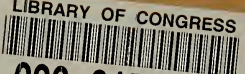


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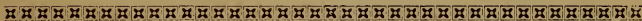
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THE FIRST HORROR OF THE WAR

BY

S. A. LEWINSOHN



THE AFTERMATH OF THE WAR

BY

JOHN W. BATDORF

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THE FIRST HORROR OF THE WAR

In April, 1914, while making an extensive tour through South America, I was about to return to New York from Rio de Janeiro, Brazil. I accidentally ascertained from the American Consul that Prince Henry of Prussia was expected to arrive at Rio de Janeiro, aboard the *Kronprinz Wilhelm*. Being anxious to see the Prince, I cancelled my reservation on the Lamport & Holt liner, *Vandyke* (which has since been sunk by a German submarine), due to sail the following morning for New York. Within a few days, the arrival of the German fleet was greeted by the boom of the cannon from the fort at the entrance of the beautiful bay of Rio de Janeiro, and salutes fired from the Brazilian men-of-war. The battleships, *Kronprinz Wilhelm*, with Prince Henry of Prussia aboard, the *Kronprinzessin Cecelia*, and a flotilla of gunboats, entered the bay. The leading German-American business men and bankers tendered a reception to the Prince, his attaches, and the officers of the German fleet. I attended this reception, was introduced to the Prince, whom I interviewed briefly, and it was apparent to me after listening to his address, which dealt principally with the deep concern of the Kaiser for his subjects who resided in South America, and the replies made by the leading German citizens of Rio de Janeiro to Prince Henry's address, in which they expressed the loyalty of the Germans to the Fatherland, especially those who had settled in Brazil, Uruguay, and the Argentine Republics; that the purpose of Prince Henry's tour through South America was to carry on the German propaganda, the object of which was to impress the German residents, also the officials of the Latin-American Republic with the supremacy of the Central Powers.

A few days later a banquet was given by Prince Henry to a number of prominent officials of Rio de Janeiro, also the representative Germans residing in Brazil. Through the courtesy of the United States Consul, I attended this banquet on board the *Kronprinz Wilhelm*. Little did I think as I sat at the festive board and listened to the addresses of the principal speakers, and heard the strains of the "Wacht am Rhein" played by the band aboard the German battleship, that I, in a short time, would become an eye-witness of the stirring events that were to follow upon my arrival in England. You can imagine how deeply mortified I was to miss the steamer on which I had engaged passage and to ascertain that I would be delayed at least a week before the departure of another boat. I inquired at the shipping offices if I possibly might secure passage to Liverpool aboard one of the tramp steamers which was taking on a cargo of beef. I strolled towards the dock and persuaded a boatman to take me aboard a steamer anchored in the bay. Upon my arrival on the ship I was informed by the first mate that the captain was ashore and could evidently be found at a tavern called the Jolly Buccaneers. I went ashore with my friend, the boatman, who by the way, conversed with me in Spanish. After considerable difficulty, I

located the Jolly Buccaneers tavern and there found Captain Clayton, carrying on a lively discussion with the barkeeper, and while the tramp steamer of which he was commander was taking on a cargo of beef, the good captain was busily engaged in taking on a cargo of rum. I introduced myself to the captain and asked him if I could sail for Liverpool with him. He informed me that his charter did not permit him to take passengers, but that if I was willing to sign up as one of his crew, he would permit me to go aboard. I told him that I was not a very good sailor. He sized me up and informed me that my appearance indicated that I would make a first-class cabin boy. This amused me considerably—that a man of my age should be referred to as a cabin boy. I accepted the captain's proposition. He slapped me on the back with a wallop that staggered me, and we sealed the compact with a drink of Brazilian liquor that almost gagged me. I accompanied the captain to the British Consul, and was duly signed up as cabin boy of the good ship *Chasehill*. My compensation was to be one shilling, provided upon my arrival at Liverpool, the Captain would certify that I had performed my duties as cabin boy faithfully.

I impatiently awaited the departure of the ship, which was due to leave at dusk of the following day, and as I sat on the quarterdeck I could see the lights of Rio de Janeiro in the beautiful bay grow dim in the distance, and could hear the strains of music wafted over the bay from one of the German battleships still anchored off Rio de Janeiro, as I took my farewell glimpse of the Brazilian Coast.

The crew of the tramp steamer consisted of fifty-three men, including the "cabin boy." After we had been at sea for several days, the Captain and I had become good friends, caused mainly by my liberal distribution of Havana cigars, Scotch whiskey and champagne, which I had provided towards the ship's larder at my expense, in consideration of my being permitted to become one of the crew.

After being at sea for almost twenty-two days, we finally sighted the Canary Islands, just off the coast of Africa, where Lord Nelson lost his arm in the naval engagement between the English fleet and the Spanish Armada. We anchored in the Bay of Las Palmas. The Captain informed me that he would pay a visit to the British Consul. I persuaded him to let me accompany him as I also was desirous of paying my respects to the American Consul. Arriving at the British Consulate, I was agreeably surprised to find that both the British and American Consuls occupied the same office. The Captain and I were invited to dinner, which consisted of a Spanish dish called buchara. Then, bidding good-bye to the representatives of His Majesty King George V of England, and the representative of my beloved native land, we boarded the ship once more, and after a rough passage across the Bay of Biscay, we arrived safely at Liverpool, having been thirty-two days at sea. The ship-owner's representative awaited us at the dock, believing that the *Chasehill*, with all aboard, was lost at sea, it being overdue at least twelve days.

DECLARATION OF WAR

Upon my arrival in London, I read the report in the papers that the Archduke Francis Ferdinand of Austria and his wife, while visiting a province in Bosnia, were assassinated by a Serbian student, and that the Austran Government charged the Serbian Government with inciting unrest among Austria's Serbian subjects. Supported by Germany, Austria sent an ultimatum to Serbia in terms made intentionally impossible of acceptance, allowing Serbia only two days in which to reply. Humiliating though these demands were, Serbia accepted all but two. These she offered to submit to arbitration. Austria did not want to settle

the quarrel with Serbia. She wanted Serbia! Though every great power, except Germany, pleaded with her to arbitrate she declared war on July 28.

Russia, then under the government of the Czar, had always been a protector of the interests of her fellow Slav races. She notified Austria that she could not see her oppress Serbia without acting in Serbia's defence. She began a partial mobilization of her armies to act against Austria in Serbia's behalf. On July 26 and 29 Germany warned Russia that even a partial mobilization of her armies in support of Serbia and against Austria would mean war with Germany. Austria invaded Serbia on July 29, and Russia had no choice but to mobilize her armies. Russia made a last effort to avert war. On July 31 she offered to stop her mobilization if Austria marched no further into Serbia and would submit her quarrel with Serbia to arbitration. No reply was ever made to this offer. On August 1, Germany, with her armies mobilized, declared war on Russia and invaded Luxemburg.

England and France and Italy made every possible effort to induce Austria to arbitrate the Serbian dispute. Abetted by Germany, she refused. Russia had moved to Serbia's aid. It was what Germany desired. The hour had come for Germany to strike—the hour for which she had been so long preparing. She mobilized the greatest army ever known in history, and for its use in the business of destruction had accumulated munitions in untold quantities. On August 3 she declared war on France, and sent her armies against the French border.

France and Russia were bound by a long standing treaty of Alliance to help each other if either were attacked. The German plan was to deal France a sudden and overwhelming blow, and then to turn her strength against Russia. Fortunately for the world's liberty this scheme was thwarted.

The German war plan, long prepared, was to take the shortest and easiest road to Paris. This was across Belgium. But the neutrality of Belgium, in event of war between France and Germany, had long been guaranteed by all the great powers, Germany included, in treaties formulated in 1831 and 1839. Germany had mobilized her forces on July 25. She demanded of the Belgian Government the right to send her armies across Belgium to attack France. Belgium refused. Great Britain had already asked France and Germany if they would agree to respect Belgium's neutrality. France agreed to. Germany did not reply. On August 4, the German armies had crossed the Belgian border.

On the evening of August 4, 1914, I strolled along Carlton Terrace passing the German Embassy. I was informed by one of the police officers on guard in front of the building that it seemed to him as if the German Minister, together with his staff, were making preparations to leave England. The shades were drawn, and the building was lit up brilliantly from the cellar to the garret. I continued my walk towards 10 Downing Street, near Whitehall. Quite a crowd had collected in that vicinity, and within a few moments there arrived Earl Roberts, Lord Kitchener, Sir Edward Gray, Henry Asquith, the Honorable Winston Churchill, Lord Reading, and Lloyd George, ostensibly to attend an important conference and as the gigantic bell, "Old Tom," in the Parliament buildings tolled the midnight hour, word went forth like magic that England had decided to withdraw her ambassador from Berlin and come to the aid of France and Belgium. The people gathered by thousands. Men cheered like mad, and women became hysterical. The crowds rushed towards Pall Mall, passing Marlborough House, occupied by the mother Queen Alexandria, St. James Palace, the beautiful Victoria monument, and upon their arrival at Buckingham Palace, the populace numbered over 200,000 souls. Never shall I forget that night. The King of England, Queen Mary, and the Prince of Wales appeared on the balcony of Buckingham Palace and acknowledged the plaudits of their subjects.

On the morrow I witnessed the departure of a part of the regular British army; the First and Second Life Guards, the Cold Stream Guards, the Irish and Welsh Guards, the London Fusiliers, and last but not least, that famous Scotch regiment, the Black Watch. They marched proudly along Whitehall, across Trafalgar Square, along the Strand, embarking at the Charing Cross railway station on their way to France. In front of the American Express offices at the Haymarket were lined up for three blocks American tourists, awaiting to secure funds to enable them to return to America. Most of them had left their baggage in Germany, France and Belgium, so anxious were they to get safely out of the war zone and return to their native land. Mr. Hoover, who at that time resided in London, hastily formed an American Relief Committee with headquarters at the American Embassy on Victoria Street. All Americans who desired financial assistance were given every aid possible.

Being anxious to arrive on the scene of the great conflict, with the assistance of several influential English officials, I secured a permit that enabled me to cross the English Channel. Upon my arrival in Paris, I could distinctly hear the boom of the big guns. The Germans were seventeen miles from the capital. The general in charge of the defenses of Paris commandeered taxicabs, motor busses, private automobiles and conveyances of every description, and the French soldiers were rushed to the outskirts of Paris to repel the German invaders. Most of the shops in Paris were closed and the Parisians were all agog with excitement. I have since ascertained that the sudden retreat of the Germans in the vicinity of Paris was caused by the information they had received from a German spy that the British and French were about to execute a flank movement which might have resulted in the capture at that time of several divisions of the German troops engaged in the attack on Paris, had it not been forestalled by the withdrawal of the Huns.

ZEPPELIN ATTACKS

I recrossed the English Channel, thinking that possibly on my arrival at London I might be able to witness the Zeppelin attacks that were expected in England. The London papers quieted the fears of the English by stating that it didn't seem likely that the Zeppelins would be able to reach England. One morning the Britains were given a surprise. A fleet of Zeppelins attacked the English coast, killing and wounding quite a number of people, mostly women and children. It was not anticipated at that time that the Zeppelin would be able to make the distance from the coast to London, as it was eighty miles from the coast to England's capital, and the distance to reach there and return would be an additional 160 miles, but the unexpected happened. At about one o'clock one morning London was attacked in an air raid at the village of Leytonville, a suburb of London, twelve miles from Trafalgar Square. At the suggestion of Edward Price Bell, the London correspondent of the *Chicago Daily News*, I immediately rushed into a taxicab and arrived at Leytonville, and there in a street occupied principally by the working classes, I found several blocks had been completely demolished. I visited the ruins of one building occupied by a gold-finisher, his wife and six children, and on the top floor in a bedroom exposed to the sky, I found a bed, the mattress of which was still reeking with the blood of an infant girl, three months old, and a boy four years of age, who had been slaughtered in their sleep by a bomb. Across the street I was present when the remains of an old man, 87 years of age, and his wife, 82 years old, were being taken from the ruins of their home. Strange to say, the almshouse in that vicinity, in which a large number of Germans had been interned, had suffered no injury other than shattered glass. I counted over 160 shrapnel

bullet holes in the walls of the building, none of the inmates being injured. A billiard hall near the London and Southwestern station had been struck by a Zeppelin bomb, killing eight persons instantly. Several nights later another raid took place. A bomb struck a churchyard at Shorditch, on the east side of London, causing an excavation large enough to store a street car. Across the street another bomb demolished a building occupied as a meat market. No casualties of any other description happened in this raid.

You can imagine my disappointment in not being able to witness the Zeppelin itself in action. I strolled the streets of London night after night in the hope that I might be able to see one. An amusing incident occurred one evening. Along about midnight, while walking along New Oxford Street, I noticed a number of police officers (they call them "Bobbies" in England) gazing into the sky. I asked one of them if he saw a Zeppelin about. He replied gruffly no, that they were simply watching a building across the street which they thought was being visited by burglars. I said to the officer: "Why don't you go up and get them?" He replied that an Englishman's house was his castle and that they could not go in without a king's warrant. I said: "Why don't you go over to Buckingham Palace, wake the King and get a warrant?" The officer replied: "You silly ass, we don't have to get the warrant from the King himself. We must go to the Bow Street police station and secure the warrant from the magistrate." Then I said: "What will you do in the meantime?" and he replied: "We'll stand on guard here and wait for the burglars to come out." This amused me considerably, and I thought that if we had here a little Irish policeman that I knew of in good old New York he'd take his club and climb the side of that building like a monkey, and go in and get the burglars, warrant or no warrant.

Several evenings later, I was the guest of Major Hughes of the Royal Field Artillery, for dinner at the Army and Navy Club, after which the Major and I attended a theatrical performance at the Lyceum Theatre. Whether the lack of sleep or the uninteresting performance caused me to doze away I am not certain but at any rate I awoke with a start. The doughty Major was jabbing me in the ribs with his elbow. He said: "Say, Yank," (you can imagine how indignant a southern colonel would be to be addressed as "Yank," but they call all Americans Yanks abroad, especially in England), "don't you think we had better go out and have a little something?" to which I replied: "I never drink, except sometimes."

THE BOMB HORROR

Just as we left the building I heard a tremendous crash. It sounded like the roar of big guns and a thunder clap combined. The people on the street were all gazing upwards, and there overhead, hovering over the great city of London like a huge bird of prey, was the much-dreaded Zeppelin. You could see it as plain as day. It was visible to the naked eye for about eleven minutes. A score of searchlights were shining on the monster from the roofs of all the principal large buildings in London; the British Museum, Albert Hall, Marble Arch, and other places. I heard a terrific explosion. A bomb had struck the roof of the theatre we had just left, killing and injuring over seventy-nine persons in the balcony. I could distinctly hear the clatter of the anti-aircraft guns which were attacking the Zeppelin. I waved my cane in the air and shouted: "Give them hell!" An American who stood at my side became excited, pulled out his revolver and fired at the Zeppelin. He was immediately pounced upon by a police officer and placed under arrest, it being a very serious offense to carry fire-arms in England.

Across the street from where I stood a bomb struck a motor bus, instantly killing twenty-two passengers. They were blown into fragments, and for several days thereafter they were picking up shreds of human flesh within a radius of half a mile in that vicinity. The streets were dark, the lights being extinguished during the raid. I stumbled over something. A policeman assisted me to my feet and asked me if I was injured. I informed him that I had fallen over something. He put his lantern on the ground, and there was a human head. The officer asked me to remain where I was until the ambulance arrived. I covered the ghastly object with a newspaper. On both sides of the Strand from the foot of Waterloo Road to Trafalgar Square, you could put your hand in any shop window and help yourself. The window glasses had all been smashed. It's an ill wind that don't blow someone good, as on the morrow while strolling about in the vicinity of Piccadilly Circus and Leicester Square, a number of nuts (we call them dudes in our country) were walking about wearing new Derby hats, collars, and neckties of all colors of the rainbow. Evidently they had helped themselves.

During this raid the people were not excited nor women hysterical. It seemed very much as if the Germans were giving a Fourth of July celebration for the edification of the British public instead of throwing deadly missiles and killing and maiming innocent women and children.

I witnessed another air raid several nights thereafter. I complained to the hotel clerk that I wished an outside room with plenty of air. He reluctantly gave me the room I desired. I then strolled towards a certain club, a rendezvous for literary men, actors and authors. A number of American newspaper men had persuaded some of their English cousins to participate in the gay and festive game of poker. While I was trying to persuade an Englishman, who informed me that he had visited America, that our country was the greatest on earth, I heard a tremendous crash. A bomb had fallen in front of the club building, shattering the glass. The poker players didn't wait to cash in their chips, so quickly was the game finished. You could have played checkers on their coat-tails, they left the building so rapidly.

Upon my return to the hotel I met with a bitter disappointment. The outside room together with my luggage had disappeared during the Zeppelin raid, the entire side of the building being demolished. I was forced to seek other quarters for the night. Upon my arrival at the Charing Cross Hotel I registered, but it is needless to state that I did not insist upon having an outside room this time. A room in the basement would have been perfectly satisfactory. The clerk asked me if I had luggage. I said I did. He agreed to send for it. I said: "All right, I've been looking for it myself, but if you can find it the drinks are on me." The baggage was never recovered and I was forced to visit a haberdasher's and a tailoring establishment to replenish my depleted wardrobe.

Previous to this Zeppelin raid, the Germans residing in London were shown every courtesy, but after the many casualties resulting from the air raids, the people were considerably exercised, especially over the killing and maiming of so many innocent women and children, and one night a number of German baker shops were demolished by the excited populace. In spite of the efforts of the police to protect the property of the Germans, considerable damage was inflicted.

One of the most pathetic incidents I recall is a visit to Richmond, which is situated on the Thames River, a short distance from London. There at the Old Star & Garter Hotel, which had been converted into a hospital, were possibly over 2,000 soldiers who had been in the Battle of the Armentierre. They were being visited by their wives and children, fathers, mothers, brothers and sisters. It was a beautiful day. They could hear the birds sing, but could not see the beautiful sunshine nor could they look into the faces of their loved ones again. They were totally blind, the result of asphyxiating gases used by the German barbarians.

ENGLISH FORTITUDE

During some of the Zeppelin raids a number of arrests were made. The manager of a hotel near Holborn Viaduct, and several German waiters were arrested, being caught signalling the Zeppelins with lights from the roof of the hotel building. Swift punishment was meted out to them. They were shot in the Tower of London. The lights in all shop windows were not permitted to be lit. The blinds were closed in private dwelling houses as well as in stores. The street lights are mostly all extinguished, making it very dangerous for pedestrians to stroll about London at night, especially during a fog. In spite of a printed warning signed by Sir Henry, chief of police, that all persons should remain indoors, or in the subway stations, during Zeppelin raids, the people insisted on rushing out into the streets so as to be able to get a view of the Zeppelins in action.

The English people are very patriotic and deserve great credit for their loyalty to their Government. Without conscription, an army of over four million men was raised, something unprecedented in the history of warfare. One of the most stirring events that I was an eyewitness of in London was the reception accorded Sergeant Mike O'Leary, who won the Victoria Cross in the Battle of Hill 60 in France. He was greeted like a conquering hero. Mike, although a diminutive Irishman of slight build and considerably under weight, himself killed a dozen Germans and captured 5 of them single-handed. After his superior officers had been killed and the other men rendered *hors de combat*, Mike O'Leary worked his gun single-handed alone until it became too hot for further use, and he then began to fusillade the Germans with hand grenades until the Huns thought they were being attacked by a regiment instead of one man.

I never knew it was possible for a dude wearing a monocle to fight. I learnt differently. One day while strolling along Haymarket Square, I met a young chap, a lieutenant in the Cold Stream Guards, about 23 years of age. He was wearing a monocle in his left eye, smoking a cigarette, twirling a swagger stick with his right hand, and leading a bulldog with the left. He appeared anything but a fighter. I afterwards ascertained that this so-called dude had been decorated with the Victoria Cross because of his bravery in rescuing one of his men who had been mortally wounded under fire.

The self-anointed, would-be ruler of the universe—"KAISER BILL WHO NEVER WORKED AND NEVER WILL"—persuaded himself and the German people that we Americans would put the "dollar before the man," and were pacifists first, last and all the time, and that he could with impunity attack unfortified cities, killing and maiming defenseless old men and innocent women and children in defiance of international law and rules governing humanity. And to cap the climax he murdered American men, women and children on the high seas without compunction or remorse.

The silent man at Washington, who presides over the destinies of this great nation, has the backing of the American people, who, to the last citizen, are ready and willing to sacrifice their lives and exhaust their last dollar to crush this abominable Prussianism which the Kaiser and his crew of Junkers has installed, so that peace, contentment and happiness shall reign throughout the universe.

THE WAR'S AFTERMATH

Beyond the war itself and what is to come after the war, no subject has so much interest to the people at large as that of Government ownership, and, co-ordinately with it, the question of how to raise \$8,000,000,000 by taxation. The war makes both of these questions not only relative but inspires cogent reasonings in discussions, and when one of these questions is brought up the other enters, too, for settlement.

The profiteering by the corporations gives pregnancy to the thought that by raising prices on commodities, and then by taxing profits, a great sum of money can be gained for revenue to support the Government to win this war. But, assuredly, this operation is placing a tremendous tax on consumption, and *in an open manner*, too, which, in the very nature of things, will bring about a reaction on patriotism; on the administration which today holds the confidence of the people; and upon the membership of the present Congress now so united upon legislative matters to win this war. And to win this war we must give our all, no matter what legislative burden is placed upon the backs of the people.

The people are bearing the strain of war under the present law most nobly, and this is one of the precious accretions coming to the people because of this unhappy debacle of war. But the question we wish to put, Will the doubling of the tax gained by the Bill of October 3rd, 1917, all of it in the last analysis calling for additional taxes placed on consumption, break the backbone of the present confidence existing among the people? We should say yes to this question, because the element of hope for a lower cost of living has been left out in the proposition presented. But by installing Government ownership by the plan outlined in the Geometric Tax proposition, the nation will not only raise the money by cheerful giving, but install hope and reinforce patriotism, too, in the hearts and in the souls of the American people. No thought except that of hope will fuse the varied peoples of all nations assembled here and make of us one people in fact as well as in name.

Our contention is that, when, in the past, rights for inventions and copyrights were given to individuals, it was not understood by the people at large, at that time, that these inventions and copyrights were to be turned over to corporations and be capitalized by taking for the purpose the buyer's good-will to buy the products of inventions and copyrights. Nor, did the people have the slightest knowledge that traveling and legal expenses, advertising costs, salaries of agents engaged in promotion and the carrying on of corporate business was to be made up and capitalized under the meaning of good-will transferred from its owner, the buyer, to the monopolist using the corporate law to satisfy his desire to "get-rich-quick." Of course, this good-will of those who buy has served the promoter's plan to pay up in full the stock shares issued by corporations and has become a power installed to force consumers to pay increasing prices on food, clothing, shelter and luxuries, in order that the corporate monopoly might declare dividends on intangible assets.

And realizing that no State taxes good-will, nor is it considered in the make-up of valuation in any State of the Union, in the ultimate we must face Government ownership and a new system of taxation. And Government ownership can only be founded and built up on three well-recognized bases of the natural law. Concentration by a bureaucratic ruling power, such as obtains in Germany; Confiscation, the anarchy of Socialism-Bolshevikism; Decentralization, Jeffersonianism, the word which the American mind accepts as representing the natural law of distribution, i.e., that all the heirs should enjoy the distribution of the family fortune instead of but one; distribution of lands and

incomes, the product of the laborers, with governmental opportunities to all of the people to enjoy distribution rather than that special privileges and monopoly should be given to the few. In fact, the distributing economics we know of and accept in the one word—Americanism. The three forms of Government ownership more distinctly stated are as follows.

(1) The German system, as developed in the Reichstag from 1874 to 1884, was largely based upon the thought of Rodbertus, i.e., an imperial power to control industrial concentration, with an evolutionary period of centuries to bring about a more equal distribution of productions to the working classes. This proposition was intended to allay and to escape the thought of Marxian socialism coming to Germany, and although 4,500,000 of German voters supported socialism, it was State socialism and a far different proposition from that founded by Karl Marx.

In Germany the rule has been that the child at four years of age is given over for six days of the week to the school-master and to the minister on the seventh. Each student is educated on lines for special vocational work, and when school and university days are over, the State gives place for employment wherein the citizen becomes the serf to an autocracy installed until death relieves him from his cares. The German system of Government ownership gives no room for individual initiative to thrive and do well to satisfy human ambition. In our nation we recognize what this principle means and we should never forget it, yet, with its undoubted success, our Postal system is founded and operated on the same lines as the German system.

(2) The socialist proposition for Government ownership is founded on the natural law of confiscation, brought about by an era of intense concentration. It offers no pretense to compensate former owners for property taken over by the State, nor to establish a central power to govern. It is based upon a fallacious doctrine that publicly used property belongs only to the public, and that anyone desiring work may take any opening presented, without any further provision than that public property is for use and not for profit. Bolshevism and the Russian nation are telling the tale by the anarchy installed.

(3) The Jeffersonian plan, based upon decentralization, may be used to represent the American thought for Government ownership, because it is in harmony with the Federal Constitution as a governing power. The other two plans, one based upon autocracy under a government ruled by bureaucracy, and the other based upon confiscation with no governing power at all, are both abhorrent to the ethics and to the ideals inherent to our people and to the check and balance system upon which our Government is founded.

The *New York American*, in an editorial dated July 6th, 1918, says, "After we have taken over the railroads, the ships, the telegraphs and telephones, we should at once proceed to take into public possession the coal mines, the oil deposits, the forests and the water powers. . . . We must have Government ownership of these vital factors of business and must operate them solely for the interest of the whole people. . . . One of two things we surely will have. We will either have State socialism, controlling all the affairs of the nation and of the individual, or we will have public ownership of those things which are of right and in their nature public, combined with private ownership of those things which are of right and in their nature private. We will have either a judicious and healthful radicalism, or we will have a revolutionary socialism in our political and economic affairs."

The *New York American* unfortunately is assertive; seldom specific in its phrases. This paper rarely tells how its proposals and purposes are to be accomplished. Our people want neither the German system of Government ownership nor the Marxian system of Socialism. Neither of these two systems conform to the ethics and ideals of the American theory of Government. One would end in the worst form of bureaucracy;

the other would end in anarchy and destruction. Thomas Jefferson's principles for decentralization conform to the Constitution by the Government owning the value of actual capital assets of the corporations for bonds issued, i.e., "To borrow money on the credit of the United States: To regulate commerce among the States."*

Mr. Hearst and his papers should declare what form of Government ownership he and his papers want. (1) German State socialism based upon concentration of power. (2) Marxian socialism based upon confiscation with no compensation to owners for property taken over by Government. (3) The American form of Government ownership based upon decentralization with full payment for inventoried capital assets of corporations, tabulated as for new replacement of such property. If we must go to Government ownership, our faith is predominant that the American people will choose the American plan rather than submit to Autocracy in government or the anarchy desired by the socialist.

Under Article 1, section 8, Congress, with the approval of the President, has power in time of war to install the American thought for Government ownership, so that the present administration, and the succeeding administrations, too, may gain additional prestige and political power. President Lincoln in time of war proclaimed emancipation to an enslaved race, but in 1865 this nation found it necessary to add the 13th Amendment to the Constitution to make President Lincoln's words good. Because of war, we have the same opportunity now to create Government ownership to free actual capital from confiscation; to free industrial workers from a serfdom more galling than slavery itself; and, best of all, to free the consumers from the bondage they are now under to pay the price for commodities the corporations please to charge. After the war the people have power to add the Geometric Tax amendments to the Constitution to make the war act for Government ownership good and inflexible to rule the American nation on lines of right rather than by the might possessed by concentration of power.

The warning is plain. Concentration of power is now secretly maneuvering to obtain the mastery over the people in the coming Government ownership enactments. It was so in 1808 when the U. S. Supreme Court judicially declared in the Madison-Marbury case that it had power to rule whether a statute law was constitutional or unconstitutional. The Constitution gave the Supreme Court no such power, but, to preserve its dignity as one of the three erected powers under the Constitution, the Court is compelled to exercise its powers when the people have failed in their plain duty to add amendments to the Constitution, covering the particular point in law needed by the Court.

Also, in cases 164 U. S. 686, 113 U. S. 396 and 119 U. S. 110, the Court decided that corporations were citizens and persons and that the corporations had the same rights in law as the natural person. In other words, that the one stick representing the natural citizen, and the concrete bundle of sticks, representing a collective number of persons, each had the same rights in commercial enterprises. The fault of this decision, never corrected by the people, was that the concentration of the bundle had power to destroy the natural person in business; and today the citizen cannot do business at all in competition with the corporations.

The people, on this question of Government ownership, must decide for themselves if they are to retain the benefits coming to the nation by the reconstruction of the times. The Hearst newspapers, with other interests contemplating professional and better financial returns for capital and labor, are advocating Government ownership based upon concentration of power—the German system. In opposition to this plan of governmental care under State socialism, the American Constitutional Alliance is advocating decentralization—i.e., Jeffersonianism—as the people's plan for Government ownership.

* The Constitution, Article 1, Section 8.

DEMOCRACY AND SOCIALISM IN DEATH GRAPPLE AFTER WAR, SAYS CONGRESSMAN RAINEY

John Temple Graves, Washington correspondent, writing for the New York American, as published under date of January 13, 1918, presents the mind of Henry T. Rainey, Congressman from the State of Illinois, in a most remarkable exposition of events which will most likely occur as a natural reaction caused by the present debacle of war.

"It is a thought-compelling utterance which will challenge the serious consideration of thinking men throughout the country. His views are worthy of far more than ordinary consideration by reason of his profound studies in economics and history.

"For sixteen years a member of Congress, a stalwart Democrat, reckoned among the leaders of his party from his first term, the effective chairman of a powerful committee, Rainey commands the respect of his contemporaries and the confidence of his State to a notable degree.

"He seldom speaks, but when he does he speaks as the result of study and reflection. His conversation was on the question of the tremendous problems which will force themselves upon us at the conclusion of the war, which Mr. Rainey thinks are of even greater moment than the war itself."

"The world has entered a shadow from which it will not soon emerge. I am not so much concerned about the war problems confronting us as I am about the more serious problems which will confront us when the war ends. We have pledged all our resources for the success of the undertaking in which we are now engaged, and the nation is already beginning to think on war questions as a unit.

"Bills involving the expenditure of fabulous sums are enacted into law without opposition. Our national expenditures are without precedent in the history of nations. We feel the war must terminate with victory for ourselves and our allies, but not until our great army reaches Europe.

"We cannot expect to become a decisive factor this year. The chances are the war will continue with a tremendous drain even on our unparalleled resources for three or four years to come. No one has been courageous enough to guess at the expense to us of maintaining an army of two million men in France, and we must have that many men there to accomplish anything. A peace without victory means the continuing, but on a scale tremendously larger, of war preparations for another greater war, which will occur within the next quarter of a century. As a nation we are doing what we must do—no other course is open.

"It is not too soon to consider tremendous problems which will be presented after the war ends, and it is part of wise statesmanship to consider the possibilities of the future. The interesting thing in the world, both from an economic and political standpoint, is the Russian situation. **Nothing so amazing has happened in the world for two thousand years.** Is the world being made over before our eyes? Are the old systems of holding property, of governing even republics, to end with the war?

"A new issue demanding consideration is being injected into the fabric of every civilized government, and its influence is being felt here. Present party differences are academic when compared to the great issue now tendered. **Are we, as a nation, being irresistibly drawn into the maelstrom of Socialism? Are our methods of government established with sufficient strength to resist it?** After all, is Socialism and what it appears to stand for, the governing method which should be adopted here and throughout the world? Socialism, unless it is international, must fail to reach the ideals. These are serious questions and deserve serious consideration.

"How far will we progress in the next two or three years along the lines of Russian Socialism? Under laws now on the statute books, we have confronting us, **an annual expenditure for war pensions of five hundred million dollars—perhaps more than this.** The submission of the prohibition amendment to the States may mean the loss of **three hundred and fifty million dollars in revenue before the war ends.** The submission of this amendment was proper and inevitable. Every Government employee is demanding his compensation be increased. They are rapidly organizing and becoming affiliated with the American Federation of Labor. There can be but one reason for this, to increase their salary.

"The American Federation of Labor is pledged to assist them in bettering their conditions, and this, of course, means a demand on Congress for larger compensation. The demands they are making now mean, if granted, **an increase in our annual budget of one hundred million dollars per year.** We have taken over the railroads. This makes a million additional Government employees. They are all organized and all demanding wage increases up to 40 per cent of their present compensation. Part of their demands, we are told, will soon be granted. We now have on the Government payrolls (counting railroad employees as Government employees) **nearly one-fifth of the adult voting population of the United States,** all demanding wage increases.

"The taking over is hailed with delight, not only by railroad employees, but by stockholders of railroads and

bondholders, who expect their securities under Government control to be more stable than they have been in the past. The holders of railroad stocks and bonds are evidently as anxious to receive compensation from the Treasury of the United States—possibly increased compensation—as are the railroad employees. If the railroad employees and railroad owners are both anxious for the Government to take over the railroads, it is hardly possible that Government control will end with the war. Government ownership of railroads seems now to be inevitable. Government ownership of telegraph and telephone systems must follow as a matter of course.

“There is a strong sentiment in favor of taking over the coal mines, and not even the mine owners are seriously opposing this proposition. If the war lasts two or three years, the taking over of these mines seems inevitable as a war measure. The taking over of developed water power possibilities is already, or soon will be, in process of accomplishment. I think I have enumerated enough possibilities of the immediate future to indicate the danger (if it is a danger) to which I desire to call attention.

“There is a strong demand to compel the larger incomes and well-to-do to pay the increasing expenses of government. We are already taking in excess profits and incomes about thirty per cent, after allowing an exemption ranging from 7 to 9 per cent. In England they take 80 per cent over an exemption to about 8 per cent. Large increases in our taxes on incomes and excess profits are a possibility of the very near future. It is necessary—absolutely inevitable. All the above is Socialism. Millionaire stockholders and employees who work for a monthly or daily wage are all exhibiting Socialistic tendencies without realizing it. Modern Socialism, as now being developed in Russia, means that every man's income must be increased by the State.

“If the present alignment of political parties is to continue in the future as in the past, and if we have on our federal pay rolls nearly one-fourth of the adult voting population of the United States, all demanding wage increases and salary increases, we then have on our pay rolls enough federal employees to determine the election in favor of that political party which will unequivocally promise to agree to their salary demands. If we take over the utilities I have mentioned with as much enthusiastic support on the part of stockholders as the owners of our railroads now exhibit with reference to the taking over of railways, we will have no considerable influential portion of our population opposing the advance of Socialism.

“I might call attention also to the fact that with the enthusiastic support of stockholders and employees in our

shipping corporation we have practically now taken over our merchant ships and are providing for the construction of a tremendously large government-owned merchant marine. When we have taken over the utilities I have mentioned in connection with the utilities we already control, that party which is pledged to a continuation of Government ownership will receive the support of all employees who are demanding still further wage increases and of all stockholders who are willing to agree to those demands, provided their stock dividends are secured by the Government, and that party which promises these things in order to win will win. And when that victory comes Socialism has assumed control and will be ready to start upon the work of carrying out the theories for which it really stands and for which it avowedly stands in Russia to-day, to-wit:

"1.—Essential changes in land titles.

"2.—Modification of our taxing systems, with perhaps a tax on land values.

"3.—Abolition of private property rights.

"4.—Distribution of the profits of industrials among working men.

"How to raise five or six billion dollars a year by Federal taxes after the war is over is one of the most serious problems presented now. Tariff differences between the two parties are not now worthy of serious consideration. Tariffs of the future ought to be arranged to compel each schedule to yield the maximum tariff. In other words, a tariff for revenue only will in the future mean the maximum tariff rate. This will be neither free trade nor protection, but a tariff arranged on this basis cannot be expected to yield over \$400,000,000 a year. As a matter of fact, it is doubtful whether it could be made to yield \$400,000,000 a year, but with a six billion budget confronting us either amount is, from a revenue standpoint, almost negligible. We expect to collect from manufactured tobacco for each year under the increased rates the sum of \$164,000,000. This amount can be increased without injuring the business \$25,000,000 in all probability.

"How can we collect the tremendous balance which remains? I am assuming the revenues from distilled and fermented liquors will grow less as the years pass, and I am not discussing the moral questions involved. Even if this source of revenue remains unimpaired at \$350,000,000, we are still left with the possibility of being compelled to collect annually after the war ends until we have paid off enough bonds to eliminate our interest charge, which will probably not occur within the next twenty-five years, approximately \$6,500,000,000, practically all of which must be collected by direct taxes of various kinds, especially by taxes on incomes and profits."

IS AMERICANISM UNDERSTOOD?

A Patriotic Answer Must Be Found

The ideals of Americanism emanate solely and alone from the Federal Constitution. Up to October 12th, 1776, America was governed by the ideals of Aristocracy—that of landlord and tenant. On that immortal day, never to be forgotten, Thomas Jefferson, member of the Virginia House of Burgesses, introduced a "bill to enable tenants in tail to convey entailed property in fee simple. Two days later he reported a bill doing away with the whole system of entail . . . and the cognate principle of primogeniture followed assailed by the same vigorous hand." This date, October 12th, 1776, stands as a monument and as a milestone in American history, dividing the ruling power of Aristocracy from that of the Democracy of Americanism; first under the democracy of the Continental Congress, and second under that of the Federal Constitution, written in 1787 and adopted in 1789.

When economic questions are discussed the evils of destitution, poverty, and our unjust system of taxation and distribution is fully presented, the common thought to the mind occurs, "What's the Remedy? The answer returned is either the word "Socialism" or silence. It is rare indeed to hear the word "Americanism" uttered to cure the distress now prevailing among the toilers of the nation. Yet, Americanism holds the remedy, if we should care to study what Americanism can do to overcome the ills afflicting the people in every part of American society. All we have to do is to explain and give a truthful meaning of the different American ruling powers, and the results which flow from their bureaucratic proceedings.

● The American people are ruled by five bureaucratic powers. Three of these are absolute: Two are relative. The Federal Constitution not only created but defined the limitations under which it controlled the three absolute powers—the Congress, the United States Supreme Court and the executive power, the President of the United States. As the Constitution is inflexible, unchangeable in ruling power, except as the people change it by amendment, these three ruling powers have also fixed powers under which they rule bureaucratically within the lines of a democracy established. The members of the House of Representatives and one-third of the National Senate are elected every two years. Every four years, with a candidate for the Presidency, the House for the second time, two-thirds of the Senate membership are elected absolutely by the democracy of the people. The members of the United States Supreme Court are appointed by the President, and the Congress holds the power of impeachment over this court; and from these two facts, taken in connection with the power of the people, under and by the provisions of the IXth and Xth Amendments, to add a new amendment to the Constitution aimed to overcome an unpopular decision made by this court, the democracy of Americanism rules the United States Supreme Court whenever it so wills. If Congress enacts laws that, in the opinion of the Supreme Court, are not made in pursuance to the Constitution, then, by the court's decision, these laws have no power and are as if never passed by the legislative branch of our Government. Therefore, from this fact, the Constitution stands for the democracy of the people. If members of Congress prove themselves subservient to venality, inefficient, immoral, or show a lack of statesmanship in legislative enactments, the guilty ones are dropped at the next election, which proves that Americanism means something in a

democracy besides holding fast to the pure essence of recall procedure.

In the Eight-Hour law case, decision given March 20th, 1917, Chief Justice White said: "ALL THE PROPOSITIONS RELIED UPON AND ARGUMENTS ADVANCED ULTIMATELY COME TO TWO QUESTIONS: FIRST, THE ENTIRE WANT OF CONSTITUTIONAL POWER TO DEAL WITH THE SUBJECTS EMBRACED BY THE STATUTE, AND, SECOND, SUCH ABUSE OF THE POWER IF POSSESSED AS RENDERED ITS EXERCISE UNCONSTITUTIONAL." These words mean that if the people do not use their sovereign rights to bring, by amendments, the Constitution up to modern thought from time to time, the Court would be compelled to use its mind of reason in deciding cases which come under practices never dreamed of when the Constitution was instituted. In other words, the Supreme Court wants to be governed by the words of the Constitution if possible, but, as the Court has no power to either change the Constitution or add amendments to it, it says to the people plainly that they must either add such amendments as will create fundamental laws to govern modern conditions in industrialism and concerning congested wealth, or, in defense of our obligations, we, as bureaucrats, will establish our own fundamental laws, by using our mind of reason to decide what we believe is right and just in all modern cases brought before us. Therefore, the democracy of the people falls and becomes withered, when the people fail to do their duty, as the framers of the Constitution intended that they should, whenever occasion found it necessary to maintain the continuity of action and purpose to assure a lasting instrument to govern and represent the word-power of citizen sovereignty to rule a citizen democracy.

History proves that the democracy of the people is not alive and active when State statutory laws are enacted by the legislatures of the several States. The people of Oregon, and other States, too, thought that control of insidious powers would be gained when their legislatures authorized the laws of Initiative and Referendum, but, unhappily, this manner of constructing the laws has not been an unqualified success. The reasons for this are easily seen when we realize the present indifference shown by the people to govern themselves. The socialist thought that the State should look after and care for the people has been the canker sore to this principle of initiative and referendum rule, as it was absolutely un-American from start to finish. At first it seemed to the uninitiated mind that the people had woke up, but, when the novelty had passed, individual interest lapsed and to-day the people look upon this plan of better civic virtue as a dead letter in the law. A little thought and reflection will give the explanation, and then it will be realized that the principle was not laid upon the ground of fundamental law, so that it could withstand the storm of venal and vicious legislation of interested yet of insidious minds. Instead of laying the foundation within the fountain-head of American law—the Constitution, the first and supreme law of the land, the people of the Western States built their plan at the top and it became simply a burden instead of an autocratic power at the base of government, and thus form a law and a force that must be obeyed because of the absolute powers of government—the democracy of the people.

In addition to the three bureaucratic powers, which the people have consented to obey, when called upon to carry out the action to provide safety to a free democracy, the American people are under the dominion of two relative powers more autocratic and more bureaucratic than the three natural powers. The first is corporate industrialism with its power to hire when and whom it pleases; to pay what salaries and wages it pleases; to discharge whenever and whom it pleases; to hold the consumers in bondage to pay the price for product it pleases to charge. The "obligation of contracts" and the "right of private ownership of property," the rights originally given to individualism alone, was assured to the corporations when the United States Supreme Court made it so by its decision in the Standard Oil and other cases; and from the

fact that the people have put no words to the Constitution to define the democratic power of control over corporate business dealings, and coupled with all this negligence by the people, the United States Supreme Court comes in and says that, inasmuch as the court has no guiding words concerning corporations and congested wealth in the Constitution, it must give decisions under the "Rule of Reason" thought and make the enacted law—the Sherman Anti-Trust law—of no consequence in deciding whether large combinations were operating in "restraint of trade." So far as the rulings of the Supreme Court are concerned, judged by the decisions in the cases quoted, we are ruled to-day by that court sitting as bureaucrats in judgment instead of by the fundamental law—the Constitution. The fault of this must be laid at the door of the people, and no governing power may be criticised, or even censured, until the sovereign citizens do their duty to bring their Constitution up to date.

Because of the world's war, the corporations have made enormous profits and have paid dividends upon watered stock from 50 to 1,000 and more per cent. Some people may say that the people of Europe have paid these big profits and that the American people have gained. But a little reflection will show, that while the nations of Europe have paid these higher prices, that price has also been paid upon all commodities by the American people to live. In these days of communication and transportation, the corporations see to it that they sell their product to the highest bidder, no matter from what part of the world that bid may come; and this forces the American people to pay the same proportionate prices as do the people of other nations. The value of commodity to-day is not based upon its cost but upon the necessity of the people to live.

Concentration in all business affairs is now the universal rule, not because stockholders are less humane than individual merchants were in the old days of competition, but because the statute laws, enacted in the past forty years, have created an irresponsible ownership in business affairs under the corporate laws of the States. If infractions of the laws or accidents happen, unless in a vulgar sense of human depravity by owners and promoters, the officers and employees of the corporations are arrested, convicted of crime and must serve unjustly a sentence in prison, when, in fact, individual ownership should be the more responsible. Therefore, when monopolies are created, when unjust profits are taken because of the people's necessities, the force back of the officers and employees should be the responsible agency; and, because of this, what is wanted most is a constitutional power to automatically hold the stock-owning power of our corporations in check, so that their bureaucracy of power over the officers and employees of corporations may not be an influence of harm to the people at large.

Many noble, humanitarian and altruistic thoughts are expressed by the best minds of every age; but, as expressed, develops no power to install them in governmental action. Therefore, the conception of these thoughts by brilliant, God-fearing minds is wasted upon the desert air and comes to nothing. More practical men recognize that autocracy in government is the mighty engine to rule for good or bad. In this enlightened age only two forms of such government are permissible. One where the State takes care of the people from the top: The other where self-government takes care of not only the State but the people, too, from the bottom. One represents the government of Germany: The other represents the American autocracy. These two are antithetical to each other, enemies in fact and therefore at war. The autocracy of the Kaiser, with his satellite nobility surrounding and protecting him, governs the German people and must be obeyed. The autocracy of the sovereign American people, as expressed in words ratified by them to the Constitution, must be obeyed by all people sheltered by the flag representing the Constitution and the American people.

THE BURDEN OF TAXATION

THE CONSUMERS NOW BEAR IT; WHY NOT THE PROFIT MAKERS?

We are at war with Germany, and the American nation must prepare itself to bear the responsibility which war brings when its people declare that occasion and not desire rules the mind of the Nation. Besides being taxed to pay hundreds of millions of dollars as interest upon war bonds, the people will also be under taxation to pay the ordinary and extraordinary expenses which the Government finds it must pay if it is to carry on a great war with other nations. Thus the direct and indirect taxes will be more than doubled and we must expect that new forms of taxation will be laid upon the backs of the people. As the people of the American nation have always understood and have accepted the fact that, in the last analysis, the consumers bear the whole burden of taxation, the cost of living must rise in the same relative proportion as taxes are increased.

The tariff tax upon imports and the Internal Revenue tax upon alcohol and tobacco, the agencies supplying governmental revenue in the past, are now too meager for the greater consideration of a necessary taxation, but, yet, will still form a part of the general plan of future taxes laid. At most, these two agencies, in the future, cannot be relied upon to provide revenues exceeding \$500,000,000 annually for the support of the National Government. Therefore, as these two forms of taxation were the main reliance for governmental revenue by all past administrations up to and including President Taft's regime, now unimportant to the total amount needed, the Government finds itself confronted by tremendous problems when it attempts to raise revenues by taxation from other sources. Up to this time (1917) all the new taxes are so laid that in the last analysis the burden is borne by the consumers and not by the profit makers.

True, we have the personal income taxes and the tax upon business profits when made by persons, co-partnerships and corporations. But, if an examination is made to find the reasons why we have the rapid rise in the costs of all commodities, sold by the business agencies which are taxed upon profits, comprehension answers that it is not these agencies, in the last analysis, which pay these taxes but the people who must buy at the monopoly price no matter how the costs rise from day to day. What is wanted by a free people is a form of taxation which will not permit the profit maker to shift his burden to the backs of the many poor and middle-class people, who, to live, should have food, clothing and shelter in exactly the same proportion as the few rich and powerful enjoy. It is unfair that the profit maker, enabled by government to make profits, should be permitted by law to evade paying taxes in proportion as he makes profits, and that the poor consumer should be loaded down, not only by the price of an increased cost of living, but, added to this burden, he finds himself paying by taxation the full cost of government. Therefore, the tax burden is upon the backs of the many poor and miserable, and the few rich and

powerful, shifting their burden of taxation to the industry and thus to the community, go practically free, except to buy the bonds government must issue to meet the extraordinary expenses of war. But, even in this, the poor and miserable are under taxation, as consumers, to pay the interest on these bonds held by the rich and powerful. This machinery of concentration in taxation produces an undue concentration of wealth to but a few owners, which means that, if some principle of distribution is not inaugurated, all wealth produced by all would flow steadily to their possession. But, if distribution was written into the Constitution, by adding the Geometric Tax amendments, it would mean that either they would be compelled to pay a geometrically greater tax to support government, with a corresponding release of taxation to the producing workers, or, as the owner wills, a greater distribution of profits would be made to the heirs at law or for the public benefit. When distribution is made to the heirs at law, the workers would then have opportunity for higher wages, because of a greater buying power created within the community, and this in turn would give to the workers more and more of prosperity to enable them to advance toward a better and higher order of citizenship.

The *New York American* in an editorial, published April 4th, 1917, made this fact perfectly clear in the following words: "We know, of course, the answer that will be made. You will be told that the rich will have to pay—that the poor pay no taxes. But that is foolish or ignorant talk. ALL TAXATION is finally paid by the working classes—by the people who produce. It ALL comes out of their earnings finally, in some shape. Every dollar of taxation is added to the rent, the cost of living, to the price of every article that the average citizen and his family must buy."

THE DECEIT OF FINANCIAL TRICKERY

In the past the personal income taxes, when the incomes are derived from stock shares of corporations, have been "collected at the source"; that is that the corporation pays the tax before declaring dividends and charges the amount so paid to the expense account. This, then, makes up part of the COST of commodities, and when the consumer buys he pays his tribute to taxation and the stockholder is thereby relieved proportionately. The Secretary of the Treasury, Mr. McAdoo, desires that the words be changed when new laws are enacted, and the corporation shall be compelled to send a statement of facts to Washington, giving full "information at the source," where an examination will be made of all personal income reports; and from these reports the individual will be taxed under the income tax law.*

Bonds of the corporations, representing millions of dollars, have been sold under what is known as the "tax free covenant." In other words, this means that the tax due on the interest paid to the bondholder has been previously charged to the expense account of the corporation and the people have paid it as they bought what the corporation sold. The bondholder was thus relieved from paying taxes upon his income, and this proposition, in an endless chain way, makes continuously the rich ever richer and the poor ever poorer. This sort of financial trickery, based upon "collection at the source," has led to a heavy inflation in bonds sold to the public; and now the "dupes" of Wall Street will find to their consternation that the new plan to collect income taxes upon "information at the source" will force them to pay their allotted taxes upon the interest received from bonds, no matter how they may have been "duped" by consenting to accept a lower rate of interest when buying the bonds.

* Included in tax law, Oct. 3d, 1917.

How the rich and powerful class have deceived and lied in the returns they have made to the Government, and upon which the tax is computed, was developed by discussions on the floor of the United States Senate, August 21st, 1917. Senator Lewis, of Illinois, specially brought out these facts by telling how attempts had been made to mislead the Senate Committee when the War Revenue Bill was under consideration; he said: "On no subject has that performance been more repeatedly dramatized than in the matter of the representation on incomes. There has been more ingenious lying deliberately perpetrated to the face of the representatives on this Finance Committee by men touching their incomes than could be conceived. Men who would shrink from petty lying in the ordinary affairs of their lives and who held themselves up as worthy the approval of their fellowmen in the communities where they live, will come here and under the guise of business necessity justify a form of lying which in other forms would subject them to the charge of perjury and to the pains and penalties thereof. I may startle you to tell you that there is in the Treasury Department this hour established proof of \$300,000,000 swindled out of this Government by perjury, fraud, deception and different forms of commercial and personal trickery under the income tax returns."

In an article written by Senator Hiram Johnson of California and published by the *New York Evening Mail* of September 9th, 1917, he said: "We who favor high taxes of war profits insist the expenses of war should be paid by those who profit by war; that the burden of taxation lies least heavily upon the great mass of our people when taxation can be laid upon enormous sums coined out of our misfortune and our nation's peril; that when the supreme maximum sacrifice is required of humanity, at least some sacrifice should be required of the wealth made out of humanity's sacrifice; that we should not be lavish of our blood and tender of our dollars."

"England took 50 per cent. of her war profits the first year, and we gave our business concerns 100 per cent.; England took 60 per cent. of her war profits the second year, and we gave our people 100 per cent.; England took 80 per cent. the third year, and we—tremblingly and timidly—will take 31 per cent. and give to those who have made literally billions out of our travail and crises practically 70 per cent. of this year's war gains. Every dollar we refuse to take to-day from those fabulous war profits—profits which gave the pacifists grounds for calling this a corporation war—must be paid ultimately by the small merchant and small property owner and the average citizen."

"To-day we have a financial reservoir upon which to draw—a reservoir of war profits which the people have created by their patriotic outpouring of money to finance democracy's fight. The moment war ceases the moment that reservoir dries. Of course those making these profits cry "Wait, wait, wait." They mean that we shall wait until they have safely pocketed their war profits, until the war has ended with unheard-of liabilities and debts upon us all. Then the full bill must be paid by the small merchant and the average property owner; and when that time comes the merchant, the tradesman, the farmer and the ordinary property owner, as he sorrowfully gazes upon his swollen taxes, will wonder why he was indifferent and supine when the endeavor was made to lighten his burden and to compel those who profited by war to pay a just part of the expenses of war."

The earnings coming to capital and labor from the consumers, for the year 1917, are placed at more than \$50,000,000,000. Of this vast sum more than \$10,000,000,000 will be paid to the holders of stocks and bonds. These securities when issued were paid for in full by taking the buying power of the consumers instead of the capitalist's cash, or property at cash value, at the time these securities were issued. If these securities represent wealth value at the present time, we must accept

the fact that the consumers are to-day paying interest and dividends upon their own wealth to those who have captured it. But added to this violation of human justice and human rights, the present system of taxes forces the consumers, whether they be rich or poor, to bear the whole burden of taxation; and as fully ninety per cent. of the American people must work continuously from the beginning to the end of human existence to obtain from others the rewards of labor, it means that the poor and miserable are practically paying the taxes and not these masters of finance who pay no taxation upon wealth and profits, so gained because of ownership of watered capitalization. Under our plan for government ownership, limiting the dividend to ten per cent., on a prior lien security, basing it upon actual inventoried capital, then those who held such corporate capital would be secure and receive their dividends without default. These owners would then be taxed upon incomes by the Geometric Tax tabulation exactly as all other persons would be taxed when they take a permitted advantage of our prosperity to make profits. No one would then be exempt from taxation, but the tax measurement would then be so proportionate toward all that everyone would be relieved from the present intolerant burden and be able to give to the affinities of man all that God and nature says is coming to the wives and children of all men, when the prime—the man—has selected his part and obligation to perform.

CREATION AND MAN'S DUTY

God made Adam. He saw that it was not good for man to be alone. Therefore, He took a rib from Adam's side and made a woman—a dependent upon Adam for support and care; and God placed his primal descendants under an obligation to form an equitable government in order to give safety and equity to their wives and children, so that they would be protected from the riot and anarchy of ignorant, wilful and selfish men. In all the centuries since Adam's time, Man has been the prime and the wife and children have been his affinities depending wholly upon him. If he does not protest against greed and those who found bad and impure government, and thereby fails and falls because he does not, or cannot, do his bounden duty as God and nature has so laid it upon his back, then as he falls he drags his innocent affinities down to the same level and into the same depths of desolation, misery, ruin and anarchy in which he has fallen.

Man is a man and a woman is a woman. God and nature made them so; and no contrivance of man or woman, nor any mundane or economic law, or laws, nor practices by them, will have the slightest power to change the order of God's intention concerning the obligations and duties of the sexes. The solution and the cure of the problem must come by recognizing that each sex have God-ordained duties to perform while fulfilling destiny upon earth, and resentment because of failure by man to secure the full product of his labor, or because he does not form an equitable government for the protection of himself and his dependent affinities, will be of no avail if he does not buckle down to secure what is coming to him from society, after society has given him full worth for what he has produced. If government has enacted laws permitting special interests to raise the cost of living faster than is given to him an increase in income for his labor, then it is his business to see that that government repeals those laws by adding amendments to the fundamental law and make it impossible for such enactments to be made. In this country the Constitution gives to Man the opportunity to do this, and practically places in his hands the solution and to obtain recognition of what is his due as a citizen and a sovereign to rule. Thus taxation holds the secret for bettering human existence.

We must submit to either taxation upon consumption and thereby suffer and grow poor, or, by the knowledge of what the Constitution holds for the American citizen, place taxation upon incomes and profits in such a constitutional manner that will make these taxes stick where put, so that the average citizen would be relieved from paying unjust taxation and thus grow rich.

The Geometric Tax principle, if incorporated within the Constitution, would reverse the flow of taxation by leaving its burden rest where it naturally belongs—upon the citizen who has benefited by receiving incomes from profits gained in business enterprises, secured to him by a government ruled by a constitution installing the profit system and the private ownership of property. This principle in taxation does not tax wealth at all: Only the incomes when capital coming from the use of wealth gains profits for the exclusive use of the owner of that capital. In our larger corporations that owner of capital does not work at all in the business in which his money is invested. He only joins with others to elect the Board of Directors and enjoys himself until the dividends flow in. Otherwise, he rests content because of the security the Constitution guarantees to him.

Therefore, the people protect his capital and not himself, and, with this, the laws of the State direct how the corporation must do business. Any legislation which will tend to disrupt his monopoly, as his kind have instituted, will call from him a vigorous protest. To his mind his future must be protected, and he instantly revolts if the people vote for legislation to maintain constitutional rights for their own protection. Corporate capital of itself can make no profits. Profits can only come when the people as workers rest upon the base of capital, and, by the combination of the two, industry is advanced, finished product appears and distribution to the consumers is made, and satisfaction is given to the two classes interested and concerned under the bargain entered into by both capital and labor. Labor gets its return in wages: The capitalist figures up costs and makes the price not upon costs but on the supply and demand of product. The fault of this is that the capitalist has the control of both the supply and demand, and, if the demand justifies it, he creates more capital by capitalizing the buying power of a distressed community. To pay interest and dividends upon this new capital, so issued, he must increase the price of product. Hence, no matter how he may raise wages and salaries by the power of his monopoly, the cost of living goes up and he practically confiscates all the greater sums he has paid to labor.

RELATIVE POWERS UNDER CONTROL

The two relative powers, corporate industrialism and congested wealth, a great deal more powerful and bureaucratic than are the three absolute powers and authorized by the Constitution, not only relative but concomitant to each other, are seeking to perpetuate their ruling power over the American people. They care not what taxes or other charges are laid against them if they are permitted, by the dictum of the United States Supreme Court and the Constitution, to retain the privilege to lay their supposed burden upon the backs of the poor and middle-class consumers. Give them the power to raise the cost of living and they will immediately fall into what lines the Government may mark out by statutory laws and decisions rendered by the courts. But this represents the spirit of pure confiscation practiced upon a defenseless people. The counter proposition advanced by the monopolist, is, that the price for product is made to do this very thing, so that the business established may have a sum to cover cost and profits. Upon what, pray? Why, of course, dividends upon watered capital. Whose capital is it? Why, of course, the buyers who have owned it by having labored and desire

to spend it as THEY please for food, clothing, shelter and luxuries. It would be absurd to say that the American citizen is a serf; to deny him the right to spend his earnings as he pleases; that his labor and his money belongs to the monopolist, who, to-day, by the bureaucracy of the United States Supreme Court, controls the permission to work and to buy. This is the highest and most supreme question of the day. To answer it only two propositions can be entertained. Either we must permit the financier to capture the increment of value produced by labor for all time to come, or, in justice to the laborer, we must permit him to retain, because of the powers the laborers possess to add amendments to the Constitution, the full increment of value he produces for his permanent upbuilding. We must expect that on this proposition selfish view-points will declare, by one side or the other, that this means that confiscation has been practiced. We believe that American citizens have the self-right to rule and make laws for their future safety. Therefore, we deny that any form of confiscation has been practiced when they make laws to retain what society gives them for their labor.

The business of the capitalist is to put up honest capital to carry on an honest business, and we advocate that a dividend should be secured to him which will enable him to sell his stock share at par, but inversely to that belief, we also believe and hold to the thought that the man who had produced the value should have the superior right to keep it; and to give him absolute power to keep it, the Geometric Tax amendments to the Constitution are advocated, so that no power may prevail against him to his disadvantage. This Government was established to give personal liberty and an equal opportunity to every citizen, because the Constitution makes every citizen the Sovereign to rule, and the law of nature permits every human being to use the power he possesses to advance his material prosperity and for self-preservation to his life and to all he holds dear. Isn't it then right and correct that every worker should interest himself in making the future laws, whereby he may have a brighter prospect to retain the right of higher wages and salaries, and, with it, a continuous lower cost of living?

If our proposition is not acceptable to the workers, then, by the laws and morals that measure what is right from that which human conscience declares is wrong, there can be no escape for them but to follow the old lines of a slipshod industrial democracy, the effect of which would be only to tighten the bonds of servitude upon them, and bring about the anarchy and destitution produced by the impotence of strikes and lockouts. Furthermore, so it is with taxation. If our proposition is not acceptable in the manner how National taxes should be laid, then, in our demand for justice, we would ask that some one would invent a legal non-confiscatory procedure that will not permit the tax-payer, now charged by government to pay a tax upon his profits, to shift his burden upon the backs of the consuming classes. The profit-maker pays the tax first: Then, shall we, the people, insist that the burden of taxation remain where it was put, or, shall we, as serfs of old, patiently bear the burden because we must buy food, clothing, shelter and luxuries to live? This question is pregnant with immense possibilities: The question must be answered now! Not by the suffering of our children's children.

In our chapter on Government Ownership, we advocate that the Government shall buy certificates representing the actual cash value now located in the assets of corporate industry. That dividends declared to Government would, in the same proportion as paid, release proportionately taxation upon citizens to provide revenue for the support of the National Government. For control, the Government should own the major part of corporate securities, and the dividends as declared would give to Government all that it would require from year

to year, so that the citizen may have relief and be free from National taxation for its support. Besides, the Government owning the controlling capital, would not only make for a safer investment for those who had saved a part of their earnings, but would tend to insure regularity and soundness to the operation of all corporate industry.

After the dividends had been paid to Government and the corporations, under our plan, having no National tax to pay and be subject only to State taxes upon realty and personal property, the rates on transportation, means of communication, the service of municipal utilities, cost of all commodities, and the cost of living, generally speaking, would all be reduced to a minimum and correspond to the postal rates as now established by Government. Because, if the Nation taxed the corporations, no matter what that tax might be, the amount paid, as a tax, with a profit added, too, a calculation would be made and the price fixed for the product. This would mean that the consumers, in the last analysis, would pay a higher price for commodities if the corporate machinery of business is taxed directly to pay the expenses of government. Therefore, under our plan, if the corporations have no National taxes to pay, and besides having the dividends limited to ten per cent. upon actual inventoried capital assets, then, of course, no charge could be made to the industry and thus to the community—the people.

The dividends having been paid to the owners out of saved wealth, and the Geometric Tax measurement applied to the concentrated amount of profits gained, then these owners would pay the stipulated tax upon their dividend profits, and would have no possible chance of controlling power to pass what they had paid to the cost of living. This would reverse the tendency of continual higher costs and install the tendency of continual lower costs, caused by an age of progress and of a better civilization to make commodities and things always better and better as the years of enlightenment pass on. Therefore, if we let the personal taxes to support government remain where they are put—upon the backs of the profit-makers, and let the corporations remain as sound American machines for business enterprise and development, whereby our business procedure remaining untrammelled and unshackled by taxes, graft or any commission bureaucracy to rule whatsoever, then we, as a Nation, may have opportunity to compete successfully with the industrialism of autocratic Germany and other nations in the markets of the world.

Furthermore, the workers of a corporation, to protect their own interests, would not permit this tax, the profit-makers pay, to be taken from their own surplus profits, as given to them if the Geometric Tax amendments were added to the Constitution. In other words, what we propose to do is to apply the "check and balance" system of government to corporate industrialism, whereby, no matter what selfishness and special privilege might want, a practical and positive distribution of earnings would take place in the exact proportion as the affinities were entitled to it. The owners of corporate actual capital, whether it be the Government or the private citizen, would then get their share in dividends and be forced to pay the taxes put upon them—the Government to transfer to its treasury all the dividends it had received, and the private citizen to the Government in the exact mathematical measurement as the tabulation of the Geometric Tax dictated. The workers would get their wages as determined by a Board of Governors, made up of three persons elected to the Board of Directors combined with three persons elected by the democratic votes of the workers themselves; this Board would also have power to declare the distribution of surplus profits earned by them alone; the consumers to pay no more than to give justice to the investing powers of capital and labor to oblige a society that it may live, prosper and thrive.

THE GEOMETRIC TAX

THE GEOMETRIC TAX AMENDMENT WOULD INSTITUTE, AND GOVERN, BY THE POWER OF THE FEDERAL CONSTITUTION, AN INDUSTRIAL CO-OPERATIVE CONTROL OVER ALL CORPORATIONS.

The Geometric Tax is a tax levied to reimburse government for the amount of its law used to gain personal profits; the measurement of which is determined by the formula $T = \frac{i^2}{m}$,—the one-one-millionth of the square of the income equaling the governmental tax.

CONSTITUTIONAL PHRASEOLOGY OF THE GEOMETRIC TAX AMENDMENTS.

These Afford the Remedy by Their Self-Governing, Inherent Legal Force, and Are Logical, Practical and Practicable.

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ARTICLE***

Section I.

1. It shall be unlawful after * * * for any corporation to buy or to sell any commodity, or operate a utility, or to transact any business within or between the States, without previously having secured a certificate of actual inventoried efficient capital from the Inter-State Commerce Commission Court at Washington.

2. No such certificate shall be issued to any corporation, except after the court's acceptance of the applicant's inventory of free capital at cash value, judged solely by the cost of replacing of the same.

3. Upon this accepted certificate of capital value, the applying corporation shall be given the right to operate its business within or between the States, and to maintain a price upon its productions which will give to its treasury a ten per cent. annual dividend upon its accepted inventoried capital.

4. All excess corporate income above the 10% per annum distribution shall be wholly expended in maintenance of the corporation's property for the public benefit, or in higher wages

THE GEOMETRIC TAX

for labor and lower cost of commodity or utility; otherwise, it must be paid in cash to the treasury of the National Government.

5. The Government shall retain the power of veto as to excessive salaries paid to corporate officers, which shall be fixed by tabulation governed by the actual capital employed and be proportionate to the amount of annual business transacted; this power shall also extend to the excess of cash capital in the corporate treasury, and to any arbitrary action that may be taken by the corporation against the community.

Section II.

1. There shall be levied and collected from the annual income of each person over twenty-one years of age, from every trust estate, collecting incomes from the people, and from the total amount of individual centralized income, gained from investments in American property by absent persons, for purposes of Federal taxation, in accordance with the geometrical tabulation based on one-one-millionth of the square of each income aforesaid.

2. Incomes amounting to more than five hundred thousand dollars may be de-centralized by distribution in any manner the owner may elect, provided it be to the heirs at law, or for the public benefit, otherwise it must be turned over to the Federal treasury.

3. The Congress shall have power to enforce the provisions of this article by appropriate legislation.

A SUGGESTION

For the common defense in time of war, Congress, by two-third vote of both Houses, shall have power, for the war period, to abrogate clauses Nos. 3 and 4 of section 1, Article; and to pass laws to maintain a flexible scale price upon corporation productions which will give to the Federal Government (the owner in part or of the whole of the prior lien securities representing actual capital of all corporations) such revenues as will make up any shortage gained by taxes upon incomes and from consumption; or revenues derived from bond sales. All excess corporation income above the percentage so fixed by Government, shall be wholly expended in maintenance of the corporation's property for the public benefit, or in higher wages and salaries for labor and lower cost of commodity or utility; otherwise, it must be paid in cash to the treasury of the National Government.

For the common defense in time of war, Congress, by two-third vote of both Houses, shall have power, for the war period, to abrogate clause No. 2 of section II, Article; and to pass laws conscripting personal incomes in excess of \$500,000 to the National treasury.

"As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this to the extent of the difference, is no democracy."—Abraham Lincoln.

THE GEOMETRIC TAX

THE GEOMETRIC TAX GOVERNED BY THIS TABULATION REPRESENTS THE MATHEMATICS OF THE MULTIPLICATION TABLE, NAMELY 2 X 2 ARE 4; 4 X 4 ARE 16; 40 X 40 ARE 1,600; 400 X 400 ARE 160,000, AND SO ON WITH THE CALCULATION OF ALL NUMBERS

TABULATION OF THE GEOMETRICAL CALCULATIONS AS APPLIED, MATHEMATICALLY, TO ESTABLISH THE GEOMETRIC TAX, THE INDUSTRIAL CO-HERENT RIGHT WITH CAPITAL, AND FOR THE EQUITABLE DISTRIBUTION OF INDIVIDUAL INCOMES.*

Tax Rate Per Cent.	Personal Incomes.	Taxation to Pay.
.01	\$100	\$0.01
.02	200	.04
.03	300	.09
.04	400	.16
.05	500	.25
.06	600	.36
.07	700	.49
.08	800	.64
.09	900	.81
.1	1,000	1.00
.2	2,000	4.00
.3	3,000	9.00
.4	4,000	16.00
.5	5,000	25.00
.6	6,000	36.00
.7	7,000	49.00
.8	8,000	64.00
.9	9,000	81.00
1.	10,000	100.00
2.	20,000	400.00
3.	30,000	900.00
4.	40,000	1,600.00
5.	50,000	2,500.00
6.	60,000	3,600.00
7.	70,000	4,900.00
8.	80,000	6,400.00
9.	90,000	8,100.00
10.	100,000	10,000.00
20.	200,000	40,000.00
30.	300,000	90,000.00
40.	400,000	160,000.00
50.	500,000	250,000.00

To illustrate: The one thousand dollar income or accumulated wage geometrically squared (1,000 multiplied by 1,000 equals 1,000,000) equals one million. One-one-millionth of this product is one; for two thousand it is four; for three thousand it is nine; for five thousand it is twenty-five; for ten thousand it is one hundred, and, in the same exact measurement, up to the geometrical limitation of five hundred thousand this constant divisor, controlled solely by environment, may be mathematically used to declare by society what should be a right and equitable distribution from earnings for a laborer's pension due in old age, or, what the exact sum should be for a Federal tax to be paid by each person upon incomes gained from wages, interest and profits.

*"The Geometric Tax," p. 13, by John W. Batdorf.

WHAT THE GEOMETRIC TAX RECOGNIZES AND STRIVES FOR

(1) That the Russian "Bolshevik" (Socialist) movement is a declared menace to the civilization, economics and governments established in all nations; specially to that of the United States. It will advance more conspicuously the thought of atheism introduced in literature by Kant, Hegel, Fichte and Marx. And, because of evidently bad economic conditions now ruling in the United States, occasioned by being governed in fact by the theories of Alexander Hamilton, in one word concentration, the American people are in danger of worshipping "False Gods," as misguided people have done in the past, bending the knee and making obeisance to them, and courting destruction to our instinctive religious observances and the economical and governmental construction of the State.

(2) That the American Government should have a chance to continue its governing mission under the controlling natural power of distribution, the principle of Thomas Jefferson, now that the governing principle of concentration, the principle of Alexander Hamilton, is about to disappear. It is either the acceptance of Jefferson's principles, or, by the inexorability of the times, we will, perhaps, sink under the dominant principle of confiscation—Socialism representing the anarchy of democracy.

(3) That by an Article amendment to the Constitution, we would install the principle of Jefferson, whereby true capital and wealth may have a reasonable safety with a rightful dividend for its use; to reservoir it to the possession of its ownership, safe but for the use of those who must work to live. In other words, to make of it a base for prosperity, for the American people to stand upon, likened to the base of the earth upon which life is protected from destruction.

(4) That recognizance should be given to the fact that private business does not mean public business; that the Constitution assures its inviolability; that refutation must be made of the several decisions of the U. S. Supreme Court that the corporation is a person and that it has the same powers in government and in business as the natural person; that, as the Constitution having no words in its text to define the powers of a corporation, its regulation, the distribution of its earnings, it is now high time to correct this error made by the U. S. Supreme Court sitting as a bureaucracy to govern.

(5) That our prosperity has come because that men of every stage of society have worked mentally and physically to draw from nature its increment of wealth, the power representing the age of plutocracy. This places labor predominantly in the forefront of productivity and what it earns must go, under the philosophy of Americanism, to the powers which have created it.

(6) That taxation should be paid by the beneficiary subject to government in the exact ratio and proportion as that subject has been favored by the powers of government to obtain from other citizens a yearly profit or income. That the sum of the tax shall be mathematically gained by computing it upon the base of the concentrated yearly profits what the measurement of the one-one-millionth of the square of those profits mathematically prove to be. This proposition will give to the National Government not less than \$1,000,000,000 annually, possibly a great deal more, dependent upon what plan of de-centralization should be practiced subject, of course, to the words of the amendment as ratified to the Constitution by the people. Furthermore, under our Government Ownership proposition, the Government would receive, as the owner of corporate securities, from corporations an amount of money annually exceeding \$3,000,000,000 in additional revenue. This latter sum represents that much relief to our citizens in taxation by the acceptance of our plan for government ownership.

WHAT THE GEOMETRIC TAX MEANS

- IT MEANS: That Socialism, when the Geometric Tax principles are a part of the Constitution, will have no power to turn the American people from their faith in God, nor their belief that they are to inherit a place in the Kingdom of God.
- IT MEANS: The preservation and sanctity of religious observances. It condemns the atheism and materialism of the socialist philosophy.
- IT MEANS: That the Geometric Tax promotes co-operative individual initiative in industry and in wealth, and, by contrast, opposes the collectivism of Socialism.
- IT MEANS: That persuasion, displacing concentration, will become the natural governing law to maintain human justice among people of equal degree in sovereignty. sovereignty, **when backed by an inflexible distribution.**
- IT MEANS: That capitalism, instead of striving to satisfy human selfishness, will be eager to lend itself for the public welfare.
- IT MEANS: That labor organizations will be more anxious to please the consumers of their product than to have their minds centered upon higher wages and less hours.
- IT MEANS: That our industrial and agricultural workers would abhor the thought of direct action to obtain a recognition of the rights fundamentally belonging to labor.
- IT MEANS: That labor, having then the power to conserve its own integrity, would inherit the fruits of labor as Abraham Lincoln foretold in his famous saying that "labor is prior to and independent of capital. Capital is only the fruit of labor and could never have existed if labor had not existed first. Labor is the superior of capital and deserves much the higher consideration."
- IT MEANS: That capital and labor combined will then have power of initiative in business enterprises, free from such restrictive laws as the Sherman Anti-trust law; their rights must be respected in corporate industrialism, if the American people are to enjoy personal liberty and to have individual ambition to thrive and do well.
- IT MEANS: That both capital and labor will then derive Constitutional justice in such measurement as to make it naturally impossible for strikes or lockouts to occur.
- IT MEANS: That the loss of human vitality, accumulating each day as the laborer toils, will, in old age, be accounted and paid for in the exact ratio and proportion as he had given production to the community in his working days.
- IT MEANS: That National taxes will be paid by the profit-makers, and that they will have no power to transfer their burden to the backs of the consumers.
- IT MEANS: That the American people will have power, by inaugurating the Geometric Tax plan for Government Ownership, to relieve citizens from paying National taxation of an amount greater than \$3,000,000,000.
- IT MEANS: That the vision of "Equal Sovereignty" with an "Equal Opportunity" to every citizen may come true as an actual fact, because of a Constitutional autocracy to govern within the lines of a democracy.
- IT MEANS: That, as Anti-Socialism is the natural defender of pure Americanism, it will necessarily call upon the American people supporting its cause, to give earnest heed to the study of the Federal Constitution, the history of the American Government, and the aims and purposes of the American form of Government.
- IT MEANS: That the owners of American wealth, and the great minds controlling industry, will be much more concerned about the safety of wealth already garnered, and the industry already founded, than the making of an unusual and immoral future profit.
- IT MEANS: The Hamiltonian Federalist Party failed in 1812: The Government was stabilized under Jeffersonianism by James Madison. The Whig Party failed in 1852: The Government was again stabilized under Jeffersonianism by Abraham Lincoln. The concentration of political, industrial and wealth power is again at the brink. Jeffersonianism or Socialism, both distributing powers in government, the "Lady or the Tiger," is now the "Bolsheviki" before the people. Which shall it be?

Statement made before the Committee on Ways and Means, House of Representatives at Washington, Friday, June 14, 1918, by Mr. H. E. West, representing West & Haslet, oil producers, Independence, Kansas.

"Mr. Chairman, . . . we have two classes of producers; one of them is the conservative man who buys property after it is partially or completely developed, and the other is the prospector. The prospector goes out and tries to find a property. . . . When he is successful and finds a property . . . it requires a larger capital than the average prospector has. He develops his property as far as he can and then he wants to sell it. . . . He is offered a price for his property . . . we will say, \$100,000 more than his cost of production. . . . Under the present law he has to pay from 40 to 60 per cent. of that amount in income and excess profits."

"There are some things that should be remedied. . . . Before the income tax was enacted, he sold the property, and the man or the corporation would prefer to buy. . . . He cannot do that . . . because \$50,000 or \$60,000 is more than he feels his share of the taxation ought to be. Therefore, he stops on that property and seeks a man or corporation that has money. He says to them: 'You pay me for the development I have done here, and I will make some kind of an arrangement with you whereby I have a percentage in the property and you take it over and you have a controlling interest.' . . . The corporation or the man of means moves on to the property and goes along and develops it. The property is developed, but the Government has not received a cent, and if there could be some adjustment or some arrangement made so that this tax could be reduced on sales which cause an income, it would be a benefit."

The Geometric Tax plan offers the principle of Thomas Jefferson to re-adjust economic and business conditions, introduced into American life by the principle of CONCENTRATION to erect a moneyed power to rule.

Mr. West should lease to a corporation all speculative oil properties on a royalty basis only. The profits on his lease speculation, then would have netted him a steady annual return rather than having it frittered away by indulging in gambling propensities.

The corporation owned by the Government, taking the lease, would be represented by a capital expense account for the building of railroads, pipe lines, derricks, mining tools and all other property used in the development of mineral oils. On this capitalization the Government would be assured a return of ten per cent. from the people, by having monopoly power to make the price of oils to consumers to obtain it.

All net surplus profits, at the end of the year, would remain with and be distributed, in proportion to wages and salaries earned, to the workers laboring for the combined Government owned oil corporations; these workers in oil production, as individual citizens, would then be required to pay their proportionate Geometric tax to the Government which had employed them. The speculator also would be required to pay the same proportionate tax as others do upon what he had received from royalties, but, as the tax is relatively small up to an income of \$300,000, no confiscatory principle is involved, if he in turn is patriotic to the Government which had given him power to locate oil wells and to buy and sell with the security that the "obligation of contracts" insures to him. The Government, then, owning all corporations, would distribute the earnings of capital and labor in the exact proportion as earned by each.

The Government, under my thought, would class all oil properties in one separate division, so that it would receive ten per cent. dividend upon the concentrated capital employed in the oil business. Every particular line of business would be held in separate divisions, but, in the last analysis, one representative elected from each division would form a Board of Governors to center and to control all corporate business of the nation.

The Government, in the sense as expressed above, then would be truly the representative of the people. The people all meet every four years on a November day either to indorse a past administration or to erect a new administration to govern the next four years for Democracy. Therefore, the sovereignty of the people is supreme, and American citizens must implicitly obey the Constitution and the Government created under it in time of war.

JOHN W. BATDORF.



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HOW SHALL WE TAX \$8,000,000,000.

Our President, John W. Batdorf, the economist, appeared on June 11th, 1918, before the Ways and Means Committee of the House of Representatives at Washington, and outlined his plan to raise \$8,000,000,000 by taxation without hurt or reaction to the people. In other words, how to assess taxation so that wages and salaries would rise, the cost of living would fall, and how to provide safety for capital and wealth from confiscation.

His plan is based upon the proposition that the National Government shall become the sole stockholder in all corporations. The initial start for this has already been taken by the Government in assuming control over railroads and shipping. Next in order will be the telegraph and telephone lines, express companies, coal mines, oil wells, and such industrial plants as will be required to prosecute the war to win. The common thought of the people to-day, without doubt and wanted by the people at large, is that these business institutions will never be returned to private ownership. We are at the cross-roads of fate; either from this time on we advance towards socialism—Bolshevikism—or, toward an American form of co-operation.

The issued capital, bonds and debts of the corporations are about \$120,000,000,000. Before the war (1914) the Government placed this at \$101,207,534,282.19. If this investment had been inventoried for value at that time based upon new replacement, then it would not have shown a worth of \$50,000,000,000. Owing to great profits made in these times of war, this inventory value now, as new, would be about \$75,000,000,000.

Under clauses 1 and 18, supported by clauses 10, 11, 12, 13, 14, 15 and 16, all of section 8, Article 1, of the Constitution, Congress, with the consent of the President, has power to take over corporate property in time of war and authorize an issue of bonds at four per cent for the prior lien securities established by said inventory. After the war the people can make this action good and inflexible by adding an amendment to the Constitution. This proposal would give to our Government a monopoly over all corporate productions. It would still permit the citizen to operate private business as founded by the Constitution and to gain unlimited profits. By fixing ten per cent as the dividend upon the inventoried value of corporations, the Government would obtain an income from corporations of \$7,500,000,000—\$3,000,000,000 to pay the interest at four per cent on \$75,000,000,000 and six per cent, or \$4,500,000,000, to turn over to the National treasury. This would save the people that amount in taxation.

The Geometric Tax, proposed by Mr. Batdorf, will give to the Government \$1,500,000,000 in revenue, and taxes will be laid in every way proportionate as each citizen causes expense to our Government to keep people in harmony and free from anarchy. The one-one-millionth of the square of incomes would then be the tax imposed upon all citizens. The tax on \$1,000 would be \$1. On \$10,000, \$100—on \$100,000, \$10,000—on \$500,000, \$250,000. In other words, drop your hundreds of your income receipt and multiply $1 \times 1 = \$1$; $10 \times 10 = \$100$; $100 \times 100 = \$10,000$; $500 \times 500 = \$250,000$. All taxes on incomes can be quickly ascertained by using the Geometric Tax tabulation. All other systems tend to confound the mind of ordinary citizens.

To obtain \$2,000,000,000 more—\$8,000,000,000 in all—is now the problem before Congress and the people to solve. For this purpose we offer a suggestion to our proposed amendments to the Constitution in our book, "THE FIRST HORROR OF THE WAR," which would give Congress, if enacted, the power in time of war to use a flexible scale laid upon corporation commodities sold to the people. By raising the proposed dividend to thirteen per cent. on inventoried value of corporations, instead of ten per cent., the corporations, as an agency for the Government, would collect from the people upon commodities already consumed net revenue of \$6,750,000,000, making, with the \$1,500,000,000, collected by having the Geometric Tax placed on personal incomes, fully \$8,250,000,000.

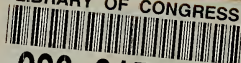
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