

and civilization depend largely on opening all the avenues of expression, to the minority as well as the majority, to the poor as well as the rich, to the radical as well as the conservative. The one thing which a nation cannot afford to do is to curtail free speech. No pretext, however plausible, is capable of justifying an attempt to undermine this main stronghold of liberty. If the legislative and judicial functions are to be usurped by executive officials, power is dangerously concentrated; and abuses are inevitable under even the most honest administration. If corruption be superadded, as is too often the case, in spite of all safeguards, no man's rights are secure. The specious plea of economy being admitted, and little publicity being possible, it is fatally easy for an official clique to juggle with the second-class matter in such a way as practically to strangle the expression of unpopular or independent opinion. What more simple method could be devised by a self-perpetuating political ring, in order to make truckling sycophancy the price of admission to the mails, and exposure of rascality an offence visited with speedy vengeance? These lines do not charge Mr. Madden with any such criminality. It is sufficient to point out that the policy of which he is the conspicuous exponent is pregnant with the deadliest peril to American institutions, and that the petty peculations of Beavers and Machens sink into insignificance in comparison with the gigantic evils certain to flow from a postal autocracy. May the good judgment of all the people avert the disaster.

JAMES F. MORTON, JR.

### NEWS NARRATIVE

Week ending Thursday, Aug. 24.

#### The Norwegian referendum.

Complete revised returns from the referendum in Norway on the question of separating from Sweden (p. 308) were reported from Christiania on the 17th, as follows:

For separation .....	368,200
Against separation .....	184
Majority for separation.....	368,016

As the total vote at the elections of 1903 was 457,551, the majority for separation noted above is approximately 80 per cent of the entire voting population.

When the Storthing met on the 21st, the Ministry offered a proposal to communicate the result of the referendum to the Swedish government and ask it to accept the abrogation of the act of union and to cooperate in negotiations for a pacific settlement of the questions connected with the separation. The proposal was resisted by the Socialist members, though upon what ground does not clearly appear in the dispatches; but it was adopted on the 22d by the vote of 104 to 11, and the Ministry was empowered to appoint delegates to conduct the negotiations.

#### The Russian national assembly.

The long expected call by the Czar of Russia of a national assembly (p. 308) was promulgated on the 19th. The assembly is distinguished as the Douma. It is to be composed of 412 delegates from all the 50 departments of Russia and the military province of the Don, and is to meet by the middle of January next. Finland, Poland and the Caucasus are excluded. So are cities in which Jews are in the majority; and as Jews are not allowed to live in the country, where the peasants are to be represented indirectly through local bodies, the Jews get no representation at all. The popular suffrage for delegates is based upon property qualifications which extensively disfranchise the working classes. Five years is the term of the Douma, subject however to prior dissolution in the discretion of the Czar. It is designed to be only a consultative body, the powers of the Czar remaining absolute, and is to constitute the lower house of a legislature of which the present Council of the Empire is to be the upper house. Legislative measures within the scope of the Douma's consideration are limited to the following subjects:

Questions relating to new laws or to the modification, amplification, or temporary suspension or repeal of existing laws, and also relating to appointments made on the staff of ministers and the expenditures thereby involved; departmental, ministerial, and national budgets, and expenditures not provided

therein; the financial report of the controller of the Empire; the expropriation of any portion of the public revenues or property; the construction of railways by the government; questions regarding the organization of stock companies, involving exceptions from existing legislation; and matters submitted by Imperial decree.

Bills passing the Douma must also pass the Council and be approved by the Czar. The only check upon the absolutism of the Czar that appears from the dispatches is a provision that any legislative decree shall be inoperative if rejected by a two-thirds vote of the Douma and also a two-thirds vote of the Council.

In his manifesto proclaiming the constitution of this national assembly the Czar announces that the time has come—

to summon elected representatives from the whole of Russia to take constant and active part in the elaboration of the laws, thereby attaching to the higher state institutions a special consultative body intrusted with the preliminary elaboration and discussion of measures and with the examination of the state budget. It is for this reason that, while preserving the fundamental law regarding the autocratic power, we have deemed it well to form a gosudarstvennaia douma [lower house of the assembly] and to approve the regulations for elections to this douma, extending the validity of these laws to the whole territory of the Empire, with such exceptions only as may be considered necessary in the case of some regions in which special conditions obtain. . . . We reserve to ourselves entirely the care of perfecting the organization of the gosudarstvennaia douma; and when the course of events shall have shown the necessity for changes corresponding completely to the needs of the times and the welfare of the Empire we shall not fail to give it at the proper moment the necessary directions.

Subsequent dispatches indicate that the proposed Douma has not met with any popular enthusiasm.

#### Progress of the Russian-Japanese peace negotiations.

Contrary to the expectations of last week (p. 309) the Russian and Japanese envoys failed to come to a complete understanding on the 17th. From the beginning of their meeting on that day until the present hour, they have been at a deadlock.

#### The American reciprocity conference.

At the second day's meeting of

the national reciprocity conference of Chicago (p. 309) on the 17th, the principal speakers were Gov. Cummins, of Iowa, Edward Rosewater, editor of the Omaha Bee, A. B. Farquahar, of Pennsylvania and ex-Senator Harris of Kansas. The reciprocity idea was defined by Gov. Cummins, who related it in his speech to protection as an essential part of the protection policy. After defining reciprocity as "an adjustment of our tariff schedules, either by general law or special convention, looking toward an increase in the volume of our exports," he said:

As I understand it, the only object of a protective tariff is to increase the sale of domestic products in domestic markets. The object of reciprocity is to increase the sale of domestic products in foreign markets. The measure of protection, as formerly defined, was the difference between the cost of delivering the product by the domestic producer in the domestic market, and the cost of delivery by the foreign producer in the domestic market. It was intended to equalize the conditions of production here and abroad, to offer a motive for the use of our own raw material, and to insure the employment of the maximum amount of labor. It was not originally intended to exclude competition, but rather to create competition. No foreign nation could justly complain of this equalization, and, so far as I know, no nation has ever complained of such a criterion for import duties. With schedules arranged with any fair regard for this definition of protection, reciprocity would be already secured, and retaliation would be the weapon with which to punish any country that refused to deal fairly with us. Our present schedules, however, are, in the main, intended to be prohibitive. It is only when, through combination or unusual demand, the home manufacturer lifts the price into the region of robbery that his foreign competitor can enter at all. There is no conflict, and can be none, between protection and reciprocity, if we abandon the selfish interest of a particular producer or class of producers, and ascend to the higher standpoint from which we may view the common welfare. The folly of maintaining a tariff schedule that will enable us to sell \$1,000 of manufactured merchandise in our own markets, but which will prevent the sale of \$10,000 of manufactured or agricultural products in foreign markets, is so striking that it can only be explained upon the hypothesis that we have surrendered to a senseless fear of disturbing commercial tranquillity. Tranquillity is very desirable, but to be lasting it must be founded on industrial jus-

tice. Protection is not designed to narrow the field of American labor, and any duty that has the effect of lessening the domestic output is not in harmony with the policy out of which it springs. The theory of the modern stand-patter appears to be that there shall be a prohibitive duty laid upon the imports of everything that we can, by hothouse methods, produce, and then if any nation resents this embargo upon trade, high statesmanship requires us to punish that nation by raising the prohibitive duty still higher. It seems to me that the doctrine of protection does not demand a prohibitive duty on anything, nor does it demand an equalizing duty upon everything. And yet, although we have built up the most complete and drastic system of exclusion ever known in the history of the world, we have not a line or a letter in law or treaty, which has for its object the protection or the enlargement of the markets that the farmer is seeking. The demand we make is not new. The men who to-day are the exponents of the stand-pat theory of government are not protectionists; they are exclusionists. They have no title to the leadership of the party of protection, and they are using the policy for a purpose that would be indignantly repudiated by its most distinguished champions, were they now in the land of the living.

The following declaration of principles, reported by the committee on resolutions, of which Eugene N. Foss of Massachusetts was chairman, was adopted on the 17th:

The national reciprocity convention, representing more than 200 agricultural, commercial and industrial associations of the United States, by delegates assembled at Chicago, August 16 and 17, 1905, hereby makes the following declaration of principles: Whereas, the agriculture, manufactures and other industries of this country have expanded to such an extent that they can no longer depend upon the home market for the consumption of their entire product; and whereas, the export trade has become a vital support to many of our industries; and whereas, the present commercial attitude of the United States, largely owing to our failure to carry into effect the reciprocal trade provisions of section 4 of the Dingley law, is antagonizing foreign nations, whose good will we desire and on whom we have hitherto depended as purchasers of our surplus products; therefore, be it resolved, (1) that this convention, recognizing the principle of protection as the established policy of our country, advocates immediate reciprocal concessions by means of a dual or maximum and minimum tariff as the only practical method of reliev-

ing at this time the strained situation with which we are confronted; (2) that eventually the question of the schedules and items to be considered in reciprocal concessions be suggested by a permanent tariff commission, to be created by Congress and appointed by the President, which shall consist of economic, industrial and commercial experts; (3) that it is the sense of this convention that our present tariff affords abundant opportunity for such concessions without injury to industry, trade or the wages of labor; (4) that we urge action upon Congress at the earliest time possible.

#### Case of the Indianapolis Consumers' Gas Co.

At Indianapolis on the 18th a decision was made by Judge Francis T. Baker, of the United States Circuit Court, which is of general interest as affecting the question of ownership and operation of public service utilities. It was rendered in the case of a stockholder of the Consumers' Gas Co., an Indiana corporation, and against the city of Indianapolis. This company was organized in 1887 for the purpose of supplying natural gas through the public highways, a corporate power granted by general act of the legislature of Indiana. It accepted a street franchise from Indianapolis for supplying gas in that city, by the terms of which the city might, at any time after ten years, appoint appraisers and take over the property of the company at the appraised value. Several weeks ago the city gave notice that it would exercise this right, whereupon a stockholder began the suit in question. In behalf of the city it was argued that both the company and its stockholders were estopped from denying the company's legal power to make the contract, after they had enjoyed its benefits for nearly twenty years. But Judge Baker overruled the point, saying:

There is a difference in the rights of corporations to take advantage of a defect or deficiency in corporate powers, depending upon the character of the corporations. If a corporation is engaged in a purely private business, the circumstance that it has received and retained benefits under a contract which was beyond its corporate powers may frequently preclude it from denying the legality of the contract. If a corporation, organized by private persons for gain, is engaged in performing some service for the public, and makes a contract beyond its charter power, it