

as well as their propertyed husbands, might vote, and in as many constituencies as they had property rights. But when the family were merely householders, husband and wife occupying the same house, the suffragettes' demand would give the vote to the husband and deny it to the wife. Mr. Washington's appeal for equality of voting tests cannot be quoted in support of that discrimination.

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The Balance of Stupidity.

Many an American newspaper among those that are always on guard for the interests of the interests, agree with some of the noble lords of England that if a land-value tax is adopted in Great Britain capital will leave the country, agriculture will languish and manufacturing will die. That is, take landlordism off the backs of agriculture, manufacturing and capital, and each will be crushed under the abolished load! The favorable balance of stupidity must be preserved.

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PRESIDENT TAFT'S GENIAL MESSAGE.

President Taft's message is disappointing, colorless and negative. At a time when the very sovereignty of the government is at issue; while an industrial tyranny is being established imposing the most galling servitude known in history; while contemporary England is attacking privilege in its House of Lords with a determination to end its mastery; while thoughtful men in this country are convinced that political, social and industrial conditions need reorganizing so that all may have the conditions of happiness and freedom without which none can be happy or free—the President of the United States in his message defining his attitude as the head of the nation, calls upon us to observe that the country is "in a high state of prosperity." What kind of prosperity? A group of men dominates banks, railways (both steam and street), insurance companies, trust companies, oil, iron, steel and coal companies, the means of distributing intelligence by telegraph, telephone and generally speaking by the daily press. This group thus controls the industrial life of the nation. It has obtained mastery by using the savings of the people, and by the acquiescence and connivance of the organized intelligence and power of the people as represented in the general government at Washington. It is well understood that the office of President of the United States has changed character. It is also well understood that the Senate of the United States

controls Congress and that the great interests above alluded to dominate the majority of the Senators. By and through the aid of this majority—elected and paid by the people but subservient to the extent of servility to interests which at best are not desirous of democratic or good government—the group above referred to is organizing a mastery of privilege compared to which the House of Lords and the landlord interests of England are weaklings. And the President of the United States seems to know nothing and to care nothing for any of these things. With a genial smile he calls upon us to observe that the country is in a high state of prosperity.

LEWIS STOCKTON

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UNEARNED INCREMENT.

Germany is in a peck of trouble, and Great Britain in more. They have an unearned increment over there and they don't know what to do with it.

What is an unearned increment? That's where the trouble comes in.

It is an increment that is unearned, but who unearned it? More trouble. What shall be done with it? Trouble fast and furious. Some say it should be taxed. What! Lay a tax upon something that has not been earned! Never! What is the use of not earning something if any part of it is going to be taken away for the benefit of those who do earn things? What would become of us if people were not allowed security in the possession of what they have rightfully and lawfully not earned?

Such a proposition should not for a moment be allowed to gain a foothold. The next thing some foolish reformer would be so bold as to say that an unearned increment must have been earned by somebody and that it ought to go to that somebody, which is absurd.

From there it would be an easy step to begin calling unearned increments by the old-fashioned name of swag, so that everyone could understand what was meant by it. That would be fatal. The science of economics does not exist for the purpose of making things clear.

We must not dig too deeply. Only radicals do that. An unearned increment is a necessary good to those who have unearned it and a necessary evil to those who have not. Let us begin there as a working hypothesis, as a basis for our scientific lucubrations. Having thus started upon a false premise, it is reasonable to expect that our conclusions will be false; which is the desideratum.

tum, if our colleges are to continue to receive endowments.

The unearned increment must not be incriminated.

ELLIS O. JONES.

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AN INSTANCE OF LAND CAPITALISM.

Wall street circulars are not as a rule the best sources of information in aid of sound public policies; but under the lawyer's rule that admissions against interest make good evidence, the facts they let out are often of great public value. Insofar as these circulars are honest investment advisers, the facts they disclose may be of extraordinary value. What is good for the investor to know in order to milk the public, is good for the public to know in order to escape being milked.

Without intending to apply these observations to John Moody's Market Letter (special letter No. A2 of August 12, 1909; 35 Nassau street, New York), beyond attributing to it the virtues of an honest investment adviser, we find its revelations for the information of investors to be of remarkable public value. For this particular market letter explains why the Reading Company's stock is a good purchase, notwithstanding what is regarded on the edges of Wall street as its inexplicably high price; and in doing so it exhibits the primal source of plutocratic power.

The explanation is that the Reading is not a railroad at all, but a vast "holding" company. True, it controls 1,700 miles of railway, and to that extent its stock may be compared with other railway companies; but this is a trifling possession in comparison with its other holdings.

The important possession of the Reading,—that which justifies the amazing prices of its stock,—is an empire of American land of enormous and growing value.

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According to the Moody Letter, even the great value of the Reading's comparatively short railway system is due to its control of 130,000 acres of anthracite coal lands in eastern Pennsylvania. Without this land it could not support its large capitalization.

In classifying the assets of the Reading, the letter states that—

the first asset to be mentioned in order of importance is the capital stock of the Philadelphia & Reading Coal & Iron Co. This company owns in fee over 86,000 acres of coal lands, valued by the company at

\$76,000,000, and in addition controls by lease and stock ownership more than 17,280 acres. Giving these latter acres the same conservative valuation, we would have a total value in the Coal & Iron Company holdings of about \$91,000,000.

Having thus described the Reading's asset of first importance, the Moody letter proceeds:

But because of its control of the Central Railroad of New Jersey, the Reading Company has a far larger interest than the above in anthracite coal deposits. The Lehigh & Wilkesbarre Coal Company is controlled by the Central railroad of New Jersey and owns in fee in the Wyoming and Lehigh sections about 29,500 acres and controls by lease about 3,000 acres more. These Lehigh and Wilkesbarre holdings are well known as more valuable per acre than those held by the Reading Coal & Iron Company, but measuring them by the same small valuation-yard-stick we would have a figure of about \$27,000,000 more to add to the \$91,000,000 given above, or \$118,000,000 in all.

These unmined coal holdings represent approximately 63 per cent of all the anthracite coal deposit in the State of Pennsylvania, according to latest estimates. Of the remainder, the Lehigh Valley is said to control about 16 per cent; the Lackawanna about 6½ per cent, and the Erie system about 3 per cent, leaving approximately 11½ per cent in the hands of so-called "independent" operators. Of the actual production of anthracite coal, the group of railroads enumerated above are assumed to represent from 20 per cent to 25 per cent, leaving the balance for the "independents."

Special note should be made of the position of the Reading Company in the above combination. On the face of things it clearly dominates the situation, representing more than a majority of the entire holdings, and over two-thirds of all holdings represented by the group of railroads. But its position, strategically, is really far stronger than would appear on the surface, for the Erie and Lehigh Valley, representing between them nearly 20 per cent of the total holdings, are "Morgan" roads and therefore, in policy, closely allied with the Reading Company interests. As far as the control or domination of the entire coal situation is concerned, therefore, it will be noted that the Reading interests are in a pre-eminent position.

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There is that in those figures which should make public spirited men who think there is nothing in the land question, "sit up and take notice."

Every dollar mentioned above, except the comparatively trifling item of railroad and mining equipment, represents land. The fact that it is *capitalized* does not alter its character. To call the Reading stockholders "capitalists," and their property "capital," does not make them any the less landlords nor their "capital" any the less land. It is in their land holdings that their evil power lies, whether we call it "land" or "capital" or call them "landlords" or "capitalists."