

of the revenue clauses of the constitution; and, as we are advised, one class of taxes which, though economically direct would be regarded as legally indirect, and therefore leviable regardless of population, would be taxes on corporation values.

Assuming this to be so, an ample Federal revenue ought easily to be collected at the expense of the trusts, and the obstructive and corrupt customs system be wholly abandoned.

The total Federal expenditures for the fiscal year ending June 30, 1901, were \$509,983,310.39. Since then they have averaged \$39,862,499.97 a month, or at the rate of \$478,349,999.64 a year. If we estimate Federal expenditures, then, at \$500,000,000, in round numbers, we shall be making a liberal allowance.

Of that sum the customs tariff yielded for the fiscal year ending June 30, 1901, \$238,786,740.89, and since then a monthly average of \$21,102,957.02, being at the rate of \$253,235,484.24 per year. We may, therefore, regard customs duties as supplying an annual revenue in round numbers of \$250,000,000, or one-half the total expenses of the general government.

Now, that this customs revenue could be abolished and the amount it yields be raised by a simple, economically direct, non-corrupting and easily collected tax upon trusts, appears from an estimate by Prof. Edward W. Bemis, of the market value of the principal monopolies and trusts. Prof. Bemis puts it at over \$19,931,000,000 — in round numbers, not less than \$20,000,000,000. Following are the details—

Private water companies.	\$931,000,000
Street railways	2,113,000,000
Gas companies	510,000,000
Electric lighting companies	500,000,000
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Total city monopolies except telephones	\$3,423,000,000
Telegraph and telephone companies	600,000,000
Express companies	100,000,000
Trusts	500,000,000
Railroads	10,808,000,000
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Total	\$19,931,000,000

It will be observed that all these concerns (except the trusts, so named) are special privilege corporations. That is, they own special priv-

ileges conferred by and belonging of right to the people; such as rights of way for the distribution of water, gas and electric lighting, and for the operation of street cars and railway cars. These privileges are, indeed, by far the most important factors in their value. To realize this, one has but to imagine the destruction of the entire plant of any water company, street car company, railway company or the like. The remaining property, consisting of nothing whatever but some such public privilege as a right of way, a mere legal power to levy toll, will still have great value—in most cases far greater value than the cost of restoring the plant. And as to the trusts, those so named in the foregoing table, if they were particularized it would doubtless be found that they, too, derive most of their value from special privileges of some kind, enjoyed either directly from the public, as in the case of railroads and street railways, or indirectly, as in the case of those express companies which depend for their value mainly upon exclusive railway privileges.

A tax upon corporations of this kind, therefore, would be a tax upon business only in minor degree. It would in the main be a tax upon the value of the special privileges. And $1\frac{1}{4}$ per cent. upon these trust values, considering only those discovered by Prof. Bemis, whose estimate does not cover the whole field, would raise enough revenue to replace the customs tariff. Less than $2\frac{1}{2}$ per cent. would supply all the tax revenues required by the Federal government.

We do not suggest this trust tax for immediate action by Congress, nor for immediate adoption by the Democratic party as a proposed substitute for customs revenues in order to secure free trade. It would probably be impossible to induce such action now, and the energy necessary to force it upon a party or upon Congress might secure a better substitute.

But since this method of raising Federal revenues by taxing trusts directly, instead of the people indirectly, by taxing privilege values instead of industry values, is available, let no one venture, hereafter, to oppose the policy of free trade as constitutionally

impracticable. Free trade is practicable, and the privileged classes must be made to understand that it is to be pushed on to complete establishment.

Every Democratic congressional convention this year ought to demand in unmistakable terms "the fullest measure of free trade that the constitution permits." Recognition of that principle secured—and what Democrat dare openly oppose it—and the road to absolutely free trade would be open.

NEWS

In consequence of the resignation of the Waldeck-Rousseau ministry, and the declination of Henri Brisson to undertake the organization of a new one (p. 140), the president of France has placed that honor and responsibility upon M. Combes, a radical republican senator and former vice president of the senate. M. Combes accepted the appointment on the 5th. His official position in the new cabinet is minister of the interior and of public worship. The other portfolios are distributed as follows:

Justice, Senator Valle, radical republican; foreign affairs, M. Delcasse, republican; war, Gen. Andre; marine, M. Pelletan, socialist; public instruction, Senator Chaumie, republican; public works, M. Maruejous, radical republican; colonies, M. Doumergu, socialist; commerce, M. Trouillet, radical republican; agriculture, M. Mougeot, republican left; finance, M. Rouvier, republican.

The ministers were formally commissioned by the President on the 7th.

Alsace-Lorraine, the territory acquired from France by Germany as a result of the war of 1870, is about to be relieved of the dictatorial government imposed by Germany in order to suppress agitations in favor of restoration to France. Although the German constitution was extended to Alsace-Lorraine on the 1st of June, 1874, the country has been treated as imperial territory and its administration placed under a governor general called the "statthalter." He is in fact a military governor with power to suspend the laws in his own discretion. This condition is about to be modified and the loyalty of the people to Germany recognized

by giving them greater guarantees of liberty, the imperial chancellor having introduced in the German reichstag on the 7th a measure abolishing the dictatorial powers of the "stathalter." Referring in his speech to these powers, the Chancellor said that they were necessary in the past because of the—

expressed hope of Alsations that France would reconquer the provinces; but that the emperor and the government, after mature consideration, were now convinced that the extraordinary powers conferred could be safely dispensed with. Proceeding, he said that their abrogation was a recognition of the fact that the inhabitants of the province had become reconciled to the new order of things, and of a desire to inspire them with full confidence in their connection with the empire. The efforts of the older generation to effect a separation would find no adherents in the mass of the population, he believed, and the imperial government wished to repay confidence with confidence. Germany never of her own free will, he added, would acquiesce in a fresh cession of the province, and he was convinced that Alsace-Lorraine would accept the gift now tendered with the same feeling of German loyalty that animated the rest of Germany.

As predicted last week (p. 138), when the grant of \$250,000 to Lord Kitchener, requested by the king, came before the British House of Commons, as it did on the 6th, the Irish members opposed it vigorously. The grant was made, but only after one of the most riotous scenes ever witnessed in parliament. A. J. Balfour, the ministerial leader in the Commons, moved the resolution making the grant; and Sir Henry Campbell Bannerman, the Liberal party leader, seconded the resolution with a speech in which he joined Balfour in praising Lord Kitchener. Then John Dillon, the Irish Nationalist, opposed the resolution on the ground that the war had been unnecessary. He was supported by Henry Labouchere, Radical. These speeches were received with Nationalist cheers, but called out no other demonstrations. But when William Redmond, Irish Nationalist, after denouncing both Roberts and Kitchener, turned to the ministerial benches and exclaimed: "You allow the women and children of soldiers to starve in order to honor the favorites of your corrupt society," an angry tumult followed. Howls and jeers made it impossible for the rest of Redmond's speech to be heard.

The House was sitting in "committee of supply" at the time, and the chairman, who ruled that Mr. Redmond's words were not out of order, nevertheless advised him to go no further with a speech so irritating to the House. Mr. Redmond did not follow the advice, but attempted, in spite of the uproar, to proceed; whereupon the chairman entertained a motion for closure and the Kitchener grant was allowed by a vote of 382 to 42. Mr. Balfour then moved a vote of thanks to the officers and men of the British army in South Africa and an expression of condolence with the bereaved, which was carried by the same vote. The House of Lords adopted a similar resolution of thanks.

An official statement of British losses in the war, down to May 30, was issued on the 5th. According to this statement, the total of killed, wounded, prisoners, deaths from disease and men invalided home was 97,477. As many of the sick and wounded recovered and rejoined their regiments, the permanent loss was 28,434, distributed as follows:

Killed in action or died of wounds	7,792
Died from disease.....	13,250
Other permanent losses.....	7,392
Total permanent loss.....	28,434

The Canadian contribution of troops to the South African war, as reported on the 7th from Ottawa, was 8,000, and of money \$2,000,000. Of the troops 230 were killed in action or died of wounds or disease.

Somewhat as an anti-climax to the settlement of the war was President Roosevelt's message to Congress transmitting Col. Crowder's report on the question of the British army supply post at Chalmette, near New Orleans (pp. 41, 100), for which the House had called. It is in substance as follows:

1. The British commission directing purchases and shipments of supplies in the United States, is a bureau of the English army administration.
2. As organized by these officers Chalmette station is a governmental shipping agency for but one class of military supplies, and it has not the character of a base of military supplies nor that of a military camp or post.
3. No attempts to recruit for the British army have been made at Chalmette station, nor does the evidence disclose any such attempts at other points in

the United States. A few muleteers were recruited, but this was against the orders of the British government.

4. All shipments have been from the port of New Orleans to South African ports upon vessels chartered by the British admiralty under ordinary commercial charters.

5. The total shipments are given at 98,687 horses and 75,108 mules, 65 different vessels being engaged in the trade, making 166 voyages.

6. All supplies have been for the use of the English army in South Africa, the trade having no existence prior to the war.

7. The port of New Orleans was extensively used in 1896-7 to supply the Spanish army then engaged in prosecuting hostilities in Cuba.

The report is accompanied by a copy of a letter from Secretary Hay to the governor of Louisiana, upon whose complaint the investigation had been made, in which Mr. Hay advises the governor that in international law the facts reported by Col. Crowder do not constitute a case of breach of neutrality.

Another act of the President's, of general interest, has an important bearing upon the question of civil service reform in the Federal government. It is the discharge of a war department clerk without the hearing hitherto required by civil service rules. The clerk in question is Miss Rebecca J. Taylor, who has written several letters to the press in opposition to the Philippine policy of the administration. On the 27th of May, after the appearance of one of these articles (see "Splendid Barbarity," p. 125) the secretary of war, describing her as a "temporary clerk," made an order that she—

be called upon for a statement as to whether or not she is the author of the letter published in the Washington Post of May 12, 1902, under the heading "The Flag Shall Stay Put," as shown in the accompanying clipping [being the article referred to above]. If Miss Taylor acknowledges the authorship of this letter her attention should be invited to section 8 of civil service rule 11, and under the provisions of that rule she should be given three days in which to make any explanation or statement in writing that she may desire to submit in regard to the matter.

To that order Miss Taylor replied on the same date, May 27:

I am the author of the letter published in the Washington Post of May 12, 1902, under the heading "The Flag Shall Stay Put." Referring to the explanation or statement called for by the secretary of war, I have the honor to state that not being a temporary