

of power by putting another class in. The rights of the people as a whole would be no better conserved by the farmer class than by the manufacturing class, the merchant class, the "labor" class, the lawyer class, the middle class, the plutocratic class, the "lower" class, or any other class. What is needed in American politics is not another class organization for class purposes; but an organization which shall faithfully stand for equal rights for all men, regardless of their class.

A writer in *The Sunny South*, published at Atlanta, claims Uncle Tom's Cabin as in reality, though without its author's intention, a defense of slavery. This claim is made because the book "portrayed a relation between the employers and employed which begot more confidence and mutual good will than has ever existed between these classes elsewhere." In the view of Uncle Tom's Cabin which this writer presents we are not deeply interested, either for it or against it; but we are interested in the clear vision he has of the essential character of the labor question, and his extraordinary candor. Among other things of like tenor with the words quoted above, he says of African slavery as it existed at the south that it "was the most satisfactory adjustment of the opposing claims of capital and labor that ever has been known!" It is a sad thought, but true, that the present condition of multitudes of workingmen is so hard that chattel slavery might be an amelioration, if not a "satisfactory adjustment." Yet there is something morally stunning about the suggestion of chattel slavery as an ideal solution of the labor problem.

The *Seattle Post-Intelligencer* takes *The Public* to task for urging reduction of fares on street cars instead of advocating taxes on gross receipts. How competent the P.-I. is to discuss any question of taxation may be inferred from its contention that an increase of direct taxes on lot owners would increase rents, and so

force tenants to bear the additional tax burden. It should read and digest John Stuart Mill's chapters on taxation before setting up as a fiscal schoolmaster. No wonder it imagines, after that display of fiscal ignorance, that a tax on the gross receipts of street car companies would be borne by the corporations. But consider. If street car companies could not afford to do business for less than 5 cent fares, then it is true that a tax on gross receipts, with fares limited to 5 cents, would be borne by the companies. Inasmuch, however, as that would reduce their receipts below the profit mark, they would have to quit business. Such a tax, therefore, is out of the question. But suppose the companies could do a profitable business at 4 cents fare, as they certainly could; then a tax of 20 per cent. on gross receipts, with fares left at 5 cents, would be paid not by the companies, but by the passengers, at the rate of one cent a ride. The companies would then be called the tax payers, and the passengers would be referred to—is it not so with indirect tax payers now?—as persons who pay no taxes. Yet the real tax payers would be the passengers; the companies would be nothing but collectors.

Commenting upon the criticisms that are made of stock watering, J. Sterling Morton's *Conservative* has a very sensible thing to say. It calls attention to the fact that corporation stock is not the only kind of property that is "watered." It has witnessed, it says, in Nebraska, "the rise of raw prairie land from one dollar and twenty-five cents to twenty-five and fifty dollars an acre." And this enhancement, it adds, has come—

not because of any effort or expenditure upon or about these lands on the part of their owners. "In fact," it proceeds, "The *Conservative* has observed lands mortgaged to secure cash loans for sums aggregating ten and twelve times more than their owners paid for those lands." And then it shrewdly asks:

Have land owners then differed very much from the owners of railroads in raising their values for the purpose of

borrowing money? Have they or have they not been watering their stock?

Of course land owners have been "watering" their stock. The increased land value being due to no work or expenditure of their own, it is to them pure "water." And the reason they can appropriate this "water" is precisely the same as that which enables railroad companies to appropriate the "water" of their watered stock. Neither could appropriate that increment—truly an "unearned increment,"—but for a monopoly privilege. The railroads do it by means of their monopoly of right of way; the landowners do it by means of their monopoly of location. In each case the pecuniary measure of communal growth attaches to the earth-chance, by means of which alone the value can be appropriated; and the owner of that earth-chance—be it right of way, farm, mine or city lot—diverts the earnings of the community as a whole, in contradistinction to his earnings as an individual, away from the community's pocket into his own. In the one case the sums thus diverted are called "land values;" in the other, stock "water." The *Conservative* is right. Landowners who get enhanced prices for their land are virtually "watering" their stock.

There is this difference, however, between the profits of the land owner and that of the stock waterer, a difference which The *Conservative* overlooks. The law has not attempted to limit the profits of landowners; it has attempted to limit the profits of railroads. It fixes maximum dividends on railroad stock. And stock watering is resorted to by railroads for the purpose of enabling them to pay dividends which nominally are within the legal limit, but actually are far in excess. Therefore, while increased land values and watered stock are the same economically, legally the former are innocent while the latter is larceny by trick and device.

Socialism receives a new definition at the hands of one of its devotees, J.