

and sizes, nine empty cotton-reels, three spools from a sewing machine, one pair nail scissors (broken); one cigar box containing several yards of tape (varying widths), cuttings of many different materials, one button-hook, one tin-opener and corkscrew combined, one silver thimble, one ditto (horn), one Chinese pipe; one packet of tea, one ditto sugar, one tin condensed milk (unopened), half a loaf of bread (very stale), two empty medicine bottles — but no opium!

Little Willie was nearly delirious

Punch

by this time, and tried to get into the basket, which was now all but empty. The search continued, and two rolls of material were lifted out: five and a quarter yards of white calico and three yards of pink silk. This exposed the bottom of the basket, where lay a tin! Ah, the opium at last. Philip stepped forward and prized off the lid triumphantly.

The contents consisted solely of Punter's 'Freak' biscuits.

Little Willie has been dismissed from his position as Opium Sleuth-hound.

NIGHTFALL

BY SYLVIA LYND

THE church bells make their tumbling song,
And swiftly now the shadows grow
The quiet field among.

Five little poplars in a row
Stripe with long shadows half the weald,
The elm-tree shadows glow,

Like streams till all the vale is filled —
Talk of the rooks is not yet done
And there the first bat wheeled.

Behind the beechwood the red sun
Burns on the ground, a woodman's fire,
And suddenly is gone.

Yet touched with gold are roof and spire,
And the young corn is lucent still,
And higher, ever higher.

The small clouds hold the light, until
Dusk draws its azure through the air —
The long shape of the hill,

Against the west seems sleeping there:
This is earth's pure and gentle hour —
With darkening fields men share

Peace, like the closing of a flower.

Land and Water

ECONOMICS, TRADE, AND FINANCE

IS GERMANY BANKRUPT?

THE GERMAN DEBT

Our war bill works out as follows:

War credits.....	150,000,000,000	Marks
Pensions, etc.....	75,000,000,000	"
Transition expense	25,000,000,000	"
Indemnities to Belgium and France	50,000,000,000	"
Compensation for U-boat ravages.	10,000,000,000	"
Total.....	310,000,000,000	"

This sum of 310,000,000,000 Marks, which may possibly fall to 300,000,000,000 Marks or increase to 325,000,000,000 Marks, represents the burden of debt bequeathed to Germany by the war. It will demand an annual payment of interest amounting to 15,000,000,000 Marks, which represents between two fifths and one half of Germany's entire revenue before the war, and the capitalization of this interest is not very far below the sum of 400,000,000,000 Marks, the entire national wealth of the country before the war. It will be necessary, therefore, either to increase Germany's annual revenue by 15,000,000,000 Marks or to decrease her expenditure by a like amount. There is yet a third possibility, namely, that of decreasing the capitalized debt by prudent measures to such an extent that the burden of interest may be sensibly diminished and the country's finances may be capable of paying the interest remaining, with revenue and expenditure maintained at their old level.

To attain this last possibility one of two methods may be resorted to. The first, which is crude, and, so to speak,

immoral, is that of a so-called State bankruptcy, which means that the State would either cease paying interest and cancel the loans or would reduce the rate of interest to a mere fraction of that originally promised. By this means Germany would at a stroke be freed of one half of her liabilities. But such a step would be a monstrous injustice to those citizens who have helped to finance the war by their subscriptions to the loans, and would run counter to all the promises and assurances given to subscribers not only by the old but also by the new Socialist Government.

The second method is that of introducing drastic taxation of war profits, property, inheritance, and income. In *Freiheit*, the organ of the Independent Social Democrats, it has been reckoned that such taxation, pressed to the verge of confiscation of property, and embracing large incomes and properties on a progressive scale, would yield, not at once, but by degrees, 150,000,000,000 Marks. The imposition of such stringent taxation on private capital would not necessarily result in reducing perceptibly the efficiency of private enterprise and capitalistic production, for if the Government used the money thus obtained for the repayment of the war loans it would flow back into the purses of the public. It has frequently been suggested in Socialist quarters that the Government should not use the whole of the revenue from taxation for the redemption of war debts, but employ part of it in establishing paying businesses, in acquiring or obtaining a