pects in custody proved themselves to be as cowardly as the brutal white mob that murdered the helpless negro women.

This mob consisted, of course, of "the best people." So did the mob in Alabama, which, according to current press dispatches, has burned a negro at the stake upon accusations of rape. It was a highly respectable and intensely virtuous set of hell-hounds, this Alabama mob. But no worse than the Kansas mob which indulged a few months ago in the same exciting pastime of "nigger-burning." And although the methods of these mobs are infinitely more horrible, the mobs are quite as respectable and no more vicious than the one in Tampa which has kidnaped a party of labor leaders in order to stop a strike, or the one at Fort Scott, Kan., which has ordered a temperance agitator to leave the city, or those in Evanston and Chicago which have rotten-egged Dowieite preachers. Between these and the "nigger-burning" mobs there is only a difference of degree, great as the difference is. The spirit that prompts the rotten-egging of men and women preachers of unpopular doctrines, or that drives unwelcome agitators out of a town before a mob for advocating a strike or the closing of saloons, would, if circumstances were as favorable, just as quickly hang an obnoxious negro woman and riddle her body with bullets or burn a suspected negro man and ravish their ears with his agonizing screams. It is all one spirit, capable of going to any lengths of lawlessness; and it is hellish beyond expression.

One could wish that the Boston Beacon would sometimes distinguish contentment with duty, which makes for progress, from contentment with conditions, which makes for decay. Nevertheless the Beacon is one of the many good things that come out of Boston. It is with reluctance, therefore, that we call attention to one of its sins of contentment. It actually optimizes over the treasury statistics of excessive exports, quoting from the treasury statement of imports and exports for the last fiscal year, in this exultant tone:

> The total foreign trade of the United States for the year reached the enormous and unprecedented sum of $2,310,413,077. The exports were $1,487,656,544, an increase of $93,173,462 over 1900, while the imports for 1901 were $822,756,533, a decrease of $27,184,651 from the previous year. The excess of exports over imports exceeded that of 1900 by $120,358,113, and is nearly $50,000,000 greater than the highest record ever made before—that of 1898.

It is not quite conceivable that so intelligent a paper as the Beacon should really suppose that a growing excess of exports makes the country wealthier. How could an intelligent paper believe that a growing income is dearth and a growing outgo wealth? It must be that that exultant note is intended only to harmonize our foreign trade condition with the paper's policy of cheerfulness.

But there may be another explanation. We notice that the Beacon does not give the figures as to all imports and all exports, but only those that relate to merchandise. Possibly the editor, overlooking the record of gold and silver exports and imports, has imagined that our great excess of merchandise imports has been paid for in silver and gold. Or, like Mr. McKinley, he may have supposed that export balances are paid off "in pure gold." If this is the Beacon's idea, it may readily discover its mistake. We tabulate the figures for the fiscal year in question:

Excess of merchandise exports	$664,900,011
Excess of silver exports	17,901,139
	$682,801,150
Excess of gold imports	11,342,332
Excess of all exports	$671,458,818

It may be seen, therefore, that when gold, silver and merchandise are considered together, the excess of exports is larger, instead of smaller, than when merchandise alone is considered. Evidently, then, our merchandise excess of outgo was not paid for with a gold and silver excess of income. Gold and silver taken together did not decrease, it increased, the excess of outgo. Nor was that condition peculiar to the last fiscal year. From June 30, 1865, to June 30, 1900, the excessive exports were as follows:

Gold	$374,212,885
Silver	587,299,039
Merchandise	3,575,712,702
Total exports	$4,537,224,626

It is, therefore, evident that the excessive merchandise exports for the last fiscal year had not been paid for with gold and silver in advance. We had exported gold and silver for 35 years. Hence, they have not been paid for with gold and silver at all. Adding together the figures of the two foregoing tables, we find that from 1865 to 1901—June 30 in each year—our trade showed in those years the following cheerful balances:

Excess of gold exports	362,870,553
Excess of silver exports	605,200,178
Excess of mdse exports	4,240,612,713
Excess of total exports	$5,208,683,444

If the Beacon thinks that our excess of merchandise has been paid for with gold and silver it would do well to revise its thinking on that score.

Possibly, however, the Beacon supposes that the excessive merchandise exports (and gold and silver exports, for they are excessive, too) are paid for by the return from abroad of American obligations and the purchase for American account of foreign obligations. In that supposition, also, as we have frequently shown (see this volume, pp. 51 and 165, and volume iii., p. 291), it would be mistaken. Of course many deductions are to be made from our total export balances—such as interest on our securities held abroad, earnings of foreign capital invested here, payment of foreign freights, tourists' expenses, remittances by immigrants to their friends abroad, etc.—but after this is done, there is still an enormous balance unaccounted for. Is it chargeable to returns of American bonds and purchases of foreign bonds? In addition to what we have heretofore said in support of the negative answer to that question, we reproduce with satisfaction this explanation by W. H. Allen, of New York, printed in the New York Times of July 22:

Some time ago it was claimed that we were lending a good part of this balance to foreign countries, but in a letter to the Times of May 8 I disputed this claim and contended that our annual foreign debts for interest dues, freights and tourists' expenses, etc., had grown so large that they more than offset our enormous trade balances, and hence we had to export specie and mortgage our properties to square the account. Just a few weeks afterward the Sun published a statement fully admitting that we had no money loaned abroad, and that, in fact, we were borrowers, but at the same time contending that the remainder of our trade balances had been exhausted in paying for securities returned from abroad.

This theory of the matter is always based on the assumption that foreign countries are not able to pay cash for what they buy from us, and so are forced to return securities to square the account. A glance at the facts, however, proves this assumption to be ridiculously false. England buys most of our products and holds most of our securities. But England is not short of cash by any means. On the contrary, she is fairly glutted with idle money, as is shown by the low interest rates, the oversubscriptions to the various loans floated there and the heavy investments of her capitalists in this and other countries. A still more conclusive disproof of this theory is furnished by the reports of foreign investments since the beginning of 1898, the period in which we are supposed to have got back the most of these securities. These reports, which are published daily in the leading newspapers, show that within this time the purchases of stocks for foreign account on the stock exchange were vastly in excess of the sales. Outside of Wall street these reports fully justify the belief that since 1897 more foreign capital has been invested in our mines, lands and industrial plants than in any similar period of our history. On the other hand, we find no reports of any kind to show where the foreigners have let go their grip on any of these properties.

There are more important results involved in the balance of trade question than many persons suppose. Protectionism rests upon the notion that a perpetual excess of exports is essential to prosperity, and therefore that a constant export balance is a constant favorable balance. Destroy this "favorable balance" superstition, and the whole protection superstition tumbles with it. And in such sad plight is the "favorable balance" superstition now, that even the republican press is concerned. Here, for instance, is an extract from a thoughtful editorial in the Chicago Post of July 27, a republican paper:

In economics as in morals no question is settled until it is settled right. Financiers, college professors and politicians are still wrestling with the infinitely complex problem of the "balance of trade." We know that for several years the United States has enjoyed a heavy excess of exports. It has sold "abroad" a great deal more than it has purchased there for import. How, it is asked on all sides, is the balance settled? To what extent are we the world's creditor? . . . The last year in which the balance of trade was adverse to the United States was 1893, the panic year. Every fiscal year since has shown an excess of exports. For the eight years the net favorable balances aggregate $3,177,992,028. How much of this amount does Europe owe the United States? By some it is believed that our current indebtedness to Europe—freights, interest, dividends, travelers' expenditures, etc. —does not exceed $200,000,000 annually. If this be true, then only half of the aggregate balance for the eight years is accounted for. What of the other half? There are those who believe that the balance has disappeared, and that at the present time we are borrowers rather than lenders in foreign centers. New York bankers accept this strange view, believing that the balances have gone to cancel returned securities. There is, however, little trustworthy information as regards the movement in securities, and some writers deny that the foreign investors have "unloaded" any extraordinary quantity of our stocks and bonds. . . . We understand that the treasury department is conducting a careful inquiry into this remarkable situation. Let us hope the results will be enlightening and satisfactory. They will bear vitally upon several questions of national economy and politics.

But the results of the treasury investigation will not be satisfactory, nor even explanatory, unless it distinguishes from exports and imports in general the amount of exports and imports for land purchases and land rents. And by land purchases and rents we do not mean alone those payments that are so in name. A purchase of stock in a gold mine or railway is in part a purchase of land—the mining right in the one case and the right of way in the other. So a dividend on coal stock or railroad stock is in part rent for land. Besides land conveyed thus by corporate stock, there is also land conveyed in the usual way by deed. Take all this kind of landed property—what is represented by corporate stock as well as what is represented by deed. Put in an import column what we have received for it from abroad, and in an export column what we send back for repurchase and for rent (or land dividends); then put into the export column what we pay for foreign land and in the import column what we get back for repurchase and rent (or land dividends). Find the footings of each column, and the difference between the footings. That difference will show whether we are draining foreign countries or foreign countries are draining this country. Should we prove to have a growing export balance on this comparison of land investments, the inference would be inevitable that foreigners are draining us. For whatever is paid by one country to another for the use of its own land is an export without import. It is the distinguishing feature of absentee landlordism. When the facts on this question of absentee landlordism—not only under deeds producing rent, in the ordinary form of inidvidual ownership, but also under shares of stock producing dividends, in the form of corporate ownership—shall have been drawn forth, and not before, will the constant and growing excess of American exports be statistically explained.

Superficial social philosophers have pushed the virtue of thrift to such extremes that an attempt of John T. Gibson, writing in the Indianapolis