

of wheat governs the price of bread, that with the rise in the price of wheat, upon which our farmers were congratulated, the price of bread also rose, upon which, however, city workers were for good cause not congratulated. In connection with these speculations of Leiter's we are now asked to explain whether they really did raise the price of wheat?

This is not a question which anyone can answer with authority, but one to be thought out, and which can be thought out by anybody capable of thinking at all. The simplest way of proceeding for that purpose is to construct in the imagination a miniature commercial world, divested as much as possible of the complexities which make the main question so tangling to the mind, and then, after putting an imaginary Leiter into it, to set him at work with his speculations and in imagination watch the result. Let us, then, imagine a village which has been so completely McKinleyized and Dingleyated, that it lives wholly unto itself, bringing no products in from other places, and as a necessary consequence—assuming that no foreigner has a mortgage on it—sending out none.

Suppose now that Leiter is one of the inhabitants of this Protection Utopia, and that he undertakes to corner the wheat produced from the village farms. If he has money enough, or his credit is strong enough, he will be able to cause a scarcity sufficient to raise the price of wheat in the village. This much is obvious. But what if the protection policy of the village were so far moderated as to let in wheat produced anywhere in the county? Then Mr. Leiter's money and credit would have to be very much extended to enable him to influence prices. If the modification were broad enough to admit all the wheat of the state, he would have to control still more money or credit. If of the nation, still more. And if of the world, enormously more. It is reasonable to suppose that in the latter case and under ordinary conditions, he could not make his corner strong enough to affect the price at all.

Now let us bring in another element. Let us imagine the wheat crop of the world to be in some degree

diminished by natural causes. If only slightly diminished, the misfortune would not add much to Leiter's power to make a corner. But the greater this diminution, the stronger, relatively, would he be; and if the diminution were so great as to leave no wheat in the world except the product of the Protection Utopia we have imagined, his power of making a corner would be what it was when no wheat was admitted from without into the village.

Under certain circumstances, then, and to some degree, a speculator can raise the price of wheat by cornering it—the less extensive the field of production which he must take into account, the greater being his possibilities of success.

Whether Leiter succeeded in thus raising the price of wheat to any degree at all depends upon the circumstances under which he operated. The most significant of these circumstances is the fact that for two years the wheat crops of the world have been short. Wheat, therefore, would have risen in price even if there had been no Leiter to speculate in it. It would have done so under the influence of the normal laws of trade. Thus an opportunity was made for Leiter, and he availed himself of it. Knowing that wheat would rise from natural causes, he began to corner it. Other speculators did the same, and so aided him, though the magnitude of his operations centered attention upon him alone. His speculations, then, tended to reduce the wheat supply below the point to which nature had diminished it, and so to further enhance its price. Another factor contributed to a still greater augmentation. The exact supply of wheat being unknown, and the possibilities of an early future supply being in even greater doubt, the rumors which speculators put afloat as to scarcity operated with much force. Leiter's speculations, therefore, would seem to have been a powerful factor in raising the price of wheat above the level to which the natural scarcity would have raised it. They intensified the scarcity.

But the influence of speculation is only momentary. If Mr. Leiter had been operating in the Protective Utopia which we have imagined, though he might with a corner have

held wheat for a time above the price which the degree of scarcity there would have lifted it, he could have done so only for a time. As soon as the village market had begun to adjust itself to the scarcity his ability to maintain a fictitious price would have become increasingly difficult, until from timidity or loss of financial power he would have let go of his corner. The price of wheat would thus have found its normal point as certainly as water released by the breaking of a dam will find its normal level.

That this is true in its application to the wheat market of the world, Mr. Leiter himself seems to have discovered. Able to hold prices above the normal level for a little while, he was at last obliged to let go. Whether he was submerged in the downward rush or not, is unknown. It is also unimportant. If he escaped, that was because he saw the inevitable before it was discovered by other speculators on the bull side.

Our conclusions as to the influence which Mr. Leiter exerted in connection with the rise in the price of wheat may be briefly summarized. He could not have raised the price a penny but for the natural scarcity. He took advantage of that scarcity to attempt a corner which did raise the price higher than it would otherwise have gone; but this excess of price was and in the nature of things could be only temporary. As soon as the natural currents of commerce began to adjust themselves to the natural scarcity of wheat, the price of that commodity shot like a pickerel for a frog toward the point which measured the level of the prevailing natural scarcity. Leiter could no more have prevented this had he tried than he could navigate a catboat with a fire bellows.

NEWS

As we went to press last week the situation in the West Indies was too vaguely known to permit of a definite report. On the one side it was rumored that Com. Schley had ground the principal Spanish fort at the entrance to Santiago harbor to dust, while on the other the Madrid senate was formally expressing its satisfac-

tion with the brilliant victories of the Spanish fleet. Before the expiration of the week, however, it was learned that the bombardment which had given rise to the conflicting accounts and filled the air with rumors, had been merely an attempt by Com. Schley, on the 31st, to unmask hidden batteries, and while feeling the strength of the fortifications, to test the skill of the Spanish gunners.

Only two hostile maneuvers were made on this occasion by the American squadron. These were participated in by the Massachusetts, the New Orleans, and the Iowa. The Massachusetts led, firing several shells as she passed the harbor, two of which struck and exploded upon the Spanish flagship, the Cristobal Colon, as she lay at anchor in the channel with her broadside exposed. The shore batteries replied by firing at the Massachusetts until she was out of range, but without hitting her. Then they turned their guns upon the New Orleans, which followed the Massachusetts and in passing poured shell into the fortifications. She silenced one of the land batteries. The Iowa came next, throwing three shells into the main battery of Castle Morro and one into the lighthouse. Then the same ships bore down upon the harbor a second time at about 4,000 yards from the shore, firing as they passed. After that they withdrew, none of them having been struck and nobody on the American side having been injured. Com. Schley's official report was brief and to the effect that he had made a satisfactory reconnoissance to develop fortifications with their character, and that the reconnoissance had demonstrated the presence in the harbor of the Spanish fleet.

No sooner had Schley's official report straightened out the rumors regarding the bombardment on the 31st than rumors of another bombardment began to pour in. This was said to have taken place on the 3d, and as most of the rumors were of Spanish origin it was made to appear to have been disastrous to the Americans. Among the catastrophes so reported was the sinking of what was called the American cruiser Merrimac. This vessel, it was said, had made a dash to force the harbor, but was blown up and sunk, and an officer, an engineer and six seamen were taken prisoners. The event was heralded from Madrid as a brilliant victory for the Spanish

forces at Santiago. But this Spanish victory also proved to have been a successful maneuver on the part of the Americans to hold the Spanish fleet in the harbor.

The maneuver was as bold as it proved successful. Admiral Sampson with his squadron had joined Com. Schley and assumed command of the entire fleet before Santiago. The presence in the harbor of the Spanish squadron under Cervera had been demonstrated on the 31st by Com. Schley, and the important problem now was how to keep it there. A movement similar to Dewey's was out of the question. The harbor channel is narrow and was thoroughly mined. An assault, therefore, would have involved useless sacrifice of life. That at any rate was the judgment of the American authorities. Yet, unless an assault were made, Cervera might slip out in a storm or under cover of a fog and once more play hide and seek with the American navy. At this juncture Lieut. R. P. Hobson proposed a plan for placing a vessel lengthwise across the narrowest part of the channel and sinking her. He was authorized by Admiral Sampson to carry out the plan. For this purpose the Merrimac, an old freighter which was in use as a collier, was placed under Hobson's command and a volunteer crew of six men called for. Volunteers were warned that the enterprise involved certain death to all who engaged in it, but 4,000 came forward. Those chosen were Daniel Montague, of New York; George Clarette, of Lowell, Mass.; Osborn Deignan, of Stuart, Iowa; George F. Phillips, of Cambridgeport, Mass., and Francis Kelly, of Boston, Mass. Coxswain Clausen, of the New York, slipped aboard the Merrimac without permission and went with the others. The early morning of the 3d, between moon-set and sun-rise, was selected for the work, and under cover of darkness the Merrimac passed the outer fortifications of Santiago and the outer line of mines without incident. Then she was discovered and fire was opened upon her, but to no effect. Arriving at the appointed place, she was swung into position across the channel, and then Lieut. Hobson blew a hole in her bow with dynamite. She sank instantly, in exactly the position he had planned. The channel was thus effectually obstructed. Cervera cannot come out of the harbor, nor can any deep draft vessel go in, while the Merrimac lies there; and

no operations can be carried on to remove the obstruction without exposure to the American guns. Hobson's undertaking was completely successful.

After sinking the Merrimac, Hobson and his crew made an effort to return to the American fleet in a yawl, but it was now light and the Spanish batteries were pouring a hot fire upon them. Every life would have been lost had this effort been persisted in. So the yawl was turned toward the Spanish flagship, and the lieutenant and his crew surrendered. Admiral Cervera sent word to Admiral Sampson, under flag of truce, complimenting the prisoners on their courage, and offering to exchange them. He gave assurance of their good treatment meanwhile. It was reported on the 7th that Hobson and his crew were in the custody of the Spanish commander in chief at Santiago, and were treated as Spanish soldiers of equal rank.

The Merrimac episode having been fully explained, a new set of rumors began to get afloat. These related to a bombardment of Santiago on the 6th. The first reports came as usual from Spanish sources. Such as had been received from these sources on the 7th told of rumored attacks upon the harbor fortifications, resulting in the killing of three Spanish officers and three men on the Reina Mercedes, and the wounding of 17. They also told vaguely of a land battle on the same day, the 6th, in which five Spanish officers were wounded, and 22 men were killed and wounded. Considerable loss of life among the Americans in the land fight was also reported. But nothing was said of results. From Hayti and Jamaica, however, on the 7th the news was more specific. Santiago was reported from there as being at the mercy of the Americans, most of her protecting forts having been demolished and her batteries being in ruins. The Reina Mercedes, it was said, had been riddled, and the Marie Teresa severely damaged. These reports also spoke of a land fight, but added the information that the Spanish were driven back, though at considerable loss of American life. The landing appeared from these reports to have been at Baiquiri, east of Aguadores, near the station of the railroad connecting with Santiago.

The only authentic news of the affair of the 6th which had been re-

ceived in this country on the 7th, was Admiral Sampson's official report. That was very brief and had been written apparently before the land engagement. It read:

"Bombarded forts at Santiago 7:30 to 10 a. m., to-day, June 6. Silenced works quickly without injury of any kind, though within 2,000 yards."

The most important part of this dispatch, to the reader who is not in the secret of the bombardment, is the fact that the American vessels could fight within such close range of the Spanish as 2,000 yards without suffering damage. It indicates either that the Spanish have inadequate armament or suffer from inefficient marksmanship.

Reports reached here on the 8th from Cape Haytien, of a bombardment of Cainamera, in the Bay of Guantanamo, a few miles east from Santiago; but bad cable communication leaves details in doubt as this is written.

Along with the rumors of fighting on the Cuban coast had come rumors for several days of the embarkation of troops from Tampa for a land campaign in Cuba. Besides the less specific of these rumors, which were abundant, it was reported on the 4th that 100,000 troops had sailed from Tampa to Cuba on that day; and on the 5th that 5,000 had been landed at Punta Cabrera, six miles west of Santiago harbor, and that others were being landed daily. The latter report was confirmed on the 6th, with the added information that a juncture had been effected between the Americans and Gen. Garcia. On the same day it was also reported that 26,000 had just embarked—20,000 from Tampa and 6,000 from Mobile. Owing to the censorship it is impossible to say even now whether there was any foundation for these reports. The probability is, however, that no troops except Cubans left American shores prior to the 8th, when, as reported on the 9th, 27,000 men—infantry, cavalry, artillery, engineers and signal corps—sailed from Tampa. The infantry consisted of the Fifth army corps, composed wholly of regulars except in the First brigade of the First division which includes the Seventy-first New York volunteers, and the First brigade of the Second division, which includes the Second Massachusetts volunteers. Eight volunteer regiments—Thirty-second Michigan, First and Fifth Ohio, Second New

York, First District of Columbia, Fifth Maryland, One Hundred and Fifty-seventh Indiana and Third Pennsylvania—were attached to, rather than incorporated in the Fifth corps, and accompanied it on the expedition. Gen. Shafter was in command.

It was reported on the 4th that all cable communication between Cuba and the outer world had been cut off by the Americans, but this report appears to have been unfounded. Dispatches still find their way from Havana and Santiago. On the 7th, however, it was given out that the cable between Cuba and Hayti, which had not been working for two days, was supposed to be cut. Cable communication between these points was partially restored, however, on the 8th, but soon after the report of the bombardment of Cainamera, mentioned above, had been received at Cape Haytien by means of the cable, it again ceased to work.

Mingled with the conflicting rumors about the operations in the West Indies, were occasional rumors as to the Cadiz fleet. According to these that ubiquitous collection of Spanish ships was at Cadiz, Spain, on the 3d. It was off Martinique, in the West Indies, and back again to Cadiz, on the 4th. On the 6th it had just returned to Cadiz after completing a series of trial maneuvers, notwithstanding that on the same day it was a week out from Cadiz, Cuba bound. Yet no concern was felt about this fleet at Washington on the 7th, for the authorities were assured of its detention at Cadiz for want of both coal and ammunition. On the 8th it had been ordered to sail from Cadiz to Cuba in a fortnight. Interspersed with the accounts of these bewildering maneuvers there came from Madrid on the 6th two explanations of the detention of the fleet at Cadiz. One was that it is detained because the Spanish government fears a revolt in the southern provinces at the first decisive defeat; and the other that both the minister of marine and Admiral Camara, who commands the fleet, have assured the government that it would be madness to send out to battle a fleet in the bad condition of this one.

There did appear on the 8th reason to suppose that some Spanish warship are at large in Cuban waters. A report reached Key West on that day

that an American scout ship had on the 7th sighted a Spanish squadron, consisting of one large cruiser, two small cruisers and a torpedo boat, off Cardenas, Cuba.

Since the 4th, rumors of political disturbances in Santo Domingo have been prevalent. At one time the president was said to have been assassinated in a revolutionary outbreak; at another the revolutionists were reported as put down; and at a later time still it was said that a second revolution had broken out in which also the president had been assassinated. As we write there is no trustworthy information upon the subject.

The report of last week, published on page 9 of The Public that the Alfonso XIII., the Spanish troop ship, had been captured by the St. Paul, was denied from Madrid on the 2d, it being claimed that she was then landing her cargo at Puerto Rico. This denial had a startling confirmation early in the present week, when the Alfonso XIII. gave the Yale, formerly the Paris, a lively chase.

Word has just been received of a fierce battle on the 22d at Jiguani, in Santiago province, between 1,000 Cubans under Col. Jesus Rabi, and 2,000 Spaniards. The Spanish were forced to surrender, leaving one colonel, seven captains and over 100 minor officers and privates in the hands of the Cubans as prisoners.

Kellert, the detective, who was arrested on the complaint of Du Bose and Carranza, the young Spanish diplomats whom Polo, late Spanish minister to the United States, left behind him when he returned to Spain from Montreal, was acquitted of the theft of the letter with which he stood charged, as narrated last week on page 12. He thereupon turned upon his accusers, sued them for false imprisonment and had them arrested.

The letter written by Carranza, which Kellert was accused of stealing, had in fact been stolen by another detective, who was well on his way to Washington before Carranza was aware of the loss. On the 4th it was published by the American government for the purpose of showing that Spain is using Canadian soil as a base for spying operations. The letter had been written to the Spanish minister of marine. Its most important state-

ment was to the effect that the writer had been left at Montreal "to receive and send telegrams and to look after the spy service," which he said he had organized there. It told also of bad luck with the spies, two of them having been captured, one in Washington, where he hanged himself, and the other at Tampa. On the day following the publication of the letter Carranza admitted having written it, but not as translated. The spy matter he explained by saying that he never wrote that he was running a spy bureau, nor that two of his best spies had been arrested, but that the papers were trying to make out that he was running a spy system, and that they claimed the Americans had arrested two of his best men. Sir Julian Pauncefote, the British ambassador, cabled a full account of the matter to the British foreign office on the 5th, and on the 6th the American ambassador, John Hay, called at the foreign office and complained of this use of Canada as a basis of Spanish operations. On the 7th, Carranza's letter was photographed by the American government and submitted to Sir Julian Pauncefote, who is understood to have cabled his government that the letter as published was correct.

Reports from Manila show that the insurgents are rapidly overcoming the Spanish authorities. Dispatches of May 31st, via Hong-Kong on June 6th, state that the Spanish outposts had been driven in by the rebels, with more than 1,000 Spaniards killed. Fierce hand-to-hand fighting for 70 hours had taken place in the midst of a typhoon storm, which rendered the Spanish rifles useless and enabled the rebels to slash effectively with their knives. The rebels were attacking at that time the suburbs of Manila. Chief Aguinaldo said in an interview that the rebels were anxious to rush upon Manila, but Dewey refused to allow it, forbidding them to cross the river seven miles south of the city. It was expected, however, that Aguinaldo would enter Manila by June 12th. He appears to have thoroughly organized the insurgents and thoroughly disheartened the Spanish forces. He has control, according to his own statement, of the provinces of Cavite, Lalaguna and Batan, and the Spanish governors of Cavite and Batan are among his prisoners. He is treating his prisoners well, and has issued orders that the lives and property of

Europeans, Chinese and Spanish non-combatants are to be protected and that all excesses are to be avoided. In a proclamation he declares his desire to set up a native administration in the Philippines, under an American protectorate, he, with an advisory council, to be dictator until the conquest of the islands, and thereupon a republican assembly to be established. Admiral Dewey writes of Aguinaldo to Consul Wildman, who is responsible for the policy of encouraging him, that "Aguinaldo is behaving splendidly."

Rumors were current in Hong-Kong on the 8th that Manila had fallen and Aguinaldo was in possession, but Consul Wildman thought it probable that the city was not yet actually occupied, though he believed it would be before the 12th. Natives of the Philippines resident in Singapore serenaded the American consul general there and presented an address thanking him for sending Aguinaldo to Admiral Dewey and expressing a desire for the establishment of a native government in the Philippines, under American protection.

China was reported on the 6th from London to have decided to transfer the capital of the empire from Peking to Singan, a city of 500,000 inhabitants at the confluence of the King-ho and the Wei-ho rivers. The report is unconfirmed, but comes from trustworthy sources.

On the 3d at Doyline, La., about 18 miles from Shreveport, a respectable mob burned a negro at the stake. He was accused of having attempted to murder a white woman.

IN CONGRESS.

Week Ending June 8, 1898.

Senate.

While the war revenue measure was under consideration on the 3d, Senator Wolcott, republican, of Colorado, offered in lieu of the committee's amendment for coining the seigniorage, an amendment directing the secretary of the treasury to coin as fast as possible, to an amount not less than \$4,000,000 a month, all the silver bullion now held in the treasury, and to issue, as the silver is coined, silver certificates to the amount of the difference between the cost of the silver bullion coined and its coinage value, until \$12,000,000 shall have been

issued. This amendment was carried, 48 to 31.

Mr. Aldrich, republican, of Rhode Island, offered as substitute for the greenback proposition, an amendment that certificates of indebtedness be issued, payable within a year, to the amount of \$100,000,000, and bonds redeemable after 10 and within 20 years to the amount of \$300,000,000. This was the amendment supported by the majority of the finance committee. It was agreed to by a vote of 45 to 31. But a further amendment, offered by Stewart, silver republican, of Nevada, prohibiting the use of any of these bonds as a basis of bank currency, was laid upon the table—44 to 27.

On the following day, the 4th, at 7:05 o'clock, p. m., the war revenue measure, as amended, was passed. Prior to that, however, an amendment placing a duty of 10 cents a pound on imported tea, proposed by Tillman, democrat, of South Carolina, was adopted. An attempt to incorporate an income tax feature had been defeated, by a vote of 35 to 38. An attempt, through an amendment offered by Mills, democrat, of Texas, to reduce the duties on imported goods 25 per cent. for two years, was also defeated—25 to 41. Pettigrew, republican, South Dakota, had offered an amendment to repeal the law of 1875 authorizing the secretary of the treasury to issue bonds for the redemption of greenbacks in coin without direct authority of congress, and that, too, was defeated—31 to 43. An amendment offered by Allen, populist, of Nebraska, providing that no bonds or certificates of indebtedness authorized by the bill should be used as a basis for national bank circulation, and that the secretary of the treasury should not have power to issue bonds to maintain the gold reserve without direction of congress, met the same fate—27 to 42; and an amendment offered by Butler to establish a postal savings system in lieu of issuing bonds was rejected without division.

After passing the bill the senate agreed to insist upon its amendments, and appointed conferees.

The deficiency appropriation bill which had come up from the house on the 2d was passed with amendments on the 6th. On the 7th, the bill for allotment in severalty of certain lands to the Indians of the Indian territory was passed.

On the 8th a bill for taking the twelfth census—that of 1900—was