The number of farms of the United States at the present time is approximately 6,600,000. Simple analytical mathematics, a none too popular pastime, by-the-bye, reveals the fact that the average annual income per farm then is less than nine hundred dollars. Obviously no farm is owned by less than one person. Many farms are owned and worked by more than one person. There are practically no farms upon which all of the work is actually done by one person. So we must pare down considerably this average as an income *per farmer*. But more than that, at the very outset, as the Department's report lucidly shows, this nine hundred dollars is but the gross income from which must be deducted all the cost of hired help, the cost of machinery and its up-keep, the cost of feed bought for stock, the taxes of every sort, the cost of fertilizers, and all the other inevitable expenditures, to say nothing of interest on his investment.

Truly, to those who will look, and who have not looked before, this latest annual statement of the Department of Agriculture must be something of a revelation.

ROBERT S. DOUBLEDAY.

MINES AND MINING OPPORTUNITIES.

Objection is made by a valued correspondent to the statement of the Public that the Calumet Mining Company does not have to come to terms with the striking miners, because "they control the opportunities bestowed by nature," and the inferred assumption that "under the Singletax the opportunity would be as open to the man having only a pick and shovel as to the capitalist." The correspondent continues:

I confess I cannot understand this reasoning. A mine is no more an opportunity bestowed by nature than is a factory or an office building. The difference is that the mine is constructed under ground, instead of upon the surface, but it is just as much a construction as the factory or the office building is. An ore body in itself is not a mine; it does not become a mine until it has been "developed," or in other words, not until shafts have been sunk, headings run, and the machinery installed for the economical handling of the ore and the waste material, for ventilating the workings, and carrying on the various processes that are required. The construction of a mine is an expensive undertaking. In most cases the expenditure of a considerable amount of capital is necessary before any return can be expected. The existence, or supposed existence of a body of "pay ore" in a piece of ground does not constitute that ground an opportunity, so far as mining is concerned, for any one save a capitalist, and even for him the risk is so great that his profit needs to be most extraordinary to be justly regarded as disproportionate.

In discussing the particular questions raised by a miners' strike it is well to bear in mind that were there no mining companies to furnish the capital and to take the risk of developing the ore bodies, and making mines of them there would be little or no work for miners anywhere or upon any terms. The cases where a man with pick and shovel can attack an ore "prospect" on virgin ground and earn even a day laborer's wage are too few to signify.

The distinction between an undeveloped ore body and a mine is one which, so far as my observation goes, is not commonly made by the advocates of the Singletax. Yet it is not merely a question of choice of words; it is a vital difference, the difference between land and "improvements" so called. And if the sound rule of taxation is that the tax should be assessed against land values, and that improvements should be exempt, would not the impartial application of the Singletax result in taxing mines at only the value of the land before the mines were developed?

This raises the issue, not only between university economics and the Singletax, but also between Socialism and the Singletax. The opportunity to produce wealth, our critics say, is not an opportunity to Labor, but to Capital; and it matters not how free land may be, Labor still remains helpless without tools—which, in the case of mines, means expensive machinery—and therefore, subject to the terms offered by Capital. University economics holds that Capital must enjoy abnormal profits in order to induce it to engage in production; and that the only redress that Labor can have, or is entitled to, must come from organization on its own part, and through industrial commissions and sumptuary laws. Socialists hold that the antagonism between Labor and Capital is of the same nature as that between Labor and Land, and therefore, permanent relief can be had only through public ownership of the tools. The one would have the industrial system remain substantially as it is, modified by such paliatives as profit-sharing, increased efficiency, and government supervision. The other, ignoring entirely the basic motives of human nature, would reverse the present industrial order, eliminate Capital and make the State the employer. This is not to say that the correspondent belongs to one or the other of these schools; but his criticism might have come from either.

The question raised seems to be due to the confusion that comes of indefinite terms. Political economy based upon indefinite terms is indeed a dismal science; but when its terms are defined with precision, and so used, it becomes as certain as mathematics. Labor and Land are generally agreed upon; but Capital, though it be understood in common speech, tends to vagueness and uncertainty when it is brought into the social problem. And because of this vagueness and uncertainty it has unconsciously been clothed with the attributes of Land, and thus has led to confusion of thought.

Labor and Capital, in themselves so far from being antagonistic, are mutual in their interests, and both are opposed to Land. The returns to Labor, wages, and to Capital, interest, rise and fall together; and both rise as rent falls, and fall as rent rises. This is not always so apparent under present conditions, because of the arbitrary interference with production and exchange by labor unions and sumptuary legislation; but the tendency over a wide territory, or during a considerable period of time, is true. Labor and Capital are the active factors in production. Being perishable by nature, they waste away when unemployed. Land is passive and fixed. In a growing community it increases in value whether employed or idle.

With these definitions in mind, what will be the result of a free bed of ore? Labor, possessing only pick and shovel, cannot earn even a day laborer's wage, it is true; but neither can Capital, without Labor, earn interest. Labor may exist without Capital; but Capital without Labor is absolutely helpless. Land also is useless without Labor and Capital, but it is not perishable, and can await future development, whereas Labor and Capital perish if unemployed.

What terms under these conditions will be struck between Labor and Capital under free conditions? Will not the higgling of the market determine? If Capital offers a smaller wage than it should, its gains will be greater than those commonly prevailing, and other Capital, seeking gain, will raise its offer. Labor will not stand helpless before a free bed of ore, because Capital is as eager for gain as Labor. And if each be free to engage or withdraw, the bargain struck will be a just division of the joint product. But the bed of ore today is not free, either in the Calumet or elsewhere; and as Land it dictates terms to both Labor and Capital.

Suppose, however, that Capital should hold title to the land, as is often the case under modern production, their interests will merge; and Labor will be unable to secure fair terms, not because of the power of Capital, but because of the power of Land. By destroying land monopoly—which is based entirely upon statutory law—the toll taken by Land will go to Labor and Capital; and if they be free, the division between them will be in proportion to the contribution of each toward production.

Will the Singletax destroy land monopoly to the extent of making the bed of ore free to Labor and Capital? It is generally conceded that, since a tax on land values cannot be shifted, such a tax on agricultural lands or building lots will, by forcing lands held for speculation into the market, break the monopoly. Will the same result follow its application to mineral lands? Though the Singletax be laid upon land used for agricultural purposes according to its value for farming purposes, it would bear an added tax the moment it was known to contain minerals. In other words, it would be valued for taxation exactly as a buyer in the market would value it.

Not only is it theoretically possible to separate the agricultural value from the mineral value, but they are now actually separated. Owners of land rent its surface to one tenant for agricultural purposes, or for building purposes, and to another for mining; and the price in both instances is determined by competition. Should a higher grade of ore be discovered, or more extensive deposits, that also is taken into account in determining the land value, just as the buyer and seller would if a sale were made. The possible product, less the value of the plant, determins the land value.

The case of the Colby iron mine at Bessemer, Michigan, described by the Chicago Inter-Ocean, October 11, 1885, offers a striking example of the relations of Labor, Land and Capital. The land was owned by people who got it from the Government at $1.25 an acre. The ore lay so close to the surface that it could be loaded into cars by means of steam shovels. The Colbys secured the right to take out the ore by payment of 40 cents a ton to the owners of the land. But they sub-leased to Morse & Company for 52½ cents a ton. Morse & Company contracted with Captain Sellwood to put the ore on the cars at 87½ cents a ton. Sellwood sub-let this contract for 12½ cents a ton, which netted a profit of 22½ cents a ton. The ore as mined was worth $2.80 a ton. In this phenomenally rich mine the total return to Labor and Capital amounted to 12½ cents a ton, while the return to Land amounted to $2.67½ cents a ton. Morse & Company and Captain Sellwood were not capitalists, but landowners—through lease and sub-lease—and contributed no more toward the production of iron ore than those who owned the land in fee. The sole capital invested was embraced in the steam shovels, tracks, and the necessary tools. Labor might complain of its wages, but Capital could say it was not its fault; it was dividing fairly what it got. But suppose a single company owned both land and machinery. It could then pay higher wages if it chose. But it would not. It would pay the prevailing rate in the open market, and its power to keep $2.67½ cents plus its share of the 12½ cents, would be due to its power as a landowner, and not as a capitalist. And the value of its property, both land and capital could be determined as accurately as they were when separated in the Colby mine.

There are vast areas of mineral lands of known value, that are bought and sold on that value, yet are held undeveloped. The Singletax laid upon those known values would force them into use. Their use would necessitate the employment of capital and labor. The increased demand for labor would advance wages, not only of the newly employed, but also of those already employed. Hence, The Public feels warranted in saying that the Calumet mining company does not, because of its ownership of the opportunity, have to make terms with its laborers; but that if the Calumet mining company's opportunity—that is, its beds of ore—and all other mining opportunities, were taxed at their annual rental value, the Company would have to make terms with its men.

S. C.

NEWS NARRATIVE

The figures in brackets at the ends of paragraphs refer to volumes and pages of The Public for earlier information on the same subject.

Week ending Tuesday, February 10, 1914.

Congressional Doings.

The Burnett Immigration bill passed the House on February 4 by a vote of 241 to 126. The bill provides a literacy test to the effect that all immigrants hereafter admitted to the United States must be able to read English or some other language. Originally it contained a clause forbidding admission of all Asiatics, but this was eliminated to avoid diplomatic difficulties. Parties and factions were divided in the vote on the bill. Reactionaries and progressives split on the question, as also did the organized parties. The bill now goes to the Senate. [See vol. xvi, pp. 179, 203.]

The Smith-Lever Agricultural Extension bill was passed by the United States Senate on February 7 with an amendment against race discrimination in the carrying out of its provisions. The bill, which was passed by the House on January 19, now goes to conference. It provides for demonstrations on the farm of approved methods and scientific discoveries as to farming and home economics made in the State agricultural colleges, experimental stations and in the Federal Department of Agriculture. The Secretary of Agriculture and land-grant agricultural colleges are to outline plans for carrying out the demonstrations. The bill appropriates unconditionally $10,000 annually to each State. In addition a sum of $600,000 for the coming year, with a yearly increase of $600,000 for the next seven years, is to be provided for distribution among the States on a basis of rural population, conditioned on each State appropriating a sum equal to its portion of the Federal funds and after seven years a permanent appropriation of $4,800,000 annually. [See vol. xvi, pp. 128, 638.]

The Senate on February 4 refused by a vote of 32 to 31 to accept the credentials of Frank P. Glass, appointed to fill a vacancy by Governor O'Neal of Alabama. The rejection was based on the ground that since the adoption of the direct Senatorial election Amendment no authority has been given the Governor to fill vacancies by the Alabama legislature. [See current volume, pages 134, 82.]

The House Committee on Mines and Mining favorably recommended on February 3 a bill for control of radium but not, as originally planned, for withdrawal of radium lands from entry. $150,000 is to be appropriated to build government factories for its manufacture and $300,000 to extract the radium. [See current volume, page 82.]

Wilson Opposed to Toll Exemption.

That President Wilson favors repeal of the exemption from toll for American vessels passing through the Panama canal was made clear by the publication of a letter on February 6 to William L. Marbury of Baltimore. In this letter, after paying a personal tribute to Secretary of State William J. Bryan, President Wilson says:

> With regard to the question of canal tolls my opinion is very clear. The exemption constitutes a mistaken policy from every point of view. It is economically unjust; as a matter of fact, it benefits for the present, at any rate, only a monopoly; and it seems to me in clear violation of the Hay-Pauncefote treaty.