

must also be a large number of Sekukuni's people in the Transvaal, and they will hardly forget that their chief not only defeated the Boers, but made them appear cowards in the face of all South Africa. The prospect of meeting an enemy in battle is wholesome and stimulating; the fear of a rising of virtual slaves is demoralizing. It hampers every military movement, and haunts the mind of every burgher on the march; yet he cannot take any measure to avert the danger, nor can he tell when or where it may break out. He has, as it were, to contend with secret foes of his own household as well as with the enemy at his gates.

There is very little likelihood of a native rising in Cape Colony or in Natal, where Kaffirs, Bushmen, Fingoes and all the other races with which we have been brought in contact are happy and contented. The native administration of British colonies in South Africa, in spite of ignorant enthusiasts sitting safe at home in their arm-chairs, is all that can be desired. For twenty-five years they have known absolute peace, a fact, considering the overwhelming numbers of the native population, infinitely to their credit. Not that it is for a moment suggested that the conquered Bantu peoples love us, but they respect us, and appreciate the order and justice which are inseparable from our rule. If they must have a master—and, as things go in the world now, they must—England is the one of all others which they would, and do, choose.—C. De Thierry in the London Illustrated Magazine.

AN INTERESTING QUESTION.

Aldace F. Walker, one of the most prominent railway men of the country, and at one time a member of the inter-state commerce commission, has raised a nice constitutional question in relation to the power of congress in the matter of regulating freight charges upon American railways.

Senator Cullom some time ago introduced a bill giving the inter-state commission power to fix the rate that might be charged for carrying freight in certain cases, and the committee having the bill in charge recently called before it a number of witnesses supposed to be familiar with the question involved. Among these was Mr. Walker, and his testimony brought out several very interesting points. In the first place he holds that the bill "proceeds upon an imperfect and demagogic idea of railway traffic." It is a demagogue's idea, he holds, to maintain that the railroads and the public are necessarily opposed to each other in their interests and that the public will benefit by bankrupting the railroads. To fix the price of transportation, he holds, is on a par with fixing the price of the article transported, and neither is properly within the power of congress. Congress may not "regu-

late" commerce in that sense. "Commerce" implies purchase and sale as well as transportation, and it is unreasonable to give a commission power to interfere with one feature of commerce and not the other. "If," says Mr. Walker, "a commission can be designated by congress with power to name the price to be paid for the transportation of corn from Nebraska to New York, no reason is apparent why congress cannot also empower another commission to fix the price to be paid for Nebraska corn on the Chicago board of trade." The supreme court, he says, holds that "commerce," as used in the constitution, connotes the "totality of that intercourse which constitutes trade in any or all its forms. The transportation of a commodity might occur without bargain and sale—without its becoming an "article of commerce" at all. On the other hand, purchase and sale may occur without transportation. But there can be no commerce without sales. If it be held successfully that the commerce which congress may "regulate" embraces both sales and transportation, obviously interference with prices as well as rates ought to be included in the Cullom bill. Or, as Mr. Walker puts it, "if the regulation which congress has the right to exercise in respect of commerce authorizes it to fix the price of transportation, it must of necessity also warrant the fixing of the price of the commodity." There seems to be a necessity for the supreme court to define what regulation is. In the minds of many it embraces the power to discriminate between different commercial interests in favor of the interest having the most votes.—Albuquerque Journal-Democrat.

THE CURRENT LIQUIDATION.

The country is now in the midst of the liquidation following the great commercial boom of 1899. Slowly, and without shock, conditions are adjusting themselves to normal planes. Those prices which soared too high are coming down, and those branches which produced too many goods last year are ceasing to produce. The readjustment is proceeding with the irresistible but noiseless force of a glacier. Nothing can stop it. It is the great law of supply and demand reasserting itself after having been feverishly diverted from its natural course. In some lines the great manufacturing combines are leading the decline; others are fighting it, but vainly, for there is a limit to the public purse, and that limit was reached last December.

The proceeding is orderly. There is no excitement, no disturbance of credits, no stringency in money, no cause for alarm. But all over the United States conservatism is again the dominant force in trade, for the boom of 1899 is over. That it came to a pause without crash

of any description is a matter for general felicitation.

The shrinkage in values is steadily assuming a wider range. At first it was confined to iron and steel and hides; it now comprehends corn, pork, beef and mutton, dairy products, wool, cotton, petroleum, lead, tin, lumber, nails, wire, paper and dozens of other commodities. In place of the wild speculation in securities of a year ago, we now contemplate a liquidation so pronounced that twenty preferred industrial stocks sold last week at prices averaging \$83 per share, against \$99 in the same week last year, and twenty common stocks at an average of \$38.50, against \$77 last year. The working force, which at that time last year was rapidly increasing, is now decreasing. Paper, which was seriously scarce in 1899, is now more plentiful, and some of the works are actually stopping to relieve the excessive production. Many wool, leather and steel works are doing the same thing. This stoppage of works and consequent dismissal of a certain percentage of wage-earners is the only unsatisfactory feature of the situation. Business in some lines has been almost suspended by the obstinacy of manufacturers and agents in holding on to the high prices of 1899.

The boy tosses his ball into the air and unconsciously enunciates a great commercial truism when he cries, "What goes up must come down." This is the situation in the United States today. The Call foresaw it immediately after the new year, and pointed out at the time that the limit of the public pocket had been reached. Few saw it then; everybody sees it now. It is easy to see through a millstone if somebody will point out the hole.

It is better as it is than as it was. It is better to do a good, steady business, as we are doing now, making our moderate profit, than to be rushed by a boom, which, though it is doubling those profits, perhaps, is bearing us on too furiously for our own good. Thanks to the large increase in the circulation, there is plenty of money in the country. In fact, we have more than we want, and are again loaning it in large blocks to Europe. The other day we loaned France \$15,000,000 for her exposition. She needed it, Europe did not have it to spare, and it was a mere bagatelle to New York. So she came over here and got it. A few years more and New York will be the financial center of the world.

The bank clearings of the country last week were 11.6 per cent less than in the same week last year. New York fell off 18.8 per cent and Boston 12.3 per cent. The commercial failures were 155, against 168 last year. So much for statistics. They show that while the volume of business is smaller this year the failures are fewer. So be it—it shows that the country is commercially healthy.—San Francisco Call.