

but the tax now known as the real estate tax, and only so much of that as rests upon the value of sites. Taxes upon improvements would be abolished, along with all other taxes upon industry. As a result of these exemptions, site value taxes would necessarily rise. They could not exceed the full value of sites, but they would rise to that point.

We should find, therefore, when this simple fiscal reform was complete, that no one could hold any kind of land out of use without suffering serious and continual loss. Land would have to be used, and be well used, or be abandoned. There would be no profit in mere ownership. That goal being reached — indeed, long before it had been fully reached — trade having meanwhile been freed by the abolition of all commercial and industrial taxes, the evil of the trust would be exorcised. With the annual value of special landed advantages applied to common use and no longer retained by private owners, with taxes on industry thus made unnecessary, and consequently abolished, with unused land everywhere freely accessible and the barriers of the industrial corral thus broken down, with demand for productive work thereby made to exceed supply and through the free interplay of all the natural forces of consumption and production perpetually to maintain that excess — with these demonstrable effects of the single tax realized, there would be no more possibility of monopolizing business with paper agreements than of holding back the waters of Niagara with a paper dam.

NEWS

Whether the unverified reports of victories by the insurgent Liberals of Colombia, noted at page 633, were true or not, it is now certain that a sharp naval engagement has been fought in the harbor of Panama, the Pacific terminus of the Panama canal route, in which the government suffered serious loss and probably signal defeat. The engagement began early in the morning of the 19th with an attack by the insurgent steamer Padilla upon the government steamer Lautaro, the latter being a Chilean

vessel which the Colombian government had seized for defensive purposes, in the face of a vigorous protest by Chili. The total number of vessels engaged was six—three on each side. Particulars of the battle and its result are meager, but it appears to have lasted several hours. The Lautaro and one insurgent vessel were sunk, and Gen. Alban, the governor of Panama was killed. His death is regarded as a great loss to the government cause. At last reports the government troops were throwing up intrenchments at Panama to defend an expected land attack by the insurgents upon the city, a body of insurgents being at Los Llanos, eight miles away. The American government has assured the representative at Washington of the Colombian government that no bombardment either of Colon or Colombia will be permitted; and that if a bombardment is attempted American war vessels will interfere for the protection of American interests in connection with the Panama railway.

Those interests have grown in importance since the passage by the lower house of congress, reported last week, of the Nicaragua canal bill; for a distinct turn in favor of the Panama route has now developed. This was caused by a supplementary report of the Isthmian Canal Commission, submitted to President Roosevelt on the 16th and by him transmitted to the Senate without recommendation on the 20th. In this supplementary report, the canal commission, composed of Admiral Walker, ex-Senator Pasco, George S. Morrison, Lieut. Col. Ernst, Alfred Noble, Col. Peter C. Hains, William H. Burr, Prof. Emory R. Johnson and Lewis Haupt, unanimously recommends the adoption of the Panama in preference to the Nicaragua route. In the original report the Nicaragua route was favored. The reason for the change was the subsequent offer by the owners of the Panama concession of all their rights for \$40,000,000. They had previously demanded \$109,000,000, and it was because the commission regarded this price excessive that it then reported against Panama. The controlling reason for that report having now been removed, its supplementary report reverses the original recommendation and advises the purchase and completion of the Panama canal. According to that report the purchase recommended would include the right of way; 30,

000 acres of land, which, with the lands belonging to the railroad comprise nearly all the territory required for the canal; 2,431 furnished buildings; a large equipment of construction machinery and boats; 36,689,965 cubic yards of excavation, worth \$21,020,386; all the 70,000 shares of the Panama railroad, except 1,100 which are held by different individuals; and a variety of minor assets, including \$438,569 in cash. Against the assets are liabilities hardly aggregating \$3,000,000. The estimated cost of construction is \$46,563,704 less than the Nicaragua canal would cost.

Another important measure in congress which passed through the lower house swiftly has met with a sharp turn in the Senate. It is the Philippine tariff bill. As reported at page 568, this bill, as rushed through the lower house on the 18th of December (p. 583), provided for the application of the tariff schedules of the Philippine Commission to imports into the Philippines, and of the full Dingley schedules to exports from the Philippines to the United States. But when the bill came up to the Senate it was referred to the committee on the Philippines, the Republican members of which agreed on the 16th to amend it by providing that only 75 per cent. of the Dingley tariff be imposed upon Philippine exports to the United States, and that any export duty imposed in the Philippines upon goods coming into the United States shall be deducted from the American import duty. In this form the bill was reported back to the Senate, and on the 21st the debate upon it began, Senator Rawlins leading on the Democratic side. He proposed to relinquish the islands to their own people in the end, and while holding them to give them the benefit of free trade with the United States.

The actual condition of affairs in the Philippines is favorably described by Gov. Taft, who arrived at San Francisco on the 21st. Regarding the necessity for maintaining a large military force in the islands he said:

I have with me the report of Capt. Allen, of the head of the constabulary, in which he says that, in his judgment, in one year from the date of the report, which is December 15, 1901, the force of American troops might safely be reduced to 15,000 men, that force to be stationed in garrisons at convenient points in the islands. The troops would be used only for a show of authority, and in

case of emergency, which Capt. Allen thinks will be rare. The actual policing and guarding of life and property and the operations against the ladrones and other criminals would be conducted entirely by the constabulary. Capt. Allen has had a large experience with the natives, and I think understands them better, is in closer touch with the pulse of the people, than any man we have. I wish the press would correct the impression that there is war on all the islands. The insurrection is confined to two localities—the province of Batangas and the island of Samar. This morning I received a most encouraging cable from Gen. Wright, who is the acting governor in my absence. He said that owing to Gen. Bell's strong repressive measures the trouble in Batangas was being quieted. I don't think Gen. Bell will have need to adopt the reconcentrado principle in Batangas.

On the latter point Gov. Taft appears to be in error. Two weeks before the governor left Manila, Gen. Bell had adopted "the reconcentrado principle in Batangas." His order dated December 8, and made public at Washington January 20, through the Associated Press, provides, in substance, as the Associated Press describes it—

for the establishment of a zone around the garrisons, into which the friendly inhabitants are to be required to come under penalty of confiscation and destruction of their property. This is said to be necessary to prevent the collection of forced contributions from the inhabitants by the insurgents. This order is followed by a long circular by Gen. Bell to his station commanders, commenting on existing conditions and giving them advice how to proceed. It begins with the statement that he shares in the general conviction that the insurrection continues because the greater part of the people, especially the wealthier ones, do not really want peace. He says it is regrettable that the innocent must suffer with the guilty, but the greatest good to the greatest number can be best brought about by putting a prompt end to the insurrection. A special injunction is laid on the commanders to hunt down through loyal spies secret sympathizers with and contributors to the rebellion, many of whom will be found among municipal officers.

Gov. Taft appears to be mistaken also when he asserts that "the insurrection is confined to two localities—the province of Batangas and the Island of Samar." For Gen. Chaf-

fee, in his annual report, made public on the 19th at Washington, is reported by the Associated Press to have summed up the situation from the military point of view by saying that—

the provinces of Batangas and Laguna, in southern Luzon, and the islands of Samar, Mindoro and Cebu constitute the disturbed area in which bodies of insurgents in force are to be found.

Even that does not appear to comprise the whole field of native resistance to American sovereignty, Gen. Wade having cabled from Cebu on the 19th, so say the Washington dispatches of the Associated Press, that—

365 insurgents surrendered on the island of Bohol last Friday.

One of the reported incidents of the war is the capture of a Filipino woman general, Aqueda Kahabagan, who has been fighting the Americans for two years, as prior to their arrival she fought the Spanish. Another Filipino leader, Briocio Laque, is reported to have surrendered in Batangas. In that province, Gen. Bell, with 2,000 men, is pursuing Gen. Malvar. During the week ending on the 19th, he was reported to have captured and destroyed 20 tons of Filipino supplies, captured 70 rifles, wounded 30 Filipinos and killed 100, with a loss to his own force of five wounded and two killed.

From the field of the British war against the Boers in South Africa the only news of moment relates to the execution by the British of a prisoner of war, Commandant Scheepers. Wounded in a battle last October and unable to retreat, he was captured. Charges before a British court-martial were then preferred against him, the accusations being various and comprehensive. He was accused of having, while commanding Boer troops in the field, committed seven murders; of whipping natives; of looting and burning government buildings; and of maltreating prisoners. In his own defense Scheepers testified on the 28th of December that the homicide charges were totally unfounded, except in one instance, when he ordered the execution of a native spy who had been tried and convicted; that he had whipped natives convicted of acting as British spies; that his destruction of government buildings was in reprisal under the orders of Gen. De Wet; that he had always fed and treated his prisoners as well as he was able; and that

in every respect he had acted under the orders of his military superiors. Nevertheless he was convicted by the British court-martial and sentenced to death. The findings were approved by Lord Kitchener, and on the 18th Commandant Scheepers was shot.

Similar charges have been made against Commandant Kritzinger, one of the most successful of the Boer guerrilla leaders, who was captured about a month ago. With reference to him, however, a dispatch has leaked out by way of Durban, Natal, to the effect that Gen. Louis Botha has notified Lord Kitchener that if the British execute Kritzinger, five British officers now held by him as prisoners of war will be shot in retaliation.

Opinion in England is insistent that the war is about to close, a belief prevailing that negotiations for peace have been opened by leading Boers with the British government. Circumstantial rumors to the same effect are prevalent on the continent. But Boer representatives at The Hague deny all these rumors, denouncing them as stories fabricated by British agents with a view to British publication. They say that no negotiations are in progress.

On the 18th Dr. Krause, former governor of Johannesburg, charged with treason for inciting Cornelius Broecksman to kill a member of Lord Roberts's staff, was convicted of "attempting to persuade" Broecksman to commit the crime, charges of the higher grades of crime being withdrawn. He was sentenced to two years' imprisonment. In the course of the trial the British censor at Johannesburg, a witness in the case, let out the fact that the British post office officials at Johannesburg were in the habit of sending to the censor all letters addressed to the American consul. Being asked by the lord chief justice if such letters were subject to censorship he declined to reply and his right to refuse was sustained.

Parliament assembled on the 16th. It was formally opened by the king in person, attended by the queen consort. King Edward read the speech from the throne, in which he referred to the tour of the world by the prince and princess of Wales; spoke of his friendship with other powers, and expressed his regret that "the war in South