

democratic way, merely as a promising idea and without a precedent in America; and in a few years after the Alliance itself was practically dead the Initiative and Referendum was written into the organic law of the State.

The G. A. A. is strong nearly everywhere where the Alliance was weak, but unfortunately it is notably weak at one point where the Alliance was a tower of strength. The Alliance locals met in country school houses and discussed big questions with absorbing interest. I have known German and Norwegian farmers who learned to read English for the sake of the literature that claimed their attention. At few of the G. G. A. locals I have attended was there anything but routine business transacted. On the other hand, the co-operative activities of the Grain Growers have been wonderfully developing to those who have participated. Co-operation is more than a scheme of business economy; it is an intensive cultivation of manhood. And co-operation succeeds only where broad intelligence and altruism are developed.

The fame of western Canada for leading the van in Singletax legislation is, so far as Saskatchewan is concerned, based mainly upon laws given us in a purely paternalistic way. Wherever its progress depends on the action of the people the Singletax halts and shows few signs of advancing. Rural municipalities have the full Singletax and there is no desire anywhere for a change. Villages may by a two-thirds vote adopt the Singletax. Out of over 250 about 30 have done so, but the remainder are making no move. Cities and towns may glide into the Singletax by a 25 per cent reduction in the general property tax each year. Several have started to do so, and then stopped. Perhaps the main reason for this is that the real estate interests are strong in every town, and at present all are heavily loaded and no buyers coming. A heavy land tax would cause a general unloading and a tumble in prices.

The public mind here for the most part is singularly free from prejudice against progressive ideas. Political campaign speakers have defended the whole catalogue from free trade to woman suffrage without fear of arousing hostility. The home market idea has for several years been pushed in an insinuating way in the "patent insides" of local papers, and just now an active campaign is being conducted against the Saskatchewan surtax on uncultivated non-resident land.

The defenders of protection are well organized and financed, and entrenched in Canadian law and custom. Opposed to them are a few devoted crusaders and a large number of casual free traders and low tariff men. I speak of protection as typical of the whole system of governmental privilege and of free trade as typical of the aspirations of democracy. The strategy of battle will be to capture and enlist the great indifferent four-fifths. In this the protectionists will have a great advantage with their pamphletiers and orators and their daily and weekly press. The Conservative party is securely protectionist, but the Liberal party is not by any means secure for free trade. The logical, safe, ready-at-hand agency in the west to win this fight for democracy is the Grain Growers' Association. But to accomplish this it must take up a line of work it

has never undertaken seriously before. Its business enterprises, great though they be, are not enough. It must imitate the methods of the old Farmers' Alliance. It must not stop at passing resolutions in annual convention. Its own salvation is not secure as long as this great potential force may be turned against it.

And the issue of this contest, when it comes, rests not with fate but with ourselves.

GEO. W. ATKINSON.

INCIDENTAL SUGGESTIONS

THE FUNDAMENTAL CAUSE OF BUSINESS STAGNATION.

Little Rock, Ark., Feb. 27.

That every increase in economy and facility of wealth production, per man, per machine or per dollar of capital invested, should prove of almost universal advantage to both capital and labor, is apparent. This, however, has not proven generally true. On the contrary, the net rewards of labor and of legitimately invested capital have come very far short of keeping pace with increasing efficiencies. It is significant that, with the present system of taxation, this condition becomes intensified in every land, as population becomes denser.

Both capitalists and laborers collectively create a public-produced fund of immense and constantly increasing value, in which, as such, neither participate. Their non-participation persistently operates to reduce wages, interest and net profits, and also results in restricting the natural opportunities for producing, and therefore penalizes wealth.

This great preventive of maximum production, and tax on the gross earnings of both capital and labor, is economic rent, the increment of wealth unearned by its recipient. It is the inevitable and natural fund from which, in justice to all, public expenditures should be derived. Private earnings, having already contributed to unearned increment, should therefore be relieved from further public burdens.

Due to the present uneconomic perversion of this fund, the vast majority of wage earners instinctively feel that, as the more economically wealth is produced under the general property tax the greater will be the percentage absorbed by non-producers, their interests are therefore not best served by such efficient methods as would enable capitalists to produce a given unit of wealth at the minimum of wage-cost. The workers vainly hope that by this means the number of jobs may equal the number of men, and thereby maintain maximum wages.

This uneconomic trend constitutes a tremendously powerful force persistently operating toward preventing the maximum net earnings of both capital and labor, thus decreasing the aggregate production of wealth. Manifestly, this necessitates only partially economic use of many billions of dollars of capital, of millions of men and millions of acres, that under more correct economic conditions could be most profitably employed in the maximum production of wealth in other channels.

The restricted production of wealth, due to the general property tax, together with the inequitable

distribution of wealth among the laborers and capitalists producing it, means poverty to many, unnecessarily low wages to all workers, greatly diminished earnings to capital, and very marked contraction in the possible volume and net profits of business.

So long as those who, by higher education, broader scope of vision and greater leisure are perhaps better qualified than the workers to correctly solve economic problems, are content with a restricted volume of business at the barest possible net margin of profit to themselves, and consequent unnecessarily low wages to their employes, are not they, even more than the workers, most responsible for the undesirable effects of unscientific management and the inefficiencies that low wages and small net margins both invite and produce?

As soon as we are ungrudgingly willing to justly equalize all taxable values, and then adopt an equitable system of taxation which will take as much as may be practicable of the so-called "unearned increment," thus enabling us to discontinue penalizing industry, business conditions will be all we can reasonably wish for, and all labor can be employed at good wages.

Adoption of a gradually increasing land-value tax, which untaxes enterprise, will bring the desired results. A most profitable lesson may be learned by analyzing the equitable municipal tax systems of Houston, Texas and Vancouver, B. C.

K. P. ALEXANDER.

NEWS NARRATIVE

The figures in brackets at the ends of paragraphs refer to volumes and pages of The Public for earlier information on the same subject.

Week ending Tuesday, March 9, 1915.

Congressional News.

The Sixty-third Congress adjourned finally on March 4. A number of prominent measures failed of passage. Among these were the government ship bill, the Rural Credit bill, the Philippine Autonomy bill and several conservation measures. President Wilson signed the Seamen's bill on March 4 making it a law. [See current volume, page 232.]

The Senate confirmed on March 2 the appointment to the Trade Commission of Joseph Davies, Edward N. Hurley, W. J. Harris and W. H. Parry. No action was taken on the fifth appointee, George Rublee and he remained unconformed at time of adjournment, but on March 6 the President gave him a recess appointment, thus making him until the Senate definitely rejects him, a full fledged member of the Commission. The President on March 4 nominated Colonel George W. Goethals of the Panama Canal Commission as a Major General; Surgeon General William C. Gorgas as Major General of the medical department, Colonel H. F.

Hodges and Lieutenant Colonel William L. Sibert to be Brigadier Generals and Commander H. H. Rousseau of the navy to be Rear Admiral. All were immediately confirmed. [See current volume, page 233.]

The House Committee which investigated the Colorado strike situation made its report on March 2. It condemned the Colorado militia's treatment of the strikers and their families and declared Adjutant General Chase to have been "overbearing to all who came in contact with him." The report further denounces John D. Rockefeller Jr. and other operators for their refusal to arbitrate. On this refusal it places responsibility for the loss of life. The need of legislation to prevent future troubles of the kind was urged. No violation of the Anti-Trust law by operators was found. Three members of the committee signed the report. They were Foster, Evans and Sutherland. Two minority reports were filed; one by Representative Byrnes declaring that the majority of the committee exceeded their authority, the other by Representative Austin, urging that the matter be referred to the Department of Justice. [See current volume, page 234.]

The House Judiciary Committee decided on March 3 to drop impeachment proceedings against Judge Alston G. Dayton, although it found that his conduct in labor cases was "generally that of one who had prejudged cases before him" and had in some cases been reprehensible. [See current volume, page 232.]

Important Inventions.

Two important discoveries were announced on February 28 by Secretary of the Interior, Franklin K. Lane. They are two inventions by Dr. Walter F. Rittman, chemical engineer of the Bureau of Mines. One will enable oil refiners to increase their output of gasoline by 200 per cent. The other makes possible the production from crude petroleum of toluol and benzol, bases for dyes and high explosives, which have hitherto been produced in Germany alone. Doctor Rittman has applied for patents but has announced that he will dedicate them to the American people and thus prevent any monopoly in their use. This will destroy a great advantage now held by the Standard Oil company over independent refiners. The Standard has a patent process obtaining three times the amount of gasoline from a given quantity of petroleum than independents can obtain.

Railroad Troubles.

The hearing of 48 western railroads applying for permission to increase rates began before Inter-