

ness as to the disposal of public resources at present in Washington. The water power legislation now before the Senate is too favorable to the men who, as Secretary Houston's admirable recent report shows, control through 18 corporations more than one half of the total water power used in public service throughout the United States. The water power men charge that Conservation hampers development. The Houston report shows, on the contrary, that the most rapid development is in the National Forests, where conservation is best enforced. On the other hand, 120 public service corporations own and are holding undeveloped and out of use an amount of water power equal to four fifths of all there is developed and in use by all the public service corporations in the whole United States.

As I said in an open letter of January 29 to the President:

"Natural resources lie at the foundation of all preparedness, whether for peace or for war. No plan for national defense can be effective unless it provides for adequate public control of all the raw materials out of which the defensive strength of a nation is made. Of these raw materials water power is the most essential, because without electricity generated from water power we can not manufacture nitrates, and nitrates are the basis of gunpowder. There are no great natural deposits of nitrates in the United States as there are in Chili. It would be folly to allow the public water powers, which can supply this indispensable basis of national defense, to pass out of effective public control."

A concerted movement is on foot to break down the Conservation policy. Feeble resistance or none at all is being made by official Washington. Unless the press and the people come to the rescue, the power interests are likely to win. This is a public matter wholly removed from political partizanship. Your help is needed, and that of your paper. For nearly ten years this fight for the public water powers has gone on. We ought not to lose it now.—
GIFFORD PINCHOT.

DO SPECULATIVE LAND VALUES INCREASE COST OF LIVING?

EDITOR SINGLE TAX REVIEW:

Something more than has appeared in the Review might be said on the question of the effect of speculative land values upon the cost of living. Suppose the matter of price is left out altogether, and, instead of asking whether rent adds to price or land speculation leads to land values which come to be added to price, let us consider merely the effect of land speculation upon human effort in production.

Opportunities vary in possibility of being used in production. If there is no hindrance to the use of opportunities, the desire to obtain results with the least exertion will lead to the full use of the more desirable opportunities. Production need not be carried on at all on less desirable places. In this situation we may say whatever productive effort is exerted by a population must produce the maximum result. The effort-cost of getting a living will be normal. Of total product a minimum quantity must be considered as economic rent.

If speculation in land steps in to withhold from use certain desirable places and force certain workers to locations of lower desirability and lower potential productivity, the product of these certain workers will be less than should be the case. The effort-cost to them of getting a living will be increased. Moreover, since the fact of their being forced to lower grade locations leads to a re-arrangement and increase of economic rent of all locations above the new and lower margin, and since "a living" must come out of net product, after rent is deducted, the effort-cost of a living may be said to be increased to the whole population and not merely to those forced to locations which should not be needed.

We are thus brought to the conclusion that land speculation undoubtedly increases to all workers the effort-cost of a living, whether or not it increases prices, and whether or not rent or land-value, either normal or abnormal, is ever added to price.—GEORGE WHITE.