

gate market value of the bonds at the time of the exchange was about equal to their aggregate par value.

To-day the market value of the stock and bonds has increased in all about \$8,533,000, making the total market value of all the securities involved something like \$78,500,000 or an increase of \$54,800,000 over the amount of money which has actually been put in the property. This \$54,800,000 logically represents nothing else but the values of the franchises.

Yet this franchise value, represented by \$54,800,000 of securities out of a total of 78,500,000 (about 70 per cent.) is certainly a very valuable asset. These franchises have cost the company no cash, it is true. Neither has the city received any cash for them. Yet the company has in some way realized \$54,800,000 from them. In other words the company has practically capitalized them at \$54,800,000, and is earning and paying interest and liberal dividends on all these securities. The credit of the company is high and it could undoubtedly sell its business and franchises to-day for fully as much and possibly more than the \$78,500,000 at which it is financially valued.

The speculator, and the speculator only, benefits from this condition of things.

In the long run, no one else benefits, not even the legitimate investor.

The loss which the community sustains in this way is certain to react, sooner or later, on every class of investor; both the rich who invest their surplus wealth, and the poor who invest their labor or their brains. For, in the last analysis, the interests of the "investor class," so called, and the working class are identical. I cannot say this, however, of the purely speculative or gambler class, for they could not possibly live in their present power and glory were the interests of the rest of the community in no way encroached upon.

It cannot for one moment be contended by any frank and disinterested observer, either in or out of Wall street, that the situation is either equitable or healthful when a community presents, absolutely without compensation, a \$54,000,000 premi-

um to a \$24,000,000 corporation; and, after presenting it, complacently pays a large rate of interest on its present year after year; and, further, not only pays this interest without complaint, but as the years roll on sees its present grow in value like a snowball, and then calmly and without a murmur, pays interest on the increasing increment.

On precisely the same principle I might turn over a thousand dollars to a man who had no special claim on me for him to start a business with; and then, in order to induce him to keep the money, pay him six or eight per cent. interest per annum; and, feeling that possibly this was not a sufficient inducement, then give him an additional hundred dollars or so each year, paying interest on the increased amount at the same rate.

JOHN MOODY.

## NEWS

Astonishment at the revelations of American atrocities in the Philippines, reported last week, which had then risen to a high degree, became intense when Gen. Smith's counsel, speaking for him before the court-martial at Manila, admitted that Smith had given the atrocious orders which Maj. Waller attributed to him, but which it was expected he would sweepingly deny. The hearings before the court-martial began on the 25th, instead of the 29th as at first announced. Gen. Lloyd Wheaton presided, and Col. Chas. A. Woodruff appeared as counsel for the defense. At the opening, Col. Woodruff announced his willingness to simplify the proceedings by admitting that most of the accusations were true. He said he was willing, in behalf of Gen. Smith, to admit that inasmuch as the country was hostile Gen. Smith did not want any prisoners, and that he had issued orders to Maj. Waller to kill all persons capable of bearing arms, fixing the age limit at 10 years because many boys of that age had borne arms against the American troops; and that he had ordered Maj. Waller also to burn the homes of the people and to make Samar "a howling wilderness."

Gen. Smith's confession is defended by some army officers both at home and in the islands; and the surrender on the 27th of Col. Guevarra, Filipino

commander in Samar, is referred to by them as a happy result of Gen. Smith's bloody orders. But the revolting disclosure was not received so complacently by the civil officials at Washington. "There is a good deal of nervousness," writes Walter Wellman, the well known Republican correspondent, in the Chicago Record-Herald of the 29th, "over the possible effect of the disclosures in the Philippines." Continuing he says:

At the cabinet meeting to-day the subject came up for informal discussion. What the President and his advisers fear is that Gen. Smith and all other accused officers and men who are under trial in the Philippines will be acquitted by the court-martial and that a cry will then go up in this country that the military tribunals have "whitewashed" guilty men. It was said to-day in the cabinet discussion that this would be worse than the present state of things, for it would indicate lack of confidence in the integrity of the army and in its courts of justice. Instead of a few accused officers being under the ban of public disapproval, the whole army would suffer indictment. . . . It was agreed that the best thing that could happen would be the conviction of Gen. Smith and his severe punishment. But all the indications are that he is to be acquitted, and that then the storm will break more fiercely than ever before.

The storm broke heavily in Congress on the 28th, when bitter denunciations of Gen. Smith's order were applauded not only by Democrats but also by Republicans. One of the speakers was Representative Williams, a Democrat, of Mississippi. The other was Representative Sibley, a Republican, of Pennsylvania. Mr. Sibley denounced Gen. Smith as "a disgrace not only to himself but to every man who wears the uniform of his country," and demanded his dishonorable discharge from the army upon his own confession. In the course of this speech Mr. Sibley said:

I have always defended the course of the administration in the Philippines and have been an expansionist. When I have heard statements made that we were cruel in the conduct of the war I have thought perhaps the partisan was speaking. But when I have read, as I have within the last 48 hours, that a general wearing the uniform of the army of the United States, one who stands under the shadow of our flag, issues orders, not to conciliate a province but to leave it a howling wilderness and to kill all above ten years of age, then it seems

to me that humanity must have marched backward for 18 centuries and that Herod again appears. I have heard of Timor and Tartar and of the Saracen scourge, but thank God it took 18 centuries after Calvary to produce a Gen. Smith. . . . A friend of mine said to me the other day: "You had better wait and hear his defense." There can be no defense for such orders. I hope the President will have the hardihood to order the dishonorable discharge of this man at once upon his own admissions. He ought never be permitted to stain the United States service. He is a disgrace to our civilization.

These revelations have reinvigorated the non-partisan anti-imperialist movement, and a committee of seven prominent men has been appointed to take all necessary steps to secure a full disclosure of the facts regarding the American occupation of the Philippines. In the language of the resolution, which was adopted at a meeting of representative anti-imperialists from different parts of the country, held at New York on the 29th, the duty of the committee is— to take all necessary steps to effect the full disclosure of the facts connected with the processes and executions in the Philippine islands and to appear in person and by counsel before the present Senate investigating committee and take such steps as may be calculated to secure complete publicity, and, further, to initiate such other action as may tend to vindicate the national character.

The committee consists of Carl Schurz, New York; Charles Francis Adams, Boston; Andrew Carnegie, New York; Wayne MacVeagh, Philadelphia; Herbert Welsh, Philadelphia; Edwin Burritt Smith, Chicago; and President J. G. Schurman, of Cornell university.

What specific steps this committee will take has not been divulged. But in expectation of its proposing, as has been suggested, that Moorfield Storey, of Boston, be allowed to represent the committee, as its counsel, before the Senate committee of investigation, leading members of this senatorial committee are reported from Washington as saying that Mr. Storey will not be admitted to the hearings. Commenting on this, the Washington correspondent of the Chicago Evening Post, a Republican paper, writes in the issue of the 3d:

If Moorfield Storey is denied the right to appear as the legal representative of the anti-Imperialist league a big fuss will be raised. The

closed sessions of the committee already have been the subject of unfavorable comment, notwithstanding the plea of "no room for outsiders," and if the rule is enforced against the attorney for the opposition the Republicans may as well prepare to hear a great deal about it during the campaign.

The necessity for some such voluntary committee as that named above with Mr. Schurz as its chairman, was made evident on the 30th by the action of the Senate investigating committee, which, on motion of Senator Beveridge, and by a strict party vote, refused the application of the minority of the committee for the examination of Aguinaldo, Pilar, Lopez and other Filipinos, and of Mr. Bray and two newspaper correspondents (see p. 39), on the ground that the Filipinos were formerly enemies in war, that Mr. Bray is a British subject, and that the newspaper correspondents are out of the country.

At the same session the committee refused, also by a strict party vote, to issue a summons by cable to Maj. Gardener, the civil governor of Tabayas, whose report has been for a time suppressed (p. 25) to appear before the committee and testify. Consequently a resolution was offered immediately in open Senate calling upon the secretary of war to order Maj. Gardener to come at once to Washington and testify, and this led to an acrimonious debate. The circumstances are reported by Walter Wellman, the Republican correspondent already quoted, in the Chicago Times-Herald (Republican) of May 1. Mr. Wellman writes:

The Republicans, on the defensive, and put in an awkward dilemma by the clever tactics of the Democrats, did not give a very creditable exhibition of skill. . . . Mr. Allison, the leader of the majority came forward with a speech of unwonted spirit, in which he let the cat out of the bag by declaring that the Republicans were not willing to "decorate" Maj. Gardener or pay him special honor by cabling him to come hither post haste. . . . Behind the scenes the Republican leaders had their heads together, and in sorrowful conference were trying to find a way out of their troubles. They have not found it, and they are, in fact, divided as to what is the best remedy. . . . One faction, led by Senator Allison, wanted to avoid calling Maj. Gardener as a witness and cut short the whole

wretched business by passing the appropriation bills and adjourning the session by June 15. . . . The other faction, composed of such men as Spooner, Aldrich and Platt, thought it would be cowardly to run away from the scandal.

From the British war in South Africa all news seems to have stopped. There are no reports either of fighting or of peace making, the whole situation being left where it was last week. But the same tendency to coincidences between this war and that of the Americans in the Philippines, which has been so notable a characteristic of the two wars, is again observable. Just as the party in power in the American Congress begins to exhibit signs of weakness over reports of American outrages in the Philippines, as reported above, so does the party in power in the British parliament begin to exhibit similar signs over British outrages in South Africa.

The excitement in the British parliament arose in connection with the forcible detention in South Africa, by the British, of Albert Cartwright, a British subject. Cartwright had been editor of the South African News, and having in the columns of this paper charged Lord Kitchener with ordering his officers to shoot all prisoners, was sentenced to a year's imprisonment for libel. After serving the term of his sentence, and designing to come to England, he was restrained by the British authorities and is still held in South Africa. The matter came before the House of Commons on the 24th, when Mr. Morley moved an adjournment in such manner that if carried it would amount to a censure of the ministry. In the debate Lord Stanley, financial secretary of the war office, who had served as chief press censor in South Africa, explained that the ministry did not think it desirable to increase the number of anti-British propagandists in England; to which Mr. Morley retorted that this was the most outrageous sentiment heard in the Commons since Simon de Montfort established parliament. Mr. Morley denounced the detention of Cartwright as illegal, unconstitutional and tyrannical. The debate was acrimonious, and several ministerialists manifested their sympathy with the opposition. Among them was Winston Churchill, who expressed a hope that the Commons would force the ministry to keep with-