

rails, which can be bought on the market any time, as can everything else they own; all on its way to the junk pile, everything made by labor, but not that made by law, by sheer legislative fiat. Behold, how important is the law to a railroad corporation.

It was to protect this ocean of watered stock that the Railroad Rate Bill was emasculated in the last congress. It was to perpetuate this injustice that the Interstate Commerce Commission was shorn of most of its legal and judicial power. It is not to protect or preserve an honest business that they raise their outcry against government ownership. The railroad managers are willing to sell the government anything they have, that they now own, but will fight to the last ditch any proposition to part with that which they do not own, have not owned and cannot own as private property; the right of way—that invaluable strip of land on which they lay their perishable rails and run their transitory cars.

Their rights of way are obtained by exercise of the sovereign powers of government, the "right of eminent domain," based, as it is upon the theory that the whole is greater than a fraction, an undoubted principle both in theory and in practice, in law, in morals and in economics, and the courts, one and all, in countless decisions from the lowest to the highest, have reiterated this time-worn and tested principle that land secured by the power of condemnation for public purposes is, in the nature of things, public land, and that the business done on it is public business. The notion that this enormously valuable and constantly growing value is a private asset of private persons and can be considered private property, is as silly as it is pernicious, and has no warrant either in law or in morals.

The only possible reason that things are now as they are with reference to the railroads of this country is the fact that the people have been unconscious both of their rights and their power. Now they are waking up to a sense of both, and it is this wholesome fact that is striking terror to the hearts of the Wall Street gamblers and manipulators in general. Eternal vigilance is not only the price of liberty, but is

the price we have to pay for good and cheap transportation. The strength of the railroads is in the political and economical weakness of the people. Once this is corrected the rest is easy. If we are sufficiently vigilant we can get the roads for the price of their tangible, physical property, (supplemented by a wise and judicious use of the sovereign power of taxation.) Nothing in civilized government is so potent as this to establish or destroy privilege. Once the people get acquainted with the fact that privilege and equal rights cannot exist in the same country they will disestablish privilege by utilizing the same power that now maintains it—namely taxation—the greatest power to-day of government.

H. H. HARDINGE.

THE CAPTAIN KIDDS OF INDUSTRY "HAVE SEEN THE CAT."

Henry George, with the clearness of vision that was not the least of the distinguishing traits of that great man, in his "Protection or Free Trade" prophesied that the day would come in the United States when monopolies could co-exist with free trade. True, the Americans still hug the delusion of "protection" to their foolish bosoms. There is talk, however, of allowing some of the giant "infant industries" to stand on their own feet, instead of walking all over the feet of their fellow countrymen. The ways and means committee of the House of Representatives, in order to make at least a pretense of carrying out the platform pledge of the dominant party to revise the tariff, has been giving hearings. At these hearings appeared not only those who would revise the tariff downward, but those who would revise it upward. Andrew Carnegie, to the surprise of all and amid the sneers of many, actually advocated the total abolition of the tax on iron ores and on steel. I was at first inclined to share the popular impression, that having amassed hundreds of millions by means of the robber tariff and "cinched his pile" in first mortgage bonds, Carnegie could now afford to pose as an apostle of freedom. My eyes were opened to Mr.

Carnegie's real motives when I read the testimony of ex-Judge Elbert H. Gary, chairman of the finance committee of the U. S. Steel Corporation, and the practical head of the steel trust. In effect, he declared that even with entire free trade, the steel trust's monopoly could not be shaken off. Then I understood. Instead of being at odds with the big magnates of the trust, Mr. Carnegie was abetting their efforts to turn back the rising tide of protest against a tariff that enabled a billion dollar concern to charge Americans for American products almost double the charge made to Europeans. Recognizing the inability or disinclination of the majority to consider fundamentals, they argue that, with the tariff removed, all attacks on the steel trust will cease.

That they themselves understand the real source of their power is apparent. In the first place, they are among the ablest men in the country, otherwise they would not have attained their princely positions. In the second place, their purchases in 1907 of enormous mineral deposits make it unnecessary for them to proclaim that their landed possessions and not their rolling mills are what gave them their monopoly. At the time of its organization, the only considerable holdings of ore deposits owned by the steel trust were the Lake Superior Iron Mines. These seemed adequate at first; but the world's rapidly increasing demand for iron and steel products soon apprised the magnates that if they wished to retain their monopoly they must increase their ore reserve. So, early in 1907, the trust leased the vast ore deposits of the Great Northern Railway. This is estimated to yield five hundred million tons of ore during the life of the lease.

When this deal was consummated the trust breathed easier, for its base of supplies was secured for many years to come. Its far seeing magnates realized, however, that so long as any considerable area of ore-bearing land was in the hands of others, its monopoly was threatened. They feared principally the Tennessee Coal, Iron and Railroad Co. This company owned almost a half million acres (447,423 to be exact) of iron ore and coal deposits in the so-called "Birmingham district" of Alabama,

Tennessee and Georgia. According to the November number of *Moody's Magazine*, from which I obtained the figures, these holdings of the Tennessee Coal, Iron and Railroad Co. far exceed the aggregate of all the mineral lands directly and indirectly controlled by the steel trust. Says Moody's "This Company (the T. C. & I. R. R.) owns in fee over 395,000,000 tons of red ore, 10,177,000 tons of brown ore and 1,623,000,000 tons of coal, of which 809,112,000 tons are coking coal * * * From the iron ore owned in fee by this company as many tons of pig iron can be made as from all the ore that has been shipped from the Lake Superior region from 1855 to 1904 inclusive; and assuming that the furnaces in Alabama make 700,000,000 tons of pig iron per year, it would require 200 years to exhaust the supply of coking coal and first class red and brown ores."

With this potential competitor in the field, the astute managers of the trust realized that, even under the highest protective tariff, their supremacy was threatened. They had often looked longingly at the Birmingham district, and had undoubtedly made unsuccessful overtures to the T. C. & I. for the purchase of the world's greatest iron and coal deposits. The panic of 1907 that spelled poverty, misery and death for millions of Americans, spelled opportunity for the "captains of industry." The T. C. & I. R. R. became financially involved; its securities being held in large blocks by some of the great banks and trust companies, their stability was also threatened.

It is credibly reported that representatives of the Steel Trust hurried to Washington and told the President plainly that, with a presidential election coming on, he could not afford to have on his hands the stupendous panic that the failure of the T. C. & I. R. R. would precipitate. The president has admitted that Judge Gary and Mr. Frick advised him that the panic could be avoided if he would instruct the department of justice (?) not to interfere under the anti-trust law should the steel trust buy up the T. C. & I. The president accordingly gave Messrs. Gary and Fricke his immunity bath; and shortly thereafter the steel trust added to its possessions almost a half million acres of the richest ore

bearing lands in the world. The price paid was the tidy sum of forty-five million dollars; but John Moody estimates that the Birmingham district is worth to the trust more than its one billion six hundred millions of capitalization.

That knowledge of the inherent monopoly value of the Birmingham district is not confined to the trust magnates, is evidenced by a rising stock market in the face of falling profits. The net earnings of the trust during the hard times of the first nine months of 1908, were only \$65,601,035, as compared with \$128,430,432 during the good times of the same period in 1907; still the price of U. S. Steel shares is higher than it was when its profits were twice as large. So Wall Street gamblers, as well as trust magnates, have "seen the cat." They see that, tariff or no tariff, in hard times as well as in good times, he who controls the natural opportunities of the world, controls the people who live in the world.

Perhaps it may be well to refer again to the testimony of Judge Gary. "Remove all steel duties," said he, "and we will still dominate the American market, but we will dominate it as a monopoly." The "but" refers to his contention that the removal of the duties will make it impossible for the small independent manufacturers of steel to compete with European manufacturers. Never before, I believe, has a soulless corporation expressed solicitude for the fate of its competitors. Such touching altruism should silence the jeers of those who claim that American ideals are measured by dollars.

But I do not doubt that Judge Gary is right in this. Without a cent of tariff tax the trust would still be able to fix the price of iron and steel the world over; but with a Single Tax levied on the land values of the Birmingham district and its other ore-bearing land, the steel trust would fall to pieces. This will happen when the majority of Americans outside of Wall Street have also "seen the cat."

FREDERICK CYRUS LEUBUSCHER.

You cannot help the Single Tax in any more effective way than by increasing the circulation of the REVIEW.

THE "UNGRATEFUL" MASSES.

It is often said that the masses are ungrateful. Mr. Thomas W. Lawson says they are and so he decided to abandon his self-imposed task of giving all a square deal in the gambling art and go back to "gambling", as he frankly designates his business, solely on his own account.

I am inclined to discredit the notion that the masses are ungrateful. What has society ever done for the masses for which they should be grateful? What have the men in power ever offered for the relief of the restricted activities of the unprivileged? What do the leading statesmen of to-day even propose for the material betterment of the masses? Will "tariff reform", that old, worn out party shibboleth, be of any avail; or government regulation or control of railroads? They have had in England a greater "tariff reform" for years than is even considered on this side of the water, yet there is no amelioration of destitute conditions in England.* They have government ownership of railroads in Germany yet there is increasing poverty and destitution there also. The masses are not so ignorant of contemporary history that they do not know this. And in this connection it is most important that those of us who believe in *true* reform keep constantly in mind this fact, viz.: Given several forms of monopoly based on one fundamental monopoly, there is no escape from the conclusion that the elimination of one or more of these dependent monopolies serves only to strengthen those which remain.

Monopoly is tyranny, and tyranny never knows when to cease pressing its advantage. Now and then at long intervals, it seems to get the worst of it, but it soon recovers and pursues its secret

*It is not quite correct to say that "British free trade" has brought no amelioration to conditions in that country. As compared with conditions on the continent of Europe where protection is in force there is relatively higher wages and a higher standard of living. And these date from the beginning of those measures for the removal of excessive tariff duties. That much of this gain however, has been absorbed by the landlords in increased land values is by Single Taxers well understood.

—Editor SINGLE TAX REVIEW.