

ess, procured by the Chicago teachers from the supreme court of the state, which directs the board to tax these companies on the value of their local franchises as indicated by the value of their stocks and bonds minus that of their tangible property. Should the federal courts favorably entertain such an application, the fact would go far to show that the sovereignty of the states in local concerns has been totally abrogated, and that the central government, originally intended to be limited in its scope, has become supreme in all things. The power of taxation is the citadel of sovereignty. When that power of the states becomes subject to federal supervision, the states are no longer in any degree federated or united sovereignties. They are from that time forth mere subdivisions of a nation, like the counties of a commonwealth or the provinces of an empire.

Mayor Harrison, of Chicago, having rather definitely intimated that Mayor Johnson, of Cleveland, is arranging to make a bid for Chicago street car franchises, Mr. Johnson makes a positive denial. He says:

I have no time to go into street car deals anywhere. As far as Chicago is concerned, I never dreamed of going there. The report that I am figuring on entering the Chicago field is an excuse of the Chicago aldermen for not devising a means of relief, and as an excuse it will serve as well as any other.

A remarkable statement appears in the special Manila correspondence of the Chicago Tribune in the issue of November 10, relative to taxation in the Philippines. Referring to a meeting at San Fernando, Luzon, the correspondent says:

As elsewhere in the Philippines, even the most intelligent found it difficult to understand that buildings and other improvements increased the taxable value of property.

The latter part of that sentence is less illuminating than suggestive.

Apropos of a movement in France to call all adult women "madame," whether married or single, a newspaper wants to know what would be-

come, if that were done, of the precedence of mothers over their adult daughters. The question suggests another. Where is the distinction now between fathers and their adult sons? The title for both is "mister."

THE AMERICAN INVASION OF EUROPE.

There is something very funny, when you think of it, about all this newspaper hullabaloo over the "American invasion of Europe."

Observe, that the invasion is commercial. It consists in "deluging" Europe with American goods, for which America gets no pay. She is commonly supposed to get her pay in gold. But the record shows that she doesn't. From the foundation of the government to March 31, 1901, over \$4,000,000,000 worth of silver, gold and merchandize, was exported from this country, in excess of similar imports during the same period. That is, our total unpaid "favorable balance" of trade during that period was over \$4,000,000,000. For this enormous balance no gold has been received. The same thing is true in even greater degree of our foreign trade subsequently. We have received but little gold as compared with our enormously increased excess of silver and merchandize exports.

Attempts are made to account for this upon the theory of investments abroad. Our exporters and bankers are said to invest their gold in Europe instead of bringing it home. But that theory doesn't square with the evident facts. From all the indications, Europe is investing more in this country than this country is investing in Europe. This would also be probable, for returns upon investments here are higher than returns upon European investments.

Neither this nor any other explanation, can account, consistently with the "favorable balance" notion, for the fact that when America wants to draw against her "favorable balance," against what are exploited as her "European credits," she finds she has none to draw against, but must pay a premium on her drafts. For, notwithstanding the enormous accumulation of foreign "balances

in our favor," high rates of exchange prevail at New York—as high now as \$4.88 to the pound sterling, the par of exchange being only \$4.86. It is not usual for creditors to pay premiums upon drafts against their own balances. This is so well understood, that an effort to explain it has been made. It is said that American balances abroad are allowed to remain there to earn the extraordinary interest which prevails in Europe, and that consequently those who have the right to draw refuse to do so without a premium, preferring to let their money earn foreign interest. But among the obstacles to the acceptance of this explanation is the fact that interest in Europe is in fact not extraordinarily high, as compared with interest in the United States. Another objection is that the amount of our "favorable balance" for which this explanation would account, is conceded to be only a small fraction of our whole "favorable balance." In fact, America has no balance abroad, notwithstanding her wonderful exports.

The truth about our "favorable balance" is that a large proportion of it goes to pay the profits of European investors in American enterprises and the rents of European owners of American lands.

It does not, therefore, stand for a balance in our favor, against which we may draw in the future. It is in nowise analagous, as "favorable balance" touters would have us believe, to shipments of farm produce to city commission merchants for shipper's account. What it is analagous to is the produce shipments of Irish tenants to their London landlords. It is a shipment for which nothing is to come back. It is a payment by Americans to Europeans for permission to cultivate American farms, to dig in American mines, to operate American railways, and to do business on the building lots of American cities.

To export for such purposes may be proper enough. We are not now considering that question. But think of boasting about it as if it were in itself profitable to America!

What has become of American hu-