

President. If the legislators cannot put the views of the people conclusively expressed on a definite question into the form of legislation they are not very expert. It may be that they have not been trained in the school of partisan politics to carry out the will of the people. If so, a new school can be formed to train them to really represent the sovereign people whom they now deride as "the peepul," "the masses," "the mob" or "the rabble."

But will such legislation "be agreed upon by a majority of your Representatives or Senators unless you organize parties?" asks President Taft.

What have parties or party organizations to do with such a matter, settled by the people in their sovereign capacity?

If the Representatives or Senators do not agree, on a question upon which the people have agreed, it must be because the party system makes for inefficiency and not for efficiency in representation.

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Organization is a good thing. Therefore why should the people of the United States, voting by States, not do a little organizing to obtain the means of expression in their sovereign capacity?

Details can be left to representatives to put in the form of statutes.

But to arrive anywhere—"to get ahead"—the people of this country must get direct legislation as the means of expression, and the recall as the means of making representatives represent, and upon this solid ground they can reorganize their political institutions on American principles.

LEWIS STOCKTON.

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HIGH PRICES AND HIGH RENTS.

We have often had occasion to explain away the thoughtless notion that high prices for competitive commodities are caused by high rents for land. But the notion sticks, and we are glad now to quote in our support a clear cut and brief exposition of the subject by a professor of economics in one of our leading colleges.

The quotation is from an article by Prof. Warren M. Persons, which appeared in the issue of *La Follette's Weekly Magazine* for March 26.

Prefacing his article with the statement that "if there is any economic proposition that can be said to be universally held by economists it is" that "high rents do *not* cause high prices." Prof. Persons goes on to say:

Are the shoppers deceived who go from Madison or Janesville, Wis., to Chicago in order to buy their goods of the great department stores?

Are the prices of goods at Wanamaker's in New York, or at Marshall Field's in Chicago, necessarily higher than the prices of other dealers who pay much less rent?

A little consideration will show that the large rents on State street in Chicago or on Broadway in New York are due to the fact that these streets are traffic centers.

Wanamaker is enabled to pay an enormous rental because his location enables him to make enormous sales.

The owners of favored sites simply absorb as rent what those sites are worth for business purposes. A landlord of a location in the suburbs, or in a smaller city would be willing to take as much, but he can not obtain more than the site is worth for use.

Prices are determined entirely independently of rents.

No one expects to get a cheaper suit of clothes by leaving New York and going to Jersey City.

If higher prices can, for any reason, be obtained for goods than were formerly received and thereby the merchants are enabled to obtain greater profits than heretofore, they will bid against each other for favorite locations. Thus the landlord will receive more rent than formerly. It is the increase in prices that causes the increase in urban rents.

After that clear treatment of the question of rents and prices with reference to cities, Prof. Persons applies the same principle in this equally admirable fashion to agricultural regions:

I am writing from New Hampshire, a State of many abandoned farms. The State issues a booklet through the Secretary of State describing many abandoned farms which may be purchased for less than it would cost to duplicate the buildings on them. Any number of farms can be bought for \$5 to \$20 an acre. The reason that the farms have been abandoned is because they cannot produce wheat, corn and oats in competition with the farms of Iowa and Minnesota at the present prices of those cereals.

If prices should continue to rise it is probable that the time will again come when it will be profitable to work the abandoned farms of New Hampshire and Vermont.

It is only through an increase in prices of agricultural products that an increase of rents or selling price of these lands can come about. The farming lands of the West have increased in value from \$50 to \$100, or from \$75 to \$150 an acre because of the increase in the prices of their products and not vice versa.

The mistaken notion which Prof. Persons so clearly explains away, may find an appearance of support in the fact that absolute and concentrated monopoly of land may enable its monopolizers to raise the price of its products.

If, for illustration, all the coal mines were absolutely monopolized by a syndicate, the syndicate might raise the price of coal above the point at which it would rest if the owners of coal mines were in competition. In the latter case the price of coal would be governed by the cost of produc-

tion from the cheapest mines; in the former case it would be governed by the highest price yielding the greatest profit.

But in neither case would rent fix the prices. On the contrary, in both cases, prices would fix the rent.

The same principle applies to other commodities than coal—to meat, for instance. The meat trust has a monopoly of the land used as great shipping terminals for domestic meats. Having that monopoly, it is in the advantageous position of the imagined coal syndicate. It can place an arbitrarily high price upon meat.

If foreign meats were admitted free of duty, its monopoly of terminals would give it less advantage—might possibly deprive it of all advantage.

But in either case it would not be the rent or land value of the meat trust's terminals that would cause higher or lower prices of meat. The higher or lower prices of meat would make the rent or land value of those terminals higher or lower—lower if free trade in meat compelled the trust to cut down prices, and higher if tariffs on imported meats enabled the trust to raise prices.

Upon this principle, so pointedly explained by Prof. Persons, the single tax idea rests for efficiency as an industrial reform. By exempting industrial products from taxation, and imposing taxes on land heavily in proportion to its value, whether used or not, you reduce prices, prevent land monopoly, and lower rents.

EDITORIAL CORRESPONDENCE

DIRECT LEGISLATION SENTIMENT IN MARYLAND.

Baltimore, Md., March 24th

A bill was introduced in the lower house of the Maryland legislature on February 1st, providing for a Constitutional amendment establishing the Initiative and Referendum in this State, and about that time the Direct Legislation League of Maryland was organized. Only about one man in ten had apparently ever heard the words before, and it was an even chance that he had a nebulous idea that it was some sort of horse medicine. However, an agitation was started, copies of the bill and pamphlets describing the principle were circulated, letters were sent to the various civic and business organizations, and Francis I. Mooney addressed a number of their meetings on behalf of the measure.

Within a month no less than ten trades bodies and improvement associations formally indorsed the bill, and either wrote or sent delegates to the committee hearings at Annapolis. At the House committee hearing we were fortunate in getting United States Senators Owen of Oklahoma and Chamberlain of Oregon to go down from Washington. They made eloquent speeches in behalf of the measure.

Herbert S. Bigelow came from Cincinnati on March 14th, to boom matters for us, and proved one of the biggest successes. Immediately upon his arrival Mr. Bigelow addressed a meeting of the City Council, and later on that evening spoke under the auspices of the Settlement Association at the Friends' Meeting House. The next day he addressed the Class of Economics at Goucher College in the morning, the Woman's Suffrage Association in the afternoon, and a joint meeting of improvement associations in the evening. On Wednesday the Federation of Labor heard him with great enthusiasm, and the following day Mr. Bigelow spoke in the Senate Chamber at Annapolis before the Constitutional Amendment Committee and a number of other Senators. Friday afternoon Mr. Bigelow pointed out at a meeting of the Equal Suffrage League of Baltimore that women's suffrage may be attained through the Initiative and Referendum just as soon as popular sentiment warrants it, without the humiliating conditions that attend an effort to secure its enactment at the hands of such "miscellaneous" elements as make up our legislatures nowadays. On Friday night a banquet was given him at the City Hotel, which was attended by more than a hundred citizens; and after an eloquent after-dinner speech he left for Cincinnati, bearing the good wishes of all who had had the privilege of meeting or hearing him speak.

To sum up. While our bill has not yet come out of committee in either house, we have hopes of a favorable report in the Senate. In less than two months the Initiative and Referendum movement in Maryland is beginning to find itself famous. Extensive press notices have been given it. The man in the street is getting to know the words (it is a pity that they are so difficult), and is awakening to the fact that they stand for a political instead of a veterinary purpose. And a large and growing body of enthusiasts are preparing to let no guilty man escape until genuine popular sovereignty is secured in this State by the establishment of Direct Legislation.

CHAS. J. OGLE.

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CHINESE PROGRESS.*

San Francisco, Cal.

Business is quite hard with the Chinese in San Francisco, everything is high and the rents are three or four hundred per cent higher than before the fire, and business is not as large. The Chinese people have scattered to all parts of the country since the earthquake and fire, and about seventy per cent have returned to San Francisco. However, our new Chinatown is much superior to the one destroyed by earthquake and fire, more substantial, more sanitary, and less odorous.

We have now a new administration for our city, an administration composed of labor men, and it intends to give more freedom to the Chinese in the Chinese quarters to conduct their business and to allow them wider scope to enjoy their national pleasure, namely, the game of chance. The former administration was very strict, it closed every gambling place in the Chinese quarters, while in other parts of the city gambling was allowed, though under cover.

*See "How I Tried to Get Assimilated," page 302 of this Public.