

would have been a surplus as shown by the table below during those three months of \$40,506.98 instead of a deficit of \$120,815.52.

It may have been proper to put some of the receipts of October, November and December into a renewal fund as the receivers have done, though repudiating the lease which required this allowance far in excess of that set aside by most street railways, but why was it not stated that the actual expenditures were more than met by the receipts? It is also likely that the extraordinary expenses of the receivership litigation should have been paid as they were in October, November and December, but why was not some reference made to the extraordinary character of these expenses when the receivers announced a deficit of \$120,000.00?

TRANSFERS.

The transfers during the last three months of 1908 were 11,282,820 or 31.2 per cent of the total fares (36,170,412). Even if only 25 per cent had taken transfers with a penny charge, this would have yielded \$90,426.00 or more than the reported deficit of \$120,815.52 if the extraordinary and unusual expenditures of \$30,529.80 already described be deducted even though the \$130,792.70 of bookkeeping but not actual expenditures for maintenance and damages be allowed.

SUMMARY OCTOBER, NOVEMBER, DECEMBER, 1908.

Undivided profits set aside for stockholders as a 6% dividend rental	\$220,134.00	
Actual surplus over actual expenditures and undivided profits....	9,977.18	
Extraordinary legal and expert expenditures	23,387.60	
Other extraordinary expenditures.....	7,142.20	
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Actual surplus over ordinary normal expenditures		\$ 260,640.98
Estimated revenue from 1c charge for transfers		90,426.00
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Total profits, October, November and December with 1c charge for transfers on the basis of actual expenditures, but excluding \$30,529.80 of unusual expenses and a reserve for larger renewals and damages in the future than were actually required in the last quarter of 1908		\$ 351,066.98

ESTIMATES FOR 1909.

At this rate the surplus for 1909, without any growth of business, would be.....	\$1,404,267.92
Probable increase of over 10% in receipts in 1909, with continuance of 3c fares, and with little, if any, increase of monthly expense above the last quarter of 1908.....	500,000.00
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Gross profit	\$1,904,267.92
Even the deduction for 1909 of four times the Receiver's bookkeeping allowance of \$130,792.70 for the last quarter of 1908 for extraordinary renewals and damages or \$523,170.80 and four times their extraordinary expenses on account of the receivership, etc., of \$30,529.80, or \$122,119.20 for the year, would only reduce this surplus by.....	645,290.00
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The profit would still be.....	\$1,258,977.92
This would pay 6% dividends of.....	880,536.00
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And still leave a net surplus of.....	\$ 378,441.92

To this should be added the large increase of profit sure to result from the general introduction of pay-enter cars and fare boxes.

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The receivers were authorized by Judge Tayler on the 18th, says the Plain Dealer—

to pay the semi-annual interest on \$6,000,000 worth of bonds of the Railway Company, falling due on March 1, and the quarterly interest due on a \$50,000 loan held at the Guardian Savings & Trust Co., and another for the same amount at the Citizens' Savings & Trust Co. The interest on the loans falls due on March 1 and April 1. The interest on the \$1,000,000 East Cleveland bonds will amount to \$25,000; on the \$5,000,000 Cleveland Electric consolidated bonds \$125,000, and on the bank loans \$1,500, a total of \$151,500. The bank loans are secured by the deposit of bonds and if the interest is not paid when due the collateral could be sold. Interest is overdue on other unsecured bank loans representing the general floating debt in excess of 1,200,000, but as there is no collateral back of these loans the interest has been allowed to run, and the banks are still holding the notes as overdue paper.

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Local market reports on the 20th gave the value of the traction stock as 81½.

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Government by Committee.

Senator La Follette of Wisconsin charges his party with having abandoned deliberation in Congress and fallen back upon government by committee. It was in a speech in the Senate on the 18th. He had asked time for consideration of the postoffice appropriation bill for a day, it having but just come into the Senate; and Senator Penrose, in charge of the bill as chairman of the committee on postoffices and post roads, had resisted the request. Mr. La Follette thereupon charged that important legislation is placed in these appropriation measures which could not pass as separate bills. He said that the salary increase for the judiciary, for the high executive offices and for the Vice-President and the Speaker of the House had been put through in that way, and he insisted that committees unduly delayed bills which might be reported earlier so that the Senate would have more opportunity to study and understand them.

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Centralization of Libel Prosecutions.

Indictments for libel were found on the 17th by the grand jury of the District of Columbia against the editors and owners of the World (pp. 73, 86) of New York and the News of Indianapolis. The persons named are Joseph Pulitzer, Caleb M. Van Hamm and Robert H. Lyman, of New York, in respect of the World, and Delavan Smith and Charles R. Williams, of Indianapolis, in respect of the News. The libels charged are articles making accusations against Theodore Roosevelt, William

H. Taft, Elihu Root, J. Pierpont Morgan, Douglas Robinson and William Nelson Cromwell, in connection with the purchase by the United States of the French ownership of the Panama Canal.

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In justification of this proceeding the Department of Justice published a statement on the 17th in which it was explained that—

The courts of the District of Columbia exercise without dispute the common law jurisdiction possessed by the courts of Maryland prior to its concession. Libel always has been a crime in Maryland, and prosecutions for it have occurred from its earliest history as a colony down to the last year. . . . In the District of Columbia there have been no less than twenty-one criminal prosecutions for libel within the last ten years. . . . In the month of December, 1908, the attention of the United States Attorney for the District was called to the articles in the New York World and the Indianapolis News, alleging in substance that the money paid by the United States for the Panama Canal had been received by an American syndicate, which, profiting by private information as to the government's intention, had purchased, at an enormous discount, the rights of the French owners of the canal, and thus realized profits from this scandalous transaction. Several persons were mentioned by name as connected with it; some being public officials and others private citizens. A careful inquiry having satisfied the proper officers that there was no foundation for these charges, the United States Attorney, with the approval of the Attorney General, submitted the evidence to the grand jury of the District of Columbia; and that body after a prolonged and thorough investigation, has returned indictments against several individuals and a certain corporation for criminal libel in publishing the articles in question.

These articles were written and printed without the limits of the District, but published by circulation and distribution within the national capital.

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Proceedings were immediately taken by the government for the extradition from their homes to the District of Columbia of the defendants charged in the indictment, bench warrants for their arrest being issued on the 17th by the court at Washington.

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Referring to this proceeding the Indianapolis News of the 17th said:

The owners of the News will contest extradition to the District of Columbia for trial on the ground that if any offense was committed it was committed in Indianapolis, the place of publication of the News.

The World made a statement in which it said:

This prosecution, if it succeed, will place every newspaper in the country which circulates at Washington—and there are few of importance which do not circulate there—completely at the mercy of an autocratic, vainglorious President who is willing to prostitute his authority for the gratification of his personal malice. Few newspapers make large profits. Most of

them could be ruined financially by the legal expense of defending themselves hundreds of miles from the place of publication and against the tremendous resources of the United States government. Under this procedure there is hardly an American newspaper proprietor who would not be liable to criminal indictment in Washington if his newspaper printed something offensive to the President. . . . These libel proceedings have no other object than to enable Mr. Roosevelt to employ the machinery of the United States government to satisfy his personal desire for revenge. . . . Mr. Roosevelt is an episode. The World is an institution.

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The Isthmian Canal

President Roosevelt transmitted to Congress on the 17th a report upon the Isthmian Canal (Vol. xi, p. 919; xii, 121), made by engineers who recently inspected the work in the company of Mr. Taft, the President-elect. The report is an unqualified recommendation of the work that has been done, and of that which is proposed. Unstinted praise of the dams, the locks, and every other structure is given. As the Gatun earth dam had been the central point of controversy, the engineers making the report gave it, under instructions from Mr. Taft, as they say, "first consideration in the light of all new evidence," and satisfied themselves that "there will be no dangerous or objectionable seepage through the materials under the base of the dam." Nor do they consider the materials "so soft as to be liable to be pushed aside by the weight of the proposed dam so as to cause dangerous settlement." They "are also satisfied that the materials available and which it is proposed to use are suitable and can be readily placed to form a tight, stable and permanent dam." The engineers report furthermore that they "do not find any occasion for changing the type of canal that has been adopted;" and that "a change to sea level plan at the present time would add greatly to the cost and time of construction, without compensating advantages, either in capacity of the canal or in safety of navigation and hence would be a public misfortune." Their estimate of the complete cost of the canal is \$360,000,000; and they say it is incorrect to state that the original estimate of cost was \$140,000,000, as this did not include "sanitation and zone government." They add: "We see no reason why the canal should not be completed, as estimated by the chief engineer, by January 1, 1915; in fact, it seems that an earlier completion is probable if all goes well." Considering the cost and time of construction of a sea level canal as compared with the lock type, they hold that "most of the factors which have operated to increase the cost of the lock canal would operate with similar effect to increase the cost of the sea level canal, and at the present time there are additional factors of even greater importance to be considered as affecting the time of comple-