its former price. The paper which reports the fact thus explains it:

> **That extra $75,000 represented the value added to the plot by the fact that a permanent three-story building was to be put upon the Speyer parcel. In other words, the projectors of the tall office building were assured a plentiful supply of light and air for an indefinite period, and were willing to pay an extra $75,000 for this assurance.**

It was a veritable transaction in air and sunlight to the extent of $75,000; and the owner of the other natural element, the land which controlled the use of sunlight and air at that point, got the money.

Mayor Schmitz, of San Francisco, is to be congratulated upon the success of his mode of dealing with street car strikes. When the street car managers started in to put armed detectives upon the cars the mayor interfered. As was told last week in these columns, he gave warning that neither side to the strike would be allowed to arm. Had he followed the usual course, the street car managers would have provoked riots by this time, as they usually do. But owing to the commendably impartial and order-promoting policy adopted by the mayor they were thwarted. The strike has been absolutely peaceable. No disorder whatever is reported. And the street car managers, hopeless of provoking riots which they could swear off upon the strikers, have come promptly to a reasonable settlement. The San Francisco mayor's action in this street car strike furnishes a precedent in the labor conflict which cannot safely be departed from hereafter anywhere in the country. The public official who in the future allows street car companies to arm will be held responsible by public opinion for any resulting disorder.

There is much that is comical about all the fuss and feathers over legal proceedings against the meat trust. These proceedings are for all the world like the slap-sticks of the vaudeville stage, which make a great deal of noise but hurt nobody. The members of the meat trust themselves are merry over it. They say that if the injunction holds against the loose combination which they have formed they will form one that is not loose, one like that of the steel trust. And, sure enough, they could find safety in that way. For the steel trust, the greatest and strongest of all the trusts, is regarded by the powers that be as legally invulnerable, because it consists of one corporation owning a majority of the stock in all the subsidiary corporations. It is not a trust; it is a stockholder. Here then is a case of now you see it and then you don't. If the meat trust is held together by what a witty writer describes as "a gentleman's agreement among hogs," it is unlawful; but if it is held together by the charter of a New Jersey corporation, it is lawful. Yet there is no difference except in form.

The outcome of the Kettle Hill assault upon the meat trust will probably be an injunction, followed by applause from party organs for the "anti-trust" administration, and later by the safe reorganization of the enjoined trust under the New Jersey corporation laws. The whole thing is a farce. No official attention is paid to the recent report of the Interstate Commerce commission, which traced the power of the meat trust to secret agreements with monopoly railroad corporations; nor to the tariff which shields it in another direction. Something of this kind is the true secret of all trust power. It rests upon special privileges, upon some sort of special legal protection. Were highway monopolies and the tariff on meats abolished, the people could whistle at meat trusts whether incorporated or not. The trust evil will never be suppressed until the people understand that trusts are effects, not causes, of monopoly. Competition cannot produce monopoly, but monopoly can destroy competition.

If a recent news dispatch from Washington reports the action of the postal department truly, another dangerous advance has been made in the direction of irresponsible postal censorship. According to that dispatch a business firm of Wilkesbarre, Pa., had started an endless chain of letters for the advertisement of a fountain pen. On the surface there appears to have been nothing fraudulent in the enterprise. It was apparently a new but effective method of advertising. So effective did it prove that the post office at Wilkesbarre is said to have been choked with mail matter inclosing money for the firm. "The postal authorities," runs the dispatch, "do not seem to be certain yet whether they can stop the business on the ground that it is illegal, but investigation is being made on this point." Then comes the nub of the announcement: "Meanwhile the business is suspended!" So, if the report is true, the postal authorities at Washington, though not at all certain that this mail order business is illegal, put a stop to it, to the probable ruin of the business, until they can find out. Government by postal bureau promises to become as obnoxious as government by injunction.

All who remember the days of the greenback agitation, following close upon the civil war, will recall the name of Jesse Harper. Mr. Harper died on the 24th of last month at Danville, Ill., at the age of nearly 80 years. He had been an intimate friend of Abraham Lincoln, and was a Republican of prominence until the advent of the Greenback party. This was the first political movement after the war, of a social or industrial character. It is often thought of only as a financial movement with unsound principles and false ideals; but it was something more than a financial movement. Whether the remedies it proposed were true remedies or not, the Greenback party did aim to eradicate industrial ills and to bring about order and equity in society; and much of the sentiment against privilege that now exists may be traced to the agitation which it began. In the most flourishing period of its career Jesse Harper stood high in its counsels. He was a man of intellectual ability and 'moral impulses, who thought of the rights of others rather than of comfort for himself; and his name deserves to be remembered as that of a pioneer in the American movement against plunder and privilege.

One of the men, great in his way, whose death is recorded this week, is J. Sterling Morton. He was a member, as secretary of agriculture, of President Cleveland's cabinet, though he will be longer and better known as the originator and patron of "Arbor day." Mr. Morton's character was distinctly intellectual. After once grasping an intellectual principle he clung to it with unyielding tenacity. Moral principles, however, as distinguished from ethical rules, did not seem to govern his thinking. Though a man of unchallenged probity in all his relations, the essential moral element in social problems did not appeal to him. He was not an idealist. And while a Democrat in politics, he was far from being a democratic Democrat. Closely affiliated as he was with the privileged classes of his time, and sensitively class-conscious, he defended the established order of things with vigor. His convictions were genuine and strong, and his methods were candid. No one ever doubted his sincerity, however much they may have questioned his conclusions.

FRANCHISE VALUES.

In profitable properties represented by shares on the stock market, there are two kinds of value. Though regarded as identical for ordinary business purposes, they are ethically and economically distinct. One is the value of services rendered; the other is the value of some monopoly power, secured by law, over the right to render services. In the former category are the values of plants, of good will, of operation, in a word, of all those things which the owners supply. In the latter category is the privilege, generally called a "franchise," conferred upon the owners by law to render those services, and which, either directly or indirectly, forbids their being rendered by others. For example: The value of street car tracks, of cars, of power houses, and of the human energy expended in operation, belongs in the former category; while the value of the right of way belongs in the latter. Values of the latter kind are known as "franchise" values. They are distinctively values which the owner does not earn, but which are conferred upon him at public loss simply as a legal privilege.

The following signed editorial regarding these franchise values is from the pen of one of the best equipped and best known observers and experts in that financial "sphere of influence" which bears the name of Wall street. He is the editor, and his business house (John Moody & Co., 35 Nassau street, New York) is the publisher, of "Moody's Manual of Corporation Securities."—Editor of the Public.

As an example of the manner in which modern municipal franchises increase in commercial value take the electric lighting industry in New York city.

Iu 1898, the Edison Electric Illuminating Company of New York controlled practically the entire illuminating business of Manhattan Island. There existed, it is true, several small competing concerns, with limited franchises, but the figure they cut was small; the Edison company doing all the city lighting, and furnishing over 90 per cent. of the entire commercial demand. The capitalization of the Edison company consisted of $6,500,000 in five per cent bonds and $9,200,000 in stock, the latter paying six per cent. dividends.

The business of the company had been expanding rapidly for many years, and by the end of 1898 the company was earning about 11 per cent. on its capital stock beyond a liberal amout set aside each year to cover depreciation of plant.

About this time a new concern, called the New York Gas, Electric Light, Heat & Power company was formed by the so-called Brady-Whitney interests. The new company secured a liberal franchise and was incorporated with an authorized capital of $36,000,000. At the same time a corporation called the Consolidated Telegraph & Electrical Subway company was formed. The latter company acquired certain franchises giving it the right to use many streets for the laying of electrical subways; and also to use for electric current the subways already laid along Broadway and other thoroughfares by the Metropolitan street railway for its underground electrical system. This subway company had at this time no other tangible property, however.

At this juncture the New York Gas & Electric Light, Heat & Power company began its campaign of consolidation. In December, 1898, it acquired the aforesaid Consolidated Telegraph & Electrical Subway company and five small electric lighting concerns. In acquiring these six corporations it issued $7,500,000 in first mortgage five per cent. bonds, running 50 years. It then acquired the entire capital stock of $9,200,000 par value of the Edison company by issuing in exchange therefor $21,000,000 in its own four per cent. bonds, secured as a purchase money mortgage on the stock itself. In acquiring this stock, it agreed to deposit with a trustee $4,000,000 in cash, to be ultimately spent on the property. This cash was raised by issuing $4,000,000 more of its first mortgage five per cent. bonds, making the total of the latter $11,500,000.

The entire electric lighting industry on Manhattan was now consolidated, and properties which a few months before had had an outstanding capitalization in the aggregate of about $19,700,000 now had securities outstanding as follows:

Edison company's old mortgages, $6,500,000; underlying bonds of the smaller companies, $1,150,000; New York Gas & Electric Light, Heat & Power company, five per cent. bonds, $11,500,000; the same company's four per cent. purchase money bonds, issued for Edison stock, $21,000,000; the same company's capital stock, all outstanding, $36,000,000; total capitalization, $76,150,000.

Here was an increase in capitalization (par value) in three or four months from $19,700,000 to $76,150,000, all of which, less the $4,000,000 cash mentioned above, represented franchise value or inflation.

That it was practically all tangible franchise value and not the mere "inflation of expectancy" is shown by events which shortly followed.

In December, 1899, the Consolidated Gas company acquired the entire capital stock of the New York Gas & Electric Light, Heat & Power company by issuing in exchange therefor $16,517,000 in par value or $29,730,060 in market value, of its own stock. Thus the owners of the $36,000,000 of the New York Gas & Electric stock (which had cost them nothing less than a year before) sold out for a cash equivalent of $29,730,060. But the market value of this Consolidated Gas stock has since increased to $37,163,000. The aggre-

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