THE PUBLIC

A Journal of Democracy

January 11, 1919

High Finance and Public Utilities

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BEGINNING with the next issue, *The Public* will go to press and be put in the mails one day earlier. This should ensure delivery to readers in the East and Middle West not later than Saturday.

An Army of Singletaxers

(Later developments)

Announcement of a plan for "mobilizing an army of singletaxers," with lecturers and "explainers" in every community on the continent so far as possible through the agency of the INTERNATIONAL RECONSTRUCTION SPEAKERS' BUREAU, appeared in THE PUBLIC of December 28. Since that time arrangements have been made to conduct the Bureau under the auspices of the NATIONAL SINGLE TAX LEAGUE, whose facilities will be thrown open for the benefit of lecturers, in organizing speaking tours, etc. Local speakers also are wanted; every locality should have men and women who can intelligibly explain singletax and other topics of social reform.

This means you—you need not be a trained platform speaker—if you can courteously explain any of these topics, you owe it to your community to do so. The Bureau will offer your services to organizations in your vicinity, list to be furnished by you. Assistance in compiling speeches will be given when desired. In this way it is hoped to build up a large corps of competent speakers.

Nearly 100 men and women have already enrolled since that first announcement and every mail brings additional enlistments. There should be hundreds, perhaps thousands of people able to help in this work. YOU are one of them.

Write now for particulars, or send the names of those in your neighborhood who are competent to do this, even on a small scale. Write your name and address on the margin of this page, tear out and mail at once to Harry W. Olney, Secretary, P. O. Box 742, Springfield, Mass.

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PERSONS who have thought Americans had lost their sense of humor must have confined their attention to the humorous papers. Whatever may be the quality of the professional witticisms put out for a price, the naive remarks of Senators and the droll proposals of men of affairs have lost none of their pungency. Notice the proposal of Mr. Outerbridge, chairman of the Committee on Foreign Trade and Shipping after the War of the Chamber of Commerce of New York. The Committee suggests with all apparent seriousness that the Federal Emergency Fleet Corporation shall offer for sale to American owners, personal or corporate, ships based upon a per ton price corresponding to the price at which ships of similar size, class and description can be purchased or built in standard foreign yards at the time of sale. The Government is to receive 25 per cent. of the purchase price in cash and to take a fifteen-year mortgage, drawing interest at 4¼ per cent. At the expiration of five years from the date of purchase the purchaser shall have the privilege of calling for a reappraisal of the principal of the mortgage, the remaining unpaid amount to be based upon the ascertained cost at that time of building a similar ship in standard foreign yards, less proper deduction for depreciation in the expired time.

IS there anything to be found in the works of American humorists from Artemus Ward to Mark Twain to equal this? Captain Dollar's proposal that the United States Government pay the difference between American seamen's wages and foreign seamen's wages is commonplace in comparison. Mr. Outerbridge's proposal that the Government dispose of its merchant ships to private owners at the lowest price in foreign yards with 25 per cent. cash down and a fifteen-year mortgage at 4¼ per cent. would have been a good one of itself. But with a rare sense of humor he adds as a cracker the proposal that the purchaser may reappraise the ship at the end of five years to take advantage of a possible fall in price. The Government, of course, is given no option in demanding a reappraisal in case of a rise in price. The Committee further urges the Government to act quickly—on the principle, perhaps, that the best of jokes grow stale with time.

SECRETARY DANIELS' testimony before the House Naval Committee would appear to indicate that this is a splendid time to suspend our naval construction program. The battleship Mississippi, contracted for before the war for $7,115,000, was a loss to the construction company. The Government's construction of sister ships cost $11,250,000 each. The very newest battleships, whose construction has just begun, were estimated to cost $11,500,000. But Admiral Taylor says it is doubtful if they can be completed for less than $15,550,000. The Admiral tries to draw consolation from the fact that merchant ships have increased from $75 a ton to $200 a ton, while the cost of battleships has increased less than

50 per cent. Yet the Navy has a building program amounting to $600,000,000 that it wishes to be engaged upon at once. Why this haste? There is good reason to believe that naval armaments will be limited as a result of the Peace Conference. And even supposing that plan to result in failure, there is still no immediate need for larger navies, while the demand for merchant shipping is extreme. The men and materials withdrawn from commercial work and put upon naval construction, thus artificially depleting the available stock of steel and the supply of expert labor, should be returned to the legitimate channels of industry, and so reduce the cost of the much needed merchant tonnage. If it be found afterwards that the world must return to its former barbarous condition, and that the nations must engage in armament rivalry, our naval program can be resumed. But it is very short-sighted policy to insist upon doing now things that can be postponed till a future time, while neglecting those things that should be done at once.

WHAT is the subtle charm possessed by the presumably impotent Government of Uruguay that enables it to handle the meat-packing corporation of Armour & Co., which appears to be so out of control of the Government of the United States? American Consul William Dawson at Montevideo reports the signing of a contract between an Armour subsidiary company and the Uruguayan Government for the conversion of a customs warehouse into a cold storage deposit for handling chilled meats and other products shipped in transit by the Armour plants in Brazil. The contract stipulates that the company is to expend at least $570,000 on installation and machinery. The warehouse will be used for ten years by the company, at the expiration of which time the Government will have the right to cancel the concession and purchase the entire property at a price to be fixed by appraisement, but not to exceed $413,600; otherwise, the concession shall be extended for another ten years subject, however, to expropriation under the conditions just mentioned. After twenty years the entire installation and equipment shall become the property of the state without charges of any kind. Might it not be worth while for some of those senators who were so eager to go to France to watch the President, to go instead to Uruguay to find out how they do it?

NO person desirous of doing his bit toward solving the problems confronting us should fail to read the article to be found on another page by Richard Spillane on the New York traction question. Every city that has a traction problem—and what city has not—is confronted with this same question of decreasing dividends for the companies and a demand for an increase in fares. Mr. Spillane, who is a recognized authority on questions of finance, and conservative in judgment, shows that a large part of the trouble into which the New York traction companies have gotten themselves is due to overcapitalization, in other words, to watered stock. This fictitious capital, like the $25,000,000 that Harriman added to the stock of the Chicago and Alton Railroad when earnings were good, was issued not because of any value contributed by the stockholders, but because the earnings at that time would pay dividends on it. Earnings are now insufficient to meet the higher cost of operation and pay the same dividends; hence, the companies seek to recoup themselves by raising fares, rather than by reducing their capitalization. It must be evident even to the straphangers that if the revenues are increased by means of higher fares, the fictitious capital will be as good as the real, and will stand as a perpetual charge against the public. If, however, the public insists upon the present fare it will force a liquidation, and permit a resumption of business on legitimate business principles. It would not better matters for the city to take over the traction interests at the present fictitious valuation. Nothing will avail until the water has been squeezed out of the stock.

COMPLAINT has been heard from many quarters that Germany has shown no signs of repentance, no change of heart, no disposition to abandon her old vicious philosophy. Perhaps too much has been expected. It may be unreasonable to expect her to set her house in order from top to bottom within so brief a time. When it is recalled that the present generation of Germans was instilled with Prussian ideas from childhood up, and that barely

two months have passed since the rude awakening at the signing of the armistice, it must be admitted that very important changes have occurred in that country. The junker class and the Prussian militarists are completely discredited and are without influence or voice in the present government. The princes and nobles have fled or are in hiding, the soldiers and sailors have repudiated all authority from the old regime, the government is in the hands of the most democratic element of the people, which is striving its utmost to make its authority permanent.

THIS is a radical change from the former order, and there is no reason to doubt that still more radical changes are in store for the country. That the junker leaders are unrepentant may be irritating to those looking for poetic justice; but when their complete overthrow is considered, it may be doubted whether their state of mind much matters. And if the mass of people in Germany do not show keen regret for the part they have played in the war it will be recalled that they have not shown individual initiative during this generation, and it may require them considerable time to broaden their outlook beyond the point of immediate concern. The stolidity of the race and the disaster that has come upon it are so stupendous as to suggest the old inquiry: what would happen were an irresistible force to come in contact with an immovable body? The irresistible force has come upon Germany, and the seemingly immovable body has already begun to give way. Can there be any doubt that the influence will continue with increasing effect? There should be no letting up of the pressure brought to bear upon Germany; neither should there be despair over the result.

THE decision of the Supreme Court of New Mexico in reversing the lower court, which had adjudged the editor of the Santa Fé *New Mexican* guilty of contempt for alleged criticism of the lower court, has brought to an end the contemptible attempt of a judge to escape criticism for a personal act, under the sanctity of the court. The case grew out of an affidavit by a creditable witness, that the attorney in court was wigwagging signals to his client on the witness stand to indicate the answers he should make to questions. In an attempt to disbar the attorney, the judge made affidavit that the wigwagging had not occurred. As this was a question of veracity between two witnesses, the editor of the *New Mexican* criticized the judge for making an affidavit to an impossible fact, and was jailed for contempt. The Supreme Court, in reversing the case and discharging the editor, is careful to call attention to the fact that if editors could be jailed for criticizing the personal acts of judges, or commenting upon anything undergoing adjudication, it would be possible to shut off all criticism by throwing the thing criticized into court. The decision of the Supreme Court gives full weight to the guarantees of a free press by the State and Federal constitutions. It also lays down many rules and limitations upon the power of the courts to punish for constructive contempt based upon newspaper criticisms. It is refreshing in these days of war censorship and under the very shadow of the Espionage act to see a supreme court make a bold stand for free public criticism. It may be recalled that New Mexico was one of the States denied Statehood by President Taft, through a veto, because its constitution contained the Initiative and Referendum, and that having excluded the objectionable feature in order to acquire statehood, the State immediately introduced the democratic provision into the constitution by means of an amendment. New Mexico has scored a second time in behalf of liberty.

THE Rev. John Haynes Holmes, pastor of the New York Church of the Messiah, has announced that he will leave the Unitarian denomination, in order to enter into that larger fellowship where he will be " at one with all men everywhere, at home with the family of mankind." This is additional evidence of the growth of the new spirit that is looking to service of man as the highest expression of man's desire to serve his Maker. Dr. Holmes, who has just declined a call to Lincoln Center, Chicago—the social center established under the direction of Jenkin Lloyd Jones—purposes to marshal his church following in a similar service in New York. Dr. Holmes, like Mr. Jones, could not rest satisfied under a creed even so broad as to save all men in the hereafter; he

must enlist in a cause that will serve mankind here and now. It is suggestive of the story going the rounds that the Y. M. C. A. war service ran short of Christians, and was obliged to accept applicants who did the work without the label. Dr. Holmes says he wishes to serve an undenominational church that has for its primary interest and aim identification with the service of the people of its community. Since he has already established this tie between himself and his community, the change in denomination will be little more than form; but there is small doubt that it will open to him a wider field, and bring him into touch with a still larger number of people who are in need of wise and sane leadership.

Theodore Roosevelt

IN spite of his career, having been in constant warfare in one form or another, Theodore Roosevelt is being more widely and deeply mourned than any other public man who has passed away within a generation. All the enmities recede to their several occasions and conditions, and there emerges the sense of a great personal force that dealt with American public affairs in personal and distinctive ways. Roosevelt was never a profound thinker in the political or any other field. His ideas were the mediocre commonplace stock of the ordinary man. He never analyzed or criticized them. He adopted the ordinary, intellectual furniture of the average American, gave it at every turn the character of a moral issue, placed behind it the driving force of unwavering conviction, and then proceeded fearlessly to translate it into action. Everything he touched became instantly human and personal. This personal quality sometimes carried him into melodrama, but there is much in American life that is melodrama. Yet it seized and held the imagination of the whole world for a generation.

Native to a man of this kind is the genius for friendship. No man in our history has held so much, or so diversified personal loyalty. He made friends even among his enemies. Men could differ from him in political matters to the point of bitterness and yet feel for the Colonel an intense personal respect and liking. He was not merely genial and winning in the undifferentiated way of most politicians. His friendship and even his acquaintanceship were direct and amazingly individual. This meant that he gave himself without stint to the service of his friends. It meant also an enormous responsiveness on his part to their ideas, their desires and their plans. From one group and then another, Mr. Roosevelt received what he then adopted as passionate conviction and proceeded to carry into practical effect. That this characteristic led him into an abundance of difficulties, need not be said.

A common criticism is that in spite of being a man of action, very little in the way of practical result issued from his conduct of the nation's affairs. It is curious and somewhat ironical that he must be described in the end as a great teacher. He brought America to a consciousness of the responsibility of organized business to the public welfare. Before his administration the great corporations were arrogant and ruthless. Since his day they have been humble and suppliant for public favor. To see railway companies placing posters in their waiting rooms, and advertisements in the daily papers, and pleading for fairness and consideration, represents a change that would have been unimaginable a generation ago. For assisting to bring this about, Theodore Roosevelt must be given high credit and a nation's gratitude.

It is the feeling of all that American public life is now poorer in personality, and there are multitudes of Americans who at this moment would find it hard to decide whether they prefer the highest political ability of the time linked with a less responsive personality than the simple, blundering, downright leadership of a man that they could not help loving.

The Battle of Versailles

While the war was raging, and especially during the past two years, most of us felt that we had a satisfactory formula to account for the situation. It was the clash of two systems, one of irresponsible, military power, ambitious to dominate the world, an anachronism in modern life; the other, representative of emerging, democratic ideals of peoples finding themselves in the practice of freedom. These two conceptions met on the battlefield for a final test of

strength. We have believed that triumph has fallen to the democratic ideal, that the German belief, like the German empire, lies shattered and discredited, a thing of the past. We have believed that the peace settlement would establish and embody the principles for which we fought.

But any one acquainted with European politics must be watching the development of events with a good deal of apprehension. Forces are gathering and taking form which promise that the conflict will be transferred from the battlefield to the council table. The settlement will cut even more drastically at the roots of things than has the war. This is not a matter of antagonism between the Allies. It is an alignment of forces which manifest increasing hostility within every nation. At one extreme stands the Prussian idea, a failure; at the other extreme stands the idea of Bolshevik Russia. These extremes meet in a common gospel of domination through violence. Other nations of the world show mixtures of various kinds and degrees of these two ideas—the absolute overlordship of a possessing class, and the absolute dominance of the proletariat. But why should these forces come into opposition at the peace table? The governments of the Entente nations were undoubtedly prepared to adjust claims and interests, to smooth out difficulties and set the world on the old path.

The conflict is inevitable simply through President Wilson's presence in Europe. He goes to bespeak the desire of the plain people of the world. He passes from country to country in the ironic circumstances of being entertained by monarchs and officials. What he is doing practically is to shape and solidify under his leadership the thought and feeling of the common people. He will go to the council chamber as their spokesman, as their champion. Liberalism the world over is pathetically conscious of its dependence upon him. But why should there be opposition to his just proposals? It is simply because there are large elements that do not accept the ideal of the plain man, and these elements are usually dominant in governmental and official circles.

The battle is to take place over the issue of internationalism. Mr. Lloyd George had an election held presumably to secure a mandate for the making of peace. We are now told that even his tied Parliament is not to assemble until the Conference is over. The campaign itself, instead of dealing with the great issues formulated by the Labor party, dealt with such matters as the trial and execution of the Kaiser, and making the Hun pay to the limit of his capacity. In other words, the mandate secured was that of the politician and the small shopkeeper. In France, the old talk about the left bank of the Rhine has revived. There is to be a complete turning of the tables of 1870. An indemnity is to be exacted that would keep the Germans in perpetual subjection, or rob them of their major industrial resources. In addition there is the vision of a Europe broken into small national fragments, over which the French Jingoes see the possibility of domination. Already there is a demand for a concerted march upon Russia to destroy Bolshevism. The position of Italy is sufficiently well known.

Against these forces President Wilson goes armed with what is only so far a dream and a plan. None of the details of this plan appear to be more than theoretical. But the reality of its strength must not be underestimated. Labor the world over is realizing its solidarity of interest. President Wilson is trying to effect a union of democracies to forestall the universal domination of the working class effected through revolution.

The Government and Industry

The democratic system is now confronted with its major test. The end of the war has precipitated a problem for which as yet no solution has come in sight. This is the relation of the State to the industrial system of the country. It was feared by all liberals that the western nations would learn the German lesson and create that compact organization of industrial, commercial and political elements which threatened before the war to capture the trade of the world. Under the necessity of rapid and thorough mobilization a semblance of the German system came into existence in Britain, France and the United States. There was reason to fear that each of the great nations had become a huge business enterprise. It is an ironical outcome that the governments of England and the United States are in so great a

hurry to go out of business that disaster may easily result from their haste. Experience in the State operation of industry has not been altogether fortunate; added to this is the pressure of individualist enterprise, facing what seems to be unprecedented opportunities. Our own lessons were particularly unfavorable. Our Government acted through the system of contracts, with the result that terms had to be made so attractive or, in other words, the bribe had to be made so high, as to induce the kind of voluntary co-operation that was required.

Real power over industry only came into existence when authority under the Overman act was conferred upon the War Industries Board in March of last year. But even then the authority was only indirect. The Priorities Commission could bring about any desired result not by the exercise of police power under rules legally established, but by virtue of controlling fuel, raw material, transportation and labor supply. This system obviously had not the characteristic of business organization, but rested upon the exercise of arbitrary power. The moment the war was over, those who had exercised this power dropped it in unholy haste, fearful of the immediate reaction. German organization in the sense of a real unity in industrial life has not been remotely approximated.

In order to gain leverage upon industry it was necessary for the Government to take full possession of the means of transport. For effective control, whether in bringing economic pressure upon another nation, as with the neutrals in the war, or in holding industrial undertakings in line with any desired policy, national ownership of the railways and ocean shipping has proved itself an instrument of unexampled power. These possessions, however, proved to be embarrassments. The business sense of the community is fearful of so much centralized strength. It will therefore urge a speedy return to private ownership, which in turn is found to be most difficult. Mr. McAdoo's proposal to continue government operation for five years is rightly interpreted as a proposal for permanent possession. In that time all the conditions under which private ownership could be effective would have dissolved. The railways can be returned within two years, but the owners will not want them under the old competitive restrictions. Here is where the problem lies. The value of combination has been learned. The transportation system of a country should be unitary.

But how is the public interest to be conserved? The Government must either go into the railway business or some wholly new type of relation must be devised. President Wilson has threatened immediate return unless Congress finds the new method. It is not a light task that he imposes upon the geniuses of the Capitol. The solution will mark the beginning of a new era in the modern industrial State.

Is Government a Science?

PRESIDENT WILSON made a significant point in his address upon admission to membership in the Italian Royal Academy of Science. After referring to the members as men who "carry human thought along from generation to generation free from the limitation of passion," he spoke of himself as one whose lines had lain in the field of politics which, though it be called by courtesy a science, "is often practiced without rule and is very hard to set up standards for so that one can be sure one is steering the right course." But admitting this he claimed that "while perhaps there is no science of government, there ought to be in government itself the spirit of science, that is to say, the spirit of disinterestedness, the spirit of seeking after the truth so far as the truth is ready to be applied to human circumstances."

It is but to cause a smile to call government as now practiced a science in the sense that chemistry is a science. In a way this is necessarily so, for while chemistry deals with known elements of fixed properties, politics has to do with the intangible element of human nature. Yet, though human nature is intangible, it nevertheless manifests itself through the same media as the physical sciences. The sentiment of patriotism, devotion, honor, cannot be weighed or measured by physical standards, but they have been sufficiently analyzed and charted to determine where they come in touch with the physical; and as soon as they touch the physical, they open the field for science.

Government as conceived by the ordinary

politician has no more definite boundaries or limitations than etiquette. It is to these men merely a matter of whatever rules and regulations the men in power choose to make. To them there are no natural and inherent rights, but only conventions set up from time to time. But there are, nevertheless, elements in politics as fixed and certain as any in chemistry. While it be true there is no reason in nature why the political boundary between Canada and the United States should be where it is rather than miles to the northward or southward, there is a very definite reason why people and goods should be permitted to pass freely across the territory now separated by that boundary. Though there be no fixed rule by which society can say men and women should be denied the use of alcoholic liquors and not tea and coffee, there is a reason why men should not be permitted to commit murder. And, notwithstanding, there is no reason why government should tax incomes ten per cent. or eighty per cent., or not at all, there is a most definite reason why it should take for the common use of society the annual values created by society. Whether government should tax wagons and not horses is something that no man can tell, but there is no doubt whatever about the duty of government to tax land values.

If a man has a right to himself—as all democracies contend—he has the right to the fruits of his own labor. And if one man working alone has the right to the fruits of his own labor, ten men working together have the right to the fruits of their own labor. And it follows by the same logic that society as a whole has the right to the fruits of its own labor. Hence, as the value of a house built by certain men belongs to the men who built it, so the value of the land upon which it stands—aside from the improvements—belongs to the society that made it. And as universal opinion awards individual creation to the individual, so society creation should go to society. If this be a legitimate deduction, it is inevitable that the government that disregards it and persists in taking from some individuals what they as individuals have created, while leaving to other individuals what society has created, there must follow the same disturbance that results when the chemist tries to combine antagonistic physical elements.

There is a science of government, but its application involves a disturbance of conditions that now profit certain people of influence, and their opposition is slow to overcome. But the same system that favors a few is a burden to many, and it is only a question of a little more time when justice will be regarded as meant for all. When one recalls Macaulay's statement that it would be possible with enough money to hire the ablest men to disprove the law of gravity it will be realized how hard it is to oust legal privilege of long standing; yet this is the very thing that can, must, and will be done to place government on a scientific basis.

Agitation by Bombs

The Philadelphia bomb plot may easily be developed by undiscriminating police officers into a dragnet proceeding that may result in another legal lynching. The fact that one of the most dastardly crimes has been committed is no excuse for anyone's losing his head. It is a grave offense against social order, and should be treated with proper care.

There are in all countries a considerable number of people who think loosely and talk loosely. Little is thought of it in ordinary times. But now and again a few of these people of abnormal nervous development have their reason over-borne and attempt to carry out by violent means some of the theories they have been preaching.

There is nothing strange in this. The breakdown of the human mind is a thing of common experience. Many persons have lost their reason over religion, others in love affairs, business, or what not. That some should lose their reason in politics or social reform work is inevitable, and that these should attempt to apply their revolutionary doctrines by force is natural. But because these over-wrought minds take such an irrational course does not necessarily indicate a plan or conspiracy involving all the malcontents who have been talking loosely. To bring them all into court by means of dragnet proceedings and put them on trial for their lives is a needless cruelty, and will work far more mischief than good.

The proper course for the handling of these cases is for the police to quietly ferret out

the offenders and punish them individually, without attempting to hold as equally guilty all who indulge in indiscreet talk. And the duty of statesmen is to heed the call for social justice and remove the cause for discontent. The breakdown of human reason in a few individuals under such stress as we have endured during this war is inevitable, but there is no reason why persons perfectly sane, though highly wrought up, should be classed with them. The one needs restraint and curative treatment, the other requires an answer to his complaint.

It is at this point that modern society is weak. There is sufficient maladjustment in social and individual affairs to warrant discontent. But while persons of a practical turn of mind will be satisfied to work out the solution by the good old rule of trial and error, the excitable and super-sensitive individuals who goad themselves into a frenzy over real or fancied wrongs are too apt to listen to the mad fanatic. It matters little whether the madman is answered or not; he must be restrained in any event. But the larger class who constitute his dupes cannot and should not be jailed. The only effective treatment for them is to destroy the hallucination, if it be an hallucination, or to remove the evil if it be real. Extreme penalties have no deterrent effect in restraining mad men, and when applied to those not yet mad but highly wrought-up mentally, they not infrequently increase the very evil they seek to cure.

The social and economic problem is one that must be tried out, and if some over-zealous partisans resort to arbitrary means to carry their point, they must be shown that society's restraining hand is laid upon them not because of their ideas, whatever they may be, but because of their arbitrary methods in seeking to introduce those ideas. If, for instance, the perpetrator of the Philadelphia bomb plot be taken, his punishment will excite little sympathy. But if in taking him a dragnet be spread so widely as to include persons who have merely been indiscreet in speech, their punishment along with the real perpetrator will awaken sympathy among a great number of people, who will look upon it as a part of a class war, and will themselves be roused to fresh opposition.

The madness that has been raging in Russia, and that has begun in Germany is not likely to affect this country as a nation. There are, however, a considerable number of men and women so highly wrought by the events in Europe that they are as tinder to the revolutionary spark. Nothing will set them off so quickly as prosecution that savored of persecution.

Understanding Mexico

Mexico has been referred to as the Western Balkan problem. The term has some aptness. The country has been more or less unsettled ever since the administration of President Diaz; and that administration was little more than legalized disorder. Given a mass of illiterate but very poor citizens with the ballot, and a few adventurous politicians, and there is a combination that will lead inevitably to trouble. Add to this the fact that the men in control of the government are trying to correct the mistakes and injustices of the Diaz regime by revoking concessions, and taxing the value out of those they dare not revoke, and to this the further fact that German agencies have been busy during the entire war misrepresenting our motives, promising German capital for the development of the country, and urging the repeal of American concessions—and we have the stage set for melodrama, if not for tragedy.

The great mistake made by this country has been in not cultivating closer personal relations with the people of Mexico. For nothing has been so much needed since the beginning of the Carranza administration, as a better understanding of each other's purposes, and nothing is more conducive to such relations than an interchange of visits by representative men and women. The delegation of Mexican editors to this country was of incalculable value in promoting good feeling and a better understanding. Persons who have been in Mexico since the editors' visit, report a remarkable change in the attitude of the press of that country toward the United States.

This idea should be elaborated and developed to the utmost. Delegations of Americans should be sent to Mexico, not alone delegations of editors but of all classes—school

teachers, ministers, bankers, merchants, farmers, and, most of all, laborers. And the same classes from that country should be entertained in the United States. They should have official invitation from the State Department, and provision for their carriage and entertainment free of charge during their stay should be made by our Government. One dollar spent in entertaining Mexican school teachers, editors, merchants, labor leaders in this country is worth a thousand dollars spent on soldiers to police the border.

President Wilson's visit to Europe has shown what can be done in the way of influencing state policy by means of personal contact with the people of a nation. Equally good results will follow an exchange of courtesies between the various classes of Mexico and the United States. As long as the two peoples remain to themselves, they will carry chips on their shoulders, and be ready for any trouble that designing politicians may plan. It must not be forgotten that there are many foolish Americans, ignorant, bigoted and intolerant, and that some of them are along the Mexican border, and even within Mexican territory. And it must be remembered that the same class in Mexico is conscious of that country's defeat at the hands of the United States, and of the loss of a great deal of territory to us. This situation offers a fertile field not only for German agents, but for anybody who finds profit in trouble between the two countries.

It must also be remembered that alien landlordism is no more popular in Mexico than it is in the United States. And when there is added to this the fact that many of the concessions in Mexico were obtained without any adequate payment to the people of that country, it will be realized that the holders of oil lands and mineral lands are far from popular. Our Government should aid in effecting a readjustment, and our Chambers of Commerce and financial organizations should lead the way in establishing better personal relations. As long as the two countries conduct negotiations with the army in mind as the last recourse, little good can be effected. But if representatives of the people of each country can mingle with the people of the other country, an understanding will result that will make agreement possible. It is not a question of more soldiers on the border or of warships in the Gulf of Mexico, but of closer fellowship between the people of Mexico and the people of the United States.

Politics and Chemistry

Teachers of chemistry, distinguishing between normal ignorance and stupidity, should not, do not as a rule, call amateur students fools. It is expected that the beginner will know nothing of chemistry, which is a technical subject, not imbibed with the liquid food of infancy, a subject which has to be studied. Chemistry resists.

It would do no good to lump together all who are uninformed in chemistry and describe such in bad language. Ignorance of science is natural, curable and respectable.

So, for chemistry.

Another knowledge—politics; this too is not understood inevitably. And the novice is worse than ignorant. He is afflicted with say-sos, pseudo-thought and taboos. He is mentally infected by the example of eminent personages of theatrical finesse and standardized political decorum who fascinate with literary expression not immediately sensed as the patter of privilege.

The unlearned in this science should not be called names, but receive a tender upbringing. And after the novice has recited at the polls, his teachers, if disappointed, should firm up on the lessons, but refrain from cursing, for knowledge of reform is not got as a man gets his liver—by inheritance.

Moreover, the beginner in chemistry is not bedeviled by rival instructors and bogus formulas; by false prophets, quacks, fakers, and sanctities of slogan corresponding to the contents of the sacred bean bag.

To concede the difficulty of learning rational politics—science of society—is to take a step forward. It is something to believe that appropriate education is necessary for chemists —and voters.

Mental discipline and intake are to be thought well of in a field where to respire was once the partisan's fitness.

The education of voters to be discerning voters is the greatest job ahead.

ARLAND D. WEEKS.

High Finance and Public Utilities

By Richard Spillane

IN the confessed bankruptcy of the Brooklyn Rapid Transit Company and the officially predicted bankruptcy of the Interborough Rapid Transit Company not only New York but the nation is confronted with a problem in relation to public utilities that is of high importance.

Each of the two properties transports on an average more than 2,000,000 passengers daily. The Interborough commands practically all the surface, subway and elevated lines of the boroughs of Manhattan and the Bronx and it also penetrates Brooklyn. The Brooklyn Rapid Transit controls the vast bulk of the surface, subway and "L" lines of Brooklyn. It also enters Manhattan. Both corporations are in partnership with the city in some of the properties.

It is the contention of the traction people that their troubles grew out of abnormal costs consequent to the war and that they should have the benefit of higher fares. Their pleas for permission to increase passenger rates were denied by the authorities.

Mr. Shonts, president of the Interborough, asked for an 8-cent fare with 3 cents extra for transfers.

The B. R. T. wanted all it could get.

If the bankruptcy of the B. R. T. and the threatened bankruptcy of the Interborough are due to injustice on the part of the public officials the traction people are entitled not only to sympathy but relief.

But, are the traction people entitled to sympathy? Let us look into the facts.

These two corporations possess the most valuable railroad franchises in the world. No other companies have such an immense patronage. They command the main lines of communication throughout the imperial city. Their business enlarges year by year. Their expansion has been marvelous. For various hours of the day every car is packed to capacity.

The subways make up the principal revenue producing sections of the two great transit companies. The subways were built by the city. They are operated by the corporations. The invested money of the city in the subway far exceeds the private investment in all the "L" and surface lines of the companies.

If the statements of the traction men are correct, and there is no reason to doubt them, it costs less to transport a passenger by subway than by "L" and less by "L" than by surface line. Keep those facts in mind and they will explain something in connection with the present situation.

The amalgamations, changes of style and financial operations of the Interborough Rapid Transit Company have been so many that the general public may be pardoned for being a bit hazy about the standing of the various concerns forming part of it. The original subway was built by August Belmont and his associates. They had the financial credit of the city back of them. The cost was approximately $35,000,000. The company was capitalized in that sum

Thomas F. Ryan who, with Wm. C. Whitney, controlled the surface lines of Manhattan, threatened to build a subway in opposition to the Belmont line and, to be safe from such competition, Belmont entered into a deal to consolidate the subway and surface companies under the name of the Interborough-Metropolitan. Incidental to this deal there was an exchange of $33,912,800 of Interborough stock for $67,825,600 of Interborough - Metropolitan bonds.

That practically was a doubling of the capitalization.

Mr. Ryan's threat was pure bluff. The street railway company was in desperate straits. It had been a financial football and had been juggled to such an extent that there were threats of criminal prosecution.

Next George J. Gould tried a bluff on Mr. Belmont. He threatened to reduce fares on the "L" to 3 cents. The result was that the Interborough leased the Manhattan "L" for a long term of years guaranteeing 7 per cent interest on the very liberal amount of "L" stock outstanding.

A few years ago a concern called the Interborough Consolidated Corporation was formed. This was an amalgamation of the Interborough-Metropolitan Company and the Finance & Holding Corporation. This latter concern was little more than a name, having $550 of preferred stock and 5 shares of common of no par value.

The Interborough Consolidated owns 330,128 shares of Interborough Rapid Transit Stock, 152,765 of New York Railway, $2,041,000 of Interborough-Metropolitan 4½ bonds, 532 shares of 42nd Street and Grand Street Ferry stock, 4,955 shares of Electric Storage stock, 100 of Bleecker and Fulton Ferry stock, 55 of 3rd Avenue stock and some miscellaneous shares.

It has $50,402,635 of stock outstanding, $45,740,550 preferred and 932,626 shares of common.

The Interborough Rapid Transit has $118,-568,474 of capitalization and the Interborough-Metropolitan has $67,825,000 of bonds outstanding.

In addition the various companies have issued notes when they needed money.

Within the last few months one of the Interborough companies wanted to raise money and put out $33,400,000 of 3-year secured convertible 7 per cent notes.

In offering these to the investing public J. P. Morgan & Co. and various banking houses associated with them in the flotation printed a letter from Mr. Shonts dated September 1, 1918, which, in part, read as follows:

"During the 10-year period 1907-1917, in which the older subway was operated as a complete unit, and under normal conditions, the company's gross revenue increased from $22,-902,579 to $39,866,146 [a year] or 74 per cent and the net income available for interest on its bonds increased from $4,483,110 to $12,514,996 or 179 per cent. This experience of the past would justify the expectation of continuing expansion of traffic and earnings of the enlarged system, although a period of transition is to be anticipated during which the dense traffic currents shift from the old established routes to the new ones."

How is that glowing picture of prosperity in September last addressed to the investing public to be considered in January when Mr. Shonts predicts bankruptcy not only for his companies, but a panic throughout the country if his company and others like it do not get immediate relief by from 60 to 120 per cent increase in fares?

The truth seems to be that through stock and bond issues and frequent issues of short term notes the Interborough has been subjected to a dose of High Finance which is more than it can carry.

The stock and bond issues of the Interborough Rapid Transit, the Interborough-Metropolitan, the Interborough Consolidated and the Manhattan Railway aggregate hundreds of millions. Notes have been floated when it seemed desirable. Debt has been imposed and super imposed on debt.

There is no evidence that legitimate stock has been affected adversely if you judge from the basis of the parent company, the Interborough Rapid Transit. Look at its dividend record:

Year	Paid	Year	Paid	Year	Paid
1904	2 %	1909	9	1914	15
1905	8¾%	1910	9	1915	22½
1906	8½%	1911	10¼	1916	20
1907	9 %	1912	15	1917	20
1908	9 %	1913	12		

Now it is reduced to 10%.

And yet the Interborough Rapid Transit has 1st mortgages outstanding amounting to $160,-585,000.

And the Interborough Consolidated Corporation, that combination, for some peculiar purpose, of the malodorous Interborough-Metropolitan and the Finance and Holding Corporation, has not suffered seriously. In the few years of its existence it has paid dividends of 3 per cent in 1915, 6 per cent in 1916 and 6 per cent in 1917 on its preferred, which makes up the bulk of its shares.

The Brooklyn Rapid Transit is not a railway company but a holding corporation. Among its subsidiaries are the N. Y. Consolidated R.R., the N. Y. Municipal Railway Corporation and the Transit Development Co. It has outstanding $74,455,159 of stock, $1,116,-209 of stock of constituent companies and $119,588.929 of funded debt.

There is a lot of water in it. For years its

gyrations in Wall Street were sensational. At one time its sponsors sent it up to 137 although there were no prospects, in its waterlogged condition, of dividends for quite a number of years.

The company never has given good service to the public. The Bridge crush has been a continuing scandal. The management has been contemptuous of its patrons and defiant of the Public Service Commission. It has been dubbed the "Blight of Brooklyn" and the Brooklyn Rotten Transit Co.

Nevertheless it has paid dividends. Here is its record in this respect:

Year	Rate	Year	Rate	Year	Rate
1909	2 %	1913	5½	1917	6
1910	4½%	1914	6	1918	3 *
1911	5 %	1915	6		
1912	5 %	1016	6		

*First half of year.

Usually in the years dividends were declared the margin of net profits available for dividends was little above the amount distributed among the stockholders.

In 1918 a dividend was declared despite the fact that the company had $57,735,000 in notes falling due in July. There was imminent danger of the company being forced into bankruptcy through failure to extend this obligation and default was avoided only by the Federal government coming to the assistance of the company and furnishing a goodly part of the money needed.

Now, six months after this aid, the company is in the hands of a receiver, the management is under criminal indictment in connection with the tragedy whereby nearly 100 persons were killed and a great number injured in the Malbone Street wreck, and the credit of the company is debased.

No fair minded man blinks the fact that the cost of operating traction companies has increased greatly. Material of all kinds has advanced a good deal. The wages of employes have to be increased. The cost of money has kept pace with other articles. And, at the same time, the public utility corporation has been held to a stipulated fare.

It would seem reasonable that, with everything going up, the fare should go up.

But the service given by these corporations has been so inadequate, so far below what it should be, that the public wants them punished. The B. R. T. always has been managed on a "Public Be Damned" policy. The Interborough was the same until recent time. Then there was something of a change. The management signalized its conversion by placarding its cars with homilies that, not infrequently, provoked ridicule.

About a year ago, when there was a coal shortage, a little light was thrown on the inner circles of the Interborough. One day the whole transportation system was paralyzed because there was no coal in the bins of the electric power plants. It then was learned that a concern owned by two of the directors had the contract to supply the company with coal. It was said by those in a position to know that those directors having opportunity to sell their coal at a higher price in Canada did so and let the citizens of New York walk. It was said, also, by those who had coal and offered to furnish it to the Interborough to prevent the prostration of the system, that the management declined to buy the fuel for fear of offending the directors interested in the fuel contract.

What are you to think of a corporation the directors of which act as both sellers and buyers?

Something of the same character in relation to the B. R. T. is said to have existed in regard to the Interborough.

No fair minded man wants to do injustice to either the Interborough or the B. R. T. or any other public service corporation. Neither does he want the corporations to do injustice to him or to the public.

Much of the ill will in which public utility companies are held is due to the attitude these and other corporations assume that when stock or bonds are issued they are sacred. It does not matter whether they represent honest values, or a considerable percentage of hope or expectation or, to a decided degree, nothing more than wind and water, the idea is that the property should have profit sufficient to pay dividends on them. Not infrequently downright dishonesty is capitalized as was the case with the Metropolitan Street Railway, and not only the present but the coming generation penalized to pay for this dishonesty.

We hear occasionally of the "vested rights" of the holders of stock but little of the vested wrongs represented by these shares.

It is doubtful if corporation heads appreciate how much dishonest financing and contemptuous treatment of the public are responsible for bad citizenship.

The potential agents of extreme Socialism and Bolshevism are not the soap-box orators but the corporations that are managed with the idea that the "dividends are in the straps" and the more they overcrowd the people the more successful is their management.

At one of the legislative investigations into local traction conditions an officer of the B. R. T. claimed virtue for his company because it had less watered stock by millions of dollars than the Interborough. He believed the B. R. T. had only $5,000,000 of water. Now $5,000,000 at 6 per cent is $300,000 a year or approximately $1,000 a day for every lay day. That would be 20,000 fares a day as toll for that dishonest $5,000,000.

Capital is entitled to a full and adequate return for its enterprise and its investment but it is not entitled to a dishonest return.

Capital is so powerful and so unforgiving that many publications are timid about offending the money gods. Men like Hearst build up a great following by catering to the people who consciously or subconsciously feel that the press as a whole is under the influence of capital.

Whether the Interborough and the B. R. T. get an 8-cent fare is a minor consideration, Whether they go through bankruptcy and come out with capitalization reduced or enlarged is not the issue. What is of supreme importance is whether the big financiers come to recognize that they must be just, absolutely just, to the public and that injustice is a yeast that works into public wrong and public unrest.

The men who fought in France did not give their blood, their lives, their limbs for those who exploit the people on the "Public Be Damned" principle. They made sacrifice to make the world a better place to live in. If there is to be a beginning to this end we might start with the things that touch the people every day in their lives. Let us have honest transit.

Business Men and the Bolsheviki

By Frederick F. Ingram

THE American Exchange National Bank of New York propounds this problem to its subscribers:

"It is noted in the responsible international press that among the laboring classes increasing manifestation of the spirit of unrest which is reported to find its genesis in the theory of the Bolsheviki, is becoming apparent. Should such manifestation appear in the United States during the period of the liquidation of labor, what, in your judgment, would be the logical, fair and just remedy?"

Those who have opportunity of close view are convinced that the industrial class, both on the farms and in the cities, will not relinquish their present high wages and full employment patiently. That the spirit of unrest referred to will manifest itself increasingly, and that unless something is done to clarify the situation or to avert distressful developments, a crisis will result, is indicated by the numerous conferences and organizing events for resistance, now so active amongst the industrial classes.

In late years a significant fact has penetrated the understanding of man; that is, that wealth-economics control in politics. Therefore, the producing class demands more of the product. The temporary truce during the war is now ended. The Government is leaving both sides to shift for themselves. Wages are falling, but prices are not, at least in the same proportion, and the battle begins.

At a hearing of the United States Industrial Commission, an organizer of the I. W. W. said, on being asked for a recommendation: "I would recommend that the Commission say that a revolution is inevitable. You cannot stop it. And to the capitalist class I would say, 'You are doomed. The best thing you can do is to look around for a safe spot to light.'"

Intelligent people know the issue is not correctly stated, that the fight is not between cap-

ital and labor. But the reactionary autocrats and the proletarian autocrats, by ceaseless camouflaging, have made it seem to be a fight between capital and labor. And therein lies our danger, for so long as that error is accepted as the issue, the predatory class, safe beyond the combatant's range, will always win, and both combatants, labor and capital, will always lose; until the grand smash, when all lose, as today in Russia, and as in the past in other empires long since disappeared from the face of the earth.

Is avoidance of this calamity possible? First, we must keep in mind that it is an economic struggle, not a political struggle. Political freedom is attained, but political decision is controlled by economic power. Hence it goes without saying that the class that controls in economics also controls in politics, and the result is the present struggle for economic power.

The reactionaries, the privileged class, know they must retain their law-given privileges—monopoly of natural resources, land and its contents, control of public utilities, etc.—without which no industries can function, in order to control others' wealth.

The producing class, workingmen, business men, manufacturers, farmers, etc., produce the wealth, but the privileged class controlling these economic resources can and does control the division of wealth. As a consequence the great prizes in wealth accumulation go to this privilege-holding class. The control of privilege over industry is absolute and unbreakable as long as those employing capital in industry co-operate in politics with the privileged class. The business men are disposed so to co-operate because they have more confidence in the power of the privileged class than in the working class, and therefore do so for their own protection.

But can they longer safely do so? It is to be doubted. Workingmen are coming more and more to realize the truth that they are not getting their full share of the product of their toil. The class who, it seems to them, are dipping into their pocket, is the employing class. Hence their resentment is against the employing class; they don't realize that the employing class is but a degree removed from them in being exploited by the dominating privileged class. They are helped in this delusion by the employing class itself, which identifies itself in politics and in economics with the privileged class, and accepts the issue as the privileged class cleverly intends it should, as a fight between capital and labor; not between privilege and industry, as it really is.

Control of the natural resources, including land and social values—without which there can be no industry—enables the very few who now control, to dictate the division of wealth between them and the producers of wealth, either during the time of production or the time of distribution. It is the investment of capital in these monopolies that causes all this injustice and unequal distribution of wealth, now charged against capital. Get rid of private monopoly, and capital could not exert this economic power. It can do so now only by investing in or combining with private monopoly.

Return these monopolies to Government ownership and control; capital and labor would then be free and would secure all they produce. The great economic power that resides in natural resources and social values would then be owned by the Government and under the control of all the people.

Obviously, if the issue were clearly drawn as a fight between privilege and industry—which it really is—instead of a fight between capital and labor—which it is not—capital and labor would insist on the abolition of all special privilege and the industrious would enjoy the fruits of their industry in peace.

If the fight runs its course on present lines, it means the gradual elimination of the middle class, without which no nation has long survived, and we will have on one hand the junker, or overlord, in possession of the wealth of the land, and in control of all channels to its attainment; and on the other hand, the proletarian.

Will America submit to such a condition, or will the tendency toward it be checked in time to save our country from the civil strife now convulsing half of Europe, and threatening to destroy its civilization?

It is for the business men to say. They must stand for abolition of privilege, for equal opportunity to all, or accept the fate that has in the end at all times overwhelmed and destroyed the overlord and his sycophantic supporters.

President Wilson on a League of Nations

NEWSPAPER correspondents say that the most touching incident of the President's visit to Milan was the presentation to him by wounded soldiers of Italy of a memorial favoring a League of Nations. Mr. Wilson's reply, made in one of the great industrial centers of Italy, struck a note not recently emphasized by European statesmen: That the workers have done more than any other influence to establish a world opinion. Some of the significant paragraphs from his reply are quoted below, with others which throw into relief the President's inspiring campaign for international friendship.

I am as keenly aware, I believe, as anybody can be that the social structure rests upon the great working classes of the world and that those working classes in several countries of the world have by their consciousness of community of interest, by their consciousness of community of spirit, done perhaps more than any other influence has to establish a world opinion which is not of a nation, which is not of a continent, but is the opinion, one might say, of mankind; and I am aware, sir, that those of us now charged with the very great and serious responsibility of concluding peace must think, act and confer in the presence of this opinion—that we are not masters of the fortunes of any nation, but are the servants of mankind; that it is not our privilege to follow special interests, but it is our manifest duty to study only the general interest [*at Milan, January* 6].

In other speeches during the week, President Wilson said:

There was a time when scholars, speaking in the beautiful language in which the last address was made, were the only international characters of the world; the time was when there was only one international community, the community of scholars. As ability to read and write was extended, international intercommunication has extended. But one permanent common possession has remained, and that is the validity of sound thinking. When men have thought along the lines of philosophy, have had revealed to them the visions of poetry, have worked out in their studies the permanent lines of law, have realized the great impulses of humanity, they then begin to advance the human web which no power can permanently tear and destroy.

Friendship is not a mere sentiment—patriotism is not a mere sentiment. It is based upon a principle, upon the principle that leads a man to give more than he demands.

And so it does seem to me that the theme that we must have in our minds now in this great day of settlement is the theme of common interest and the determination of what it is that is our common interest.

You know that heretofore the world has been governed, or at any rate the attempt has been made to govern it, by partnerships of interest, and that they have broken down. Interest does not bind men together. Interest separates men. For, the moment there is the slightest departure from the nice adjustment of interests, then jealousies begin to spring up. There is only one thing that can bind peoples together, and that is common devotion to right.

The United States has always felt from the very beginning of her story that she must keep herself separate from any kind of connection with European politics. I want to say very frankly to you that she is not now interested in European politics, but she is interested in the partnership of right between America and Europe.

That makes it necessary to make some great effort to have with one another an easy and constant method of conference, so that troubles may be taken when they are little and not allowed to grow until they are big.

But we cannot stand in the shadow of the war without knowing there are things which are in some senses more difficult than those we have undertaken, because, while it is easy to speak of right and justice, it is sometimes difficult to work them out in practice, and there will be required a purity of motives and disinterestedness of object which the world has never witnessed before in the councils of nations.

There must be something substituted for the balance of power, and I am happy to find everywhere in the air of these great nations the conception that that thing must be a thoroughly united League of Nations. What men once considered theoretical and idealistic turns out to be practical and necessary. We stand at the opening of a new age in which a new statesmanship will, I am confident, lift mankind to new levels of endeavor and achievement.

Books

Bitter Medicine

Americanized Socialism. By James MacKaye. Published by Boni & Liveright, New York. Price $1.25.

ONCE upon a time a company of "barnstormers" performed "Hamlet" in a country town. The critic of the local paper commented, "There is now an infallible method of determining who wrote the 'Plays.' Let the tombs of Shakespeare and Bacon be opened; whichever turned over last night was the real author." If "Americanized Socialism" has made its way into the Beyond, Karl Marx must have executed some revolutions that he never contemplated when he wrote "Capital."

The author's name suggests that he comes of a Scots ancestry. It is of record that a visitor to the people north of the Tweed once remarked, "It is harder to agree with a Scotsman than to differ with anybody else." But James MacKaye is not that sort of person. He is of the ingratiating type of Socialist who tells you, in substance, "My dear fellow, you have been a Socialist all your life without knowing it. Really everybody is, who has any brains at all, and even some people who haven't. Don't you favor human welfare and universal happiness? Yes. Why, of course, I knew you did. That's what we want. So you are one of us. How do we propose to get it? That's a mere detail which I explain in my book. It is only the end which really counts."

Of course it is quite true that Marx had no patent on Socialism and that anyone is at liberty to ascribe to the word any meaning that he pleases for his own use. Also was it to be anticipated that as the cause gained adherents it would be diluted with human nature and that the emphasis would be placed on different features from those underlined by the major prophets. It is therefore worth while to give Morris Hilquitt's definition, as quoted in Mr. MacKaye's preface: "Stated in concrete terms, the Socialist program requires the *public or collective* ownership and operation of the *principal* instruments and agencies for the production and distribution of wealth. The land, mines, railroads, steamboats, telegraph and telephone lines, mills, factories and *modern* machinery. . . . It is the unfailing test of Socialist adherence, and admits of no limitation, extension or variation." Sounds pretty dogmatic, but there it is. Whoever does not accept this program in its entirety is not a Socialist. No one who believes it all, and adds further tenets of his own, is a Socialist. "Only this and nothing more!" But can anyone, considering the words that I have underlined, doubt that Mr. Hilquitt's definition contains infinite possibilities of "hedging"?

A fairly careful perusal of the book discloses no evidence that the author has heard of any difference between property in land and property in other things, nor of any difference between natural rights to property and state-made rights.

This sentence occurs in his preface and by its confusion of ideas prepares us for much that is to follow: "The *moral* foundation of Socialism is to be found in the philosophy of *utility*, etc."

In his concluding chapter, "The Transition to Socialism," attempt is made to show how the new era is to be ushered in. Naturally, as there would seem to be only two alternatives, Compensation or Confiscation, one wonders what the author's choice will be, especially as he is quite considerate of capitalist feeling, one of his chapters bearing the comforting title, "Why the Capitalist Is Not a Robber," a differentiation which reflects much credit on Mr. MacKaye's skill as a dialectician. Well, his answer is not very clear. He would favor a qualified form of purchase, the price to be paid in "government bonds, rendered by *proper* legal devices, practically non-inheritable." The value of such instruments would form an interesting subject of discussion.

Socialism, in Mr. MacKaye's book, assumes the role of the disguised wolf in "Little Red Riding-Hood," decked out in the old grandmother's cloak and hood, and assuring that credulous young lady of his good intentions. "What great big eyes you have, grandma." "The better to see you with." "And what great big ears you have." "The better to hear you with." "And what great big teeth you have." "The better to eat you with." And we know the tragic denouement.

The European cataclysm has created a new interest in all that pertains to Socialism, because the uninformed public assumes an identity between the forces that are making over Europe, and what we know of Socialism in the United States. It has been the apparent purpose of our special-interest press to lump them all together, for their moral effect in terrifying Americans. The result has probably been the reverse of what was expected. American Socialism has been invested with disproportionate importance.

The recent experiments in government operation of even those functions which should properly have been undertaken by the State long ago have not reassured the public. Some of them, we know, we must undertake and we are preparing for the change with as much philosophy as possible, but

our attitude is much that of the mountaineer, coming to town for his periodical spree, and mumbling to himself, "Gosh! how I dread it!"

OWEN MERRYHUE.

The Task of the Ballot

The New Voter. By Charles Willis Thompson. Published by G. P. Putnam's Sons. New York. Price, $1.50.

"THE NEW VOTER" consists of a series of articles contributed to the New York Times by Charles Willis Thompson explaining to the new voter, and especially to the woman voter, the working and responsibility of the ballot. The ballot "isn't a game, it's a job," he writes. "You have been demanding the right of the ballot, or the privilege of the ballot; what you have got is the duty of the ballot, the task of the ballot."

The book takes the form of an after-dinner conversation in which an ex-Congressman, a Politician, a Lawyer and a Correspondent give their views on the various functions of government for the benefit of some of their women friends who are anxious, through their votes, to contribute intelligently and efficiently to the good of the community. Though the subject is treated seriously, the subtly humorous characterization gives the book something of the personal interest of a story.

Taking nothing for granted beyond the good will of the reader, the author explains with clearness and simplicity the structure of the great governmental machine of the United States. He is careful to emphasize the importance of taking long distance views in the consideration of any measure, and points out that in a country governed on a democratic basis even bad government frequently represents the will of the majority—an ignorant and selfish, but not necessarily vicious, majority—and that, infinitesimal in importance as each individual vote may seem, the machine is sensitive to its weight.

Tammany is considered from the standpoint of the psychologist, and is seen to be the natural manifestation of the weaker side of human nature. It is "the personal element in politics carried to the point of high organization. Reform is impersonal. Good government is impersonal. But Tammany is personal." The Politician concludes his examination of Tammany by saying: "But while people don't really want bad government, there is another kind of government that they don't want either, and that's a kind the reformers always give them."

"What kind of government is that?" demanded the Lawyer.

"Uncomfortable government," said the Politician.

But would it not be possible to establish some kind of organization as powerful and as responsive to personal needs as that of Tammany, but working through more legitimate channels for the welfare of the community and without the irritating and officious interference that is too often associated with such efforts?

Mr. Thompson shows how organization can bring about valuable results, a fact of which Tammany itself is an illustration, and one which women as citizens are just beginning to realize, and he traces the steps which must be taken by the would-be reformer in order to have his ideas put into execution. The origin and meaning of various political phrases, which though frequently used, are hard to define, are explained; the distinctions between the various parties, major and minor, are pointed out; and such movements as Singletax are given careful consideration.

This era of world reconstruction is full of temptation for the idealist; in the scramble for reform it is to be hoped that he will temper his ardor with judgment and remember that spasmodic and premature attempts to change existing conditions, unless they fall in line with the fundamental needs of the age, can only end in failure. The student of politics should learn to realize that reform should in the main take the form of assisting the human spirit to reach its highest development through clearing away the obstructions that might impede its progress, for it may be deflected, though never ultimately diverted, from its course.

"The New Voter" is a book that will repay careful study, and which, when read, should be kept on one's shelves for reference. It tells us what we should all know (but often don't) about politics and citizenship.

BLANCHE DISMORR.

NEWS

—Ten-cent stores owned by the F. W. Woolworth Company report total sales for 1918 of $98,092,258, an increase over 1917 of $9,083,491.

—Reports of copper production during December show a continuation of the curtailment of operations which became apparent during November.

—All possible assistance toward the organization of women in industry was pledged by the Illinois State Federation of Labor in its recent annual convention.

—The King of Italy the other day recalled to the President's mind that there were more Italians in New York than in any Italian city, and cited the fact that New York's Italian population was 800,000.

—The Amalgamated Mine Workers of Nova Scotia, who formerly opposed affiliation with the United Mine Workers of America, have now agreed to discuss plans whereby the two unions could fuse into one large body.

—It is reported that the Association of Railway Executives at the Philadelphia Conference on Sunday have agreed to appoint a secretary of transportation to serve as a member of the Cabinet to head a department of transportation.

—Rights of citizenship have been granted by Rumania to all Jews born in that country, it is announced in a letter written by V. Antonesco, Rumanian Minister to France, to M. Rothschild, head of the Central Jewish Committee in France.

—A petition signed by a number of prominent Englishmen has been presented to Premier Lloyd George asking for the release of conscientious objectors. Among the signers were Viscount Bryce, Viscount Morley and Arthur Henderson.

—There were sixty-two lynchings in the United States in 1918, records compiled by Tuskegee Institute show. The total, which includes fifty-eight negroes and four white persons, is an increase of twenty-four over 1917. Five of the number were women.

—The Social Democrats in Finland are rising to new activity. In the recent municipal elections they had a majority in several towns. In Helsingfors, the capital, there were elected twenty-six Social Democrats against thirty-four non-Socialists.

—On the eve of his departure for Paris to attend the International Labor Conference, Samuel Gompers, President of the American Federation of Labor, said that American organized labor will fight the spread of Bolshevism with every energy at its command.

—The Weekly People of December 21 and 28 was withheld from dispatch by the Post Office Department at Washington. It is the organ of the Socialist Labor party, and its publishers have telegraphed the Solicitor General that they will proceed for legal redress.

—A plea for Federal control featured the first day's session of the State Associated Academic Principals in Syracuse. The plea was made by Dr. Payson Smith, Commissioner of Education of Massachusetts, who said that the war had revealed the necessity of a government control of education.

—Rabbi Stephen S. Wise and Mrs. Joseph Fels, who are with the Zionist deputation now in Paris, conferred with Colonel House on the 5th. Dr. Weizmann, the British leader of the Zionist movement, is also in Paris to present to the peace delegates the plans of the organization relative to Palestine.

—The British Government has not the slightest intention of sending any more troops to Russia, it was announced in London on the 7th. Not more than 20,000 British troops are in Russia, a number of which are noncombatant, the announcement states, and these are being brought back as quickly as possible.

—Total exports of merchandise from the port of New York for the year ending December 31, 1918, amounted to $2,541,361,516. Imports amounted to $1,293,345,623, making a total trade of $3,834,677,239 for the year. This is a decrease of $432,727,353 from the revised figures a year ago.

—The Ukrainian Congress of America, at Washington, D. C., attended by 500 delegates, passed a resolution demanding the establishment of an independent democratic Ukrainian Republic on its own territory, stretching from the Carpathian Mountains to the Black Sea, from the River San to the River Don.

—A conference between representatives of the employers' organizations in England and Scotland and representatives of the Iron and Steel Trades Confederation and the Amalgamated Steel Workers of Scotland has been arranged for the purpose of considering the establishment of an 8-hour day throughout the steel trades.

—Every one of the thirty-three State Legislatures which convene this month is to be asked by the League to Enforce Peace to adopt and send to Congress and to the Peace Conference resolutions favoring a League of Nations. New York and the fourteen other States which have adopted such resolutions will be asked to do so again.

—A new minimum wage scale of $6 a day, a flat increase of $1 a day for approximately 28,000 employes throughout the country, has been announced by the Ford Motor Company. Employes of the Ford tractor interests are included in the increase. Twenty-three thousand other employes of the Ford interests already receive $6 or more a day.

—The United Farmers of Ontario are co-operating financially to create a fund for a daily newspaper in which will be co-ordinated the political interests of the farmers. They have designed a

new system of representation by which each county will elect one member, having in view a widespread campaign to organize for the next elections.

—In a statement upon the need of destroying denominational lines, Rev. Dr. John Haynes Holmes affirmed that "churches are institutions which clearly reflect our social structure, and most churches are used by those to whom this present social structure is a happy and profitable thing. The denominational churches are like the herring you draw across the trail.

—Mr. E. N. Nockels, secretary of the Chicago Federation of Labor, in commenting upon that organization's new move in the political field, declared that "Labor parties in the past skipped over the surface. We have gone to the rank and file and intend to educate them week by week." They have recently reinforced their efforts with a weekly organ called the *New Majority*.

—On the 7th three more states ratified the proposed Prohibition Amendment, making a total of nineteen. Seventeen more are needed. The states which have ratified the amendment are: Kentucky, Virginia, Mississippi, South Carolina, North Dakota, Maryland, Montana, Arizona, Delaware, Texas, South Dakota, Massachusetts, Georgia, Louisiana, Florida, Michigan, Ohio, Colorado and Oklahoma.

—The Borden Condensed Milk Company for the year ended June 30, 1918, earned approximately $15 a share on the $21,368,100 common stock, after taxes, depreciation and the regular 6 per cent dividend on $7,500,000 preferred stock. The 8 per cent dividend on the common stock, calling for $1,709,448, was earned nearly twice, after providing for $450,000 preferred stock dividends.

—The *Manchester Guardian* discerns a possible pollution of President Wilson's ideals in the following developments: "Italy is creating accomplished facts on the eastern shore of the Adriatic; a powerful party is forming in France which, not content with the recovery of Alsace and Lorraine and the happy healing of that historic sore, threatens to create a fresh sore by annexation beyond its borders."

—Miss Julia C. Lathrop, Chief of the Children's Bureau, writing in the sixth annual report of the campaign to save babies' lives, says: "It is impossible to speak with too much appreciation of the power of this great body of volunteers." Between six and seven million children have been weighed and measured, and general attention has for the first time been drawn to the needs of the child of pre-school age.

—California, like New York City, is commencing to organize community councils. Councils were actually formed in approximately 5,000 communities or districts throughout the State on December 27, which had been appointed as Community Day by Governor William D. Stephens. Reconstruction work in the social, industrial and economic spheres will be performed in a co-operative spirit through these various councils.

—By an overwhelming majority the people of Superior, Minnesota, declared in favor of municipal ownership at a recent election. The vote was 2,283 for and 614 against the purchase of the water, light and power company's plants. The franchise for the street railway company will expire in July, 1919, and the municipal ownership people expect to start at once a movement to have the city take over the lines at that time.

—The Fourteenth Census will commence in 1920 with a force of 85,000 or 90,000 to prepare the country's next decennial inventory, covering the subjects of population; agriculture, including irrigation and drainage; manufactures, mines, quarries, oil and gas wells. The censuses of agriculture and of manufacturing and mineral industries for 1919, the period of transition from a war to a peace basis, will be of unusual interest.

—Charles H. Sheldon, special correspondent of the New York *Times*, says that Judson Welliver, American correspondent of the *Echo de Paris*, has recently begun cabling his paper reports of the opposition that is made by Republican Senators and others to President Wilson's peace efforts and ideas. The *Echo de Paris* is said to voice the views and desires of the Clemenceau government more accurately than any other French daily.

—War conditions have brought about an enormous increase in the cost of building warships, Rear Admiral Taylor, chief of the Bureau of Construction and Repair, told the House Naval Committee, in discussing the 1920 naval appropriation bill. He estimated that the hulls and machinery of the ten battleships and six battle cruisers authorized in 1916 would cost nearly $150,000,000 more than estimated—an increase of almost 50 per cent.

—Sweeping electoral reforms effected in Sweden providing "the most extended universal suffrage for both men and women" are described in a cable dispatch from the Foreign Minister at Stockholm to Swedish Minister Ekengren in Washington. The reforms are expected to develop a democratic majority of Videlicet Liberals and Labor party members in both houses. It may also be effective, it is explained, in forestalling any tendency toward Bolshevism.

—The interests of English women in proposed measures of national reconstruction are being closely watched by a committee of women who act in an advisory capacity to Dr. Addison, the Minister of Reconstruction. They have organized the Women's Industrial League with local committees in leading industrial centers which they hope will enable them to prevent their becoming instruments of party politics and revolutionary trade unionism.

—A Seminar for the study and discussion of The Co-operative Movement will be held every Friday evening at 8 o'clock, from January 10 to February 28, 1919, in connection with the Workers' University at the Washington Irving High School, Irving Place and East 16th Street, New York. Admission will be free. The Seminar will be conducted by Dr. J. P. Warbasse, and other teachers of the Co-operative League of America, 2 West 13th Street, New York.

—In view of the practically universal demand on the part of the private companies for increased rates and fares the Public Ownership League recently addressed a questionnaire to some 500 municipally owned electric light and power plants, gas works, water works and street car lines, asking if they had either raised or reduced rates since the war began. Replies have been received from 434 municipal plants as follows: 367 have not raised rates, 58 have raised rates, 9 have reduced rates.

—John Z. White, of the Henry George Lecture Association, will speak at the following places this month: Lunch Club, Indianapolis, Ind., Jan. 11; Toledo Commerce Club, Toledo, Ohio, Jan. 13; Rotary Club, Auburn, N. Y., Jan. 14; Rotary Club, Rochester, N. Y., Jan. 21; Optimist Club, Syracuse, N. Y., Jan. 22; Chamber of Commerce, Butler, Pa., Jan. 23; Hebrew Educational Society, Hopkinson and Sutter avenues, Brooklyn, N. Y., Jan. 26; Chamber of Commerce, Springfield, Mass., Jan. 30.

—In an examination of the New York Railway Company's books, Commissioner of Accounts David Hershfield ascertained that Mr. Shonts, president of the company, receives an annual income of $93,000; Director of Welfare, $13,350; General Counsel, $42,000; Assistant to the President, $34,200, and the General Attorney, $37,900, and added that there would be no need for increased fares if these salaries were reduced and the 18 and 20 per cent. dividend diminished to a reasonable rate.

—The annual income from the lands granted by Congress to Wyoming this year for the first time exceeded the State's income from taxation. The income from the land grant is increasing so rapidly, chiefly as the result of development of the mineral resources of state-owned lands, that it appears probable that within four or five years it will exceed the amount necessary for the support of the common schools and land grant state institutions, plus the entire additional expenses of the state government.

—The Iron Trades Council of San Francisco and vicinity and other labor unions and leaders of the Pacific coast are demanding the cancellation of all shipbuilding contracts with Asiatic yards and have petitioned the government authorities to formulate at once a new shipbuilding program. During their protest against the awarding of a $32,000,000 contract to Chinese yards by the United States Shipping Board announcement was made that even larger contracts had been let to Japanese yards.

—Recent wage-agitation in North Staffordshire Pottery Industry resulted in the manufacturers granting to their working people the largest advance yet known to have been made at one time in the history of that industry in Great Britain. Twelve months after war broke out the manufacturers agreed to a war bonus of 7½ per cent. Subsequent allowances brought the total increase to 40 per cent. over pre-war wages, to which is now added 20 per cent., making in all a 60 per cent. advance on the rates paid in 1914.

—South Dakota at the last election was empowered to purchase, develop and operate plants for the development of water power; engage in the manufacture of cement and cement products for the people of the State; provide for state hail insurance; engage in the mining and distribution of coal; purchase, construct and operate elevators and warehouses within or without the State; and buy or construct flouring mills and packing houses within the State. It now remains for the incoming Legislature to make practical application of these provisions.

—For several years the amount which has been paid toward the maintenance of the common schools of South Dakota, as a part of the income from the state-controlled lands, has been in excess of $1,000,000 for each payment. This year the amount is $1,221,843. With this payment the total collected from the state lands and disbursed for the maintenance of the public schools is $13,314,506. In contrast to this the Chicago banks are granting a $6,000,000 loan to the Board of Education to meet the necessary expenses of the schools of that city.

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