be still better off under the single tax for they would not be taxed at all. Their farms would have no ground value. Tenant farmers —a class already large and steadily growing—would be in the same category; they would be burdened with no taxes. And this is true also of farm hands, a class of workers who are now taxed heavily in proportion to their means —not directly by the tax assessor, but indirectly in the higher prices of the taxed goods they buy.

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But the benefits of the single tax would not end with lower taxation for farmers. In consequence of its burdensomeness upon mere land grabbers, who monopolize millions upon millions of acres of good land and do not use it—the land grant railroads, for instance, with their alternate sections—a vast continent of excellent farming land would come into market cheap, and opportunities for profitable farming would consequently greatly improve. For the single tax would operate beneficently in two directions. In one direction it would lessen the taxes of the industrious at the expense of mere monopolizers; in the other direction it would increase opportunities for industry while diminishing those for monopoly.

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At its conclusion we find the Ohio State Journal saying that the inevitable result of the single tax in operation "would be to lighten the burdens of the rich and to increase those of the poor." This is the reason, probably, why the rich oppose it! They are not slow to lighten their own burdens and increase those of the poor in other ways, but it seems that they draw the line at the single tax! We suspect that they are moved by considerations very much more sound commercially. Furthermore, we suspect that the editorial writer of the Ohio State Journal shares in that uncharitable suspicion.

AN INGENUOUS MONOPOLIST.

Mr. Andrew Carnegie, in calling to order the Autumn meeting of the Iron and Steel Institute, September 1, at Barrow-in-Furness, Lancashire, England, said, in part (as reported by the Iron Trade Review):

> There have been made and sold without loss hundreds of thousands of tons of 4-inch steel billets at three pounds for a penny. Surely, gentlemen, the limit has been reached here. . . . It is doubtful if ever a lower price can be reached for steel. On the contrary there is every indication that period after period the price of steel is to become dearer, owing to the lack of raw materials. . . . The vital element in the matter is, as we all know, the supply of iron ore. . . . It was because it (the question of supply) forced itself so strongly upon us that we secured such an abundant supply of the best ore obtainable. For sixty years, I think, the United States Steel Corporation is supplied at its present rate of consumption, but sixty years is as nothing in the life of a nation. It is upon future discoveries of iron ore that the future of cheap steel manufacturing, even in America, depends. There are immense deposits in now inaccessible parts. . . . But it would not surprise me if its cost was greatly advanced in the future. . . . It will be a question of increased cost, and therefore of increased price; . . . the world will gladly pay the increased price necessary to obtain it. During the next half century it seems that America is to increase her output at a tremendous pace.

The same journal, in its issue of September 24, says, under the caption, "Dividends on United States Steel common:"

> A statement . . . believed to have come from the office of J. P. Morgan, with his knowledge and consent, was published in Wall street last week in reference to the report that the quarterly dividend of 1 per cent. on the Trust's common stock would be reduced or passed entirely. The statement follows:
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> > There is no probability of a reduction in the dividend on the common stock while earnings remain above $100,000,000 a year. . . . The earnings this year will be $125,000,000. The prices of finished steel have not been reduced in any branch of the business, and if pig iron is lower it will only increase the profits of the steel company, since they are purchasers of pig and not sellers. To me the low price of steel stock is inexplainable.

Now, "putting this and that together," the public will be able to draw some very interesting conclusions.

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Mr. Carnegie frankly informs us that the Corporation has a monopoly of the available ore lands, while Mr. Morgan as frankly informs us that diminished cost of stock "will only increase the profits of the steel company."

Our schools of economics teach that prices of finished products rise and fall with like movements in cost of raw materials. Mr. Morgan assures us that decline in cost of raw materials "will only increase the profits of the steel company," and Mr. Carnegie explains the reason for it in the fact that the steel company has a sixty years' supply of the best ore obtainable.

If the reader will refer to page 166 of the present volume of The Public, he will find in the last paragraph, first column, these words: "If I own all the mines I will name the price that you must pay for materials—and I will charge 'all that the traffic will bear.'" The United States Steel Corporation does not own all the mines; it owns only a sixty years' supply of the best ores obtainable, as Mr. Carnegie informs us; and Mr. Morgan says that this is sufficient to enable that company to appropriate to itself as profit any diminution in cost of iron bought from outside parties!

No wonder that so conservative an economist as Prof. Richard T. Ely declares that "a reformed competitive system is the practical alternative of socialism."

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Mr. Carnegie says that it would not surprise him if the cost of ore was greatly advanced in the future. "It will be," he says, "a question of increased cost and therefore of increased price," which, he says, "the world will gladly pay."

Now, while there is no doubt that the world will gladly pay the increased price necessary to cover increased cost, and afford a fair profit to the manufacturer, it is possible that, on the other hand, the world will hold that if increased cost justifies increased price, diminished cost demands a reduced price. But Mr. Morgan says that diminished cost "will only increase the profits of the steel company!"

It did not, however, need Mr. Morgan's frank avowal to inform us of the fact; Mr. Carnegie's announcement that he owns the earth instructs us that, if we concede the validity of his claim, we must pay the rent or get off.

But, does the steel company really own that sixty years' supply of ore?

Is there not a corporation superior to the United States Steel Corporation that has a prior and nonforfeitable claim on the "ore"? And does not that superior corporation, as a matter of fact, charge the United States Steel Corporation a royalty on that ore? That is to say, does not the State levy a tax upon the ore lands? And what if the State—that is, the public—should decide that Mr. Morgan, by declining to drop the price of steel when cost declines, thereby exacts unjust tribute from that same public, and that, therefore, it would be no more than fair to raise the royalties—that is, to levy an equitable tax upon the demonstrated value of the ore lands?

Some people will think that such increased tax would only have the effect of causing Mr. Morgan to advance correspondingly the price of steel. Not so, however. Mr. Morgan is already "charging all that the traffic will bear." If he advanced the price it would enable the owners of inferior mines to work them at a profit, and thus the increased supply would augment the stress of competition, with the result that prices would speedily decline to the former level.

It is the competition of outsiders that prevents Mr. Morgan from getting more than he now receives for steel. Stop outside production and, though cost should fall still lower than it is now, yet Mr. Morgan would be able to raise the price of his product—for the traffic would bear a higher price if it was all in the hands of a single concern.

But there is the further objection that to raise the taxation on that sixty years' supply of the "most valuable ore" would be unfair.

Well, there are idle ore lands which, if worked, would not yield a profit sufficient to pay the current taxes; while, if no tax was charged, a small profit would arise to the operator. Is it fair to tax away all the value of these lands, and, at the same time, unfair to tax the greater values enough to prevent the owners from throttling competition and extorting monopoly prices from the public. Is the Great Public—the armed giant—to lie down and quietly permit the Liliputian Monopolist to bore out its eyes with a fire brand?

Mr. Morgan says that the "earnings" will be $125,000,000 this year. Half of this is profit on the water in the stock. Is it fair that the public should pay $62,500,000 a year to the steel company as profit on its water?—that is, as the "earnings" of something that does not exist. On the contrary, would it not be perfectly fair for the public to defend itself against such exploitation by means of exercising its power to tax land values equitably?

If it is right that Messrs. Carnegie and Morgan should add the diminished cost of pig iron to their profits now, it will, of course, be right for them and their heirs to acquire the rest of the world's iron ore mines, as fast as they shall become accessible, and so, keep on adding diminished cost to profit throughout all time. Possibly, however, before Mr. Carnegie's 60 years are passed, the public will conclude that it has some rights in the premises.

The potential equalizer of opportunity is the power to levy taxes; which power resides in the state, and the state is the public. Therefore, the people have the power to compel Messrs. Carnegie and Morgan and the rest of the monopolists, to really earn what they get, in spite of the fact that they have "secured such an abundant supply of the best ore obtainable."

EDWARD HOWELL PUTNAM.

EDITORIAL CORRESPONDENCE.

New York, Oct. 5.—Much valuable political information can be derived from a study of this year's campaign in New York city, chiefly on the moot question of how far non-partisanship is really possible in municipal politics.

As even distant readers will generally know, the contest, as for several years past, has been between the Democratic organization, dominated by Tammany Hall as the Democratic power in Manhattan Borough (the city proper), and a fusion of Republicans with the Citizens' Union, a body professedly non-partisan, but made up chiefly of Republicans who are not members of the machine with a sprinkling of Democrats from the class which does not affiliate with Tammany, together with sundry other bodies, mostly of skeleton membership.

The event of the present situation has been the startling "coup" by Tammany's leader, in adopting and indorsing the two Democrats who had been nominated by the fusion to run with Mayor Low, the Republican who is candidate for reelection.

Roundly denounced from two sides, on the one as a confession of weakness on Tammany's part—a charge which nobody really believes—and also as an act of treachery on the part of the candidates who accepted the indorsement, and on the other as a relinquishing of spoils to independents which should have gone to regulars, the action has yet been universally recognized as a move of surpassing shrewdness, dictated by a breadth of view, which to tell the truth one would have scarcely looked for from a man brought up in the school of machine politics.

At one stroke, it punctures the non-partisan contention, and brings out the salient fact that the nomination on one ticket of candidates professing different political faiths, is nothing more than a deal to secure the administration for the Republicans, nominally in the minority, through the purchase of a certain number of Democratic votes by naming Democrats for secondary positions. For as soon as the inducement for Democrats to vote the composite ticket is removed by giving them the same Democratic names on the Democratic ticket, there is a cry of treason from the Republicans thus left without their ammunition.

Behind it lies the fundamental fact that the same tendencies which influence men to align themselves on one side or another of political issues in national or State affairs, influence them equally to take similar alignments in municipal affairs. At the bottom, perhaps, it is a class distinction; and in New York it should not be forgotten that while Tammany, as the result of its overpowering control, has attracted a greater or more effective share of corrupt influences than some of its opponents, yet in the long run it maintains its control because it is most representative of the plain people.

One other factor, the virulent opposition of the Brooklyn Democracy, cannot well be appraised by anyone who has not been acquainted with New York politics and familiar with the fact which has become a tradition here, that in the organization of any party whatsoever, the Brooklyn end always demands its full share and usually a good deal more, of whatever plums there are to distribute; and that in any convention of which they form a constituent part, no ticket can go through without opposition from the