

the Quay conspirators, who have killed two birds with one stone by acquiring enormously rich pickings for one thing, and for another by getting even with Elkins and Widener for political disloyalty to Quay. The third contestant in the triangular fight is A. L. Johnson, who acquired the necessary corporate rights under the old law, and has applied for street rights on the basis of three-cent fares and universal transfers, but no payments either into the public treasury as a tax or into the pockets of officials as bribes or blackmail.

The Cleveland board for the decennial revision of tax valuations proves to be no better disposed to support Mayor Johnson in his efforts to equalize taxation by shifting the onerous burden somewhat from the shoulders of small property owners to rich monopolists who now escape so large a share, than were the county auditors who stood so valiantly by the tax-dodging railroads. Yet Mayor Johnson's propositions with reference to the decennial appraisalment are simple, sensible and fair. He explained them at two meetings in the city hall last week, at which the decennial board, the annual city board and a large representation of local property owners were in attendance upon his invitation.

Taking the Fourth ward for the purpose of illustrating his plan (which is the plan adopted successfully in St. Paul a few years ago by W. A. Somers, when he was assessor there), Mr. Johnson displayed upon a large blackboard a map of the ward with its streets and squares outlined. Each square was numbered in a circle to distinguish it for reference. Within the squares, at each of the four sides and midway between street corners, was written the actual market value per front foot (100 feet deep), as ascertained by the tax experts of the city tax bureau; and opposite these figures but within the street instead of within the square, was set the actual market value of the same property

as found by the tax officials. A few extracts from the map will indicate the fluctuating valuations which these officials have made. They have valued some property worth \$200 per front foot at \$120, some worth \$400 at \$354, some worth \$150 at \$147, some worth \$800 at \$406, some worth \$2,200 at \$2,190; some worth \$350 at \$267, some worth \$350 at \$260, some worth \$350 at \$215, and so on. The Somers plan, which Mayor Johnson recommends, contemplates the adoption, as the unit of valuation, of one foot front (100 feet deep) at the point on a square farthest from the value influences of the corners. It was for that reason that the mayor expressed upon the map those interior, lowest, or unit values. According to the Somers theory, a mathematical calculation upon a regular scale from the units, will yield (not accurately, to be sure, but with reasonable approximation), the value per front foot of all the rest of the land of the square to which the units belong.

In the course of his explanation at the first meeting, Mayor Johnson soon had his theory brought to a striking test. "Here is a square," said he, pointing to his blackboard map, "where the value of a front foot on one side is \$200, and on the other three sides it is respectively \$300, \$400 and \$500. Now these are the units of value by which we can ascertain the value of every foot front on the four sides of this square." A member of the decennial board, Mr. B. F. Phinney, interrupted: "Do you mean," he asked, "that after finding these units of value you can ascertain the value of all the property in that square without viewing the property?" "Absolutely," replied the mayor; "absolutely. We can assess every foot of land in the city without seeing it." But Mr. Phinney was incredulous, and other members of the decennial board exclaimed that it could not be done; whereupon Mayor Johnson took the units of a square the true values of which were well known by those present, and using the Somers system, which he

had been explaining, calculated with substantial accuracy from those units the values of the rest of the square.

What followed we quote from the Cleveland Plain Dealer's report:

"This is Somers' system," said the mayor, "and by it all property in St. Paul was assessed. No system is infallible. This one is not, for, after all, it is only the judgment of men. What I contend is that by this system you can arrive more nearly at the true result. It is simpler than any we know of and certainly better than the one on which you have always worked." He then pointed out glaring inequalities as they exist in present values, and demonstrated how it would have been impossible for such errors to have been made by following the unit rule of values. "Now, what I want you to do," continued the mayor, "is to meet here and take up one ward of the city after the other. I will have maps drawn like this, showing you what we regard as the true values. You need not accept them; you can make such changes as you like. Let the people know when the various wards are to be considered and ask them to come in and give their ideas as to the value of their property. It makes no difference to me what values you place on the properties. All that I ask is that you agree on some unit of value so that all property will be assessed uniformly and fairly. Let us find the true value and then you can put it on the duplicate for 60 or 20 per cent. of its value—I don't care which, just so it is all treated alike."

But uniformity of tax valuations is one of the last things that your ordinary tax equalizer wishes to arrive at; and, since Mr. Equalizer Phinney had been so neatly headed off by the mayor in one direction, Mr. Equalizer Healey tried another. "How many years," he asked, with a confident expression, "do you imagine it would take us to assess property according to your method?" Mr. Healey fared as ill as Mr. Phinney. "Let's see," returned the mayor—

there are 42 wards in the city. It would take just 42 afternoons to arrive at the unit values. After that it is a mere matter of work for clerks. You gentlemen come here with the people and agree on the unit values. Then we will have the map photographed with the figures you have agreed on; the board can be cleared and another map drawn. The photo-

graphs will be placed in the hands of clerks. I will employ just as many as are needed, and they will figure out the value of all the property in the wards on the basis of the unit values which you have agreed on. After they have found the value of all the parcels of land in a ward the figures will be submitted to you. Then you can call in the people as the law requires you to, and tell them the values you have placed on their land. You can make such changes as you see fit. You do not bind yourselves to accept our figures. All I ask is that you agree on some figures as a basis of calculation.

Once more the boards attended the mayor's meeting for the study of taxation, and then the decennial board decided neither to adopt the system nor to attend any further meetings. The members were too close to what they don't want to find. In explanation of their decision they adopted the following resolutions:

Whereas, the Hon. Tom L. Johnson and Mr. M. W. Beacom have filed a general complaint with the city decennial board of revision against the alleged low valuation of each and all parcels of land in this city as returned by the late city decennial appraisers, and equalized by the late city decennial board of equalization; and whereas, Mayor Johnson has suggested and presented a certain method and rule to this board for consideration, alleging that its adoption would insure a more uniform, equitable and excessive valuation of said land; and Whereas, after respectful and careful consideration of said method and rule this board has failed to find it in any way auxiliary to this board in completing the work devolving upon it, or in any way beneficial to the taxpayers of this city, involving as it does a practical reappraisal of each and every parcel of land in the city, which this board has neither the time nor authority to undertake;

Resolved, therefore, that this board continue to consider each and all lawful complaints filed with it, and proceed to equitably revise and adjust each and all such complaints in accordance with the rules and instructions as set forth by the revised statutes relating to this subject.

The annual city board was not disposed to be thus obstructive to the mayor's plans for securing uniformity. It expressed its willingness to meet with the mayor for the purposes set forth by him in this connection,

whenever he desires. Accordingly Mayor Johnson is proceeding before the annual board, which is passing upon the valuations ward by ward. It first decides upon the unit values of a ward, then turns the matter over to experts who calculate from these units the values of the remaining land of the ward, and, says the Plain Dealer,—

as soon as that is done the annual city board, or some individual, will present the result to the decennial board of revision, complain that the existing valuation of every parcel is unfair, and demand that the values be changed to correspond with the figures presented. The decennial board may decline to make any changes. In that event legal steps may be taken to compel it to act, but in any event the valuations as found by the mayor's system will, it seems, eventually be placed on the duplicate. The decennial board dies in January and the annual city board then assumes jurisdiction over real as well as personal property. Four members of this board were appointed by the mayor. They believe in his system in every respect and will place the new valuations on the duplicate. There is a serious question whether the annual city board hasn't the power to do that now, but to obviate any possible legal tangle the mayor wanted both boards to act together.

"Do you contend," the mayor was asked yesterday, "that the annual city board has any jurisdiction over real estate?"

"I am not a lawyer," he answered, "and do not pretend to be able to answer that question. The supreme court said there was some doubt about the matter, and good lawyers differ. We will ask the decennial board to place our figures on the duplicate. I am not prepared to say what course will be adopted if it refuses, but whatever is done our work will go right on. The annual city board has consented to meet with citizens in room 109, city hall, and agree on the units of value of property in every ward of the city. Our force of clerks will take these units and figure out the cash value of every parcel of land. Next year the annual city board will have power to revise real estate values as it likes, and it will then rearrange values as agreed on at these meetings. Every map will be drawn in chalk on the blackboard and after the board has agreed on the units of value the result will be photographed and the board cleared for a new map. The Fourth ward is now cleared up so far as the preliminary work of the board is concerned, and photographed. It will be cleaned to make room for the Second ward, which will be taken

up Thursday. We have sent postal cards to the people of that ward, asking them to come in and take up the matter with the board. I do not contend that our method of getting at the real values is perfect, but I do say it is nearer perfection than the one that is now in operation or any that has been followed in Cleveland heretofore. At least it will result in all property being placed on a uniform basis of value."

It is exceedingly difficult, of course, for some of the good people of Ohio to divest their minds of the suspicion that these proceedings of Mayor Johnson's have their impulse in personal ambition. Unaccustomed to public men who devote themselves with personal disinterestedness to the public service, they are unwilling to believe that Johnson is doing so. They are, therefore, alert to discover some personal object, and have jumped at a suspicion that he seeks the governorship. He denied this early in April. Mr. Thurman having asserted that Johnson would not be a candidate for either governor or senator, Johnson was asked if it were true, and he replied in a letter of April 15:

Your favor of the 9th received. In reply, permit me to say that Mr. Thurman is right. It will take all of two years for me to come anywhere near complying with the expectations of my friends here, and to that end I expect to devote the whole of my time, and will not become a candidate for either office mentioned.

But this was not enough. The cry went up all over the state that Johnson was preparing for the gubernatorial nomination. There was nothing to give color of truth to the cry except the fact that Johnson is working hard to secure the adoption of a platform demanding equality of taxation. But dispatches announcing his willingness to accept the nomination were circulated in June. One of them called out a request from the Evening Democrat, of Dayton, to know if it was true. Johnson's reply, dated June 13, was as follows:

There is absolutely no truth in the statement. Would decline nomination and would refuse to serve if elected. Is that strong enough? Nothing on earth would tempt me to

break my two years' contract with the people of Cleveland.

Upon dictating this reply, Mayor Johnson remarked:

I hope the citizens of Cleveland will soon realize that I am to devote my entire time to their interests during the period of my office.

The citizens of Cleveland are beginning to realize that; but with many, the more distinctly they realize it the more this new kind of politician mystifies them.

A disturbing question has been asked of one of Chicago's leading bankers. In a school address this banker had intimated that business success is not difficult of achievement, saying in that connection that he would "consider any business man who, at 35, has an annual income of \$5,000, as fairly successful." It was this remark that drew out the disturbing question. "I should like to ask," said the questioner, referring to the banker, "how many successful business men he is personally acquainted with who have achieved this success without the aid of inherited capital, by their own efforts, in legitimate business, not by speculation. Perhaps the list would not be so long but that he could show, in a general way, how they could build up such a business." Though the question was asked in a leading newspaper, and must have been seen by the banker, we are not aware of the publication of any reply.

HAZEN S. PINGREE.

The outburst of affectionate feeling for Hazen S. Pingree which followed the announcement of his death, is an indication of the confidence he had really inspired by his public life. None of the glamor of high office surrounded him when he died. Though he had been four times mayor of Detroit and twice governor of Michigan, he was then a plain citizen, with no associations to excite public feeling except his record. But that was enough. And we firmly believe that as time brings it out into clearer view, he will loom up larger and larger in the estimation of the people

whom he devotedly served, more devotedly than they realized while he lived, in the two public offices he held.

Gov. Pingree was one of the really great men of the republican party. He was one of the men to whom the word "republican" meant what it meant to Lincoln and to Chase. It was identified in his mind with Thomas Jefferson, the founder of the democratic party, which at first was christened and for many years bore the name "republican." But he did not rise to prominence in his party while Jeffersonianism inspired its counsels. His period of political work came at a time when the party was drifting into the ruts and sloughs into which Jefferson's had drifted when the great republican leaders of the fifties seized the drooping Jeffersonian banner and raising it aloft proclaimed a revival of democracy. Yet he was equal to the occasion so far as one leader could be. Even at the cost of denunciation by his associates for disloyalty, he held up the original standards of the republican party against the money oligarchy of his time as its founders had held them up against the slave oligarchy of theirs.

Gov. Pingree was as severely criticized by many who belonged with him as he was denounced by others whom he counted as treacherous to the principles of his party and to the people. Indeed, he was not perfect. But that he was a man of robust honesty, with the full courage of his convictions, and an understanding of public problems that went ahead rather than fell behind the understanding of the people themselves, will hardly be disputed now that the jealousies and hatreds and suspicions that assailed him in his public career are allayed with the ending of his life.

If the republican party of the future does not honor the memory of Hazen S. Pingree as one of the jewels in its crown of leadership, it will be because its managers look ahead to yet deeper depths of plutocracy to plunge it into. But whatever party managers may do, the people regardless of party, as they come better and better to understand the crisis they are passing through, will more and more appreciate the value of Mr. Pingree's work and the sincerity of his intentions.

AN OFFICIAL EXPLANATION OF THE FAVORABLE BALANCE OF TRADE FALLACY.

Such frequent and extended exposures of the balance of trade fallacy as we have made would be unpardonable, were it not that this fallacy is the last stronghold of protection. When its absurdity shall have been generally recognized protection will collapse.

In considering one phase of the question last month (page 51), we described the balance of trade theory as so exceedingly fragile that it cannot endure discussion, and predicted that its end was near, since discussion had begun. Our reference then was to an attempt to explain it in the London Daily Mail. The matter has since advanced a point. No less authority than the head of the bureau of statistics of the American treasury department has come forward with an explanation.

Hitherto protectionists have contented themselves with the specie payment explanation. Asked how it is possible for a country to grow in wealth by sending more goods away than it gets back, they have replied that the balance comes back in specie.

"It all comes back in pure gold," said President McKinley, as recently as October 16, 1899, at Mount Horeb, Wis. That was clearly a mistake, as the treasury statistics have for years abundantly shown. Whether our country gets paid or not for its excessive exports, it certainly has never been paid for them in gold. This is distinctly admitted in the treasury explanation mentioned above, to which we now invite attention.

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The document was called out by an inquiry from Mr. Dadabhai Naoroji, an exceedingly intelligent and inquisitive Hindu, who lives in London.

Mr. Naoroji had observed the phenomenon of excessive exports in his own country. Anyone else may do the same, by referring to the Statesman's Year Book for 1900 (Macmillan & Co.), at page 152. The exports from India from 1895 to 1899, both years inclusive, exceeded the imports for the same period by nearly 150,000,000 Rs.—about \$750,000,000. But this great excess of outgo from India was easily accounted for by Mr.