

raised her up and shamed the scoffers, He bade who loved her give her food to eat.

So might we now hear pleading for their famished land, the myriad martyrs who through long ages have died for Spain and Freedom and the Truth.

ELIOT WHITE.

EDITORIAL CORRESPONDENCE

THE UNEARNED INCREMENT TAX.

About the middle of January the First Hebrew Congregation of Oakland, California, bought a site for a new synagogue, paying \$40,000 for a lot containing 14,000 square feet, which is equivalent to \$124,146 an acre. That Congregation was organized in 1875, at which time it could have bought five acres in the same locality for about \$1,000—and held it for the workers and the increasing population of Oakland to make more valuable. By exercising that "business foresight," the Congregation would now be in much better "financial" condition. The five acres bought for \$1,000 would now be worth \$615,380, after writing off the original "investment" and the accrued interest; and, retaining the 14,000 square feet needed for the new synagogue, valuing it at \$40,000, the Congregation would have an "unearned increment" net profit of \$575,380; which shows that it pays to get in the way of others and make them pay you to get out of their way.

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Yes, it pays. Two weeks before the First Hebrew Congregation paid into a private pocket the \$40,000 of unearned increment to get a site for a synagogue, the Bixby ranch of 500 acres, in Orange County, California, near Los Angeles, was sold for \$200 an acre. That is, the less than one-third of an acre in Oakland sold for 200 times as much as a whole acre in Orange County. The land of the Bixby ranch is specially adapted for fruits and vegetables, has a railroad line running through it and fine markets within easy reach. The new owners will not use it. They did not buy it for use, but to subdivide and sell in small parcels to users; and as such productive land is scarce near Los Angeles, there will probably be plenty of buyers at prices ranging from \$500 to \$1,000 an acre. At \$1,000 an acre, the 500 acres will sell for less than the present value of five acres in that part of Oakland where the First Hebrew Congregation has bought the site for its synagogue. Who says a tax on the "unearned increment" would fall most heavily on the farmer?

W. G. EGGLESTON.

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AN INSIDE VIEW OF BALLINGER.

Tacoma, Wash., March 13, 1910.

The Ballinger-Pinchot investigation has developed one fact that is not news to some of us, and which President Taft should have understood when he was making up his cabinet. It is that the Secretary of the Interior, who is charged with the administration and protection of the public domain, should not

have been chosen from the region lying between the Rocky Mountains and the Pacific Ocean. Public sentiment in this vast region is as tolerant of robbing the public domain as in olden days it was tolerant of opium smuggling—an industry, by the way, which formed the foundation of several large and respectable Pacific coast fortunes.

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In an article in *The Public* last summer (vol. xii, p. 752) the writer pointed out that in economic thought and civic morality the Pacific slope is the most backward section of the country. Special reference was made in that article to the demand of the Western raw material men for inordinately high protection. It was pointed out that this demand was buttressed in the public sentiment of the Pacific coast region; that the West believes the first duty of government is to "encourage capital" by special privilege in one form or another, and that members of Congress, in supporting the most greedy demands for protection, were actually representing the sentiments of their constituents.

What is true of Western sentiment on the tariff question is likewise true of Western sentiment on the question of conserving and protecting the national resources. It is not the truth to say that Western public sentiment on this issue has become demoralized. There never was any contrary sentiment on the subject. You can't demoralize something that never existed. From the days of the pioneers the Western feeling has been, and now is, that "the earth belongs to the Lord's chosen, and we are the chosen."

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The history of the development of the West is merely the history of the exploitation of national resources by Big Business and for Big Business. Eastern millions and billions have been poured into this sort of enterprise, and the fact that the people of the whole country had an equity in the resources thus exploited has always been either ignored or vehemently denied. Public officials from Presidents down have winked at the robbery of the government; land-grabbing has for fifty years been a respectable occupation; public sentiment has condoned and does now condone the theft of the national domain.

The great bulk of the Western people, who, of course, have not themselves participated in despoiling the nation, have been taught to believe and do believe largely that it is necessary for the public domain to pass into private hands, in order to "develop the country" and "encourage immigration." The West is population mad; any appeal, made ostensibly in the interest of building up the country and attracting investment, is more potent than appeals to patriotism or civic honesty.

This feeling extends into all parties. No public man of prominence in the West is exempt from it. Take the case of ex-Senator George Turner, of Spokane, a man who has spent years in fighting railroad extortion, and who is the leader of the Democratic party in Washington State. Senator Turner, at the National Irrigation Congress last summer, indorsed the administration of Secretary

Ballinger and condemned the forestry department. When a leading Democrat—and, in most respects, a real democrat—can be induced to take this attitude, what is to be expected of men in the Republican party? The truth is that Mr. Taft could not have found a Republican of cabinet calibre in the whole Western country who was not tinctured with the same ideas.



No attempt was ever made to check this wholesale spoliation until the forestry department was created and Gifford Pinchot was placed at the head of it. It is unjust to Pinchot to call conservation a Roosevelt policy. It was primarily a Pinchot policy, which Roosevelt was led to adopt, and which, despite his many shortcomings, stands out as a particularly bright page in his public service.

Roosevelt let Pinchot have his way, and Pinchot promptly tramped on the toes of Big Business. He kept on tramping on them for seven years. He created forest reserves, he caused the withdrawal of water power sites; he made trouble for the cattle barons and the sheep kings. In short he shocked the West and then angered it by actually trying to protect the government's interest. No Washington bureaucrat had ever seriously tried to do that before. When it recovered from its surprise, therefore, the West started to "get" Pinchot.

An open attack was impossible. Pinchot was too strongly entrenched. But the retirement of Roosevelt from the Presidency, and the installation of Taft, afforded an opportunity to clip his wings and limit and cripple his activities. Enough has come out before the investigating committee to show that Big Business, led by the Guggenheim interests, otherwise known as the smelter trust, contributed so heavily to Mr. Taft's campaign fund as to place Mr. Taft's managers under deep obligation to them. How much of this Mr. Taft knew is immaterial; the fact remains that his managers have religiously tried to cancel the Guggenheim debt.

The first demand for payment came in the shape of a request that Secretary of the Interior James R. Garfield, a faithful supporter of the Pinchot policies, be displaced. This demand was made upon Frank H. Hitchcock, then chairman of the Republican national committee, and now postmaster-general in Mr. Taft's cabinet. It was granted, through Mr. Hitchcock's insistence, despite the fact that Mr. Taft had promised Mr. Roosevelt to reappoint Garfield.

The rest was easy. Judge Ballinger, as we call him out West, had led the fight in his State for Taft's delegates to the national convention. He was a lawyer of high standing in his home community. He had been a judge, mayor of Seattle, and commissioner of the land office under Roosevelt. Mr. Hitchcock brought him forward as his candidate for Garfield's place. His respectability, his high standing with Big Business, and his reverence for the ancient technicalities of the law, made Mr. Taft see in him the ideal man for Secretary of the Interior. It is highly improbable that the President ever gave a thought to his views on conservation and on the protection of the public interest.

It is doubtless true that Mr. Ballinger's appointment was never urged upon the President directly by any person of the name of Guggenheim. But that

he was made Secretary of the Interior because of Guggenheim influence is beyond question. The act was as direct as if Daniel Guggenheim had taken the President into a backroom and given him a large sum of money to secure Ballinger's appointment. In morals there was no difference. Let us call things by their right names.

It has developed since that Judge Ballinger, at the time of his appointment to the cabinet, was the retained attorney of the Cunningham coal claimants; that these claimants had given an option to the Guggenheims on a half-interest in their claims, worth about one hundred million dollars, and that this option was worthless unless the Secretary of the Interior could be induced to patent the claims. Ballinger has tried faithfully to deliver the goods. Pinchot and Glavis blocked him.



Mr. Taft may or may not have known, when he appointed Judge Ballinger, of the latter's intimate professional relations with coal land grabbers. Had he known of it, I think, he would have appointed him just the same. Mr. Taft's devotion to Big Business is so ardent that one must write him down knave or fool; and, whether knave or fool, he would have seen no impropriety in naming a Guggenheim lawyer as Secretary of the Interior. The steel trust, the railroad interests, and the sugar trust were given representation in the cabinet. Why not the Guggenheim smelter trust, pray? Even granting that Mr. Taft was ignorant of Judge Ballinger's affiliations, he certainly was not ignorant of the affiliations of Knox, Dickinson and Wickersham, nor of the bias and prejudice of Justice Lurton.



The writer for fifteen years has known Judge Ballinger intimately. According to his lights he is honest. He rendered yeoman service once in trying to impeach a corrupt State judge in Washington, and he made an excellent mayor of Seattle. But as a servant of the public, his whole bent of mind is wrong. He is a creature of his environment. He has made a success practicing corporation law. He believes that Big Business ought to have what it wants, and that its rights are paramount to those of the public. He has the peculiarly elastic legal conscience, believing that a retaining fee covers all sin, and that there is no dishonor in using his high official position for the benefit of his former clients. Are not they "our leading business men"? Do they not purpose to "develop our magnificent country"? Yea, verily. Then what are you muckrakers kicking about?

It is difficult to believe that Mr. Taft ever seriously intended to carry out the Roosevelt-Pinchot conservation policies. If he had, he would have investigated Ballinger's affiliations and sounded his ideas before he appointed him. Let us be charitable, and, in the language of Collier's, assume that Mr. Taft is an "easy mark." Let us assume that he never really understood what the Pinchot conservation policies were. To his judicial mind, doubtless, they seemed "demagogic," and their advocates "disturbers."

PUGET SOUNDER.