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# The Public

An International Journal  
*of*  
Fundamental Democracy

## Financing the War

IV

By Louis F. Post

When the War is Won

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 SAMUEL DANZIGER STOUTON COOLEY  
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# The Public

An International Journal of Fundamental Democracy

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## Editorial

It is greatly to be hoped that those who furnish guidance to our national enterprises are less easily distracted from a clear view of essentials than the general public. Our unalterable intention is to win the war, that is, to bring about a situation in which our ideals and purposes shall prevail. Anything short of this is to be defeated, or to defer the struggle. To win the war involves the creation of great armies, but the utility of these depends upon something else. It involves placing at the disposal of the national government vast monetary resources, a stupendous industrial organization, but these will be ineffectual unless one simple condition is met. That indispensable something is a sufficiency of ocean transport. Are we not hypnotized by the scale of our preparations to do something on the other side of a river, when there is no evidence that there will be an adequate bridge to effect the crossing? It is no longer a question of bringing the Allies to collapse through the starvation of England; that has gone for the Germans into the category of lost hopes. It is simply and purely a question of bringing America's weight to bear effectively in the European scales. The war will never be won by accumulating men and supplies on this edge of the ocean. Can they be used? On the answer to this question depends national success or national humiliation. Will we be on the European battlefield in our full strength next spring and summer? If the answer is affirmative, the war is strategically won; the Germans will accept terms when the alternative is to be crushed. If the answer is negative, the American people will want to know why. Are these great and costly preparations to be ineffective through lack of a few hundred ships? There is no reassurance in the published statistics of the world's

tonnage; nor in the better regulation and utilization of existing shipping; nor in the building program of the Shipping Board; nor in the reduced rate of submarine sinkings. The need would be overwhelmingly greater than the supply if there were no more sinkings.

\* \* \*

A statement issued by the British Controller of shipping, relegated to an unimportant corner in our newspapers, squarely faces the reality. It says: "The question the United States must face is whether, on the basis of the shipbuilding preparations she is now making, it will be possible for her to send any substantial force to France next spring without such a drain on the world's shipping as will subtract just as much from the fighting strength of the other Allies as her own forces will add." Again "next spring this year's harvest will be largely exhausted and the need of supplying Italy, France, and Great Britain will be largely increased. At the same moment the United States will need a large increase in vessels to transport its army and to maintain it." To meet this need, the Controller tells us that, "by next spring Germany may be expected to destroy 200 vessels in excess of what are built in the meantime." Any suggestion that America cannot focus her construction capacity to meet the need of ships is merely absurd. Only a small fraction of the steel output is being applied to this purpose. The alternatives are simple: a long-drawn war exhausting the resources of civilization, or so overwhelming a preponderance next spring as will bring it to an immediate and successful conclusion. The American people are more interested in winning this war than in working out a gigantic sociological experiment. When President Wilson

pledged us to the Allies "to the last man, to the last dollar," he should have added "to the last steel plate."

\* \* \*

In every part of the British Empire, plans are under way for putting the returned soldier on the land as soon as the war is over. In Australia the Government at Victoria proposes to spend £2,250,000 on land purchase and in making advances to the settlers. The Sydney Bulletin, an Australian weekly of tremendous circulation and influence and of world-wide reputation among journalists, says in its issue of Aug. 16:

The theory of this thing is wrong from beginning to end, and if for the peopling of Australian lands the country has to depend on re-buying Australia, the working population can look forward to being reduced to beggary. The expenditure of millions on land purchase invariably results in the forcing up of values against both buyer and future occupant. The more the State spends the less land it can get in return for a given amount. The Government that goes out into the market with a hatful of cash buying land at present values is doing a wicked thing. These values are absurdly inflated. To turn them into national debt and plaster the public with the mortgage would be an example of either recklessness or flagrant dishonesty. Does Peacock or the Federal Government, which is taking a share of responsibility in this business, imagine that land values can escape heavy taxation—that when the community feels the full pressure of the burden which is in the making, the demand for such taxation will not be insistent and unanswerable? A substantial reduction of the capital value of Australian lands, both town and country, is then inevitable. The drop is only being postponed because the State and Federal Parliaments are dodging the entire question of public finance, and are terrified to think about it. The device of buying out land-owners with good coin to make room on the earth for other people was never a more dangerous thing for the public to let politicians play with than it is now.

It is a prime opportunity for Singletaxers everywhere to show the futility of land purchases and to urge the taxation method. In this they will be aided by every dictate of experience and common sense.

\* \* \*

Not the least significant utterance of the St. Paul convention of producers and consumers is the proposal of a "two per cent. tax upon the value of all unused or inadequately used land, whether in city or rural districts." It has long been the custom of upholders of land monopoly to urge, in opposition to such taxation, that it would hurt

the farmer. In Missouri, Oregon, and other states where campaigns were made for taxation of land values and exemption of labor, the opposition made strenuous appeals to the farmers to defeat the measures. Through shameless misrepresentation and deceit the farmers were induced to vote against their own interest for the benefit of land monopolists. But "you cannot fool all of the people all the time." The farmers who met at St. Paul would have resented any attempt to sway them by means of the falsehoods successfully employed in Missouri and Oregon. They have learned that the man who owns land for use has no interest in common with the man who owns land to withhold from use. And now that this truth has been given formal expression, it is to be hoped that Congress will not be long in imbibing it also.

\* \* \*

Some over-zealous publicity man on the staff of the Council of National Defense or the Committee on Public Information was probably responsible for the announcement from Washington that the new steel prices represent reductions of from 40 to 70 per cent. The new prices have given entire satisfaction in the steel industry and in the New York financial district. The New York *Commercial* says as much, and adds that the Washington announcement created considerable amusement. Authorities agree that while freak prices could be found from which the official prices are reductions of from 40 to 70 per cent, the great bulk of the steel output has not been selling at figures greatly above those fixed by the War Industries Board. The Moody and Vance statistical agencies agree that the average price under the new schedule will be between \$60 and \$65 a ton, and Mr. Vance estimates a profit at these figures of about \$15 a ton. The new prices are substantially above those that prevailed during 1916. So much generosity may be necessary to keep production at the maximum. But it is another conclusive argument for the doubling of the excess profits tax at the next session of Congress. With the price of coal reduced, it may well be that steel profits will undergo no reduction.

## WHEN THE WAR IS WON

The pacifists who are insisting upon definite and explicit statements of terms of peace on the part of the Allies and the United States do not appear to grasp the fact that peace terms must flow from the very nature of conditions remain in a state of flux till the treaty is signed. General outlines can be given; maximum demands and minimum concessions may be made; but within a broad statement of general principles the possible final terms will shift with the fortunes of war and the passing of time. A return to the status quo ante would doubtless have been acceptable to the Allies in December, 1914. But the brutal disregard of all reason by the German Government has led not only to great sacrifices of men and treasure by the Allies, but to the conviction that the presence of such a government is incompatible with a world peace. Hence, a return to former conditions is not now enough because of the well grounded fear that it would lead to another war.

But time also has had its part in the war. Public opinion undergoes great changes during world upheavals. The declaration of the Allies in favor of the rights of small nations has meant various things at different times. It meant one thing to the small nationalities at the beginning of the war; it means an entirely different thing at the present time. When the first defense of small nations was made it was thought to include only the restoration of Belgium and Serbia, and some sort of readjustment in the Balkans to allay friction among the struggling nationalities. But liberty never stands still; it advances or it recedes; and three years of thought have brought a new state of mind. Bohemia and Poland, who would have been thankful for autonomy in the earlier days of the war, will now be satisfied with nothing less than independence; and once the idea of independence enters the minds of the people there will be no peace till they have rid themselves of the foreign yoke. Autocracy began the war with the declaration that the day of the small nation was passed; democracy is destined to end it with the rights of the small nation vindicated.

There is yet another reason why definite

and explicit terms of peace cannot be stated before negotiations begin: The Central Powers, who began the war, and who are responsible for its continuance by their invasion of other nations, have permitted not a single statement to appear from any one in authority as to their purpose, or in any way indicating their demands or concessions. If the pacifists will secure from the German Government any definite proposals approaching even the most general claims of the Allies, there will be some foundation upon which to proceed; but there can be no "higgling of peace terms" so long as all proposals emanate from one side. The resolution of the Reichstag should not be mistaken as the word of the German Government. That Government has studiously avoided any definite endorsement of that proposal. The German Government has not, indeed, uttered one word officially from the beginning of the war till the present time that has indicated a willingness to restore Belgium's independence.

Peace terms must, therefore, vary with the fortunes of war and the changes of time. The Germany now confronting the world is not the Germany that the world thought it was confronting at the beginning of the war. Hence, peace terms might have been offered to a nation in the control of ambitious and misguided military men that would be entirely inadequate and out of place with a government in the hands of men who have demonstrated themselves to be not only ruthless, but shameless and faithless as well. And it must be evident that the forces that have been at work up to this time will continue to influence the course of nations. A settlement that might be possible to-day may be impossible to-morrow. Nor does this hint at the aggrandisement of the Allies, nor the spoliation of the Central Powers; but it does take into consideration democracy's disintegrating effect upon autocracy. Dismemberment of Austria-Hungary was no part of the Allies' original plan; yet there are within the empire forces that will, if the war continues much longer, accomplish that result. An independent Poland was not at first thought of; yet it is now considered to be inevitable.

The peace terms that are being hammered

out of this war amid death and devastation will not be confined to geographical boundaries, rights of suzerainty, or spheres of influence; but rather will they be modes of thought that will lead to a state of mind. The world is undergoing a moral transformation. Mankind is taking up a new point of view. And when the shifting from the old position to the new has been completed the war will have been won.

### The Bolsheviki

Reports from Petrograd indicate that a crisis is approaching in the struggle between the more radical elements, the Bolsheviki or Maximalists, on the one hand, and the more moderate socialists, the Melsheviki or Minimalists on the other. Their contention is for possession of the national government. The Bolsheviki, now apparently in the ascendant in the Workmen's Council, demand domination by the proletariat, while the Melshiviki regard this domination not only as unjust because unrepresentative, but as disastrous as well. As one moderate member of the Council, Saakian, recently said, "Maximalism is a lantern to which stick all kinds of insects: 20,000 criminals of the Petrograd district, deserters, people who want to burn their dark past, agents of the German spy system, and all the elements of the nervous population who live with sentiments and emotions rather than with consciences." Among the moderate socialists are some of the greatest international authorities not only on socialism but on sociology, and to their thinking the Bolsheviki do more harm to the cause of socialism than the overt enemies of that doctrine, and not only to socialism but directly to the cause of democracy and the revolution. For six months the Bolsheviki have been able to paralyze every kind of constructive work. They are ideologists who flourish on decomposition and chaos; they are the Russian examples of doctrinaire irresponsibility; they depend for following upon the hysterical, criminal, and impatient socialist fanatics of the country. Among them are few really enlightened men. Those who are leaders in the sense of scientific authority and administrative capacity belong almost entirely to the moderate group. To them belong also most

of the martyrs of the old Russian regime. Maximalism falls in the department of social psycho-pathology. Men like Trotsky and Martov, prominent as leaders of this extreme movement, are men whose lives have been broken by long-suffered privation in foreign countries. Working under these abnormal conditions, their chief contribution has taken the form of articles sometimes brilliant and always inflammatory, directed rather against socialists of different opinion than against the Russian autocracy. They became professional talkers and critics who saw enemies everywhere, and now persist in the exercise of that habit.

The terrible economic and social disorganization into which Russia has been plunged, thanks to the old regime and to the three years of war, prepared for the Maximalists a fruitful soil. They went to the tired people with concrete and definite promises which no responsible men could fulfill. Their influence increased as the economic problem became more acute. At the beginning the people were inclined to ridicule them; they seem now inclined to believe them. It shows how desperate is the economic situation when people begin to believe in the promises of those whom they have formerly regarded as fools and fanatics. It is now commonly said, "who knows, perhaps in these conditions the fools are right." This abandonment of reason is of course a step into danger. Ignorance is the worst of allies, and it will prove to be so with these professional revolutionists. The consoling fact in connection with the ascendancy of the Bolsheviki is that the moment is arriving when they will be brought to the test of reality. Six months ago they accepted bills which will now be presented for payment. Will they be able to honor them? Will the power to which they aspire give more food, clothing, and shelter to those who brought about the revolution because they were deprived of these necessities? This crucial test will bring Russia back to the reign of reason, for an irresponsible promise is a two-edged sword.

It is a fact not generally understood that many of the Bolsheviki went to Russia from this country. One of the leaders, Trotsky, was for a time the editor of a Russian socialist paper in New York. Most of the others who returned from here carried back

an illiterate but strong faith in the socialism that the New York paper had advocated. And what this paper has advocated for the last year has been the definite Maximalist program. It told its readers that all other socialists were traitors and enemies of the working man. And as they heard no other voice they believed it. And when they returned to Russia and claimed to be the only friends of the working man, they made their large and important contribution to the propaganda of Maximalism.

#### REGULATING THE COAL SUPPLY

The coal question does not yield to treatment as readily as some persons had hoped. Some of the grosser faults in the situation have been corrected, such as exorbitant profits of operators and dealers, and some of the unnecessary waste has been eliminated; but there is a growing feeling that the supply will be short. Price fixing, in a word, limits the cost to the consumer of what he gets, but does not give him all he wants. The reason for this lies in the nature of mining. The cost of producing coal at different mines may vary from one to two dollars a ton. If a dollar margin is necessary to keep the poorer mine in operation, three dollar coal will keep both mines active. But if the government arbitrarily fixes the price at two dollars the poorer mine will suspend operations, and the supply will be short.

In commerce or manufacturing there would be a tendency under such circumstances to increase the output or turnover in order to effect economy and to increase the mass. But in mining there is a counter influence in the limitation of the supply. Coal in the ground does not waste, and what is not mined at present remains to be mined in the future. Hence, limiting the price tends to limit the supply. A farm idle for a year is worth no more than had it been used, but the mine unused for a year is worth more than had it been used. Hence, it is evident that a different policy is necessary to meet the requirements of productive as distinguished from extractive industries.

If the Government owned both the one dollar and the two dollar mines the problem would be simple. By transferring the labor from the poorer to the better mine the sup-

ply could be maintained at the lower price. The supply would indeed be greater because of the increased productive power of labor in the better mine. A private corporation dependent for its fuel upon two such mines would use the better until it was exhausted before turning to the poorer, by which time different conditions or better methods of mining might make the operation of the poorer mine as economical as the better mine had been.

The plan therefore that will succeed in limiting the price of coal without curtailing the supply must be equivalent to government control of the mine. This could be accomplished, were it not for constitutional limitations, by taxing the land values of mineral lands. Were the land values taken annually by the Government, holding unused mineral lands would not be as profitable to the holder as using them, and there would be an inducement for the owner of the better mine to work it at its full capacity. Lacking this power to tax land values, there appears to be no escape from the conclusion that the Government must arbitrarily control the operation of the mine as well as fix the price.

There is no difference in principle. If it be right for the Government, in order that the people may have fuel at a reasonable price, to interfere with the rights of the mine owner by fixing the selling price of coal, then it is also right for the Government to say how much he shall mine. This power the Government has as a war measure. The President can take over mines and operate them in the interests of the country as a whole. Explicit requirements should be laid down as to the needs of the country, and failure on the part of private mine owners to meet those requirements should be followed by seizure of the mines. Every time a poorer mine closes down because of the limited selling price the better mines should be compelled to increase their output correspondingly. The same ruling should apply to all minerals. Such a course is now advisable as a war measure. A similar course will be necessary by and by as a peace measure. It daily becomes more apparent to the people of the country, not only that the riches furnished by nature belong alike to all men, but that it is uneconomic to satisfy wants along the line of greater resistance. To work a poor mine

when a richer mine is not run to full capacity is a waste of both labor and capital, and all economic waste falls upon the consumer. If the interests of the consumer are to be conserved, therefore, the same fiat that fixes the price of coal should fix the amount of coal to be mined. Such action will provide sufficient coal at reasonable rates now, and it will also provide some valuable experience that will aid in the solution of the mining problem on the return of peace.

#### LYNCHING WITHOUT "ERROR OF LAW"

A saying oft quoted by lawyers is "it is better that ninety-nine guilty men escape than that one innocent man suffer." This view may be held by the Supreme Court of California but its decision in the Mooney case shows that there is at least one thing which it considers a greater wrong than the unmerited punishment of an innocent man. And that is interference with an unjust verdict when all legal technicalities have been observed in the trial. Rather than sanction such a proceeding the highest court of the Golden State would allow a man to be hanged on perjured testimony.

To those who might consider such a comment extreme a careful reading is recommended of the decision of the court, published in full in the *San Francisco Recorder* of September 15. In rendering the decision the Court referred to the Attorney General's request that Mooney be given a new trial and said concerning it that, "the sole reason for this action" on his part is that "certain evidence has been discovered which leads him and the judge of the trial court to believe that, in the interest of justice, a new trial should be had." To the ordinary layman and, probably, the ordinary lawyer, it may seem that no better reason for a new trial could be urged than the interest of justice. But the court does not think so. It held that the victim of a frameup might be entitled to a new trial if it could be shown that there was some "error of law" in the court proceedings but not otherwise. The reader is left to infer that when forms of law have been observed it does not matter if the object of law has been defeated.

To justify this decision the court quotes the section of the State Constitution which

gives it appellate jurisdiction "on questions of law alone, in all criminal cases where judgment of death has been rendered." And to further strengthen its position, from the legalist point of view, it quotes an amendment adopted in 1911 which forbids granting of a new trial on error of law "unless after an examination of the entire case, including the evidence, the court shall be of the opinion that the error complained of has resulted in a miscarriage of justice." From which it appears that it is not an error of law to allow a verdict to stand based on perjured testimony, and the hanging of a man so convicted would not be a miscarriage of justice resulting from such an error. The court does not seem to have considered that it could not be the intent of the constitutional provisions it quoted, that an unfair conviction should be allowed to stand under any circumstances.

Fortunately the interest taken by democratic Russia in the case gives it an international aspect, and has given President Wilson cause to intervene and order an investigation. So there is still hope that a judicial lynching will be averted. But even in that case the fact still remains that California's Supreme Court has held that a citizen who becomes a victim of a frameup must not look to it for relief, unless he can show some "error of law."

#### Progress in Revenue Raising

Concerning the pending revenue measure, let it be said that in comparison with revenue measures of the Civil war and the Spanish war it marks a great advance. It puts a much greater share of the war's financial burden on wealth, and a smaller share on poverty. But after conceding this advance, the question remains whether it is as great as it should have been, or whether it is abreast of public sentiment and general economic knowledge.

In view of the vigorous way in which Congressman Kitchin criticized the Senate Finance Committee's action, it was reasonable to hope for an improvement in the revenue bill after passing through a conference committee of which he was a leading member. However, there has been no improvement. On the contrary there have been reinserted taxes on consumption which the



Senate had eliminated, and these taxes are expected to yield \$175,000,000 in revenue. At present it appears as though the progressives surrendered unconditionally to the reactionaries.

In its latest form the revenue bill is expected to yield \$2,575,000,000. This is to be in addition to \$1,300,000,000 derived from taxes under existing laws, making a total of \$3,875,000,000. Granting that no part of the \$1,800,000,000, expected from taxes on incomes and excess profits, will fall on the poor, there still remains a burden of \$2,000,000,000 to fall practically alike on rich and poor, regardless of benefits received. That is an average tax of about \$20 a head, or \$100 on each family. Of this about \$8.75 of the average family tax must be credited to the action of the Conference Committee. It is evident that this is a far heavier load than can be placed equitably on those whose incomes are below the exemption limit, and even on some above it.

There is no doubt that both progressive and tory members of the Conference Committee realized these facts. But the tory members had an advantage, which may account for the result. Most daily papers in large cities, regardless of party affiliation, are reactionary and, in case of a deadlock in the Committee, they would not have scrupled to put the entire blame for delay on the progressives, whose motive for demanding that wealth be made to bear a fair share of taxation would have been misrepresented and misconstrued. If the people would have their representatives take a firmer stand for progress, they should be less ready to put confidence in the tory press.

### The I. W. W.

The arrest of I. W. W. leaders on a charge of seditious conspiracy and the prison terms that are pretty sure to follow are about what was to be expected, and the defendants themselves should be the last to feel surprise. They have been uncompromising enemies of the State, and this is a time when the State must be equally uncompromising. There is little to be said for the I. W. W. by those who adhere to a morality of absolutes, under which things are either "right" or "wrong." In the I. W. W. animus there is much hatred

and bitterness, mitigated by the enthusiasm and often by the heroism of the fanatical crusader. Their leaders are not normal men and women. They are either embittered by their personal experiences among the most oppressed and exploited of workers, or they are younger men and women with highly-developed sympathies and imaginations, so hypersensitive to the sufferings of the poor and the injustice of our economic regime that they have been driven into uncompromising and bitter warfare against society. They burn with indignation and revolt, and scorn the easy philosophy that permits others to wait complacently for the slow, tedious evolutionary process. The neurologist could doubtless explain them as victims of some nervous disorder that left them cold before the enjoyment of life's normal experiences, demanding instead an intense and continuous excitement. But here we are on dangerous ground. For the same scientist could equally well explain the impulse that causes the leisure class of a nation to welcome war as an escape from life's drab commonplaceness.

If we get away from the absolutes of "right" and "wrong" and view the I. W. W. as a social phenomenon, to be studied and appraised as the geologist would study glacial forces, we cannot withhold a tribute to its immense value as a factor in our striving toward industrial democracy. Their field has been that of the unskilled European immigrant laborer and the unskilled migratory laborer,—men recruited either from the oppressed populations of Europe or from the expropriated American farm hands who have become our hobo class. There are millions of these, and they constitute our real labor problem. Great industries are at present dependent for their operation on the maintenance of this army of homeless vagabonds,—industries that employ thousands of men for a few weeks in the year and then turn them off to shift for themselves in other fields. Their social status is about on a par with that of the immigrant factory operatives of New England, Pittsburgh, Chicago and the industrial suburbs of New York. There was no place for these in the trade union scheme, and for years they were utterly neglected, except for the occasional publication by some social worker of a survey showing the ravages of low wages, long

hours, and exploitation by landlord and employer. Then came the I. W. W. The strike at Lawrence early in 1912 deserves to rank as one of the important historical events of its decade. It stirred New England and all the East to its depths. It shocked the country into awareness. It made possible the first tentative, groping popular crusade for "social justice" which accompanied Roosevelt's campaign later in the year. And for this we must give most of the credit to the I. W. W. leaders and their methods. They are press agents par excellence. They have the dramatic sense, and they staged the tragedy of the immigrant factory worker in master fashion. Part of their advertising methods consisted in the loud profession of hostility and contempt for church, state, and "middle class morality." Theirs has been the violence of ideas. In performance, the I. W. W. is, in poker parlance, a flagrant "four-flusher." Almost any large strike engineered by the conservative trade unions produces more actual violence in a week than the I. W. W. commit in a year. But their talk has been all of violence and revolution. They are raiders, and the territory they occupy today is surrendered tomorrow. Their value is almost entirely that of master publicity agents for conditions that are rotten and require the attention they attract. The workers who strike under their banner are victims of their zeal. Often wanting nothing more than a few cents increase in pay, they find themselves the targets for all the public resentment stirred up by the revolutionary boasting of a handful of leaders. This is why employers intent on defeating collective bar-

gaining sometimes welcome the advent of the I. W. W.

But there is no disputing the benefits that have flowed from exposure of rotten conditions, accomplished by means of I. W. W. flare-ups. In California the condition of the armies of migratory laborers that are such an important factor in the economic life of the Coast states has been revolutionized because of the I. W. W. strike in the Sacramento Valley hop fields in 1914. Dr. Carleton Parker, now professor of economics at the University of Washington and formerly secretary of the California State Commission on Immigration and Housing, has given written and official testimony to this. Ford and Suhr, leaders in that revolt, are now serving life terms in San Quentin. The Western I. W. W. differs radically from his eastern comrade. He is most apt to be of native stock, and to belong to the hobo class. He is surprisingly well read and fluent in speech, and he is an untiring agitator and propagandist. There are many of this type who show a debonair cheerfulness as they go their vagabond way, intent on spreading the gospel of revolt. They count jail sentences as a soldier counts his medals. They are beaten up by private detectives or policemen, tarred and feathered by irate men of property, subjected to the third degree by detectives, but no sooner are they clear of one fight than they are thick in the next.

The I. W. W. cannot expect to stay out of jail in war time. But the moral tone of our prisons will not deteriorate because these rebel souls must languish there.

## Financing the War

By Louis F. Post

### IV

That in financing our war for democracy democratic principles demand, besides rejection of long-time bonds and of direct taxes, the adoption of *taxation of privilege* in preference to every other variety of direct taxes, is a conclusion the correctness of which will be confirmed upon reasonable reflection.

Let it be understood in passing that the last dollar of every fortune and of every income, little as well as big and earned as

well as unearned, saving only enough for a meager living, must be given up if necessary to sustain our men at the front while their lives are in the balance for our country's cause. But let us not wholly ignore the equities. We must no longer cling to the undemocratic custom of needlessly making no discrimination between parasitical profits and earned incomes—or of professing to make none while in fact favoring the former.

What though profits of privilege be sanctioned by custom and law, are not earnings of industry nevertheless worthy of vastly more respect, when sources of war revenue are to be tapped? Shall monopolists of natural coal deposits, for instance, be taxed no more *pro rata* for war purposes on the unearned profits of their monopoly than industrious producers are taxed on their earnings from useful work? Shall owners of iron-ore deposits be taxed no more on the value of these natural resources than useful producers are taxed on the profits of their own industry? Shall laborious producers of necessities of life and munitions of warfare be taxed as much on the value of the useful labor they perform, as luxurious monopolists of natural resources are taxed on the value of their privilege of being allowed by law to say of those gifts of Nature, "These are ours"?

It is not just, it is not democratic, to tax the earnings of useful labor on a parity with the profits of law-created privilege. It is the same in principle as total exemption of profits of privilege would be. It does in fact exempt them to the extent that the earnings of the unprivileged are taken, for to that extent the privileged retain what in equity belongs to all. By all means let the last penny of everybody be taken in war taxation if the necessity arises; but before falling back upon conscription of earnings, let us conscript the profits that spring unearned out of mere conventional privileges of monopolizing the resources with which Nature has so richly endowed our country. This would be just, and it would be democratic. It is the best method, too, of applying to the wealth of the country that principle of selective conscription for war purposes which is rightly applied to its manhood.

No question of abolishing private ownership of natural resources is thereby raised. To maintain privileges of owning natural resources is not inconsistent with taxing their unearned profits proportionately higher than taxes on industrial earnings. It would be consistent though that class of profits were wholly absorbed by taxation. Enabling idleness to profit by selling permission to utilize natural resources is no part of the object of creating private ownership in them. If that were its object this kind of property

would be unrighteous and indefensible. Private ownership of natural resources is justified only for the purpose of enabling owners to secure fair compensation for actually utilizing the resources. In so far, then, as such resources incidentally yield or are capable of yielding unearned profits, equitable considerations demand the transfer of those profits to the common purse for common uses. With even this complete absorption by taxation of the unearned profits of those privileges in natural resources the privilege of ownership for use is quite consistent.

The principle applies, of course, to all natural resources. Natural deposits of coal and iron ore are but examples. Oil deposits are in the same category. So are all privately owned public highways. So are also railway terminals, oil-way terminals and ocean-way and lake-way terminals. Another example is the building lot. Privileges of owning building lots are not at all justified as a means of enabling their owners to profit by exacting tribute for natural places to build upon. They are justified only as a means of enabling owners to utilize sites for buildings secure from interferences which might make building operations and uses abortive.

Still another example is farming-land. The privilege of owning the natural soil has no justification as a means of giving unearned profits to the owners by enabling them to sell to others permission to make farms and to work them. The only justifiable object in creating private ownership of farm-sites is in principle the same that alone justifies private ownership of building lots, of coal and ore deposits, and of all other natural resources. It is to enable the farmer to protect his earnings while making farms out of farming land and keeping them up. If the rich farm-owners of our cities do not appreciate this, the hard working farm tenants and farm hands and mortgaged farmers of the country-side ought to. The same principle applies, of course, to forest lands. Forest lands are natural resources like farming lands, and forestry is only a kind of farming; the fact that many years instead of a few months intervene between harvests, makes no difference in principle.

Privileges of ownership in all natural resources may be justly and wisely continued

and protected; but the profits of the privilege, in contradistinction to earnings of production under protection of the privilege, are neither justly nor wisely the property of the privileged. No custom, no law, no decree can make them so. These profits are in justice and upon democratic principle the common property of the whole community. They are therefore peculiarly appropriate for public expenses. They should, at any rate, be conscripted for war expenses before we take any one's current earnings.

Although the profits of such privileges are not the only kind that should be conscripted in preference to earnings, they are so vast in the aggregate, the public equities regarding them are so obvious, and they are so easily distinguished for assessment, that they may best serve to illustrate the subject of taxes on privilege. Recurring for illustrative purposes, then, to privileges of ownership of natural coal and iron deposits, let us consider the possibilities of raising war revenues by taxing the values of such privileges before putting the burdens of war-finance upon the earnings of industry.

Natural deposits of iron, coal and oil are necessary for the production of steel, which is among the most important of products for war purposes. Its price in billets for July, 1914, just before the outbreak of the European war, averaged \$19 a ton. The average price for July, 1915, had risen to \$21, for July, 1916, to \$41, and for July, 1917, the fourth month of our war with Germany, to \$100.\* Why this enormous jump in the price of steel?

Higher wages do not account for it. Were one trailing the profits of steel production he would hardly turn his steps toward the homes of wage-earners, even though "they are getting better wages than they ever dreamed of before." Wouldn't the intelligent trailer be more likely to go where owners of steel-producing opportunities flaunt their dazzling but unearned incomes? Wages have not more than doubled since August, 1914, either in turning pig-iron into steel, or in turning ore into pig-iron, or in

producing the ore, the coal or the oil, or any of the other natural materials for the making of steel. Those high prices are certainly not due to high wages—not altogether.

Prices of steel have doubtless stimulated wages in steel production, but high prices spring out of the enormous demand for steel which the war has made. This demand reacts upon the constituents of steel production. The steel doesn't exist; it has to be produced. Consequently demand for steel workers is increased and this increases wages. Steel-producing labor, however, is not the only constituent of steel production. Iron, coal, oil and so on being necessary, demand for these is augmented by the demand for steel; workers in those industries are therefore in greater demand and their wages also rise. But iron, coal and oil *deposits*—natural resources—are needed by producers of iron, coal and oil. If these deposits could be created by labor, the wages of this labor too would be increased by the extraordinary demand for steel. But those deposits can not be created by labor; they are gifts of Nature. And as they are monopolized by privileged owners, the owners control prices for permission to use them. The wages, therefore, that labor would get for creating coal, iron and oil deposits—if labor possibly could create them, as it can not—go to the owners of the natural deposits in the form of royalties, rentals, prices, dividends or the like. Whatever the form in which these profits are collected, and regardless of the extent to which they are confused with other profits, they are the unearned profits of conventional privileges of owning natural resources.

How much these unearned profits would yield for war purposes, it is impossible even to estimate without a systematic assessment. But an assessment could be easily made. The Census Bureau already possesses data that would assist the Treasury Department in appraising with reasonable fairness the value of coal and iron deposits privately owned, and in distinguishing the used from the unused. A tax of, say, 1 per cent. on the former and a surtax of, say, 1 per cent. on the latter, would promote rather than disturb mining activities. These taxes would take nothing for the government ex-

\* It is a curious fact that the price of steel rails, a manufactured product, which averaged \$28 a ton in July, 1914, when billets, a raw material, averaged \$19, had risen only to \$38 in July, 1917, when billets were \$100. The figures are from U. S. Bureau of Labor reports of the Pittsburgh market.

cept what already belongs in fairness to the people and not to the corporations that would otherwise keep it. And they would yield millions to our war chest; not enough, probably, to finance the war, but enough to make the heavy burden which industry must otherwise bear comparatively light.

Besides the values of natural mineral deposits, such a financial policy would subject to war taxation the values of vast domains of monopolized timber and farming lands, the values of railroad rights of way, the values of terminal locations, and the values of city building lots. It would be a kind of war taxation, too, that would yield abundantly without obstructing industry in any of its legitimate operations or taking from anybody any profit that he earns by his own industry or that rightly belongs to him.

Objection in behalf of farmers would of course be made. But such objections are not in the interest of real farmers. They originate with "farmers of farmers." An ad valorem war-tax on the land-values of farms, would touch no earnings of farm hands and none of farm tenants; and it would be a light tax on the owning farmers of farmed farms—not heavy enough to offset what they would save from the corresponding release from taxation on the cost of their market supplies. Being a *direct tax*, it could not be shifted to consumers in prices; and being a *tax on privilege* it would not take anything from earnings. The only farmers whom it would burden are those who hold farm land out of use for higher acreage prices—our land-grant railroads, our bonanza owners of tracts the size of townships and counties, our city receivers of farm rents from the country, and the like. Not only would this tax make farm-land monopolists "do their bit" in paying for the war; but by its extra burden on unused farm lands it would bring much of those now neglected and wasted natural resources into use and thereby increase our supply of sorely needed food products.

As to the revenue-producing effect of a tax of 1 per cent. on farm land (valued irrespective of its improvements if improved) and a surtax of 1 per cent. on unused farm land, only a minimum guess may be ventured; but the guess may rest upon significant Census statistics.

According to the Census of 1910, the land area of the United States is 1,903,289,600 acres, of which 878,798,325 acres were then in farms. This leaves 1,025,491,275 for cities, deserts, bodies of water, mineral deposits, forests, "cut-over" areas, urban sites, and farming land not in farms; and of the 878,798,325 acres 478,451,750 (more than half) was at that time unimproved. The average value of land in farms, improved and unimproved but irrespective of improvements, was put at \$32.40 an acre, for 1909. It is reported as nearly 50 per cent. higher now. But a tax of 1 per cent. on the value of 1909 would average a little more than 30 cents an acre for the entire area of land in farms; or, on that 878,798,325 acres of land in farms, a revenue yield for war purposes of \$265,000,000 in round figures. Add to this sum a surtax of 1 per cent. (30 cents an acre) on the unimproved parts of farms, 478,451,750 acres, which makes \$145,000,000 in round numbers, and we have a total annual war revenue from farm-land values of \$410,000,000 at the very lowest.

On building lots, such a tax would be as easy of fair assessment as on farm-land values. In advance of assessment the result can only be guessed at, as with farm-land values, but here also there are statistical bases for the guess.

The land values of Greater New York were reported in 1916 as \$4,611,804,833.\* A tax of 1 per cent. on these values would produce \$46,000,000 in round numbers. Vacant lots in Greater New York that year were assessed at \$598,630,573. A surtax of 1 per cent. on this valuation would yield \$6,000,000 in round numbers. The entire tax, then, for Greater New York at those rates would be at least \$52,000,000 annually. This is at the rate of \$8 per capita of population. As population is not the only factor of urban land values, and may vary in importance in different cities, the land values war-tax in other cities can not be even approximated by multiplying their population by the annual per capita average for New York. But this method is at least indicative. Pursuing it we have the following round number tabulation:

\*Report of Commissioners of Taxes and Assessments of City of New York, 1916, pp. 32-33.

New York ...	\$52,000,000	Los Angeles..	\$3,000,000
Philadelphia .	15,000,000	Milwaukee ...	3,000,000
Boston .....	12,000,000	Providence ..	3,000,000
Chicago .....	19,000,000	Washington .	2,500,000
San Francisco	5,000,000	New Orleans..	2,500,000
St. Louis.....	6,500,000	Kansas City	
Pittsburgh ...	8,000,000	(Mo. & Kan.)	2,500,000
Baltimore ....	5,000,000	Louisville ....	2,000,000
Cleveland ....	4,500,000	Rochester ....	1,500,000
Minneapolis &		Indianapolis .	1,500,000
St. Paul ...	4,000,000	Denver .....	1,500,000
Detroit .....	4,000,000	Portland, Ore.	1,500,000
Buffalo .....	4,000,000		
		Total .....	\$173,000,000

That these estimates are far below the least probable minimum is more than likely. The New York values are limited to the boroughs of the City, whereas the several populations\* are for metropolitan districts. For New York this includes Yonkers, N. Y., in one direction and Newark, N. J., in another. The land values of the whole metropolitan district of New York, therefore, should be taken into account in order to get the per capita average. Were this done the average per capita would be larger than \$8 and the aggregate revenues consequently greater than \$173,000,000. So the above estimates for the cities named are doubtless low enough.

Taking into account the whole urban territory of the United States, from towns of 2,500 to cities of a million and more, the Census† puts their aggregate population at 42,623,383. At the New York per capita average of \$8 this urban population would yield war revenues, at 1 per cent. tax on all building lots and 1 per cent. surtax on the vacant ones, amounting to the round sum of \$341,000,000.

On those extremely low estimates, then, a tax of 1 per cent. on land values irrespective of improvements and a surtax of 1 per cent. on vacant-land values, would yield an annual minimum of \$341,000,000 from city lots and \$410,000,000 from farming land—a total of \$751,000,000. And this estimate ignores the building-lot values of suburbs, the values of farming land held out of farms by speculative corporations, the values of timber tracts and the values of ore beds, coal beds and other mineral deposits. Were

these ignored values also assessed, the revenue yield, at the same low rate, would probably amount to more than \$1,000,000,000 a year. From one coal deposit alone, a holding of the interlaced steel interests, the low rate of taxation suggested would produce an annual public revenue of not far from \$15,000,000.

If, then, the war were to last a year, and to cost \$20,000,000,000, it could be wholly paid for in twenty years, short-time bonds and all, by a special tax of only 1 per cent. on natural resource values and 1 per cent. surtax on the values of natural resources held out of use for speculation. (Of course this estimate leaves, to other basis of direct taxation and to higher values of natural resources than the above low aggregate, the burden of meeting interest charges on bonds pending their redemption.) If the war lasted longer and cost more, the same result could be produced by a reasonable increase in the natural-resources tax rate. It could be so produced up to an aggregate war-cost of \$60,000,000,000,—sufficient allowance, by the test of British experience,\* for a four or five years' war—without exhausting the annual values of special privileges in our natural resources.

These taxes on natural resource values—let the fact be again emphasized—would “stay put.” The persons who paid them would be *taxbearers* as well as *taxpayers*. They would, therefore, not distract business, as indirect taxes do; and, unlike direct taxes on earnings, they would not take the legitimate earnings of any one's legitimate work. They would no more burden taxpayers unfairly than accounting to the public for tax collections burdens tax collectors unfairly. In all those respects they would signify no more than this, that the owners of privileges in the natural resources of our country, who collect unearned profits therefrom, must turn those profits over to the government of the country for meeting the expenses of this war in defense of the country. In addition, they would promote beneficial uses of natural resources in place of a dog-in-the-manger monopolization.

But Constitutional questions arise. Has Congress the Constitutional power to get

\*Abstract of U. S. Census of 1910, pages 61-62.  
†Abstract of U. S. Census for 1910, p. 59.

\*War Finance Primer, issued by National Bank of Commerce, New York (May, 1907,) pp. 28. 26.

war revenues from direct taxation on monopolized natural-resource values, or must it continue to tax industrial earnings by both direct and indirect taxes and to embarrass and bankrupt legitimate industry by taxes that are indirect?

The Constitution requires direct taxes to be apportioned among the States according to population, and the Supreme Court has decided that taxes on real estate are direct. Inasmuch, then, as natural resources are in the category of real estate, they can be taxed by Congress only in proportion, in each State, to its population relatively to the whole population of the United States. To this method there are objections which may or may not be insuperable, but which need not concern us with reference to war taxes, because a Constitutional method, regardless of population, of taxing the privileges of owning natural resources has been suggested.

This suggestion is by Jackson H. Ralston,\* a distinguished member of the District of Columbia bar. Mr. Ralston makes a distinction between natural resources, which are real estate, and the privilege of owning them, which is a franchise. The former is, as noted above, subject to direct taxation by Congress only in proportion to the population of the several States; but the latter, the franchise, is subject to taxation by Congress like any other franchise.

Here is the legal argument in brief: "The holding of land by one individual to the exclusion of all others is entirely due to conventional arrangements. Without the convention, it does not exist. This has been recognized more than once by law writers. Blackstone maintains it in the first chapter of the second book of his Commentaries, wherein he says: "There is no foundation in Nature or in natural law, why a set of words upon parchment should convey the dominion of land; why the son should have a right to exclude his fellow creatures from a determinate spot of ground, because his father had done so before him; or why the occupier of a particular field, or of a jewel, when lying on his deathbed and no longer able to maintain possession, should be entitled to

tell the rest of the world which of them should enjoy it after him.' The right to hold land, therefore, being purely conventional, is to be treated as a privilege; and while the land itself may not be taxed, the privilege—the franchise to hold and use—is fairly subject to taxation. It differs in no wise from the franchise of a corporation, its property being taxed separately from the right to hold and control its property."

The tax, therefore, which Mr. Ralston's opinion sustains as a means of reaching the values of natural resources, is one imposed upon individuals who are privileged to own such resources, regardless of any use they may make of the privilege or of its location, but in virtue solely of the fact of its existence. The value of the privilege or franchise, as a basis for measuring the tax fairly, would be in proportion to the value of the natural resource.

"The reasoning," Mr. Ralston adds, "upon which the Constitutionality of such a tax would be based, since it would be levied regardless of proportions in population, is exactly parallel to that upon which inheritance taxes are sustained. The courts do not consider that inheritance taxes are upon the things inherited, but upon the privilege of inheritance, the value of which is measured by the value of the inherited property."

Mr. Ralston's opinion sustains the direct tax and direct surtax here proposed for war purposes, though they be levied regardless of differences in the population of the several States. It is a challenge to Congress, constitutional as well as economic and patriotic, to finance this war for democracy by the supremely democratic method of taxing privileges of owning the earth in proportion to what each privilege is worth.

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There was no doubt that land values in this country would be a very profitable source of taxation. It was not only a fair source, but one which by its nature recommended itself as being a source from which revenue should be derived. There had been the greatest increase in the value of land, and in many cases the growth of the country, and the money spent by the country on improvements, had added to the value of the land without a single effort on the part of the owner. In dealing with the question of ground values they would be doing something in the direction of reconciling necessity with justice. *Sir Edward Grey at Oxford, February, 1899.*

\* See *The Public* of September 14, 1917, page 889.



## NEWS OF THE WEEK

Week ending October 2

**Congressional Doings**

The Conference Committee on the revenue bill presented a unanimous report on September 29. The conferees added sufficient provisions to the measure to increase the estimated revenue it is to yield by \$175,900,000, or a total of about \$2,575,000,000 in addition to \$1,333,500,000 to be raised by the existing law. The additional taxes inserted are practically the original House provision increasing by 50 per cent first class letter postage. A graduated zone increase on second class postage was also adopted. Items eliminated by the Senate were reinserted for taxes on patent medicines, perfumes, jewelry, and railway tickets. The Senate excess profits schedule was slightly changed making taxes range from 15 to 60 per cent, instead of from 12 to 60 per cent. The House adopted the report on October 1. [See current volume, page 936.]

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The Urgent Deficiency bill carrying appropriations of \$8,000,000,000 passed the Senate on September 25. This is the largest appropriation measure ever passed.

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The House adopted on September 25 the Conference report on the Trading-With-the-Enemy bill which in addition to compelling foreign-language papers to publish English translations of all criticisms of the Government, confers upon the Postmaster General power to stop circulation by private agencies of any paper declared unmailable. The Senate had approved on the preceding day.

**The Mooney Case**

An inquiry into the Mooney case has been requested by President Wilson of Attorney General Gregory. The President's action was taken in response to requests of labor leaders. [See current volume, pp. 747, 774.]

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F. C. Oxman, the witness on whose testimony Mooney was convicted by a San Francisco jury, was acquitted of the charge of subornation of perjury on September 29. This result had been predicted by labor organs on the Pacific Coast for some time. The *Tri-City Labor Review* of Oakland declared the jury packed for acquittal—that the prosecution was working for the same result. Judge Frank Dunne, in whose court the trial took place, is charged with having expressed an opinion in favor of Oxman before the trial. Immediately on announcement of the verdict Oxman was rearrested on a warrant charging him with perjury.

**Kentucky's New Tax System**

The new tax law of Kentucky abolishes the general property tax for a somewhat complicated classification system. Exempt from all county, city, school, or other local taxation are farm implements and machinery owned by persons actually engaged in farming, factory machinery, raw material, and pro-

ducts, bank deposits, money in hand, notes, bonds, accounts and other credits whether secured or unsecured and stock in corporations. These are all to be subject, however, to a state tax of 40 cents on \$100, except shares in corporations with at least one-fourth of their property in Kentucky. Corporations with a smaller percentage of property in the state come under the state-taxing provision. All other property, including real estate and franchises of corporations and shares of banks and trust companies and domestic life insurance companies are made subject to local taxation. Special State taxes are also levied as follows: Building and Loan Association stock, \$1.00 per \$1,000; bank deposits, one-tenth of one per cent; live stock, not to exceed 10 cents on \$100; all foreign corporations except insurance companies, building and loan associations, banks, trust companies, and corporations paying a franchise tax, 50 cents per \$1,000. There is a special mortgage tax of 20 cents per \$100, payable to the county on mortgages running longer than 5 years. This tax is payable but once and is in addition to the annual 40 cents per \$1,000 tax payable to the State. Stock in corporations with at least one-fourth of their property in Kentucky are exempt from taxation provided the corporation pays taxes on all its property in the State, including its franchise. The State tax on bank deposits is to be collected from the banks and charged by them to the accounts of depositors. By popular vote a special local tax of 20 cents per \$100 on all property may be levied for roads and bridges within any county.

**Japan's Relation to China**

Viscount Ishii, special commissioner from Japan to the United States, in speaking before representatives of the press at a dinner given by Oswald Garrison Villard at the St. Regis Hotel, renewed the pledge of his country to respect the territorial integrity of China by saying:

I want to make it very clear to you that the application of the term Monroe Doctrine to this policy and principle, voluntarily outlined and pledged by me, is inaccurate. There is this fundamental difference between the Monroe Doctrine and the enunciation of Japan's attitude toward China. In the first there is on the part of the United States no engagement or promise, while in the other Japan voluntarily announces that Japan will herself engage not to violate the political or territorial integrity of her neighbor.

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Mr. Villard pleaded that the present expressions of friendship between Japan and the United States be made the basis of permanent amity. He proposed a Japanese-American commission to study and report on the problems growing out of the relations of the two countries, and to give out authentic information to counteract the mischievous tales put in circulation by troublemakers.

**Ireland's Constitutional Convention**

The convention, which has shifted its sittings from Dublin to Belfast and finally to Cork, passed a reso-



lution at the latter place on the 25th, submitting the various plans and schemes that had been proposed to a grand committee in the hope that a general scheme might be drawn up that will meet with the approval of all the leaders. The welcome of Cork to the northern members appears to have produced the same good feeling as that caused by the welcome of Belfast to the southern members. Thomas Ashe, the Sinn Fein leader who was sentenced to a year's imprisonment for a seditious speech, died in a hospital at Dublin on the 26th as the result of a hunger strike. [See current volume, page 894.]

#### Russia

The Kerensky government maintains control of affairs, and is apparently strengthening its position in the midst of conflicting interests. Premier Kerensky appeared before the Democratic Congress that has assembled in Petrograd claiming to represent all Russia. A demand is made by the Bolsheviki, the extreme radicals, that only members of their party be admitted to the Cabinet. The Premier however appears to have overcome for the present the opposition to his coalition Cabinet of five members, but there is still some confusion as to whom or what the Cabinet shall be responsible to. The size of the Congress, 1,700 members, makes the body unwieldy, and a movement is on foot to elect a smaller body to act as the All-Russia Parliament until the Constituent Assembly is chosen. Among the reforms enacted by the Government is a provision for the liberation of convicts before the expiration of their terms upon promise of good behavior. Another provision establishes conciliation courts for the settlement of disputes between employers and workers. The courts consist of an equal number of representatives of employers and employees. The Government cannot compel submission to the courts, but can request it. [See current volume, page 941.]

General Soukhomlinoff, former Minister of War, has been convicted of high treason, abuse of confidence, and fraud, and has been sentenced to life imprisonment at hard labor. Feeling toward General Korniloff has been softened somewhat by claims that he was acting solely to counteract German intrigue, and that his demands upon Kerensky were wrongly stated by a blundering emissary.

#### European War

Military activities of the week have not risen to the dignity of offensive battles, but on the west front have been confined for the most part to artillery duels, and to unsuccessful attempts of the Germans before Ypres to recapture the positions lost to the British. The German assaults in the Verdun region also have failed. The Russians report gains in the Riga region, but the activities of both the Germans and the Russians appear to be of lesser importance. The Italians, like the British and French, are holding all their gains in spite of heavy counter attacks. [See current volume, page 941.]

No developments of moment are reported along peace lines. German Chancellor Michaelis, in a

speech to the Main Committee of the Reichstag, refused to state Germany's war aims, or to make known the terms upon which she would make peace:

First, because it would prejudice the complex questions to be discussed at the time of peace negotiations. Second, it would injure German interests. Third, any such public statement at the present time could only have a confusing effect. We should not come a step nearer peace, but it would contribute certainly to a prolongation of the war.

Foreign Minister von Kuehlmann, who was expected to simplify the general statements in the German reply to the Pope's peace note was equally curt in his address to the Main Committee. Vatican circles are reported to be much disappointed in these speeches. One of the official organs of the Vatican, the *Corriere d'Italia*, says it would be expecting too much to have the German peace conditions in full, but "there is a great difference between touching on peace terms and not saying one word about them." The *Idea Nazionale* asserts that the silence of the German Chancellor illustrates the war aims of Germany better than any words he might have pronounced. There are persistent rumors of friction in the German Cabinet, and the reported ill health of the Chancellor is taken to foreshadow his retirement.

The sixth air raid in eight days was made on London on the 1st. In this last and greatest attack airplanes in four sections attempted to bomb the city, but only a few planes succeeded in breaking through the British defences. Full details are lacking, but eight persons killed and one German plane destroyed is announced.

Thirteen British merchantmen over 1,600 tons, and two vessels of less than that tonnage were torpedoed or sunk by mines during the week.

A statement from Washington announces the rapid mobilization of the National Guard in their encampments, and the reorganization of the men in larger units than the old regiments and companies. The announcement closes with the statement:

The assembling of the National Army in the cantonments has gone on with smoothness and success. Equipment difficulties are not serious and are being rapidly overcome. The most obvious shortage is in rifles, but an adequate supply for all purposes will soon be at hand, and no delay in training results from the shortage. All overseas forces are, of course, adequately supplied.

## NOTES

—Street railway fares in Connecticut were increased to six cents on October 1.

—The tentative assessments of New York City real estate for 1918 indicate an increase of \$130,184,823.

—The official tabulation of the vote on suffrage in Maine at the recent election gives: Yes, 20,604; No, 38,338, an adverse majority of 18,234.

—President Wilson fixed the price of steel plates on September 24 at \$65 a net ton of 2000 pounds. Steel bars will sell at \$58 a ton and steel shapes at \$60.

—On October 1, the Treasury Department began to offer for sale \$3,000,000,000 of bonds bearing four per cent. interest. The Department reserves the right to allot 50 per cent of the oversubscriptions.

—The Polish National Defense Committee has issued a statement protesting against the position taken by the Pope in his recent peace note. The committee objects to having the destiny of Poland fixed without the consent of the Poles themselves.

—That 61 coal operators in Westmoreland County, Pennsylvania, have closed their mines, rather than produce at the \$2 per ton price fixed by the Government was announced by Congressman Robbins of that district, in the House on October 1.

—Ninety German subjects in New York City were arrested by Federal authorities on September 26 and interned on Ellis Island. The action was said to be due to theft of the plans and finished parts of a newly invented instrument of war. All of the arrested ones were employed in the factory where the instruments were being made.

—The National Tax Conference will hold its 11th annual meeting at Atlanta on November 13 to 16. At this Conference the initial move will be made toward elaboration of a "model system of Taxation" for all States to adopt. Copies of the program may be had from the treasurer of the association, A. E. Holcomb, 195 Broadway, New York.

—Complete returns of the recent Swedish election indicate a sweeping victory for the Socialists and Liberals. The new membership in the Riksdag is 86 Socialists, 62 Liberals, 61 Conservatives, 12 extreme Socialists, and 9 Farmers. The small number of extreme Socialists is taken to indicate growing strength for Branting, the moderate Socialist leader. [See current volume, page 918.]

—The United States now has 458 ships of 2,871,359 tons. It also has 117 ships of German and Austrian origin. The United States Shipping Board Emergency Fleet Corporation has commandeered nearly 400 ships, and has contracted for 636. It is expected that near the end of 1918 there will be a merchant fleet of 1,600 ships aggregating 9,200,000 tons. This is exclusive of inland tonnage, and small vessels on the coast.

—A study of 212 mental defectives in New Castle County, Delaware, by the Children's Bureau of the Department of Labor, discloses the fact that 175, or more than four-fifths of the children, were in need of public supervision or institutional care because of bad home conditions, physical helplessness, or pronounced anti-social tendencies, and only 12 of them were provided for in an institution adapted to their care.

—Four White House pickets were sentenced to 60 days in the Occoquan workhouse on September 25. They are Mrs. Margaret Wood Kessler of Colorado, Miss Ernestine Hara and Miss Hilda Blumberg of New York, and Mrs. Orrick John of St. Louis. An appeal to the Russian legation was made on September 29 on behalf of two pickets now serving at Occo-

quan. They are Nina Samaradin and Anna Gwenter, both Russian citizens.

—An investigation was ordered on September 27 by the Commissioners of the District of Columbia of charges of cruelty against Superintendent William H. Whittaker of the Occoquan workhouse, where the suffrage pickets are serving their sentences. Whittaker has been temporarily suspended. The charges are that woman prisoners have been beaten, frequently, put in solitary confinement on bread and water and furnished at other times with rancid, wormy or otherwise bad food.

—The Michigan State Federation of Labor in session at Detroit on September 25, adopted resolutions declaring strongly for conscription of wealth for war purposes, that "incomes, excess profits and land values should be taxed to the fullest needs of the government" and that "to increase the food supply and to lower prices, the government should commandeer all land necessary for public purposes and should tax idle land in private possession on its full rental value."

—The 80th birthday of Dr. Edward McGlynn was commemorated at the McAlpin Hotel in New York City on September 27 by the McGlynn Memorial Association of which Sylvester Malone is the head. Addresses were made by James K. Hackett, James R. Brown, John J. Hopper and others, and letters were read from various points of the country. The Association is collecting funds for a statue of Dr. McGlynn. A similar meeting was held in Boston under the auspices of the Massachusetts Singletax League. H. B. Maurer and J. Z. O'Brien were the speakers.

—A protest against drafting of farm laborers or farm owners, who are needed on the farms, and acceptance of them as volunteers, was presented to President Wilson on September 24 by representatives of the Federal Board of Farm organizations, a federation of national farm associations, with headquarters at 615 Woodward Building, Washington. The protest was signed by W. T. Creasy of Pennsylvania, Charles S. Barrett of Georgia, J. W. Shorthill of Nebraska, Gifford Pinchot of Pennsylvania, Charles McCarthy of Wisconsin, and Charles W. Holman of the District of Columbia.

—The strike of plantation hands on the Virgin Islands was settled through the intervention of Edmund Enright, Assistant Commissioner of the Interior of Porto Rico. The terms agreed to by representatives of the labor unions and of the planters make wages 50 cents a day for a workday of nine hours for laborers living on the estates and 55 cents a day for those living elsewhere. In addition a laborer is entitled to living quarters and a garden of not to exceed one-tenth of an acre. All disputes between laborers and planters are to be settled by arbitration. [See current volume, page 653.]

—The recount of the New York City Republican primary resulted in overturning Mayor Mitchel's official majority of 335 and nominating William Bennett by a majority of 611. The recount disclosed errors in every Assembly district, by which on the first count Mitchel's vote had been made too large and Bennett's too small. In addition ballots were found in most of the precincts from which the cross

mark opposite Bennett's name had been erased and one opposite Mitchel's substituted. These should have been thrown out as defective under the law. Mayor Mitchel has conceded the nomination to Bennett and will run for re-election as an independent. [See current volume, page 940.]

## PRESS OPINIONS

### "Mercenary" Soldiers and Senators

*Four Lights* (New York), Sept. 22.—Senator Knute Nelson of Minnesota, according to a press dispatch, was much outraged in the Senate recently by the proposal made by Senator Hardwick of Georgia, to put an additional tax on big incomes sufficient to pay a \$50 monthly bonus to every American conscript forced to fight in Europe. "The American soldier is not of such a mercenary disposition as this amendment would seem to indicate," Senator Nelson was quoted as saying, and denouncing the measure as "humiliating to our brave boys" who were caught in the conscription net, and as shouting at the plucky Georgia Senator: "Our boys are not as cheap as some statesmen." True. It would do some of our statesmen good to know just the precise cheap valuation that "our boys" place on *them*, and while there is no reason to think it would disturb either their sleep or their appetites, it might take a little wind out of their rhetorical sails, and to some extent relieve the Congressional Record and the country. And now will the Minnesota statesman kindly explain to a waiting world how he is able to bear the "humiliating and belittling" experience of taking \$7,500 from the public exchequer for "serving his country" in the peaceful halls of Congress for a few months each year? How his proud spirit must chafe under the necessity of being placed in such a "mercenary" light!

### No Question Settled until Settled Right

*New York Evening Post*, September 19.—The real unity that this nation ought to have can come only when justice is done at home. The *Evening Post* marvels that people do not see that the way to get rid of the I. W. W. is not to jail its leaders, but to cure the economic evils which gave it birth; that the way to get all our women pulling whole-heartedly with the Government is, among other things, not to jail suffrage protestants in the Occoquan workhouse, but to give them the ballot to which they are of right entitled. It is true that, as Harvard and Columbia show anew, the triumph of women is inevitable. But if this war is not to speed up reform in the United States, while imposing representative, decent, honest, and responsible government upon Germany—then shall we Americans have been recreant to our foremost trust.

### How Would Caucasians Like Such Treatment?

William Pickens in *New York Evening Post*, Sept. 19.—I am writing on board a Jim Crow car from Little Rock, Ark., toward St. Louis, Mo.—a horrible night ride. The colored women have one end of a smoker, separated from smoking white men by a

partition that rises only part of the way from the floor toward the ceiling of the car. All of the smoke and fumes, and some of the oaths, come over. Some of these colored people have already spent two nights in this same car-end, coming all the way from the lower side of Texas. For them the name of the train must sound very much like irony; it is "The Sunshine Special." Just behind us is a chair car for white people. They have paid exactly the same "first class" fares paid by these colored passengers. But in the Jim Crow car there are only straight-backed seats filled with the dust and grime of neglect. All of these colored people are wishing, and some of them giving audible expression to the wish, to reach Poplar Bluff, the first stop in Missouri, so that they can go back into that chair car and out of the squalor and discomfort of this car-end. And some of these colored men are in the service of the United States, summoned from the far corners of Texas to Newport News, Va., to be trained to fight for democracy in Europe; and because they travel practically all of the way through southern territory they must sit up for three nights and days, without change of clothing or a bite of warm food—certainly a good preparation for trench warfare.

## CORRESPONDENCE

### THE CHALLENGE TO PRIVILEGE

The monster Conference of Consumers and Producers held under the auspices of the National Non-Partisan League at St. Paul, Sept. 18th to 20th, inclusive, was more than a conference. It was a challenge to the privileged classes of this country and a warning that the workers of the country in cities and on farms realize the unity of their interests and their rights and are determined to combine effectively for action.

The pitiful and misleading reports of the conference which appeared in the eastern press and the shortsighted ignorance of editorial writers on the conference indicate the necessity for this movement in order that the real facts may be known East and West. The efforts of what President Townley of the League effectively called the "kept" press to belittle the Conference and to prevent its purposes by claiming that the League is unpatriotic is merely part of the game of the profiteers. The opening statement of President Townley's speech, "The Purpose of the Conference," shows the falseness of this charge. He said:

We are at this convention to support the Government in the discharge of its tremendous responsibility to pledge our loyalty to the Government in this world crisis, and loyally to remind the Government that we expect the Government to be loyal to the will of the majority of its citizens.

It is our duty to see that the Government does not mistake the pleadings and threats of those making billions of profits out of the nation's suffering for the voice of the majority of our citizens. The Halls of Congress now swarm with special representatives of privilege, and none but super-

men can withstand the pressure of those pirates. So the purpose of this convention is not, as the corporation-controlled press would have you believe, to protest against a Government-fixed-price on wheat, or against the law that authorizes the fixing of prices on wheat. The purpose of this convention is to aid, strengthen and support the Government, and expedite its efforts to finish its program to reduce prices.

The resolutions unanimously approved by the Committee representing organized labor and organized farmers of the country, and unanimously adopted by the Conference stress the loyalty of the Conference and the complete and unimpeachable devotion to the principles of democracy.

A detailed summary of even the principal speeches is impossible. They will be published in a volume in a few weeks.

The most striking facts about the Conference were the fundamental way in which the problems of the high cost of living were approached and the sound economics of the speeches and of the resolutions. Ten years ago such a conference would not have been possible, perhaps not five years ago. The growth of the National Non-Partisan League in a few months, less than two years to a paid membership of one hundred and thirty thousand farmers is due not alone to the genius of the organizing mind of President A. C. Townley, but to the fact that the farmers of the Northwest have been betrayed by both political parties and realize that they must combine the working forces of the country to control the loafing classes.

The keynote of the Conference from labor's side was sounded in an address prepared by Mr. J. P. Coughlin, President of the Central Labor Union of Brooklyn, the third largest labor organization in the United States. Under the title "What Labor Wants," he put it concisely. "Labor wants to work for itself, not for any parasite." He pointed out that for twenty-five years farmers and workers in cities have been kept apart by classes who were robbing both of them impartially and effectively, and that that day is over. His concluding words were:

This war is bringing us together—you of the farm, and we of the city—and nothing is going to be able to part us in our united fight for real democracy, which will be so good here that all the world will want to copy us.

The audience which heard his address at an afternoon session was probably three-quarters farmers, but applauded his statement of a common purpose, and goal and methods of labor in cities and on farms, with sincerity.

Technical discussions there were of grading of wheat and of the injustice wrought to the farmer who produces by manipulating middlemen. Careful statistics were presented by an economic expert from New York on the cost of production of agricultural machinery and implements, steel, copper, boots, shoes and other things which farmers and all consumers use and the profits made by the manufacturers of these necessities. While the audience approved this paper and backed all efforts to reduce prices by price fixing all around, the endorsement of social owner-

ship and operation of natural resources and natural monopolies, such as railroads, packing plants, terminal elevators and milling plants showed they appreciated the futility of interfering with economic laws and the reasons for endorsing the practices of our Allies in reducing the cost of living.

The National Non-Partisan League is now working in eleven states. The spontaneous success of the Conference organized in two weeks' time, and attended by thousands of farmers and thousands of members of organized labor as well as by professional people has shown the League to be the proper and effective means of co-ordinating the forces of fundamental democracy throughout the country and of securing to labor the products of labor.

Mr. Frank P. Walsh, who was unavoidably prevented from attending by professional duties sent in a telegram the expression of his conviction that the League is destined to sweep the country clean politically, a sentiment warmly endorsed by the Conference.

The National Non-Partisan League is only in its initial stage. It is the most potent force for democracy in the country to-day.

BENJAMIN C. MARSH.

## BOOKS

**Your Part in Poverty.** By George Lansbury. Published by B. W. Huebsch, New York. Price \$1.

While the crash of impending doom is thundering in our ears, and civilization is slowly precipitating itself towards the abyss, "as through the ruins of a shivered universe," there are not lacking signs to those who can read them, that some elements of hope remain for the ultimate salvation of our race's ancestral home. What *a priori* reason should there be for having anticipated that out of the welter of class-conflict and the bitternesses engendered by the revolt of the exploiting classes against the tyranny of landlordism and capital, there should emerge from among the suffering classes themselves, such incarnations of sweet reasonableness, such exquisitely-balanced combinations of strength and gentleness, of understanding and feeling, of head and heart, as are represented by the character of George Lansbury, late member of the British Parliament, and now editor of the London Socialist newspaper *The Herald*? Such characters confound all our theories of education, culture, or hereditary and environmental influences, and leave us with nothing to say but that God never leaves Himself for long without witnesses. If the world is to be made safe for democracy, not only in the very restricted sense in which we have yet conceived of it, but in the much bigger sense in which it includes leisure of mind and heart, economic justice, and freedom of expression for the best that is in us, then it is to men of the Lansbury type we must look for deliverance from the shackles that still impede our progress; and the vital question for us to-day is as to whether we may get enough of them to save civilization.

There are many among our middle and upper classes who don't know how the poor live, because they don't care; there are others who don't care be-

ause they don't know. "Your Part in Poverty" is written by one who both knows and cares, and should be read by every American citizen of whatever political opinion; whether engaged or not engaged in reform work or uplift agencies; whether concerned or unconcerned in the social problem. For it is an axiomatic truth that there are two ways of knowing a thing,—from without and from within. One may take endless notes, sketches, sectional drawings or ground-plans of a subject as reformers are doing of the poverty problem; but by no manner of skillful piecing of these together can an understanding of the subject be attained, equal to that of the man who sees it from within, especially if he be gifted with breadth of vision and strength of sympathy. Mr. Lansbury has made his studies from the inside, and as one would have expected, the picture he gives in the introduction and the first two chapters, of the life and character of the British working man, and the conditions under which his wife and children wear out their existences, is its own best witness for its veracity. The chapter headed "Business" contains perhaps the most trenchant indictment that has ever been written of the soullessness of modern commercial methods, yet without a trace of that bitterness towards employers in general to which we have been too much accustomed. Rather does Mr. Lansbury go out of his way to sympathize with the necessity which is laid upon employers by economic forces over which they have no control, to violate their natural instincts of comradeship and kindness. He sees as by an instinct that the employing class like the employed are victims of a system which rips them both as between the jaws of a vise. Nor in his recognition of the greatest and most ancient of monopolies, that of the land and natural resources, does he indulge in any of the usual diatribes against Sir John or His Grace of Castle Rackrent, but recognizes that all are sufferers from an intellectual and moral obliquity of vision, born of long servitude to that worst of tyrants, Use-and-wont. In the chapter on "Churches," Mr. Lansbury pays respectful tribute to all that the Church or its best representatives have done in such organizations as the Toynbee settlements, while laying his finger with unerring accuracy on the cause of "its failure to do more than touch the fringe of the social problem" in the obvious fact that "they appear to accept the present order as God-ordained, and are content to allow the struggle for bread to remain as the recognized dominant factor in the life of the people."

When one's sympathies and aspirations run parallel to those of the writer of a book, criticism on the practical or merely intellectual side seems almost like an impertinence. Yet a review of this book could be inadequate without some words upon the very vital question suggested by the title of the final chapter, "What We Must Do." Of course we wish that "other men and women should enjoy the same opportunities we desire for ourselves," and we are all agreed that it is quite as immoral to have our economic arrangements adjusted in a way that gives brains the power to exploit the less intelligent, as it would be to assume that "because a man is physically stronger than his neighbor he should be allowed

to rob or ill-use him." We would heartily echo the hope that "no one will allow his personal interests to blur his mind or conscience," as indeed, no one capable of spiritual affinity with Mr. Lansbury could ever do. But it is a long way from that state of mind and conscience to seeing the necessity for "the abolition of the wages and profit system," or the substitution of public for private ownership in wealth-production. It may be that the extreme radical and particularly the Singletaxer, in his jealous regard for the sanctity of individual rights and what he calls fair competition, may have been insufficiently alive to the immense economic value of combination and co-operation. But that may only mean that he trusts natural law more fully than Mr. Lansbury does and believes that when monopoly and privilege are abolished the natural instincts of men towards mutual helpfulness will assert themselves, and we shall have all manner of voluntary co-operations and economies in production; with a natural distribution of wealth which shall conform to principles of equity.

On one other point some of Mr. Lansbury's readers will make a protest, uttered or unexpressed. "What we all need is a complete change of heart." We have heard this too often from representatives of that institution which Mr. Lansbury accuses of failure to understand the fundamentals of the social problem. The change of heart has already come. It is the cause of untold unhappiness to countless well-fed and well-clothed citizens. It is the change of heart that already makes us chafe like caged birds and wound ourselves in our efforts to attain freedom for self-expression, and a clear conscience towards our fellowmen. In plain words, men and women of to-day want to be better and to do better than circumstances will admit of. Moreover, even if the change of heart were as complete and universal as Mr. Lansbury could wish, could it express itself socially without a change in the economic relations in which we all stand to the source of all wealth, the land? Bishop Williams, in a recent book, states the case for those who maintain that if every man and woman became pure, unworldly and unselfish, the millennium of righteousness would have arrived; and emphatically adds "I deny this proposition." One wonders why, out of his big heart and deep sympathies, Mr. Lansbury does not trust human nature just as it now is, and recognize that it waits but for the sunshine of liberty to burst into the glossy purples of altruism and unselfishness, and to justify the almost forgotten legend that "Man was made in the image of God."

ALEX MACKENDRICK.

\* \* \*

Labor is a necessity to human existence; being such, it is obvious that under natural conditions it should be a pleasure, not a penance.—*Coast Seamen's Journal*.

\* \* \*

Who would not prefer to be a citizen of the smallest country in the world, if it were noble and beautiful, rather than a citizen of the most gigantic of our colonial empires? Who would not prefer the Athens of Plato to the Rome of Caligula?—Paul Richard in "To the Nations."

Private property in land, no less than private property in slaves, is the violation of the true rights of property. They are different forms of the same robbery.—Henry George.

\* \* \*

Land values are very different from labor values. Tax land values and land becomes cheaper. Tax the products of labor and they become dearer.—Joseph Fels.

\* \* \*

**STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912,**

of The Public, published weekly, at New York, N. Y., for Oct. 1, 1917.

State of New York, County of New York, ss.  
Before me, a Notary Public, in and for the State and county aforesaid, personally appeared Stanley Bowmar, who, having been duly sworn according to law, deposes and says that he is the business manager of The Public, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

- |   |                                  |
|---|----------------------------------|
| Names of—                                   | Postoffice Address—              |
| Publisher..The Public Publishing Co, Inc.,  | 122 E. 37th St., New York, N. Y. |
| Editors..Mrs. Joseph Fels, 122 E. 37th St., | New York, N. Y.                  |
| J. Willis Slaughter, 122 E. 37th St.,       | New York, N. Y.                  |
| Samuel Dansiger, 33 Lincoln Terrace,        | Yonkers, N. Y.                   |
| Stoughton Cooley, 122 E. 37th St.,          | New York, N. Y.                  |
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Business Manager—Stanley Bowmar,  
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STANLEY BOWMAR,  
Business Manager.

Sworn to and subscribed before me this 1st day of October, 1917.

(Seal) FRED HAMISCH,  
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