

of Missouri. But who are they? Senator Stone's "old guard." Perhaps Mr. Wilson ought to be politically grateful to Senator Stone for having got Speaker Clark into a hole during the pre-convention campaign in connection with Bryan's famous question which Wilson answered frankly. But Mr. Wilson isn't famous for this kind of gratitude, glory be! And why should any State dictate Cabinet opportunities? The President's Cabinet is of national, not of mere State concern. To allow Stone's "old guard" to determine a Cabinet appointment for Missouri, whether by thrusting the wrong Missourian in or elbowing the right Missourian out, would be stultifying.



That President Wilson will consider Folk for the Cabinet upon his merits as a sincere and able Democrat of the progressive variety, and of national character, is a reasonable inference from the public career of both men. It remains for influential progressive Democrats of the country to assure the incoming President of their support, if in making this selection he offends influential reactionaries of his party—in Missouri or anywhere else.



Wilson versus Smith in New Jersey.

A clear line between Governor Wilson progressives and "Jim" Smith reactionaries was drawn last week in the Democratic caucus for Speaker of the House in the New Jersey legislature. It is in favor of the "Jim" Smiths, but by a narrow margin. The candidate representing Wilson policies was Charles O'Connor Hennessy, a Democrat who is so much more democratic than the regular brand that at the polls he draws more democrats of other parties to him than he drives away reactionaries of his own party. He was defeated by only 4 votes in a caucus vote of 51—26 for Taylor, 22 for Hennessy, and 3 for Holcombe. It seems that Mr. Hennessy could have been elected by making a "Jim" Smith deal but wouldn't make it. The Bergen News vouches for the truth of that highly probable inference. "Having the prize within his grasp," says The News of the 4th, "by acquiescence in the demands of a most obnoxious and discredited boss, Mr. Hennessy spurned the honor which must thus be bought with the taint of a sacrifice of principle." The News adds this sensible comment: "His friends and admirers can glory more in his defeat under these circumstances than in his success at the dictation of the Interests from which the hard work of Governor Wilson and the independent

Democrats have wrested control." Allied with the "Jim" Smiths were the liquor interests of the State, of course; for had not Mr. Hennessy stood against them and for local option in the last legislature? One New Jersey paper wonders if this "Jim" Smith victory may not be the beginning of a party difference that will put Democrats in New Jersey "somewhat in the same position as that now occupied by the Republicans and Progressives on the other side of the political fence?" Let all democratic Democrats hope so. The body of that political death which "Jim" Smith typifies in New Jersey is a grievous burden for the Democratic Party to bear.



The Glory of Governor Blease.

It is the great glory of the present Governor of South Carolina that while he might have been born into almost any estate, he chose to be born a white man. Would that there were a Gilbert yet living to sing his praises. Governor Blease can not sing them well himself, but he thinks without ceasing of this wonderful fact in his career; and at the Richmond Conference of Governors his language about it in public speech was coarse. But coarse language is only a sort of outer apparel. It does not make the man, though it may advertise him. Coarse purposes are worse than coarse language. They are all the worse if criminal. And Governor Blease's coarseness at Richmond was criminal, in purpose as well as expression. He had defined a policy, as Governor, of protecting lynchers of Negroes accused of abhorrent crime, and when asked if he had not taken an oath to uphold the Constitution of his State and if this did not require him to protect the rights of Negroes as well as other citizens to fair trials upon accusations of crime, he replied: "To hell with the Constitution!" Governor Blease appears to be one of those pitiful men who waste their minds in proud contemplation and boastful publication of the fact that they were not born black. Have they nothing more in the way of accident to be proud of, and nothing at all in the way of achievement?



Rural Credits.

With characteristic simplicity, President Taft has put in concise words the rural credit scheme with which Big Business is trying to chain farmers to its triumphal chariots. The object of the rural credit scheme is to capitalize the "unearned increment" of farm lands in the same great stock-gambling pool in which the "unearned incre-

ments" of railroads, mines and trustified factories are now capitalized. Mr. Taft puts it in this way, to quote from his speech to a deputation of 26 State Governors at the White House on the 7th: "The farmer engaged in producing crops should be able, in view of the value of what he produces *and the value of the land on which it is produced*, to obtain money *on the faith of the land* and the faith of the product, which will enable him," etc., etc. There is, of course, no serious objection to capitalizing farms in this fluid fashion. On the contrary, if done legitimately, it might be a very good thing for farmers and everybody else. Borrowing by farmers is now an old-fashioned, expensive and racketsy performance. It is still in the stage-coach era of commercial life. No doubt great economic benefits would result from legitimate methods of "stocking" and "bonding" farms; but only disaster would result if the stocks or the bonds represented indistinguishably "the value of the land," to quote Mr. Taft, and also "the value of what he [the farmer] produces." As the railroad problem today is a monopoly-riddle, chiefly because paper titles to railways do not distinguish between the value of artificial equipment and the value of natural rights-of-way, so would the farm problem come to be a monopoly-riddle if farms were "stocked" and "bonded" without making titles to the land values and the industry values of farms distinct. And farmers themselves would be among the principal sufferers. They would become tenants of stock-exchange customers.



An Illinois Constitutional Convention.

Whether or not a Constitutional convention for Illinois should be called, is not now "the question before the house." The present agitation for it has a suspicious sound; all the more so, because it comes from suspicious directions. There should be no Constitutional convention in Illinois until the people have had an opportunity to instruct it on the question of Initiative and Referendum. Twice have the people of Illinois demanded this reform under the advisory Initiative, and been ignored by jackpot legislatures. There should no longer be any trifling. With the Progressive and Socialist legislators all favoring it, the Democrats all instructed for it, and the Governor pledged to it, the Initiative and Referendum amendment should be submitted at the next election, and the resolution submitting it should be adopted by the legislature before spring. If a Constitutional convention is called at all, it should not be called until that amendatory resolution is adopted by

the legislature, nor for a time earlier than the election at which the people are to vote upon the resolution. Meanwhile, let La Salle-street keep due silence. Its demand for fake tax reforms and its recent demonstration of affection for a Constitutional convention are in the same category of deceptive noises.



Tricky Bookkeeping.

An arbitration proceeding between the Chicago traction companies and their employes over the question of wages and working conditions, has developed some interesting facts of general concern. The capital value of one of these lines—\$21,000,000 when the "partnership with the city" was established by the ordinances of 1907 which were adopted over Mayor Dunne's veto—had risen in 1910 to \$39,465,240. About half of this increase is pure graft. Tabulating so as to distinguish graft from investment, one may find this condition:

Capital value in April, 1910.....	\$39,465,240
Capital value in April, 1907.....	21,000,000
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Total increase in capital value.....	\$18,465,240
New equipment from 1907 to 1910.....	8,663,138
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Capital value unaccounted for by new equipment	\$ 9,802,102
Old equipment replaced by the new...	6,047,739
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Capital value still unaccounted for.....	\$ 3,754,363



Here we have \$3,754,363 as the increased value in three years of—what? Evidently of the franchise which the city gave to its traction partner when it rebuked Mayor Dunne by adopting the Morgan ordinances and electing the unspeakable Busse. This increase alone is nearly 13 per cent on the investment, and that ought to be graft enough to satisfy even the Chicago traction grabbers. But it isn't. They actually retain, as part of their capitalization fund, the book-value of property that has no value at all, having gone completely out of existence. To do so is said to be legitimate. But how can it be legitimate to base net profits on non-existent capital? Is it anything but a bookkeeping trick? In no competitive business can the book values of replaced property be treated as capital. Manufacturers or merchants who did not "write off" the value of old equipment when "writing on" the value of new equipment substituted for the old, would be undersold by competitors and driven into bankruptcy. Why, then, should the Chicago traction monopolists be allowed to treat dead and gone cap-