

twenty-seven states and these twenty-seven in 1900 comprised 62.2 per cent of the population.

REPUBLICAN PAPERS POINT WITH pride to the "good surplus" now in the United States treasury. A reader of The Commoner calls attention to the fact that on July 1, 1902, the cash balance in the treasury, exclusive of the reserve and trust funds, amounted to \$203,974,599. The cash balance exclusive of the reserve and the trust fund August 31 was \$209,491,500.61. All this represents money locked up in the treasury. The increase in the amount of this locked up money during one month was \$5,516,901.61. This reader points to the fact that the interest-bearing debt of this country now amounts to \$931,070,340. With this immense sum of idle money locked up in the treasury no effort is being made to pay the national debt, but with this enormous sum of locked up money the secretary of the treasury is urging national banks to take out new note issues in order to prevent a money famine.

REFERRING TO THE ANNOUNCEMENT that the governor of Pennsylvania favors the convening of the legislature and the passage of a peremptory arbitration measure, a republican paper says that this is the most radical position assumed by a state executive since the advent of Pingree in Michigan. It is admitted, however, by the republican press that the governor has the support of practically all the country papers and many of the city newspapers. It is generally admitted that should the legislature of Pennsylvania act upon the governor's suggestion, the coal operators would be required to make far greater concessions than any of those demanded by their workmen. It is very evident that public sentiment is rapidly crystallizing in favor of heroic measures in order to protect the coal consumers of the country from the great inconvenience under which they are now placed.

THE LATEST ERUPTION OF MONT PELEE resulted in the destruction of hundreds of people who had been returned to their homes one week before the most recent eruption took place, and who had congratulated themselves that they were spared in the terrible work of destruction in the first instance. A Baltimore paper refers to the return of these people as a most pathetic phase. It says that "these people were returned to Pelee's immediate vicinity as if scheduled for destruction, and the volcano did not keep them long in suspense. The destruction of the latest eruption shows that science knows practically nothing as to the probable activity of a volcano. All signs have failed in the case of Mont Pelee and the matter is pure guesswork. The French colonial authorities have doubtless done their utmost to relieve the distress in Martinique, but have failed to provide permanently for those who fled from the volcanic zone."

THE RECENT MILITARY RIDE FROM BRUSSELS to Ostend draws a stern protest from Harper's Weekly against affairs such as this which was distinguished as a record of brutality. Cable dispatches describing this ride say: "The horses were hoof-deep in mud during the contest. Many horses fell exhausted. Three of the animals dropped dead before Ostend was reached. When near Ostend the French Lieutenant Bauzil, who noticed that his horse was dying, drew his revolver and blew its brains out. The only English officer in the contest, Lieutenant Gibbon, saw his mount was exhausted, and dismounted while the animal panted its life away. The race was won by the Frenchman Lieutenant Madamet. Riding a Hungarian thoroughbred, he was received at the finish with great enthusiasm, his time for the eighty-two and a half miles being six hours and twenty minutes. The horse died soon after the victory." Harper's Weekly well says: "The affair was a disgrace to all participating in it, and what possible object did or could it serve?"

IT IS NOT GENERALLY KNOWN THAT THE legislature of the state of Washington has passed an act known as house bill No. 90, making application to congress for the calling of a constitutional convention. This bill was passed at the legislative session of 1901 and was introduced by E. K. Pendergast, a lawyer of Waterville, Wash. The introduction of this measure was prompted by the strong sentiment in favor of the election of senators by direct vote of the people. The Washington bill is as follows: "An act making application to the congress of the United States of America to call a constitutional convention for

proposing amendments to the constitution of the United States of America as authorized by Article V. of the constitution of the United States of America. Be it enacted by the legislature of the state of Washington: Section 1. That application be and the same is hereby made to the congress of the United States of America to call a convention for proposing amendments to the constitution of the United States of America as authorized by Article V. of the constitution of the United States of America. Section 2. That a duly certified copy of this act be immediately transmitted to the presiding officer of each legislative body of each of the several states of the United States of America through the governor of each of the several states with a request that each of such legislatures pass an act of like import as this act. Passed by the house February 19, 1901. Passed by the senate March 12, 1901. Approved by the governor March 18, 1901.

IN THE LIGHT OF A REPORT RECENTLY made to the governor of Iowa by the attorney general of that state concerning the Rock Island reorganization scheme, the people of the Hawkeye state are placed in a humiliating position. Governor Cummins had asked the attorney general to see what steps could be taken to prevent this reorganization plan. While it is admitted that under the new plan the corporation will issue stocks and bonds in amounts largely in excess of the actual value of their property, undergoing the "water cure" process, now so prevalent in corporation circles, the attorney general says that the state is powerless to prevent the scheme. Governor Cummins, after examining the attorney general's opinion, concurs with him in the conclusion that under the laws that now exist the state of Iowa cannot prevent consummation of the plan. Governor Cummins explains: "The thing done is neither a merger or a consolidation. Not a mile of track nor a dollar of value is added to the Rock Island property. It is simply a new device for watering securities." The governor announces that he will appeal to the next general assembly for an amendment to the law which will prohibit the water cure treatment.

THE LETTER WHICH GOVERNOR CUMMINS wrote to the attorney general in submitting to him the question as to whether this railroad reorganization scheme could be prevented is an interesting document. The governor pointed out that prior to the recent incorporations there has for many years existed a corporation known as the Chicago, Rock Island & Pacific Railroad company. This company was itself a consolidation and was organized under the laws of the states of Illinois and Iowa. It gradually acquired, directly or indirectly, other lines, including the Burlington, Cedar Rapids & Northern, until, at the time the investigation is to begin, it owned or controlled the entire system which it now operates. The outstanding capital stock was at the time indicated and still is \$75,000,000, par value. This stock represented, subject to the mortgage and floating indebtedness, the whole value of the "Rock Island" system of railways, and a majority of it was held by a few men who held relations so close that in all the proceedings they acted in absolute concert to accomplish a common purpose. The stock was quoted on the New York stock exchange at about 200 per cent.

IT WAS THEN POINTED OUT BY THE GOVERNOR that these men holding a majority of the \$75,000,000 of stock of the old Chicago, Rock Island & Pacific Railroad company came to the conclusion that it would at least be advantageous to them first to secure the stock and securities of the property without conserving any of the such increase, and, second, to so arrange the plan that the increased control of the system could be retained with a greatly reduced investment. Having thus agreed upon the ends to be sustained the corporation called the Rock Island company was organized under the laws of New Jersey with an authorized capital stock of \$150,000,000, being \$54,000,000 preferred and \$96,000,000 of common stock. Another corporation called the Chicago, Rock Island & Pacific railroad was organized under the laws of Iowa with an authorized capital stock of \$125,000,000. These corporations controlled by the same persons who originally conceived the scheme entered into an agreement with each other by which the new Iowa company issued and delivered to the New Jersey company the old capital stock and in consideration therefor the New Jersey company agreed to issue and deliver to the stockholders of the Rock Island company one share of common and 7-10 of a share of preferred stock for each share of the old Rock Island stock held by a

stockholder willing to make the exchange. Thereupon the new Iowa company published the offer to all the stockholders of the old Rock Island company proposing to buy their stock and give for it the following securities: First, 100 per cent in its own bonds, which bonds were to be secured by a deposit of stock so to be purchased; second, 100 per cent of the common capital stock of the New Jersey company; third, 70 per cent in the preferred capital stock of the New Jersey company.

GOVERNOR CUMMINS DECLARES THAT when this plan is carried out the situation will be about as follows: First, the Chicago, Rock Island & Pacific Railway company (the old company) will still own and operate its system of railway lines. Second, the Chicago, Rock Island & Pacific Railroad company (the new company) will own the seventy-five millions of stock of the old company, but it will be pledged to secure an equal amount of bonds which it proposes to issue. It will, practically speaking, have no further function to perform, unless it becomes the owner or lessee of the property. Third, the Rock Island company (the New Jersey company) will own and hold the entire capital stock of the new Iowa company—one hundred and twenty-five millions of dollars. Fourth, a majority of the preferred stock of the New Jersey company will elect a majority of the board of directors and thus control it. This same majority will elect the directors of the new Iowa company and thus control it, and the last named company will elect the directors of the old Rock Island company, which operates the property. The chain is complete. Fifth, as conditions were before the plan was undertaken, with the stock of the old Rock Island company at two hundred, it required an investment of more than seventy-five millions to control the property. Now, with the preferred stock of the New Jersey company at par it requires an investment of only twenty-six millions, two hundred and fifty-one thousand to control it. Sixth, in the stead of seventy-five millions of stock which formerly represented the entire interest in the Rock Island system, exclusive of indebtedness, there are now four hundred and two millions, five hundred thousand dollars of stock and bonds, and this without the payment of a dollar, save the fees for organizing these companies. The whole amount of the stock is not available for trading purposes, but it exists. Having made this statement to the attorney general, Governor Cummins asked: "Is there any remedy under our laws for so grave an offense against public policies?" The reply of the attorney general is that there is no remedy.

THE UNITED STATES GOVERNMENT IS about to embark in the boarding house business. Dr. H. W. Wiley, chief of the bureau of chemistry in the department of agriculture, will open a boarding house for the purpose of making experiments in the interest of pure food. A writer in the New York Sun refers to Dr. Wiley's establishment as "an adulteration testing eating house." This writer explains that the effect of the many substances used to color, preserve and variously adulterate and sophisticate food and drink will be studied. The alchemists of Dr. Wiley's own staff will have the "first call." Twelve fortunate and at present healthy young chemical bureaucrats will sit at that dining table; and if they suffer they will be cheered by the knowledge that their pain is the country's gain.

DR. WILEY'S DOZEN BOARDERS WHILE being privileged to eat without money and without price will probably earn their rations by the inconvenience which they will be required to endure. According to the writer in the Sun, Dr. Wiley's boarders will live according to scale and measure. Every one of them will be weighed the moment he leaves his little bed to begin a new day for health and chemistry. Three times a day the clinical thermometer will record their temperature and pulse beats. Not a bite or sop can enter them without due note and record. Some of them will have pure food. Some of them will have impure food. The latter will be their staple, the former their rest and reward. They will be under observation all the time. Their diet will be analyzed. Chef Wiley is bound to find how much borax, salicylic acid and other dainties a healthy young chemist can hold. If the sophisticated food and drink proves to have no really hurtful effect, nothing will be done. Otherwise congress will be asked to forbid the use of preservatives and so forth. "Manufacturers," says Chef Wiley, "are as much interested in the forthcoming tests as consumers." Or as undertakers.