suggestions and trust that if you adopt the amendments to the constitution it will not be avowedly done for the purpose of making specific changes in your law.

The amendments in themselves are necessary and so good that their adoption should not be imperiled by being, even in thought, bound up with any particular tax system. The amendments should receive the votes of all without regard to their views as to what system the legislature should see fit to adopt when it has the power.

It may be proper to point out, however, some of the directions in which changes can be made with profit. The commission itself has done this, and done it wisely. Substitutes for the direct taxation of personal property have been adopted in many countries, and in some of the states, and almost all of them are to be preferred to your present antiquated policy. For myself, I wish to be distinctly understood as not in favor of taxing personal property directly or indirectly; but at the same time I would unhesitatingly urge the adoption of certain substitutes for the tax on personal property if my choice were confined to the tax as it now exists or a substitute for it. By some of these other plans, you can, if you desire, raise more revenue and impose the burden more evenly and with greater justice than can be imposed by any system of ad valorem taxation upon personal property.

The commission recommends what is known as "local option in taxation," and says: "It should be left to a large extent to the political subdivisions of the state to determine for themselves the objects for which revenue is to be raised therein and the subjects from which it is to be exacted." This plan has been tried in several other countries, and, in modified forms, in some parts of the United States. It allows progressive communities to experiment for their own benefit and for the benefit of all the rest. In its report the commission quotes a letter from the late David A. Wells, one of the greatest authorities on taxation in his day, in which he gives unqualified indorsement of the plan of reducing the size of the political unit which shall decide questions of taxation.

The problem of taxation presents different phases in the great cities of Minneapolis and St. Paul and in the sparsely settled rural counties. The system which may do very well for the rural community is oppressive in a great city and productive of all kinds of injustice.

The state of Minnesota has a great opportunity to make a magnificent advance. If it uses this opportunity wisely it can not only increase the prosperity of Minnesota, but also furnish an example to all the other states of the Union. The proper course for you to pursue is perfectly plain and simple. Your commission tells you, and what it says is indorsed by all authorities, that you should amend the constitution and be free to improve. At the same time you should avail yourselves of the large knowledge and experience of this commission. Continue its members in office and add two business men to increase its representative character. Instruct them with free hands to make a new code for Minnesota which shall be all that they desire to make it, unaffected by the restraints that were imposed upon them when they framed the code that is now before you.

The legislature of Minnesota could do no better for the honor as well as the well-being of the state than to adopt Mr. Purdy's advice. And at least one step in that direction has been taken by the lower House, which, on the 25th, by a vote of 54 to 60, defeated the tax code.

EDITORIAL CORRESPONDENCE.

Cleveland, Feb. 25.—Cleveland has not ceased to be the center of interest in Ohio politics. On the contrary, it is now also the center of influence. This is the result, immediately, of the election last fall, for the first time in half a century, of a full Democratic delegation to the legislature from this strong Republican county.

Tom L. Johnson began the fight, which has thus far encountered no set-back, when he entered the mayorality campaign a year ago, and carried the city by 6,000 majority. The council, however—half of which was elected at the same time—was Republican; but obliterating partisan lines for municipal purposes, and forming a combination in the council against its "gray wolf" members, Mayor Johnson secured an honest councilmanic organization with a Republican in the chair, whose election was made possible only by the support of Johnson Democrats. One of the issues of his mayoralty campaign had been three-cent fares for street car service; another was municipal ownership of public service utilities; a third was equitable taxation; and, as he had for years been a pronounced supporter of the doctrines taught by Henry George, his adversaries forced upon him the single tax issue. The latter could not, of course, be a present practical issue; but, as a moral issue, Johnson did not shrink from it but gave it his candid indorsement.

As soon as he took the mayor's chair he instituted measures to redeem his campaign pledges. In this he has so far demonstrated his good faith and ability, besides improving the general administration of the city, that his friends say he would, if a candidate at the approaching spring election, be reelected by 20,000 instead of 6,000 majority. Of his redemption of campaign pledges, however, I may say something farther on. Let me first direct attention to the influence of his work upon politics in the state at large.

Johnson's policy was first seriously felt outside of the city when, in behalf of the city, he sought to have the steam railroads taxed upon 60 per cent. of their true value—the valuation adopted for the taxation of business and residence property. He was balked by the county auditors, who sided with the railroads, for more or less obvious reasons, and taxed them at their own valuations, which were from one-third to one-sixth of the tax valuations assessed against small property owners. The auditors told Johnson that he must seek his remedy before the state board of equalization. Johnson went before the state board, another body of railroad agents and beneficiaries, which told him that all the power was vested in the county auditors, and refused to disturb their unfair decisions. So Johnson carried the question before the Supreme Court of the state. Here also the railroads were well fortified, no less than four of the judges having been railroad attorneys; and, unlike the Supreme Court of Illinois, it refused to interfere with the state board.

Meanwhile, Johnson carried the tax question before the people of the state. He made it the burden of his campaign speeches outside of Cuyahoga county, and the distinctive issue of the campaign within that county, with the result, already stated, of electing the ten representatives and four senators from Cuyahoga.

So popular had his fiscal agitation proved, and so impressive were the results wherever its influence had reached, that the Republican leaders felt it incumbent upon them to "steal Johnson's thunder" by undertaking to reform, through the Republican governor and legislature, what everybody now denounced as an iniquitous system of taxation—the same which for decades the Republican party had maintained and fostered.

In the resulting fight at Columbus one thing is amusing as well as in-

structive. The 14 members from Cuyahoga, who work and vote together on tax questions, not as Johnson tells them to, but as they decide after intelligent conferences (for, like Johnson, they are all men who have made a study of the subject and are interested in placing the fiscal system of the state upon a scientific basis), are denounced by Republican organs as Johnson's henchmen; but no such charge is brought by these organs against the real henchmen of the Republican "Boss" Cox of Cincinnati, who are men that know no more about fiscal problems than Cox does, which is nothing at all, and who vote blindly as Cox orders them to. It all goes to show that the "Ohio idea," as exemplified by the Republican leaders, is that it is wicked to vote intelligently on public questions after conference with an intelligent and public-spirited Democratic leader like Johnson, but exceedingly righteous to take orders from a corrupt Republican boss like Cox. But to return to the political situation at Columbus with reference to taxation.

In order to "steal Johnson's thunder," the Republican administration of the state has introduced a batch of tax bills. But at the very outset Gov. Nash ran against a snag. He is like the boy who stole the electric battery. Every time he tries "to monkey" with the thunder he steals from Johnson he gets a nerve-rattling shock.

One of his bills proposed a tax on insurance premiums. As this would manifestly have been a burden on policy holders, it brought a swarm of protestations buzzing about his ears. The legislature couldn't stand up against these indignant protests, and it defeated that bill. Another, a bill to tax mutual insurance, also caused a dark cloud to gather in the Republican sky, and the bill has been abandoned. The only measures left whereby the Republican leaders propose to reform taxation, and which they now insist that the people must accept or bear with the iniquities of the existing system, are two—the Willis bill, for the taxation for state purposes of business corporations, and a bill for the taxation of public service corporations.

The Willis bill, as now amended, provides for an annual tax of one-tenth of one per cent. on the par value of the issued and outstanding capital stock of Ohio corporations, except a few special ones which are supposed to be adequately taxed under an existing special law. It would also impose the same tax of one-tenth of one per cent. on foreign corporations; though not on the basis of their outstanding stock, but in proportion to their stock used in Ohio, the amount of which is to be determined by some mysterious rule of estimation. That this bill should have been made a party measure is significant of the density of the Republican leaders regarding fiscal questions. While foreign corporations would be taxed with reference only to their working capital used in Ohio, the domestic ones would have to pay upon their entire working capital. Moreover, the proposed tax would fall upon corporations without the slightest reference to the varying values, respectively, of their stock. Whether the outstanding stock of a corporation were worth 5 cents on the dollar or 500, the tax would be the same.

This inequity is enhanced by the other partisan bill, which provides for an annual tax of one per cent. on the gross receipts of nearly all public service corporations, including steam railroads. As the present tax is one-half of one per cent., which makes the steam railroads now pay $400,000 to the state, the proposed tax would be an increase of one-half of one per cent., and produce from the steam railroads double the present amount, or $800,000. Other public service corporations would probably have to pay $300,000, making a total increase, from these sources, if this bill goes through, of $700,000. What this would mean to these privileged corporations may be seen by comparing it with the calculations made by Prof. Bemis to show how much they would pay if their property were valued, like other taxable property, at 60 per cent. of its true value. Upon that basis the steam railroads would have to pay about $4,000,000 more than now and the others about $3,000,000.

Both these bills are probably unconstitutional, for they would not impose taxes by uniform rule. To avoid that objection the tax is called a "fee" for filing certain reports which the bills require. But to call that a "fee" instead of a "tax," which for the same service varies in proportion to the par value of outstanding shares of stock, wrenches the English language, whether it would strain the Ohio constitution or not. However, only the corporations themselves could bring up the question of constitutionality, and it is understood that they would not do so. In consideration of being protected from taxation to the extent of some $7,000,000, which they would have to pay if they were taxed on the same basis as unprivileged businesses and property are, they are willing to pay about ten per cent. of that amount without question, and look upon it as a cheap bribe.

If these corporations were fairly taxed, as compared with other tax payers, enough revenue would be derived from that source alone to defray all the expenses of the state; and home rule in taxation could be easily established. But the Republican leaders, whom it is often impossible to distinguish from corporation leaders, are seeking to shield the monopoly interests of these privileged corporations, the stock of which is largely owned outside of the state and even in foreign countries, from paying their share of taxation on the prevailing basis of valuations of property at 60 per cent. of their value; and to make up the difference are proposing to levy an arbitrary and burdensome tax on the Ohio owners of shares in myriads of business corporations which have no privileges and no monopoly interests.

It is argued, of course—for arbitrary power always seeks to justify itself by righteous standards—that the business corporations do have privileges and monopoly interests. They are said to have the privilege of perpetuity and the privilege of exemption of their shareholders from personal responsibility for corporate debts. But these are not privileges in any proper sense.

The perpetuity privilege serves no other purpose than to prevent the confusions that occur in partnerships upon the death of a member. In the public interest, every partnership ought to be protected by law against embarrassments of that kind; and if this were done no partnership would incorporate for the sake of securing the benefits of perpetuity. The debt exemption privilege, also, is arbitrary. If the liability of partners were limited to their invested capital, as it should be, or if the laws for the collection of debt were abolished, which would doubtless make honest obligations more secure than they now are, no one would incorporate for the sake of limiting liability for debts.

These features of corporate life, then, are not privileges. But if they were, public service corporations also possess them, plus other and exceedingly valuable privileges. Their privilege of having the law of eminent domain exercised in their behalf, and their privilege of monopolizing streets and other highways and of controlling transportation, are privileges of great importance, which find financial expression in the value of their shares. It is these valuable privileges, privileges that are valuable in the market, that the Republican leaders of Ohio are shielding from taxation, while burdening unprivileged business corporations with arbitrary tax exactions.

The political effect of this fatuous policy on the part of Republican leaders in Ohio is becoming as marked throughout the state as is the effect in Cleveland of similar monopoly-fostering policies of Republican leaders. The public is learning to distinguish be-

tween taxing a business which has no monopoly and one which derives enormous financial profits and political powers from monopoly. And that is a dangerous thing for the public to discover. It means either that the monopoly interests are doomed, or that they must get rid of popular government.

How ready the plutocratic elements are to abolish popular government, and how hypocritical are their pretenses of confidence in the people, were strikingly illustrated before a Senate committee at Columbus last week on the occasion of a public hearing on the subject of public parks in Cleveland.

These parks were once under the management of a state board. Latterly, however, they have been under the management of the director of public works of Cleveland, who, in the Johnson administration, is Charles P. Salen. Mr. Salen is a Democratic politician, and for that reason is unpopular in certain quarters. But it is almost universally conceded that his park management has been of a superior order. One of his innovations has been to make the parks popular playgrounds instead of aristocratic gardens. He inaugurated this policy last summer by removing the "keep off the grass" signs, building bathing houses, and otherwise making the parks attractive to the general public. When winter approached, the school children who had found the parks so attractive in summer, feared that in the winter their pleasures would be subordinated to those of sleigh-riders and sight-seers; and at the suggestion of the Cleveland Press, which urged them to "demand their rights of the city administration," they marched by thousands to the city hall, overflowing the building with their numbers, and, through their own chosen speakers demanded that their rights in the parks be respected in winter as well as summer. The director of public works complied. Preferring the strenuous pleasures of the school children to the staid enjoyment of their well-to-do elders, he opened the driveway inclines to "coasting," constructed shelter houses, organized skating tournaments with prizes, at some of which as many as 30,000 people attended, and otherwise made of the parks popular winter pleasure grounds. For the first time the people of Cleveland have begun to feel that they own their own parks.

Whether for this reason, or because the city administration had asked of the legislature the right to issue bonds for park purposes, the expenditure of which by the Johnson administration excited the envy of Republican leaders, a mysterious gum shoe movement has been set on foot to take the management of the parks out of the control of the director of public works and put it in charge of an appointive board. But no representative or senator from Cuyahoga county would introduce the board bill. So a Republican member from a neighboring county brought in one "by request" of Cleveland people, whose identity he refused to disclose. This bill, as it now appears, would turn over the Cleveland parks, and the expenditure of park moneys furnished by the city of Cleveland, to a board appointed by the circuit judges elected in the counties of Lorain, Medina, Cuyahoga and Summit. A more candid expression of the paternalistic spirit could hardly be imagined. But it was supported, among others, by 110 members of the chamber of commerce to 26 opposed, out of a membership, however, of 1,500.

At the hearing before the Senate committee mentioned above, when the un-democratic character of this support was strikingly revealed, 50 Clevelanders appeared to argue for the park board, and 75 against it. Mayor Johnson was at the head of the latter delegation. The argument turned on the wishes of the people of Cleveland. One delegation contended that the people of Cleveland favored the paternalistic board, and the other that they did not. Johnson was the last speaker on his side, and to put the other side clearly on record he turned to the leader and asked:

"Do you want a park board if the people of Cleveland do not?"

"No!" was the emphatic answer.

"Very well, then," Johnson replied; "this contest is easily settled. You don't want a park board if the people do not, and we do want one if the people do. I therefore call on this Senate committee to insert in the park board bill now before them an amendment, referring the question of board or no board to a referendum vote of the people of Cleveland; and I now notify the other side that, so far as we are concerned, if the people of Cleveland vote for a park board, you may provide for appointing it in any way you want to—by the president of the United States, by the governor of the state, by circuit judges, by the Chamber of Commerce, or by lot."

It was, indeed, a bolt out of the blue. The park board delegation was so dumbfounded that all the leaders were able to say, and they were "spitting cotton" as they said it, was that this would bring the question into politics!

"Not at all," responded Johnson. "All the Republican masses and most of the Democrats would vote against the board, and neither party would dare espouse the park board cause. So there would be no politics in it."

Returning now to Mayor Johnson's principal campaign pledge—that he would do all in his power to give to Cleveland a three-cent street car service—the pledge seems to be at the point of complete redemption.

There are now two street car systems in Cleveland, the "Big Consolidated and the "Little Consolidated"—so-called because the former is capitalized at $12,000,000 and the latter at only $8,000,000. The rate of fare is five cents. These companies own several street franchises, originally granted to their constituent companies, which expire at different times from 1904 to 1912.

In view of their early expiration the mayor recently brought forward and secured the passage by the city council of an offer for bidders for a new system to be constructed at once. The offer fixed fares at three cents, and the term of franchise at 25 years, with a provision that at any time, upon getting legislative permission to own its street car systems, the city of Cleveland may take possession of this system at a purchase price not to exceed the cost of construction, minus depreciation and plus a small percentage in lieu of prospective profit. There is to be no payment whatever for franchise values. One bid was received. It came from John B. Hoefgen, a millionaire street railway expert, and was accompanied with a cash deposit of $50,000, the required guarantee of good faith.

Immediately the city council, with only one dissenting vote, authorized the drawing of a franchise ordinance to carry out these plans, and meanwhile the mayor has energetically secured consents of property owners, the consent of a majority of the frontage on each street to be occupied being required by the law.

The two old companies were not indifferent nor altogether idle while this was going on. One of them is known to have approached lot owners with offers to buy them off from consenting to the new system; and as the fight grew warmer, Senator Hanna, who controls the "Little Consolidated," entered into negotiations with Horace E. Andrews, an old friend of Mayor Johnson's, and formerly his associate in the "Big Consolidated," to secure control of the latter. Mr. Andrews has succeeded in doing this, and it is understood in Cleveland that he and Senator Hanna will soon consolidate the two existing roads.

What course they will then pursue yet remains to be disclosed. But no one who knows Mayor Johnson doubts that whatever else he may do and whatever may happen, he will

cling steadfastly to his original and unaltered purpose of giving to Cleveland three-cent street car fares with the reserved privilege of municipal ownership.

The fight opened in earnest at the council meeting on the 24th, when the mayor met the attempts to bribe frontage owners with a proposed ordinance to give the same name to one continuous street which now has four names, each for a part of its length. The street car monopoly had secured a majority of frontage owners on the shortest part, Willett street, and thereby threatened to obstruct the new line through the whole long course of this many-named thoroughfare. As soon as the ordinance was presented, the monopoly members scented its purpose and with as plausible arguments as they could advance opposed it. As the mayor has the right to the floor in the council he adopted his usual policy of candidly making public his reasons for asking the change. The speech he made is worth preserving if for nothing more than an example of his methods in politics. Beginning with the explanation that this street-name ordinance was in reality the first gun in the fight for three-cent fares, he continued:

There is no disposition to rush this matter through the council. There is, however, need for quick action if we desire to meet the old railway companies on their own ground and win the fight which they are waging against us and against the wishes of the people of Cleveland. It is a mere accident that the same street has four different names in different parts of its course. The smallest section of this is Willett street, and by holding up the consents on this street the Little Consolidated hoped to prevent the construction of the proposed 3-cent line throughout the entire distance. They promised to give each property owner for a couple of blocks enough money to pay his share for the paving of the street if they would not give their consents for the 3-cent fare line, and would withdraw their consents if already given. I was present at a meeting of the property owners, and I saw the agreement which had been drawn up by the company. This is my main reason for asking that the names of these streets be changed. I do not think that any councilman will care to put himself on record as in opposition to this measure. If we are to win this fight we must act speedily. These measures must not be held up in council on technicalities if we are going to carry out the will of the people. We want to do nothing illegal nor unparliamentary. We merely ask to change the name of three streets, and I cannot believe that any member of this body will care to take a stand against it. We ask for a public hearing before the special joint committee because it will be much more expeditious than a separate hearing before the board of control and the various committees and because we cannot expect that the citizens will turn out at a number of meetings to express themselves.

The mayor was defeated by a vote of 12 to 10 in his wishes to refer the matter to a special committee composed of certain council committees and the board of control, the latter being struck out. But in his aim to secure one hearing before one special committee instead of several hearings before different committees he succeeded. Furthermore the ordinance formally granting the franchise to the 3-cent-fare company, which has been incorporated as the People's Street Railway Co., was referred, by a vote of 15 to 6, to the special committee desired by the mayor, which includes the board of control.

This is the last stage yet reached in the three-cent fare movement.

L. F. P.

NEWS

From a personal encounter on the 21st between two senators on the floor of the United States Senate, while in session, important parliamentary and political questions have developed. The senators were Benjamin R. Tillman and John L. McLaurin, both from South Carolina. Mr. Tillman had addressed the Senate on the Philippine tariff bill, then under debate. In the course of his speech he was interrupted by Senator Spooner, and a colloquy ensued in which Mr. Tillman asserted that he had received information in confidence from the Republican side of the Senate that improper influences had been used to secure votes for the ratification of the treaty with Spain ceding the Philippine islands to the United States. Being pressed by Mr. Spooner to name the man, Mr. Tillman replied that he knew that the Federal patronage of South Carolina had been parcelled out to his colleague since the ratification. Mr. McLaurin was not in the Senate at this time, but upon resuming his seat he rose to a question of privilege, and, repeating Mr. Tillman's charge, denounced it as "a willful, malicious and deliberate lie." At this Mr. Tillman sprang at Mr. McLaurin, who stood to meet him, and blows from both were followed by a scrimmage. The two men were finally forced apart, and the Senate went into secret session to consider the matter.

In secret session, the proceedings of which were afterwards made public, the belligerent senators were declared to be in contempt of the Senate, and the subject was referred to the committee on privileges and elections with instructions to advise action. In consequence of this decision the president of the Senate, Senator Frye, refused to recognize either senator while he remained in contempt, without an order from the Senate. A motion that they be allowed to address the Senate to purge themselves of contempt being then carried, both senators apologized. The debate on the Philippine bill was then resumed. But on the 24th, when the vote on this bill was taken, the Tillman-McLaurin episode assumed a more serious, even if less ferocious, phase. By order of the presiding officer, the names of Tillman and McLaurin were not called. Upon discovering this omission, Senator Turner demanded that South Carolina be accorded her constitutional right to vote. He was supported by Senator Bailey in what was described by the dispatches as the ablest argument of the session. It was based upon the following protest signed by Senator Tillman:

The undersigned, holding a commission in this body from the sovereign state of South Carolina as one of its senators and having been in the full and undisputed exercise of that high office for seven years past, solemnly protests against depriving him of the right of such senator to vote on the pending measure and to take part in the proceedings of the senate, and he respectfully asks that this, his protest, may be spread on the journals of the senate. While it is true that the undersigned has been adjudged to be in contempt of the Senate for disorder committed in its presence on the last legislative day before this, an act committed in the heat of blood and which he regrets and has apologized for, that incident has passed and gone and he is now in his place as a senator, desirous of proceeding in order and in accordance with the rules of the Senate in the performance of his high duties intrusted to him by the authority and under the seal of the state of South Carolina. In making this protest the undersigned is not moved by considerations personal to himself. He is not restive under the just discipline of this body. He is ready to cheerfully accept such order as it may make for the vindication of its rules and its dignity. But until that order shall have been made and until it shall have adjudged his expulsion, if the Senate thinks his offense merits that punishment, he cannot silently permit his state to be deprived of its full constitutional representation on the floor of this chamber, which is most notably exemplified in its right through its senators to vote and speak upon every measure before it. All of which is respectfully submitted for the consideration of the Senate.

Neither Mr. Tillman nor his colleague was allowed to vote on the 24th, but on the 25th the president of the Senate restored their names to the voting roll. He thereby referred the