

sale on account of inability to carry the burden. Meantime there is involved a great lockup of funds in non-productive investment, which largely explains the disastrous effects of land speculation upon industrial prosperity.

Some of the savings bank men talk very plainly about the situation. Thus J. Harsen Rhoades of the Greenwich bank says:

It is to be as it always has been—history will repeat itself. Land is the last thing to rise and the last thing to fall. It has risen and it will remain in a semi-dormant state, except at a few special points of business activity, until the day of liquidation arrives, which is sure to come when the conditions are ripe for it. We have been blessed with enormous crops. The country has undoubtedly grown very rich—very rich—and as long as those conditions exist and business keeps good, the masses will be employed. But when the time comes that they will not be employed, when they are paying high rents and not able to get high wages, then we will see a good deal of suffering. The first poor crop season will bring it about. After this phenomenal cycle of prosperity the reaction will be very severe.

It may be questioned whether a recurrence of poor crops will be needed to bring about reaction. When credit becomes over-extended, when people and corporations run heavily into debt, when capital becomes unduly committed to non-productive investments at highly inflated values, it does not necessarily require poor crops to start a break. Banking or other failures of magnitude enough to shake general confidence in the situation, and thus start a panic, can grow out of the collapse of a real estate or other speculation, and the losses of many poor investors, as well as out of bad crops. And it is noteworthy in this connection that the panic of 1873 came on the heels of bounteous harvests, the wheat production being a record-breaker and the corn production nearly so, following a heavy yield in 1872.

The encouraging fact about this land speculation around New York is that it has already spent its force. The tight money market is what called a halt, and banks as well are becoming alarmed and refusing to lend money to finance new suburban schemes. It is a tardy check to a dangerous tendency.

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THE RESUSCITATION OF OUR WATERWAYS.

Portions of an Article by Richard Lloyd Jones, Published in Collier's for August 18, 1906.

During the past four years engineers have been busily engaged measuring widths, depths, charting, changing channels, calculating the resisting force of shale-rocked and soft-loam banks along the upper Mississippi, and they have found that the judicious expenditure of the cost of but three battleships will wing-dam a channel adequate to accommodate heavy freighting from St. Paul to New Orleans. The very dams that make this unlocked channel possible arrest sufficient water to give milling power to a hundred manufacturing cities each of upward of a hundred thousand people along the way. . . . Between the broad current of the Saskatchewan and the headwaters of the Mississippi lies the richest wheat belt in the world. It would cost infinitely less than the amount Congress proposes to expend on Panama to

gridiron this great productive country, both in Canada and the States, with a Mars-like system of navigable inland waterways, binding the Great Lakes to Hudson Bay, and the Saskatchewan to the Missouri, by which, irrespective of flag, the treasures of a continent would find release and the interests of a homogeneous people would receive their due promotion.

Referring to the influence upon railroad rates, which such waterways are destined to have, Governor Cummins of Iowa said: "When every man who can summon enough capital to build a boat may become one of the common carriers of the country; when it is full from end to end and from shore to shore with our commerce, crossing, as it does, every important Western railway system, and cutting these great arteries that pass from east to west, and paralleling those from north to south, I believe the solution of traffic adjustment will be vastly easier than now."

Ex-Governor Van Sant of Minnesota has said: "I can see this river in the future laden with commerce—the greatest waterway in the known world. Why? Because it is the people's; its right of way belongs to them, and it's going to govern the commerce of our country."

But! to all this propaganda for river resuscitation the railroads enter a strong fighting legislative demur. The slogan of the Ohio River Improvement Association, "Dam the Ohio river from Pittsburg to Cairo," is spoken with a profane, rather than a patriotic, accent when uttered by railroad tongues. The railroads that are stocked and bonded three, four, and sometimes five times their cost must, of course, make the people pay tribute, in order that there may be dividends and interest returns upon their watered stock. What the people of the river States propose to do is to throw this water into the rivers where it belongs. . . .

Our statesmen are schooled in the thoughts of war. It is quite as essential that we prepare for peace. With a population only twenty times as great as during our Revolutionary War, when our independence was seriously endangered, we are now spending two hundred times as much on national defense, with no possible danger of war except as we may invite it through conquest.

Canada, with no army or navy, is spending her energies in building up a great agricultural empire and alluring Americans by the hundred thousands to her hospitable fields, while we build battleships and buy gold braid for shoulder decorations, neglecting the while the improvement of those things which might make every Canadian immigrant delighted to stay at home.

For the money we have spent on the Philippines we could have built for the farmers a splendid system of good roads—we could have completed two ship canals across Panama, or we could have channeled the Mississippi river so deep that every city on its banks, from St. Paul to New Orleans, could be a seaport town. But in lieu of any one of these stupendous home advantages, we bartered our booty for an archipelago of trouble on the plea that it was a higher duty to promote the interests of a semi-savage people seven thousand miles from our nearest shore than to enhance our own prosperity and the happiness of our homes.