

truths, politicians are eager to do their bidding, and the new year is full of promise.

S. C.

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## INCIDENTAL SUGGESTIONS

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### OUR PATENT LAWS.

#### A Letter to President Wilson.

New York, July 2.

I have seen occasional references in the press to proposed changes in the patent laws, as well as in the organization of the patent office, and I would like to lay before you some suggestions which would, I believe, correct the most serious evils of the present patent system, which evils group themselves, as far as the public is concerned, under the following heads:

(1) The retardation of industrial progress through the dog-in-the-manger privileges which the patent laws permit.

(2) The bulwarking of monopoly which the present patent laws make possible.

(3) The inhibitive legal processes which make a patent almost worthless to a poor inventor.

The first evil is to my mind the worst of them all, for we have no means of measuring the extent to which industrial progress is hampered by the innumerable interferences which it meets through patent privileges or claimed infringements. I fully believe that the patent laws as they now exist, far from promoting initiative, are a distinct hindrance to it.

Aside from the evils of patent law and court procedure, the other evils can, I believe, be corrected simply, easily and effectively by the following means:

(1) By compelling the patentee, when he takes out his patent or at any time within three years thereafter, to make a declaration of its value, which declaration becomes a matter of record and is conclusive evidence against the patentee in any litigation or proceedings.

(2) That upon such valuation a Federal tax be imposed, sufficiently burdensome to compel the patentee either to use or to forfeit his patent right, such tax however not to be imposed until three or five years after the issuance of the final papers to the patentee, in order that he may have an opportunity to find a market for his invention. That the tax be at a progressive rate, so as to prevent powerful corporations from placing a prohibitive value upon their patents as a means of preventing their use.

(3) That any individual may use such patent upon the payment of royalties to the patentee based upon the valuation so fixed by the owner.

(4) That this law be made retro-active as to all existing patents.

The first result of such a law would be to clean the decks. Thousands of patents would be forfeited. I know by my slight patent law experience that such dormant patents are used in a great variety of ways for blackmailing purposes; they are brought forward by some powerful interest to prevent the development of some device or commodity which is a substitute for, or will compete with, an existing product.

The opening of all patents to use by everybody will free the minds of manufacturers of the fear of being ruined after they have expended large sums of money in the development of an idea to its marketable stage. I have known this to happen in a number of cases. It is not improbable that industrial liberty is greatly thwarted by such fears and interferences.

Under such a plan the government would derive a revenue from a source which is not now taxable by the States, and upon which the Federal government levies no impost. Yet the patent rights of corporations are included in their assets; they are of great value, and in the case of many large corporations constitute a large part of their assets. Certainly they form the bulwark of monopoly in the larger electrical plants, in machine and tool industries, in the shoe business and probably in hundreds of other industries. Independent telephone development, with the great improvement which followed, had to wait for the termination of the telephone patents, by which time the Bell Telephone Company enjoyed practically a monopoly of the nation. There has been almost no advance in the whole field of telegraphic transmission by wire since the invention of the Morse instrument, which is still used by both the telegraph companies in face of the fact that scores of known inventions would have revolutionized the business. Further, the tax would not only produce a large revenue, it would establish the same basis for royalties as that existing for taxation; it would tend to prevent fictitious values and would establish outside of court proceedings the basis upon which all royalties should be paid.

Under this suggestion patents would become public property, subject to a royalty for their use. There would still remain every incentive to the inventor, and, I believe, far greater protection than he now enjoys. For in actual practice the individual inventor is no longer protected by the patent laws of the country.

New Zealand offers an analogy to this in her taxing system, under which the owner himself makes a return of his property, subject, however, to the right of the government to buy upon his valuation. Germany, too, has worked out a system of fees and taxes which is far in advance of our own.

FREDERIC C. HOWE.



### PRIVILEGE THE EVIL FACTOR IN BUSINESS.

Center Bridge Pa., October 31.

At a meeting of the American Iron and Steel Institute held at Chicago, October 25th-26th, President E. H. Gary of the United States Steel Company discussed the subject of "Why Does Business Halt?" He is quoted as saying that "the people of other nations are asking this of us, especially those foreigners who have money for investment. . . . That while there are exceptional cases in which mismanagement of American enterprises has caused distrust or dissatisfaction among foreign capitalists, this is not their principal reason for hesitancy at the present time. But that the principal reason that there is so much unnecessary agitation and ill-considered criticisms by those who

have not the nation's best interest at heart. There is too much demagogy, too much mud-slinging. In public speeches and magazine articles the authors are influenced by motives of selfishness or cupidity. Appeals are made for the purpose of creating a feeling of dissatisfaction and unrest when this is unnecessary and unjustified. It is not uncommon, in public discussion, to treat success as an offense; to consider the possession of wealth, however honestly acquired, as wrong."



It happens that just about the time that Judge Gary was making this speech a merchant-prince of the city of New York passed away. This man was a quiet, modest gentleman, who had started with nothing as a retail merchant in the city of New York, and had died possessed of very many millions of dollars. So far as we have observed, there has been no criticism of Benjamin Altman, and no disposition upon the part of anybody to consider his success as an offense. In other words, it has been recognized that he was engaged in a business which was entirely open to free competition. He made his money by the buying and selling of goods in a superior manner, or at least in such a way which so appealed to the citizens of New York that his business grew to very great proportions, and in so growing rendered a service to the city and its citizens, the door being all the while wide open for entrance of others into the same business, many of whom did in fact enter the same business during Mr. Altman's career.



Other instances of a like nature could be cited to show that there is in this country no general disposition to criticize people who make money in ways which are economically and socially justified, and that success is not, among any considerable portion of our people, regarded as an offense. True, many of the operations that have been carried on under the name of the United States Steel Company under the direction of Judge Gary, are regarded by many people as an offense, and the same is true of many other monopolies, but this is not based upon any objection to success in manufacturing or commercial enterprises. It is based upon a general and growing objection to monopoly; and the sooner business men recognize this fact and the distinction between what people generally do object to and what they do not generally object to, the better it will be for business men and everyone else concerned.

F. J. M.



## BRITISH SENTIMENT ON THE LAND QUESTION.

San Francisco, December 1.

For the last thirty years I have given close attention to the course of events in Great Britain, particularly with reference to the development and progress of the Singletax movement there, and I have reached a widely different conclusion from that expressed in *The Public* of November 21, in the editorial entitled, "Is Lloyd George Fundamental?"

I cannot accept the classification of the British

people with the Hottentot. Nor can I believe that it is necessary to trick them into defending their own rights, or to coax them into doing what is for their own good. I am unable to accept the conclusion that the history of the British people shows them to be so sluggish and backward as this would imply. I recall the fact that Francis G. Shaw, one of the first eminent Americans to accept the great message that Henry George brought to his fellow-men, advised Mr. George to take his message to London and publish it there, telling him that, in his opinion, his own countrymen were not yet ready to accept it. I know that Henry George was not discovered in San Francisco, where he thought out and published to the world his great plan of social redemption. He left here having a few followers whom, as he himself said, he could count on his fingers. He went to New York and was discovered there by a score or two more; but it was in London and in Glasgow that his real discovery and recognition took place. When he returned from his first lecturing tour in Great Britain he was hailed as a distinguished American and dined at Delmonico's by the men of light and leading in the metropolis of his native land, most of whom, however, fell away from him when he returned next year.

Eleven years ago, David McLardy of Glasgow, one of the most careful and profound observers I have ever met, told me that he believed that the people of Scotland were then more deeply imbued with Singletax principles than the people of any other country in the world; that Glasgow was a Singletax city; and that it would be almost impossible for any candidate to be elected to Parliament from a Scottish constituency who did not declare himself in favor of the taxation of land values. Everything that has happened in Scotland since most emphatically confirms these statements.

Scotland still stands at the head of the class in knowledge of Singletax principles, but England and Wales stand not far below. The last thirty years have wrought wondrous changes in Britain. And those changes have not been brought about "by noise and shouting; by complaints and denunciation; by the formation of parties, or the making of revolutions; but by the awakening of thought and the progress of ideas." They have been effected by the long endeavor of such a body of able, earnest and devoted men and women as the world has never before known. There is not a nook or dell on the island from Land's End to John O'Groats, or from Yarmouth to Holyhead to which they have not penetrated. By discussions in Parliament and on the hustings; by addresses in halls, schoolhouses, lodges and churches; by open air meetings on the streets, in squares and in parks; and by instruction in political economy classes in which "Progress and Poverty" was taught by able and learned instructors, and examinations held and prizes awarded at the close of each term—twenty-one such classes were conducted during the year 1912;—by red van and automobile campaigns, and by the distribution of immense quantities of the most instructive and effective literature, the people of Great Britain have been educated upon the land question as no other people have ever before been educated anywhere in the world upon any public question. Has all this endeavor proved fruitless? Has all the seed thus