

The Freeman Defeats Morgan-Mussolini Swindlers

Mussolini, the bandit dictator of Italy, has suffered a severe beating at the hands of The American Freeman and The Freeman Army. Our Morgan-Mussolini Special Edition of March 21, exposing the bankruptcy of Mussolini and the brazen dishonesty of his attempt to slip three billion dollars out of American pockets, achieved its purpose in stopping the swindle scheme prepared by Mussolini and the American banking house of J. P. Morgan and Company. The announcement is now made by the Associated Press that Mussolini will not try to raise loans in America or other countries but that he will put over a forced internal loan—that is, a loan which must be financed by Italians who are under Mussolini's iron heel in Italy.

This is a forced loan and it is a loan which names no date when the bonds will be due for repayment. Ordinarily bonds are guaranteed for repayment within a certain time limit—ten or twenty or thirty or fifty years. The bonds state on their face that they will be redeemed on a certain date. Not so with these new Mussolini bonds. The dictatorship need never redeem them. They can run on forever. Mussolini will pay when he feels like it—and if he feels in the mood. The interest payments are not worrying Mussolini. He and his grafting confederates are mortgaging the future to fatten their own pockets in the present. They leave future governments of Italy to struggle with this added financial burden. Mussolini is after all he can grab now—and let the future take care of itself.

Bonds will be issued to the amount of 360 million dollars. About half of that sum will be used to pay off earlier bonds which fall due in November of this year; and the rest, it is said, will be used "to finance public improve-

ments and to cover the budget deficit." The italics are ours; that admission is interesting, as Mussolini has heretofore attempted to conceal his bankruptcy by juggling the budget figures. Now a deficit is plainly admitted because Mussolini can no longer conceal it, in view of the terrific criticisms and exposures brought against his dictatorship—exposures culminating in the Morgan-Mussolini Special Edition of The Freeman, which undoubtedly was responsible for the specific and tremendous victory of defeating the project of a three billion dollar Italian loan in the United States.

No other paper exposed or opposed this loan. The Freeman was alone in its fight—and that fact only added strength and determination to The Freeman's attack. A monstrous swindle was proposed and The Freeman, true to its crusading policy, went into action without delay. Our loyal readers of The Freeman Army circulated thousands of extra copies of that Morgan-Mussolini Special Edition. That Special Edition was welcomed by the American anti-Fascists—opponents of Mussolini's criminal dictatorship—who assisted in circulating it and who broadcast its articles over the radio from New York City. The results were swift and complete. The proposed American loan was made impossible. It was abandoned as a direct consequence of the Morgan-Mussolini Special Edition. In the face of The Freeman's exposure, such a swindle must have failed. We knew that the American people could be swindled in this manner by Mussolini and Morgan only if they were prevented from learning the facts. It was our resolution that the American people should know the facts—and we succeeded in our plan. There is no doubt that the three billion dollar swindling loan would

have gone through if The Freeman had not published its quick and dramatic exposure. The swindling loan was definitely announced. It was thoroughly planned. Capitalistic newspapers and other conservative journals of news and opinion would not oppose it. It was supposed that the American people could be quietly, easily robbed of three billion dollars. But the Morgan-Mussolini scheme was completely exposed and denounced by The American Freeman and thus a great financial crime—as well as a great social and political crime in the conspired support for Mussolini's brutal dictatorship—was prevented by this paper and its wonderful army of agitators.

We hope that the failure of this American loan will hasten the end of Mussolini's reign of robbery and terror in Italy. He needs money desperately and he cannot raise huge sums without foreign loans. It is to be hoped that the necessity of making a forced loan from the Italian people—in other words, ordering them to stand and deliver—will quicken the spirit of revolution in Italy and that it will be the last outrage that Mussolini will have the power to perpetrate. It ought to be the end of Mussolini, when he commands the Italian people to lend him 360 million dollars and refuses to name a definite date when he will pay back the money. This is an extortion to which the victims of Mussolini, individually, will have to submit unless, as a nation, they rise in revolutionary wrath and kick him out of power. The Freeman has done its part. It has prevented Mussolini from supporting his dictatorship by American funds. We are sorry for the Italian people. But it is their job to end Mussolini's dictatorship. That is their only hope and it is our best hope for them.

Our Vital Slogan—
Expose the
Evils of Hooverism

The American Freeman

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Canadian Public Power System Shows Up the Amazing Robbery Practiced by the Power Trust in United States

The great power companies in every part of the United States which, linked together closely in a common policy of exploitation and propaganda, form the colossal Power Trust are in the business of selling electric light and power for all the profits they can make this mighty traffic bear. To the very individualistic American this may sound like a statement of natural law. "Of course," he will say, "these private power companies are in business for profits. They must have profits or they couldn't operate. This is economic law and it is human nature." But we should immediately put several questions to this individualistic American.

Does he think that an economic law makes it necessary and therefore right for the power companies to charge two or three times what electric light and power are worth? Two or three times the rate at which electric light and power can reasonably be supplied to the consumers? Does he think that it is human nature for the millions of Americans who use electricity to want to be robbed on a tremendous scale, year after year, so that the owners of the Power Trust can amass huge fortunes? Is there any reasonable limit to profits?

Success and Service

Again—and this is the most vital question—is it sensible to uphold a private power monopoly, charging outrageously excessive rates, when there are publicly owned power plants which supply power and light cheaply to the people? Is it right that American users of light and power, buying their light and power from private companies, should pay nearly five times as much as users of light and power in the province of Ontario, Canada, buying their light and power from a government-operated company?

The argument of human nature works both ways. Granted that it is human nature for the power companies to charge all they can, it ought more insistently to be human nature that the people should resent highway robbery and demand just, reasonable rates for the light and power that they use so commonly and that, if fairly priced, they would use to a far greater extent. Is it possible that, to uphold a theoretical attachment to the idea of private ownership and initiative and individualism, the majority of Americans would deliberately decide that they would rather pay 7.2 cents a kilowatt-hour for electricity than pay 1.7 cents per kilowatt-hour for electricity? It is difficult to believe that most Americans would be so crazy. We are sure they do not realize the vast extent of the robbery which is practiced upon them by the power companies nor the contrast of success and service which is exhibited by the operation of publicly owned power plants, on a comparatively large scale in Ontario, Canada, and on an impressive scale in a number of American cities.

A chart made by Judson King, head of the National Popular Government League in Washington, D. C., shows clearly the extreme difference between power rates in Ontario and in America. The chart covers the period from 1910 to 1928, inclusive. In the former year power was privately sold in Ontario and the rate was 9.3 cents per kilowatt-hour. The American rate was in that year a little more than 9 cents, but

Public Service At Less Cost

A citizen of Niagara Falls, N. Y., paid \$9.64 for one month's electricity bill. He bought this electricity from the privately owned power company in his city. Just across the river in Niagara Falls, Canada, electricity is generated and sold by the Hydroelectric Power Commission of Ontario province. For the same amount of electricity, generated in both cases from the water power of Niagara Falls, the Canadian citizen paid only \$5.20. His original bill was \$5.77 but he received a discount of ten percent for prompt payment.

Faced with these figures—and the many other figures we cite in this Special Edition—will any American citizen be so foolish as to repeat that Hoover's "economic individualism" is a peculiarly virtuous and beneficial system? We do not see how any American citizen can avoid the conclusion that this "economic individualism" is an arrogant, unscrupulous system of robbery. Natural resources are monopolized by private interests and the people are charged terrific prices so that these private interests can maintain their high profits and privileges.

Ontario has a power monopoly owned by its citizens and serving them honestly—a system freed from the tremendous, selfish burden of private profits. In America the Power Trust rules and robs. And remember that Herbert Hoover is the Power Trust's best friend. He vetoed the Muscle Shoals bill and his appointees are brazen creatures of the Power Trust.

slightly below the Ontario rate under private ownership. It was in 1910 that Ontario citizens, and especially leading business men who resented the overcharge for the power necessary to run their businesses, started the plan of public ownership and operation.

The purpose was to generate and distribute electric light and power at cost to the consumers—at cost plus an amortization fee, which would steadily build up a fund to pay off the bonded indebtedness of the public power organization, so that in a period of thirty years the people would own a completely debt-free organization. The people would, in other words, be paying far lower rates for light and power and at the same time would be paying for their ownership of the facilities—buying the plants, that is, so that when the cost was fully paid rates would be reduced even lower. Contrast that with the system in America, where consumers pay two and three and five times the Canadian rates and yet never have the slightest ownership interest in the power plants; the American consumers buy the private power plants many times over yet never own so much as a brick in one of the buildings.

The provincial legislature of Ontario authorized the formation of a Hydroelectric Power Commission, which was to generate electricity on a large scale and convey it by

transmission lines to such municipalities in the province as wished to enjoy the benefits of the public system. The cities and towns bought their power from this provincial organization, operated strictly for the public welfare, and redistributed it among the local citizens. The city or town was required by law to pay strictly for the amount of electricity it consumed and to establish fair charges that would support the local bonds issued for the enterprise, that would be sufficient for the proper maintenance of the system, including depreciation, and that would leave an amortization fee, which would in thirty years discharge the whole cost of the public system.

A Practical System

Bear in mind all of these reasonable, business-like factors, which were considered in the charges for electricity. There was nothing heedless nor unscientific about the system. The people were not supplied with electricity at a rate lower than cost, so that the government would have been giving the people something. The people, on the contrary, paid fairly and fully for all the electric light and power they used; they paid more than actual cost, as the rates included the amortization fee which will pay for the system within thirty years from its beginning (or by 1940)—and that system, when paid for, will be the people's property and not the property of a private company. This system has occasioned no increase in taxation, as it has more than paid for itself; and this is true of the many other public power enterprises.

The Ontario system succeeded from the start and, as gradually more and more towns took advantage of it, rates were naturally lowered, on the well-known principle that it costs proportionately less to supply a greater number. Finally the farmers of the province wished to share in this fine public service; and provision was made for the formation of farmers' cooperatives, which could buy and redistribute among their members electricity under the same system as the towns and cities. As there were fewer farmers in a given area to be partners in this enterprise than was the case in cities and towns, and as the cost of establishing the system would thus be so much greater for each individual farmer than for each individual town dweller, one-half of the cost of the transmission lines to farmers' cooperatives was borne by general taxation. Excepting in this one fair and understandable instance, not a cent of taxation has been levied for the support of the Ontario system of public power production and distribution. The system has paid for itself, has provided for every item of cost, and has charged steadily lower rates to the consumer.

The chart by Judson King shows a sharply descending curve to represent Ontario light rates. You will remember that in 1910, under private operation, Ontario light rates averaged 9.3 cents per kilowatt-hour. By 1928 the average light rate for twenty-five Ontario cities had dropped to 6 cents per kilowatt-hour; with fewer customers to serve, the rates were somewhat higher in the smaller communities and in the countryside. In 1914, however, the average light rate for all the province of Ontario was 5 cents per kilowatt-hour. In 1928 the average rate for all Ontario was

Making the Profits Come Down

Hamilton, Ontario, obtains its electricity from the Hydroelectric Power Commission of Ontario. The highest rate for domestic electric service in this Canadian city of 125,000 people is 2 cents per kilowatt-hour for the first sixty kilowatts and after that 1 cent a kilowatt-hour. That is a rate at which the publicly owned system can maintain itself, pay all costs and lay aside funds for the retiring of the bonded indebtedness so that the people of Hamilton will in a few years have paid for and will own their power facilities. They are benefiting now and they will benefit more in the future.

There is also a privately owned power system in Hamilton, which was operating before the public system was established. This privately owned system has been compelled to meet the rates of the public system. It charges exactly the same rates—otherwise it would have no customers. The difference will not escape the reader. The rates of the publicly owned system include a percentage for paying off the indebtedness of the system, which will belong to the people. The rates of the privately owned system also include this percentage, which is taken in profits by the private system. The people are paying for one system—and they will own it. They are paying for the other system—and they will keep on paying for it, never owning it. And when the public system is fully paid for, rates will be further reduced for its customers. Profits come down—and the majority benefit.

1.7 cents per kilowatt-hour and for twenty-five Ontario cities was 1.5 cents per kilowatt-hour.

The rate of 7.2 cents is the average for 32 American cities—a representative selection, even including some cities that have public ownership—and the rate of 1.5 cents is the average for 25 Ontario cities. The total population of the American cities was 25,000,000 and of the Canadian cities 1,179,000.

During these eighteen years there was a continuous decline in rates in Ontario, while in America there were slight declines, followed by upward curves; the average for the whole period of eighteen years dropping only from a little more than 9 cents per kilowatt-hour in 1910 to 7.2 cents per kilowatt-hour in 1928. These figures are eloquent proof of the colossal arrogance and greed with which the American people are being robbed through the operations of the private power companies in this country. This wide difference between a charge of 1.5 and 7.2 shows clearly why the Power Trust wants to keep its grip upon the American system of light and power. Obviously, with such immense profits, here is a source of endless fortune and financial power. It is the biggest graft in America, when one considers not only the enormous profits (as exposed by comparison with the Canadian system) but also the

vast distribution of electricity, which goes into millions of homes and thousands of offices and factories.

Electricity is the greatest force, the greatest factor of common life and industrial life, in the modern age; and we Americans permit this immense, useful, modern force to be held in the greedy, profit-picking hands of private power companies. It is also significant that in Ontario, Canada, and in American cities which are fortunate enough to have a public power company selling at cost there is a wider use of electricity. It is generally understood that nearly everything can be done by electricity; every conceivable work of the home can be done electrically; homes can be heated cleanly and agreeably by electricity. The people understand this but in the United States the cost is too high for a full use of electricity by the average home.

The Power Trust is denying millions of Americans the fullest use of this great modern source of light and power. Science, which should bring every advantage to the modern world, is defeated by the profit motive—the motive of greed.

Robbing Every Home

Just suppose that private companies owned the air and charged such high prices that we had to limit carefully the air we breathe—wouldn't that be outrageous? But it is really no more outrageous than the fact that private companies do own the electricity and charge such high prices that most people must strictly limit their use of this great bringer of comfort and saver of time and labor. The Power Trust reaches into every American home (excepting those in cities which have public ownership) to rob the home by excessive charges—charges which, in plain words, amount to highway robbery—and to deny the home a full, fair use of the great electrical advantages. Yet these are advantages which, under a public system, can be used fully and cheaply. Ontario, Canada, has proved that.

One more comparison, as between Canada and America, will be interesting. It is especially interesting because it is a comparison of electric light rates in Niagara Falls, N. Y., and Niagara Falls, Canada. The two towns are separated only by the river and the electricity for both towns is generated by the water power of the celebrated Falls. The big and vital difference is that Niagara Falls, Canada, is supplied with electricity by a public system while Niagara Falls, N. Y., is supplied by a private system. So now let us see what a wonderful blessing is Hoover's "economic individualism."

On January 26, 1929, Senator Norris of Nebraska—the leading opponent of the Power Trust—quoted to the United States Senate a light bill that had been sent to him from Niagara Falls, N. Y., and contrasted it with the rate for the same amount of electricity in Niagara Falls, Canada. A man on the American side, using an unusual amount of electricity for a seven-room house (256 kilowatt-hours in one month), paid a rate for the month of \$6.44. There was no discount on that bill, but on the contrary there would be an added penalty of ten percent if the bill was not paid before the tenth of the month. That rate of \$6.44 was a cheap rate for America—

below the American average and thus excellent for the purpose of comparison.

Across the river on the Canadian side, a man in Niagara Falls, Canada, would have been charged only \$3.28 for the same amount of electricity—only a little more than half the American charge. But that is not all; the Canadian home owner would receive a discount of ten percent for the prompt payment of his bill, so that he could have that amount of electricity for only \$2.96; so that, actually, electricity is generated and sold on the Canadian side for less than half the charge made on the American side.

Remember that on both sides the same generating power—Niagara Falls—is used. Bear in mind also that the Canadian system makes full allowance for all costs of generating and distributing the electricity; it is a system that pays its way but doesn't rob the people.

There is about the same difference between the cost of electricity for industrial power in America and in Ontario, Canada. Industrial electricity, being consumed in such large amounts, is less in cost, as compared with domestic electricity, under both systems. But the charges for industrial as for domestic power are about half, in some years less than half, in Ontario what they are in America. Another chart prepared by Judson King shows that in 1925 the average rate for industrial power in the United States was 11.5 mills, in Ontario 6.1 mills; in 1926 the United States average charge was 12.3 mills, in Ontario 6.0 mills; in 1927 industrial power cost 13.5 mills in the United States and 6.2 mills in Ontario; and in 1928 the comparison was between 13.4 mills in the United States and 6.0 mills in Ontario.

The comparison is startling—that is, it ought to startle the American consumer of electricity who has not realized how he has been systematically robbed by the Power Trust. If this American is individualistic (as he probably is) the comparison should lead him to revise his opinions about

the blessings of private initiative. It should make him think more critically about that "economic individualism" which Hoover says is the best of all possible systems in the best of all possible industrial worlds. It should impress upon this average individualistic American the clear social truth that public ownership means the adoption of the principle of public service at cost in place of the private-profit principle of charging all the traffic will bear.

The operations of the Power Trust in the United States are a major social crime. Let us not be polite. Let us call these operations by the name of highway robbery. The American people are being charged from two to five times what electricity is reasonably worth; and these exorbitant charges have but one purpose—namely, to swell the fortunes and build up the gigantic monopoly privileges of the Power Trust. Our government, under the blessed regime of Hooverism, is cooperating with the Power Trust in its robbery of the people. Government water power sites, valuable sites belonging to the people, are leased to the private power companies so that these companies can strengthen their exploitive hold on the people. State public utilities commissions permit these power companies to charge these excessive, robbing rates based upon inflated valuations.

It is a thoroughly dishonest system. There is no justification for this system—unless one brazenly upholds the notion that the Power Trust has some sort of divine or natural or otherwise mysterious right to rob the American people and to continue this robbery until the end of time. The people do not have to submit forever to this robbery. They have an example of what public ownership will do in Ontario, Canada. They can enjoy a far wider use of electricity than they now do and at a much lower cost.

The comparison of the average costs in Ontario, Canada, and the United States (1.7 cents per kilowatt-hour in the former and 7.2 cents per kilowatt-hour in the lat-

ter) shows that the American people are being robbed—there is no other word for it—of 5.5 cents on every kilowatt-hour of electricity that they use. This robbery is being favored and promoted under Hooverism. If the American people are intelligent, they will put an end to Hooverism and to the deprivations of the disgracefully plundering Power Trust.

Cross the Bridge and Beat Power Trust

The more one compares the charges made for electricity by private companies with the rates established by public companies, the more fantastic seems the difference. What seems fantastic is that such profiteering can go on unchecked. If there were no information of any better system than private ownership, the situation would be understandable. If that were the only system conceivable or observable, we should have to put up with its evils. But it happens that there are plenty of examples of a better system. Public ownership, existing within a few miles of a system of private ownership, enforces the lesson that electric light and power (and the same applies to other public services) can be supplied to consumers far more cheaply than this is done by private concerns.

We have seen some Canadian contrasts. Now let us glance at another. This is on the border of Minnesota and Canada, where the town of International Falls, Minnesota, adjoins the town of Fort Francis, Ontario, Canada. A river separates the towns and one walks across a bridge from the jurisdiction of the plundering American Power Trust into the Canadian town where the glories and blessings of private initiative are absent. Next to International Falls is South International Falls and a couple of miles away is Ranier—all these towns being

served with electricity by the Backus interests that own the dam situated close to the international bridge.

It will be interesting first to look at the system in Fort Francis—in Canada. That town is not associated with the general Ontario network of the Hydroelectric Commission. It does, however, have a municipally owned light and power system, which purchases its electricity from the Backus Company on the American side. This private company, forced to meet the competition of the Ontario Power Commission, sells electricity very cheaply to the Fort Francis municipality. Its rate to that town is so cheap—and, mind you, the Backus Company makes a profit even here—that prices to the Fort Francis consumers are 3 cents per kilowatt-hour for light, with a minimum charge of 60 cents; 1 cent per kilowatt-hour for heat, with a minimum charge of \$1; 3 cents per kilowatt-hour for power, for the first hundred kilowatts, 2 1/2 cents for the second hundred, 2 cents for the third hundred, and 1 1/2 cents for all over three hundred, with a minimum charge of \$1.50. These are the rates which the town of Fort Francis is able to charge reasonably, maintaining the cost of its service, after paying a profit to the Backus Company even at the latter's specially cheap rate.

The fantastic nature of the comparison is seen when we look at the rates charged to private consumers on the American side by the Backus Company. In South International Falls the rates for light, heat and power are uniform and are as follows: 12 cents per kilowatt-hour for the first sixty kilowatts, 11 cents per kilowatt-hour for the next 120 kilowatts, 9 1/2 cents per kilowatt-hour for the next 540 kilowatts, and 8 cents per kilowatt-hour for all over 720 kilowatts. The reader will note that the lowest rate charged by the private company on the American side is two and a half times higher than the highest rate charged by the public company on the Canadian side. The rates charged by the private com-

pany in International Falls are a bit lower than in South International Falls, the high rate being 10 cents per kilowatt-hour and the low rate being 6 cents—yet here the low rate is still twice as high as the highest rate in Fort Francis. Just a couple of miles away, at Ranier, the Backus Company does another flop in its profiteering charges—this time an upward flop. In Ranier the high rate is 13 cents per kilowatt-hour and the low rate is 9 cents per kilowatt-hour.

These figures show what a tremendous graft the Power Trust has under the American regime of "economic individualism." A statement of some actual bills will heighten the picture. For instance, the Royal Theater in Fort Francis consumed for lighting in one month 60 kilowatt-hours and paid \$1.80 to the municipal company; in that same month the theater consumed 175 kilowatt-hours for heat and paid \$1.75. On the American side the Canadian theater's bill for lighting in that month would have been \$7.20 and for heat would have been \$16.35. Compare these bills and realize how rich are the profits under private ownership. The Canadian system has a fair system of rates, which amount to a little more than cost. Plainly the difference charged by the American company is sheer profit—or, to put it bluntly, outright robbery.

In Ranier, Minnesota, where the Backus Company is able to charge all the traffic will bear, an actual bill for a month's electricity for lighting—14 kilowatt-hours, a small amount—was \$1.64. On the Canadian side the same man would have had to pay only the minimum charge of 60 cents. Thus the Backus Company grabbed \$1.04 profit on that one small bill. At this rate of profiteering, is it any wonder that the Power Trust is grimly determined to hang on to its robbing privileges in America?

Will the American people, when they clearly grasp the meaning of these figures, continue to endorse such a system of chartered financial piracy under the hypocritically Hooverized name of "economic individualism"?

How Seattle Has Benefited People by Public Enterprise

A very good comparison of public and private ownership, from a strictly business standpoint, is furnished by the example of Seattle. Strangely enough, a private company—Stone and Webster—continues to operate in that city, although a municipal light and power plant supplies electricity to consumers at a very low rate and is capable of supplying the entire city. It has, of course, compelled the private company to meet its low rates. At the same time, the Stone and Webster power companies in other Washington cities are charging exorbitant rates.

The latest comparison of rates (made in 1928) showed the following differences. A bill for the use of 519 kilowatt-hours in Seattle, with the municipal company, would have been \$8.98—and the same rate is necessarily charged by the private company in Seattle. But in Aberdeen, Wash., where the same private company operates that is in Seattle (but in Aberdeen without public competition), that amount of electricity cost \$32.40—about three and a

half times as much. In Wenatchee this electricity would cost \$22.03. In Yakima it would cost \$19.03. In Walla Walla it would cost \$19.24. In Puyallup it would cost \$18.24. In Spokane (which, says Senator George W. Norris, "has within its very limits one of the greatest water powers on earth, one that would turn ever wheel and light every house in that city, at a rate that ought to be between 1 and 2 cents a kilowatt-hour")—in Spokane the cost of the stated amount of electricity would be \$16.34. These high figures represent the robbery of the people of Washington cities by the Power Trust.

Public Efficiency Greater
Concerning efficiency of business management, the figures show that the Seattle municipal company is superior to the Stone and Webster private company. The latter gave as its cost, for serving 39,795 customers in the Seattle district, the sum of \$1,502,158.41 (not counting interest charges and depreciation). The municipal com-

pany served 83,228 consumers at a cost of \$1,309,862.33—in other words, under public ownership the cost of serving twice the number of customers was \$200,000 less. In the face of that record, what can be said about the efficiency of private enterprise? In Seattle the public is served at strikingly less cost and gets the benefit of low rates.

There is another contrast, which is economically significant. Stone and Webster have a capitalization of \$475 in stocks and bonds against every horsepower they own, while the municipal company has only \$173 against each horsepower. It is the policy of private companies to increase their capitalization, to issue more stocks and bonds, and thus charge the consumers more to pay for this heavy capitalization. (And what the Stone and Webster Company loses—in profits—in Seattle by having to meet the city's rate, it makes up by high charges in other Washington cities.) Precisely the opposite policy is followed by municipal enterprises, which seek to retire their bonded indebtedness as fast as possible, so that the enterprise will be entirely in the clear; and the enterprise, remember, is owned by the people. At the end of 1926 the assets of the Seattle municipal company were \$35,492,767.96 and its outstanding bonds were \$22,805,000. In 1926 bonds were paid off to the extent of \$497,000—and that included bonds coming due in 1929. Bonds in the sum of \$1,422,000 have been paid off before they were due. The Seattle plant has steadily increased its earnings and has given the people lower rates.

Lesson of Falling Rates
The city of Seattle carried in 1926 interest charges on about \$13,000,000 invested in a great extension system, known as the Skagit development, yet the light and power company earned \$349,760.87 surplus, after paying all operating expenses and all interest and allowing for all depreciation.

The Seattle municipal plant was started in 1902. In that year the private company was charging 20 cents per kilowatt-hour for electricity. The mere beginning of the public plant, even before it could actually establish reduced rates, forced a drop in the private company's rate to 12 cents a kilowatt-hour.

In 1905 the city plant began supplying residences in Seattle with electricity at a high rate of 8 1/2 cents a kilowatt-hour and a low rate of 4 1/2 cents a kilowatt-hour (the low rate taking effect after 60 kilowatt-hours had been consumed). A few weeks later Stone and Webster dropped their rates to ten cents as the high rate and 5 cents as the low rate (the low rate applying after 60 kilowatt-hours) and with a 10 percent discount for prompt payment; this left their rates about a half cent higher than the municipal rates. In 1911 the private

Power Trust Edition in a Nutshell

This Power Trust Edition of The Freeman proves: That public ownership of light and power in Ontario, Canada, provides remarkably cheaper rates than under private ownership in the United States—

That public ownership in a number of American cities has reduced rates so that the people can more widely enjoy the advantages of electric light and power—

That the Power Trust is robbing the American people, on an average, of 5.5 cents on every kilowatt-hour of electricity used—

That the Hoover administration has betrayed the American people by favoring dishonestly the schemes of the Power Trust—

That this robbery by the Power Trust can be stopped by applying the lesson of public enterprises now in operation.

company brought its rates down to the exact level of the public rates.

On July 1, 1911, the public company again lowered rates: 7 cents a kilowatt-hour for the first 60 kilowatt-hours and 4 cents thereafter. The private company had to establish a similar reduction. On July 1, 1912, the public company lowered its rates to 6 cents for the first 60 kilowatt-hours and 4 cents thereafter; again the private company did the same. The minimum monthly bill was also reduced, first by the public and then by the private company, from \$1 to 50 cents.

On April 1, 1915, the public company reduced its rates to 5 1/2 cents a kilowatt-hour for the first 45 hours and 2 cents for all over

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that amount. The private company was forced to follow in the reduction. During the war the light and power rates in Seattle remained unchanged; but in 1920 the rates were raised slightly—to 6 cents for the first 45 kilowatt-hours and 2 1/2 cents for all over that amount, with a 75c monthly minimum charge. In 1923 rates were again reduced to 5 1/2 cents for the first 40 kilowatt-hours and 2 cents for the next 200 kilowatt-hours and 1 cent for all additional electricity used.

Public Enterprise Wins

This record shows precisely and completely the case for public ownership. It is seen that the Seattle private company robbed the consumers unmercifully when it had the power. All reductions in light and power rates were made by the public company; and these reductions were frequent and remarkable. Public ownership obtained for the citizens of Seattle cheap power and light (yet with the public company sustaining itself in a good business-like way and laying by a surplus) and enabled Seattle citizens to use electricity far more extensively than it is used in most American cities, which are at the mercy of the Power Trust. In 1926, for example, the average rate for electricity in American cities of 200,000 or more population was 8 cents per kilowatt-hour, while the average in Seattle (for all amounts of consumption) was 3.28 cents per kilowatt-hour.

After studying a record like that in Seattle, who can persist in arguing for the benefits of "economic individualism"? This "economic individualism" means such gigantic monopolies as the Power Trust, charging all the traffic will bear, robbing the people shamelessly and denying them the full use of natural resources and modern inventions. The remedy is not in doubt. It is written large for all to see. The facts and figures completely recommend it. Stop the robbery of private monopoly—put an end to the amazing plunder of the Power Trust—by applying the simple and just and very business-like principle of public ownership. If the American people are wise—if they will use their common sense—they will place their own interests above the profit-grabbing privileges of the Power Trust.

Every American city should have light and power rates as low as Seattle citizens enjoy. This is possible if the American people follow the example of Seattle and beat the Power Trust with the methods of public enterprise.

It is just too bad that Ontario, Canada, doesn't have the benefits of "economic individualism." If they had this blessing of Hooverism, the Ontario people would be paying 7.2 cents per kilowatt-hour for electricity instead of 1.7 cents, as they are now paying under a publicly owned system.

THE WORKERS' SHARE

A little observation of the actual conditions, a little familiarity with the average levels of American life, is enough to convince us that talk of prosperity is a fiction. We refer not specifically to the current depression but to normal times, when the greatest number of workers are employed and industrial activities are least hampered.

Sound statistics back up this general observation. Wilford I. King has recently published through the National Bureau of Economic Research a study of wages in the United States, which is revealing as to the minor share received by the workers in the distribution of wealth. In the period from 1909 to 1913 the wage workers received an average of 35.8 percent of the national income. They received an average of 37.2 percent in the years from 1924 to 1928. That this does not represent a genuine increase in the workers' share, as it seems to do, is indicated by the fact that the number of wage workers among those in gainful occupations was 58.4 percent in 1913 and 60.2 percent in 1927. It is further shown that the workers received less wages during the

boasted period of Coolidge prosperity, receiving 37.6 percent of the national income in 1924 and 36.1 percent in 1928. The workers' share in 1928 was less than in 1913, when it was 36.4 percent.

The outstanding fact is that the wage workers, who constitute the great majority, get only a little more than a third of the national income and that there is not the slightest tendency toward a fairer distribution of wealth. These figures are a sharp commentary on Hoover's "economic individualism."

P-O-W-E-R! That's what the Power Trust has abundantly—economic power, financial power, political power. P-R-O-F-I-T-S! That's what the Power Trust grabs with its greedy power. And Hoover says we should defend to our last breath this beautiful system of "economic individualism!"

ALL TOGETHER, you individualistic Americans: Three cheers for the Power Trust, for Hooverism, and for a bigger electric light and power bill!

CHARITY is a "dole." Unemployment insurance will guarantee security and a self-respecting feeling of citizenship to the worker.

This Love Story by Goethe Caused an Epidemic of Suicides!

The Sorrows of Young Werther

By Johann Wolfgang Goethe

We have a handsome edition of this world-famous classic of love and youth, by the immortal Goethe. This amazing novelette of almost 40,000 words, which can be read in a few short hours, had an astounding effect on the youth of the world. It caused thousands of suicides! Read what Henry Thomas, Ph.D., says about "The Sorrows of Young Werther" in his "The Story of the Human Race":

During his short stay at Wetzlar he fell, as usual, desperately in love. This time the situation was complicated by the fact that Lotchen, the young lady of his choice, was already engaged. For a time he thought of committing suicide. He kept a dagger under his pillow, and every night he tried to muster up enough courage to plunge it into his heart. Finally, however, he decided to write a novel instead of killing himself. The result was "The Sorrows of Young Werther," a book of sublime beauty. It is the autobiography of a misfit—a sensitive artist who does not feel at home among his fellows and who finds companionship in the solitude of the fields. It is an elegy on the sadness of life, and a hymn to the joyousness of death.

"The Sorrows of Young Werther" produced a tremendous effect upon the German public. All the young men imitated Werther's blue coat and yellow waistcoat, and the girls adopted Lotchen's white dress and pink bows. In Germany the book was sold like a newspaper on the street corners; and even in China, Werther and Lotchen were modelled in porcelain. In some places the more sentimental admirers of the book went so far as to organize "Werther societies for the suppression of life." An epidemic of suicides swept over Europe as a tribute to the genius of Goethe.

We now offer this astonishing and sensational novel in attractive form at a very low price. This book, 8 1/2 by 5 1/2 inches, printed in large, readable type, 77 pages, will be sent postpaid for only 50c.

ORDER BLANK FOR THE SORROWS OF YOUNG WERTHER

Haldeman-Julius Publications, Girard, Kansas
Enclosed find 50c for "The Sorrows of Young Werther," by Goethe, carriage charges prepaid.
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City _____ State _____

"Finally he gathered all his genius into one masterpiece and gave Faust to the world. It took him thirty years to write the first half, and twenty-five years longer to complete the second half."

GOETHE'S FAUST

We have issued this immortal masterpiece in two attractive volumes, containing 200 pages of the greatest literature that ever came from the pen of lofty genius. Our special copyrighted edition was edited, with introduction and notes, by Margaret Munsterberg, the daughter of the great German psychologist and herself a translator and critic of genuine ability.

Says Henry Thomas, Ph.D., in his "The Story of the Human Race": "The purpose of Goethe in writing Faust was to understand humanity—to measure its powers and to define its duties."

Miss Munsterberg, in her introduction, writes: "The Faust of Goethe is a noble man of genius, the modern man who craves all experience, who wants to make the sweetest joys, the bitterest woes his own and who, reeling from 'desire to enjoyment and from enjoyment to desire,' ever disappointed and disillusioned, at last finds salvation in self-forgetful service."

Faust has been translated into more than a score of languages. The version that we use in our edition, by Anna Swanwick, has fortunately caught the beauty of the original. This is a work that must be read by every person who would be familiar with the lofty expressions of man's creative spirit.

"That Goethe poured into the old mold the fiery lava of his own rich experience is well known," writes Miss Munsterberg.

This edition contains many important notes that will help to explain the text to readers not familiar with the world's immense literature on the story of Faust. The two volumes of Faust may be had for only \$1, postpaid.

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Hoover Is Not Fit to Be President

By United States Senator George W. Norris

Mr. Hoover came into office because the American people had been made to believe he was a superman. He promised relief for agriculture and the people were made to believe that he could bring relief. He had his own way and Congress passed the bill he wanted, giving him the authority he had requested. He has made a complete failure and agriculture is in much worse condition than when he took office.

He has done almost nothing to meet the economic depression and the vast unemployment which it created. Not content with minimizing the situation and failing to act upon it, he vetoed the Wagner bill which would have established a coordinated national system of employment exchanges.

By partisan influence and control of the House, he has blocked relief for millions of starving or distressed American citizens and his unmerciful and arbitrary attitude has indicated that partisan considerations have more weight with him than the alleviation of human misery. Throughout his administration he has shown that he is moved by a narrow-minded partisanship never equaled by any other President.

After assuring agriculture that he would put it on an equality with other lines of business by proper tariff revision, he took no step to redeem that promise, but signed a tariff bill which has further increased the burdens of agriculture and has also earned us the enmity of all the nations of the world because of its unreasonable and discriminatory rates.

Under Mr. Hoover's direct leadership, this administration has done everything possible to carry out the wishes and demands of the Power Trust. His appointment of the new power commissioners to office, along with other appointments, shows his complete and absolute sympathy with the power people in their efforts to enrich their great monopoly from our nat-

ural resources at the expense of millions of consumers of electricity.

Under his leadership and with his approval, his appointees have arbitrarily and without notice or hearing removed faithful servants of the people who had stood for enforcing the law against the encroachments of the dishonest manipulations of the power monopoly.

Using his power of veto, he destroyed the Muscle Shoals bill—a measure designed to utilize the great government property at Muscle Shoals for the cheapening of fertilizer for American agriculture and utilization of the surplus power for the benefit of people within transmission distance of the development. The power people want no yardstick which would expose their extortionate rates, so Mr. Hoover killed the bill after it had been passed by both houses of Congress.

The President stands in the way of a national system of flood control for the great Mississippi valley by building of storage dams on the tributaries of the Mississippi river. He promised immediate development of navigation from the Great Lakes to the sea through the St. Lawrence river, but he has made no effort to redeem that promise.

Under his leadership and influence, income taxes of the wealthy have been reduced without a corresponding reduction for the smaller incomes.

His leaders and legislative slaves have blocked that badly needed reform known as the "lame duck" amendment to the Constitution and he benefited by "lame duck" votes when they proved sufficient to defeat in the House the Senate amendment to provide \$25,000,000 for food-relief to our drouth-stricken fellow citizens.

Instead of being a superman, recent history has demonstrated that Mr. Hoover is only an ordinary individual and that the welfare of the party as well as the welfare of the country demands that he should neither be renominated nor reelected.

in Spain. Its industries are poor and its cultural life is abjectly poor. There is a high percentage of illiteracy.

These conditions will not improve under the monarchy or under a dictatorship. The millions being handed to Alphonso by Morgan and Company will be used to keep the Spanish people in their pitiable subjection and to retard the progress which Spain, some day, will make under a freer form of government.

Undoubtedly a republic is a necessary step in the progress of Spain. That, to be sure, will not solve the whole problem. Then the Spanish people will be faced with the problem of abolishing in-

Spanish Liberals Assail "Illegal" Morgan Loan

Strong opposition is being expressed by Spanish liberals to the \$60,000,000 loan arranged personally by King Alphonso. J. P. Morgan and Company will try to market \$38,000,000 of this loan in America. Leaders of the Constitutional Party in Spain declare that Alphonso's latest financial maneuver is illegal. It has no legitimate governmental authorization. This should be taken as a timely warning by American investors who may be asked by Morgan bond salesmen to put some of their money on King Alphonso. Leaders who may in the near future be governing Spain declare that this is merely a bad, illegal debt which Alphonso is trying to make. This means that Spanish bonds issued for King Alphonso may well be repudiated by a revolutionary and republican Spain. We say of the Spanish loan what we said of the proposed (and now abandoned) Italian loan—it is a foolish investment in crumbling dictatorship.

dustrial autocracy. But at least they will have the right to protest against that autocracy, to direct full publicity against its operations, and to carry on educational movements for complete social democracy.

We have a republic in America, but it is a capitalistic republic whose main policies are controlled by the Power Trust and the Morgan group and the other few, tightly consolidated groups that own and therefore rule America. We do have the right to agitate against this domination, to expose the venality of the political servants of Wall Street, to arouse the people with the facts about the Power Trust—and then, of course, we must leave the issue with the people.

The people can end their economic slavery whenever they become inspired sufficiently with social purpose; whenever, being persuaded that intolerable conditions exist (but should they need such persuasion?) and that there is a remedy for such conditions, they decide to apply the remedy. The Power Trust owns and controls a large and significant field of American economic life. What is the remedy? America should own and control the Power Trust. Power should be a public, not a private, monopoly.

We hate political and social and economic autocracy in Italy and Spain. We hate industrial autocracy, allied with political venality, in the United States.

COMPARING average rates for electricity in Ontario, Canada, and in the United States, we see that the Power Trust robs every American consumer of 5.5 cents per kilowatt-hour. Read carefully our leading article on the Canadian and American systems and think about the startling difference in figures and the immense difference in principle.

Do the American people want cheap electric light and power? Public ownership can furnish it to them. But the Power Trust says they shall not have it. Hoover says they shall not have it. Are the public going to submit uncomplainingly to these greedy dictates of monopoly?

"PRIVATE initiative" means that the Power Trust can monopolize the natural resources of America and plunder the people with fantastically excessive rates for light and heat and power.

Hoover made his millions as a Great Promoter and naturally he is in full sympathy with the extortionate operations of the Power Trust.

MAKE THEM ROB PEOPLE, IS ASTONISHING DEMAND

It used to be said that competition was the life of trade; anyway, it can be a useful teacher of economic truth, when the competition is between public and private systems. In Jamestown, N. Y., there is a municipal light and power plant that has been in operation for thirty-seven years. It has given the lowest rate (4.5 cents per kilowatt-hour in 1928) of any power company in New York state. Its rates are decidedly below those of the private company—with one exception.

There operates in Jamestown a private company, which within the Jamestown city limits is forced to sell electricity at the rates of the municipal plant. A state law forbids municipalities to sell products or engage in business outside the city limits; so it happens, ironically, that just outside the city the private company, having a clear field and no competition, charges almost double the city rates for electricity. The private company has also an advantage over the public company, in that the former's electricity is generated by Niagara Falls water power while the latter generates its electricity by the more difficult and costly method of burning coal; yet the public company is the one that has established the low rate in the city, while the private group robs the consumers who dwell just outside the city limits.

This low rate has not involved any extra taxation burden on the Jamestown citizens. The municipal plant has paid for itself and has laid aside regularly a sizable profit as a financial reserve. In 1928, Samuel A. Carlson, formerly mayor of Jamestown, said that the investment of the city in its power plant was \$1,760,755.90 and it had on hand in that year a cash surplus of \$355,966. There was then an indebtedness of \$204,000 against the plant; so that the clear, paid value of the plant, every dollar owned by the citizens of Jamestown, was \$2,116,721.90.

Bonds issued for the original installation of the Jamestown plant and for later extensions have been paid entirely out of the current revenue of the plant. No cent of

taxation has been levied for that purpose. This means that the citizens of Jamestown have paid for and now own an excellent public plant, without a cent of extra cost to themselves, but on the contrary to their great advantage in the enjoyment of lower electric light and power rates than obtain anywhere else in New York state. In fact, if Jamestown sold

pany alleged was unfairly low. This low rate was of course regarded as unfair by the profiteers—fair to the people, indeed, but quite maddening to those interests which regard the power business as a privileged scheme of robbing the consumers of electricity.

We can think of no more impressive lesson in the brazen arro-

SENATOR NORRIS COOPERATED IN THIS EDITION

The Freeman extends its thanks to United States Senator George W. Norris of Nebraska, who has cooperated in this Power Trust Special Edition, supplying us with the very valuable material which we have used to the best advantage. Senator Norris, although nominally a Republican, is the most vigorous and able opponent of the Power Trust. His courage, ability and integrity are an example of real statesmanship. While Senator Norris would not endorse all of The Freeman's policies—and in this we do not think he is radical enough—we are agreed in our fight against the Power Trust.

its electricity at the same rate charged by the private company outside the city, the profits would be sufficient to pay all city and school expenses; which means that Jamestown citizens have saved enough in light and power rates to pay their entire taxes.

The private company in Jamestown has made amazing and obvious efforts to kill this instructive competition of a publicly owned system. A few years ago it proposed to supply street lighting at a lower rate than that charged by the municipal plant, with the understanding, however, that the latter plant would bind itself not to make any further enlargements in its capacity. This plan was defeated by the intelligent citizens of Jamestown. Then the Jamestown private company did an astonishing thing. It filed a petition with the New York state public utilities commission, alleging that the Jamestown municipal plant was charging such low rates that they amounted to unfair competition; and it demanded that the state commission compel the municipal company to raise its rates.

The municipal plant was able to show that it was not charging recklessly low rates, but on the contrary had consistently laid aside a cash reserve; in other words, it was doing very good business at a rate which the private com-

gance and greed of private profiteering—nor a better illustration of the insanity of our "economic individualism"—than this case in which a private company tried to compel, through a state commission, the raising of rates by a municipal company. We are sure that the citizens of Jamestown, N. Y., are not so impressed—at least with regard to electric light and power—by the boasted beauties and virtues of "economic individualism."

AMERICA'S natural resources of water power should be used to produce endless cheap electricity for the people at a reasonable cost. But that would be an interference with the gigantic profits of the Power Trust, so Hoover warns us that "government in business" would be, oh, such a terrible thing—the idea being that business should continue to run the government as it is now doing.

IN A NUMBER of American towns and cities there is public ownership of electric service and the power and light bills are therefore reasonable. In the rest of America—which is the most of America—it is the autocratic decree of the Power Trust that consumers of electricity shall not use this great natural force without being outrageously robbed.

Use the Enclosed Order Blank for 10c Subs

We are getting many large lists of names in our April contest-campaign, which has for its objective the rapid increase of The Freeman's subscription list by means of 10 weeks for 10 cents subs. Remember that we are giving five FREE PRIZES to the readers who send in the first largest lists of these 10 weeks for 10 cents names. The First Prize is a complete FREE set of the 1,623 Little Blue Books. The Second Prize is a FREE set of the first 1,000 Little Blue Books. The Third Prize is a FREE set of the first 500 Little Blue Books. The Fourth Prize is a FREE set of the first 250 Little Blue Books. The Fifth Prize is a FREE set of the first 100 Little Blue Books. This contest is open until midnight of April 30. We keep a careful record of the lists of names you send in and you will be given full credit for all your work, so that you have as good a chance as the next one to win an attractive free prize. A special blank will be found on a separate sheet stuffed inside each copy of this issue of The Freeman. Use this blank and, for more names, paste extra sheets of paper to the blank. Hurry! You have many rivals but a fair and equal chance! The prizes go to the five best sub-getters!

BIRDS OF A FEATHER

Industrial autocrats have a natural sympathy with monarchical autocrats. Thus J. P. Morgan and Company were willing to float a three billion dollar loan in the United States for the support of Mussolini's vicious rule in Italy. That deal has been given up, after The Freeman exposed it in the Morgan-Mussolini Special Edition. Now Morgan and Company, with other leading American banks, have arranged to extend a credit of \$38,000,000 to the Spanish government of King Alphonso. A total of \$60,000,000 will be extended to Spain, the remaining \$22,000,000 being handled by European banks. It will be seen that nearly two-thirds of this immense sum is to be advanced by America.

Of course, Morgan and Company and their cooperating banks will ask the American people to subscribe the amount of this loan. It is another bond swindle, as bad as the attempted Mussolini swindle. The Spanish monarchy is doomed. A loan may help it survive awhile longer—and continue the degradation and oppression of the Spanish people—but Alphonso's regime is basically worthless and American buyers of Spanish bonds will take a foolish risk.

Does it seem strange that out of America, presumably a democracy, should come \$38,000,000 to uphold the very shaky fortunes of one of the most vicious, autocratic monarchies in the world? This would be strange indeed if our government were really a democracy or a government representative of the people. But we understand the situation rather better when we reflect that such firms as Morgan and Company—groups of concentrated and autocratic wealth which include the gigantic Power Trust—are hostile to de-

mocracy (that is, to true democracy) and merely use the forms of political democracy for the promotion of their profiteering plans.

We have the outlines of political democracy. The people go through the periodical show of electing the officials of government. Yet Wall Street—Morgan and Company—the Power Trust—the capitalistic autocrats are the actual rulers of America. They determine the economic policies that shall be followed. They dictate the living conditions of the people. They hold the purse strings. It is their will that industry shall be conducted, not for the welfare of the people, but for the tremendous profit and aggrandizement of these corporations—and their will is law. No one in America is more thoroughly in agreement with this program of capitalism than Herbert Hoover, President of the United States and arch-betrayer of the people of the United States.

It is perfectly natural, then, that Morgan and Company, supporters of industrial autocracy and political sham and corruption in America, should be ready to support kingly autocracy and political rottenness in Spain. It is a case of birds of a feather; of birds with similar instincts of prey.

It is a notorious fact that Alphonso's regime is ruinous to Spain in every feature of its life. He has crushed free speech. He has allied his fortunes with several dictatorships, including the one now running the government, Modern Spain (what mockery in that word "modern" as applied to Spain) is one of the most wretched countries in the world. Its masses—the great majority of Alphonso's subjects—exist in the most disgraceful poverty. Peasantry of the most medieval type is familiar

Judge The Debunker by Its Table of Contents

We hope you are a born skeptic. We hope you are hard-boiled and difficult to please. We hope you are the kind of person who hates to part with his money. If you are that kind of a bird, you are going to be put to the test—now! We are going to try to "sell" you a subscription to a monthly magazine—The Debunker.

But we are going to "sell" you this magazine in only one way—and that's the right way—ON ITS TABLE OF CONTENTS.

If a Table of Contents won't "sell" a magazine then it's a sure thing the magazine isn't worth the paper it's printed on. We therefore ask you to examine carefully the Table of Contents of the May, 1931, Debunker, now off the press and ready for distribution.

Is it the sort of reading fare you are looking for? If it is, then use the blank below today and we will agree to start your subscription with this May, 1931, number just as long as our supply lasts. If the May number is sold out when your subscription arrives we will, of course, begin with the June number. We were so proud of the May issue of The Debunker that we printed several thousand extra copies on the bet that we could "sell" them on the Table of Contents.

The Debunker is printed on a good grade of paper. The type is large and readable. The pages are 5 1/2 by 8 1/2 inches. The magazine is bound in an attractive blue cover, printed in two colors. The subscription price is only \$2.50 per year (\$3 Canada and foreign.)

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Monopolistic Groups Rapidly Increase Control in America

The greatest challenge to American democracy is the concentration of wealth into the hands of a few powerful corporations dominated by a few powerful individuals. Relatively a very small group in each major industry holds the power of economic life or death over the American masses. This vast concentrated wealth—this wealth of ownership—means control. It means that the American people have really nothing to say about the management of the huge public activities (public in importance but private in ownership) upon which the welfare of the nation depends. Government regulation has not served to stop the ominous grouping of ownership and control into a few hands and, while it may have prevented gradually some of the crude earlier features of financial piracy, it has not relieved the people from terrific exploitation at the hands of these gigantic corporations.

The owners of industry are in a strategic position, through their wealth and influence, for dictating secretly and sometimes openly the policies of the very government bodies which are supposed to regulate these industrial autocrats. With regard to the Federal Power Commission the dictation has been more open than secret. The Power Trust is arrogant, sinister and relentless in its determination to retain and strengthen its monopoly of the nation's power interests. This great public service, upon which every home depends (save those homes of workers who can poorly or not at all afford it), is in the grip of an intricate yet firm national network of affiliated companies and interlocking directorates and managements which are centrally directed and inspired in their predatory policy by the General Electric Company. You will understand what a realistic definition is the name "Power Trust" when you know that six corporations own and control more than half of the electricity in the United States. Just reflect what a popular and widely used thing electricity is and you can realize what an enormous, menacing reality is the Power Trust of America.

This field of electric power offers the most dramatic illustration of capitalistic control and it is the Power Trust which right now is busy with the biggest plans for the enslavement of the American masses to its endless schemes of profit-grabbing. Similar concentration bulks large in other fields. One corporation owns three-fourths of the telephone business in the United States. This means that three-fourths of the people who use this great modern instrument, the telephone, must pay tribute to a single corporation. The telegraph business is also owned, in its greater part, by one corporation. Eighty percent of

the anthracite coal industry is controlled by eight corporations. Copper is owned by four corporations, representing a monopoly of this great form of mineral wealth. Half of the iron ore in the country is owned by two corporations.

Gigantic mergers have rapidly concentrated the most important industries—steel, oil, merchandising—into tighter group control. Chain stores are in control of one-fifth of the merchandising business in the country; the transactions of one such company alone amount to a billion dollars a year. Out of 25,000 banks in the United States—the total number of banks—one percent (or 250 banks) have about one-half of the banking resources of the country or thirty-five billion dollars. In New York there are twenty-four banks, which are less than one-tenth of one percent of the entire number of banks in America, that together have resources equaling fifteen percent of the total in the country at large. Their capitalization is almost equal to that of the 20,000 banks in towns of 10,000 population and less.

The financial house of J. P. Morgan and Company and other large banking firms are reaching out steadily to control industry through investment trusts such as the United Corporation and holding companies such as Standard Brands. This banking control of

industries is one of the significant aspects of latter-day capitalistic development. For instance in 1930 Albert H. Wiggins of the Chase National Bank of New York City was a member of about fifty boards of directors, governing public utility, manufacturing and financial big business. Other magnates whose representation on boards of directors indicates strongly the extent of concentration are Samuel Insull (one of the leading figures in the Power Trust), who in 1930 was a director on more than eighty boards; Richard Mellon on about fifty boards; William Mellon on thirty-eight boards; P. A. Rockefeller on sixty-eight boards; Oris P. Van Sweringen on thirty-two boards; Patrick E. Crowley on more than seventy boards; Sidney Z. Mitchell on thirty-five boards; Charles E. Mitchell on thirty-two boards.

This concentration is perfectly natural and inevitable under capitalism. These large financiers and industrialists must continually reach out for new investments and for wider spheres of control. They are not going to stand still nor will they become smaller and retreat from the strong position they occupy. They must grow and expand and in so doing they build up a huger capitalistic despotism in the United States. Another indication of the rate at which capitalistic control is con-

centrated is that from 1919 to 1928, inclusive, there were 7,249 mergers and absorptions of smaller companies into larger trustified concerns. This is the great modern menace—the concentration of wealth, which means the concentration of real power into a few hands—real power over the necessities, the comforts, the conveniences, the very life and welfare of the American people.

What is the remedy for this capitalistic despotism? It is intolerable that a nation of 120,000,000 people should remain helpless under the control of these corporations. Yet the corporations will not diminish in size and they will not relax their control voluntarily. They are too big to be regulated. They control government. It is obvious that only one policy will serve to release the people from this autocracy and that is the policy of public rather than private monopoly. These industries have grown too immense and powerful to be left in private control. The logical result of such private control, concentrated into a few hands, is slavery for the masses of the people. We must conclude seriously that socialization is the only way of escape. Monopoly will crush the people unless the people capture monopoly.

centrated is that from 1919 to 1928, inclusive, there were 7,249 mergers and absorptions of smaller companies into larger trustified concerns. This is the great modern menace—the concentration of wealth, which means the concentration of real power into a few hands—real power over the necessities, the comforts, the conveniences, the very life and welfare of the American people.

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Power Trust Corruption Is Scandal of Hoover Regime

As the Harding administration had its oil scandal, so is the Hoover administration faced with a Power Trust scandal. President Hoover's veto of the Muscle Shoals bill at the end of the latest session of Congress was only the most recent act in a long-continued and deliberate policy of favoring the Power Trust even to the extent of interfering with the activities of the Federal Power Commission, which activities are supposed to be directed toward the protection of the public interest in the leasing of power sites. It is a condition of these leases that after fifty years the United States government can regain full control of the power sites (water power from streams owned by the government) and of the plants built by the private companies; the plants are to be purchasable by the government at the actual cost of construction.

The power companies, all included in the mighty network of the Power Trust, have persistently valued their plants at excessive figures, including expense for lobbying in Washington and the alleged but only paper value of watered stock and many other

intangibles which did not belong in a fair valuation. They have submitted dishonest accounts and many of their claims for added valuation have been quite vague, as the power companies depended upon their official friends in Washington—their official friends and fellow conspirators actually in charge of the Federal Power Commission—to arrange for the acceptance of their (the power companies') own dishonest figures without question or investigation. The executive secretary of the Power Commission has worked closely with the Power Trust and has opposed vigorously the efforts of honest officials of the Commission to protect the public interest from the designs of the power companies.

Honest Officials Discharged

There have been two such honest officials, not in control of the Commission's policies but responsible for its actual work, and it was through their steady resistance to the machinations of the Power Trust that the inner operations of the Power Trust in Washington were disclosed before the Senate Committee on Inter-

state Commerce. One of these friends of the people was William V. King, chief accountant for the Power Commission until his discharge in December, 1930. The other was Charles A. Russell, solicitor (legal representative) for the Commission, who was also discharged in December, 1930.

The discharge of these faithful, efficient servants of the government was among the most brazen revelations of the Hoover administration's favoritism to the Power Trust. On December 20 three new members of the Federal Power Commission were appointed by President Hoover and three days later these Hoover appointees summarily kicked out the two most able and incorruptible employees of the Commission, namely, King and Russell. This was during the recess of Congress and when Congress reconvened the Senate swiftly decided to reconsider the appointments to the Power Commission, which had been confirmed with too great haste. President Hoover insisted that the appointments should stand, thus precipitating a legal battle which is yet undecided.

The important point to bear in mind is that Hoover appointed these friends of the Power Trust to the Federal Power Commission and supported them after they had, as their first official act, discharged the two most useful and most honest workers for the Commission. This action showed plainly that Hoover is absolutely for the Power Trust in its plotting to rob the American people.

Crooked Figures Exposed

There are two objectives in the scheme of the power companies to have the Federal Power Commission endorse officially the most excessive valuations of their plants. One is to lay the basis for an exorbitant charge to the government in the event that, after the fifty years for which the leases run, the government decides to buy the plants and discontinue the leasing policy; the other is to back up the dishonest valuations, made before state public utilities rate-fixing commissions and usually accepted by them very complacently, so that the official record will be a complete endorsement of the Power Trust's profiteering policy. If the Federal Power Commission should place greatly reduced—that is to say, honest—valuations upon these power plants, it would probably be embarrassing for the companies in their rate negotiations in the several states. Unfavorable publicity would follow.

The Power Trust has particularly resented the attitude of William V. King, for ten years the chief accountant for the Federal Power Commission. Believing that his job was to safeguard the interests of the public, King persisted in the utmost vigilance toward the submitted valuations of the power companies; and usually he found a good deal wrong with these ac-

counts. He was successful, but only in a measure. The Power Trust found ways to hamper his work. They paid no attention to his demands for more detailed information about certain of their accounts; they prevented him access to their records; and "in every way imaginable attempted to prevent the application of the Commission's rules and regulations."

Publicity and a real investigation was what the Power Trust most decidedly did not want. "It would seem," said King, "that the last thing the power interests desire is a hearing at which all facts regarding their methods and practices in connection with accounting, financing, etc., could be disclosed and discussed and made public." So the Power Trust hated King; and, with typical Hooveristic betrayal of the American people, the administration showed a friendliness toward the Power Trust and a dislike for this faithful public servant, who, however, was not easily removed from the scene.

"Tell King to Lay Off"

About a year and a half ago Charles A. Russell became solicitor to the Federal Power Commission. At once the Power Trust, through the friendly mediation of F. E. Bonner, executive secretary of the Federal Power Commission, tried to win Russell's cooperation for their crooked game. Bonner (who was appointed by President Hoover and, in spite of the proof of his treachery, has not been discharged) told Russell that the latter should consult with M. E. Leighton, a Washington attorney representing the Electric Bond and Share Company (a General Electric corporation), as to the future policies of the Power Commission. "When I saw Leighton," said Russell, in testimony before a Senate committee, "he suggested that W. V. King, chief accountant of the Commission, was worrying the power companies by requiring elaborate reports. It was his idea that I should tell King that he was not to fret about the details and that the reports of the companies were made to the Commission under oath and should be accepted by the Commission."

In other words, the Power Trust was to be absolutely unchecked in its figures and its honesty was to be trusted—which meant that King was not to perform his job at all but to let the Power Trust dictate the accounting policy of the Commission. Ironically, King was to be told that the word of the power companies should be taken as pure and honest, although the power companies' very complaint against King was that he had been uncovering their crooked reports.

"Later," said Russell, "Bonner [appointed by Hoover as executive secretary of the Power Commission and kept by Hoover in that job where he could shamelessly betray the people] gave me to understand that a part of my

job was to tell King to lay off the power companies. However, my investigation of the answers which the power companies had made to King's request for additional information seemed to show nothing more than long reports, carefully evading the questions he had asked."

Treachery of Hoover's Man

It happened that Russell was an honest man. Honest men do occasionally find their way into government positions—where they embarrass the Hardings and the Hoovers. Informing the venal Bonner that King was merely trying to enforce the law, Russell was told by that Hoover official that King could find a way of evading the law. What this evasion of the law, advised and even urged by an important official of the Hoover administration, meant in terms of financial favoritism to the Power Trust is illustrated by one citation. The Niagara Falls Power Company turned in a valuation of \$70,000,000; and King discovered that more than \$30,000,000 of this valuation—almost half—represented the water rights leased to that company by the government. The law positively forbids the inclusion of these leased water rights in the valuations of the power companies. They are, obviously, values which the companies did not create, values which belong to the government, and which are dishonestly included in the power companies' reports.

It was King's faithfulness in discovering and protesting such frauds that made him not only hated by the power companies but resented and hampered by his superiors in office. King's reports were ignored or turned aside. Accountants from the War Department, with no special qualification for investigating public utility costs, were sent out to make investigations. Constantly Bonner was doing his worst to interfere with the proper activities of the Power Commission and to see that the Power Trust had everything its own way.

On another occasion, King was called by the Bureau of Indian Affairs to testify concerning the leasing of a water power site on the Flathead Indian Reservation. This site was desired by the Montana Power Company—tied up with the Power Trust—and Bonner was of course favoring this company's plan. When a Minneapolis capitalist offered better terms for this site—which has been called the Muscle Shoals of the west—there was, after prolonged demands and much against the will of the Power Commission, a reconsideration of the lease. The Minneapolis capitalist agreed not only to pay the Indians a larger sum for the site but also to sell the electric current at guaranteed lower rates.

Power Robbers Resent Facts

It was plainly the duty of the Power Commission to call upon King's expert testimony in a determination to protect the rights of the government and of the Indians. The Commission did no such thing. On the contrary, Russell was told to stay away from the Commission's hearings; although, as the Commission's solic-

itor, his duty was to participate in the hearings; when a number of Senators strongly objected to this proceeding, Russell was permitted to represent the Commission in the regular order. But King's testimony was brought out in a hearing by the Bureau of Indian Affairs. His own Commission did not see fit to use him. The Commission was for the Power Trust and it wanted no facts from King. His testimony was certainly damaging to the Montana Power Company, showing that this company had more than doubled its true valuation. He further showed that more than 44 percent of the company's income from the sale of electricity was profit and that, at its own valuation (made for its own information and not for official presentation), the company earned a return of 12.7 percent on its total investment. Its swollen valuation, as produced for public purposes, made it appear that only a six percent return was forthcoming.

This was the kind of conscientious, expert service that King performed for the Federal Power Commission. Russell, as solicitor, supported him sincerely in his attitude. But the Hoover administration, represented in this key position by the unscrupulous Bonner, was displeased with the loyalty of King and Russell. These men were loyal to the public interest, whereas the Hoover administration wanted loyalty to the Power Trust. Bonner was actively on the job for the Power Trust, but King and Russell were annoying in the way. This was the situation when the Power Commission was reorganized. It had consisted of the Secretary of War, the Secretary of Agriculture and the Secretary of the Interior. Gradually dissatisfaction was expressed with the Commission, which, it was pointed out, did not keep up with its duties; on such an important Commission it was absurd to place three Cabinet members who were already fully occupied with other work. An enlarged and full-time Commission was demanded and finally Presi-

dent Hoover himself agreed to this demand.

Thick as Thieves

The necessary legislation was put through Congress and President Hoover appointed two additional members. On December 20 the Senate confirmed his appointment of three other members. Three days later these three new members met suddenly and unexpectedly in Washington—two members of the Commission being absent and Congress being in recess—and removed the two most useful employees of the Commission, King and Russell, as a brazen act of favoritism to the Power Trust and treachery to the American people. Hoover backed these lieutenants of the Power Trust in their scandalous conduct. Hoover approved of this discharge of able, honest officials whose only offense had been that of enforcing the law against the Power Trust. Hoover approved of the efforts of the Power Trust to disobey and ignore the law. Hoover showed clearly then, as he showed clearly in vetoing the Muscle Shoals bill, that he and the Power Trust are as thick as thieves.

The Power Trust has strong friends in Washington. These friends are supposed to represent the people, but actually they represent the Power Trust. Bonner is such a friend. Commissioners George Otis Smith (chairman); Marcel Garsaud and Claude L. Draper—the appointees of Hoover who discharged King and Russell—are such friends. And the biggest friend of the Power Trust is Herbert Hoover, who has the knavish effrontery to pretend that he is serving the nation. True, he is technically President of the United States; in fact, however, he is the friend and servant of Wall Street and the Power Trust. If the American people are wise, they will see through the dishonest and not clever veil of Hoover's pretensions and fasten their gaze critically upon his acts in behalf of the Power Trust.

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