

CURRENT TOPICS

THE MANAGING AUDITOR of a western railroad system traversing nine states reminded a reporter of the Lincoln, Nebraska Journal that 2-cent fare bills are pending in every one of these states with chances of success in several. The Journal says: "The Boston and Maine railroad has lately reduced its fares voluntarily to 2 cents as far north as Bellows Falls and Concord in Vermont and New Hampshire, leaving practically all of New England south of those points under the 2-cent fare. There are many indications that the 2-cent fare is to be in the near future the general charge as the 3-cent fare has been in the past. The 3-cent fare went into effect in Nebraska June 6, 1885, over twenty years ago, when the population and wealth of the state were only a fraction of what they are now."

"AN ANCHOR TO WINDWARD" is what Mayor Tom Johnson of Cleveland calls Mr. Rockefeller's recent donation of \$32,000,000 in stocks to the general education board. He believes that the gift is expected at some future time to act as a check upon the onslaughts that may be made on public service corporations. He said: "What sort of a gift was it, anyway? It was not cash, as I understand it. What was it, then? Let us suppose the case. Was it Standard Oil stocks? Hardly. Was it the bonds of cities, states or, perhaps, railroads? Most likely it was railroad securities. Every one of these is a mortgage on the future. The total of \$32,000,000 is sufficient to have bought the Cleveland Electric and to have made the city of Cleveland a handsome donation. But that would not have answered his purpose. There would have been no future effect. Some day it will develop, perhaps, that the special privileges that these railroads enjoy and that the people are becoming educated more and more every year to curtail and withdraw, will be threatened. This will result in a sudden squeezing out of the water in these stocks. Then there will go up a cry that the great educational interests dependent upon the return from these securities are threatened. There will be talk of what the widows and orphans are in danger of losing. Maybe a condition will be presented that may have protective effect for the corporations involved. I understand that a board in the east will have sole charge of the distribution of the funds. Right here I predict that this board will not bestow one dollar of these securities upon any institution maintaining a chair of political economy that teaches the truth of what wealth really is or what these securities are."

THE APPROVAL by the French cabinet of Finance Minister Caillaux's income tax bill is interpreted by the New York World to mean that France may soon join the other nations of Europe in adopting this impost. The World says: "The Bourse takes that view of it; 'rentes,' or government bonds, suffered yesterday a decline in price, which is wholly natural, since their owners must hereafter pay income tax upon them, like holders of British consols at present. In the equitable effort to shift the burdens of taxation to the stoutest shoulders the bill exempts incomes of \$1,000 and less, and above that figure levies a tax gradually rising from one-fifth of 1 per cent to 3 per cent upon employment incomes, 3 1-2 per cent upon commercial incomes and 4 per cent upon incomes derived from property investment. The principle of distinguishing between income from investment and income earned by personal toil is already recognized in the painstaking and scientific German tax laws, and it will probably soon be incorporated into the British income tax. The common sense of Europe is thus rapidly agreeing upon the equity of certain principles of income taxation. These are

1. There should be a generous exemption. This is \$800 in England and is to be \$1,000 in France. A much larger exemption would be required in this country.
 2. There should be a distinction made between earned income and income from investment.
 3. The tax should be graduated, falling most heavily upon those colossal incomes whose fortunate recipients would otherwise most nearly escape taxation.
 4. Income tax should be supplemented by graduated succession taxes upon inherited estates. Already in England this tax rises to 8 per cent upon the largest fortunes.
- "While foreign nations are thus laboring to equalize taxation and relieve a little the plain

rent-paying, salary-earning citizen in New York the old comedy of 'swearing off' personal taxes is soon to recommence, with the wealthiest citizens of the republic in the spot-light. How can that amazing contrast fail to strengthen President Roosevelt's demand for a graduated federal income tax law and an inheritance tax law?"

WASHINGTON dispatches now say that the president will not appoint a negro surveyor of customs in Cincinnati. The Washington correspondent for the Houston, Texas, Post says: "The manifestations of popular disapproval and the advice of his political friends not to do so has changed his mind. Cincinnati, besides being the home of Senator Foraker, whom the president wanted to embarrass, is also very nearly a southern town. Another important consideration is that it is also the home of Representative Nicholas Longworth, the president's son-in-law. Such a row as the appointment of the negro Taylor would have stirred up there would have been gravely injurious to Mr. Longworth's political fortunes. Longworth has managed to keep out of the Brownsville and race discussion so far, and it is probable he had something to do with the president's change of heart in the Cincinnati incident. The outcome will probably be the appointment of a colored man to some office in the northern part of the state. Mr. Burton, who is now chairman of the house committee on rivers and harbors, lives at Cleveland. He will likely be permitted to dictate such an appointment where it will help him most in his aspirations to be senator. It is an open secret that he is preparing to run against Senator Dick when the latter's term expires four years from now. Mr. Burton is a very able man and is one of the acknowledged powers in Ohio politics. Dick and Foraker are working in harmony, but Burton will have the assistance of all the friends of the president and of Secretary Taft."

PRESIDENT A. B. STICKNEY of the Chicago Great Western railroad made some interesting admissions to the legislative railroad investigating committee at Minneapolis, Minnesota. A Minneapolis dispatch carried by the Associated Press tells the story: "President Stickney declared frenzied finance built his road and the attorney for the state gasped when the railroad president declared the deal would be repeated.

"Do you mean to say," asked Attorney Mahan, "that you sold \$3,600,000 worth of stocks and bonds for \$1,800,000?"

"Yes, nominal value stocks and nominal value bonds."

"Then, if I understand you correctly you practically disposed of \$1,800,000 in 'watered' stock?"

"That's what I did," said Mr. Stickney, "and furthermore, I am going to put a whole lot more on the market."

"You are surprisingly frank. What do you think about this?" asked the attorney.

"I think the company has been doing just as it ought to do."

"Yes, I know that, but do you think it is fair to the rate payers; do you think shippers ought to pay such high rates that it will insure interest on this watered stock?"

"I think railroads and owners of railroads are entitled to all the interest and dividends they can get provided reasonable rates are charged by the passenger and freight departments," said Mr. Stickney. Senator Cushman asserted there was much difference of opinion as to what constituted reasonable rates. An argument followed about rates and classifications in which Mr. Stickney said:

"You may think I am a fool, because I can't answer all your questions, but I'm not. It is the hardest thing in the world to figure rates on the most equitable basis and I have no hesitancy in saying that a mileage tariff would produce the same results you complain of."

UNDER date of Winsted, Connecticut, February 8, the New York World prints this special telegram and good story: "A girl working as a servant told the housewife: 'I'm going away, mom.' Said the woman indignantly: 'Suppose some one writes me for a recommendation, what shall I tell them?' Said the girl: 'Tell them, mom, I stood it with you for a week. That recommend is good enough for me.'"

NOTHING else bears so strict evidence of the moral improvement of the American people as the decline of drunkenness and drinking. In the opinion of the Rochester, New York, Democrat and Chronicle. That paper adds: "How great has been this decline only persons of advanced years can fully realize. Whether this is an effect of the preaching of temperance or a logical result of experience, or the spread of habits of industry and thrift, or of all these influences, is not apparent, but the important thing is the fact itself."

THE OLD PAPER TRUST was dissolved and the price of print paper dropped 30 per cent. But the Sioux City, Iowa Journal, republican, says: "Now the officers of the old paper trust have organized a new corporation called the Kimberly-Clark company, and the price of print paper has climbed back to about where it was before the trust was 'busted.' Consumers of print paper are inclined to think President Roosevelt's legal talent should lose no time in investigating the coincidence."

MRS. ISABELLA BEECHER HOOKER died at Hartford, Connecticut, January 25, in her 85th year. Mrs. Hooker was the last survivor of the eleven children of the Rev. Lyman Beecher. A writer in Harper's Weekly says: "The Rev. Henry Martyn Field, who died on January 26 at Stockbridge, Mass., also in his 85th year, was the last of the seven sons of the Rev. David Dudley Field, of Stockbridge. So ends a famous generation in two American families of very high renown, and it is interesting that the end should come to both of them within a day. The progenitors of both these distinguished families were eminent clergymen of old New England stock. The Fields came from Stockbridge. The Beechers were early and long associated with Litchfield, Conn., though Lyman Beecher came from New Haven, and lived in various places where his ministry called him. We see nowhere nowadays families of that stock approaching them in size and distinction. Large families of the old American stock are rare now. They seem to be no longer born to ministers. Neither is distinction achieved in our day in the same way that the Beechers achieved it. The most notable contemporary family that we can think of at this moment is that represented by the seven auriferous sons of the late Meyer Guggenheim. We hear more just now of the Guggenheims as a family than of any other, not even excepting that of Abraham Landis, of Indiana, three of whose sons are representatives in congress, besides other sons and daughters worthy of preferment and likely to win it. The energy of the Guggenheims has been spent in the acquisition of material treasure. They are wonderful as a family because all seven of them have long been in business together, apparently harmonious, and prodigiously successful. One from the fold has just been spared to go to the senate, to the family's further exaltation. The energy of the Beechers was spent in the diffusion of moral and theological ideas. Nearly all of the sons were clergymen of note, and one was the most noted preacher and one of the most eminent public men of his day. The daughters, especially Mrs. Stowe, contributed their full share as writers, teachers, and leaders to the family renown. None of them were notable money makers, though as an incident of their work some of them did earn considerable amounts of money."

NEWSPAPER dispatches say that Engineer Stevens has threatened to resign in case the construction of the Panama canal is left to contractors. Referring to this alleged threat the New York American says: "Reports from the isthmus state that over a half million yards of earth and rock were removed during the month of January. At this rate the canal could be completed in seven years and at more than \$7,000,000 less than the lowest bid by private contractors. If these reports are confirmed they make the duty of the government plain and imperative. It should dig the canal itself, without farming out the work to any contractors whatsoever. Why should this nation place itself at the mercy of private individuals or corporations, and pay them millions for doing public work that it could better and more rapidly do itself? Why have a chief engineer and a large and expensive force organized to dig the canal, a force directly answerable to the govern-