

the manufacture of farm products and farm machinery."

This bulky program is dictated more fully from the Socialist point of view than that advocated in the 1910 report. The Socialist is bound to put "capital" at the center of his philosophy. Otherwise the "comrades" are likely to suspect his orthodoxy.

According to Marx, anything that can be treated as an item of sale, on the basis of income-bearing quality, can be viewed as "capital." In this, Marx differed from the classical economists; but he foreshadowed the tendency of present-day academic theorists, and he was also at one with the "businessman's point of view." The capitalistic logic of Marx must be held constantly in mind when studying the proposals of his followers.



The Indianapolis convention of 1912 will be a distinct landmark in the evolution of American socialism.

Political socialism in the United States has advanced in voting power by leaps and bounds during the last twenty years. Starting out with a few thousand votes, it had 650,000 votes at the last Presidential election; and it expects to poll a million or more votes in the election of 1912.

As the party emerges more conspicuously on the field of political action, it more and more takes on the character of a huge, amorphous mass, held together by the name "Socialism." In order to maintain party solidarity and the prestige of a united, mass organization, it finds itself under the necessity of compromising the problems of both "right" and "left" wings. The "left" wing is more and more influenced by revolution. The "right" wing is more and more affected by Singletax tendencies. Neither faction can be satisfied permanently with the Indianapolis compromises.

LOUIS WALLIS.

INCIDENTAL SUGGESTIONS

SIDELIGHTS ON THE ALDRICH BILL.

Indianapolis, Ind., May 10.

The facts disclosed by the Comptroller's Abstract of the condition of national banks on February 20, 1912—No. 77—are interesting and important.



From January 7th to December 5th, 1911, the aggregate increase of loans and discounts of national banks was less than \$94,000,000, or at a rate of less than \$334,000 for each business day during that time, almost a year.

From December 5th, 1911, to February 20th, 1912, the aggregate increase of loans and discounts was over \$151,324,000, or at the rate of over \$2,364,000 for each business day of that time, considerably less than three months.

Every dollar of this enormous increase, and more, was made by the 57 central reserve banks. During the time these banks increased their aggregate loans and discounts \$159,486,325. The 324 reserve banks

decreased their aggregate of loans and discounts \$2,243,638; and the 6,908 country banks made an aggregate decrease of \$5,918,576. This was a total decrease of the banks outside of the central reserve and reserve cities of \$8,162,211.

What was the occasion for this enormous manufacture of credits by the central reserve banks? What legitimate business—confined to the reserve cities of New York, Chicago and St. Louis—demanded any such increase, when there was no increase whatever (but a decrease) in the aggregate credit outside of these cities?



During the same time, it appears, the 57 banks increased their holdings from national banks, State banks and bankers outside of these cities by almost \$200,000,000, so that on February 20th, 1912, they held of the resources of these outside banks about \$1,200,000,000.

On February 20th, all this enormous sum had gone into loans and discounts until the 57 banks held, in the aggregate, less than \$24,000,000 with which to meet the daily demands of individual depositors, to keep up their legal cash reserves, and return the amount owing to other banks outside of these cities.

There can be no question that such a situation is dangerous. What is to be the result if this concentration of bank funds, in the central reserve cities, and the enormous inflation of credits is to continue?



The reason for the passage of the Aldrich-Vreeland Act and for urging the present Aldrich currency association scheme ought to be plain to any intelligent man. It ought to be equally plain that the purpose of the influences behind these schemes is to protect the New York banks without any regard whatever to the welfare of other banks, or of the business interests of the country.

FLAVIUS J. VAN VORHIS.



MASSACHUSETTS AND THE SINGLETAX.

Cambridge, Mass.

The Singletax is fast becoming an issue in Massachusetts. Five speeches in four days in and near Boston indicates the tendency. These speeches were before the following organizations: Cambridge Political Equality Association; Young Men's Hebrew Association of Boston; the Aberdeen Club of Boston; the Men's Club of the Weymouth Baptist Church and the Boston Chapter of the American Institute of Bankers. Congressman Henry George, Jr., spoke before the Political Equality Association. About 150 were present.

One most interesting meeting was before the American Institute of Bankers. It was addressed by Prof. Lewis J. Johnson of Harvard. About 150 of the younger banking men of Boston were present, and although Prof. Johnson spoke after the business meeting the reports of the committees and an address by the national president, he kept the attention of his audience for over an hour. When he had finished, most of those present stayed while questions were asked of the speaker.

REGINALD MOTT HULL.