

creased by \$540,687,337 in merchandise, and reduced by only \$4,903,888 of excessive imports of gold and silver. Tabulating these figures, we get the following result:

September 30, 1790, to June 30, 1900:	
Excess of merchandise EXPORTS .....	\$2,046,588,012
Excess of gold and silver EXPORTS .....	1,461,597,093
June 30, 1900, to March 31, 1901:	
Excess of merchandise EXPORTS .....	540,687,337
Total excess of EXPORTS.....	\$4,048,872,442
Excess of gold and silver IMPORTS .....	4,903,888
Total excess of EXPORTS of all kinds—merchandise, gold and silver—from the foundation of the government to March 31, 1901 .....	\$4,043,968,554

It is plainly impossible to discover in those official figures the slightest indication of any payment which this country has received for the enormous aggregate of excessive exports which it has rolled up since 1790 and is still augmenting. They certainly were not paid for with gold and silver.

The question arises, then, whether this enormous export balance of \$4,043,968,554 is invested in foreign countries. The "favorable balance" pleaders insist that whatever may have been the fact in the past, the excessive exports now are being invested in foreign loans and property, except as they are being used to redeem our foreign indebtedness.

But how happens it that we have a foreign indebtedness? Is that consistent with excessive exporting? If we have for more than a century been sending merchandise, gold and silver abroad, to such an excess over what we have received back, as to amount nine months ago to an aggregate excess of \$2,046,588,012 in merchandise, and \$1,461,597,093 in gold and silver—a total of all exports of \$3,508,185,105—why should we owe any foreign debts? What could we possibly have received for which we did not pay as we went along? If that enormous excess of exports left us in debt, then our foreign trade down to last June, notwithstanding that it showed a huge export balance, must have been decidedly unprofitable.

As to the present condition of our trade, if we are indeed now paying off old debts abroad, or investing in

foreign property, then our exporting is to that extent a sign of profitable trade. It means that we are laying a foundation for securing in the future a claim to importations that in time will give us an excess of imports. But what evidence is there that the excessive American exports of the present time are used either to liquidate old debts or for investment in foreign property?

During the past nine months our excessive exports of merchandise have amounted, as shown in the table above, to \$540,687,337, for which we have received in gold and silver only \$4,903,888, leaving an export balance of all kinds of property—merchandise, gold and silver—of \$535,783,449. There is not the slightest reason to believe that more than a small fraction of this amount has been used to redeem old debts abroad or to invest in foreign bonds or property. On the contrary, we still appear to be exporting without receiving back an equivalent either in foreign investments or current imports.

What these excessive exports of ours doubtless do mean, assuming the figures to be correct—and that is a violent assumption—is that for the most part the people of this country are shipping to foreigners rents, interest, dividends, gifts and tribute of various kinds. One instance will illustrate: Astor lives in London. Owning land in New York, he draws rents regularly from this country. These rents enter into the swelling volume of our exports; and we never have received, do not now and never shall receive, anything for them. They are an item of excessive exports of the permanent kind, and to that degree a drain upon the resources of this country. When to the Astor case shall have been added that of Scully and the thousands of other foreign owners of American land, our volume of excessive exports will be largely accounted for.

But how does such a balance of trade contribute to our prosperity? In fact it does not contribute to it at all. It is a debilitating drain.

We should be thankful to know that the discussion now going on, especially in England, of which the quotation from the London Daily Mail

given above is an example, is bringing this truth to the surface. With a full discussion of the favorable balance of trade theory, that confusing fallacy will pass out of the public mind, and with it will disappear the greatest economic superstition of all time—the devil's doctrine of protection to home industry.

EDITORIAL CORRESPONDENCE.

New Orleans, April 30.—For the first time in its history New Orleans is undergoing the hopes, anxieties and general excitement of a "boom." The delightfully lethargic disposition of this old city of the creole, where the soft and balmy air, the beautiful sunshine and the cool shadow, the delicious pompano and the seductive mint julep, the intelligent and lovable men and women, the queer foreign structures and the familiar American folks make the stranger feel that now he has come to the fabled place where it is always afternoon—this disposition to drowse like a gentleman and a scholar has been rudely shaken. The inviting city by the southern sea is torn and wrenched from curb to attic by a speculative craze.

It is not a local boom, but it is one with as many bustible possibilities. The city has gone wild over the great oil discoveries along the Texan border, 200 miles away. They are not yet producing oil from them, and there is no great excitement on that score. The excitement is over the transfer of natural opportunities for oil production. Workmen can be hired at leisure, but oil land must be caught on the fly. Companies are being formed almost daily, with shares ranging in price from ten cents upward; and the shares that sold yesterday for a dime may bring 25 cents to-day and 50 cents to-morrow, all without any new discovery, any actual oil production, or anything whatever but the chatter of the street and the speculative fever of the people.

This economic disease, the new yellow fever of the south, is only in its early stages in New Orleans. Hardly a fortnight has gone since the first symptoms appeared. But already visions of the historic tulip craze of Holland are revived, and Mark Twain's stories in "Roughing It" of the flush days of Nevada City are reenacted in New Orleans on a smaller but rapidly expanding scale,

and with less intensity but under an increasing strain.

The northern newspapers do not appear yet to have caught on to this extremely picturesque disturbance in the city of the lotus eaters' pilgrimage. Though the dollar-snatching spirit of the calculating north is aggressively invading the last great stronghold of philosophical southern contentment and sensible repose, in the process of making a "new south," the organs of opinion at the north, alert and vociferous as they usually are, have noted little but the oil find in Texas. Yet there are newspaper men in New Orleans, bright, able, sane, industrious and responsible, who could write them true stories of the metamorphosis of this doomed city—doomed to a future of hurry and hustle—that would make the editorial hair to curl and each particular reader's mouth to gape in special wonder.

So absorbing is the speculative oil craze here, that one of the most important legal contests of the period, a contest which in any other circumstances would have excited profound interest, has run its course almost without notice, certainly without the notice it deserves. I refer to the attempt of ex-Judge John Clegg, one of the leading and most respected members of the New Orleans bar—respected alike for his probity and his professional abilities—to restrain by injunction the shipment by British agents of horses and mules as munitions of war from the neutral port of New Orleans to the scene of hostilities in South Africa. At first blush this effort for an injunction would appear to be without legal possibilities. And so the federal district judge regarded it. He refused the injunction. But upon closer examination the case seems to be by no means devoid of legal merit.

Two points are involved. First comes the right of the judiciary to invade the province of the political or diplomatic departments of our federal government, in which the executive, legislative and judicial functions are supposed to be independent of one another. The second point relates to the question of neutrality. While munitions of war cannot be marshalled in a neutral country for warlike purposes abroad, without breach of neutrality, the producers of or regular dealers in such things may without breach of neutral obligations

ship them as articles of general commerce in the regular course of trade.

As to the first point, Judge Clegg, the attorney for a citizen in the South African republic, argued that the injunction asked for was not political or diplomatic in its nature, even if it might accidentally prove to be so in effect. That it was, on the contrary, simply a process to prevent, not a sovereign nation, but certain persons in their individual capacities, from irreparably injuring, not another sovereign nation, but certain other persons in their individual capacities, in a manner which, were the case not confused with suggestions of sovereign relationships and interests, would entitle the complaining persons, beyond all question, to judicial relief.

In support of this position, Judge Clegg argued that his client's property is damaged by the continued prosecution by the British of their war of invasion; that any hostile act upon neutral territory, which tends to enable the British to prolong that war of invasion, contributes to this damage; and that if that act is the act of an individual within the jurisdiction of the neutral courts, the damage so caused constitutes an injury in law, for which it is the office of the judiciary to provide a remedy.

The point is not altogether new. It was passed upon by the British courts many years ago in a case, if I remember rightly, known as "Emperor vs. Day." The emperor referred to was the emperor of Austria. He sued in the British courts for an injunction restraining the uttering of paper money purporting to be the issue of a revolutionary government in conflict at that time with the Austrian sovereign. Though the courts conceded their lack of authority to protect the Austrian sovereign, as such, by means of an injunction putting obstacles in the way of the revolutionary power, as such, they nevertheless did grant an injunction restraining the utterance of the money in question.

The ground upon which they did so sustains Judge Clegg's contention in the Boer case at New Orleans. That ground, briefly stated, was this: The emperor of Austria could sue in the British courts the same as any other individual could. If his rights as an individual were threatened, he could secure from those courts the same protection they would accord to any other individual. Moreover, as in the case of any other individual, he could sue in his own name for the protec-

tion, not only of his own rights, but also of the rights of all other persons similarly situated. Accordingly the British courts granted him an injunction upon the theory that the utterance of the revolutionary paper money in question tended to defraud and otherwise injure private persons.

In addressing himself to the second point in the Boer case, Judge Clegg was equally strong. Conceding, of course, that munitions of war might be shipped from a neutral country in regular course of trade, without making a case warranting judicial interference, he contended that the horses and mules shipped from New Orleans to South Africa were not being shipped in regular course of trade. He insisted that, on the contrary, they were shipped by British agents at New Orleans, as British property, to British agents in South Africa for British use in prosecuting the South African war. In other words, to sum up Judge Clegg's contention, although these animals were in regular course of trade until they became the property of the British government, through purchase with British government money, and delivery to British government agents at New Orleans; yet, inasmuch as from that time forth they would remain British government property, in the custody of British government agents, until destruction in battle had scattered their bones over the South African veldt, their shipment from New Orleans was not a commercial, but a belligerent shipment.

Submitting these two points, Judge Clegg asked the injunction in behalf of his South African client, whose property rights are liable to injury from these animate munitions of war, against the persons in New Orleans who, subsequent to the goods' becoming British government property, were aiding and abetting their transportation to the seat of war in defiance of American neutrality.

But the federal judge did not take that view of the case, and after his denial of the injunction, Judge Clegg forwarded to the president an extraordinarily strong petition, based upon the same facts. From that petition nothing has as yet been heard.

One prediction regarding the south which my inquiries and observation in New Orleans confirm, is the tendency of the democratic party to break up, its aristocratic and plutocratic elements going over to the republicans.

This tendency may not become com-

plete before the next presidential election, because confidence in the settlement of the race question is not yet established. But the tide that way is running so strong that it may be easily observed. There are leading southern "democrats" with many followers who are protectionists and imperialists in the superlative degree. These men belong with McKinley and Hanna, and not with the democrats of either party.

But that drift, superficially deplorable as it is, is performing the great use of disclosing the real democracy in both parties. The sheep and the goats are separating. Nowhere in the country do I know of more inspiring faith and hope, of more wholesome and sturdy growth, of more disinterested devotion, with reference to Jeffersonian principles in their breadth and depth, than among the democratic democrats of New Orleans.

L. F. P.

## NEWS

President McKinley began a tour of the country on the 29th in a special train of seven cars especially prepared for the accommodation of himself and his party. His companions are Mrs. McKinley, Miss Barber, Secretary and Mrs. Hay, Postmaster General Smith and Mrs. Smith, Secretary and Mrs. Long, Secretary and Miss Hitchcock, Secretary and Miss Wilson, Rear Admiral Melville, Private Secretary Cortelyou and Mrs. Cortelyou, certain officials of the Southern Pacific railroad, several less known guests, and a corps of reporters. The first extended stop after leaving Washington was made at Memphis on the 30th.

Prior to his arrival there, however, the president made brief speeches at Charlottesville and Lynchburg, Va. His Charlottesville speech was wholly local and complimentary, but at Lynchburg, where he was welcomed by the democratic Senator Daniel, he drifted into political suggestion, his speech in that respect, as reported, being—

We never had so much to do in all our history as we have now. We never had so much business at home nor abroad. We never made so much and never sold so much as we sell this year. We are expanding our markets. Our productive capacity has become so great that we are not only able to supply the home markets, but we require a foreign market for our surplus, and

we are seeking the open door in the orient for the products of American soil and American labor, and what we want to do now is to be prudent in our prosperity, save while we can, and be strong if the storms should come; and they do now and then. Whatever comes, let us be fortified by the practice of economy while we are so well employed. We are not only expanding our markets, but we are expanding our territory. The policy of the United States has always been to keep what it originally started with and hold all it honorably gets. We refused to divide our original possessions, and we will be the last to desert our new possessions.

At Memphis a reception was given the presidential party, at which the president spoke. Omitting local references and compliments for lack of space, the following was his speech:

What a mighty, resistless power for good is a united nation of free men. It makes for peace and prestige, for progress and liberty. No citizen of the republic rejoices more than I do at this happy state, and none will do more within his sphere to continue and strengthen it. Our past has gone into history. No brighter one adorns the annals of mankind. Our task is for the future.

In the local and complimentary parts of his Memphis speech the president paid a tribute to the Tennessee soldiers in the Philippines for having "with unflinching patriotism led all others in reenlistments."

On the journey from Memphis to New Orleans the president spoke four times—at Vicksburg, Jackson, Wesson and McComb—where short stops were made. At Vicksburg his speech as reported by the Chicago Tribune (administration organ) was as follows, omitting local and complimentary matter:

I can only make my acknowledgments and congratulate you that you share in the universal prosperity and contentment so characteristic at this time of every part of our common country. We know that whatever others may say or think this to us and for us is the best country in the world. It is the land we love and it is the land of possibilities and of opportunities to every child that dwells beneath the folds of our flag.

The same paper reports his Jackson speech as follows (local and complimentary matters omitted):

I thank your governor for announcing that I am president of all the country, of all the states, and

of all the territories of this great country—president by popular vote of every section of the union, by virtue of forms and rules laid down by the constitution of the United States. I am convinced that in our patriotism and our sense of duty and of honor in every part of the world we stand as one people. This country of ours has been growing in the last few years, growing whether we wanted it to grow or not. The war with Spain started us to growing and we could not help it if we would. Our growth has made new problems, but the American people have faced them and will continue to face them. We will have our differences—men always would—but we have more agreements than differences. We may differ as to politics, disagree as to principles, but we keep in the home circle and settle our differences among ourselves, and, which is the grandest tribute in the world to the American people, we have settled matters of foreign policy in the past to our satisfaction and will treat new ones in the fear of God.

The Wesson speech was made to about 1,500 factory operatives. After complimenting them on their happiness and contentment, Mr. McKinley, according to the report of the paper already quoted, said:

The happiest people in the world are those who are best employed. Work means wages, wages mean contentment, and bring to the home opportunities of education for the children; and it is the boast of our civilization that every boy and girl in the land can aspire to the highest positions of trust and honor.

At McComb, after the usual local compliments the president said, as reported by the same paper:

I have been glad to note that every section of the south shares in the general welfare and in that universal prosperity with which the country is so signally blessed. We have a larger prosperity than ever before, with higher national and individual credit. The lender now is looking for the borrower. Rates of interest are lower, money is easy and more plentiful, and is going into our great productive enterprises and thereby furnishing employment to labor. Labor earns wages, and those wages go into the homes and into the communities of the country to bless them and make happy firesides. What we want in this country, now having reached a point of development where we can more than supply our own demands, is a foreign market in distant lands. We want to send the products of our farms, our factories, and our mines into every market of the world; make the foreign peoples familiar with our