

own the railroads without having issued an interest bearing obligation; and when the paper money, which Mr. Miller would make a legal tender, had been redeemed in passenger and freight service, or any other government service, the roads would have been paid for once and forever.

On the point of redemption Mr. Miller says: "When the government issues a gold or silver paper certificate, the coin (a concentrated form of labor) against which it was issued, remains stored in the vault; and the holder of the certificate can, if he choose, return it and get the coin (labor). When a dollar of paper money is issued, as herein outlined, the wealth (labor) upon which it is based, is stored in the railroad. The holder of the dollar cannot return it and take the railroad, but he can get a dollar's worth of railroad service (labor). The latter is redemption as much as the former." The same principle is applied by Mr. Miller to telegraph, telephone, pipe line, canal and post office service.

The objection that under this plan paper money might be issued in excess of the actual value of the roads is met by the suggestion that the yearly depreciation of the roads be estimated and provision made for cancelling a proportionate amount of the money. If, for example, a road would last ten years, as ascertained by the experience of practical railroad men, ten per cent. of the issue should be cancelled annually. And as a further safeguard, "in order to keep one dollar at all times as good as any other dollar," the secretary of the treasury should be authorized, with the approval of a majority of the members of the supreme court (not as a court but as individuals), to cancel all or any part of the currency in question when redeemed. Such money, says Mr. Miller, "will be honest as well as sound"—"will always be good and at par."

This outline of his solution of the financial and transportation problems, Mr. Miller fills in with liberal quotations in support of his position, in one respect or another, from railroad experts and political economists; and also with a somewhat minute examination, upon the basis of expert authority, into the monopoly features of transportation under private control. One or two of these elaborated points are especially worthy of consideration.

Answering the familiar objection to public ownership of transportation

facilities, that government management, as exemplified by the postal service, is wasteful, he shows that this charge against the post office is justified only by the corrupt power which private railroad monopolies exert. Whereas express companies carry parcels from shipper to consignee, 1,000 miles at the rate of three dollars a hundred pounds, the railroad monopolies tax the post office eight dollars a hundred pounds for an average of less than 450 miles, in addition to exacting for postal cars a rental of more than enough each year to build the cars. This is the explanation of the deficit in our postal service,—a fact which argues not against but in favor of public ownership of transportation facilities.

Another point of peculiar interest and importance which Mr. Miller develops at length, is the fact, not generally known outside of railroad circles, that distance is a minor element in the cost of transportation. In support of this point reference is made to street car service. Within certain extended limits the same fare for that service is universally charged, regardless of the distance of the ride. Reference is made also to the zone system in Hungary, under which a ticket purchased in a particular zone carries the passenger to any station within that zone, regardless of distance. On the same point the experience of the Chicago & Northern Pacific is invoked. It seems that this road fixed its passenger fare to any point between Chicago and Blue Island—about 17 miles—at five cents, with the effect of increasing the revenue. The reduction of rates so stimulated travel that a larger income was earned with a given expenditure for cost of service. Accordingly, in harmony with the recommendations of James L. Cowles—whose recent work on "A General Freight and Passenger Post," Prof. James commends as giving "the best account of the movement for a reform in our freight and passenger tariff policy, and the best arguments in its behalf which have yet been given in English"—Mr. Miller proposes basing rates upon the character of accommodation, without regard to distance. He would charge so much, that is to say, for passengers on local trains, so much more on express trains, so much more than that on fast trains; and for freight, so much if it requires shelter, so much less if it does not require shelter, and so on. Under such a system of rates, with government ownership, it is

argued that our "railroads would produce a greater revenue than under the present exorbitant charges and system of secret favoritism."

Mr. Miller's little book, buttressed as its arguments are with an abundance of facts marshalled lawyer fashion, will prove a revelation to those who have given inadequate consideration to the railroad problem. It is an intellectual mine in connection with the railroad problem which all sides to the controversy will find it profitable to explore. Copies of it may be had of Jay D. Miller's Sons, Oak Park, Ill.

#### WAR REVENUES.

While the congressional committees on foreign affairs have been before the public eye with their warlike resolutions, the committee on ways and means of the lower house has been quietly at work in the background planning a measure for raising war revenues. Judging from the details that have leaked out, these measures are to be so contrived as to compel the classes who are to do the fighting to do the paying also, while enabling other classes to get back with a profit all that they may put into the war.

From an increase in the internal revenue tax on beer an annual addition to the revenue is expected, amounting to \$35,000,000. From an increase in the tax on tobacco, the additional revenue expected is \$33,000,000. A bank check tax is counted on for some millions more. Tea and coffee also are to be heavily taxed. From these and similar sources an extra income of over \$100,000,000 is looked for. Then, to make the war department easy at once, it is proposed to issue \$500,000,000 in bonds, redeemable in gold value money. Let us consider these propositions.

Who would pay the beer tax? Those who advocate it, intimate that it would be paid by the brewers. If that were true, the tax would be utterly indefensible upon its face. While a tax upon brewers for the purpose of discouraging their business as detrimental to the community might be justified as a police measure, no extraordinary tax upon them can be justified as a revenue measure. They receive no particular benefits from society; their income is freely paid to them by their customers; no privileges are conferred upon them by the community. They are therefore entitled to be as free from arbitrary exactions as any other business class. But in fact the brewers would not pay the

beer tax. Those who propose the tax know this, and the brewers know it. The brewers object to the tax, but that is not because they expect to pay it; it is because they fear a loss of custom. A moment's reflection should satisfy anyone that the brewers would not pay the beer tax. They would not if they could and probably could not if they would, pay \$35,000,000 a year more in taxes than they pay now without recouping themselves either by charging higher prices for beer or by supplying a poorer quality for the old price. The war tax on beer would be a tax upon beer drinkers; and as beer has become—whether that is matter for congratulation or not makes no difference—a national beverage with the common people, it would be a tax upon the common people, the very class that will be called upon to do the fighting.

So it would be with the tobacco tax. The class that would be asked to enlist, and that would enlist, are the largest consumers of tobacco. And strange as at first it may sound to say so, this also is the class that would bear the brunt of the proposed tax on bank checks. The use of small bank accounts has become exceedingly common within the past decade, and with it the custom of drawing small checks; and most of the small checks are drawn by men who are not rich but are of the class from which "bullet-stoppers" will be drawn when the first effervescence of patriotism subsides. For every small check these men draw they would pay as high a tax as their rich neighbor would pay on large checks. In addition to that, the tax on business checks generally would be shifted to customers. And not only the tea and coffee tax, besides the taxes already mentioned, but nearly if not quite all the other proposed war taxes would be borne in greatest degree by this same class.

Now let it be observed that what this class as a class will be called upon to contribute to the war will not come back. It will not come back to them in any form, except it be in the form of meagre pensions grudgingly bestowed, and in the privilege of calling that their country to the valuable part of which most of them have no legal right to a foot. What they give, whether in money or blood, will be given outright. Not so with what other classes give. In some degree, a very small degree, comparatively, they too will give outright when they drink beer or tea or coffee, or smoke tobacco,

or draw a check. What they thus give will not come back to them. But the substantial war contributions of these classes are to be neither in taxes on beer or coffee or tea or tobacco or small checks. Their contributions to the war are to be loans on bonds. And these contributions will come back to them; aye, will come back to them with a profit. Not only will the bonds bear interest, but they will be so carefully protected as to the money of their redemption, that at the close of the war they will command a premium. Many a bond of the civil war, for which the government received less than 50 cents in gold value money, has since risen to \$1.15 and more in that money, besides paying interest year by year. Large as is our pension expenditure, it is exceeded by the interest and premiums on the bonds which our money patriots of the civil war period bought.

So it will be with the method now in course of preparation for raising funds for the pending war with Spain. These funds will be so raised that the fighting masses will contribute outright, and the thrifty classes will lend on good security and profitable conditions. It is too much to hope for, probably, that the United States government may at this crisis reverse the old custom of putting all the burdens of war upon the common people. He would be an optimist, indeed, who should look at this time for a war revenue measure which would put the financial burden of the coming war upon the monopolists of the country, and a dreamer who should propose it; but some good may possibly be done in the future by calling attention now to the fact that both in blood and treasure the losers by the war about to break upon us are as usual to be not the privileged classes but the working masses.

#### DECAY OF COBDENISM.

In the North American Review for April, John P. Young has a paper in which he attempts to show that Cobdenism in England is extinct. Mr. Young mistakes the decline of an organization, and a tendency in some quarters against the specific reform which that organization originally represented, for the extinction of the spirit of freedom which gave vitality to the organization at the start. Because the Cobden Club is moribund, it by no means follows that the principle which gave it birth is dead. What has killed the Cobden Club is not its adherence to a dead principle,

but its failure to adapt itself to the expansion of a living one. Having stood for free trade when the free trade principle made itself manifest only in a movement to reform the customs revenue, this club clung to that manifestation long after the principle had vitalized more advanced agitations, and so in the very nature of things it fell into a decline.

In its origin Cobdenism was a great democratic movement. It struck at privilege, and it struck hard. The evidence of this is not confined to the fact that the plutocratic elements of England broke out violently against it. There is abundant internal evidence also. At that time English laws put a high customs tariff upon imported grain. They did so in the interest of the agricultural landlords of England. By "protecting" English grain from foreign competition, they increased the price of bread and raised agricultural rents, thus enabling the parasitic landlord class to live with greater luxury in the sweat of the faces of the industrial classes. A similar situation, reversed as to parties in interest, exists to-day in Germany. The agrarian movement there, which constitutes the backbone of German protectionism, is organized for the purpose of raising the rents which feudal landlords exact from their agricultural tenants. What that movement is trying to establish in Germany is precisely what the Cobden movement demolished in England—special tariff privileges for the monopoly owners of agricultural land.

But with the overthrow of this particular privilege the Cobden movement stopped. The Cobden Club has tried to live upon the glory of the past. Instead of carrying the free trade principle farther into the heart of special privilege, it preached merely the abolition of customs tariffs, as the remedy for industrial oppression and the secret of national greatness. The abolition of customs tariffs, did we say? Why, it did not go even so far as that. The sum and substance of its demands was a reduction of customs tariffs to a revenue basis. The club saw no more in free trade 50 years after the corn law fight than the anti-corn law agitators saw in their first glimpses. That club was to free trade what a star gazing society would be to astronomy, if it had advanced no farther in Galileo's science than the first crude perceptions of the Copernican school; or what a railroad company would be to