

by European Powers. Such we have notified them that they must not make. On that ground alone does the United States take its stand. We may think what we please of the justice or injustice of the claims made on Venezuela. The Monroe Doctrine is silent on that subject. We may feel as deeply as we are compelled to about the lack of tact and consideration which the allied squadrons have displayed. The Monroe Doctrine cannot be invoked against bad manners or brutality. As long as we have guarantees that no permanent occupation of American territory is intended, we can afford to keep perfectly cool about what is going on in Venezuelan waters. Whatever we may privately think about the magnanimity and heroism of it, we are not called upon to change our public attitude of discreet and neutral watchfulness. By adhering firmly to the course already marked out, the Administration should be able to count upon the support of Congress and the country.

"GOOD" TRUSTS AND "BAD."

Mr. Carnegie comes home full of approval for the President's plan of dealing with the Trusts on a moral basis. He is delighted at the thought of Mr. Roosevelt taking the "bad" Trusts on his grandmotherly lap for a public chastisement, while giving the "good" ones lollypops. In this, Mr. Carnegie is at one with Mr. James J. Hill of the Northern Securities Company. That gentleman is quoted in the *Chicago Record-Herald* as gravely endorsing President Roosevelt's "remedy for what are called Trusts." That remedy is "all right," affirmed the President of the Great Northern Railway Company, without a wink—or at least without one visible to the reporter—"assuming that you want to encourage what is good and prevent what is bad."

President Roosevelt's proposals in this line are eminently characteristic. His natural bent is towards moralizing. The late Speaker Reed, with his best air of preternatural innocence, used to speak of Mr. Roosevelt as "our greatest living thinker." He might well have called him our greatest moralist. No one could show more concern about other people's morals than the President does. He has more than his share of Anglo-Saxon "earnestness"—which Walter Bagehot defined as the impulse to go out and take your fellows by the throat in order to compel them to think and act just as you do. Corporations may have no souls, but Trusts have a moral nature, Mr. Roosevelt is certain; and it is his burning desire to "draw the line at conduct" in dealing with them. Conduct may be only three-fourths of life, but it is the whole of Trusts, as the President sees them.

We regret to observe, however, a ribald spirit manifesting itself in the

Western press on the subject of Mr. Roosevelt's moral discriminations in the matter of Trusts. The irreverent newspaper cartoonist pictures the President taking the moral pulse of the various monopolies from which the people suffer, and awarding a halo to each one that can assume, for the nonce, a saintly expression. It is pointed out, too, that the moral quality of Trusts will necessarily vary with their politics. The Chairman of the Republican National Committee, for example, could not fail to certify to the virtues of Trusts that had made the proper contributions. Who is to be the examiner in Trust morals? What is to be the test of goodness? Shall we ask whether the Trusts pay good wages, are regular in church attendance, and are kind to their families?

Such questions sound ludicrous, but they are not more ludicrous than is the whole attempt to settle a question of law, of public policy, by irrelevant distinctions of good and bad. If the Trusts are founded upon a dangerous principle, if they operate by methods repugnant to our traditions of equity and of law, then they are all bad. If, on the contrary, their foundation is legal and their methods equitable, they are all good, in the only sense that the legislator can take cognizance of the goodness of a public institution, and should be let alone. To try to mark off the "good" Trusts from the "bad," when once you have conceded that their principle is wrong, is like talking of good and bad tyranny, good and bad oppression, good and bad slavery. We cannot legislate upon what is passing in the mind of a man, nor can we know what is passing in the mind of a Trust. All that we can ask is, "Are you violating the statute law? Do your operations contravene the prohibition of monopoly in the Common Law? Is there need of new enactments to head off your cunning in getting around old laws?" Only such questions have point, in the premises. By the answers to them alone can legislation be guided. The politician may run off on some such personal issue as will lead him to say of a given Trust, in the words of a song of the day, "It certainly was good to me"; but the statesman can look only to legal principles and legislative remedies of universal application.

For a contrast between moral fumbling with Trusts and a clear-cut description of evils to be cut out by law, one has only to turn from the President's ineffective lecture on good and bad Trusts to Attorney-General Knox's speech at Pittsburgh on October 14. In trenchant language he described the abuses committed by Trusts in violation of "the rights or recorded will of the people." These are: "over-capitalization, lack of publicity, discrimination in prices to destroy competition, insufficient personal responsibility of officers

and directors, tendency to monopoly, and lack of appreciation of their relations to the people." There you have definite specifications. Mr. Knox did not stick in the bark of doubts whether, after all, some Trusts guilty of such abuses might not be "good," though some were "bad," but went as lawyer and statesman swiftly to the point of declaring that all combinations involving such, or any such, illegalities and frauds upon the public, were of a sort which the Government should "endeavor to destroy." That sounded as if it meant business. Mr. Roosevelt's delicate splitting of moral hairs 'twixt north and northwest side is, in comparison, painfully hesitant and irrelevant.

There is talk of amending the Sherman Anti-Trust Law at this session of Congress. If the thing were to be done in accordance with President Roosevelt's notion of being good to good Trusts, the first section of the amended law would read about as follows:

"Every contract entered into for bad purposes, combination of bad men in the form of harmful Trust or otherwise, or reprehensible conspiracy in improper restraint of wholesome trade or useful commerce between the several States or foreign nations, is hereby declared to be illegal if its conduct be bad. Every person, unless he is good, who shall make any such bad contract or engage in any such improper combination or undesirable conspiracy shall be deemed guilty of a misdemeanor unless it appears that his motives were excellent, etc."

That is what we come to when we "draw the line at conduct" in drafting laws.

CHANGES IN CITY LAND VALUES.

There can be no doubt that the present is a period of unparalleled speculation in New York real estate. The prices now being paid in Manhattan are wholly unexampled. Lively speculation was a feature when Tweed was laying his boulevards and indulging in lavish improvements on the neglected West Side, but that was chiefly in unimproved property, and was not unlike the familiar booms in mushroom Western towns. There was much stir, too, when the actual development of this great section and of Harlem began, some twenty years ago; but the building then was mainly of low-priced dwelling houses and of cheap flats. It was a speculation in thousands, while the present is a speculation in millions. To-day we have a \$60,000,000 realty corporation with Steel Trust alliances.

The explanation is to be found in the general use of structural steel in building; in the growing wealth of the nation; in the increasing importance of New York city as its financial, industrial, and residential capital; and in the great public improvements—rapid transit, the new East River bridges, the proposed East and North River tunnels, and the Pennsylvania terminal—now under way or projected. The American sys-

tem of steel construction has resulted in building eighteen, twenty, and twenty-five stories high, and, as a consequence, the earning power of the land has doubled and trebled in twenty years. And this new method in building has been coincident with vast accumulations of wealth, and with its tendency to establish itself in New York. Thus nearly all the recent great combinations of capital have moved their headquarters to this city, and become large users of office space. With them has come a good-sized army of millionaires, which, in its demand for residential property in the most popular districts, has raised land values to a height never attained before. It is significant that nearly all the Steel Trust "magnates" are either building expensive houses in the best locations or are recent purchasers of them. Values in the Fifth Avenue district have increased anywhere from 100 to 400 per cent.—that is, lots which four years ago could have been purchased for \$25,000, have been readily sold at \$100,000. Fifth Avenue property, indeed, in the last four years, has practically ceased to be real estate. It is rather expensive bric-à-brac, restricted in quantity and greatly desired by a class of purchasers whose yearning for it is based not upon its earning power, but upon the personal satisfaction which its possession assures. The influence of the new tunnels and bridges in enhancing values, while not so picturesque, is still effective. Those parts of Washington Heights which will be made accessible by the subway have doubled in value since the beginning of that public work. The best of this property is now in the hands of powerful syndicates, which anticipate large profits when the building season arrives.

The existing real-estate speculation in New York has a tangible basis; it is, to a great extent, the result of an actual public demand. The expansion of the city which accompanies it is an evidence that it is no gaudy bubble, soon to be pricked. The growth of New York city is one of the most remarkable social and economic phenomena of the time. The boast of the Roman Emperor that he found the city brick and left it marble, is in a fair way to be outdone by the present generation of builders, who found Manhattan Island wood and stone and have left it steel. Not only have the long-established business districts been transformed, but a flourishing office section has been created in Wall Street east of Pearl, and the malodorous rookeries about Battery Park have been replaced by the present piles of marble and granite. Upon Fifth Avenue, from Fourteenth Street to Twenty-third, the old brownstone houses of a former age have been supplanted by eighteen and twenty-story commercial buildings. In a single year the junction of Broadway, Sixth Avenue, and

Thirty-fourth Street has been transformed into a great retail centre. Thirty-fourth Street itself, once the residence of many of our most substantial citizens, is rapidly becoming a great business thoroughfare.

The increase in values in this section is strikingly shown by the fact that the Stewart mansion, which is probably the most commanding Fifth Avenue corner in the mercantile section, sold in 1899 for \$63 a square foot, while only the other day an inconspicuous inside lot on the north side of Thirty-fourth Street was sold at the rate of \$65. The greatest change, however, is to be seen still further north, at the junction of Broadway with Seventh Avenue at Forty-third Street. Less than four years ago, this was one of the least attractive places in town. Recently, however, a corner lot which, in 1895, was bought for \$135,000, was sold for \$200,000. Upon Longacre Square itself two great Astor hotels are now under construction; in the same general district, six new theatres are being built—and sites for two additional ones have been recently purchased. This section, indeed, is the coming Vanity Fair of New York; at least forty hotels of the apartment type were built there last year, and plans for twenty have been filed since the first of this year. The sudden discovery of the usefulness of the property for this purpose has precipitated a lively scramble among speculators for it; and houses which four years ago were freely offered for \$15,000, now find ready purchasers at from \$30,000 to \$40,000. In connection with Fifth Avenue prices, it is an interesting fact that the fashionable district has been extended as far north as Ninety-first Street. Up to a year ago fashion, in its occupancy of the side streets, stopped at Park Avenue. In the last few months, however, there has been a migration as far east as Lexington; and here, too, prices have gone up 50 and 100 per cent.

The present is thus an *annus mirabilis* in the development of New York city. Yet the increase in property values has not been general; whole areas of the city have not participated in it; in others, such as the old wholesale district, values have actually gone down. It is on account of these sudden fluctuations, and the lack of uniformity in the recent rise in values, to say nothing of the fact that a certain element in present "market valuation" is inflation, that the experiment of the Tax Department in assessing real estate at its actual value is regarded with such apprehension by property interests.

A NEW BATTLE OF THE BOOKS.

The controversy now on foot between the great advocate, Sir Edward Clarke, and the engaging critic, Edmund Gosse, is a very pretty quarrel. The opponents

—Sir Edward as devil's advocate of modern literature, Mr. Gosse as its apologist—have each given open grounds of offence, and have crossed blades sharply. In this respect it resembles the learned duels of an older time, and not the mere scuffling methods of modern literary fence. Sir Edward Clarke has been lecturing to workmen on "The Decay of English Literature." He has said on one occasion: "To-day we have no great novelist. Will any one suggest we have a poet? There has been no book produced in the last ten years which could compete with any one of the books produced from 1850 to 1860." Mr. Gosse took up the challenge at the dinner of the contributors to the supplementary volumes of the 'Encyclopædia Britannica.' Responding to the toast of "Literature" and evidently alluding to Sir Edward Clarke, he maintained that the aphorism "Ne sutor" applied to eminent advocates, warned his hearers against uncharitable judgment, cited in illustration "the insensibility of Montaigne to the merits of all his contemporaries," and sat down amid the cheers of all the modern *littérateurs* present. So much for the beginning of the strife.

Sir Edward Clarke's *riposte* was shrewd, if delivered somewhat athwart the line of fence. He showed that the alleged "insensibility" of Montaigne to contemporary merit was a sheer post-prandial improvisation of Mr. Gosse's. Montaigne had, in fact, praised Du Bellay and Ronsard at their best as "little inferior to the ancient perfection." This very palpable hit, however, touches Mr. Gosse's illustration, not his main contention; and his question, "Is this a time of intellectual destitution or prosperity?" still awaits its definitive answer. It is more than an academic question, for upon its answer depends the prevailing tone of literary opinion, and in some sense the fame and fortune of writers of to-day. If a large body of discriminating readers are fully convinced that it is an age of literary bankruptcy, they will generally refuse to accept current notes of hand; and will draw upon the reserve of the classics. If, on the contrary, there is a general conviction that times are propitious, the chances of rising genius are greatly improved. No great work, we believe, has been written upon a theory of literary destitution.

Besides the difficulty of distinguishing a real from a false prosperity—genuine merit from genius proclaimed in three inks, and represented by statistics of advance sales—there is the greater difficulty of imagining Mr. A. the delightful novelist, Mr. B. the genial essayist, and Mr. C. the passionate poet in the light of posterity. How shall one affirm with any positiveness that Mr. Gosse, who writes so charmingly on so many subjects, and talks so acceptably at so many dinners, will a generation from now be