

he has made up for all previous lubricity or liberalism by immortalizing, in a novel, Horst Wessel.

Appropriately, Johst and Ewers knelt before Schlageter and Wessel. It is a symbolic picture: two literary *Landsknechte* prostrate before two political adventurers. Leo Schlageter wandered after the war to Upper Silesia, to the "Gruppe Hauenstein," which is said to have achieved 200 political murders. He is said to have served as spy for the Polish War Ministry. He tried to enter civilian life by doing business in illicit weapons, but his partners eloped with the cash; bankrupt and footloose, he executed sabotage acts in the Ruhr for high pay from Berlin patriots, but not as a patriot himself, if one believes the protocols of the French Ruhr police published recently in the Paris *Temps*, in which he is shown repudiating patriotic motives and betraying his comrades in the hope (vain) of saving his own skin.

Horst Wessel, says his Nazi biographer Reitmann, "in 1926 came to the National Socialists not out of knowledge but disappointment" with underground defense leagues like the Bismarckbund and the Black Reichswehr. He led the Nazis nightly to attack in the slums of Berlin. He was an underworld character who lived with, and perhaps on, a Communist lady of the pavements, Erna Jänicke, a curious fact which is explained by Reitmann as "an over-great and

extreme idealism. A man of such moral strength as Horst Wessel could, without taking harm to his soul, descend into the deepest depths of human life." This descent was cut short by a bullet in 1930; he preferred death to a Jewish doctor.

Such are the two men now held up as ideals to all the male youth of the Reich. Schlageter, though never a Nazi, is honored by an eternal flame at Kaiserswerth, fed by the pennies of every Hitler lad. Wessel's marching song is the national hymn. They are the sacred twain, the Castor and Pollux whom the Nazi storm troopers, like the old Roman legionaries, see fighting in the skies above them. In them the Nazi *Landsknechte* recognize, with profoundly right instinct, their own images.

Like their heroes, the Nazis are friends neither to peace nor to organized society; they are unfettered by ties of family, property, or social responsibility; they are not attached, as even the most bellicose of former rulers were, to feudal estates, or bred in a chivalric code that imposed a certain respect for women and set other bounds to action. They form an "iron-collar proletariat" for a parallel to which one must look far—backward to the Thirty Years' War or eastward to China. No European land in recent times has been harried by so footloose and irresponsible a soldiery as that which now governs Germany from the guardhouse.

Who Owns Connecticut?

By ALBERT LEVITT

THE State of Connecticut is owned by the Connecticut Electric Service Company. This is not a rhetorical statement. It is a practical truth. The Connecticut Electric Service Company, by the express terms of its charter and by the express terms of the charters of its subsidiaries, particularly the Connecticut Light and Power Company, can take any land that it wants from the citizens of the State. The owners of the land cannot make any effective protest or objection in the courts. Furthermore, the company, through the political machine built up and bossed by J. Henry Roraback, president of the company, controls both houses of the General Assembly, dictates to the Governor, and manipulates the other executive and administrative officials as it sees fit. Not even the judiciary escapes. Judgeships in the town and city courts are the spoils of political deals. Appointments to the Court of Common Pleas are the rewards of political regularity and service to the dominant political machine. At times even positions on the bench of the Superior Court have been the reward for "service rendered" and the outcome of political "deals" which have been rotten in the extreme. Most of the judges of the Superior Court, however, assert and maintain freedom and independence from political control. And the judges of the Supreme Court of Errors have always been above suspicion. However, few persons can afford to start legal actions and carry them to the upper courts; so that personal and political rights are violated by the company, and there is no practical way of getting genuine redress for those who have been injured.

Mr. Roraback was elected chairman of the Republican State Central Committee in Connecticut in 1912. He did not come into control of the State until 1915. From 1911

to 1915 the Honorable Simeon Baldwin, a Democrat and retired Chief Justice of the Supreme Court of Errors, was Governor. During Governor Baldwin's incumbency the old Railroad Commission was reconstructed and named the Public Utilities Commission. At the same time splendid laws designed to protect the people of the State from continued exploitation by the public-service corporations were passed. From time to time there have been enacted additional laws intended to give the Public Utilities Commission greater power and control over the public-service corporations.

But from 1915, when Mr. Roraback came into power by defeating the Democrats, until the present time the commission has steadily taken the position that it cannot move to regulate the public-service corporations until complaints are made by the patrons of the companies or by the State or by the companies themselves. The corporations did not need to bring rate cases as they could fix any rates they chose. When they filed the rates with the commission, the rates were in effect. The commission did not question them in any way or regulate them in any respect. The customers of the companies had to pay whatever the companies charged.

The State did not start rate cases because up to 1931 all the Governors were Republican. They were "made" by Mr. Roraback and did nothing to injure or antagonize him through the Public Utilities Commission. Indeed, the last Republican Governor was the Honorable John H. Trumbull, who held office for six years. Mr. Trumbull was president of several public-service corporations all the time he held office. He sold his businesses to the Connecticut Light and Power Company, and is now a director in that company. Of course he did nothing to make the commission

reduce the rates charged by the public-service corporations.

The patrons are deterred from starting rate cases by the high costs involved—costs which are promptly thrust back upon the patrons by the companies. In a recent case initiated by the patrons and just completed before the commission, the company involved stated that it had expended \$50,000 in defending itself before the commission. It wished therefore to amortize this amount at the rate of \$10,000 a year for the next five years. The commission held that the sum of \$50,000 was more than the company should have expended, but it did not say what the proper amount would have been. And it allowed the company to include in its operating expenses, as amortization of the expense of the rate case, the sum of \$5,000 a year for an indefinite period of years. The practical result is that the patrons cannot and dare not start a rate case. It is interesting to note that in this same case the patrons raised by popular subscription, through the collection of nickels, dimes, and quarters, plus a few gifts of larger sums, the \$685 necessary to put through the rate case.

In 1930 the Democrats nominated for Governor Wilbur L. Cross, former dean of the Graduate School of Yale University. Mr. Cross campaigned vigorously. Two of his most important planks related to Mr. Roraback's control of the State and to the light-and-power situation. Mr. Cross promised the people that if elected he would be Governor in fact as well as in name; that he would not enter into any deals with the Roraback machine; that he would make the Public Utilities Commission do its duty and protect the interests of the people; and above all, that he would not under any circumstances reappoint to the Public Utilities Commission Joseph L. Alsop, then serving, whose term of office would expire in July, 1931. This last promise is of importance, as will be shown later.

Mr. Cross was elected. But no other Democrats were elected to State office. And both houses of the General Assembly had a Republican majority. The fighting spirit of Mr. Cross oozed away. In his inaugural address he stated that he interpreted the election results as a mandate to him to enter into a "partnership" with the Republicans and that he would do so. He did so. He became a cog in the wheel of the Roraback machine. He called into conference Harry E. Mackenzie, the right-hand man of Mr. Roraback. Mr. Mackenzie discussed patronage. The Governor was told that he could have nothing whatever, that the Republican General Assembly would strip him of his powers, and that his nominations for public office would not be confirmed unless he reappointed Mr. Alsop to the Public Utilities Commission. The Governor haggled, dickered, and begged. But Mr. Mackenzie was adamant. Days went by. The Governor's power to appoint the lower-court judges was taken away. Then he surrendered. He agreed to reappoint Mr. Alsop and to make three other major appointments dictated by Mr. Mackenzie. But he had to "save face." He did so by sending in the name of Professor Richard J. Smith of the Yale Law School as his nominee for the post of Public Utilities Commissioner. He knew that Mr. Smith would not be confirmed. Mr. Smith was not confirmed. More days went by. The Governor insisted that it was his right to appoint a Democrat to the Public Utilities Commission. Mr. Mackenzie agreed.

This was the situation. The Public Utilities Commission consisted of three members. The chairman was Richard

T. Higgins, a former Democrat, whose appointment did not expire until July 1, 1935. The second member was Charles C. Elwell, a Republican, whose term did not expire until July 1, 1933. The third member was also a Republican, Joseph W. Alsop, whose term expired July 1, 1931. Mr. Elwell was in the hospital. Mr. Mackenzie sent him word that he had to resign his position on the commission. Mr. Elwell pleaded his faithful service to the Roraback machine, that he was ill, that he had no means of support except his salary as a commissioner, and that he had done nothing to deserve having his job taken away from him. But Mr. Mackenzie insisted. Mr. Elwell resigned. The resignation was handed to the Governor on Friday morning, May 1, 1931. That day Governor Cross sent in the nomination of Mr. Alsop and of Edwy Taylor, a former engineer with the New York, New Haven, and Hartford Railroad. The Governor "saved face." A dying man lost his job. The secretary to the Governor issued a statement on behalf of the Governor which said that the Governor "was happy that the situation was thus terminated. From the outset he would have been glad to reappoint Mr. Alsop if there had been two places. The unexpected vacancy permitted him to do it and to make an original appointment, which he felt as Governor he had the right to make." Thus the Governor's campaign pledge that "under no circumstances would he reappoint Mr. Alsop" was broken.

The newly constituted commission continued to do nothing. So did the Governor, as far as the light-and-power situation was concerned. In 1932 the Governor was renominated. Again in his campaign he stressed the light-and-power issue and the need to break the dominance of the Roraback machine. Again he was elected. And this time the Senate had a Democratic majority of one. The House had again a strong Republican majority. There was a deadlock. The Senate refused to allow the General Assembly to organize. The Governor once more called in Mr. Mackenzie. It transpired that three of the Democratic Senators belonged to the Roraback wing of the Democratic Party. They had entered into a "deal" in regard to the judgeships of the local courts. They too took their orders from Mr. Mackenzie. Mr. Mackenzie spoke. The Senate allowed the organization of the General Assembly. Once more the Governor sent in his bills to allow the Public Utilities Commission to institute rate cases on its own motion, to give the commission control of the issuance of securities of public-service corporations, and to have a commission appointed to investigate the light-and-power situation. All his bills were defeated. When the "deal" concerning the minor judgeships was disclosed publicly, the Governor protested. But he was promptly reminded by the Republican majority floor leader of the House that protests and high-minded indignation ill became him, since he, the Governor, had tried to make similar "deals" earlier in the session and had failed.

The irony of the situation is this. At any time after Governor Cross took office in 1931 he could have invoked and used an explicit and clearly worded statute which gives the Governor the power to start an investigation into the rates and charges imposed by the light-and-power companies. That statute had been repeatedly called to his attention. He had been urged to use it. But he ignored the entire situation. Evidently he had no real desire to curb the light-and-power companies. His campaign pledges were political guff.

The practical result of this domination of Connecticut politics by the light-and-power interests is that the people of the State have been filched of millions of dollars in unreasonable rates and in the avoidance of tax payments. Here are the facts. Under the law of Connecticut all corporations are under a duty to pay local taxes upon the real and personal property they own. The average tax rate throughout the State is 24.7 mills, but in order to make a fair allowance for the fact that some of the property owned by the public-service corporations may be in towns with a lower tax rate, I think it proper to consider the average tax rate as 20 mills.

Every light-and-power company is under a legal duty to make an annual return to the Public Utilities Commission showing the financial condition of the business, its operation, and its property, with taxes paid on that property. This return is made under oath by an official of the company. The Connecticut Light and Power Company reported that its "fixed capital" amounted to \$79,452,653 as of December 31, 1930. By "fixed capital" it means "the cost of land, buildings, equipment, poles and fixtures, wires, cables, gas mains, services, meters, transformers, transportation equipment, storeroom equipment, and all other property and equipment used in the operation of the company's business, exclusive of property received under lease." All these items are subject to local taxation. If the 20-mill tax is taken as the average in the State, the Connecticut Light and Power Company should have paid taxes to the amount of \$1,589,053 for the year ending December 31, 1930. But it actually paid only \$476,199. For the year ending December 31, 1931, the Connecticut Light and Power Company reported the valuation of its "fixed capital" as \$85,655,392. A 20-mill tax calls for payment of \$1,713,107. The company actually paid \$472,858.

Similar discrepancies are discoverable in the tax payments of the other companies. The following table gives the taxes avoided by the leading public-service corporations in Connecticut, for the year ending December 31, 1931. The basis is the fixed-capital valuation as reported by the companies to the Public Utilities Commission, under oath. The assumed tax rate is 20 mills.

<i>Company</i>	<i>Amount of Tax Avoided</i>
Bridgeport Gas Light.....	\$ 7,856
Manchester Electric	8,171
Danbury and Bethel Gas and Electric	13,829
New Britain Gas Light.....	23,000
New Haven Gas Light.....	31,529
Northern Connecticut Power.....	74,361
Bridgeport Hydraulic	213,235
Hartford Electric Light.....	268,065
United Illuminating	296,935
Connecticut Light and Power.....	1,240,249
TOTAL	\$2,177,230

The facts with regard to excessive rates charged by the Connecticut light-and-power companies are not so easy to arrive at. There are three factors to consider. First, there is the rate base, which consists of the value of the property used and usable in the public service. We have had no rate cases in Connecticut which involved the larger companies. In the absence of court and commission findings the only figures we have are those found in the official reports filed by the companies themselves, under oath, with the Public Utili-

ties Commission. The companies should not complain if we take their figures as accurate. Second, there is the rule of law that in finding the rate base all sums set aside for retirement purposes shall be deducted from the value of the property used and usable in the public service. Here again there may be some difference of opinion as to what is or is not a retirement reserve. But, once more, the companies cannot complain if we take their figures at face value. Thirdly, we must consider the net return to the company. This is found by getting at the net income. This net income must be a reasonable return on the rate base, one giving the company a net return of somewhere between 6 and 8 per cent of the rate base. The companies cannot object if we accept the highest figure thus far allowed by the courts of the country, which is 8 per cent.

As there are no other figures available I have used the annual reports filed by the companies with the Public Utilities Commission, and have used, as required by the law of public utilities, the following formula: Illegal overcharge is equal to the net income less 8 per cent of the value of the property used and usable in the public service, minus the retirement reserve. For example: The United Illuminating Company, operating in Connecticut, reports for the year ending December 31, 1925, that it had property used and usable in the public service to the amount of \$14,901,744. Its retirement reserve was \$1,440,554. Deducting the retirement reserve from the property used and usable in the public service gives the sum of \$13,461,190 as a rate base. Eight per cent of this is \$1,076,895.28, which is the amount of net income to which the company was legally entitled that year. But it actually received the sum of \$1,665,884. This represents an overcharge to its patrons of \$588,989 for 1925.

The aggregate amount of the overcharges in two of the principal companies is almost incredible. Here are the facts. The United Illuminating Company for the years 1925 to 1930, inclusive, overcharged its patrons to the amount of \$5,500,394. The Hartford Electric Light Company system during the same years (1925 to 1930, inclusive) overcharged its patrons \$6,125,435. For the year 1931 the Hartford Electric Light Company system overcharged its patrons \$2,359,365. From 1925 to 1933 these two systems alone have taken from the people of Connecticut, without any proper reason, more than \$14,000,000.

The way in which the companies have been built up is shown by the history of the Manchester Electric Company. The figures are taken from the sworn testimony in the rate case involving this company which the Public Utilities Commission heard early in 1933. The company was organized in 1893. Stock was sold to the amount of \$10,000. In 1903 more stock to the value of \$30,000 was issued to pay for the acquisition of a neighboring small company. Then \$40,000 was borrowed for the business. In July, 1913, stock to pay for the note on which this sum was borrowed was issued. This made a total of \$80,000 which the owners of the company had put into the company in money or money's worth. From that day on not another cent was invested in the company by the owners themselves. All the rest of the increase in assets and other values came through the rates which the customers of the company paid. This investment of \$80,000 has brought an amazing return to the owners of the company; in less than twenty years it has amounted to \$2,000,000. The detailed returns are as follows:

From 1913 to 1929, inclusive, there were issued, out of surplus, stock dividends to the amount of \$480,000. In addition, regular cash dividends amounting to \$459,460 were paid. The surplus account increased by \$91,631. This makes a total of \$1,031,091. In addition, the fixed-capital account grew from \$117,000 in 1913 to \$868,284 in 1931, an increase of \$757,284. The retirement reserve grew from \$22,230 to \$250,599, an increase of \$228,369. This makes an increase, in total, of \$985,653. Every dollar of this came from the pockets of the patrons of the company.

The Manchester Electric Company is a small company, but the large companies were built up in a similar manner. Mr. Roraback's control of politics in the State of Connecticut not only pays his companies handsome dividends but benefits the other companies as well. The people of the State pay the bills. They are beginning to realize what their vassalage is costing them. In course of time they will act and free themselves.

In the Driftway

DURING and just after the World War there was a great deal of talk about our changing morals. It wasn't all talk either. The change was real and rapid, so much so as legitimately to be called a revolution. The revolution in morals of the war and post-war years was primarily in sex relations. From that we went on to a new attitude toward liquor. While nominally trying to suppress the liquor traffic during the Dry Decade, we were actually developing a more tolerant sentiment toward it. Repeal was not the result merely of the fiasco of enforcement, as some suppose. Along with this influence was a feeling of less hostility toward liquor *per se*. Perhaps the nauseousness of near-beer and the violence of synthetic whiskey brought a reaction in favor of bock and bourbon. Anyhow the old American concept that alcoholic drinks were undiluted poison mellowed into the European conviction that sound liquor might be comforting, exhilarating, and harmless. With this change in attitude came a woman's-rights movement in drinking. In our speakeasies and homes women acquired during the Dry Decade every right to drink and get jingled possessed by men, so that when repeal was accomplished, the coeducational bar came into existence almost without remark or awareness that it constituted a moral revolution as profound as the reestablishment of liquor itself.

JUST as the war years brought a revolution in sex relations and the Dry Decade a new tolerance toward liquor, the depression has produced another shift in morals of little less importance. Gambling, once rated among the major vices, seems to have become respectable or, more accurately to have been restored to at least the respectability it enjoyed up to fifty years ago. The House of Representatives lately passed a bill permitting horse racing—which means betting—in the District of Columbia, an action it would not have dreamed of taking a few years ago. Almost simultaneously the New York Legislature passed a measure to legalize again open betting at the race tracks of the State, thus harking back to the good old days before Charles the Baptist (now

Chief Justice Hughes) decided to reform the people by putting the temptation to try to get something for nothing out of their way. Meanwhile, all over the country, there seems to be an upsurge in favor of government lotteries. Correspondents are writing to newspapers urging the advantage of raising public revenue through lotteries, and legislators are introducing bills to make them legal. The Drifter finds himself tolerably sympathetic toward the movement. When he is abroad he generally participates in any government lottery available, and has not so far been ruined by winning such formidable stakes as to lead him to give up work for a life of ease and dissolute habits. He knows, too, that government lotteries may be, and are, fairly conducted, with only a fixed and reasonable percentage taken out for operating expenses and profit. Considerable revenues are raised and devoted to good causes, as in the case of the city of Paris, which supports its philanthropies by wise exploitation of the public propensity to gamble.

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DOUTBLES the present difficulty in raising governmental revenues through taxation is one explanation for the sudden advocacy of lotteries, but the Drifter surmises there is another, more subtle, reason. There was a time when people were advised, probably rightly, not to throw away their money taking gamblers' chances, but to invest it in sound real estate or safe bonds and watch it grow. Probably many who lived and died before Coolidge prosperity profited by this technique, but those who survived into the depression era have seen their "guaranteed" mortgages and "gilt-edged" securities tossed on the scrap heap along with the tawdriest mining stock, while their banks—looted by the officers through extortionate salaries, bonuses, and personal loans—no longer paid deposits once thought to be secure as Gibraltar. Is it any wonder that the average man turns away from a financial system in which he was an all-day sucker to risk his money in an honest gamble where he has at least one chance in a hundred to win?

THE DRIFTER

Correspondence

"A Monument to Paris"

TO THE EDITORS OF THE NATION:

Lewis Galantière writes so sympathetically about a translator's trials and troubles that I hesitate to fall out with him; but his remarks about my translation of "Passion's Pilgrims," by Jules Romains, in your issue of February 14 raise an issue so fundamentally important that I feel bound to reply to them. May I make an illustrative point?

The only "perfect" translations are completely free translations. Warre B. Wells has deliberately chosen to cleave to his text. . . . I happen to believe that this is a mistake: to translate, for example, *rien de tout ça* by "nothing of all that," or *sonorité de cailloux* (meaning plangent) by "sonority of shingle" is simply to write not-English."

I happen—since Mr. Galantière will drag the quite unarguable question of "ear" into it—to dislike the word "plangent"; and I am sure any number of people have only the haziest idea what it means. On the other hand, "sonority of shingle"