

the housing question in 1885, recommended site value taxation to the consideration of parliament in these suggestive terms (p. 42):

At present, land available for building in the neighborhood of our populous centers, though its capital value is very great, is probably producing a small yearly return until it is let for building. The owners of this land are rated, not in relation to the real value, but to the actual annual income. They can thus afford to keep their land out of the market, and to part with only small quantities, so as to raise the price beyond the actual monopoly price which the land would command by its advantages of position. Meantime, the general expenditure of the town on improvements is increasing the value of their property. If this land were rated at, say, four per cent. on its selling value, the owners would have a more direct incentive to part with it to those who are desirous of building, and a two-fold advantage would result to the community. First, all the valuable property would contribute to the rates, and thus the burden on the occupiers would be diminished by the increase in the rateable property. Secondly, the owners of the building land would be forced to offer their land for sale, and thus their competition with one another would bring down the price of building land, and so diminish the tax in the shape of ground rent, or price paid for land which is now levied on urban enterprise by the adjacent landowners, a tax, be it remembered, which is no recompense for any industry or expenditure on their part, but is the natural result of the industry and activity of the townspeople themselves.

The conflicting policy, supported quite intelligently and not unnaturally by landlord interests everywhere, contemplates the purchase of sites at public expense and the building of workmen's dwellings upon them. It may be that some slum conditions do not admit of the delay necessary to secure authority to alter municipal tax systems. Where that is so, improvements should of course be made by the city at the expense of general taxation. This must be done even if in relieving congestion at one point it does make it worse elsewhere, as has been the case with the London experiments, regarding which Mr. Wyckoff writes that it is "part of the irony of the situation that the very remedies which are applied to the evil at one point result in its intensification at another."

But as a solution of the problem, the purchase of sites at public expense under the prevailing system of indirect taxation is an impossible one. In order to raise the necessary funds, taxes on housing would be increased and housing be made dearer even though supplied by the municipality. The economic friction upon house-building would consequently be greater, and, by reducing demand for labor would make the downward pitch of wages steeper. Moreover, the largest financial benefits at each stage in the process would go increasingly to neighboring site owners, for it would add to the desirability of their holdings. With site values thereby stimulated and sites becoming richer prizes in the market, house-building would be progressively obstructed and every improvement would increase the cost of sites for the next. Altogether each forward step along this line of policy would intensify the evil in general which it was designed in part to relieve, and make the housing problem progressively harder to solve.

Any solution, to be generally, progressively and permanently effective, must recognize the primary necessity of lessening the rents of city houses by exempting houses and house-building from taxation, and of reducing the rents of city sites by taxing site values. To ignore these conditions is to lay the foundations of the housing reform in a bed of quicksand.

NEWS

Although the news dispatches of last week reported that Venezuela and the invading European powers had virtually agreed to submit the case to The Hague tribunal (p. 614) no definite agreement as to terms of submission appears yet to have been made. President Castro's formal reply to the arbitration proposals was received at Washington on the 31st. Its contents have not been divulged, but it is described as satisfactory; and hints have been thrown out that while Castro agrees to the conditions of arbitration exacted by Great Britain, Germany and Italy, he demands in return that certain conditions imposed by Venezuela be accepted by them. The receipt of Castro's reply in London and Berlin was reported from both places on the 2d, and the joint response of

England and Germany was handed to the American ambassadors at Berlin and London on the 6th. The response of Italy was delivered at Washington on the 7th. Nothing more definite and probable about all this diplomatic correspondence has been published than the following from the report of the receipt of the joint response to Castro's reply, which was sent out from Washington on the 6th by the Associated Press:

The notes in substance state that if Venezuela wishes a conference with a view to submitting the differences between the two countries to arbitration the allies will accede. The conditions attached vary slightly from the original proposition, but in the judgment of officials here the differences between the allies and Venezuela in respect to arbitration are much diminished, and there is warrant for the expectation that the case will now surely go to The Hague.

The British-German response was promptly forwarded by the American state department to the American minister to Venezuela, by whom it was submitted to President Castro on the 7th.

It is the evident purpose of the European powers to maintain their blockade (p. 614). An announcement to that effect emanated from Berlin on the 5th. It came through the Associated Press, which stated that Great Britain and Germany had come to an understanding four days previously, to enforce the blockade of the Venezuelan coast precisely as though negotiations for arbitration were not going on. In connection with the blockade a force of 150 marines was landed from the German warships at Porto Cabello on the 3d, for the purpose, it was explained by the German commodore to the American consul, of making the blockade more effective by clearing the port of all small vessels. As soon as that could be effected they were to reembark. They took immediate possession of the custom house and the wharves.

Notwithstanding reports that Castro is hemmed in by the foreign fleets on the coast and revolutionists in the interior, the only definite news regarding the revolution is in Castro's favor. His troops were reported on the 5th to have come into collision with revolutionists under Gen. Ramoé (p. 614) at Guatire, and, after a four hours' battle, to have driven the revo-

lutionists from the field and the town of Guatire in disorder.

Crossing over to Morocco, where it was expected last week (p. 616) that the capital city, Fez, could not long delay capitulation to the rebels by whom it was beleaguered, we find it impossible to give further trustworthy news. The situation is reported as mysterious, and the only direct sources of news are Tangier and Madrid. Among the more or less dubious reports is one to the effect that as the rebel leader had proclaimed his efforts to dethrone the sultan to be for no other purpose than to enthrone the sultan's imprisoned brother, Mulai-Mohammed, the sultan has deprived him of all ostensible reason for the rebellion by releasing his brother from imprisonment and making a public reconciliation. Another of these dubious reports declares that the sultan has circumvented the rebels by breaking off his relations with Christians and agreeing to the immediate dismissal of his European officials.

Germany has notified Spain that she intends to observe a neutral attitude towards Morocco, similar to that of Great Britain and France (p. 616); but France has apparently taken military measures to protect her Moorish interests. A dispatch of the 2d from Paris tells of telegrams from Algeria, announcing that detachments of French zouaves had been ordered to the Moorish frontier and that one company had started.

In France, senatorial elections were held on the 4th, at which 94 seats becoming vacant by expiration of term, and 4 which had become vacant by death of incumbents, were filled. One-third of the senators of France go out of office every three years, the full term being nine years. The issue at these elections was the Waldeck-Rousseau policy and the programme adopted in support of that policy by the Combe's ministry, which became the friendly successor of the Waldeck-Rousseau ministry after the triumph of the latter at the elections for members of the lower house last Summer (pp. 90, 140, 150). Among the candidates at the senatorial election were the premier, M. Combes, and the finance minister, M. Rouvier. Both were elected, the former from two departments. The ministry claim a general net gain of 13 senators—a loss

from two departments and a gain from fifteen.

An important British election took place on the 2d. It was a by-election to fill the Conservative seat in parliament for Newmarket, and was regarded as a supreme test of the non-conformist feeling over the passage of the education bill (p. 585). The Liberal candidate, C. D. Rose, belongs to the Rosebery faction; but the party united upon him because he is opposed to the education bill. He was elected by 4,414 to 3,907 for the Conservative candidate, a Liberal majority of 507. At the previous election the Conservative candidate had carried the constituency by a majority of over 1,000.

Apropos of the wireless telegraph across the Atlantic (p. 600), an interview with Marconi, the inventor, which appeared on the 4th, is of special news interest. Mr. Marconi said:

"Wireless telegraphy across the ocean is now as practical as cabling. We have sent more than 2,000 words in all from Grace Bay to Poldhu and have reached a speed of fifteen words a minute, which, considering our clumsy sending apparatus—a mere wooden lever to connect and disconnect the current—indicates what we can do when we substitute a sending key designed for speed. With a proper sending key we can easily get off 30 words a minute, and I shall be surprised if we do not soon send at a higher rate. The Atlantic cables average about 21 words a minute in their regular work, I believe. And there is this vital difference in the two systems of transoceanic telegraphy: As the cable grows longer the rate of speed in sending messages decreases, while distance makes no difference in the rate at which we can send by the wireless system."

"Can you send more than one message at a time from the same station?"

"Yes, I have already demonstrated that we can send two at a time for a short distance. Whether more than two messages can be transmitted simultaneously by the same wires I am unable to say—probably not. But separate stations can be set up and worked in the same neighborhood without interfering with each other, so that our capacity for sending messages can be multiplied indefinitely."

"How can you prevent other people with similar wireless apparatus from reading the messages you send from continent to continent? The secrecy of telegraphic communication is vital."

"With properly tuned instruments," he said, "we can make the reading of

our trans-Atlantic messages very difficult. To read a wireless message an outside station would have to be in exact tune or vibratory unison with our stations at the same moment. It would cost a rival not less than \$50,000 to try the experiment on the smallest scale. Besides, we can arrange our apparatus so that the tune, or rate of vibration, can be automatically changing every moment at the same rate in the sending and receiving stations on each side of the ocean. Those who talk about the danger of having our messages read by outsiders do not understand the subject."

It is announced also, with reference to the wireless telegraph, that it is to be utilized within a few days for the publication of a daily newspaper on board one of the Atlantic liners, during her voyages.

In Congress, which resumed its sessions on the 5th after the holiday recess, the Senate has become involved in promising discussions of the trust question. These discussions had two distinct starting points—a bill introduced by Senator Hoar, the discussion of which he opened on the 6th; and a resolution offered by Senator Jones, calling upon the attorney general to disclose the testimony against trusts, which had been procured and submitted to him last Fall by Wm. R. Hearst, but upon which he appears to have taken no action. In addition to these centers of controversy there was published a long semi-official letter from the attorney general to the House judiciary committee purporting to set forth not only his own views but those of the President on the trust question. The Hearst evidence was the most important subject of the three.

The character of the issue may be inferred from the Jones resolution, which is as follows:

Whereas, on October 4, 1902, a sworn statement or petition was filed with the attorney general of the United States by William Randolph Hearst, charging the existence of an illegal combination or conspiracy among railroads therein named engaged in interstate commerce, the tendency and the purpose of which was the establishment of a monopoly in the business of transporting and selling anthracite coal, and in connection with said petition a request was made for permission to present evidence establishing the existence of such a combination; whereas, said petition was referred to the United States district attorney for the Southern District of New York, with instructions to receive the evi-