

victory will be in proportion to the strength of our assault, the force of our battering rams, the calibre of our heaviest guns. Against such a foe as we confront, sallies against the enemy's outposts avail us little.

The Taxation Problem

THE National Economic League devotes the current quarterly issue of its "Consensus" to a report of a Special Committee on the Taxation Problem of the United States. The editor is J. W. Beatson, 6 Beacon St., Boston, who has been struggling manfully, lo, these many years, to overcome the ingrained dislike of mankind in this country to maintain even a speaking acquaintance with economics. The League plays no favorites, but seeks to elicit on all economic questions the opinions of persons who have given such subjects more than passing consideration.

The present publication contains the responses of a Jury of about 50 persons on 11 questions of taxation, submitted for their judgment. Without going into too much detail we may summarize the findings of the Jury as follows:

1. Should the Income Tax be retained as one of the principal sources of Federal revenue? 38 vote Yes, 9 vote No, non-committal 3.

2. Should the present minimum of taxable income be retained? 15 vote Yes, 21 vote No, 8 vote for a raise, 6 vote for a reduction.

3. Should present rates of surtax on incomes in excess of \$50,00 be retained? 14 vote Yes, 21 vote No, 2 vote for a raise, 11 vote for diminution.

4. Should the Excess Profits Tax be retained as a source of Federal revenue? 19 vote Yes, 23 vote No.

5. Should the Inheritance Tax be retained? 28 vote Yes, 14 vote No.

6. Should a direct tax be levied by the United States on the site value of land? 20 vote Yes, 25 vote No.

7. Should the Federal Constitution be amended so that such a tax could be levied at a uniform rate throughout the United States? 18 vote Yes, 2 vote No.

8. Should the policy of the United States with respect to a tariff on imports be,

- (a) A tariff for protection of home industries;
- (b) A tariff for revenue only;
- (c) Free Trade;

14 votes favor a Protective Tariff, 15 votes favor a Revenue Tariff, 17 votes favor Free Trade.

9. Should Congress undertake a survey of the ultimate effect of various kinds of taxes. 37 vote Yes, 3 vote No.

10. Is it advisable for the United States to pay off its bonded indebtedness as rapidly as the bonds mature? 28 vote Yes, 15 vote No.

11. Should the Federal power of taxation be used as an indirect means of imposing regulations in behalf of public health, morals or safety which Congress would have no power to impose directly? 16 vote Yes, 26 vote No.

Apart from the record of the votes themselves, the compilation is interesting as giving brief mental reactions of the individual members of the Jury to the various suggestions submitted. There seems to be a general opinion among those who approve the Income Tax without qualification that it should be made applicable to even the smallest incomes, on the theory that thereby interest in government is accelerated.

The Federal Inheritance Tax is opposed by many on the ground that it affects sources of revenue which should be left to the States. One ingenious critic deprecates it as a tax "which tends to *destroy* capital which is the hardest thing to create." Another critic says that it should not be confiscatory or so heavy as to *discourage initiative*. The italics are ours.

The proposal for a Federal tax on land values evokes from many critics the same objection as does the Inheritance Tax—that taxation of real estate should be left to the States and municipalities. It is not particularly worth while to give the arguments in support of this proposal made by obvious Single Taxers, for these are familiar to our readers. It is the views of opponents which are interesting. One man says frankly that it is a new idea to him and worth considering. Another says he opposes it, because it would *discourage enterprise and competition*. This is the same critic who feared the Inheritance Tax might discourage initiative.

On the subject of amending the Constitution, Professor Seligman contributes the thought that "Even though a Federal Site Tax is not advisable, the direct tax clause of the Constitution ought to be amended out of existence. It has no meaning or justification today. The present amendment virtually prevents any Federal taxation of property, which is to be deplored." This admission from a critic who generally takes the reactionary side is interesting. From his general attitude we cannot help feeling that if his suggestion were adopted, we would find him strongly opposed to any attempt to make it effective in any particular case. His temperament enamors him of abstract justice, but he is embarrassed and repelled by any attempt to bring his theories into application. He lately opposed at the behest of the real estate interests of New York even the paltry proposal to exempt new residence buildings from taxation for a term of years. His relation to social justice is not that of a lover, but a philanderer.

On the Tariff all the critics, except the out-and-out Free Traders, give out a very uncertain sound. They seem to think that a little of it judiciously administered would serve as a tonic. Professor Seligman believes it does not possess its former importance but still wishes to be recorded in its favor. We have, however, a real word of wisdom on this subject from Mr. J. G. Timolat, who says on the question whether we should have a protective tariff, "Yes, all theories aside, trade works toward the cheapest source of supply and we must either become a farming nation or lower our standard of living to the European level." The gentleman

is President of a Chemical Company but one could wish that he were occupying a chair of economics somewhere in Pennsylvania.

Under the head of the question about Congress undertaking a survey of taxation with a view to studying its effects, Professor Seligman says that he approves the idea of studying taxation but then delivers himself of the one positive statement which appears over his signature in the pamphlet, "No tax can reduce the cost of living." Of course if he says so, we must regard it as final, but perhaps there is a court of appeal. Nevertheless, it is very discouraging.

On the question of paying off the bonds rapidly there is considerable agreement although some bizarre views are advanced. One jurymen contributes this interesting (?) thought. "The debt can be paid in goods only. Keep the goods in this country and the payment will make us truly prosperous. A high tariff will keep the goods here; because if they go out they can't come back."

The Great Steel Strike Its History Told by William Z. Foster

HAD not Mr. Foster written this work, "The Great Steel Strike (Huebsch, N. Y. City), the Foster of fiction might have survived the real Foster and continued to serve as a "bogie" to frighten the timid and ignorant who derive their knowledge of public men from the free and enlightened press of the country. It is true that Mr. Foster is the author, or was the author eight years before, of a pamphlet on Syndicalism, acquaintance with which we must at this time plead ignorance. We are concerned now only with the writer of this work, and shall consider him only as revealed in these pages.

IN THE LAND OF THE FREE

Mr. Foster tells the history of the great steel strike. But he tells much more. The steel industry employs half a million men. At a time when eight hours a day is rapidly coming to be accepted as the standard working day, the steel mills are operating on a twelve hour basis, and many of the workmen are employed seven days in the week. They are denied the right of bargaining collectively, and even the right of petition has in some cases been denied them.

In some towns the public officials, even the mayors, are officers of the companies, and here the right to hold meetings have been forbidden, notably in Bethlehem, Duquesne, Clairton, and other places. In many of these towns orders have been directly issued to the police to break up these meetings. The Company's influence is so great as to secure the co-operation of owners of halls and vacant lots to forbid the holding of workmen's meetings. Even the influence of the pulpit has been pressed into service in behalf of the steel monopolists, so that, regardless of the merits of particular disputes, "agitators" for the adjustment of difficulties between mill operatives and mill owners have been roundly denounced by "ministers of the gospel."

Professor Johnson advances the interesting thought that war bonds should be paid out of the proceeds of site value taxation. Another jurymen's attitude is that "Prosperity should be required to bear a large proportion of the war debt." Evidently his favorite Scripture text is "The sins of the father shall be visited on the children, even to the third and fourth generation." Another jurymen thinks that the payment of the war bonds should be passed on to future generations as a *reminder*, he does not say of what.

On the whole the perusal of this mass of fragmentary opinions leaves one in a dubious frame of mind as to the future. There were among the jury a considerable number of men, whose names are known to Single Taxers, as sympathizers if not avowed believers. Naturally their votes and explanations have some resemblance to each other but for the rest, there is little evidence of intelligent comprehension of the issues involved. And yet it must be remembered that the jury was composed of persons supposed to have some economic knowledge.

ECONOMIC TERRORISM

The air of these places is charged with espionage and repression. Over all, paralyzing initiative and public spirit, rests the oppressive power of the great Steel Monopoly which exercises its influence through every channel of public information. It is an economic terrorism which surpasses anything exerted in feudal times, or under political despotisms. Here in these great Commonwealths of Pennsylvania and Ohio exists this invisible government—an *imperium in imperio*—which sets at naught the promise held out to the poorest of our citizens under our form of government of succeeding to that measure of independence possible to the exercise of such powers as he may possess.

To throw off this monstrous influence, this tyrannous power corrupting the Commonwealth and enslaving the individual, was begun the great industrial protest which this book essays to tell. And here is what the men, unless they were willing to consent to the condition of slavery, must meet in the contest that ensued—an alliance of the Steel Companies with the State, the courts, the press, the pulpit, and the police and State Constabulary. Meeting these forces in a test of endurance the strike failed. After three months and a half the men were compelled to return to the old slavery, now generations old, twelve hours a day, with such wages as are determined by individual bargaining for employment, for they were forced to surrender their union cards. And this at a time when in England, France, Italy, and even in Germany, the steel workers have a voice in the control of the industries in which they are engaged.

TOLD WITHOUT PASSION

Mr. Foster has told the story of the intolerable situation leading up to the strike of 1919. He has told it well, and without any more passion than seems justified to one who