

till the national valuation is available: for no possible increase of such taxes as the 'land values duties,' imposed for valuation purposes in the 1909-10 Budget, will bring us any nearer a true taxation of land values. The representatives of all the Leagues that form the United Committee (pp. 629, 660, 702) are now considering the details of a practical programme for the immediate future."

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A SUGGESTION FOR DENVER, OF GENERAL APPLICATION.

I.

Denver is to have a water plant for her "very own," as the children say.

If the election of May 17th did not prove this, the demonstrated inability of the present water company to forestall and provide for the needs of a great city would make it certain. Year after year the citizens of Denver have tolerated shortages, restrictions, and high prices, with remarkable patience; but the latest "drouth," pushed into the most damaging season of the year, has brought to mind all that we have endured in times past, and showed even to some conservatives who thought the time for city ownership was not yet, that prompt action on the part of the municipality is the only remedy for an intolerable condition.

Therefore, I do not intend to use any argument to show the advantage of or the necessity for public ownership. But there is one point to be considered without which consideration the question can not be intelligently and economically settled at the September election.

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"A million dollars" can be said in a breath; but suppose you try to *think* it. The average mind does not think in millions. Units, tens, hundreds, even thousands, may be comprehended, but going farther than that a sort of confusing nebulus seems to envelope all but exceptional minds. Especially is this true when it comes to dollars.

Let us reduce the amount to something more tangible than dollars, say houses or days' work.

How much is \$1,000,000? How many cottages at \$2,500 each would it pay for? How many days' work at \$2 per day does \$1,000,000 represent?—that is, how many days, how many years, must a man work at \$2 per day to earn \$1,000,000, counting 300 working days to the year?

At that rate how much, how many days', how many years' work, would the Denver Union Water Company's plant cost at \$7,000,000?

Estimating its population at 200,000 (for convenience), how many days' work would that be for every man, woman and child in Denver?

How much would be the interest on \$1,000,000 for one year at 4 per cent? On \$7,000,000?

How much for 30 years?

These are some of the questions that the citizens of Denver must answer before they can intelligently vote on the question of water bonds.* Incidentally the answers will help to show how much of the value of the D. U. Water Co.'s plant is made of days' work and how much of other things—"reasonable return for money invested," etc.

II.

Lest you can not spare the time to figure out the answers to the questions in the first part of this writing, I have for myself learned that \$1,000,000 would pay for 400 houses at \$2,500 each, and that \$7,000,000 would therefore pay for 2,800 houses at that price—enough for quite a respectable little city.

Now let us see what \$1,000,000 represents in days' work at \$2 per day. To earn \$1,000,000 a man must work 500,000 days. Counting 300 working days to the year he must work 1,666 years and 200 days.

Therefore, \$7,000,000 represents 11,666 years—not days but years—of work at two dollars a day. *Eleven thousand six hundred and sixty-six years* is a long, long time; yet that length of time in days' work at \$2 a day is the least we are asked to consider for Denver water bonds.

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The interest on \$7,000,000 for one year at 4 per cent would be \$280,000, and for 30 years, the time I have heard proposed, it would be \$8,400,000—more than the original cost of the plant.

And that interest does not pay one cent of the cost. The debt still remains \$7,000,000 as at the beginning. Is that the best possible way for Denver to acquire a water system?

I do not like to be in bondage to a water company, but it is hardly worse than being a servant to bond-holders.

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The foregoing is preliminary to a protest against acquiring a water plant by the usual method—the issue of long-time interest-bearing bonds of large denominations to outside parties.

Instead of this, can we not have a "popular loan"?—one in which at least every tax-payer

*The election in Denver comes off on the 6th of September.—Editors of The Public.

could take shares? May not a portion, if not all of the bonds, be in small denominations—say \$5, \$10, \$25, \$50, \$100—and a specified number redeemable each year after the water system is established and self-supporting?

III.

While thinking over this matter I found in an old scrap-book of mine, an article entitled "The Guernsey Market; or Money and Its Uses." The only indication as to the writer is the modest initials "B. O. E." He seems to have been a New Yorker, for he alludes to "the old rookeries called Washington and Fulton markets in this city," and shows how by following the Guernsey plan they might be replaced with splendid and useful buildings, and without bonds to bind the people under a burden of endless taxes.

In trying to verify this account at our Public Library I was much impressed by the fact that invariably this statement was in every account of Guernsey that I found: "*Taxes are very light.*"

Reading the following one can readily believe it. Such sagacity on the part of those who attended to the people's business would inevitably result in light taxation:

The Island of Guernsey, being in the channel between France and England, by some blunder in the treaty transferring several islands in that channel from the former to the latter government, had been left free from the control of either and remained in the hands of the local island government. This government consisted of a mayor and council. John Guelph was at that time mayor and a true friend of the people according to the best of his ability. The people were in great need of a public market building, but were destitute of money with which to build. Mayor Guelph called the council together for consultation on the matter. Each in his place declared that timber, lumber, stone, brick, with good strong arms and willing hands were plenty, but no money to effect purchases or pay for labor. All agreed that it would be unwise to borrow money at interest.

The estimated cost of the market was 4,000 pounds sterling. It was decided to create and issue as wanted for the purpose four thousand one-pound notes. These notes were made a legal tender for rent of stalls when the market was complete. The credit of the island government was good for the fulfillment of that pledge, and the contractor at once proceeded with his work, receiving the one-pound notes in payment. With these he paid for material, timber, stone, brick, etc., and wages of the men employed. Those receiving the notes in turn paid them to the shop-keepers for goods. The shop-keepers gave them to the landlords for rent, and they again distributed them in society. In this manner they were kept constantly passing from hand to hand and place to place over the island, performing the functions of money as well or even better than if made of gold or silver, and yet costing but a trifle in comparison with these metals. During this period,

business was brisk, labor more generally employed, and the people more prosperous than before.

In due season the market was completed. It contained eighty shops and stalls, which were let to butchers and dealers at five pounds a year. This made the annual rent 400 pounds sterling, or \$2,000.

At the close of the first year of tenancy, four hundred of the one-pound notes with which the market had been built, had been received by the island authorities that owned the market. It was a national building, built with national money. When this money was thus received, it was burnt up in the presence of the official authorities and the people.

The operation was repeated from year to year for ten years, at the expiration of which period all the four thousand one-pound notes having been received and thus destroyed, they of course ceased to exist.

But the annual rent did not cease; that exists to this day and the money is applied to local improvements and government expenses.

The ready thoughts of the reader will apply the principle to various plans and purposes in his own vicinity, and again to State and Nation.

Is not this a complete demonstration of "the use of money"? To apply the principle requires only a fair degree of common sense and honest purpose.

For the facts of this article, we are indebted to Jonathan Duncan, an English historian and writer on finance.

IV.

Of course there are details in the Guernsey Market plan which could not be fitted to the case in hand, but there is a principle exemplified, working in accordance with which the city of Denver can save to itself millions of dollars.

I am well aware that there is a Money Trust which, through its institutions in every sizable town throughout the country, is jealously watching any attempt on the part of the people to serve themselves in money matters. Naturally those who make a living by trading in money will, as far as possible, control its output in any form!

I am therefore also aware that the proposed issue could not be, even locally, "a legal tender" like greenbacks; perhaps not even "receivable" as are the National Bank notes—which practically makes them a legal tender. Nevertheless, I believe those of the smaller denominations would pass freely from hand to hand in Denver's daily business transactions, thereby greatly facilitating exchanges.*

Doubtless those who make a living by negotiating large bond issues to run for a long time would place all possible obstacles in the way of any city

*This plan is said to have been used successfully by the Fairhope colony, Alabama, for building a wharf. Also by St. Joseph, Mo., for some local purpose. Regarding its use we are advised that there is some obscure Act of Congress which might open the way for interference in so far as the bonds were intended to circulate as currency.—Editors of The Public,

which should try to serve itself in this simple and inexpensive manner. But what of that? Are we under any obligation to continue them in business?

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I am told that in addition to the other obstructions is the fact that "not many people in Denver can spare even \$5 as an investment, to say nothing of the larger denominations that would be needed;" also that "to issue a portion of the bonds in small denominations to the citizens of Denver might make it more difficult to market the remainder."

As to the former objection: We can never tell till we try. I should be sorry to believe that "only a few people in Denver" could afford to pay two or three years in advance for their water supply if they were convinced that such a course would save a great burden of taxation to themselves and their children for years to come.

And for the second: Are there not enough Denver men of wealth and public spirit to take up in large sums what the "common people" find themselves unable to assume? I believe there are. If the tax-payers are getting something back in interest for what they pay in taxes it will lighten the burden of taxation to that extent.

Just here Mr. Conservative comes along and remarks, "You can't get rich by taking money out of one pocket and putting it into another." Sure. But you'll come nearer to it that way than by taking money out of both pockets and handing it over to New Yorkers year after year.

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I submit, without fear of any intelligent contradiction on the matter, that to keep the annual interest (which seems to be inevitable for a few years) right at home would be of immense advantage to merchants and to all local business men, except possibly the money-loaners; and if a specified portion of the bonds should be made redeemable by being received for water rates each year, thus (as soon as the plant becomes self-supporting) lessening the interest by that amount, we could, before many years, have a water plant all paid for without incurring any very heavy burden.

Is not such a result worth working for?

CELIA BALDWIN WHITEHEAD.

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The dead are below, and the landless, and those who live to labor

And grind forever in gloom, that the privileged few may live.—John Boyle O'Reilly.

"ONE MORE SOLDIER FOR POR-FIRIO!"

William James, though a pacifist, nevertheless concedes the military type of character to be persistently desirable.

He believes, however, that the character elements in the martial type can be as effectually cultivated in constructive social service as in war.

You cannot answer the militarist by citing the horrors of war: they are its enticing thrill! The cost of war? A bagatelle! Its bestialities? It's all in the price of the higher, hardier manhood of the race. So argues the militarist.

But Mr. James thinks that "patriotic pride and ambition in their military form are, after all, only specifications of a more general competitive passion."

This "competitive passion" will find ample room for exercise even where the military "specification" is absent.

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And why not?

Russia built a railroad for military purposes—and, to her surprise, the territory traversed by it has become a vast theater of teeming industry, supporting in comparative affluence millions of human beings. The rulers of Russia intended the railroad for the conquest of a state; but economic law seized upon it for the uplifting of the Russian people!

If it be answered that the military spirit was father to that railroad, and therefore the cause of the people's prosperity, let the retort be that militarism, as the rule, greatly burdens and oppresses the people, and that in this instance the benefits were purely accidental. It demonstrates not that *war* but that *railroads* are beneficial to society.

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Does war indeed ennoble manhood?

Where are the descendants of Alexander? "Alexander's career was piracy, pure and simple; nothing but an orgy of power and plunder. When he died his generals and governors attacked one another."

The whole history of war for war's sake is an orgy of power and plunder; and that for the glory, not of the people of either side, but solely for a few distinguished individuals.

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Napoleon would respectfully bow to the pregnant woman wherever he met her, not from respect for motherhood, but to encourage the