaves the net profits \$71,162. The revenue account of the electric lighting shows a working profit of \$88,696, from which there are to be deductions for interest on loans, sinking fund, and meter installments, leaving the net profit \$7,976. The working profit on account of the street cars for the year was \$185,238, from which \$48,329 is to be deducted for interest on loans

and \$45,700 for the sinking fund, and \$37,400 to be transferred to the reserve fund, making the credit balance for this year \$57,500.

"In each instance, then, with the exception of the crematory and the baths, the municipalization of public utilities in Hull has resulted in profit to the city treasury. The profit, it is true, is small, but it must be remembered that the charges for these public services are extremely low. A ride on the street cars in any direction to the end of the line costs only 2 cents; an exclusive telephone in private house costs less than \$25 a year, and in a business office about \$50 a year. Gas is sold at 48 cents per thousand feet and electricity at 9 cents per unit. The object is not so much to make a profit for the city out of these utilities as to furnish the public with the best service at the lowest possible price. Viewed in this light, municipalization in Hull can be pronounced a success."

The following is Mr. Mahin's report: "An important public improvement this year in Leicester is the installation of an electric street car system in place of the horse-drawn cars. The old system extended nine miles; the new lines, when completed, will cover forty-two miles. The greater part is now equipped with overhead trolleys and is open to the public. It is a municipal undertaking. The largest tramway junction in the United Kingdom is at the clock tower, whence five sets of double track radiate. The fare from this point to any other on the line is 1 penny (2 cents), which pays for a journey, in some cases of nearly three miles. The total cost of the system will be about \$3,250,000. For the first half of 1904 the net profits of the municipal gas works were \$110,000; of the electric light works, \$12,500, and of the waterworks, \$44,000. All this surplus goes to reduce the taxes or to benefit the public in other ways."

## GENERAL FREDERICK D. GRANT'S REMARKABLE STATEMENT

In a speech recently delivered in Boston, and referring to the Philippine islands General Frederick D. Grant said: "You hear a great deal about the force necessary to keep those degenerate people in subjection. There are 12,000 soldiers out there. My department in the east maintains 14,000 men to keep you citizens of New York, Boston, Philadelphia, Baltimore and other coast places in the straight and narrow path."

It is interesting to learn that it requires two thousand more soldiers to keep the citizens of New York, Boston, Philadelphia, Baltimore and other coast places "in the straight and narrow path" than it does to maintain order in the Philippines.

Is memory at fault or is it a fact that several years ago it became apparent that army posts were being located near all large cities? There was then very general criticism, particularly

among labor representatives who thought they saw a disposition to place federal troops in a position where they might readily participate in labor contests. Every time an organized labor representative intimated that there was a disposition to put the regular army to use in large cities he was severely criticised by republican newspapers, but these newspapers do not seem to be greatly disturbed because of General Grant's strange statement.