

months we have exported more gold than we have imported, by \$910,427,448. It would be a mistake also to suppose that excessive merchandise exports are paid for with silver; for in the same period our excess of silver exports has come to \$552,215,142. These are the figures of the treasury reports. Instead, then, of being a debtor country, we ought to be a creditor country. Foreigners ought to owe us \$4,145,364,987, according to treasury bookkeeping. But they do not. On the contrary, they are buying up our fixed property, through the purchase of stocks and bonds; and they are not sending us either merchandise or gold or silver, for we export more of all these things than we import. They must be paying us, then, for our stocks and bonds, with what we owe them. It must be true, in other words, as the Republican says, that we are a debtor country. Of what benefit to us, that being so, is the "favorable" balance of trade about which so much jubilant fuss is made? Some of it may be offset by tourist and student expenses in Europe and by gifts to foreign friends; but how do the people at large profit by it? If we send away more than we get back, to an enormous amount—\$4,145,364,987 in 65 years and 5 months—and yet remain a debtor country, in what respect is our "favorable" balance of trade favorable?

Apropos of our recent statement that "in England, as with us, the burden of war expenses is to be shuffled off, by indirect taxes, upon the same classes of people that furnish most of the food for powder," Thomas G. Shearman, who is deservedly an authority upon the statistics of taxation, writes that while it is natural so to understand the matter, owing to the muddled way in which the news comes to us from the other side, it is wholly true only of this country, and but partly true of Great Britain. According to Mr. Shearman the income tax in Great Britain has been increased by 50 per cent., so that nearly or quite \$30,000,000 will be contrib-

uted, during the present year, by the well-to-do classes toward the war expenditure. They were already contributing, by the income tax and death duties, about \$150,000,000 per annum. The expenses of the South African war, Mr. Shearman continues, will probably be \$300,000,000. The increased income tax will pretty certainly be maintained for at least two years and be only partially reduced in the third year. Therefore Englishmen having incomes exceeding \$800 a year will certainly contribute \$125,000,000 towards the cost of the war, or not less than one-third of the whole, making liberal allowance for the expense of permanent military occupation. Nor is this quite all. The remaining charges of the war have been put chiefly upon spirits and beer, and only to a small degree upon tobacco and tea. The additional taxes upon all of these things, except tea, are so small that they cannot be added to the price of spirits or beer, at retail; while the rigid inspection of public houses makes it extremely difficult for the retailer to compensate himself for the tax by reduction in quantity. The result is that at least two-thirds of these liquor taxes will come out of the profits of wholesale and retail liquor dealers. It is therefore not unreasonable to estimate that from two-thirds to three-fourths of the entire cost of the South African war is to be paid by Britons having incomes of \$800 and over. To this explanation Mr. Shearman adds:

Of course I fully agree with you that the whole cost of the war ought to be paid by the landlords of Great Britain and South Africa. But it is a great injustice, even to a tory government in Great Britain, to compare its methods of taxation with those of a republican government in America.

Examination of the full text of the recent decision of the federal supreme court in the case of the Illinois Central railway against the city of Chicago, commented upon in these columns not long ago (102-1), fails to discover in the decision that importance with refer-

ence to the land question which it seemed to possess as reported by the newspapers. The decision does no more than to reaffirm the doctrine of the same court in an earlier case, that of the same railway against the state of Illinois, the most important feature of which was this declaration in the opinion of the court:

The ownership of the navigable waters of the harbor and of the lands under them is a subject of public concern of the whole people of the state. The trust with which they are held, therefore, is governmental and cannot be alienated, except in those instances mentioned, of parcels used in the improvement of the interest thus held, or when parcels can be disposed of without detriment to the public interests in the lands and waters remaining.

That doctrine is not very important. In fact it is just a little absurd. The judges who dissented were quite just in their criticism of it when they said, Judge Shiras writing the opinion:

The opinion of the majority, if I rightly apprehend it, likewise concedes that a state does possess the power to grant the rights of property and possession in such lands to private parties; but the power is stated to be in some way restricted to small parcels, "or where such parcels can be disposed of without detriment to the public interests in the lands and waters remaining." But it is difficult to see how the validity of the exercise of the power, if the power exists, can depend upon the size of the parcel granted.

It certainly is difficult. And there is another difficulty, one to which none of the judges alluded. It is difficult to see how the validity of the power of alienation, if the power exists, can depend upon whether or not the land is under water. The true doctrine, if not in law at any rate in good morals and good sense is this, that the state has the right, restricted only by the condition that it shall not be abused, to grant the privilege of exclusive possession of land, whether in large parcels or small, or under water or above water, for adequate and continuing compensation to the public. It has no other right of alienation. The land, both dry and wet, is the people's perpetual heritage.