

Sea of Japan, and lasted two days, the 27th and the 28th of May. The Japanese fleet was commanded by Admiral Togo, and the Russian fleet, en route from the Baltic to Vladivostok, by Admiral Rojestvensky.

Nothing definite had been heard of Rojestvensky's fleet after it had been reported as having passed through the Straits of Malacca into the China Sea (p.24) early in April, and even this report was questioned. Complaints were subsequently made by Japan that Rojestvensky was using Kaminranh bay, on the French Cochinchina coast, as a base of operations; but France formally denied any breach of neutrality in that connection, and no trustworthy disclosure of the facts was made from any source. Reports of a battle, with victory for Rojestvensky, began coming from St. Petersburg on the 26th, and continued until the Russian disaster could no longer be doubted.

The first news that has since proved to have been true, came from Tokio on the 27th. It was confined to a statement that Rojestvensky's main fleet, steaming in two columns, with the battleships on the starboard and the cruisers and monitors on the port side, had appeared in the Straits of Korea, and was headed northward for the Sea of Japan. The strictness of Japanese censorship and the inability of the Russians to transmit news, prevented any further information more reliable than rumors and guesses, until the 29th. Full information is not yet at hand.

Fighting began on the 27th about 6:30 a. m., in the eastern channel of the Straits of Korea, southeast of the Tsu islands. It continued without cessation throughout the day and night and the following day. Through it all, the Russians continued on their northerly course, pursued by the Japanese, so that the fighting of the second day occurred in the region of Liancourt rocks, which are westward of Oki islands. The practical destruction of the Russian fleet appears to have been completed by the 29th. Twenty-four of its ships, including all the battleships, had then been either

sunk or captured; 5,000 Russians had been killed or drowned; and 3,000, including Rojestvensky, himself, had been taken prisoners. Rojestvensky had been severely wounded before his capture, and is now in a hospital at Sasebo, Japan. Only slight losses to the Japanese are reported by them. But two Russian vessels, the cruiser Almaz and the torpedo boat destroyer Grozny, which reached Vladivostok on the 31st, reported heavy losses on both sides.

A startling climax to the Russian disaster at sea is a revolt in the Russian army in Manchuria (vol. vii, p. 823), which was reported from St. Petersburg on the 31st. According to this report Gen. Linevitch, in command in Manchuria, had that day wired the Czar "that the news of Rojestvensky's defeat has spread throughout the army in Manchuria and that the troops are in open revolt."

#### Public Sentiment in Russia.

Dispatches from St. Petersburg describe the effect of the Russian naval disaster as having brought a realization of the terrors of war into circles where it had been little felt theretofore. "For the first time," reads one of these dispatches of the 31st, "society and the entourage of the court are struck heavily. The defeats of the army brought grief mostly to families of provincial land owners, but in the lost Pacific fleet were many officers belonging to leading St. Petersburg families."

An extraordinary conference was reported on the 30th to have been called for the 31st to meet at the Czar's palace, Tsarkoe Selo, at St. Petersburg, for the purpose of considering the question of war or peace. It was to have included all the resident grand dukes, the members of the Czar's war council, and other high advisers. Such a conference was accordingly held, but no authentic reports regarding it are at hand.

Some expectations of the summoning of a national people's assembly, the ancient Zemski Sobor (vol. vii, pp. 732, 777), are also reported. The St. Petersburg cor-

respondent of the Chicago Tribune makes the following comment, in his dispatch of the 31st, on the expectation that the responsibility for peace or war will be thrown upon this national assembly: "This is now a hopeless course, as it means no escape for the autocracy. The bad faith of the government in canceling or shelving all reforms promised after the January agitation was so flagrant that any national assembly when convoked is certain to postpone the question of war or peace until it gets control of the machinery of the government itself. It is equally certain that the bureaucratic system will not take a subordinate position without a most stubborn fight. Neither of these great antagonistic forces is greatly concerned about the Czar's military humiliations."

#### The Swedish-Norwegian Union Endangered.

By the action on the 27th of King Oscar, of Sweden and Norway (p. 39), who has terminated the regency of Prince Gustaf and resumed his sovereign functions, the union of those two countries is in danger of disruption. The lower house of the Norwegian parliament had on the 18th unanimously adopted a bill providing for a separate Norwegian consular service abroad. So strong was the feeling of the members for the bill, and their confidence, in its popularity, that they refused by 80 votes to 6, to postpone consideration of it until after the people had had an opportunity to pronounce upon it. This bill the King vetoed on the 27th. He did so on the ground that the existing community of interest in the consular service of the two countries over which he reigns, is such that the joint consular service ought not to be abolished without the assent of both. His Norwegian cabinet protested urgently that his veto was not only the rejection of a pressing demand by the whole of the Norwegian people, but, as it was formulated in disregard of the cabinet's unanimous advice and without the advice of any Norwegian, it was a breach of the constitution and a violation of the constitutional rights, independence and sovereignty of Norway, and would mean dissolution of the union. They therefore resigned.

The King refused to accept their resignations, on the ground that no other cabinet could be formed at the present time; but the ministers refused to withdraw the resignations, and on the 30th they returned to Christiania, the Norwegian capital, from Stockholm, the Swedish capital, where the veto had been declared. The Norwegian parliament has decided to suspend negotiations in the matter for the present. The King's veto is not absolute. It may be twice exercised, but if the same bill passes three Norwegian parliaments, chosen at separate elections, and is vetoed upon its first and again upon its second passage, it becomes a law upon its third passage, without the King's assent.

#### American Politics.

When the Republican convention of Ohio (p. 121) reconvened on the 25th it adopted a platform favoring tariff protection, ship subsidies, a sufficient navy, enforcement of laws against monopolies, and legislation on railway rebates. Gov. Myron T. Herrick was renominated.

#### Franchise Taxation in New York.

By a decision of the United States Supreme Court, rendered on the 29th, the right of the City of New York to over twenty millions of taxes due from public utility corporations has been affirmed and an important principle of taxation judicially established. The decision sustains the constitutionality of the franchise tax law enacted during Roosevelt's administration as Governor of New York. This law subjects public utility corporations to a tax on the value of their franchises. It was attacked by the corporations upon the ground that the State, having granted these franchises as contracts, in consideration of money payments, could not impair their value by taxation, since a tax would be in the nature of an addition to the agreed consideration for the contract. Justice Brewer wrote the opinion of the Supreme Court. He argued that whatever strength there might be in the arguments against the law, "it would be giving them undue significance to hold that they are potent to displace the power of

the State to subject to the burdens of taxation property within its limits." The gist of the decision, as indicated by the press reports, is expressed by Judge Brewer in these words:

It must be borne in mind that presumptively all property within the territorial limits of the State is subject to its taxing power. It would not be doubted that if a grant of specific, tangible property, like a tract of land, and the payment therefor was a gross sum, no implication of an exemption from taxation would arise. Whether the amount was large or small, greater or less, if the payment was distinctly the consideration of the grant, that which was granted would pass into the bulk of material property, and like all such property be subject to taxation. If this be true in reference to a grant of tangible property, it is equally true with respect to a grant of a franchise, for a franchise, though intangible, is none the less property, and oftentimes property of great value.

Among the corporations which, under this decision, will be compelled to pay accumulated taxes under the franchise tax law, are the following:

The Manhattan Elevated Railway Company, \$4,221,951; Consolidated Gas Company, \$1,489,966; Metropolitan Traction system, \$6,025,184; Brooklyn Rapid Transit Company, \$2,222,656; Brooklyn Union Gas Company, \$931,268, and the New York and Harlem Railroad Company, \$984,024.

#### The Philadelphia Gas Question.

A complete victory for Mayor Weaver (p. 119) appears to have followed his defiance of the Republican ring and the United Gas Improvement Company of that city. The mass meeting at the Academy of Music, called for the 26th, to support the Mayor, filled the hall to overflowing and two overflow meetings were held outside. Meanwhile a writ of super-seedeas had been granted in the injunction case, which suspended the operation of the injunction, and the Mayor at once ousted the directors of public safety and of public works, whom he had previously removed, and reinstated his own appointees. The injunction proceedings were withdrawn on the 30th. Public opinion has asserted itself without restraint, and in a manner which, though it has escaped criticism, might have been very severely condemned if similarly expressed by less important classes of the community.

An instance was the coercion of Walter T. Sykes, a member of the upper branch of the Councils, who voted for the objectionable gas lease. He is reported to have been called upon by a delegation of business men representing fifty millions of capital, who told him he must either resign from the Councils or support the Mayor's veto. A mob of thousands surrounded his automobile factory and with threats moved on to his house, where they were told he was. The police were powerless against them, and when they came to the house they yelled for Sykes to come out. Sykes appeared, white and trembling. There were cries of "Burn the house if he won't consent!" and kindred exclamations. Finally Sykes, almost weeping with fear, swore with uplifted hand to support the veto. Then the mob moved away. In similar ways several councilmen were induced to change their attitude toward the lease. With the tide of public opinion and administrative power running strongly against them, the United Gas Improvement Company decided on the 27th to abandon its efforts to get the lease. This was done in a letter from the president of that company to the presidents of the Councils, in which the former said:

The manner in which the whole subject has been treated induces the United Gas Improvement Company to believe that the community is opposed to any extension of the gas lease upon any terms. This being so, this company is unwilling to accept the ordinance which has been passed or to enter into any contract whatever with the city looking to any variation of the present lease. The United Gas Improvement Company, therefore, begs respectfully to advise the Councils that, for the reasons stated above, should the pending ordinance become a law, it will not be accepted by it.

Out of this gas lease agitation a municipal ownership movement has developed, the strength of which, however, is as yet uncertain. It contemplates the cancellation of the present lease to the United Gas Improvement Company, and also an attack upon the traction franchises.

#### The Traction Question in Chicago.

Interest in the Chicago traction question (p. 119) has been stimulated by two events of the current