THE TRIBUNE'S FOREIGN NEWS.

ASQUITH STANDS FIRM.

LICENSING BILL STORM.

Effort at Compromise in Education Controversy—Diplomatic Leaks.

[Special by French Cable to The Tribune.]
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London, March 21.—Mr. Asquith's fighting power steadily increases. The storm raised by the licensing bill has not frightened him, nor has he swerved from his original intention of forcing the most fiercely contested measure of recent years to a second reading before Easter. The driving power of his strong will commands the respect of all the Liberal factions, and the closeness with which he remains in touch with every debate is a refreshing sign of his vigor, especially when he is preparing himself for a budget speech and another great constructive piece of legislation, the pension scheme. His position as the Prime Minister's successor is now secure, and the necessity for a change is apparent when an autumn session cannot be avoided and an exhausting struggle confronts the government.

While the Prime Minister is holding his own and is not so disabled as to be unable to sign papers, dictate letters and confer with his associates, he cannot expect even under the most favorable conditions to lead the Commons in such times of storm and stress.

The Peckham election, if carried by the Unionists next week, may prove too much. It will be an indication that publicans and barmaids have an immense influence in a doubtful constituency and that the brewers are bent upon securing a monopoly of valuable licenses which the nation ought to control absolutely, issuing or withholding them at discretion. While the government is charged with ruining the brewing business and violating the Eighth Commandment, there is the counter argument that the brewers are striving to obtain a monopoly of rights worth £170,000,000 in licensed premises, and that those rights do not belong to them, but to the whole body of taxpayers. The publicans' raid against temperance legislation is so violent and headstrong that it may be followed by a moral revolt against drink agencies for corrupting voters and putting up brewers' shares.

The belated attempt by the Bishop of St. Asaph's to effect a compromise in the education controversy is promising because several members of the government are in sympathy with it. His bill provided for the redemption of every pledge made by the Liberals at the last general election. Denominational teaching under it will be paid for not by the ratepayers but by the religious bodies giving it; and undenominational teaching will be at the cost of local authority, with parents at liberty to withdraw their children when they have conscientious scruples. It seems a reasonable compromise, since rate aided schools are brought under public control, religious tests for teachers are abolished and no taxpayer is required to pay for Anglican, Roman or Nonconformist teaching. If the proposals are favorably received by the main body of English churchmen there may be a settlement, but when extremists are rampant and fanatical a triumph of toleration and good sense is doubtful. If this statesmanlike prelate has the bishops as well as Mr. Lloyd George behind him he may succeed as a peacemaker. It will be little less than a miracle of grace when politics is tainted with partisanship.

The Lord Chancellor's bill imposing drastic penalties for the disclosure of official secrets is a sequel to the teapot tempest over the German Emperor's letter. It does not deal with leakage through social gossip, nor place Cabinet ministers under bonds to burn private letters. Even now the paragraphers are pretending to give a summary of the correspondence between King Edward and the German Emperor which had been revised by the two Foreign Offices. That implies more irresponsible gossip.

The secrets of the reorganization of "The Times" are better kept than Admiralty confidences. Moberly Bell has not revealed the names of the capitalists who have enabled him to make a cash offer to the stockholders and secure absolute control. Lord Rothschild and Lord Leconfield have been prominently mentioned, and Lord Northcliffe has also been suspected of being in on the ground floor, but there have been no authoritative disclosures. I. N. F.

REVOLUTIONISTS FRIGHTEN PEKING.

Wholesale Arrests Made—Foreigners Head Special Guard for Officials.

Peking, March 21.—The authorities on March 17 inaugurated a series of wholesale arrests of reformers and suspected revolutionists, and up to the present time no fewer than one hundred men have been taken into custody. It is reported that four of the prisoners have official rank. Most of the prisoners are men educated abroad.

Yuan Shi Kai, grand councillor, has recently established a "personal" police force under the direction of foreigners, whose duty it is to safeguard all high officials who are apprehensive of attack.

STOESSEL BEGINS PRISON TERM.

Had Hoped for Pardon Until Last Moment—Nebogatoff in Adjoining Room.

St. Petersburg, March 21.—Lieutenant General Stoessel, who yesterday began to serve ten years in prison for cowardice and treason in surrendering Port Arthur to the Japanese, occupies a room in the fortress of St. Peter and St. Paul adjoining that of Rear Admiral Nebogatoff, who is serving a like sentence for surrender to the Japanese at the Sea of Japan. The room is about twenty feet square and overlooks a little garden, where the officers are permitted to promenade. Stoessel's family has received permission to refurnish his cell. The officers in the fortress run a private mess of their own, and to this General Stoessel has been admitted.

The general's transfer to the fortress yesterday was unexpected. He persisted until the very last in hoping that the Emperor would pardon him. The fortress officials were not prepared for his reception. There was no room available, and they were forced to dispossess two officers who had served under Admiral Nebogatoff.

CRUISER RECOVERS LOST CAPTAIN.

St. Thomas, D. W. I., March 21.—The British cruiser Scylla has picked up thirty miles west of here the small boat in which the warship's commander put out to his ship while that vessel was stationed at Grenada, B. W. I., March 18. The captain was in an exhausted condition when found, and the boat, which had been blown out to sea, was waterlogged.

BUST OF POPE STOLEN AT FRASCATI.

Rome, March 21.—A bold theft has been committed at Frascati, where yesterday thieves broke into the Villa Aldobrandini, which dates from the sixteenth century, and carried off a valuable bust in Corinthian bronze of Pope Clement VIII. The thieves gained access by breaking a window, and removed the bust, which weighs five hundred pounds, from its position in the central hall of the villa.

BROWN'S BRONCHIAL TROCHES — FOR COUGHS AND COLDS

For fifty years a staple remedy of superior merit. Absolutely harmless.

BRITISH CLAIM CREDIT.

Infer Foreign Office Caused Japan's Invitation to Fleet.

[Special by French Cable to The Tribune.]
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London, March 21.—More important than the dull echoes of Admiralty indiscretions is the announcement from Washington that the American fleet is going to Japan for a friendly call. The journals here are quick to infer that the British Foreign Office has brought about the official invitation from Tokio, but this is premature and probably unwarrantable.

The cruise of the American fleet to Yokohama will put an end to a long season of silly talk about unfriendly relations between America and Japan.

The two governments have respected each other and have been conciliatory, and have never needed the good offices of British diplomacy.

A more disturbing topic of press discussion is what "The Daily Telegraph" calls a restrictive ukase proclaimed in Ottawa against emigration from the mother country. The prohibition of emigrants assisted by public money or charity organizations is resented here as an affront to England, and the Dominion government is charged with haggling in the political market and making peace with the trade unions, which do not want the superior class of mechanics and farmers to enter Canada. It gives the Church, the army and various organizations which have been transplanting English workers to Canada a queer feeling to be legislated against as though they were Japanese or Chinese providers of contract labor. I. N. F.

MADMEN IN ART.

Rousseau Paintings Removed from Salon of the Independents.

[Special by French Cable to The Tribune.]
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Paris, March 21.—The salon of the independents has become one of the most important artistic manifestations of the year in Paris, not that the average quality of the work is not hopelessly inferior, but on account of the high market value now set on some of the most fantastic productions of impressionism. This year the show occupies 110 rooms, in which are hung 7,000 pictures, contributed by 1,350 painters, of whom a good two-thirds are raving madmen. The police have already caused to be removed six contributions by Henri Rousseau, the artist exciseman, who, with complete ignorance or contempt for the elementary principles of drawing, has represented a number of crowned heads in the costume of Adam and in colors which his admirers, who are numerous, compare to those of Giotto.

In the mass of bad work there are, however, some brilliant things, notably a charming portrait of a girl by Bloomfield, a brilliant nude by Guerin, savorous kitchen scenes by Dagnac Rivière and clever drawings by Hermann Paul.

Durand Ruel is exhibiting an attractive retrospective collection of works by the great equestrian artist, the late John Lewis Brown. At the Hebrard Gallery is an interesting retrospective exhibit of Henry Cros's encaustic paintings, the art of which he in a measure revived, and notable sculptures by the same artist, one of the finest of which, a gorgon's head, was bid for by the Metropolitan Museum of Art.

Alexandre Zezzos, of Venice, exhibits at the Allard Gallery a series of subtly painted portrait heads and delicate views of Venetian canals. At the Galerie des Artistes Modernes J. J. Gabriel shows a number of strong landscapes with Normandy and Provence as the principal themes. Biegas Boleslas, the Polish sculptor, whose works are to be seen at the same gallery, displays an impressionist vigor, especially in a bronze bass-relief of Chopin improvising. C. I. B.

OLD AGE PENSIONS.

French Chambers Agree to Push Compromise Measure.

Paris, March 21.—Finding that the continued opposition of the Senate to the workmen's old age pension bill, passed by the Chamber in 1906, promised to postpone indefinitely the realization of this social reform, which the radical wing of the French Republicans has been promising for years, the chambers have finally consented to the principle of a compromise and have voted a resolution serving notice that this compromise must become law before the expiration of the present year.

The scheme of workmen's pensions is one of the cardinal principles of French Socialism. Like the German scheme, it is based on the theory that improvidence is a social evil and that the state should compel the workmen to put aside part of their earnings to provide for their old age. The responsibility of the state to the aged and decrepit was recognized in the law of 1905, providing for aid to persons more than seventy years old who are infirm, incapacitated or incurable. More than 350,000 persons benefited from this law last year, receiving about $12,000,000. To the long delay in realizing the workmen's pension scheme is attributed the increase of revolutionary agitation among the laboring classes. The Senate thus far has been able successfully to fight the bill by raising the spectre of the tremendous charge it would impose not only on industry but on the public treasury. By the terms of the bill workmen contribute 2 per cent of their wages and the employers a like percentage during a period of thirty years, thus creating a fund from which the workman thereafter is to receive an annual minimum pension of $72. The state is to contribute only when the forced savings of the workmen do not create a fund large enough to furnish a pension of that amount. Figures as to what this would involve in the way of state liability differ widely, for statistics of wages earned are hazy.

On the promulgation of the law it is proposed to grant annual pensions to all workmen more than sixty, who have worked thirty years, and then gradually increase the scale of pensions of those "graduating" each succeeding year until at the end of thirty years all will receive at least $72. The number of persons who would be entitled to receive pensions the first year varies according to the estimates from 1,054,000 to 2,000,000, and the state's liability in the beginning varies from $28,000,000 to $180,000,000. The liability after the scheme is in "permanent" operation is fixed approximately at $88,000,000. The Chamber has agreed to the principle of absolutely limiting the government liability for the present to $20,000,000 a year, and it is believed that the results will promptly justify the full realization of the scheme.

RAILWAY FROM ORURO TO POTOSI.

La Paz, March 21.—J. G. Metcalfe, president of the Bolivian Railway Company, of New York, and representing the National City Bank and Speyer & Co., of New York, left this city to-day for home, after having reached the basis of an understanding for the construction of a railroad from Oruro to Potosi, capital of the richest mining district in Bolivia, with representatives of the Antofagasta & Bolivian Railroad Company. President Montes is eager to have this line put through and is gratified that the negotiations, which at one time seemed at a deadlock, finally have been successful. The arrangement is satisfactory to the Bolivian government, which is financially interested with the National City Bank and Speyer & Co. in railroad construction in Bolivia.

A SEALING SCHOONER WRECKED.

Victoria, B. C., March 21.—A telegram received by Captain Balcom from Montevideo says that the sealing schooner Edith R. Bascom has been wrecked. The schooner was partly insured. She was valued at $12,000. There was no insurance on the skins.

DEBATE OVER ZOLA.

REAL ISSUE HIDDEN.

Hostility Between Parliament and French Academy True Cause.

[Special by French Cable to The Tribune.]
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Paris, March 21.—Politics and literature in their influence upon each other have this week supplied the chief topic of interest and one unusually noisy scene in the Chamber. The battle of the books, in which M. Maurice Barres, Nationalist Deputy and Academician, and M. Jaurès, the Socialist leader, were champions of the opposing sides, was waged around the question of whether the body of Emile Zola should be transferred to the Panthéon. The law enacting this Pantheonization, as it is called, of the famous novelist had already been voted in principle, so the debate arose as to a credit of $7,000 to pay for the ceremony. M. Barres's views as to Zola's merits as a writer, being personal, have no general interest, and, as was to be expected, the Chamber voted the credit by a large majority. But the significance of the debate lay in the fact that for the first time the hostility which has been growing for a long while between the government and the French Academy has found a violent expression in parliament.

The Academy, although an official institution exercising a very real influence on the intellectual life of the country, cherishes a reactionary and chauvinistic spirit, and is thus out of touch with the political tendencies of a majority of the French people. Its election of the insignificant Maurice Barres, who is a kind of literary clown, was a reply to the conferring by the government of a general's rank on Colonel Picquart and his subsequent selection by Premier Clemenceau for the portfolio of War. Admission to the Academy was six times refused Zola, who had always professed republican principles, and it is chiefly to give his fame the official consecration which the French Academy refused him when he was alive that the government has determined that he shall be buried in the Panthéon. Thus between parliament and the Academy there is an open breach, which is further accentuated by the quarrel which has arisen between Jules Claretie, manager of the Théâtre Français, and Octave Mirbeau, the dramatic author, whose play "Le Foyer" Claretie accepted but now refuses to produce.

Claretie's reason is that the villain of Mirbeau's play is an Academician, and that as he (Claretie) is an Academician he cannot permit his colleagues to be so shockingly caricatured on his own stage as the author of "Le Foyer" had arranged for. Mirbeau has sued Claretie for $25,000 damages, and swears he will force him to quit the directorship of the Théâtre Français. Claretie has weathered many such storms before, and is persona grata with the present government. But so is Mirbeau, both having been among the most enthusiastic champions of the cause of Dreyfus, as was Zola; and as the Chamber is, after Thursday's debate, in no mood to be tender toward the reputation of the Academy, whether treated typically on the stage or otherwise, Claretie's fate is trembling in the balance.

The question on the subject will be raised in the Chamber by the Radical Socialist Deputy next week, and there are pessimists who predict that this will be the beginning of a campaign to abolish the Academy altogether and take possession of its vast wealth in the same way in which the property of ecclesiastical congregations has been confiscated. C. I. B.

NAPOLEON IN SPAIN.

New Book Gives First Complete History of Campaign.

[Special by French Cable to The Tribune.]
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Paris, March 21.—"L'Espagne et Napoléon," by Geoffrey de Grandmaison, published by Plon, is an important contribution to Napoleonic literature. The result of elaborate researches in French and Spanish archives, it gives for the first time a complete historical picture of Napoleon's campaign in Spain, which, owing to the indomitable spirit of the people, an element with which Napoleon had failed to calculate, was almost as disastrous as the campaign of the grand army in Russia. Marcel Prevost's new novel, published by Juvent, entitled "Lettres à Françoise Mariée," propounds the theme that married life would in general be happier if the husband were to be contented with persuading his wife to agree with him instead of exacting from her blind obedience.

The Société du Mercure de France publishes "L'Evolution du Théâtre Contemporain," by Alphonse Seche and Jules Bertaut, with a preface by Emile Faguet, in which it is proved that the whole of the French theatre is summed up in three personages, the husband, the wife and the friend. "Le Dossier Secret de Fouché," by Eugene Forgues, published by Emile Paul, gives for the first time the secret reports which Louis XVIII caused to be made on movements of his own chief of police, the celebrated Duc d'Otranto, whose fidelity he suspected, and they are a curious, documentary contribution to the history of the French monarchical restoration. C. I. B.

SPECTACULAR FLIGHT OF AEROPLANE.

Paris, March 21.—Following his record breaking performance of yesterday in flying a mile and a half in his aeroplane, Henry Farman to-day made another spectacular flight at Issy, covering two and a half kilometres, a little less than two miles, in 3 minutes and 21 seconds. Later, in company with Léon Delagrange, he entered the latter's aeroplane, which moved over the ground at a speed of about thirty miles an hour and then went into the air, making a short but highly successful flight. This is the first time that an aeroplane carrying two persons has made a successful flight, and the aeronauts were enthusiastically cheered by thousands of spectators who had gathered.

These accomplishments of yesterday and to-day are hailed with delight, as they are considered as having demonstrated that the problem of aerial navigation can be definitely solved, especially the question of equilibrium. It is believed now that only an improved motor is needed to insure long flights of the aeroplane.

COUNT TOLSTOY HAS A RELAPSE.

St. Petersburg, March 21.—A dispatch received here from Yasnaya Polyana says that Count Tolstoy, who is ill from influenza, has had a relapse. It is said that he suffers from lack of strength arising from the continued strain of his work. He refuses to follow the advice of his doctors.

GENERAL AGUILAR BURIED.

Guatemala City, March 21.—The body of General Manuel Aguilar, who was a commander in the Guatemalan army in the recent war with Salvador, was buried to-day with military honors.

EXTRADITION OF W. F. WALKER.

Mexico City, March 21.—Extradition papers in the case of William F. Walker, the former New Britain (Conn.) banker, have been signed by President Diaz and are now on the way to Ensenada. The prisoner will be surrendered to the United States authorities as soon as they arrive there.

JOAQUIM E. MEDINA DEAD.

San Salvador, March 21.—The death of Joaquim E. Medina, the first vice-president of Salvador, has just been announced.

BIG LOCKOUT LIKELY.

Would Affect Two Hundred Thousand Workingmen in Paris.

[Special by French Cable to The Tribune.]
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Paris, March 21.—There are signs that a general lockout in the building trades is impending in the immediate future. This would affect 200,000 workmen and would be the most important affair of its kind that has ever taken place in Paris. At a banquet of the Textile Union, at which M. Cruppi, the Minister of Justice, was present, M. Soule, president of the Building Employers' Union, plainly stated that unless the workmen in the building trades reduced their demands a lockout would follow, and the sole result of the negotiations between the delegates of the workmen and of the masters so far is that a strike on one side is just as much welcomed as a lockout on the other. The men declare that in two years the cost of living in Paris has risen 30 per cent, and they demand 30 per cent increase in wages, a uniform working day of nine hours and that they shall not be obliged to work elbow to elbow with workmen who do not belong to the union.

The masters offer an increase in wages of 25 per cent, fifty-two days' rest a year, a ten hour working day for eight months in the year, nine hours in November and February, and eight hours in December and January. They refuse to make a distinction between union and non-union workmen. M. Viviani, the Minister of Labor, has offered his mediation, but it has, curiously enough, been refused by both parties, on the ground that it would tend to envenom the situation. C. I. B.

JAPAN TO RAISE TAXES.

Figures Submitted to Peers Show Necessity of This.

Tokio, Feb. 20.—The government has just submitted to the Budget Committee of the House of Peers figures which help greatly to a better understanding of the somewhat complicated financial situation. They indicate the actual estimated revenue and expenditure for each year independently on special provisions. From them it is seen that the financial authorities admit that, under ordinary circumstances, and without recourse to special measures, the revenues are likely to decline together with the expenditures. The first admission demonstrates a conservative attitude, and the latter is accounted for by the graduated reduction in the volume of outlays on armaments according to a programme designed to extend over eleven years. On the assumption that the finance department is anywhere within the mark as far as its revenue figures are concerned, the urgent necessity for some form of increased taxation must be admitted, and it is from this source and the estimated additional revenue that it is proposed to meet the annual deficits.

The surplus of 40,000,000-odd yen given for the 1908-'09 year does not actually refer to that year, during which a deficit of 11,000,000-odd yen is anticipated, but is an alleged surplus dating from 1907. It is supposed to represent economies effected in the ordinary expenditures of the army and navy departments, surplus of extraordinary war fund (which, however, it should be noted, is composed of borrowed money) and the Russian prisoners' maintenance fund. After the required appropriations had been made for the main and supplementary budgets of 1907 and 1908, there remained the above sum of 40,000,000-odd yen, which will be exhausted after 1910-'11.

Even with the help of increased taxation and the estimated growth of revenue, deficits of 7,000,000 and 16,000,000 yen, respectively, are shown for the two years 1910-'11 and 1911-'12, but, on the other hand, substantial surpluses are expected to accrue from the following year, so that no anxiety is entertained on the above account.

With regard to the emergency war fund the surplus after the war was 212,000,000-odd yen, of which 100,000,000 yen was drafted into the budget for 1907-'08 and 63,000,000 yen actually appropriated. The final surplus is therefore exactly 49,185,791 yen. A yen is equal to approximately 50 cents.

M. TARDIEU'S VIEWS ON JAPAN.

Paris, March 21.—The "Temps" publishes to-day an interview accorded by Baron Takahira, the Japanese Ambassador to the United States, to its foreign editor, André Tardieu. M. Tardieu returned here a few days ago from America, where he had interviews with a number of prominent persons, including President Roosevelt and Secretary Taft. Baron Takahira expressed the opinion to M. Tardieu that the pending immigration agreement between Japan and the United States would put a complete stop to the movement of Japanese coolies into California, as well as regulate the emigration to Hawaii in a satisfactory manner. M. Tardieu, speaking for himself, says that although there is no chance at present of a conflict between Japan and the United States the immigration question has not been solved, because Japan does not recognize the right of the United States to restrain her emigration, and, therefore, the question may later serve as a basis or pretext for new difficulties. M. Tardieu also draws attention to the fact that the understanding with Japan is not satisfactory to California.

REICHSTAG LACKS PUBLICITY.

Berlin, March 21.—Chancellor von Bülow, in view of his approaching speech in the Reichstag on the foreign affairs of the empire, is striving to effect a settlement of the difficulty between the newspaper reporters and Parliament. The reporters who refused to attend the sessions owing to Herr Groeber's epithet of "swine" received assurances to-day from practically every newspaper in Germany that no mention would be made of the Reichstag proceedings until satisfaction had been given. The foreign news agencies, including Havas and Fournier, and papers published in Austria, Italy, London and St. Petersburg have joined in the movement to support the parliamentary reporters.

PORTO RICAN PRIESTS INDICTED.

San Juan, P. R., March 21.—The federal grand jury to-day returned an indictment against two priests, named Vega and Janices, the editors of a Catholic publication, for printing an article in which it was asserted that persons contracting marriage under the civil law live in a state of concubinage and that their children are illegitimate. The jury holds that the article was obscene.

BONILLA TO RETURN TO HONDURAS.

Panama, March 21.—Advices received here from Honduras say that the government has granted the petition of ex-President Polycarpo Bonilla that he be permitted to return to Honduras, from which he has been exiled for many years, to devote himself to farming. President Davila has offered the ex-President guarantees of his personal friendship.

EUROPEANS RANSOMED FROM MOORS.

Casablanca, March 21.—Two Europeans who were captured recently by the Medakro tribesmen have been released on the payment of a ransom of $1,200.

CHANGE IN MINISTRY OF MARINE.

St. Petersburg, March 21.—It is reported here to-day that the government intends to remove Vice-Admiral Dikoff from the Ministry of Marine and intrust the ministry to some man who enjoys a greater degree of public confidence, and will make a special effort to secure the battleship appropriation from the Douma. Alexander J. Guchkoff, a leader of the Octobrists, is mentioned. He denied the report to-day, but said that important changes in the Ministry of Marine were pending. The newspapers say that a civilian may be appointed, and ordered to reorganize the admiralty.

HERR BALLIN TO RETAIN POST.

Berlin, March 21.—The Hamburg-American Steamship Company announces, in reply to an inquiry regarding the report published in Berlin that Herr Ballin would resign from the general management of the company at the next annual meeting, that there is no truth in the rumor.

LONDON DULL SOCIALLY.

ART SALES SLUGGISH.

Bishop Hartzell for Missionary Work in North Africa.

[Special by French Cable to The Tribune.]
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London, March 21.—London has one gay night in the week—Friday—and this is the nearest approach to a short ante-Easter season. The chief hostesses last night were the Duchess of Somerset and Lady Allendale, and the front benches of Parliament were represented at one or the other of these political receptions. There was also a brilliant dinner and concert at the Russian Embassy for the Queen and the Empress Marie, conspicuous for the magnificence of the jewels. Otherwise London is dull, but is expecting an animated season after May, with an unusual number of town shows.

The marble arch improvements will be finished when the French President arrives, and it may look like the Arc de Triomphe. The decorations of Buckingham Palace are complete, but the repainting of the long front has been deferred for another year. St. James's Palace, which has become shabby, will be refurnished during the autumn and many of the rooms will be redecorated.

The Royal Institute of Painters in Water Colors has a large but mediocre show. There are no leaders to set a high standard of work, and the majority try to be original by misusing water color and making it look like oil or something else. The Burnett collection of modern pictures and drawings has gone sluggishly at Christie's except for Turners and Corots, but more interesting sales are coming. Sir Acland Hood's and T. H. Ismay's, with important works. Bishop Gott's library has brought fair prices at Sotheby's, Mr. Quaritch carrying off the best prizes.

The only new play is "Marjory Strode," by A. E. W. Mason, the novelist and member of Parliament, at the Playhouse, with an eccentric old man's part for Cyril Maude and Henry Ainley and Nina Sevening as a romantic pair of lovers. It carries conciliation a long way when a French officer of the Napoleonic period is made an ideal hero at the expense of one of Wellington's subalterns.

The American Ambassador will be away for a fortnight or three weeks at the Riviera, where he and his daughter have engagements for short visits. He was never in better health or voice, and has planned a motor drive from Biarritz to Cannes as a pleasure trip.

Bishop Hartzell is sailing to-day on the Mauretania to make a report of four years of circuit missionary work in Africa and Europe, and will be followed next month by Mrs. Hartzell. The Bishop is full of zeal for undertaking a crusade among the Mahometan populations of Northern Africa. He is greatly encouraged by assurances received from the French government, and is anxious to break ground in Algiers and conduct a systematic campaign of Protestant evangelization. He considers Northern Africa the greatest field for missionary enterprise now open to Methodist organizers, and will make strenuous efforts to obtain active support from the General Conference. I. N. F.

JAPAN MAY ABOLISH "HEIMIN" CLASS

Line of Demarcation Has Almost Disappeared Among the Masses.

Tokio, Thursday, February 20.—A representation to the government of more than passing interest was introduced into the House of Peers on February 18. Its object was to abolish the designation "heimin" in describing the "common people."

Japanese society, it should be explained, is divided roughly into three groups, exclusive of the Emperor, who stands alone. Those groups are the "kazoku" (literally "flower family," i. e., the peerage); "shizoku," or "warrior family," the modern name for the ancient samurai or fighting class, and "heimin," or masses. Before the present era of Meiji there existed a fourth class known as the "eta," who were practically outcasts, to whom were relegated special occupations held in universal contempt, such as tanning, cobbling and scavenging, while in many cases they served as executioners of common criminals.

After the revolution which resulted in the downfall of the Shogunate and the restoration of the Emperor to actual power, the "eta" classification was abolished, but custom and tradition die hard in Japan, as elsewhere, and, although in the eyes of the law the descendants of these pariahs enjoy the same rights as all other "heimin," with whom they have been merged, they continue largely to monopolize their former callings and help to swell the ranks of "kojiki," or beggars, who infest the great highways of the empire and form regular colonies in particular spots. No doubt in individual cases the iron barriers of convention have been razed, but, speaking generally, no pure "heimin" would be willing to regard as a social equal the known descendant of this despised caste. Before the Meiji era the line of demarcation could not be crossed, or if a member of the samurai class so far demeaned himself as to wed an "eta" woman he thereby forfeited his privileges as a samurai. An incident of this kind furnishes W. B. Mitford, now Lord Redesdale, with the plot of one of his true stories of old Japan.

It was pointed out by the introducer of the representation that the special necessity for the "heimin" classification no longer existed, since it was to-day well understood that those having no special designation were common people, and that no confusion could possibly arise while the members of the other two orders continued to be described by their proper titles. On the other hand, the cancellation of this discriminating formality would effect a vast saving of time and trouble now required in the filling up of residential reports and all other official documents.

The representation was finally referred to a special committee for more detailed consideration.

COFFEE

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This health beverage is made from choice wheat and contains no coffee or other drug-like material.

10 days' trial of Postum will show valuable results, if one is suffering from any of the many coffee ails.

"THERE'S A REASON"

The Financial World.

As specifically forecast in this review, New York Central has cut its dividend rate. The first reduction is not severe—in all likelihood it will have to be followed by a change more drastic. Some other corporations fall in line. Shrunken earnings have naturally the sequence of decreased disbursement capacity. Largely, so far, this action is taken by industrial properties; only a few of the important railroads are yet on record—though there can be little doubt that before long the list must be extended.

New York Central dropping from a rate of 8 per cent. to 5 per year is only in degree different from most others in its class. It is difficult, indeed, to discover more than two or three groups wherein the chief systems of the country can safely proceed with dividend distribution equal to, or fairly approaching, what until now has been normal. Pennsylvania is not yet in the New York Central situation, but its fortunes are not all sunshine—its disbursement commitments, in fact, far outrunning what the Vanderbilt lines have yet essayed. And the relatively subordinate Baltimore & Ohio system has similarly to face net earnings destroyed—while Atchison in the Southwest, Louisville & Nashville in the South and New Haven at the North are likewise representative in the making of doleful records. Properties like these are of the higher class—have largest and surest resources, can far longer withstand misfortune's drains than is feasible for the general list of railways. Missouri Pacific, Southern Railway, Seaboard and companies of such sort are much more conspicuously vulnerable.

But—as has been continually the theory of this review—there is something very different from panic warranty in the making of necessary change, in the facing of new conditions by the pursuit of policies that are conservative.

What may immediately be somewhat difficult to comprehend, however, is such market action as is displayed by New York Central in sequel to a lowered dividend—the stock actually selling yesterday on a 5 per cent. basis higher than the average of its price at 8 per cent. in the week preceding. Of course, there are reasons a-plenty quoted by way of explanation; the short interest was large and it hurried to cover, a pool to help the property's credit is discussed. But explanations of this sort are not such as intelligence will long consider. What more naturally would seem to be illuminating is that the market as a whole has for a long time past seemed virtually sold out; investment interests have got over being scared, compulsory liquidation ended; and supplementary to this fundamental influence is the fact (though we have not heard much of the element lately) that absorption of stocks in small blocks is still continuing largely, as evidenced by the transfer books of every important corporation having New York Stock Exchange connections. Here is foil to sporadic bear attacks, offset against short sales by professional speculators.

Thus, technically, advantages generally are upon the bull side. Bearishness has played itself into uninteresting ineffectiveness. Yet, eventually it may be that these immediate influences helping quotations may have material modification because of what the necessary new dividend policy is bound to be. Sentiment may keep a 5 per cent. stock at a parity for a while with what has been its market value at 6 per cent.; but as new dividend days approach sentiment is not unlikely to be chilled. Tersely stated, while conservatism may enforce for many of our great properties lower dividends it is hardly to be expected that the investing community will show itself disposed to continue paying as much for a smaller dividend stock as the larger yield commanded. It is only the fair part of common sense to look the certainty of facts and their influences in the face.

Quite within bounds, undoubtedly, is the calculation that recent low market prices have for most stocks discounted reduced earnings and depressed dividends, for sentimental considerations have through months operated almost wholly in favor of the bear side of the market. And so aggressive—even reckless—have been some of the raiding performances of the depressionist coterie that intrinsic values have been ignored. In this manner of argumentation fair-minded critics generally will agree; but what reasonable students of the market will none the less bear in mind is that there never yet has been a stock market epoch wherein for any lasting period current quotations kept away from interest yield. However interrupted the programme may be temporarily, in the end prices are never able to escape the measurement of yield. A stock is worth what it earns, what it pays or is able to pay. It is an artificial market that drifts away from this standard.

Far and away more impressive than any other event in the week, none the less, may be considered the annual report submitted by the United States Steel Corporation, supplemented by information of January and February business of this year. Authoritative evidence is furnished that from the low point of depression reached under last year's conditions steady and healthy recuperation ensues—nothing of sensational character, but everything of sound outlook. It is impossible that the country can be rushing down hill while its premier industry is on the upward trend. Were pessimism veracious the steel business would make melancholy exhibit, whereas the contrary is the cheering fact. That Wall Street appreciates this is evident from the immediate tonic effect upon the security market of the publication of the Steel Corporation's report. Such effect is to the last degree logical and compelling. As often said, the steel business is the best barometer of commercial and industrial conditions ascertainable—when it is healthy it follows that all other businesses must at least be wholesomely progressing.

Indeed, there are unmistakable evidences in very many quarters that hard times conditions are becoming much less stringent as springtime approaches. One manifestation particularly encouraging is just now showing in an almost universal spirit upon the part of business interests to take cheerful views of the outlook. And to the extent that sentiment is an influence this is a change healthful and helpful largely.

With quotations generally improving the close of the week seems to forecast a still better market ahead. The professional element suddenly affects the bull side; and with the known scarcity of stocks this helps the upward movement along sturdily. Tips are becoming abundant; and though customers are scarce "points" crowd Stock Exchange offices. Wondrous things are being promised for Union Pacific and the rest of the Harriman list—varied mysteries paraded. A score of industrial stocks are scheduled by the oracles for quick, sharp advances. And all this is in strange contrast with what for half a year has been the Wall Street fashion.

Perhaps with a more pronounced swing, rising quotations themselves may induce the public to re-enter the market—a minority of important brokerage firms saying that they already note an increased (if not an eager) outside interest, mostly confined to inquiries so far. Europe continues haughtily negligent.

Standard Oil interests do not show anywhere prominently, marketwise. There is no discoverable Morgan party active, or advising activity. Thus the forces which are the only ones fairly estimatable as potential seem content to stay quiescent. No informed observer, however, entertains any view that either the Messrs. Rockefeller or Mr. Morgan are other than upon the upbuilding side. Undoubtedly these two interests are now become the chief owners of our standard securities. Throughout our national hysteria they, as steadfast, stalwart supporters of credit, have been continual and consistent investors.

If current market improvement does continue, we will have many examples of quick upward rises by stocks which are among those of lowest price—lesser industrials, for example, like Hocking Coal and American Car and Foundry; and in the railway list shares like those of Erie, Rock Island and Colorado Southern—the last named making earnings records which under present circumstances are simply marvellous.

H. ALLAWAY.