

ocracy will not run if the citizens are not willing to make some sacrifices. Part of his time must be given to the city."

#### END OF SKYROCKET FINANCE

While some prominent republican papers are calling "hands off" on additional railroad legislation, the following editorial from the Philadelphia Public Ledger furnishes a re-assuring note that the efforts put forth to secure adequate legislation to curb corrupt railroad financing have not been without benefit to the general public. The editorial follows:

"One definite and positive good which the country has secured by recent legislation is that there can never be another Rock Island. No future 'Dan' Reid and Judge Moore can, through the jugglery of two holding companies, purchase \$75,000,000 of one railroad stock with \$75,000,000 bonds and \$140,000,000 of stock of the two paper companies.

"The era of such pyramiding has gone. The age of floating scores of millions of watered stock upon a guileless public has passed. The real crime of Rock Island is that while the insiders are never fooled afterward by their own overcapitalizations, the innocent outsider is fooled. The old Chicago and Rock Island railway was a paying property, but when saddled with a mountain of securities it couldn't carry the interest load.

"Rivalries of such groups of financiers as the Harrimans and the Reids led to the wildest orgies of holding companies, with secret underwritings and bond issues sold to themselves, as in the case of the Alton. They led, as in the instance of the Union Pacific, to actually fooling a federal court by transferring 300,000 shares of stock to an individual director in order to prove that the railroad company itself did not own a control of a parallel line. Mr. Reid may testify impressively in figures of nine numerals, but the thousands who bought Rock Island's almost worthless shares will never get back their money. That, unfortunately, like the days of such pyramiding, is gone forever."

#### REVENUES AND THE NEW TARIFF

In the opinion of Andrew W. Peters, assistant secretary of the treasury, the new tariff act, under normal conditions, will produce all the revenues expected of it. As a member of the Ways and Means committee of the house, Peters aided in framing the bill. He is quoted in a press dispatch as predicting that during the fiscal year ending June 30, there will be collected customs approximately \$220,000,000, and an income and corporation tax, \$80,000,000. Further he said:

"Notwithstanding the disturbed conditions due to the war, the total revenue under the Underwood law will be about \$300,000,000. The estimate of the treasury department indicates an expected falling off in revenues for the current financial year from customs of \$100,000,000 on account of the war.

"The receipts from customs, however, have maintained themselves at high figures, when one takes into consideration the tremendous disturbance of the commerce of the world which war conditions have created.

"The falling off is undoubtedly due to the effect of the war on commerce generally and particularly of imports from belligerent countries. The imports from these countries are chiefly manufactured articles subject to the higher rates of duty and the value of the imports from France, Germany, Austria, Hungary and Belgium, has decreased approximately \$70,000,000 as compared with that of the previous year.

"Up to the beginning of the war, the records show, the Underwood bill produced all or more of the revenue expected of it at the time of its creation. It was estimated that under the new tariff the receipts from customs for the fiscal year ending June 30, 1914, would be \$270,000,000 and the income tax receipts \$95,000,000.

"The actual collections for that period were: From customs, \$292,128,527, and from incomes \$71,381,275, a total of \$363,701,289. The receipts from customs, in other words, were more than \$22,000,000 in excess of the estimate, while the receipts from the income tax were \$24,000,000 less."

#### SHAFROTH ASSAILS U. S. LAND LEASING

United States Senator John F. Shafroth of Colorado addressed the City club of St. Louis recently on the problems confronting his state as

the result of the efforts of conservationists to introduce the leasing system of portioning out the public domain in preference to the entry system. He declared the leasing system was an unwarranted infringement by the national government on state rights in that it withdrew the property thus leased from taxation by the state, says the St. Louis Republic, which quotes him further as follows:

"The payment of taxes on land for 30 years, together with a reasonable interest on the money involved, amounts to the value of the land.

"Now, if one portion of the land of the state is withdrawn from taxation, as it is under the leasing system, the remainder of the state must bear the additional burden.

"The land thus exempted is among the most valuable in Colorado, including, as it does, the coal district and the water-power district.

"If it is not subject to taxation, an immense amount of revenue will be lost to the state. It has been estimated there are 371,000,000 tons of coal in Colorado.

"The greatness of a state depends on the development of its resources. Men will not consent to operate under government lease. They will not invest millions of dollars in mining machinery or in water-power plants when the government can revoke the lease on some technicality.

"The government should not assume the relation of landlord to any of its citizens. In case the provisions of a lease between individuals are violated the courts will see that justice is done. With the government one of the parties, no redress can be obtained."

#### INDIANA ELECTION FRAUDS

Indiana's new primary law promises to be an effective weapon in the hands of the people of that state to bring about the fall of the political "boss" and further repetitions of the scandalous political practices being revealed in the present investigation in the city of Terre Haute. Speaking of the conditions in Terre Haute, a writer in the Milwaukee Journal says:

"The real question in the Terre Haute, Ind., election fraud cases now being tried in federal court at Indianapolis seems to be whether the will of the voters, whatever that will may be, is to be recognized or set aside utterly. Vote buyers in Adams county, Ohio, several years ago reached the proportions of a great scandal through the number of persons who pleaded guilty to selling their right as electors. But there was nothing to show that the expressed wish of the electors, a bought wish though it might be, was denied effect. In the Terre Haute case, evidence has been introduced to show that professional election crooks voted again and again, that judges of elections were ordered to withhold returns until the gang knew just how many votes were needed from their precinct, and worst of all, that officers of the city were directly involved in the frauds.

"This is a plain attack on the government of any free people. It presents a nice mess for the state of Indiana to clean up, and while she is at it, she might very well look into the extent of boss control in her government. For a rural state, her politics has smelled to heaven. But, after all, this much is true. No one contemplates for a moment the continuance of any thing like the Terre Haute scandals in an American community. That city may be uncomfortably in the limelight for a time, but everyone knows it is going to have clean elections for many years to come."

#### HUGE PROFITS IN SUGAR BEETS

Some interesting disclosures concerning the status of the beet sugar industry in Colorado are published in the Congressional Record of the last session, which tends to disprove the claim that the industry has been or is being ruined by the new tariff act. Senator Thomas, Colorado, obtained permission to have inserted in the Record a copy of a letter containing the substance of a confidential report made by the Great Western Sugar Co., to some of its stockholders and to its brokers, showing the character of its business under the existing law. The letter says in part:

"Taking their own figures, they paid to the farmer \$5.50 per ton for his sugar beets, from which they recover about 270 pounds of sugar—about \$3.75 per hundred pounds. Multiplying the 270 pounds by \$3.75 a hundred, they receive \$10.32 for the sugar extracted from one ton of beets. In addition they sell back the pulp, which is the residue of the beets after the sugar

has been extracted, receiving from the farmer from 50 cents to \$1 per ton therefor, or else they feed it to their own stock, which they fatten for the market. The proceeds from the sale of this pulp about pays for all factory operation; therefore the net earnings on each ton of sugar beets is the difference between the \$5.50 paid to the farmer and the \$10.32 received from the consumer.

"The Great Western Sugar Co. statement shows that, in addition to their enormous holdings of cash and other properties, they have between \$5,000,000 and \$6,000,000 invested in other companies. The officers of the company tell those on the inside not to urge any increase in dividends nor to ask for any statements until the tariff agitation is over, for by doing so they would destroy any hope for a retention of the tariff, telling them the people of Colorado would not support them if they knew the inside story. \* \* \* It is generally accepted that if the earnings of the subsidiary companies were included in the profits of the parent company there would be somewhere in the neighborhood of \$26,000,000 earned during the past ten years, after the payment of dividends of 7 per cent on about \$13,500,000 of preferred stock and 5 per cent on about \$10,800,000 of common stock.

"Here are two extracts from a letter in my possession. It is to a New York banker from a prominent official of the Great Western Sugar Co. It was given me in strictest confidence, and I am not at liberty to use the names, but you may depend upon it as authentic: 'The Great Western Sugar Co. should net, after all expenses and dividends are paid, something like \$7,000,000.' And this, remember, on an outstanding capitalization of \$24,000,000. \* \* \* 'The talk from the sugar company officials is not particularly favorable, for the reason that in 1914 they reduced the price to \$4.50 per ton, and they are raising a great hue and cry regarding their inability to get seeds from Germany.'"

#### PURE ADVERTISING LAW IN KANSAS

The pure advertising law passed by the last Kansas legislature furnishes a model for legislation to protect the public from fraudulent and misleading advertising. Following is a copy of the law:

"Be it enacted that any person, firm, corporation or association, who, with intent to sell or in any wise dispose of any merchandise, securities, service or anything offered by such firm, person, corporation or association, directly or indirectly, to the public for the sale or distribution or with intent to increase the sale or consumption thereof, or to induce the public or any person, in any manner, to enter into any obligation relating thereto, or to acquire title to, or an interest therein: who makes, publishes, disseminates, circulates or places before the public, or causes the same to be done, either directly or indirectly, in this state, whether by newspaper publication or otherwise as herein provided, any label, notice, handbill, poster, bill, circular, pamphlet or letter or in any other way any advertisement of any kind or character regarding merchandise, securities, service or any other thing or commodity offered to the public, which advertisement contains any assertion, representation or statement which is in fact untrue, deceptive or misleading, shall be deemed guilty of a misdemeanor, and upon conviction in any court of competent jurisdiction, shall be fined in any sum not exceeding \$500 or by imprisonment in the county jail not exceeding one year or by both such fine and imprisonment for every such offense and each day such publication or communication shall be published or disseminated shall constitute a violation of the provisions of this act and shall be deemed a separate and distinct offense; provided also that the provisions of this act shall not apply to the publisher of any newspaper or other publication who publishes or causes to be published, disseminated or circulated a written or printed statement prohibited by the provisions of this act without knowledge that it is false."

#### INFORMATION WANTED

Mr. T. A. Shorthill, 907 S. K. St., Tacoma, Wash., asks if any of the subscribers of The Commoner can tell him where he can find the poem beginning with the words: "We are building a building," which relates to the building of character. Also a poem in which these lines occur:

"Some are drifting on to glory,  
Others drifting on to shame."