

Mr. Hoover sees in the Father of Waters one of the great arteries in a new waterway system that will spread from the Gulf of St. Lawrence to the Gulf of Mexico, with branches from New York and Pittsburgh in the East and from Duluth, St. Paul, Sioux City, Little Rock, and Houston in the West; with branches up into Alabama from Mobile and down into Tennessee and Kentucky and West Virginia from the Allegheny and the Ohio. This system will include the Great Lakes and the St. Lawrence, and the Barge Canal from Buffalo and down the Hudson.

The floods have awakened and re-awakened the Nation. Perhaps such a vision as Mr. Hoover proposes will keep it awake. Instead of thinking of the Mississippi as a devastated region to be repaired, Mr. Hoover is thinking of it as a great resource to be employed. For thirty or forty million dollars a year, ten per cent of our present surplus, the channels of the Mississippi can be dredged, the St. Lawrence waterway completed, the Great Lakes stabilized, and the cost of Mississippi flood control can be met.

*Transmuting a flood into a fortune is nowadays the trick, not of a magician, but of an engineer with imagination—not of a genie, but of a genius.*

### A Hopeful Sign

THE prosperity of the Philippines is of far more immediate importance to the Filipinos than the political autonomy of the islands; but it has been very hard to make them see it. It is encouraging to notice that Mr. Quezon, who is President of the Philippine Senate and is the most prominent leader in the movement for early independence, has hardly mentioned that subject in his utterances since he arrived in the United States quite recently.

On the contrary, Mr. Quezon has repeatedly declared that he and his political friends were anxious to join with the United States Government in hastening the economic development of the islands. Of course he did not announce any intention of abandoning the campaign for independence, but his real interest now seems to be strong and genuine in the other matter.

For instance, Mr. Quezon said: "Concerning the report that we have come to induce the President to change his policy, and that therefore we are ready to

co-operate on a program of economic development, I want to say that I have not come with any purpose of making any so-called deal, much less to try to induce the President to change whatever policy he may have."

The significance of this declaration is the more apparent when we remember that it is only a little time ago when despatches from the Philippines stated that it was feared there that General Wood's policies and hopes for the islands were in danger and that Mr. Quezon was coming to this country for the express purpose of changing the President's views, which were well known to agree with those held by General Wood.

*Education, civic sense, self-government in step with unselfish patriotism—there lies the road in the Philippines for peace and prosperity.*

### Crime and State Lines

AROUND New York Harbor has grown up a great metropolitan district. It has numerous common interests; but it is divided by a line that runs between two States. The metropolitan district that extends into New Jersey has perhaps more in common with the rest of the metropolitan district, which is in New York State, than it has with the rest of the State in which it is actually situated. At least in certain particulars the common interests of these two parts of the metropolitan district are as strong as those which bind the people of any State together.

This situation cannot be provided for, except in small measure, by the Federal Government. As a consequence, the two States of New York and New Jersey have had to come to certain agreements concerning this area. One product of agreement between these States is the creation of the so-called Port Authority. This organization has control over certain matters pertaining to the port which is inclosed by territory of both States. Similarly, the two States have created together a great park which, although all on one side of the water, serves the whole metropolitan area and comprises territory in New York as well as New Jersey.

But over the activities of criminals the two States yet exercise wholly separate sovereign powers. And yet the criminal has no more regard for State lines than he has for any other imag-

inary boundaries—except to take advantage of them. The business of criminals of a certain type has a distinct metropolitan aspect. This has roused the interest of a Democratic candidate for the Assembly of New York, William J. Rapp. Traffic in stolen goods, he says, "is an industry," and "is carried on mainly by water, rail, and automobile between New York and New Jersey." He adds, in particular, that "the activities of the receivers of stolen goods are inter-State, and the remedy must be inter-State." Mr. Rapp gives an example:

In one case in particular with which I am personally familiar the fence [which is the criminal's name for professional receiver of stolen goods] informed six underworld characters that a certain shipment of raw silk would be received in New York on a certain night. The fence agreed to pay them \$1,000 each for the delivery of this silk to a stated place in New Jersey. In conformity with this agreement the silk was stolen in New York and only delivered in New Jersey to the fence, who paid the thieves \$6,000 exactly, as had been planned and agreed on.

Mr. Rapp proposes to introduce a bill to meet this inter-State business in crime by establishing a joint crime commission between the two States. His Republican opponent approves a "fence bill," it is reported, if it is drawn up properly. So in this Assembly district the opposition to inter-State crime seems unanimous.

*Partnerships between States may thus be stimulated by partnerships between criminals.*

### A Fighting Editor

MAXIMILIAN HARDEN, who died in Switzerland on October 30, at the age of sixty-eight, for thirty-five years edited "Die Zukunft" (the Future), which has been described as the best-known, the most admired, the most feared, and the most detested paper in Germany. He was combative, inconsistent, but always daring. Compared with the sycophantic, politically controlled German writers for the press, he stood for liberty of expression. The service he did Germany was to keep alive the flickering flame of independent political thought.

As long ago as Bismarck's fall Harden attacked Wilhelm II, and his hostility to the Kaiser was unveiledly contemptuous. In theory Harden was



Keystone

### MAXIMILIAN HARDEN

Foe of the Kaiser

opposed to all war, yet he joined in approval of Germany's militarism in 1914, and even went to the extreme of saying: "Let us drop our attempts to excuse Germany's action. Not against our will did we hurl ourselves into this gigantic venture. We willed it. Our might shall create a new law in Europe." But this did not in the least hinder him from attacking bitterly everything the Kaiser did or said.

Ridicule was Harden's weapon, and he used it mercilessly. Over and over again "Die Zukunft" was suppressed, once for a whole year, but as often as it was revived it ridiculed imperialism and clamored for independence of German thought. Before the war Harden exposed the personal corruption in certain Court circles, and when his exposure led to libel suits he fought the cases and left his enemies scathed by public opinion.

Harden has been compared to Heine, largely because (in origin though not in faith) he was a Jew (his original name was Witkowski), but partly because his pen was so bitter and his respect for the great ones of the earth was non-existent. His boldness is illustrated by his attack

upon the German war leaders as hypocrites because they did not openly say that they seized upon the Serajevo incident as an excuse for a war of conquest long planned. Yet he wrote in favor of that war. If he cared anything for the rights of other people than his own, he never showed it.

*Among free people Harden would have been impossible; among generals, Junkers, rich industrialists, and an egotistical monarch Harden was a valuable explosive.*

### Mr. Mellon's Proposals for Tax Reduction

PUT in a simple form, Secretary Mellon's recommendation for the reduction of Federal taxes is, first, to keep the total reduction down to a moderate sum—\$225,000,000 is the amount he recommends. More than half of this, he thinks, should be gained by reducing the corporation tax from 13½ per cent to 12 per cent and by repealing the inheritance tax; nearly all the rest would come from two sources—\$3,000,000 or

more could be gained if small corporations should file their returns as partnerships; \$50,000,000 could be taken off by readjusting the rates on individual incomes ranging in amount from \$16,000 to \$90,000 a year.

In answering questions put by members of the Ways and Means Committee of the House of Representatives, summoned to Washington to hear the recommendations of the Secretary of the Treasury, Mr. Mellon's Under-Secretary, Mr. Mills, showed that to reduce the corporation tax by two instead of one per cent, as some of the Committee desired, in order to keep the inheritance tax, would result in too much reduction (\$50,000,000) and would be unwise and excessive.

The most interesting point in the Secretary's recommendation was that substituting partnership returns for returns made by small corporations. Mr. Mellon holds that now small corporations endure a real hardship and that the stockholders pay twice—first, by reducing their dividends through the corporation tax; second, by paying individual taxes on the dividends they receive. Most of these small corporations (say those with net incomes of \$55,000 or less) would pay less tax as partnerships than they do as corporations.

It was not, however, the double taxation (which is a debatable point) that was the strongest ground for Mr. Mellon's recommendations concerning taxes on the smaller corporations. It was rather that in taxing corporate income special relief should be granted to the concerns that are like partnerships though they do business in corporate form. These constitute the vast majority (232,316 out of 252,334) of all corporations reporting net income.

As to the taxpayer who pays only the normal income tax rate, it is considered that his burden has been lightened fairly well under the reductions already made.

Mr. Mellon vigorously opposed reduction on automobile taxes or on theatre tickets, instancing the people who paid \$40 a seat for tickets to the Dempsey-Tunney fight as being well able to pay also \$3.65 to the United States for their half-hour's amusement.

For the fiscal year of 1928 Mr. Mellon estimates a surplus of \$455,000,000; for 1929, \$274,000,000.

*In times of prosperity pay off part of your debt is good doctrine for the Nation as well as for the individual.*