

roads. It has been hampered and blocked in its operations by the meddling of the Federal courts; but, so far as it could, it has investigated the facts, and has usually stood against railroad extortion.

A report by a tariff commission that any schedule was extortionate would create a moral force that Congress could not resist. People would never consent to be taxed for the benefit of a special interest, once it was shown in black and white that the protection was wholly unnecessary. Such a report on the wool schedule, for example, would compel Congress to revise or abolish that schedule without delay. Few Congressmen would dare face their constituents after having voted to continue the protection of an article that was palpably able to compete with the foreign article with all protection removed.

Under the separate revision plan, that wool schedule would go before Congress absolutely on its own merits. The friends of wool protection would be unable to trade with the friends of other schedules, because no other schedule would be before Congress for action. Such a system spells the end of log-rolling. It means that members of Congress would no longer be able to excuse their support of wicked tariff bills on the plea that they were compelled to do so in order to secure protection for those interests in which their constituents were interested.

Col. W. P. Hepburn, an incorrigible Iowa standpatter, in a recent interview in Washington recently, warned protectionists against the separate revision plan. "It means the downfall of protection," he declared. "Why," he added, "under that plan nobody would vote for a tariff schedule except those directly interested."

It is just that condition, which so affrights Col. Hepburn, that the progressive Republicans are seeking to create. The first break in the high tariff wall accomplished by separate schedule revision would be followed speedily by other breaks.

Assume that the wool tariff were abolished upon the recommendation of a tariff commission. Certainly the friends of the wool schedule would no longer have any interest in maintaining a tariff on the industries of other States or localities, and the next proposal to revise a schedule would find them voting with the friends of tariff reform. Each new revision would increase this force.

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Revision by separate schedules through the instrumentality of a tariff commission has

another strong argument in its favor. It would afford a working basis for the progressive Republicans, who are already committed to it, and the progressive Democrats.

Protection sentiment in the Democratic party itself has become so strong that those Democrats who wish to put through a measure of real revision will find enough Democrats opposed to them to form an effective combination in the Senate with the standpat Republicans for its defeat.

It is well for Democrats to look facts in the face.

Several of the worst schedules in the Payne-Aldrich bill were put there by the aid of Democratic Senators. These Senators, in a general tariff revision, became parties to trades and dickers with Aldrich, by which they obtained concessions for the industries in which they were interested. In return they supplied Aldrich with enough votes to put through the schedules in which he was interested, and which, had the Democrats voted solidly with the progressive Republicans, would have been defeated. No tariff revision worthy the name can be accomplished in the future except through the co-operation of progressive Republicans and progressive Democrats.

It is probable that the present Tariff Board, weak and impotent as it is, will have reports ready on several schedules by the time the new Congress meets. It will be enough if the Democrats show their good faith by acting on these schedules, without plunging into the hopeless task of general tariff revision. This legislation should be accompanied by an act which will create a genuine tariff commission, and clothe it with proper authority. If the Democrats, in their first session, do these things, they need have little fear of the campaign of 1912, so far as the tariff is concerned. We have had a protective tariff in this country most of the time for a century, and we are not going to get rid of it in a single day nor in a single session of Congress.

D. K. L.

EDITORIAL CORRESPONDENCE

THE MINT REALTY COMPANY'S MINT.

Philadelphia, Pa., Jan. 20.

Given \$2,000,000 in the possession of a syndicate of ambitious citizens, the site of a United States mint situated in the heart of a great city for sale, and a Treasury Department at Washington run by level-headed business men.

Problem, to make a net profit of \$4,000,000 without paying taxes.

This feat is being accomplished in Philadelphia by Mr. F. Isman and the Mint Realty Company; and as the ingenuous real estate man remarked in an advertisement explaining his cleverness, "there are other mints for sale in which United States money can be made . . . without having it actually coined for you."

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The contract between the syndicate and the United States government was made March 22, 1902. Within six months the purchase money, \$2,000,000, was to have been paid, the Government keeping title to the property until this were done.

Property to which the Government holds title is not taxed. At the time the contract was signed \$25,000 was paid, and within thirty days another \$25,000 was to be paid. Then Mr. Isman assigned the contract to the Mint Realty Company.

On August 21, \$200,000 was paid and an extension of eighteen months was obtained for payment of the remaining \$1,750,000, the Government still to hold title and the city still to whistle for the taxes—about \$30,000 a year. To refer again to the "ad:"

There's a little man down in Washington who has the appearance of a western hardware merchant . . . his name is Shaw—Leslie M. Some day he will be promoted some for good conduct. There has been some criticism about the Government's terms for the payment of the purchase of the mint property. Mr. Shaw, knowing that the property was to be improved, naturally accepted \$250,000 and allowed over 18 months more time for the payment of the balance, as any other level-headed business man would have done. Owing to the fact that taxes will be paid when the Government gives title to the property—is not the city very much better off to obtain a revenue in 18 months than if the property remained unsold and unimproved for an indefinite period? The old mint property lot is 150x204—over 30,000 square feet. The . . . company paid \$66.66 per square foot. I think it's worth about \$150 a square foot. Just took advantage of Philadelphia's natural timidity—that's all.

But the purchase money was not all paid in eight years; it has not all been paid yet. Nine years have gone by and the Government still holds title to the Mint Realty Company's mint; and the city counts about \$285,000 in taxes that might have been. For "Government property" is not subject to tax!

During the nine years several Secretaries of the Treasury have approved further extensions for payment of the purchase money for some cryptic reason, and even when the money is all paid it is a question whether back taxes must be paid. Meanwhile the temporary arcade building erected on the site is said to have paid in office rents a substantial part, if not all, of the purchase sum. Experts say that the only way to collect the taxes is to have the State legislature pass a bill providing that when Government property ceases to be used for Federal purposes, although title is still held by the United States, it shall be subject to tax.

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Senator Penrose has been urged to have something done at Washington as the city needs the money. This seems not as likely as last year. When

there was talk of the establishment of a Board for the Equalization of Taxes, Mayor Reyburn, who takes orders from Penrose, announced that Mr. Isman would be a member of the board. This was not established, so Mr. Isman lost his chance to inflict poetic justice upon himself.

So badly does the city need the money that it recently hoped for an increase in revenue by the application of the Somers unit system, by which the land and the improvements are assessed separately. This principle, for some reason, was offensive to Mr. Isman. He said it was unfair. And Mrs. Anne Weightman Walker Penfield, who has \$60,000,000, and who found that her taxes would be increased about \$40,000 annually by the Somers system also objected. But they let experimental assessments be made till the Somers people had run up a bill for \$85,000 for their work and then had the courts enjoin the city from paying the bill. The State was the only power that could regulate local taxation, said the court. So Philadelphia's timid step toward land valuation has been halted. But it has given us a chance to talk about it and that is something.

HERBERT S. WEBER.

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PROGRESS IN ALBERTA.

Langdon, Alberta, Canada, Jan. 18.

The United Farmers of Alberta, a progressive and receptive organization of agriculturists, held a Pro-receptive session in Calgary during the week, at which Joseph Fels of London and Philadelphia, and Frank Coulter of Portland, Oregon, who is now promoting the Direct Legislation movement at Winnipeg, spoke. That this new city and Province are ready to accept the whole program was evidenced by the hearty indorsement given to the illuminating utterances of those splendid workers in the cause of political and social freedom.

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The city of Calgary owns its street railway system, which, during the year 1910, netted the city about \$55,000 in clear profits. The city also owns its water system, and an electric lighting plant, and is now planning an immense power distribution plant to be owned and operated by the city. The Province of Alberta, also in the government ownership ranks, last year bought out the entire Bell telephone system in the Province and now operates it in the interest of the whole people of the Province. So the seed of reform has already been sown here, thanks to the evangelism of the Americans coming across the border from the western States.

It seems to be the determination of the people of this new and rapidly developing Province to adopt the entire "Oregon plan" of Direct Legislation. They are tired of the legislative farce at the Provincial capital, and are in a most receptive state of mind just now. The program of reform sounds good to them, and the wheels are rolling on toward complete political independence.

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The masterly array of facts presented by Mr. Fels appealed to the farmers, who are hungering for release from financial bondage. The fallacy of the old