

business of a money lender, in the course of such business." As the Manchester Guardian says, that definition is like Bardolph's "accommodated"—"that is, when a man is, as they say, accommodated; or when a man is being—whereby—he may be thought to be accommodated."

In commenting upon the parliamentary committee's acute definition of money lending, the Manchester Guardian delivers itself of an admirable analysis of commercial interest. Speaking of the total or gross interest on a loan, it says:

There is, first, net interest, the sum that in a free and open market, with all parties intelligent, well informed, and able to wait for what they want, a loan of money on the best possible security will fetch. In England to-day the net interest on money is about 2½ per cent. per annum. An investor in consols is as nearly as possible a receiver of net interest pure and simple. The next element in gross interest is insurance against risk of loss. The sum yielded in interest by Russian government bonds is greater than the sum yielded by the same amount of money invested in consols, because Russian credit is a little lower than ours and her creditors must be insured against risk as well as paid the current rate of net interest. The third main element in gross interest is really a kind of wages of management. If the amount of money that we have supposed to be invested first in consols and then in Russian bonds were invested in a pawnbroker's business it would bring in a rate of gross interest never lower than 25 per cent. Scarcely any risk would be run, as security would be held for every loan. But nobody would engage in a business so troublesome, on account of the great number of small transactions, unless he were paid a good deal more than the net interest and a reasonable insurance on the loans made. He would expect liberal wages or earnings of management as well, and that is what the high gross interest charged by pawnbrokers consists in, so far as it is not really excessive, as some part of it no doubt is.

Gen. Shafter's plea that the result of the battle of Santiago is a complete

defense to all criticism, is boyish. It is often the case that the management of battles, as of other things, must be judged by the result. But that is so only when there are no other great facts to judge by. With the battle of Santiago, however, there is another great fact. It is plain to the commonest understanding that Shafter's campaign would have been a humiliating failure, had not Cervera abandoned the city. Why he did so has never been explained; but it is certain that Shafter did not drive him out.

When Prof. Laughlin says that in its essentials banking consists in receiving deposits and making loans, and that the issue of circulating notes is not essential to the business, he is absolutely right. It is the one truth about banking, which, if generally understood, would soon put an end to the possibility of the banking ring's getting the government by the throat. This is not the effect that Prof. Laughlin aims to produce, but it would be the natural effect.

Not only is the issue of circulating notes not essential to banking, but it is not a legitimate function of banking. So long as banks confine their work to receiving deposits and honoring checks (thus doing the communal bookkeeping of their respective localities), and to making loans on commercial paper (thus acting as middleman for the distribution of credits), they serve a most useful purpose. But when to these normal functions they add the sovereign function of manufacturing money, they generate the financial rings of which the country justly complains.

These rings are now engaged in endeavoring to secure from congress the right to supply all the paper currency of the country, the greenbacks to be withdrawn and destroyed. That right, if granted, would enable the banks to expand and contract the money volume almost at will. And in addition it would increase our interest

bearing debt by millions of dollars. The measure by which this object is to be accomplished is known as the McCreary bill. The banking rings have already secured for that bill a favorable position, and with all their might will push it through congress this winter if possible. Whatever may be the specific merits or demerits of the McCreary bill, the fact that it would turn the greenbacks into interest-bearing bonds, and invest the banking rings with the privilege of supplying the people with their currency, ought to damn it. No virtues the bill may possess can offset this vicious principle which it embodies.

To the ranks of papers that foresee the wisdom and recognize the morality of repudiating unconscionable public debts, may now be welcomed one of the most respectable weekly publications of the world—the London Speaker. Discussing the responsibility of Cuba for debts loaded upon her by Spain, the Speaker asserts that the doctrine that a debt incurred by a ruler binds his successors, rests upon a slight foundation; and then it says:

It is monstrous that a tyrant should be able to burden future generations simply because he is in possession of the material government. If investors felt that in international law loans incurred against the will of the people would not attach to the country in the event of a change of government, there would be less of that monetary support of misgovernment which has disgraced the high finances of the nineteenth century.

These are brave words, bravely spoken, and eternally true from first to last.

#### FARMERS' TAXES.

To show how the single tax would affect farmers, we must consider all kinds of farmers, thus:

1. Renting farmers.
2. Mortgaged farmers.
3. Wage-working farmers of both sexes.
4. Farmers who own farms of small value.
5. Good farmers, or those who are really working their farms, and whose

improvements and personal property are as valuable as their land.

6. Landlord farmers, or those who do not work their farms, and whose improvements and personal property are of less value than their lands.

The first class of farmers, the renters, are, according to the United States census, 35 per cent. of all farmers. If they all paid their rent to the government, instead of to private individuals, it would go to enrich the government, which in this country is the whole people, and they, as part of the people, would get their share of it. They now pay the rent to private individuals and get no share. Evidently they would be helped by the single tax.

The mortgaged farmer differs very little from the renting farmer. He pays in interest what the other pays in rent, and would be benefited as much by the single tax as the renter. This class is 18 per cent. of all farmers.

The third, or wage-working class, would be helped, because the single tax would destroy monopoly of land and render it unprofitable for rich men to hold land out of use. That would enable vast numbers of wage-working farmers to go on farms for themselves, instead of working for wages, which in turn would raise the wages of those who continued in service.

To understand how the single tax would affect the fourth class, we must find how much value of land every person would have if the land were divided up into portions of equal value. The single tax is a method of giving to all citizens their equal share of the value of the land. It is found that if the land were so divided, each person in the country would have a portion worth \$500, or each family a portion worth \$2,500. Therefore, any family now owning a less value of land than \$2,500 would be helped by the single tax, at least to the extent that its present holding is worth less than \$2,500.

The good farmer, or the farmer whose improvements and personal property are at least equal to the value of the land, is the fifth class. How will the single tax affect him? We will illustrate by taking three farmers, A,

B and C, all of equal wealth, but having their capital invested differently, thus:

	A	B	C
Land values.....	\$800	\$1,200	\$1,600
Imp'm'ts on land..	400	200	000
Personal property..	400	200	000
	\$1,600	\$1,600	\$1,600

Let us suppose it is required to raise from A, B and C \$100 in taxes. On the present system they would all pay equal amounts, \$33.33, because they are each assessed at \$1,600. But under the single tax they would only be taxed on their land values. Their combined wealth would be \$3,600, and the question would be as follows:  
 A.... 3,600 : 800 :: 100 : 22.22  
 B ..... 3,600 : 1,200 :: 100 : 33.33  
 C ..... 3,600 : 1,600 :: 100 : 44.44

Under the single tax A would pay \$11.11 less than he does now, B would pay the same as he does now, and C would pay \$11.11 more than he does now.

A was the only good farmer, because he alone had as much value of improvements and personal property as of land. B had three times as much value of land as of improvements and personal property. C had nothing but land. Is it not plain that only the landlord farmer would have to pay more taxes?

To summarize:

	Per Cent.
1. Renting farmers.....	35
2. Mortgaged farmers.....	18
3. Wage-working farmers.....	20
4. Farmers having small land values	10
5. Good farmers.....	12
6. Landlord farmers.....	5
	100

We have had to guess at the percentages of the last four classes, but our guess cannot be very far from correct.

No person will be inclined to dispute that the single tax would help the first three classes, or 73 per cent. of the farmers; and we have proved that it will also help the fourth and fifth classes, or 95 per cent. The remaining five per cent. are not worthy of consideration. The pure landlord is a man who is trying to live by the sweat of his neighbor's brow. He is trying to monopolize the earth. If he be compelled to go to work it will make a better man of him.

J. G. MALCOLM.

NEWS

In France, the ministry has been forced out of office under circumstances that suggest another Dreyfus reaction and indicate at least a temporary victory of the royalist and military factions.

Immediately upon the opening of the chamber of deputies, on the 25th, a bitter speech was made by one of the deputies against Gen. Chanoine, the minister of war. Gen. Chanoine is the third minister of war in the present cabinet, of which M. Henri Brisson has been—from the time of its formation, June 27, 1898,—the premier. M. Brisson's first minister of war was M. Cavagnac, who resigned early in September, giving as his reason that he was in disagreement with the rest of the cabinet regarding the Dreyfus case, he being firmly convinced that Dreyfus was guilty. It was popularly understood at the time that Cavagnac had been influenced by the military ring. He was succeeded by Gen. Zurlinden, whereupon it was given out that a revision or review of the Dreyfus case would be ordered. But Gen. Zurlinden disappointed every one, and the order for revision was still withheld. Owing to Zurlinden's defection, the cabinet could not come to a decision. Two explanations of his conduct were suggested, first, that his army friends had influenced him, and, second, that he had discovered the corruption to be so widespread in upper army circles that he feared to let in any light. Zurlinden resigned when the cabinet decided to refer the Dreyfus question to a commission. He explained that he had made an exhaustive study of the case, and was too fully convinced of Dreyfus's guilt to agree, as head of the army, to any other solution than that of the maintenance of the judgment in its entirety. Then Gen. Chanoine came in as minister of war. It was while he held the office that the cabinet, on the 20th of September, decided to order the minister of justice to submit the question of revising the Dreyfus case to the court of cassation for a legal opinion. This decision of the cabinet was opposed, but apparently not by Gen. Chanoine. At any rate he remained in the cabinet until attacked in the chamber of deputies on the 25th, as stated at the beginning of this paragraph. At the conclusion of the speech attacking him, he excitedly re-