

THE TRIBUNE FOREIGN NEWS.

The Financial World.

POLITICS IN TRANSITION
RECONSTRUCTION WORK.

Sir Edward Grey's Proposal for Lebanonizing of Macedonia.

[Special by French Cable to The Tribune.]
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London, March 14.—Cabinet reconstruction conducted by irresponsible amateurs is not a serious occupation. Mr. Asquith has not taken counsel with the Unionists, who wish to wreck the government as speedily as possible, nor with the ambitious youngsters on the Liberal side bent upon pushing themselves to the front. Changes are unlikely before the budget speech and the King's return, nor are the Prime Minister's colleagues anxious to retard his recovery by premature intrigues.

The Unionists are boasting that they will carry Peckham and every by-election in sight, and that the Lords, having started in with the Scottish land bill, will reject every Liberal measure this session except the children's bill. They are also protesting that they do not want a general election next year, since they cannot hope for a working majority. The question of the supremacy of one house or the other will become urgent if a middle course be abandoned and the government programme for the session be absolutely vetoed. In that event a general election may become necessary, and a popular reaction against the Unionists may be witnessed.

Meanwhile Lord Rosebery is a recruit for "The Spectator's" small but select party, and has made a deep impression by his outspoken condemnation of crude socialism as the end of all things—empire, religious faith, property and freedom.

John Burns has rendered more practical service to the cause of sane Liberalism by his caustic attack upon the Socialist right-to-work bill, which he described as destructive to the great fabrics built up by the trade unions and friendly societies.

Mr. Asquith has rallied the Liberals against this measure, and the Unionists are magnifying the importance of what they call a breach with the Labor party. Only two Unionists voted with the Labor men and Nationalists, and this is a sign that tariff reform cannot involve coalition with revolutionary socialism. A considerable number of Radicals joined the Socialists in supporting their measure. They represent the extremists who believe that Free Trade can be saved only by the adoption of collectivist schemes of ownership of canals and railways and other methods of fostering trade and providing employment. British politics is in a transition stage, with forces operating for the reconstruction of both the main parties.

Sir Edward Grey continues to supply evidence of firmness and flexibility in his conduct of foreign affairs. He does not act impulsively, but takes an independent line of his own after deliberate investigation. His proposal for the Lebanonizing of Macedonia is not likely to find favor with either Russia or Austria, which are intriguing against each other and seeking to form fresh coalitions with Montenegro and other Balkan states, and Germany cannot be depended upon to support it, but it is a rational plan for working out ultimate pacification and administrative reform and is a goal worthy of the dignity of British diplomacy. Reports that a conference of the powers will be held for the discussion of the proposal are premature. A concert of the powers broken up by railway intrigues cannot be re-established on higher ground without prolonged delay.

The Foreign Office, having forced a settlement between the King of the Belgians and the Chambers, is not meddling with the details of Congo annexation. When the transfer is arranged and there is a responsible government to deal with, Sir Edward Grey will decide whether the obligations of the Treaty of Berlin and the Brussels conference are likely to be fulfilled and safeguards established for the interests of the natives and the requirements of a civilized government. The outlook for an equitable settlement is now favorable, but both the Foreign Office and the State Department at Washington are watching closely every phase of the Brussels negotiations. I. N. F.

TATSU CASE SETTLED.

China to Pay Indemnity and Retain Arms—Japan's Concessions.

Peking, March 14.—The Chinese Foreign Board approved to-day the draft of a document in which China accepts the proposals made by Japan yesterday. China will pay Japan 21,400 yen (about \$10,700) and retain the arms which form the cargo of the Tatsu, and she will pay also about 10,000 taels demurrage on the steamer. It is expected that the Tatsu will be released on March 16. Japan agrees to adopt and enforce strict regulations to prevent future traffic in arms and ammunition from Japan into China, but refuses to include the territory of Macao in this limitation.

China will soon take up negotiations with Portugal regarding the contraband traffic at Macao. She hopes that a delimitation of Portuguese waters at Macao may be obtained, and that the gambling for which Macao is notorious, as well as the smuggling done through that port, may be materially restricted.

JAPANESE SQUADRON SAILING.

Formosa Informs Hong Kong of Naval Activity in Japan.

Hong Kong, March 14.—Information has been received here from Formosa that the first Japanese naval squadron will sail to-day on a secret mission. The cruisers Yagumo, Atsuhama and Arima and a flotilla of smaller vessels have been coaled ready to sail at a minute's notice since March 7. The naval station at Sasebo is exceedingly busy.

A dispatch from Tokyo, under date of March 9, announced that a part of the first Japanese naval squadron was to leave port on March 14. Coaling and other preparations for departure were proceeding rapidly. At the office of the Admiralty in Tokyo it was said that the squadron was about to begin a series of maneuvers. It was pointed out further that this fact was announced two months ago.

AMERICANS TO SING BEFORE KAISER.

Berlin, March 14.—Charlesagne Tower, the American Ambassador, has completed arrangements for the Arion Männerchor, of Brooklyn, to sing before Emperor William at Wilhelmshöhe, in the course of the trip of the society to Europe this summer. The society will also give a concert in the presence of the Grand Duke of Saxe-Weimar at the Wartburg.

PORTUGUESE AMNESTY DEFERRED.

Lisbon, March 14.—It was announced to-day that King Manuel would not sign a decree of general amnesty until it had been established that there was no connection between the assassinations of his father and brother and the political uprisings planned last year.

EDWIN A. ABBEY'S WORK

Paintings for Harrisburg Capitol Warmly Praised.

[Special by French Cable to The Tribune.]
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London, March 14.—Edwin A. Abbey has completed his paintings for the dome of the Capitol at Harrisburg, which have occupied him for several years. There are four immense lunettes, representing the westward march of religious liberty and the pacific progress of the three great industries of Pennsylvania, coal mining, the production of iron and the working of iron and steel. These prosaic themes are treated in a highly poetic manner as triumphs of religious liberty, Science, Light and Vulcan, and homely but dramatic use is made of miners and mechanics. The most brilliant and original work is the Spirit of Light, with a swarm of genii carrying the light from a maze of derricks and soaring upward toward the sun.

There are also four circular medallions for pendentives, carried beyond crowns and arches. These have full length figures of Religion, Science, Art and Law against gold backgrounds inscribed with texts in white letters. The eight works comprise a scheme of decoration more ambitious than the Grafton panels in the Boston Public Library. The treatment of commonplace industrial subjects is bold and original and the color schemes are radiant with beauty. These pictures will be exhibited at the Royal College of Art, before they are sent to America.

Mr. Abbey's commission for the decoration of the Senate Chamber and the House of Representatives is not included with the more difficult work for the dome, which is his supreme achievement as a painter and colorist of creative force.

Surplus wealth still finds a resource for investment more or less trustworthy in art collecting. The sale of the collection of William Connel, the Glasgow ironmaster, at Christie's, while not rivaling the recent traffic in Turners, has attracted a large audience to the auction rooms and yielded fair prices for modern works of excellent quality. The seven Burne-Jones pictures sold included "The Bath of Venus," "The Wheel of Fortune," "The Wood Nymph" and "The Sea Nymph." These were among the painter's most beautiful works.

A large series of Albert Moores comprised a controversial work in white hydrangeas and wonderful blends of intractable color in arabesque entitled "Midsummer." Rossetti's portrait of Mrs. Morris and other drawings and Whistler's "Symphony in Silver and Gray" were also auctioned off. There were no indications that American purchasers were represented, and with the exception of a few of the most famous works the bidding was sluggish. I. N. F.

NEW PARIS BOOKS.

Novel Pits French Raffles Against Sherlock Holmes.

[Special by French Cable to The Tribune.]
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Paris, March 14.—Georges Ohnet, the veteran novelist, whose works have been translated into every modern language, publishes this week with Ollendorf a new novel in the series "Batailles de la Vie" which he entitles "La Route Rouge." Ohnet has always been on the side of the middle classes, whose solid virtues and sterling qualities he is never tired of proclaiming, and he now describes the tragic disillusion which awaits a wealthy manufacturer who, after professing radical opinions, is forced into an unwilling opposition to the revolutionary intrigues of socialist agitators who threaten the prosperity of his business.

The growing mania in France for detective stories is catered to by Maurice Le Blanc, who, in "Arsène Lupin contre Sherlock Holmes," pits the great French gentleman-burglar of fiction against the imaginary detective of almost equal skill. It is perhaps an additional sign of the times that the detective constantly comes off second best.

In "La Province Mystique au Dix-Septième Siècle," published by Pion, Henri Brémont relates the curious life story of Antoine Yvan, hermit, engraver and mystic, who founded a religious order in Provence at the beginning of the seventeenth century and was the religious mentor of a charming young Provencal girl, Madeleine Martin, whom the Church canonized. Fasquelle publishes "Travail et Travailleur," a collection of speeches on labor questions by M. Millerand, who was Socialist Minister of Commerce in the Waldeck-Rousseau Cabinet. C. I. B.

ASPHALT COMPANY'S FINE

Venezuelan Superior Court Confirms \$5,000,000 Judgment.

Caracas, Venezuela, March 12 (Via Willemstad, Curaçao, March 14).—The Superior Court of Venezuela to-day handed down a verdict confirming the judgment of the lower court, which condemned the New York and Bermudez Asphalt Company to pay a fine of \$5,000,000 to the Venezuelan government for having extended assistance to the Matos revolution, which was directed against President Castro. This sum is the estimated cost of putting down the revolution. The company will appeal to the Court of Cassation.

The finding of the lower court referred to in the above dispatch, which the Civil Court of First Instance, was handed down in August of last year. The appeal to the Court of Cassation is now the only thing that remains to the company, so far as the situation in Venezuela is concerned. The action was begun in 1901 by the Attorney General of Venezuela, setting under instructions from President Castro. The New York and Bermudez company is a subsidiary concern of the General Asphalt Company of Philadelphia. Most of the evidence in the case was furnished to the Venezuelan government by Ambrose Howard Carter, who had been managing director in Venezuela of the New York and Bermudez company. Carter also represented in 1904 the Pan-American company, of which Amzi Lorenzo Barber was the president, and when the government seized the Bermudez Lake pending the litigation President Castro placed Carter in charge as receiver. The A. L. Barber Asphalt Company, subsequently organized in opposition to the General Asphalt Company, has since been receiving from Carter the product of the Bermudez lake. One of the affidavits in the revolutionary suit obtained through Carter's efforts was that of Captain Willis, of the Matos filibustering steamer San Righ, later the Libertador. Captain Willis swore that General Francis Vinton Greene, former president of the asphalt company, had been a passenger on the San Righ on part of her trip from Europe to the West Indies. General Greene denounced this statement as false.

Another suit was brought by Venezuela against the New York and Bermudez company, alleging non-fulfillment by the latter of the terms of the asphalt concession. This suit, too, was decided by the Venezuelan courts adversely to the defendant company. These cases are part of the budget of American complaints against Venezuela which President Castro refuses to have arbitrated, and which the United States Senate is expected to take up in a few days, in accordance with a resolution introduced by Senator Lodge.

A dispatch from Caracas a few days ago announced the termination of Carter's receivership of the Bermudez property and that the asphalt lake would be sold at auction to satisfy the amount of judgment against the New York and Bermudez company.

WAR ON CLEMENCEAU.

ATTACK BY COMBISTES.

Nationalists Object to Honoring the Memory of Emile Zola.

[Special by French Cable to The Tribune.]
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Paris, March 14.—Opposition to the war between Premier Clemenceau and the Combistes, who are a group of extreme Radical Socialists led by M. Combes, Prime Minister in the last Radical Cabinet but one, has now broken out, and is expected to be fruitful in sensational incidents. First blood was drawn at a banquet given at the beginning of the week by the advanced groups of the Chamber and the Senate to celebrate the fifteenth election of M. Brisson to the presidency of the Chamber. M. Combes seized this occasion to demand the reconstitution of the old Bloc party and to accuse Premier Clemenceau of forming a dangerous compact with the Liberal Republicans.

M. Clemenceau, who was at the banquet, took no notice of this provocation, but he had his revenge yesterday in the Chamber, when by a majority of 140 he asserted the right of the government to refuse to take back into its service a number of functionaries, some of whom had been dismissed for joining a trade union and others for taking part in anti-militarist demonstrations. This vote is a severe blow to the aspirations of the extreme Socialists and Radicals, and M. Clemenceau's triumph proves once more that he is the cleverest manipulator of majorities in the French Parliament. He had to promise, however, that certain of the dismissed functionaries should be amnestied later on, though from this measure of clemency anti-militarists are to be rigidly excluded.

The question of voting \$10,000 for supplies to cover the cost of transferring the body of Emile Zola from Père Lachaise Cemetery to the Pantheon will be debated next week in the Chamber, and the Nationalists, headed by Maurice Barres, mean to make a fierce onslaught on the memory of the dead writer. Their objections are both literary and political. They cannot forgive Zola for his championship of Dreyfus, which involved him in bitter attacks upon the French army, and they maintain that the pornographic inspiration of his stories has brought disgrace upon the French name throughout the world. It is unfortunate, however, that Maurice Barres, before becoming an Academician and a mouthpiece of nationalism, should have earned his first literary notoriety as the creator of a special type of pornographic fiction, less coarse than that of Zola, but no doubt that the supplies demanded for Zola's interment at the Pantheon will be voted by a large majority, in spite of the Nationalist opposition.

The optimism constantly displayed here in official circles on the subject of the Balkan imbroglio and the future of Macedonia receives ample justification in the very pacific wording of the official note issued from Berlin in reply to the proposition of the British government that Macedonia should be made an independent province. The "Echo de Paris" thinks that Germany would like to see the question buried and will gently and politely direct all her influence to bring about that solution. It is noted that Signor Tittoni, the Italian Minister of Foreign Affairs, in his speech two days ago reserved opinion as to the advantage of the English proposition. The "Figaro" publishes a suggestion from the Greek Prime Minister for the division of Macedonia into spheres of influence, respectively governed by Bulgarian, Greek or Serbian administration, according to the racial elements forming a majority in each sphere. The English proposition will have the support of France and Russia, and at present the only direct opposition to it comes from Austria. C. I. B.

LOST MAIL TURNS UP IN JAPAN.

Found in Yokohama and Forwarded to This Country.

London, March 14.—A cabled inquiry to Japan has elicited the fact that the fifteen registered mail packets which disappeared in January, supposedly while in transit on the steamer Collis between Liverpool and New York, have turned up at Yokohama and have been forwarded to the United States.

ABDUCTED HIS OWN DAUGHTER.

The Hon. James Gully Committed to Jail for Contempt of Court in So Doing.

London, March 14.—The Hon. James Gully, son of Viscount Selby, former Speaker of the House of Commons, was committed to Brixton Jail to-day for contempt of court in that he abducted his own daughter from the custody of her mother. Mr. Gully and his wife had made a ward in chancery of the couple and the care of the mother. Recently Mr. Gully abducted his daughter and carried her off to the Continent. The child was recovered only after a prolonged search. Mr. Gully surrendered to the police this afternoon and was sent to prison to await final sentence. This probably will be given in a week's time.

MORE BUBONIC PLAGUE IN CHILI.

Santiago, Chili, March 14.—There has been a recurrence of the bubonic plague at Antofagasta. Forty new cases have been reported in the last few days.

DECISION SETS FREE CONVICTED HINDUS.

Vancouver, B. C., March 14.—The Provincial natural act was yesterday ruled by Justice Morrison ultra vires and repugnant to the British North America act. The decision was on the habeas corpus application for eight Hindus convicted under the natural act. They were ordered to be released. The province will appeal.

MORE SMALLPOX BEYOND THE BORDER.

Moncton, N. B., March 14.—The epidemic of smallpox which has been prevalent in several places in the southern counties of New Brunswick and which was believed to have been controlled several weeks ago has apparently broken out afresh. The Maine State Board of Health, which usually performs the work of inspection on the United States border, has been reinforced by the United States marine hospital service, and the system of inspection is now much more rigorous than usual.

WANT FRYE SHIPPING ACT SUSPENDED.

Manila, March 14.—The Assembly has instructed its delegates at Washington to ask Congress to suspend the Frye shipping act. This act is declared to be necessary at once in order to prevent the destruction of shipping interests.

WANTS BOLIVIAN RAILWAY BUILT.

La Paz, Bolivia, March 14.—Ismael Montes, President of Bolivia, is desirous of having a railroad constructed from Oruro to Potosi, capital of the richest mineral district in the republic. To this end he arranged a conference at La Paz between Mr. Metcalfe, president of the Bolivian Railway Company, of New York, who represented the banking firm of Speyer & Co., of New York, and a representative of the Antofagasta Railway Company, of London. The conference was without result, as neither representative was willing to accept the terms offered by the other. The Antofagasta Railway Company claims the exclusive right of constructing this line by reason of a prior concession.

DRAMA AND ART.

New Triumph for Réjane—Sargent Portrait in Exhibition.

[Special by French Cable to The Tribune.]
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Paris, March 14.—To-night Pierre Veber's five act adaptation of Alfred Capus's novel "Qui Perd Gagne" was produced with success at Réjane's Theatre. The plot, which fully requires the very light and delicate handling it receives from Pierre Veber's ironic pen, relates the concessions and compromises which a man makes who has a pretty wife who loves him and whom he loves, but who utilizes certain suspicious alliances, based upon her personal attractiveness, to extricate him and herself from financial disaster. The husband loses his absolute belief in his wife's strict conjugal fidelity, but he gains material comfort and the couple continue to love each other sincerely. Mme. Réjane gained an immense triumph in the part of Emma, the accommodating wife.

Under the auspices of the French Alpine Club the Society of Mountain Painters opened their eleventh annual exhibition to-day in the Boulevard St. Germain, the interest of which is heightened by a retrospective show of characteristic canvases by deceased painters, Chartran, Dameron and Ranvier. Another retrospective collection of even greater importance is that of pictures, watercolors, drawings and sculpture by Daumier, the great caricaturist of the last century, which is to be seen at Eugene Blois, in the Rue Richemont. The two paintings of Don Quixote and Sancho Panza and the drawings of Napoleon are especially interesting.

Delpy, who is one of the last survivors of the old Barbizon school, exhibits about sixty landscapes at Danthons, in the Boulevard Haussmann. Normandy and Brittany have, as usual, chiefly attracted him, and he shows himself to be a worthy transmitter to modern if not too appreciative generations of the great lessons of Daubigny, whose pupil he was. Another follower in the footsteps of Constable, Corot and Turner is Soullard, whose charming notations of Paris environs are to be seen at the Camerton Gallery, in the Rue La Fayette. At Georges Petit's Gallery Charlet displays luminous studies of atmosphere which amply bear out the big reputation he has already made for himself, especially in America.

At the same gallery the exhibition opened yesterday of the Société des Peintres et Sculpteurs, under the presidency of Auguste Rodin. This is one of the most interesting art manifestations of the year. Sargent contributes his famous portraits of Lady Sasson, which hangs next to two admirable compositions by Albert Bonnard, one a monochrome preparation for the figure of a man, the other a lake scene, with a swan and a nude woman. J. W. Morrice is represented by impressionist views of Venice, Auguste Rodin by a group of two bronze figures and a bust of Joseph Pulitzer, which will rank as one of his masterpieces. C. I. B.

PEACE FOR MOROCCO.

If Mulai Hafig Is Eliminated—He May Withdraw Proposals.

Paris, March 14.—The government at last believes that there is a good prospect of a definite settlement of the trouble in Morocco. This will be based upon the submission and elimination of Mulai Hafig, the insurgent Sultan. While negotiations with Mulai Hafig have not yet been actually begun, General d'Amade, the French commander in Morocco, telegraphs that supplicants for peace have been received from Hafig and his leaders. The general reports also that French troops are encamped at the gates of Settat, and that the pacification of the entire Chaoûda region is proceeding rapidly.

Madrid, March 14.—Official confirmation has been received here from Morocco of the report that Mulai Hafig, the insurgent Sultan, has submitted peace proposals to Abd-el-Aziz, the Sultan of record. It is rumored that an arrangement may be made by which money will be furnished to Mulai Hafig and his lieutenants for an indefinite pilgrimage to Mecca; in other words, that they will be paid to leave the country.

Casablanca, March 17.—The proposals for peace made by Mulai Hafig are an outcome of his differences with Glaoui, a powerful caid living in the Atlas Mountains, regarding the governorship of Fez. Glaoui insisted upon the appointment of his brother to this post, while Mulai Hafig wanted to give it to a son of Zayani, a caid of the Berbers. If this dispute over the governorship of Fez, which threatens to wreck Mulai Hafig's influence in the South, should be settled, it is believed here that Hafig will withdraw his peace proposals.

TO BE TRIED FOR BLACKMAIL.

Bavarian Farmer Charged with Getting Money Unlawfully from Bavarian Duke.

Munich, March 14.—The hearing of the suit brought by Duke Francis Joseph of Bavaria against a farmer named Hofmaier, who recently was successful in blackmailing the duke when his husband was assassinated in the vicinity of Bamberg, has been fixed for next Monday.

The duke considers that the blackmailing was prearranged. Hofmaier, seeing the duke's automobile approaching along the road, unharnessed his horse, which was attached to a farm wagon, and purposely inflicted a serious wound upon the animal. When the duke came up he stopped to ask what was wrong, and offered his assistance. Hofmaier threatened his highness of having had a collision with his wagon and causing the injury to the horse. A crowd of about one hundred peasants then appeared upon the scene, collected around the motor car and threatened the duke. They refused to let him depart until he had paid over to Hofmaier all the money in his possession and promised to forward the farmer an additional sum of \$20.

WRECKED ON SOUTH AFRICAN COAST.

The Newark Castle Will Probably Prove Total Loss in Richards Bay—No Lives Lost.

Durban, March 14.—The British steamer Newark Castle, belonging to the Union Castle Line, has been wrecked at Richards Bay. The few passengers on board, together with a part of the crew, have been safely landed. The captain, with a dozen men, is remaining on board the vessel. It is not likely that she can be saved. The Newark Castle is of 4,000 tons. She left London on February 7 for Mauritius.

NORWEGIAN CABINET OUT.

Christiania, March 14.—King Haakon has accepted the resignation of the Cabinet.

THE CZAR GOING TO CRIMEA.

St. Petersburg, March 14.—It is learned that the Emperor on Thursday visited the fortress of St. Peter and Paul and the imperial summer palaces in the Crimea are being made ready for the residence of the Emperor and the Empress and their suites, who are expected there after Easter. The yacht Standart will go thither in case it is wanted to convey the members of the Imperial party through the Dardanelles to the Riviera.

NO MORE SNEERING.

COMMENTS ON FLEET.

Prolongation of Battleships' Cruise Impresses Europe—Money Easy.

[Special by French Cable to The Tribune.]
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London, March 14.—The prolongation of the cruise of the American battleship fleet to colonial and Australian waters is helping to deepen the impression that the action has trustworthy reserves of sea power. There are no more sneering comments on Yankee bravado and bluster. There are also signs of the growing conviction abroad that the American people will steer their course through the Presidential election and the financial depression as securely as the fleet is finding its way from sea to sea.

A practical result which foreign investors will welcome as the greatest possible gain for the business interests of the world is the successful issue of the American conferences for obtaining legislation for the regulation of corporations and railway interests that will be accepted as a practical indication of reconstruction and conditions of prosperity.

The continued money market implies another reduction in the bank rate within a fortnight and abundant supplies of loanable capital for first class securities and new enterprises at home and abroad. There are pressing demands from Brazil, Chili and Mexico for loans, and municipal corporations, after being frightened out of the market by the high rates, are beginning to return as borrowers. Several local corporations which have suffered from reckless finance and heavy taxation are seeking relief by altering the terms of previous loans. Tynemouth tried to do something of this sort, and there was talk of similar action by Bristol, and Wolverhampton is now seeking legislative sanction for suspending the operation of its sinking fund. The Stock Exchange sets its face sternly against all efforts of municipalities to change the conditions on which the money was originally borrowed. The national government may suspend contributions to the sinking fund when Treasury officials are hard pressed in balancing accounts, but local corporations are required to carry out without flinching their agreements with stockholders, even if rate payers are tightly squeezed. I. N. F.

A SURPRISE TO FRENCH.

Cruise of Fleet Reverses Opinions on American Navy.

Paris, March 14.—News of the decision to send the American battleship fleet back to the Atlantic Coast by way of Australia, and the fact that the fleet has been received here as a crowning revelation of the efficiency of the American navy. The statement has opened the eyes of the French public, which was led to believe that the American navy was a "paper" one; that the cruise around South America would demonstrate the incapacity of the vessels, and that if it were accomplished the ships would be ready for the scrap heap. Even in French naval circles the belief was general that this long voyage would develop structural weaknesses in the vessels themselves, or at least serious breakdowns in the engine rooms.

Many French officers now frankly say that the impressive demonstration given by the American fleet of its ability to keep at sea places the warships on an equality with those of Great Britain, and that if the return journey is as successful as the trip around South America has been the American navy will have no superior in the world.

The French Minister of Marine, M. Thomson, is so impressed with the result of this cruise that he has instructed Lieutenant Commander de Bianpré, the French naval attaché at Washington, to go to San Francisco and send a full report of the condition of the ships and the lessons of the cruise.

The lack of boiler accidents during the voyage already has called out criticism of the contrast furnished by the French navy, where trouble in the engine rooms is constant, and M. Thomson has been asked why the government does not use the American type of boiler, which is now being manufactured in France. A feature of the cruise which is attracting attention here is the employment of line officers in the engine rooms.

From a political point of view the decision to start the fleet from the Pacific Coast on its homeward voyage in July is considered conclusive proof that Washington is convinced that the issue between the United States and Japan will be adjusted amicably.

BLOW TO WARLIKE VIEWS.

Russians Regard Fleet's Return as Ending Belligerent Talk.

St. Petersburg, March 14.—The decision of the American government to send the American battleships now at Magdalena Bay back to the Atlantic by way of the Suez Canal and Europe is an acute disappointment to the belligerent element in the Russian army and navy, whose officers regarded the fleet's departure from Hampton Roads as the first step in an inevitable war in which the pretensions of the Island Empire were to be humbled. Furthermore, the announcement that the fleet is not to remain in the "war cloud" between the United States and Japan has been definitely dispelled.

Officials of the Russian Foreign Office and strategists like Admiral Rojestvensky have from the beginning taken the view that the American battleships were to be brought back to the Atlantic, since the purpose of the voyage will have been accomplished when the feasibility of transferring the fleet quickly from one coast to another has been demonstrated.

The desire frequently has been expressed here that a detachment of the American fleet should visit Russia while in European waters.

The Russian press has not yet been informed that the fleet is to return by way of Suez. The general public takes slight interest in the progress of the American vessels.

THE TWEEDMOUTH INCIDENT.

Berlin, March 14.—News has reached the German court that King Edward himself permitted the information about Emperor William's letter to be communicated to "The London Times." Copies of the Emperor's letter and Lord Tweedmouth's reply have been shown to various persons here, who say that the former communication contained nothing which could be construed into interference with the British naval plans.

In times of financial squeamishness a clear brain and steady nerve are at a premium. Drink

POSTUM

"There's a Reason"

The security market of the week has shown strength, running at periods into actual buoyancy, closing figures for the week being virtually at top notch. Professional explanation of this movement has dealt largely with the theory of the covering of an extensive short interest. No doubt there is some element of fact in this, but no short covering could be entirely responsible for such advances as have been scored unless the entire speculative fraternity (an inconceivable thing) were committed to the short side. Something else must be sought for to account for the steady appreciation of values. First and foremost looms the crop situation. Beyond doubt 1907 harvests were satisfactory in volume and are finding highly profitable markets—ensuring that basic elemental factors of prosperity, agricultural wealth. Beyond doubt, also, there is appreciable restoration of confidence in the integrity of the financial situation. It begins to be seen that the uncovering of black spots, so prominent a feature of recent times, actually makes for betterment. It is not thinkable that there could be attempted now any such financial methods as were responsible for the market cataclysm originating last October—in proof of which stands the actual fact that prices of securities of representative character are now quoted 10 to 30 points higher than last fall.

Upon Wall Street also dawns appreciation that governmental action is not necessarily destructive—may indeed be uplifting. Of course, adverse business features are still in evidence—notably the sorry record of decreased railroad earnings. But there seems to be speculative conviction that the worst has been seen in this direction and that improvement (perhaps slow) may be looked for from now on. In commercial circles there is still contraction and hesitation, but even here signs are not wanting of a hopeful turning point. It is true that there has been, among other incidents, reduction of wages of employees of cotton manufacturers; but this may be measurably attributed to the difficulty which manufacturers encounter in securing adequate supplies of raw cotton at prices which warrant extensive future contracts. Assuming that the country is to continue its conquering career (undoubtedly to students of economics), such incidents are temporary and will be self-adjusting.

It may well be that the Wall Street movement of last fall, which outran—"discounted"—subsequent commercial depression, is finding contrary illustration in the Wall Street movement which, it may be, is discounting commercial recuperation. It is a truism that the security market in its action is always anticipatory. It may be safely asserted, at least, that there is an actual effort on the part of everybody to feel better, which in itself stimulates public confidence.

Towering over other sentimental considerations is evidence that the public is no longer looking at Wall Street through blue glasses. Where for so long visions of gloom and spectres of disaster monopolized the view there is now apparent a disposition to recognize that the country is still here, its vast prodigiousness unimpaired, its magnificent commercial career, as impaired, its relation to the rest of the world unchecked, its capacities just as boundless as they were before the shock of horror, incidental to local developments, last year smote Wall Street with panic. And this is the more important when due recognition is given to the tremendous power of sentiment in financial matters—for current transactions are oftentimes based more upon sentiment than upon fact. That fact must ultimately prevail is inevitable, but there are long periods when it is ignored—and through such a period has Wall Street been stumbling. It is recognition of such sentiment which started the voluminous short covering of the past week, for none is quicker to catch the turn of the tide than the professional Wall Street trader. It is recognition of this fact which has lined up the important banking interests of the country in commanding support of good securities. Of course the present movement is subject to sharp reactions due to technical considerations; but beyond doubt there is wholesome and exhilarating change.

An impelling and inspiring influence in business affairs is the revelation of existing conditions in the steel trade. Here, since the end of last year, shows actual evidence of betterment. Nor is this influence merely confined to increasing orders and promising prospects. It has as one great factor the policy of the Steel Corporation in taking the public into its confidence, publishing frank and full reports of its transactions, dealing with its shareholders and its employees in the spirit of absolute fairness—jealously guarding the character of the trusteeship of the Corporation's managers. Nothing in these times could be more conducive to stem the tide of criticism, which has run to unwarrantable extremes, than this plain businesslike exhibit. Public appreciation comes in the form of steadily advancing prices for the Corporation's securities—than which, as often pointed out in this review, no safer investment exists either from the point of principal or yield. As time goes by the wisdom of the founders of the Steel Corporation becomes more and more conspicuous. It is not difficult to conceive what chaos might in these times have ensued had there been a score or more of squabbling manufacturers outbidding each other for customers and financial accommodation. As it is the Steel Corporation moves calmly on, preserves its vast surplus (at all times available for money market necessities) and maintains equilibrium for prices of products, guaranteeing stability to both producer and consumer. For itself, for the great trade it dominates, the United States Steel Corporation stands for much—but not for more than it stands for in the yet broader world of national thrift and prosperity. Succinct answer to almost any national criticism is right at hand in the records which this, our greatest, corporation makes.

In any consideration of what may be further market manifestation, even those who are most enthusiastic over prospects will give attention to the fact that the poor traffic returns of recent months can hardly fail to have influence upon dividend disbursements. That New York Central and Atchafalpa or other similarly situated systems will maintain past dividend rates is scarcely conceivable, in the face of net earnings decreases unprecedented in a decade. Railway managers as sane financiers will not presume to operate any policy that is not conservative; their stockholders would not excuse them in any such performance.

But a reduced dividend this spring need not only temporarily—if normal business conditions are actually ahead. New York Central—taking that company again for example—in dropping from its present dividend to 4 or 3 percent may fairly be counted on to get back ultimately to fairly be counted on to get back ultimately to the level recently has been found with others—and, for the very reason of this, the stock may be hoped for when the business tide again comes to flood.

Yet, naturally enough, traders upon the Stock Exchange will of course become bearish and make raids, when dividend reductions are announced. But for the market as a whole this sort of campaigning will not be more than temporarily effective. Let general business conditions prove themselves actually improved, let railway earnings begin again to show normal aggregates, and there will be Wall Street enthusiasm a-plenty