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EDITORIAL

A Timely Victory.

That the triumph of mediation occurs so near to Independence Day is fitting. It was made possible only through adherence to the principles set forth in the Declaration of Independence. In the doctrine that "all governments derive their just powers from the consent of the governed" is the all-sufficient answer to the shouts of the interests and misguided jingoes who demand forcible annexation. It is fortunate that there is an administration at Washington which recognizes the importance of fidelity to that principle.

S. D.



Peace Hath Her Victories.

Mediation has succeeded. In spite of the ravings of the fire-eaters, the frenzy of the yellow press, and the nagging of the little Congressmen, President Wilson has won. And had it not been for the blunder of a hair-trigger admiral who compelled the occupation of Vera Cruz, it would not have cost the life of a single American soldier. There is now no excuse whatever for our meddling with the internal affairs of Mexico. Even the ultra patriots who "see red" can now find no reason for intervention. We could have marched to Mexico City, and sent our troops throughout the length and breadth of the afflicted country, at a cost of many thousands of lives, and hundreds of millions in treasure. Instead, we have conquered by patience and forbearance. Peace is assured between this country and the Federals; and if the Constitutionalists do not obtain satisfactory terms at Niagara Falls, they will at Mexico City. With Zacatecas in the hands of the Constitutionalists and the demoralized Federals retreating, General Villa will soon be in possession of the capital; and the ending of the war under these circumstances gives greater promise of peace than Mexico has seen in a hundred years.

Peace hath her victories

No less renown'd than war.

S. C.

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Inconsistent.

In certain quarters there is loud derision of President Wilson's reference to the business depression as "merely psychological." Yet from these same quarters solemn assurances were issued during previous administrations that confidence would bring prosperity, or lack of confidence destroy it.

S. D.

**Too Much Regulation.**

Whether due to the strides in mechanics toward making "fool proof" machinery, or to a reversion to paternalistic government, there is a strong current setting in toward government control of business. Fortunately, however, for the cause of freedom, the antidote seems to be coming with the disease. At the very moment when attempts are being made to add more duties to overburdened administration, the failure to discharge those already imposed must cause paternalists to pause. If the production and distribution of wealth can be accomplished only by constant and detailed supervision of government, municipal, state and national, then is democracy a mistake, and socialism the inevitable; but by this self-same token, the failure of present government supervision indicates that socialism is impracticable. The history of civilization is marked by the shifting of authority from the autocrat to the individual, from the state to the citizen; and the present attempts to relieve the people by regulating the pressure, instead of removing it, are decidedly reactionary.



Few things in this country have had more regulation and closer supervision than our banks. The most minute provisions are made for their conduct, and they are subject to the constant espionage of the state. Yet a large bank in Chicago, is found, after its failure, to have disregarded pretty much all the regulations laid down for it to follow. Laws were enacted, officers were named to see to their execution, and the people elected a man to carry their will into execution; yet in spite of this supervision the laws were evaded, the officials failed in their duty, and the people have been defrauded. If banks, so few in number in comparison with other mercantile enterprises, cannot be controlled effectively, what reason is there for supposing government can superintend and control the vast commercial life of the country? Certain things there are that government—and by government is meant the people acting in their collective capacity—must do, such as preserve the

peace, maintain highways, and regulate land tenure; but ventures beyond these natural functions should be made with great circumspection, and with the fullest consideration for the rights of the individual, and the capacity of government. Since government by its very nature must be in the hands of men of average talent, while striving to control men of extraordinary ability, its field of activities should be confined to the least practical area. The restraining influence of public opinion should not be expected to cover too wide a range.



The new anti-trust legislation is laying down an impossible program. It is a vain endeavor to keep erect a building set upon a wrong foundation. The income tax law has proven a disappointment because of the evasions; and all the power of the government is to be invoked to find the delinquents. The Colorado State government breaks down, and the Federal Government steps in to protect the people from themselves. And now Montana is confronted with the same disorder that has swept from West Virginia through Michigan to the West. All of this confusion, as well as all of the trust trouble, comes through the initial act of government in clothing certain citizens with special privileges; and no amount of regulation or supervision of citizens so advantaged will prevent their encroachment upon the rights of others. It is not regulation but abolition that we want; and the thousand and one proposals for government relief would be rendered unnecessary by a return to first principles. It is toward liberty we should strive, not restriction. With our governments, local, state and national, discharging their immediate and proper functions, they will be doing all that our present capacity for self-government warrants them in undertaking.

S. C.

**The Proper Measure.**

Some, if not all, of the appointments to the new Federal Reserve Board, are being severely criticized. Perhaps they deserve criticism, but if so some more satisfactory reason should be advanced than the private business connections of the criticized ones. There seems no question at all but that Mr. Jones is a director of the Harvester Trust and of the Zinc Trust. Mr. Walburg is a member of the Wall Street firm of Kuhn, Loeb and Co. Such business connections do not very often stimulate loyalty to democratic principles. For this reason one, unacquainted with these men, may be justified in suspecting their

democracy. But, in the absence of more definite information such suspicions should not be allowed to become conviction. A similar process would have unjustly condemned Tom L. Johnson. It is fair to assume that President Wilson has, or thinks he has, reason to believe Messrs. Jones, Warburg, and others under suspicion, to be better than might be assumed from their private business connections alone. The quality of a man's citizenship is not to be judged by the advantage he takes of unjust laws, or even by his obedience or lack of it to such laws, but by his support of or opposition to the laws that confer unjust power. Let those speak out who have knowledge of the manner in which Mr. Jones or Mr. Warburg measure up to this standard. That will afford a more rational basis for judging their fitness.

S. D.



Completing the Job.

President Wilson is right in saying, "There is nothing more fatal to business than to be kept guessing . . . what in particular is going to happen to it." He may or may not be right in his prediction that the legislation that he has in mind will be followed by "a boom of business in this country such as we have never witnessed in the United States." Business will quickly adapt itself to whatever regulations are laid down, just as the protesting bankers reconciled themselves to the new banking law; but this reconciliation will not, and cannot, take place until the conditions are known. Congress should adjourn at the earliest possible moment; but to adjourn before fixing the new status of business would be like stopping to rest when the tooth is half pulled. The public has not been educated to know the real cause of business depression, and Congressmen, with too few exceptions, are ignorant of fundamental economic principles. The best that such a body can do is in the nature of palliation; so the quicker it is done the sooner the country will be able to take advantage of the reduced tariff.

S. C.



Commerce as a Moral Agent.

Coincident with the work of missionaries, and the various religious and social agencies looking to the uplift of society, is the great force of industry. Men have been preaching temperance for many generations; and now industrial life has become so complicated and so intensified that a man must keep sober in order to have a part in it. In like manner honesty has been inculcated time out of mind; but commerce is rapidly taking on

a form in which it "pays" to be honest. The tradesman of olden times was considered dishonest because he was a tradesman. His word was good for nothing, and every transaction involved a contest of wits in which faith had no part. The farmer might be honest, and the craftsman, but the merchant, never. Merchants of the East still to a large degree conduct their business on the principle of "let the buyer beware." But the expansion of trade along modern lines makes honesty a necessity. The personal deals of the individual buyer and the Oriental tradesman could take place without faith on either side; but the great transactions of today demand a moral basis. The buyer cannot personally inspect each individual article; and the seller realizes that if he would fill a second order he must do it by being honest with the first one.



The modern trend of business is seen by the action of the Associated Advertising Clubs of the World at their convention last week in Toronto, in announcing its code of ethics. "It is the duty of the newspapers," declared the association, "first to protect its honest advertiser and the general newspaper reader as far as possible from deceptive or offensive advertising," and "to accept no advertising which is antagonistic to the public welfare." Such a standard would have received little consideration a generation ago. Advertising was a business, and "business" had no soul, heart, or honor. Even periodicals that prided themselves upon their high ideals as news gatherers, and as editorial monitors, admitted to their advertising columns anything not prohibited by law. The evil result of such a course was seen, first, in the wrong done to readers who accredited editorial and advertising columns alike with good faith; and, second, in the general skepticism of the disillusioned. Some of the better class of periodicals have already undertaken to exclude from their advertising columns matter that is palpably dishonest, and inimical to public welfare. The action of the Associated Advertising Clubs will hasten the general adoption of this policy; and the day is not distant when it will be as much to the shame of a periodical to carry questionable advertisements as it is now for a judge to travel on a railroad pass.

S. C.



Benefits Denied.

The bumper crop—expected to partly offset the depressing influence of predatory Privilege—would be far more of a blessing if Privilege were destroyed. Large as the crop is, it is not what it

would have been had not land speculation kept vast areas of good farm lands out of use. Beneficial as the crop will be to some producers, it will not yield the benefits it would, if privileged trusts and railroad monopolies had first been deprived of power to legally rob the farmers. Great as the market for the crop may be, it is not equal to the market that would have been, had land monopoly and unjust tax systems, through restriction of industry and enterprise, not put multitudes of would-be consumers into the ranks of the unemployed or underpaid. In potential industry that is blocked and in potential markets that are prohibited lies that part of the price of economic injustice, far greater than the vast toll actually paid by Labor to Privilege.

S. D.



Cause and Effect.

From the East comes the cry for jobs; from the West comes the call for men. Men in the East lack food; grain in the West wastes in the field for lack of labor to harvest it. Truly, there is not much method in our madness. But both of these are effects of the same cause. Business lags in the East because exhausted by the toll of monopoly; and the grain fields of the West lack men because of the toll of this same monopoly. The farms of the grain states, Kansas, Nebraska, Minnesota and the Dakotas, are steadily growing in size. Everything has been done to make small farms less profitable than large ones; and labor that might have been kept in the rural districts has drifted to the cities; while immigrants who might have found their way West remain in the East. This is one of the fields to be covered by the Department of Labor. Much doubtless will be done by the department because of its sane management, but it cannot realize the full fruition of its hopes until the state enacts laws in favor of industry instead of exploitation.

S. C.



Progressive Farmers of Washington.

The State Grange of Washington seems as advanced and progressive as is the Grain Growers' Association of Canada, judging from the annual address of its Master, C. B. Kegley, delivered on June 2. The address shows that the Grange is actively at work for removal of the defects in the parcel post laws, for Government Ownership of Telegraphs and Telephones, for Presidential Primaries, for the Gateway Amendment and for Conservation of Natural Resources. In speaking of the Panama tolls question, the Master shows

the fallacy of the claim that exemption of coastwise shipping would benefit the farmers of the northwest. The great bulk of shipments will go to foreign ports "if the development of the canal is what we have a right to expect," and "free tolls for the coastwise trade would increase the tolls of the ships engaged in this trade and handicap us to that extent." He suggests as a measure that would benefit the farmer "making the entire canal zone a free port area" and "in addition to this, if we reformed our navigation laws and threw our coastwise trade open to the ships of all nations, we would smash our shipping monopoly and at once bring ocean freights down to where they belong." This is by no means the only evidence that sentiment on the Pacific Coast has been much misrepresented by those who claim it to be in favor of the subsidy policy. Many influential papers of California have during the controversy expressed opposition to this grab. Mr. Kegley apparently voices the sentiment of his State Grange in expressing himself so clearly.



Concerning natural resources the Master speaks in a common sense way, in which uninformed standpat politicians consider it unsafe to address farmers. "The government should hold onto what has not yet passed into private hands," he says, "and operate them either direct or under short-time leases. Those that have passed into private hands should be taxed to the full limit of their monopoly value."



Such an expression from the head of a great and growing farmers' organization must sound startling enough to the back-number politician, but there is even more. Mr. Kegley refers to the Grange's "declaration for free trade for all as well as for the farmer," and asks where the revenue is to come from to replace tariff taxes and internal revenue taxes. "It must be," he says, "some form or forms of direct taxation, either collected direct by the Federal government or assessed against the States on some equitable basis. Shall it be by increasing the income tax, the corporation tax, the inheritance tax, taxes on real estate, or, by what our single tax friends say is the most just of all taxes, a tax on land values. And furthermore, if it is desirable to raise Federal revenue by the taxation of land values, should there be any exemptions? If so, what should the exemption be? The suggestion has been made that all land values below \$2,000 should be exempt from Federal taxation. That, of

course, would exempt the farmer. Is it just? These are grave questions that we must face and settle."



When the Grange members discuss this question thoroughly, they will realize that no exemption is necessary to make adoption of the singletax beneficial to the farmer. The Washington State Grange is fortunate in having so progressive an official as Master Kegley to lead in its deliberations. The fact that he has for some years headed the organization shows that advanced as his position seems to be, he is not ahead of the rank and file in his views. The interests of the farmers of Washington will be well and intelligently looked after by such a Grange. S. D.



Jug-Handled Tax Reform.

Not exactly frank is the explanation by the Ohio Journal of Commerce of the plutocratic tax reform amendment that it is pushing. This amendment has one good feature in that it authorizes classification of property for taxation. But this good feature is more than offset by another one limiting to one per cent the tax rate for local purposes. The object of this limitation is declared to be to "make the Singletax impossible." Another object—not so frankly expressed—is that it will cripple the activities of progressive cities like Cleveland and Toledo, where municipal ownership movements are too strong to suit plutocratic interests. In its issue of June 26 the Journal of Commerce offers the following explanation.

The people of Ohio are not ready to exempt any considerable property from taxation, but they are anxious to have a lower tax rate put upon some classes of personality. The proposed amendment will permit a low rate, and when a low rate is fixed for personal property farm implements and factory machinery will be in the same class; if not, it will be because manufacturers and farmers will be asleep on the job.

But will stocks, bonds and money in bank be put in the same class with farming implements and other personal property? The Journal of Commerce sheds no light on that subject. The object of classification is to accord different treatment for taxation purposes to different kinds of property. Exemption of intangible personal property, stocks, bonds, etc., will be easy under this amendment. These constitute beyond doubt the "some classes of personality" mentioned by the Journal of Commerce. The people of Ohio are anxious to have a lower tax rate upon these, says the Journal of Commerce. Perhaps. But if they

are not anxious to exempt other forms of personality, why was the clause put in designed to make such exemption impossible? Is it not fear lest, after all, the people may want to go further in the exempting process than the Journal of Commerce likes?



Exemption of intangible personality is a commendable move in the right direction. But, if in taking it, an obstruction is to be erected to exemption of other property, equally entitled to freedom from taxation, or existing obstructions are to be left intact, then there will be more injustice than justice in the move. If owners of stocks and bonds want relief from unjust taxation, they should resort to no tricky devices to confine such relief to themselves, leaving others equally deserving to continued suffering. Those who want justice for themselves should not erect barriers to prevent others from getting it.

S. D.



Why They Should "Kick."

The Virginian of Richmond, Va., asks in its issue of June 20: "If the immensely rich squeezed their wealth from the masses, as many people seem to think, the liberal spending of it now will get it back into circulation again whether it be in donations to libraries, colleges, soup houses or what not. Why should the masses kick?" The masses ought to kick, whether they do so or not, because they should be allowed to retain and dispose of their own money themselves. If legalized robbery can be justly upheld on the plea that the booty is used for philanthropic purposes, then illegal robbery can be justified the same way. The masses know best how they prefer to have their money spent. They have a right to kick when a philanthropically inclined person takes it from them, even though the taking be in a legal way and for philanthropic purposes.

S. D.



From the Under Side.

The old problem of why crime prevention should be successful in inverse proportion to the severity of the punishment, seems to be in a fair way of solution. The fact was long ago recognized that drastic punishment did not prevent crime. When English law named more than a hundred offenses punishable with death, including sheep-stealing, and debt was a jailable offense, the hang man was busy, and the debtors' prisons were full to overflowing. Vindictiveness marked all relations between law and offenders. Society,

that is, such part of society as had the making of the laws, assumed that the sole motive of the criminal was a desire to injure his fellows, and any punishment was justifiable. Revenge was disclaimed, but the laws were drawn and executed much as though it were society's purpose; certainly it was so looked upon by the criminal. Motives were considered theoretically; practically, a man was a man, and a law was a law, and any infraction of the law was punished regardless of the moral or intellectual responsibility of the offender.



But man advances. Humanitarian prison reform has developed into the science of penology. Society is now beginning to realize that the physical body sometimes bears little resemblance to the real man within, and in its blundering efforts to restrain the inner man by inflicting pain upon the outer shell, more harm than good has been done. The possibilities for evil in such a course become strikingly apparent in the light of the investigations of Dr. W. J. Hickson, superintendent of the psychopathic laboratory operated in conjunction with the Municipal Court of Chicago. In presenting data, gathered in the Boy's Court, to the American Association for the Study of Feeble-Minded Children, at Columbus, Ohio, on the 18th, Dr. Hickson said:

"An examination of 245 boys from this court has revealed the following results: Only 18 tested normal on the Binet-Simon scale; in other words, only 7.34 per cent had a normal intellectual development; only 20, or 8.16 per cent, were borderland cases; and 207, or 84.49 per cent, were morons."

That is to say, of each hundred boys brought before the court over 84 were mental children. Though their physical age averaged 18 years, the mental age of these boys, with a most liberal interpretation of the tests, averaged less than nine years. Manifestly treatment of persons 18 years old is not appropriate for those of nine years.



Corroborative evidence of our mistaken penal policy comes also from the prisons themselves. The Leavenworth New Era, published by the prisoners in the United States Penitentiary at Leavenworth, Kansas, is trying to present to the world the prisoner as a man, with all his limitations, imperfections, and handicaps. Its appeal is for justice. And by justice is meant something more than the stone goddess, blindfolded, and holding aloft sword and scales that commonly

graces our court rooms. That emblem is too apt to strike the friendless prisoner who sees the rich escape for the same offense as his own, as more in need of pockets than scales. In pleading for justice the prisoners are asking for an intelligent and sympathetic appreciation of the facts. What the penologist deduces by means of elaborate analyses, these men feel in their blind, helpless way. They feel that they have been subjected to conditions in society that were beyond their power to meet; and they are asking, not punishment for failure to do the impossible, but assistance to do what they can. Perhaps we shall find after all that Jesus and Buddha and Tolstoy had the right idea of what we call crime, and that as we approach their ideals, we shall do away with prisons—and criminals.

S. C.



Suppressing the Third Degree.

A precedent which other judges would do well to follow was set on June 17 in the court of Delaware county, Pennsylvania, at Media, by Judge Isaac Johnson. A murder trial was on and a confession obtained by third degree methods presented as evidence. The district attorney, to strengthen this evidence, wished to show that it took six hours to induce the prisoner to admit his guilt, upon which Judge Johnson said:

The District Attorney may show, if he wants to, that it took six hours to procure his confession, but if he does, it will be in order to make a motion to have that confession stricken from the records of this trial, and if it is proven, and such a motion is made, I will strike out the confession.

And so the confession was later, on motion, stricken out.



Judge Johnson is not numbered among the progressive or democratic members of the judiciary. Yet in this case he was both. He did much to put an end, at least within his own jurisdiction, to a dangerous practice that should long ago have been suppressed. Judge Johnson has to his credit an action as just as it is unusual.

S. D.



Impeachment No Remedy.

The national House of Representatives has refused to impeach Judge Emory Speer, although it finds charges brought against him to be true. But it also finds that these charges do not constitute sufficient grounds for impeachment. So we know that impeachment is no remedy when in any federal court a jury is not permitted to return a verdict contrary to the judge's wishes; when court

officials are used as the judge's private servants; when the judge allows assets of bankrupt estates to be wastefully dissipated, and when he has the unpleasant habit of appointing receivers without notice or just cause. Yet there are still some who oppose application of the Recall to the judiciary.

S. D.



Serving Sentence of a Prejudiced Court.

The convicted structural iron workers denied a pardon must now serve their sentences. Unfortunately denial of a pardon does not clear away any of the facts which indicate that they were denied a fair trial. They may be guilty, but if guilty persons can be convicted and punished without a fair trial, so can innocent ones. So let it be remembered that there are at least twenty unfortunate convicts in Leavenworth penitentiary today, concerning whose guilt there is reasonable doubt. For this the courts have denied relief. With this the Department of Justice has declined to interfere.

S. D.



Weakness in Strength.

How long must men continue to kick against the pricks before they realize that all forces are balanced, and the order of nature is immutable. A Napoleon strives to unite all Europe under one crown, a politician seeks to perpetuate his power by appointing only his friends to office; a captain of industry endeavors to control business by uniting all his competitors, or a labor leader undertakes to solve the industrial problem by consolidating all the unions. Just what would happen if all the forces could be united on one side will never be known, for nature will not entrust such power to a single mind. Union and concentration have their legitimate spheres in the order of things; but a well defined limit has been placed to such power, beyond which to go is to invite weakness. A few years ago the farmers thought to control prices of farm products by joining in one huge grange, but the organization never got beyond the initial stages. Now certain labor men are looking to a union of all labor as a means of bettering and controlling conditions.



The universal labor union seems plausible—as plausible as perpetual motion or a protective tariff; but it has within it the germ of dissension, by means of which nature maintains an equilibrium. Not only do jealousy, ambition and dis-

trust prevent men from joining in a single organization, but they prevent the growth of the several organizations beyond a very limited extent. The orthodox unions point to the growth of their organizations as evidence that they hold the key to the industrial situation; the Socialists cite their growing vote as a reason for joining with them; while the Industrial Workers of the World are just as certain that they will solve the problem. The very fact that these three aggressive factors persist is evidence of the fallaciousness of the idea; and all history confirms the doubt. The passing of the Knights of Labor marked the limits of one form of labor organization; the American Railroad Union marked another; and the American Federation of Labor maintains its integrity because its directing head realizes the well defined limits of union activities, and holds its forces within those limits. As soon as that directing head is removed, the jealous ambition of those beneath will wreck this organization as the others have been destroyed before it.



Not only is a single labor organization impossible, but the trades organizations are in constant danger of disruption through the dishonesty of leaders. The graft scandals that placed New York Labor under a cloud a few years ago have apparently been repeated in Chicago; and the organizations that have scarcely had time to live down the odium that came from the misdirected zeal of the MacNamara's must purge themselves of the blackmailers who have preyed upon both Capital and Labor. This is not to condemn labor unions, but to point out some of their limitations. The union as a social agent is most commendable; it quickens the spirit of fellowship; and it enables the members to do team work that otherwise would be impossible. But the best and ultimate object of civilization will be delayed, rather than hastened, unless the limitations of trade unionism are recognized. The evils that the unions would redress are not peculiar to wage earners of any particular calling, nor of all callings. They are common to humanity. Labor may strike at Capital, and do it much harm; but it cannot thus do itself good. It is not Capital that oppresses Labor, but Monopoly that oppresses both Labor and Capital; and the strike is impotent when opposed to Monopoly. The only force that can subdue Monopoly is Law. Let Labor throw its great strength in favor of free industry, and it will no longer be tormented by tyrants without, nor traitors within its ranks.

S. C.

THE LIMITATIONS OF THE TRADE UNION.

If the Legislature of Illinois were to authorize a commission, invest it with police and taxing powers and grant it a charter to make some citizens rich at the expense of all of the others, it would do what is now done in every State in the Union in relation to public service corporations, in granting franchises which involve taxing powers.

Such a commission could collect one cent by direct taxation from every person in the State of Illinois and hand it over to one individual.

This would amount to more than fifty thousand dollars, because there are more than five million people in the State—a nice, snug little fortune.

This could be done again and again up to a certain point, but when that point had been reached the advantage to the individuals benefited by it would begin to lessen, and when the scheme was applied to the whole State and the last man, woman and child had been included in the list of beneficiaries, its advantages to any single individual would be wholly neutralized and the people at large would have wasted at least a million dollars and probably many times that amount, in five million collections and disbursements.

The whole net result would spell "wasted energy."

Aside from its political, social, moral, or economic aspects, the foregoing is the simplest kind of a problem in mental arithmetic, which any child of ten years can easily figure out.

Of like nature are many other schemes for subverting the laws of economics and getting rich quick.

Bounties, subsidies, tariffs, and all such quack political and economic nostrums are of the same character, and they masquerade as the "acts of statesmen" only among men who are incapable of consecutive and logical thought.

Now, Trade Unionism is not a get rich quick scheme, either in theory or practice, as is evidenced by the fact that even the best of them never get rich, but their escape from poverty is due to the fact that the workers at large do not yet belong to the union.

Trade Unionists take no note of the inexorable laws of economics. They have altogether too much confidence in the out-worn and decayed slogans of the militants of the middle ages.

Organization and the "mailed fist" are of absolutely no value today in coping with the economic

problems and forces that confront the world, and sway its destiny.

The success of the Unions today is wholly due to the lack of loyalty to the union principle when the unionists and their wives go into the market to buy goods.

"Union wages" have high purchasing power only so long as there is an immense amount of goods on the market not made under union conditions.

If every trade unionist in the land insisted upon buying nothing but goods carrying the union label (as is steadily but not wisely advocated by trade union journals) the whole benefits of belonging to the union would be swept away, because it would lessen the purchasing power of their wages by just the amount that their wages had been increased by the unions. To carry the statement still further: if every working man, woman and child in the United States belonged to a trade union and they all worked together harmoniously they would get some physical benefits from shortened hours, but the financial benefits of lengthened pay would be absolutely nullified, and for reasons which every economist, but very few trade unionists, understand.

It would be nullified for the very same arithmetical reasons that a "bounty" universally applied would be nullified; because it is not only contrary to the laws of economics but the laws of mathematics.

If the dream of the Trade Unionist were to be fulfilled the net result would be like "The Apples of Sodom," which turn to ashes on the lips.

"Wages" represent the worker's share of the whole product.

"Rent" (ground rent) represents the monopolist's share.

For the first item, labor and wealth are returned to society.

For the second item, nothing is returned; it is pure graft; ancient and venerated, but still graft, none the less.

Rent is the bottomless sink hole into which the wealth of the world is poured in ever increasing volume.

Rent is the great wealth absorber.

Any attempt to raise wages without reducing rent is as silly as to try to get rich by throwing money away.

It simply cannot be done.

The trade unionists owe their small measure of

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 terms.

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 govern-

ment 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-

thorizing the sale to Greece of the battleships Mississippi and Idaho, the proceeds to be used in building a new dreadnaught. The vote was 174 to 87. [See current volume, page 590.]



Senator Owens' bill for regulation of stock exchanges was favorably reported to the Senate on June 25 by the committee on banking and currency.



Japan and American Land Laws.

The correspondence between Japan and the United States over the California alien land law was given to the public on the 25th. The Japanese ambassador protested, May 9, 1913, after the California anti-alien law had been passed, but before it had been signed by Governor Johnson, that the act was unfair and discriminatory, was directed against his countrymen, was inconsistent with the treaty in force, and was opposed to the spirit and fundamental principles of amity and good understanding. In closing, the ambassador said his government "desired to have it entirely clear that they attach the utmost importance to the discriminatory phase of the legislation." The United States replied, under date of May 19, giving the steps taken by the Federal Government to prevent the California legislation, and explaining that "under the constitutional arrangements of the United States, we could do no more than that," pointing out that it was the action of but one state, and that it was not political, but due to the peculiar economic conditions in California.



On June 4 Japan replied that the American note did not remove the disappointment over the alien land law. As the Japanese are not eligible to citizenship, and have not the right to acquire land in California under the new act, the Japanese government is convinced that the measure is "internationally, racially discriminatory" and contrary to the letter and spirit of the treaty of 1911. The ambassador complained that the wrong was directed against his countrymen as a nation, and, though it was the act of a single state, Japan must look for redress to the nation. Calling attention to the laws denying citizenship to Japanese the ambassador said they were "mortifying to the government and the people of Japan." But this he recognized as a political problem of national, and not international, concern. When, however, that distinction is made use of for the purpose of depriving Japanese subjects of rights and privileges of a civil nature granted to other aliens in the United States, it becomes the duty of the imperial government to frankly express its conviction that the racial distinction does not afford a valid basis for the dis-

crimination on the subject of land tenure. The state department, under date of July 16, pointed out that the racial discrimination had been given undue prominence, that the treaty made no reference to land ownership, and that Japan had similar laws. The ambassador met this with a long discussion on the interpretation of the treaty, insisting upon his claim of rights conferred upon the Japanese. He said it was the first time that a nation having a favored nation treaty "had been placed at a disadvantage as compared with nontreaty countries."

The answer of the State Department, and the reply of the Japanese government continued the discussion of the treaty interpretation, the United States contending that the most favored nation clause referred to commerce and navigation, and Japan maintaining that the California act was discriminatory in the most invidious manner. The Japanese communication of Aug. 26 closed with the statement that the imperial government claimed for its subjects fair and equal treatment, and could not consider the matter closed as long as the present state of things continues. On June 10, 1914, the Japanese ambassador reopened the question by conveying from his foreign office instructions reiterating previous arguments, and saying the projected treaty would tend to create new difficulties. They preferred to recur to the correspondence which had been interrupted, and would look for an answer to the last note addressed the American Government, trusting that in a renewed study of the question a solution might be found. The last American note has not been given to the public. [See volume xvi, page 735.]



Roosevelt's Activities.

On arriving from Europe on June 24 ex-President Roosevelt issued a public statement criticizing the proposed treaty with Colombia. He declared the payment of \$25,000,000 to Colombia and the tender of an apology to be "belated payment of blackmail, with apology to the blackmailers." He said further: "If this proposed treaty, submitted by President Wilson, through Mr. Bryan, is right, then our presence on the Isthmus is wrong. If we as a nation have been guilty of theft we should restore the stolen goods. If we have not been guilty of theft we should not pay blackmail." He spoke contemptuously of the manner in which the administration has handled foreign affairs, saying that it "has been such as to make the United States a figure of fun in the international world." In reference to the attack on George W. Perkins made by Amos Pinchot, Colonel Roosevelt declared that "Mr. Perkins has been, on the whole, the most useful member of the Progressive party." He said further: "When

they read Perkins out they will have to read me out, too." [See current volume, pages 587, 609.]



Although ordered by his physician to take a four-months' rest and drop all political activities, Colonel Roosevelt declared this to be impossible, and that he will deliver a promised address at Pittsburgh on June 30 in favor of Gifford Pinchot and other Progressive candidates in Pennsylvania. He declined to indorse the candidacy of District Attorney Charles S. Whitman for the governorship of New York, and opposed fusion with the Republicans.



In reply to Roosevelt's defense of Perkins, Amos Pinchot formally stated on June 25:

"The Progressive party is pledged by its platform to strengthen the Sherman law and fight private monopoly. Mr. Roosevelt in his confession-of-faith speech said: 'The anti-trust law should be kept on the statute books and strengthened so as to make it genuinely and thoroughly effective against every big concern tending to monopoly or guilty of anti-social practices.'

Mr. Perkins, on the other hand, is enthusiastically committed to killing off the Sherman law and protecting monopolies. There seems to be an irreconcilable conflict with Mr. Perkins on the one side and the party and the colonel on the other.

"If it were the consensus of opinion among Progressives that the party should side with the trusts against the public Mr. Perkins' leadership would be appropriate. It is absurd to place the reins of leadership in his hands."

[See current volume, page 587.]



Commission on Industrial Relations.

The Federal Commission on Industrial Relations began hearings at Philadelphia on June 22. Professor Scott Nearing of the University of Pennsylvania was the first witness, and his testimony is thus reported in the Philadelphia North American:

"The total income derived from the cotton industry in Massachusetts last year," said Professor Nearing, "added \$81,000,000 in value to raw cotton. The salaries to officials totaled \$2,500,000. The salaries to wage-earners amounted to \$41,000,000. There is nearly \$30,000,000 remaining.

"A small part goes to machinery and repairs. A large part to rentals and dividends. Of the \$81,000,000, the people who did the work got only about five-eighths, and the other three-eighths went some place else.

"When I described this condition in Fall River some time ago the board of trade there got hot about it. I have nothing against Fall River, but it is the only example we have to draw from.

"I do not believe the situation in Fall River is any different from that in the Mohawk Valley and every other textile town in the northeast,

"As regards other industries, I think we can safely say, from federal investigations, that half of the adult wage-earners in the United States get less than \$500 a year; that three-fourths get less than \$750 a year, and that nine-tenths get less than \$1,000 a year.

"Rarely do we find a wage-earner getting \$1,500 a year. There are exceptions in the allied building trades, telephone companies, etc., but we must consider industries as a whole."

"What would you suggest as a remedy?" asked Commissioner O'Connell

"As I see it," replied Professor Nearing, "we must stop this exploiting of the many for the benefit of the few. The people who hold mortgages and stock certificates and flaunt them before the eyes of civilization are contributing to this great unrest which is sweeping the country.

"At no time have the privileged few had such an effective scheme of living on the labor of the many."

Asked if he believed the establishment of a minimum wage would offer a solution, Professor Nearing replied:

"The thing to do, as I see it, is to establish a relation between wages and the standard of living. When a man applies for a job, his prospective employer never inquires the number of his children. He offers the married man just the same wages as he does to the single man, and no more.

"Every child after the second is an economic calamity, according to the New York board for the bettering of the conditions of the poor. Every child in the city is an economic liability. In the country children used to be an asset. Now they are liabilities."

Professor Nearing was applauded when he intimated that the workers would not stand for the continuance of the present system. He showed his conviction on that point when Commissioner Weinstock asked:

"If such conditions go on, what forecast would you make for the worker thirty or forty years hence?"

"If he stands for it, you mean?" inquired Professor Nearing, with a significant inflection in his voice. Then he said that, in his opinion, if such a condition did continue to exist, 50 per cent of the net product would go into dividends for the privileged few.

"What suggestions would you make for a remedy to conditions?" asked one of the commissioners.

"Every man is entitled to what he earns," replied Professor Nearing, "and if I had anything to do with this investigation I would start it right there. The blatant evil of monopoly should be wiped out."

"Are you a believer in the doctrine of socialism?" asked Commissioner Weinstock.

"What are the doctrines of socialism?" asked Professor Nearing.

"The doctrine of socialism," said Mr. Weinstock, "is the belief that there should be one employer, and that employer the people, and that all rents, interests and profits should be abolished."

"I am a believer in such a doctrine," said Professor Nearing, "so far as the abolishment of rents and interest is concerned. The worst form of unearned profit is the ownership of land. I would take for

social uses 'the values arising from land ownership."

"Do you believe that the unrest of the workers is undermining our civilization?" asked Commissioner Lennon.

"I believe that the most insidious force that ever operated in civilization is the force that makes a few persons the exploiters of all the others," Professor Nearing answered. [See current volume, page 610.]

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there is always room at the top and that opportunities are more plentiful today than ever. The cause of existing unrest he declared to be "the premature desire of inefficient men to forge ahead," and the remedy he suggested is that workers be instructed along lines of legitimate opportunity. 8,200 men are now employed at Baldwins as compared with 17,000 a year ago. The average wage has fluctuated from \$12.32 a week in 1900 to \$14.86 in 1914. His concern had made some experiments in welfare work, which failed.

The Labor War.

President Wilson on June 24 commuted to expire at once the sentences of four of the structural iron workers convicted in Judge Anderson's court at Indianapolis in December, 1912, of conspiracy to dynamite. Those are Michael J. Hannon of Scranton, Frank H. Painter of Omaha, Fred J. Mooney of Duluth and William Shupe of Chicago. Pardon was refused to the other twenty, and these must serve their sentences. [See current volume, pages 493, 555.]

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The court martial at Denver which tried Lieutenant K. E. Linderfelt on the charge of manslaughter in connection with the massacre at Ludlow was reported on June 16 to have found him guilty of "unsoldierly conduct." No mention has been made of verdicts in the case of others involved in the affair. [See current volume, page 515.]

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The union faction fight in Butte is said to have resulted in complete disruption of the local organization of the Western Federation of Miners and formation of an independent organization. Charles H. Moyer and other officers of the federation were forced on June 23 to leave the city. Moyer appealed on the following day to Governor Stewart for state control. Mayor Duncan of Butte declared state aid to be unnecessary since it is the sheriff's duty to preserve order and he has not acted. There have been no reports of rioting since June 24 and the miners are said to be working as usual. [See current volume, page 611.]

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Charges of extortion practiced on building contractors by some dishonest business agents of trades unions resulted from the shooting of George Hammond, agent of the Excavating Teamsters' Union on June 23 by a contractor, Patrick Dignan. Many complaints have since been published, especially in the Chicago Herald, of strikes threatened or called and building operations held up until blackmail was paid to union agents. In most of these published complaints the name of

Wm. Draper Lewis, dean of the University of Pennsylvania, and Progressive candidate for governor, testified in favor of the fairness of the courts in labor cases. While the courts had declared the secondary boycott illegal, he said they had applied the decision to employers as well as laborers. He held that the secondary boycott should be permitted when the employer is unfair and refuses to arbitrate.

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John Wanamaker testified that he favored labor organizations and criticized John D. Rockefeller, Jr., for placing the national government in a position where it had to send troops into Colorado. He advocated public ownership of railroads, telegraphs and other public utilities and criticized the demand for increase of freight rates. He gave a qualified endorsement of a minimum wage law, saying it should be tried, but should be a graduated law. The minimum wage for salesgirls in his store is \$8 a week and for scrubwomen \$7 a week.

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Mayor Blankenburg of Philadelphia testified on the 23d. He did not think the people of the United States sufficiently educated to experiment with public ownership. On being informed by Commissioner Weinstock that San Francisco is successfully operating two dividend earning municipal street car lines, paying the men \$3 for eight-hour day, Mayor Blankenburg merely repeated his original statement. Thomas E. Mitten, executive head of Philadelphia's street railway system, declared that though free transfers are only given in the city at a very few points and an extra charge of three cents for transfer made at other points, yet the company cannot afford to pay higher wages than in other cities, and not as much as is paid in Chicago and Detroit. After the superintendent of the street railway had denied that men were discharged for belonging to unions, Secretary Kirrane of the local union testified that he had been discharged for that cause.

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On June 24 Alba B. Johnson of the Baldwin Locomotive Works testified. He denied that existing economic conditions compel the majority of wage earners always to remain so, declared that

the blackmailing agent, is withheld. United States District Attorney James H. Wilkerson has announced that all charges will be investigated by a special grand jury.



Tax Reform News.

The report was made to the Nebraska Press Association at its meeting at Lincoln on June 24 by the committee appointed at the 1913 meeting to investigate taxation in the state. In reporting, the chairman of the committee, Lauric J. Quimby, of Omaha, declared that a referendum vote had been taken of all citizens in whose hands it was possible to place ballots to ascertain what the general opinion regarding taxation might be. Farmers are found to be quite united in the view that farm implements and products should not be taxed, but were not so sure that manufacturing machinery and merchants' stocks should be also exempted. Nearly everybody voted for income and inheritance taxes, and for taxing franchises at their market value. On the whole the committee found the replies vague when it came to suggesting specific programs of tax reform. The committee proposed: 1. The adoption of the pending amendment increasing the latitude of the legislature in farming tax laws. 2. A state tax commission to appoint a state assessor to have general charge of the subject. 3. Listing of all taxable property for taxation and applying afterward whatever exemptions the law allows. 4. In taxing personal property a distinction should be made between what is held for consumption and what is held for sale at a profit. 5. Annual, instead of quadrennial assessments of lands. 6. Owners should be required to make their own assessment of lands and any citizen or the state should be empowered to buy at the owner's valuation at any time. 7. All property should be assessed at its full value. 8. All personal property taxes should be repealed. 9. All franchises should be assessed for taxation at market value and taxes on improvements eliminated. The committee report was ordered printed and referred to all the editors of the state to the end that it may be discussed by newspaper readers. The recommendation to exempt personal property was referred for action to the legislative committee. [See volume xvi, page 1164.]



The Nova Scotia legislature passed finally on June 5 an act that empowers local assessment bodies to adopt whatever system of taxation for local purposes they may prefer.



Lorimer Bank Scandal.

Investigation of the affairs of the La Salle Street Trust and Savings Bank of Chicago, of

which former Senator Lorimer was president, developed the fact that a loan of \$40,000 had been made on November 1, 1911, to former Senator Paynter of Kentucky. Senator Paynter was a member of the Senate committee that conducted the first investigation of Lorimer's right to his seat, and made a report exonerating him from the charge of bribery. Throughout the whole scandal Paynter championed Lorimer's cause. The indebtedness had been reduced to \$2,600 at the time of the failure. Evidence of loans to local politicians has also been reported discovered and of entries crediting 3½ percent interest on certain city deposits which actually received but 2¼ percent. [See current volume, page 591.]



Destructive Fire in Salem.

A destructive fire which raged in Salem, Mass., on June 25 rendered 18,000 persons homeless, caused the loss of four lives and loss of \$12,000,000 in property. The factory and business districts were swept by the flames. Among the homes destroyed were many built during the colonial period.



English Affairs.

Peace talk continues among the English people and in parliament, while Ulstermen bluster and the Nationalists arm. The amending bill is expected to pass its second reading in the House of Lords on the 30th, after which it will be amended to meet the wishes of Ulster. John Redmond, the leader of the Nationalists, will grant nothing more than the amending bill now includes, that is, the temporary exclusion of Ulster. But those critics who have carefully followed the course of Mr. Asquith have little doubt that when the two irreconcilables meet this great political leader will find a way of harmonizing their differences. [See current volume, page 612.]



Assassin's Blow at Austria.

Archduke Francis Ferdinand, heir to the Austro-Hungarian throne, and his morganatic wife, the Duchess of Hohenberg, were assassinated on the 28th in the streets of Sarajevo, the capital of Bosnia, by a Servian student. The act was committed while the Archduke was making an official visit to the Bosnian capital. The Archduke, who was born December 18, 1863, was a nephew of Emperor Franz Josef, and became heir to the throne on the death of the Emperor's son. Owing to the Archduke's morganatic marriage, his children are out of the line of succession, and the crown will go to the son of his younger brother, Archduke Charles Francis Joseph, who was born August 17, 1887. [See vol. xvi, p. 584.]

This assassination is in keeping both with the ill fortunes of the House of Hapsburg, and the reign of terror in the Balkan Peninsula. Bosnia and Herzegovina were given to Austria by the Berlin treaty of 1878, for administration and military occupation. On October 5, 1908, Austria assumed sovereignty over the two countries. Servia in particular resented this; and it is thought the present act was due to the bitter feeling of the discontented people toward one of the men instrumental in imposing Austrian sovereignty.

NEWS NOTES

—At the ter-centenary of the foundation of Groningen University, Amsterdam, Holland, on the 20th, Andrew Carnegie was among those who received honorary degrees.

—Announcement was made on June 27 of a gift from John D. Rockefeller to the Rockefeller Institute of Medical Research of \$2,550,000, making the total contributed by him to that institution \$12,550,000.

—Senator A. J. Gronna of North Dakota and Governor Hanna were renominated on the Republican ticket at the State-wide primary on June 24. W. E. Purcell received the Democratic nomination for Senator and F. O. Hellstrom was named for Governor.

—An economic Study Club has been organized in San Antonio, Texas. Mr. E. G. LeStourgeon is President and G. E. Meliff, Secretary. The object of the organization is "the study and discussion of economic, social and political questions of local, State and national importance."

The proposal of two-cent postage between France and the United States is receiving the attention of the French Parliament. This rate now prevails between America and England, and America and Germany, and the five-cent rate to France is considered a handicap to French trade.

—A severe earthquake occurred in southern Sumatra on the 26th, causing much damage to property and a considerable loss of life. Sumatra is the second largest island in the Malay archipelago, being about the size of Spain, and having a population of 3,500,000, of whom 5,000 are whites.

Conservative Republicans of Wisconsin held a State convention on June 23 at Madison and nominated a State ticket headed by Levi H. Bancroft for Senator and Emanuel L. Philipp for Governor. Petitions will be circulated to put this ticket on the primary ballot in opposition to Senator La Follette's following.

—A press dispatch from Athens on June 27 states that United States Minister to Greece, George Fred Williams, has sent his resignation to the State Department at Washington. The reason is assigned that Mr. Williams took this course to relieve the Department of any embarrassment that might result from failure to approve views he has publicly expressed concerning the Albanian situation.

—The old wholesale dry goods concern, the H. B. Claflin Company of New York, failed on June 25.

Assets are reported to be \$34,000,000; liabilities, \$44,000,000. The creditors are mainly banks. The concern has financed many retail dry goods establishments and department stores throughout the country. From 3,000 to 5,000 banks in all parts of the United States are said to be holders of its paper.

—The Associated Advertising Clubs of the World, in session at Toronto, Ontario, June 22-25, took a pronounced stand for higher ethics in advertising. By a unanimous vote the conference adopted a set of resolutions declaring it the duty of newspapers to protect the reader and the honest advertiser as far as possible from deceptive advertisements, and to accept no advertising that is antagonistic to the public welfare.

—F. J. Dixon accompanies the announcement of his candidacy for the Manitoba legislature, from Winnipeg Center, by a declaration of principles that marks the forward state of public opinion in that country. Among the principles for which he stands as an Independent Progressive candidate are direct legislation, home rule, woman suffrage, public ownership of franchise monopolies, and Single Tax. Nor is the Singletax plank hidden away; it stands forth in all the boldness of truth.

—King Peter I of Servia is announced as having abdicated the throne on the 24th in favor of his second son, Prince Alexander. The king, who is 70 years old and in poor health, is taking the baths at Vranya in southern Servia. He ascended the throne on June 15, 1903, after the murder of King Alexander and Queen Draga by forty Servian army officers. The new king was born December 4, 1888, and is said to be very popular. His elder brother George, was compelled to surrender his right to the succession on account of wild escapades.

—The National Chamber of Commerce on June 23 denounced the proposed exemption in the Clayton bill of labor and farm organizations from anti-trust prosecution. It declares that if such exemptions are to be made they should include "any organizations, orders or associations instituted for the purpose of mutual help and not merely fraternal, labor, consumers, agricultural and horticultural associations." It points out that there are associations for mutual help of bankers, lawyers, manufacturers and others, which are unjustly omitted from the exceptions. [See current volume page 560.]

PRESS OPINIONS

Is "American Freedom" a Myth?

Emporia (Kansas) Gazette, June 18.—The dispatches tell of a young Italian who came to America and killed himself when he found that it was not what he was told it was. The young man had a delusion that this was a land of free speech, and free thought. As a matter of fact there is no such thing as free speech, and the only way to enjoy free thought is to say nothing about it. Free speech means that freedom in speech upon certain subjects is granted. In America we have more subjects about which men may think and talk than in any other country in the world; but we have not free speech by any means. Let a Catholic go into

a strong Protestant community and begin to abuse the free schools and the constitution, or let an anti-Catholic agitator go into a Catholic neighborhood and denounce the Pope, and observe how free speech works. Let an anarchist begin to denounce the courts and the government, and he will find free speech is a myth. Let a socialist begin to denounce property rights—as the socialist did out in Pratt, Kan., last week—and he is rolled in the gutter and has no protection of police or courts against the mob. Generally speaking, in most American communities there is free speech about many things—things that are no longer in serious doubt or controversy may be freely discussed. But there is no free speech along lines upon which the community has fixed opinions, such as marriage, property, the constitution, or the system of taxation in vogue.



The Most Important Issue of All.

The Chicago Evening Post, June 26.—Have we reached the place where landlordism is to be a political issue in this country? The Post's Washington correspondent reports a movement on the part of the Progressive contingent in Congress to have an inquiry made into the alleged monopoly of land in several of the States of the Union. It is an interesting development at a time when this nation is seeking to solve a similar problem in a neighbor country. One-seventh of the acreage of California is said to be controlled by two ownerships. In the Miller and Lux estates are 14,500,000 acres. Three men are said to hold 4,200,000 acres in Florida. Half of the land in the State is said to be in the hands of 182 men. A witness before the House Committee on public lands is reported as testifying that he owned 3,000,000 acres in Texas. These are significant and arresting facts. Consider with them the increase of tenant farmers during the decade from 1900 to 1910, amounting to a little over 16 per cent, and the fact that almost exactly one-third of the farm owners in 1910 had mortgaged farms, and you have some of the elements that may constitute a serious problem, given time for unchecked operation. The fact that the actual number of farms in the United States increased in the decade by only 10.5 per cent, while the population of the country increased in the same period by precisely double this percentage, may not be unrelated to the general situation set forth. Throughout history the land question has been a fundamental question. Sooner or later it has arisen to plague statesmen and to provoke strife. It has been the occasion of more than one revolution. Mexico is merely repeating what is written in the annals of many another country.



How to Prevent Competition.

The Saturday Evening Post (Philadelphia) June 27.—A big German bank boasts that it is represented on the directorates of more than two hundred corporations, while a bigger rival figuratively gathers about half of industrial and commercial Germany under its wing. As to the corporate connections of eminent Wall Street bankers, one may refer to the Money Trust report. In Germany and the United States, at least, Big Business has de-

liberately—even eagerly—put itself in hock to big banks. The common explanation is that Big Business constantly needs fresh capital and ties itself up with certain powerful banks in order to get itself financed—that is not the real reason, however. A sound railroad or industrial does not need to stand, hat in hand, in Morgan's anteroom or the anteroom of the Deutsche Bank to get capital. The real reason is to restrain competition. Big Business does not flock to big banks as a source of capital, but as a refuge from competition. Undoubtedly the most important function of such institutions as Morgan & Company and the Deutsche Bank is to keep competition in hand. They are a sort of medieval fair, at which traders can meet and discuss and adjust their differences under bonds to keep the peace, and make plans for their mutual benefit without knifing one another. Mellen's testimony pictures Morgan in a dominating position. An important reason for that position was that Morgan, taking it all round, could do more to suppress competition than anybody else. Naturally, therefore, business turned to him.

RELATED THINGS CONTRIBUTIONS AND REPRINT

THE NEW DEMOCRACY.

By Rose H. Phelps Stokes.

I'm with the people—I'm with every man
Who tills the soil, and sows the potent seed,
And gathers harvests for the common good;
Who wields the ax not for himself alone;
Or if for self, yet harms not any man;
Who turns the wheels of industry around
With foot, or hand, or with the active brain,
Supplying every need for every man—
Were but supplies with love distributed
And with a sense of common brotherhood.

I am with those who dream the pregnant dream
Of happy workers in a happy state;
Who dream the dream of true democracy;
Who damn this state which makes for joyless life
Through cruelest curse of mad monopoly.

I'm for the workers of the present state,
Who love to serve, and serve because they love;
Who count the sense of service to the whole
A greater recompense than greed today
Counts all its golden millions ("for the good"—
It likes to say, "they render to the world").

I'm for the joyous workers yet to be!
They who today consider work a curse;
They who today are cursed with overwork;
They who today do starve for lack of work;
They who today live but from others' work—
I'm for the joyous workers yet to be.



First we brutalize them; then club them over the heads for being brutes—so brutalized are we.—Harry W. Olney.

THE FLAG.

Address Delivered on Flag Day to Employees of the Department of the Interior by Secretary Franklin K. Lane.

This morning as I passed into the Land Office, the flag dropped me a most cordial salutation, and from its rippling folds I heard it say: "Good morning, Mr. Flag Maker."

"I beg your pardon, Old Glory," I said, "you are mistaken. I am not the President of the United States, nor the Vice President, nor a Member of Congress, nor even a general in the Army. I am only a Government clerk."

"I greet you again, Mr. Flag Maker," replied the gay voice, "I know you well. You are the man who worked in the swelter of yesterday straightening out the tangle of that farmer's homestead in Idaho."

"No, I am not," I was forced to confess.

"Well, perhaps you are the one who discovered the mistake in that Indian contract in Oklahoma."

"No, wrong again," I said.

"Well, you helped to clear that patent for the hopeful inventor in New York, or pushed the opening of that new ditch in Colorado, or made that mine in Illinois more safe, or brought relief to the old soldier in Wyoming. No matter; whichever one of these beneficent individuals you may happen to be, I give you greeting, Mr. Flag Maker."

I was about to pass on, feeling that I was being mocked, when the flag stopped me with these words:

"You know, the world knows, that yesterday the President spoke a word that made happier the future of 10,000,000 peons in Mexico, but that act looms no larger on the flag than the struggle which the boy in Georgia is making to win the corn-club prize this summer."

"Yesterday the Congress spoke a word which will open the door of Alaska, but a mother in Michigan worked from sunrise until far into the night to give her boy an education. She, too, is making the flag. Yesterday we made a new law to prevent financial panics; yesterday, no doubt, a school teacher in Ohio taught his first letters to a boy who will write a song that will give cheer to the millions of our race. We are all making the flag."

"But," I said impatiently, "these people were only working."

Then came a great shout about the flag.

"Let me tell you who I am. The work that we do is the making of the real flag. I am not the flag, not at all. I am but its shadow. I am whatever you make me, nothing more. I am your belief in yourself. Your dream of what a people may become. I live a changing life. A life of moods and passions, of heartbreaks and tired

muscles. Sometimes I am strong with pride, when men do an honest work, fitting the rails together truly. Sometimes I droop, for then purpose has gone from me, and, cynically, I play the coward. Sometimes I am loud, garish, and full of that ego that blasts judgment. But always I am all that you hope to be and have the courage to try for. I am song and fear, struggle and panic, and ennobling hope. I am the day's work of the weakest man and the largest dream of the most daring. I am the Constitution and the courts, statutes and statute makers, soldier and dreadnaught, drayman and street sweep, cook, counselor, and clerk. I am the battle of yesterday and the mistake of tomorrow. I am the mystery of the men who do without knowing why. I am the clutch of an idea and the reasoned purpose of resolution. I am no more than what you believe me to be and I am all that you believe I can be. I am what you make me, nothing more. I swing before your eyes as a bright gleam of color, a symbol of yourself, the pictured suggestion of that big thing which makes this Nation. My stars and my stripes are your dreams and your labors. They are bright with cheer, brilliant with courage, firm with faith, because you have made them so out of your hearts. for you are the makers of the flag, and it is well that you glory in the making."



LOBSTERS I HAVE MET

The "Trusts" Had Him Buffaloed.

I was out for my Sunday morning stroll when I ran across Dick Burns, who asked me if I would like to go with him to his office where he had an appointment to discuss political economy with a friend.

"Sure," said I, "you picked out a peach of a morning for it."

"This fellow works for me, his name is Wadsworth—Will Wadsworth," explained Burns. "Fine fellow, good mechanic, has had a little schooling, and wants to get wise. When I hired him two years ago I knew he had ideas but I didn't let on. I never mixed with him until a few days ago when we talked a little and arranged this meeting."

We were nearing Dick's factory. Wadsworth was already there.

"Good morning," he greeted; "you're right on time."

"I'm always on hand, like a wart," responded Burns, introducing me as he unlocked the office door.

Inside we took chairs. Burns passed cigars and got down to business. He got out a pad of paper and a pencil. "Excuse me a minute, Will," he said, "I want to set down a few things to remind me of what I want to say."

"Will, have you ever studied algebra?" Dick asked, after he had finished writing.

"I started to once," replied Wadsworth, "but didn't get far."

"Too bad, it is a fine thing to develop the mind," said Burns. "You probably got far enough to learn that every term used is a symbol to represent but one idea. If another idea is to be represented another symbol is used."

"I got that far, but that's about all," said Wadsworth.

"Well, we can't make a scientific investigation of anything unless we apply that process," said Burns. "I want to give you an illustration, the essence of which I believe you are familiar with—electricity. Dr. George Simon Ohm, a German, in 1827, discovered the primary factors of Electricity—electrical pressure, current and resistance. To each factor he gave a symbol—a name. He discovered that when a current of electricity flows through a wire under pressure from a battery, or other source of electricity, it is equal to the pressure divided by the resistance of the current. This relation between electrical current, pressure, and resistance is called Ohm's law. The relation rep-

$$\text{resenting this law is often written: } C = \frac{E}{R}$$

where C, E, and R stand for current, pressure and resistance. Now we can't build a dynamo or a motor unless we keep these factors and their relations to each other firmly in mind. And in thinking of either factor everything else involved in electricity must be eliminated.

"You know enough about electricity to know you can't run these factors together, nor put the kibosh on them by calling it all electricity, and build a dynamo or a motor?" asked Burns.

"I know that much about it," agreed Wadsworth.

"Political economy had to be systematized the same as electricity," continued Burns. "The factors had to be discovered, and separated. About forty years ago Henry George did this. He discovered that the factors of production are land, labor and capital. And if it wasn't that nearly everybody thinks he knows all about political economy without studying it, we should have made as much progress in government as we have in electricity.

"Now, Will, I've told you all this in order to get a basis for our discussion. You will admit that all wealth is produced by the application of labor to land?"

"Assisted by machinery," chimed Wadsworth.

"That is capital, and comes afterwards. We have to get the material to make capital from the earth, isn't that right?"

"Y-e-s."

"Therefore if the earth is free, and labor is free to use it, wealth and capital will be freely produced in proportion as labor gets busy. Ain't that right?"

"I should say that is about right."

"With that condition, if I wanted to hire a man I would have to pay him at least as much as he could earn working for himself, wouldn't I?"

"I suppose so, but I don't see what you are driving at," said Wadsworth.

"Never mind what I am driving at, only don't admit anything unless you are sure of it," returned Burns.

We laughed at Wadsworth's suspicions. He acted as if he thought Burns was trying to slip something over on him.

"To give you an illustration along the lines of my last question," continued Burns, "There is a big strike on now in the copper regions. I suppose you know there is much more land idle in that region than there is in use?"

"I didn't know it, but I'll take your word for it," laughed Wadsworth.

"Well, it's a fact," argued Burns. "Now if the strikers were free to use the unused land how long do you suppose the strike would last?"

"I don't see what good that would do them," smiled Wadsworth; "they haven't any money to buy mining machinery with and they couldn't mine enough without it to make a living."

"Will, you surprise me," came back Burns, as he reached for a copy of the morning paper. "I supposed everybody knew the Western Federation of Miners has an ample sum in its treasury. That is more than was originally used to begin operations in that country. Here is a quotation which bears me out."

Burns handed the paper to Wadsworth who read the article aloud.

"Well," he said, after he had finished, "suppose the miners wanted to buy machinery do you think they could do it? Wouldn't the Trust refuse to sell it to them?"

"Not on your tin-type, Will, you're wrong—way wrong. I'll show you something." Burns went into the purchasing department and brought out a copy of a directory of manufacturers of the United States. Turning to Mining Machinery he counted over two hundred manufacturers. "They are thicker than hair on a dog, Will; and if they knew someone with a wad of money was wanting to buy machinery they would send so many salesmen around he'd have to call on the police to prevent a riot."

Wadsworth laughed. "Gee, I didn't know there was so many firms making mining machinery." He examined the list casually.

"Of course you didn't. You've been hearing so much bunk about Trusts that you're nutty about them," said Burns.

"Well, suppose the miners did get the machinery wouldn't the mine owners out-bid them for the land?"

Will winked at me. He thought he had put a poser. But Dick was there with the answer.

"You'll remember, Will, that I postulated to start with that the land was free."

"Oh, I forgot that, but it isn't free, is it?" came back Wadsworth, as we laughed at his confusion.

"It would be equally free to all if it were taxed up to its full value, and that is what I propose should be done," returned Dick.

"Well, I don't see how the miners would be in any better position to pay the tax than the mine owners." Wadsworth thought he was settling that part of it.

"They wouldn't," answered Dick. "They couldn't afford to pay such a tax on land they were not using any more than the mine owners could. But they could pay on what they were using."

"Well, anyway, admitting you are right up to this point, what would the miners do with their ore after they mined it?"

"They'd sell it to the rolling mill companies, of course."

"They're all in a Trust, ain't they?"

"Not on your life," said Dick. "We chew up about a carload of steel here every day, and we don't buy a pound from any Trust or Combination. What is true of iron ore is true of copper. There are copper mills all over the United States, just as there are steel mills, and they get their raw material from the mines."

"Well, even if that fixed the miners, how would it help the rest of the people?" asked Wadsworth.

Burns got up, put his hands in his pockets and walked across the room, talking as he walked.

"Bear in mind, Will, I haven't proposed that this system of taxation be confined to mining properties. It would affect farm lands and city lands in the same way. It would make it unprofitable to hold land out of use. The proposition is to tax land up to its full value. You never heard of a man or a corporation taking a 99-year lease on a piece of property and holding it idle, did you?"

"No, I don't think I ever did."

"Well, no one would hold land idle with the single tax in operation, any more than he holds leased land, idle now. Every advantage civilization gives is reflected in the value of land. The people can profit by their progress only through using that value to defray the public expense. When that is done no land that has value will remain idle, and as land has no value unless two or more people wish to use it, much land that has value now would be available for use without taxation. It is conservative to say there are not enough people in the United States to use one-third of it under such a system. That would leave two-thirds as a harbor for the job-hunter."

"Well, now, let's take a situation like what you have to face here every day," said Wadsworth. "You come down in the morning and find all the

way from ten to fifty men waiting for a job. What good would it do to tell them you have not work for them, but that two-thirds of the United States is free?"

Wadsworth was asking for information and I thought he was crowding Dick for it in good shape. I was surprised though to find he didn't know any more about the land question, or about political economy, than any one of many business men I talked with who had never read a line on the subject.

Dick got up and walked across the room with his hands in his pockets and his cigar gripped in his teeth; he seemed to be thinking just how he would answer Wadsworth's last question. Facing him he said, "Will, if we had the Singletax there wouldn't be from ten to fifty men out in front here asking for a job every morning. If I wanted more help I'd have to send men like you around town and into the country to induce them to leave the jobs they had for the ones I had to offer."

"Gee, that would be great," smiled Wadsworth. "How would that be brought about?"

"Why, Will, if we're going to use land to the limit we've got to employ labor. If there was a vacant empire available for use without price a lot of men would go to work for themselves that can't now. If only enough did go to relieve the competition to work for others that you see out in front of the factory every morning, there wouldn't be anybody asking for a job that wanted to work, would there?"

"That sounds easy, but I don't see how very many could go to farming with the Harvester Trust in control of the farming machinery. They'd raise prices so high there wouldn't be a chance for the average man who wanted to use the land."

Dick laughed. "You'll have to get that sort of stuff about the Trusts out of your system, Will, before you can make any progress on this question. You are afraid of Trusts about as a kid is of ghosts. I suppose you think there is only one firm making farm machinery, and that is the Trust?"

Again Dick reached for the United States Directory, and to my astonishment in a few minutes he calculated over 500 manufacturers in that line of business. Wadsworth was flabbergasted. He wilted, and we all had a laugh.

But Wadsworth didn't give up; he came back.

"Do you think they're all competitors?" he asked. "Don't they have gentlemen's agreements to keep prices up?"

"Look through the list yourself, Will," said Dick, handing him the book. "You will notice the factories are located in almost 500 towns. Some are corporations, some partnerships, and some individuals. As for gentlemen's agreements —forget it. You couldn't get twenty-five men, let alone 500 to agree on anything in the way of

prices and play square. I never knew ten to do it. The ones that keep the agreement lose out."

"Well, most of the men who wanted to farm wouldn't have the money anyway to buy the machinery. How would they get it?"

"They'd get it on tick," said Burns. "That is the way most business is done."

"Well, they'd have to pay interest, wouldn't they?" asked Wadsworth.

"Sure they would, but they could stand it if they were getting the full product of their labor, couldn't they?"

"Maybe they could, but that wouldn't be right, would it?"

"I guess you'd think it was right if you were on the other end of the deal," laughed Burns.

"That's another one of your ghosts, Will. I'll give you an illustration on that subject. Let us suppose a community of fishermen, who fish with hook and line. One morning one of them shows up with a seine he has made. He can catch as many fish with it in an hour as any one of the others can catch in ten with a hook and line. Suppose he makes a deal with one of them by which he lends him the seine on condition that he be paid half the catch for the use of it. He tells the fellow he makes the deal with, that when the seine wears out he'll make him another one. The other fellow is free to accept or reject the offer. Is there any oppression, anything wrong with the proposition?"

"Oh, I don't think that would be right," Wadsworth squirmed in his seat. "That seine really ought to belong to all of them."

"G-o-o-d night!" said Burns, getting up from his seat. "You think that over, Will, and you'll come to a different conclusion."

We all went home for dinner.

M. J. FOYER.



THE TYRANT'S SONG.

Ernest Crosby, in "Swords and Plowshares."

'Tis not the man with match alight

Behind the barricade,

Nor he who stoops to dynamite,

That makes us feel afraid.

For halter-end and prison-cell

Soon quench these brief alarms:

But where are found the means to quell

The man with folded arms?

We dread the man who folds his arms

And tells the simple truth,

Whose strong, impetuous protest charms

The virgin ear of youth;

Who scorns the vengeance that we wreak

And smiles to meet his doom,

Who on the scaffold still can speak,

And preaches from the tomb.

We kill the man with dagger drawn—

The man with loaded gun;

They never see the morning dawn
Nor hail the rising sun;
But who shall slay the immortal man
Whom nothing mortal harms,
Who never fought and never ran—
The man with folded arms?

BOOKS

FLETCHERISM.

Fletcherism; What It Is. By Horace Fletcher. Published by Ewart, Seymour & Co., London.

It is not given to many, whether by good or evil ways, to add a word to the English language. Horace Fletcher has made us turn his name into a verb, and the world, even if individuals have been slow in practice, has recognized the good of the doctrine by its adoption and application of the new word. We now "fletcherize" plans and policies and legislative bills as well as bread and potatoes.

Mr. Fletcher has published a number of books dealing more or less directly with the subject of Fletcherism. The present small volume of 150 pages has been issued as a sort of compendium. "The intention of the present volume," say the publishers in their introduction, "is that it shall stand as a compact statement of the Gospel of Fletcherism." Whether the book has been published in this country I do not know, but I presume any bookseller could easily procure it.

My first reading of this volume, after I had read three other of Mr. Fletcher's books, brought some disappointment. It seemed that the treatment should have been fuller, or else even more compact. On second reading, however, I am convinced that the work will serve very satisfactorily the purpose which the publishers proposed, and that we owe them thanks for giving us an opportunity to read in this handy volume the quintessence of this important subject. What the quintessence is, if one had to choose a single sentence, would seem to me to be contained in these words, namely, "that there is really Head Digestion, and that it is in the field of personal responsibility, in the mouth and in the brain, that good or bad digestion—right or mal-nutrition—are inaugurated." The book is worth reading if only for the purpose of enabling one to understand fully the meaning of this sentence. After all the reader will find nothing mysterious. "Any person," says the author, "who eats in a polite manner, is a Fletcherite."

J. H. DILLARD.



It is not necessary to lose faith in the Republic because one sees so many instances of government by the unfit. The drawbacks of democracy are gross and glaring, but there is always a remedy.—Michael Monahan in *The Phoenix*.

The Public

INTEREST

A Theory of Interest. By Clarence Gilbert Hoag. Published by the Macmillan Company, New York. 1914. Price, \$1.50 net.

This is an ambitious book, and, if its conclusions are correct, an important book. Mr. Hoag attacks his problem with courage and vigor and quickly shows a readiness to take issue with authorities. "Every theory of interest advanced hitherto with which I am acquainted, is not merely incorrect in detail but inadequate essentially." It is a commendable feature of the book that the theories thus adversely criticized, including those of Bohm-Bawerk, Senior, Carver, Marx, Turgot, George, Landry and Tucker are stated at considerable length in the words of those holding them.

Mr. Hoag's own theory of interest could hardly be stated here in terms that would be intelligible without reference to definitions and explanations to be found only in the book itself. "The thing whose price is interest is not a good; nor is it a service in the sense we have given to that word; it is rather the postponement of the consumption of a good or service." Referring to certain geometrical demonstrations or illustrations of his views he says: "Besides the objective and the subjective factor of value, therefore, which constitute what may be called the two economic dimensions of a good or service, this postponement whose price is interest, has a third dimension, time. Geometrically speaking, therefore, it is a solid, whereas the value of a good or service is only an area or plane."

"For this three-dimensional thing whose price is interest we need a short name. I proposed to call it an advance."

In developing his theory Mr. Hoag finds occasion to suggest other names for some now in general use among economists. Thus, he proposes to discard "utility," preferring the word "ophe-limity" suggested by Pareto, but offering as a still better term "non-normal values."

It is not to be supposed that these extracts will be clear as they stand; in fact they will convey what is probably a correct impression that the book will have to explain itself. They may indicate that it is not intended for the general reader but for the economic specialist.

Yet Mr. Hoag recognizes clearly that the general reader must be reached, though perhaps he expects to do this, not directly, but through teachers and leaders of thought.

"Millions of men," he says, "now call themselves party Socialists in countries where that party is committed to the Marxian doctrine of interest, according to which interest is due to the exploitation of wage earners by capitalists." And he deems it important to impress on these millions his conclusion that "provided only a per-

son's capital is equitably his own, his time and interest accruing from it is as good as the to the earnings of his hands."

But he appears to see that not everything that passes as capital is equitably the property of the legal owner.

To put it more concretely, I mean by privileges such things as titles to the valuable services of land sites, the value of whose services is due only infinitesimally to their owner and chiefly to the good citizens of the entire community; I mean such things as unearned exceptional advantages in the use of ores or oil that no man made, or in the use of railroad rights of way that the whole public contributed to set aside for common uses; and I mean by privileges such things as the power to charge buyers prices higher than they would have to pay if free to buy, without customs duty restrictions, of any seller they pleased."

Again: "Most rent is dependent on wages or interest, being in fact merely the wages of the public's labor and the interest from the public's investments to which inequitable laws and customs permit individuals to get title—"

And he reaches the conclusion that the present owners of land titles should be bought out. It may be said that his discussion of this question lacks the novelty to be found in some other parts of his book, and if his argument has not yet been conclusively answered, it is unlikely that it ever will be.

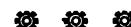
WILLIAM E. MCKENNA.

PAMPHLETS

Taxation Blunders and the Remedy.

Professor Lewis J. Johnson has put into pamphlet form his article which originally appeared in Harper's Weekly, entitled "Taxation Blunders and Their Remedy," published by Massachusetts Singletax League. Frances G. Goodale, Secretary, 53 State St., Boston. Price, single copy, 3 cents; ten copies, 25 cents; 100 copies, \$1.00. At the outset Professor Johnson shows the fallacy of the idea which he calls the fundamental blunder that public expenses must be paid from private earnings. He shows that there is natural revenue in the annual rental value of land. This belongs to the public, he says, not because "it is unearned by the land owner . . . but because it is created and earned by the public." He disposes of the ability-to-pay theory of Taxation in the following compressed argument: "It makes no distinction between ability to pay due to having served the public and ability to pay due to having plundered the public." Concrete facts as well as abstract arguments are given. It is the kind of article likely to be carefully read by anyone seriously seeking light on the Taxation question.

S. D.



It was at a theater in Manchester. The king, aged and infirm, was blessed with two sons. He was

pacing up and down the stage with a wearied, troubled look, exclaiming aloud:

"On which of these my sons shall I bestow my crown?"

Immediately came a voice from the gallery:

"Why not 'arf a crown apiece, gov'nor?"—Sacred Heart Review.



One afternoon a very stout woman was rambling along a country road when she suddenly noticed a little boy walking closely beside her. Not knowing the youngster, she was naturally somewhat surprised.

"Look here, little boy," she heatedly cried, "why are you following me along like that? Go away from me instantly!"

"I ain't doin' nothin', lady," pleaded the little fellow. "Please don't send me away."

"You must go away at once," repeated the perplexed woman. "Why do you wish to follow me?"

"Because," was the startling rejoinder of the

youngster, "you are the only shady spot along the whole road."—Philadelphia Register.



A revival was being conducted by a muscular preacher. He was disturbed by two young men who scoffed at everything they saw or heard. He paused and asked them why they had attended the meeting.

"We came to see miracles performed," imprudently replied one of them.

Leaving the pulpit and walking quietly down the aisle, the minister seized one after the other by the collar and, as they disappeared out of the door, remarked:

"We don't perform miracles here, but we do cast out devils."—New York Call.



One day Mr. Smith went to buy a bushel of buckwheat for sowing. The man who sold the wheat was away, but his wife undertook to wait on the cus-



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