

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-

mor, when Americans can take such boasting seriously?

If the end man at a "nigger minstrel" show were to boast of having paid \$2.50 to a pawnbroker as interest on a ten-dollar loan, describing the payment as extra gain for himself, the audience would laugh. His topsy-turvey conceit of accounting interest payments as profits would strike their sense of humor. The middle man would take the joke seriously, for that is his line of "business;" but even he would want to know how it is possible to regard outgo as income. And he would doubtless be indignant if the end man explained that the \$2.50 was a profit to himself because he had "invaded" the pawnbroker's with it.

Yet the funny newspapers, not without the aid of solemn middlemen in public office, have set the American people agape with gratified astonishment at our record of exports. They see no joke, but only an evidence of prosperity not otherwise discernible to the naked eye, in the figures which show that our outgo is in enormous and perpetual excess of our income; and they throw their hats in the air when these papers burst out with brave cartoons and splashy headlines, expressive of their joy over the "American invasion of Europe."

Think of it. We are invading Europe with what the Europeans want! We are shipping them flour and clothes and pianos and type writers and agricultural implements and what not of that kind; and because what we ship to them is worth more than what we get from them, we call it our "invasion!" Was ever anything more modestly altruistic? Did ever charity before so bashfully hide itself behind the bellicose phrases of military conquest?

One comic paper, for instance, prints a cartoon in which a whole army of Uncle Sams is "invading" Great Britain, each holding out some desirable product of American industry—things to wear, things to use, things to eat. John Bull, in the character of Rip Van Winkle, is just awaking from sleep and looking in amazement at this army of "invasion." What he thinks, we are left to infer; but it would be easy to

imagine him as saying, in the accents of Rip: "Vot! All dem good tings for me! An' for nodings! Eef my dog Shnyder vos here, he would like dose invasions."

Who wouldn't? Who wouldn't like invasions that brought him good things for nothing? Who wouldn't like to wake up and find his larder stored and his wardrobe supplied by "invading" farmers and manufacturers who wanted nothing in return except the privilege of boasting of excessive exports and commercial invasions? If all foreign invasion were of this altruistic character, every man and every nation might welcome conquest. Nothing but a corresponding altruistic spirit would make it repugnant. The selfish instinct would always welcome it.

But we must not jump to the conclusion that the serious attitude of the American people toward this absurd commercial "invasion" shows them to have lost their sense of humor. By looking a little below the surface we shall find a very serious reason for their absurd seriousness.

If every man in America were conscious of contributing to the national loss which a perpetual excess of exports must necessarily entail, there would not be so much jubilation—not as matter of business. We might compliment ourselves upon our altruism, but we would not count this as a business gain. Much less would we boast of it as an "American invasion of Europe." We should realize then that such an "invasion" enriches the invaded at the expense of the invader.

Conversely, if every man in Europe were a recipient of the advantages of a perpetual excess of imports from America none would complain. For altruistic reasons they might object to the unfair trade which benefited them at the expense of the Americans. But they would not object for business reasons. As business men or workingmen they would have no fear of "the American peril," but with one accord would shout to their generous brethren across the sea: "Go on with your invasion!"

But we all know that everybody in America is not conscious of contributing to our excess of exports, and

that everybody in Europe does not share in its benefits.

The one thing that all but the privileged few in both countries want is a chance to work. Old Father Adam thought of the sentence to work as a penalty, but the ordinary man of our time regards it as a boon. If a business man, he wants customers; so that he may work. If a workingman, he wants a boss; so that he may work.

What is really wanted, of course, is not work but the things which are as a rule bought with the pay for work. Each man would rather have these things without work than with it. That is proved by the fact that everyone tries to accumulate enough to relieve him from the necessity of working. But although it is the fruits of work that men want, and not the work, opportunities for work have grown so scarce that we have come to think and to speak of work itself as the thing really desirable. This inverted habit of thought and speech accounts for the prevailing notion, both here and in Europe, that we are invading Europe when we supply them with what they want cheaper than they can do it themselves. This is what makes the invasion seem to us like conquest and to them like the "American peril." It seems like conquest to us, because it gives our industrial classes work to do which otherwise would have been done in Europe; it seems like "the American peril" to them because it takes away work which otherwise they would have got.

As American goods come in, European workingmen, dependent upon opportunities for work, see their jobs leaving them and starvation grinning through the windows of their homes. To them, therefore, this is a real and dreadful invasion. So is it with European business men whose trade is swept away by the invading imports. But American workingmen, on the other hand, find in the increased foreign demand an assurance of continued employment, while to American business men it is a guarantee of brisk sales. On both sides of the Atlantic, the idea is dominant that there is only so much work to go around, only so much selling to

do, and that what share of work and selling some get to do others must lose.

The absurd idea that the virtual giving of goods by this country to Europe is an "invasion," is thus accounted for by the fact that there has grown up rigid limitations upon the unlimited natural opportunities for work.

It may be asked, upon the facts just stated, whether excessive exports are not true indications of prosperity. The answer depends upon whether we consider the country as a whole or individuals or classes separately.

Considering the country as a whole, they are not true indications. No country can continuously send out more wealth than it gets back without being to that extent depleted of its wealth. This is a simple problem in elementary arithmetic.

But with reference to the working and business class, simply as workers, excessive exports are indications of domestic prosperity in so far as more work implies prosperity. They are indications of prosperity the same as are burning buildings, which, though implying a loss of wealth in the aggregate, imply as well that the demand for builders will be keener. Similarly, the loss to the people as a whole from excessive exports is not necessarily a loss to the working class. The loss may be that of the privileged classes. The loss of those who work has a deeper cause, and persists without much regard to exports and imports. It is due to scarcity of work.

To those who in a country where work is scarce must yet live by work, their own work, it makes little difference whether the country has more wealth or less wealth. Their prosperity, such as it is, depends not upon average wealth but upon their being able to get work. It is this fact that turns people's thoughts topsy turvey with reference to exports and imports. It is this that makes them feel that the excessive exporting which tends to impoverish their country, benefits them; and that the excessive importing which tends to enrich Europe injures European producers. It is this that causes the absurdity of "invading" foreign countries with good things to be taken so

seriously by a people noted for their humor.

This whole lesson has been illustrated in parable by an economic writer of world-wide fame. Taking that "community which we must perforce consider as a whole—that country with a population of one, which the genius of Defoe has made familiar," this economic writer imagines an American export boaster, a protectionist of course, as warning Crusoe against a "deluge of cheap goods:"

"In fact," we may imagine the protectionist to say, "so cheaply can all the things you require be produced abroad that unless you make it hard to land them I do not see how you will be able to employ your own industry at all."

"Will they give me all these things?" Robinson Crusoe would naturally exclaim. "Do you mean that I shall get all these things for nothing, and have no work at all to do? That will suit me completely. I shall rest and read and go fishing for the fun of it. I am not anxious to work if without work I can get the things I want."

"No, I don't quite mean that," the protectionist would be forced to explain. "They will not give you such things for nothing. They will, of course, want something in return. But they will bring you so much and will take away so little that your imports will vastly exceed your exports, and it will soon be difficult for you to find employment for your labor."

"But I don't want to find employment for my labor," Crusoe would naturally reply. "I did not spend months in digging out my canoe and weeks in tanning and sewing these goat skins because I wanted employment for my labor, but because I wanted the things. If I can get what I want with less labor, so much the better, and the more I get and the less I give in the trade you tell me I am to carry on—or, as you phrase it, the more my imports exceed my exports—the easier I can live and the richer I shall be. I am not afraid of being overwhelmed with goods. The more they bring the better it will suit me."

And so the two might part, for it is certain that no matter how long our protectionist talked the notion that his industry would be ruined by getting things with less labor than before would never frighten Crusoe.

Yet, are these arguments for protection a whit more absurd when addressed to one man living on an island than would be true in the 60,-

000,000 living on a continent? What would be true in the case of Robinson Crusoe is true in the case of Brother Jonathan. If foreigners will bring us goods cheaper than we can make them ourselves, we shall be the gainers. The more we get in imports as compared with what we have to give in exports, the better the trade for us. And since foreigners are not liberal enough to give us their productions, but will only let us have them in return for our own productions, how can they ruin our industry? The only way they could ruin our industry would be by bringing us for nothing all we want, so as to save us the necessity for work. If this were possible, ought it seem very dreadful? Let us go back to Robinson Crusoe. In speaking of him I purposely left out Friday. Our protectionist might have talked until he was tired without convincing Crusoe that the more he got and the less he gave in his exchange with passing ships the worse off he would be. But if he had taken Friday aside, recalled to his mind how Crusoe had sold Xury into slavery as soon as he had no further use for him, even though the poor boy had helped him escape from the Moors and had saved his life, and then had whispered into Friday's ear that the less work there was to do the less need would Crusoe have of him and the greater the danger that he might give him back to the cannibals, now that he was certain to have more congenial companions—would the idea that there might be danger in a deluge of cheap goods have seemed so ridiculous to Friday as it did to Crusoe? Friday was Crusoe's slave, and no matter how much the opening of trade with the rest of the world might increase wealth, he could only demand the wages of a slave—enough to maintain him in working ability. . . . If Friday, instead of setting Crusoe's foot upon his head, in token that he was thenceforward his slave, had simply acknowledged Crusoe's ownership of the island, what would have been the difference? As he could only live upon Crusoe's property on Crusoe's terms, his freedom would simply have amounted to the freedom to emigrate, to drown himself in the sea, or to give himself up to the cannibals. Men enjoying only such freedom—that is to say, the freedom to starve or emigrate as the alternative of getting some one else's permission to labor—cannot be enriched by improvements that increase the production of wealth. For they have no more power to claim any share of it than has the slave. Those who want them to work must give them what the master must give the slave if he wants him to work—

enough to support life and strength; but when they can find no one who wants them to work they must starve, if they cannot beg. Grant to Crusoe ownership of the island, and Friday, the free man, would be as much subject to his will as Friday, the slave; as incapable of claiming any share of an increased production of wealth, no matter how great it might be nor from what cause it might come.

"He that hath ears to hear, let him hear." The reason that the industrial classes of America are so seriously impressed with the ridiculous idea of "invading" Europe with goods, and that the industrial classes of Europe so heartily denounce this "invasion" as "the American peril," is because in both countries the industrial classes are Fridays, whose countries are owned by Crusoes of wealth and leisure. More work for themselves, therefore, not more wealth for the country as a whole, is their instinctive demand. The logic of it would lead them to desire earthquakes, conflagrations, cyclones, anything that would destroy wealth and thereby enhance the demand for work. It is, indeed, an inverted theory of prosperity. But the inversion begins not with that theory, but with the institution of land monopoly. This inversion of the normal relations of mankind to the planet, produces a disordered industrial condition which inverts every other economic relationship.

NEWS

The European war cloud which loomed up last week in consequence of the French invasion of Turkey, has "passed around."

It appears that the reports summarized in our last issue as not verified, to the effect that an actual landing upon the Turkish island of Mitylene had been effected by the French, who were then in occupation of three customs ports of the island, was premature. No landing had been made up to the 6th. But on the 7th the French did make a landing and take possession of one customs port, that of Medilli. There was no resistance. On the contrary, such a sympathetic welcome had been extended to the French squadron, according to the admiral's official report, that he landed

only a company of marines, and they were received with marked confidence by the inhabitants.

Very soon after this mildly aggressive action, the Turkish government yielded to all the demands France had originally advanced and to other exactions which she subsequently made. This submission was announced by the French foreign office on the 8th. It comprised acquiescence in the money claims, including the exacted guarantees, and official recognition by Turkey of French schools and religious and hospital institutions, together with their exemption from certain taxes. The settlement was formally agreed to by the sultan on the 10th, when he signed the "irade," or decree, for its execution; and on the same day the French government officially announced the termination of the controversy and the resumption of diplomatic relations between the two countries. The French marines were consequently withdrawn from the Mitylene port, and the fleet sailed on the 11th for Greek waters, where it is expected to remain for the present.

No news of importance comes from South Africa. The censorship remains very strict, and the British public is left to guess at what is going on. With reference, however, to the effect of the war upon public opinion in Great Britain and the probable action of the ministry, it is reported from London that if the Boers keep up the war for another year England will revert to her old tariff system. "The resources of direct taxation are practically exhausted," says the report; which means that the limits of British patience with a war tax which comes to the tax payers without a mask, has been reached. Indirect taxation is, therefore, proposed in influential circles. Feeling this only in higher prices, the public would complain only of the rapacity of storekeepers, instead of the burdens of taxation. The signs of a probable conscription for the purpose of supplying needed troops are also increasing.

While details from the American war in the Philippines are few, the dispatches indicate that this war in "our Asiatic possessions," like that of the British in South Africa, is far from having been ended. Lieut. Rowan, who became famous in the Spanish war as the man who "carried

the message to Garcia," and is now a captain in the American army in the Philippines, writes to his wife in Kansas, that the situation in the island of Bohol, where he is stationed, is discouraging, and that it seems the war will never end. In the island of Leyte, notwithstanding the strict food blockade which the Americans have established, the dispatches report the Filipinos as becoming more active. Another battle has been fought on the island of Samar at Sojton. It lasted two days. On the second day, after a desperate engagement, the Americans carried the Filipino position. Twenty-six Filipinos and two Americans are reported killed. From the island of Mindoro come brief accounts of still another battle. The attack was made by the Filipinos on the American garrison at Abra de Ilog. It was repulsed, with a reported loss to the Filipinos of five killed and to the Americans of one wounded. Even from Luzon there come vague reports of two battles, in one of which 16 Filipinos were killed and nine captured at a cost of two Americans wounded. In addition to these reports of operations in the field, it is reported that seven Filipinos have been arrested under the new treason ordinance of the American commission.

In American politics there is nothing to report but the adoption by another Southern state of a Negro disfranchising constitution. This state is Alabama. The Alabama convention which framed the new constitution held its sessions last summer. The suffrage clauses disfranchise all persons convicted of crime or vagrancy, and also provide that until January 1, 1903, the suffrage shall be vested in—

(1) All who have honorably served in the land or naval forces of the United States in the war of 1812, or in the war with Mexico, or in any war with the Indians, or in the war between the states, or in the war with Spain, or who honorably served in the land or naval forces of the confederate states, or of the state of Alabama in the war between the states; or

(2) The lawful descendants of persons who honorably served in the land or naval forces of the United States in the war of the American revolution, or in the war of 1812, or in the war with Mexico, or in any war with the Indians, or in the war between the states, or in the land or naval forces of the confederate