

even though not the measure of success, certainly ought to be.

Let the people once look at the matter in that way, and the solution of the social problem will be at hand. They cannot look upon it so without being put upon inquiry. They cannot feel that industry ought to be the measure of success, and at the same time realize that it is not, without searching earnestly for the cause of this conflict between what ought to be and what is. And if they once set about searching for the cause they will find it in the institution of monopoly, an institution so obtrusive, so bold, so comprehensively explanatory, as to make them wonder they never thought of it before. When the theory that industry is the true measure of success once receives full consideration, the doom of monopoly will sound.

Meanwhile, however, the theory that industry is a guarantee of success as now exploited, is both vicious and dangerous. It is dangerous because it will bitterly disappoint most of the young men who adopt it; in their blind anger they may, if occasion for violence occurs, neither weigh its wisdom nor count its cost. Nothing could be better calculated to produce reckless revolutionaries. It is vicious because it gives the youth of the country a fundamentally false idea of life. Though embodying a substantial truth, the truth that success is the natural reward of industry, this theory of success deceptively inculcates the idea that social conditions permit the rewards of industry to find their natural objects. It conceals the monopolistic influences which now disturb the natural distribution of the proceeds of industry. By doing that, it falsifies the very truth it embodies, and realizes Tennyson's conception that "a lie which is half a truth is ever the blackest of lies."

NEWS

Hardly had our last week's account of the darkening of the speculative outlook in Wall street got upon the press when the gathering storm culminated. Northern Pacific railway stock, which had closed on the 8th at

\$156 per share, of the par value of \$100, rose on the 9th, immediately upon the opening of the New York stock exchange, to \$170. From that point it went up to \$180, fell again to \$170, jumped with successive bounds to \$300, receded to \$230, soared to \$400, and then, with an initial falling sweep which touched \$320, shot up to \$660, fluttered back to \$550, and at one bound leaping up to \$700, sprang with another to \$1,000. This was its highest point, and it quickly fell to \$600. Simultaneously with the fabulous rise of Northern Pacific, other leading stocks enormously fell. Fortunes seemed to melt like ice on a griddle, and fears of a business crash were general.

It subsequently transpired that the fabulous prices offered for Northern Pacific stock had been caused by an unintentional corner in it. The Morgan interests on one side, and the Vanderbilt interests on the other, had been buying the stock in order to get a majority and so control the property. As their purchases were for future delivery, each succeeded in buying a majority of the stock, thus imposing an obligation upon sellers to produce some 200,000 more shares than actually exist. The manipulators of these purchases were therefore able to check the panic by a mutual agreement to let "short" sellers out of the corner, and they did so. Consenting to accept \$150 a share in lieu of Northern Pacific stock deliveries, they released the strain and restored the market. This soothing result was promoted by the banks, which extended special facilities to the Wall street fraternity. On the 10th, consequently, Northern Pacific fluctuated between \$150 and \$160, and the other stocks rose again. A similar effect was produced on the London stock exchange by similar means. The effects of the Northern Pacific corner were felt there also, and at the solicitation of Mr. Morgan the London stock exchange committee suspended obligations to deliver until the crisis had passed.

Nevertheless, the Wall street storm has left an irregular market behind it. After congratulating themselves for a day or two upon the return of promising speculative conditions, Wall street operators began to notice on the 13th that transactions were falling off; and on the 14th there was another fall in prices all along the line. This debility of speculation is ac-

counted for in two ways. The personal losses in the storm turn out to have been much more crippling than was at first supposed; and the scare is believed to have driven outside speculation into less dangerous financial waters.

President McKinley was reported as greatly disturbed by the Wall street panic, but a telephonic conversation with the east put him at his ease. He was at the time in Los Angeles, where he had arrived on the 8th, as reported last week. At this city on the 9th he rode at the head of the floral parade of the carnival, and on the 10th he and his party reached San Luis Obispo. At every stopping place along the route he was welcomed with floral displays, and at Santa Barbara he made his principal speech of the day, in which he said:

What a splendid civilization comes out of the old states and from the old nationalities that are represented here to-day, the best civilization in the world; a civilization based upon liberty, upon equality, upon self-government, and civilization that leads wherever it goes, whether here or in the distant seas, and wherever this civilization goes it carries the ark of freedom. Our liberty, our freedom, our sense of justice are not extinguished in any climate on the globe, and here, facing the Pacific, I am reminded that this ark of liberty has moved out into this great ocean.

Referring then to the Spanish war, he led up to the Philippine question, saying:

As the result of that war we are in the Philippines, and we do not mean to come away, and we mean to give to these distant peoples what we gave to California more than 50 years ago, the blessings of security and liberty.

The 11th was spent by the presidential party at Del Monte; and on the 12th they arrived in San Francisco, two days ahead of time. This departure from the schedule was necessitated by a sudden illness which attacked Mrs. McKinley, requiring special medical attention. The president ran down from San Francisco to San Jose on the 13th, where in his address he spoke flatteringly of the place and the people, and with reference to subjects of general interest said:

We live, my fellow citizens, under a constitution that was made for 4,000,000 people, and yet it has proved quite adequate for 75,000,000 people. It has embraced within it every national duty and purpose, and has never

stood in the way of our development and expansion. That instrument seems almost to be inspired to carry forward the holy mission of liberty. It seems not to have been made alone for those who framed it and their successors, but for all ages and all mankind. That instrument stands to-day almost as it left the hands of its framers. Few amendments have been added, and those have only been to enlarge the priceless blessings of liberty and free government to the people, and no amendment can ever be made to the constitution of this country that will curtail the supreme and sovereign power of the people. We have lived under it for 125 years, in storm and in sunshine, in war within and without, amidst passions and tumult, and, after a century and a quarter, that great instrument stands unsullied by a single lapse of principle. To us, my fellow citizens, young and old, the preservation of that constitution is committed. It is a sacred instrument, and it is a sacred trust given to us to see to it that it is preserved in all its virtue and vigor, to be passed along to the generations yet to come. Glorious constitution, glorious union, glorious flag. Seventy-five millions of people stand together as they never before stood to defend them all.

The president's formal entry into San Francisco was made on the 14th. He was received with unbounded enthusiasm, and was to have had a magnificent ceremonial reception on the 15th; but this was abandoned at his request, owing to Mrs. McKinley's alarming condition. For the same reason the presidential tour through the far northwest will not be made.

Crossing the Pacific to "our new possessions," to which President McKinley's speeches have referred, we may learn that the country is not yet wholly pacified. Filipino bands are still holding out. There are reports, however, of surrenders under promises of immunity; and Gen. Funston is said to have been in communication with a Filipino leader in northern Luzon who has promised to surrender his command within a few days. There is no statement of the inducements offered, nor of the reasons for delay. Steps are being taken, under orders from the war department, to reduce the army of occupation to 40,000. The rest of the Philippine news consists of reports of trials and convictions of military officers for frauds, insignificant attacks by Filipino bands, the breaking up of a gang of American brigands, the ambitions of the federalist party, and the civil or-

ganization of another province or two. None of it is especially important.

Over in China the foreign ministers have received the reply of the Chinese government to the indemnity demand of 450,000,000 taels (about \$326,250,000), reported last week. This reply, which is long, is summarized by the cable into a plea of national poverty. It concedes the obligation and declares the intention of China to pay all the legitimate expenses incurred by the foreigners during the recent Chinese troubles, but explains that the public resources of the empire are diminishing, and assures the powers that the best it can do is to pay \$15,000,000 taels (about \$10,500,000) annually, which it offers to do, without interest, for a period of 30 years. Li Hung Chang is desirous of having the different indemnity claims of the powers submitted for adjudication to The Hague tribunal, but he has been warned that if he makes this demand the foreign occupation will be extended pending the adjudication and that thereby the final indemnity will be augmented by millions of dollars. No action has yet been taken by the powers with reference to China's reply to their indemnity demand.

In Japan the ministerial crisis noted last week continues. It has not been found possible as yet to form a new cabinet.

The Australian federal parliament was ceremoniously opened on the 9th at Melbourne. This is the first parliament of the new commonwealth. (See vol. iii, pp. 10, 93, 105, 601, 616.) It was chosen on the 31st of March (see vol. iii, p. 825), and at its opening on the 9th of the present month the heir of King Edward VII., the duke of Cornwall and York, presided over the ceremonies. Upon their conclusion, the governor general of the commonwealth, the earl of Hoptoun, directed the senate and the representatives to return to their respective houses and elect officers, and on the 10th he outlined the measures that the ministry intend to lay before the parliament. As cabled, they include bills for the constitution of a high court with extensive jurisdiction, for the creation of an interstate commerce commission, for restricting Asiatic immigration and the importa-

tion of labor from the South sea islands, for the arbitration of labor disputes, and for adult suffrage. Nothing is said of the question of federal taxation, which constituted the issue of the federal elections.

While this new autonomous dependency of Great Britain was celebrating the opening of its first parliament, the house of commons of the British parliament was voting upon the appropriation for the new king's civil expenditures, including his private purse. The amount asked for by the tory ministry and seconded by the liberal leader was £470,000 (\$2,350,000) annually. Mr. Labouchere moved to reduce the allowance to £415,000 (\$2,075,000), the amount allowed to Queen Victoria; but his motion was defeated—62 to 250. The vote granting the full amount proposed was 307 to 58, the opposition coming mostly from Irish members. Another question in the commons, which still more deeply concerned the Irish members was decided against them by a smaller majority. It arose on the second reading of a bill to amend legal procedure in Ireland. A system of jury packing in the interest of the government prevails there, which this bill was intended to remedy. The ministry opposed the bill, insisting that local conditions in Ireland necessitate the discriminations in selecting juries of which the Irish members complain; and the bill was defeated by the vote of 226 to 102.

Attention has been directed to Russian finances and the relations of France and Russia, by the authorization, officially announced from St. Petersburg on the 11th, of a Russian loan "to restore the treasury advances to railway companies in 1900, and to meet the expenditures of the current year." The nominal amount of the loan is 424,000,000 francs (\$84,800,000). It bears four per cent. interest; is not redeemable until January 14, 1960; is guaranteed by the Bank of France, the Credit Lyonnaise, the Rothschilds and other French banking houses, and was advanced to Russia by the French government.

From Spain reports of disorder noted last week (p. 74) continue, but still with meager details. An enormous riot is said to have occurred at Barcelona on the 9th. The mob tried to stop work in the factories, and col-