

marine. The most ardent advocates of subsidies in America have always avowed that the payments proposed were only a temporary measure.

By the law of 1893 France abolished the bounty on boats of foreign build, but at the same time increased the payments for construction and navigation of native bottoms, and also renewed the liberal postal contracts. Her steam tonnage then was 855,798; in 1901 it was 1,068,036. During these nine years the payments made under the law mentioned averaged \$7,500,000 yearly. Almost coincident with the passage of this law was the American act of 1892, establishing the American Line. The subjoined table of figures since that date* may be interesting. It is compiled from the annual report of the United States Commissioner of Navigation, 1901, and Lloyd's Register. The tonnage given is gross, and includes steamers exceeding 100 tons. The tonnage for the United States includes lake and ocean steamers of the same capacity. The mail payments for the United States are for the carriage of mail by United States steamers to foreign countries only. (The steam tonnage of the United States registered for the foreign trade on June 30, 1901, was 429,722 tons.)

In the table below, the most interesting column is that referring to Sweden and Norway. This monarchy has a marine greater than that of France, but it pays only about \$175,000 per annum for subsidies and mail contracts, and part of this amount goes to foreign vessels not included in the tonnage given. Sweden and Norway have neither the colonies of England, France, or Germany, nor the outlying territory of the United States; their commerce, compared with that of those countries, is small; but of the ships which entered Swedish and Norwegian ports in 1900 in the foreign trade, two-thirds were native bottoms.

To sum up, in the two examples most frequently cited by the advocates of subsidies—England and Germany—other causes, more effective than subsidies, were at work to build up the marines of those countries, viz., great natural advantages, native industry, foreign commerce, and liberal navigation laws. Moreover, the lines subsidized by those countries have not prospered to any greater extent, for reasons shown, than lines

which were unsubsidized. In France, where heavy subsidies have been paid for forty years past, the merchant-marine has, for a long time, practically stood still. The monarchy of Sweden and Norway, which grants subsidies and mail contracts of only a trifling amount, owns a steam tonnage greater than that of France. In view of these facts, it does not seem that the examples of European countries may be taken as arguments in favor of a general subsidized merchant marine.

THE LOW ADMINISTRATION.

Mr. Low has practically completed the organization of the government which, under his direction, will conduct the affairs of this city during the next two years. Of his last eight appointees, three are representatives of the Citizens' Union, three are Democrats, and two are Republicans, and they are fully up to the standard of those previously selected. The non-partisan character which Mr. Low has given to his appointments from the beginning is thus maintained in these last selections. Of the thirty-one offices filled so far, fifteen have gone to Republicans, eleven to Democrats, and five to members of the Citizens' Union. Still more notable is the fact that only six of the fifteen Republicans are recognized as men closely affiliated with the local Republican machine. Three of Mr. Low's Democratic appointments are of men who voted against him. These facts should allay the fears of people who declined to vote for Mr. Low because, in their imaginations, he merely stood for Senator Platt.

Taking the selections as a whole, it is not too much to say that no municipal government has ever gone into office in this country composed of men of higher character. From the outset Mr. Low gave his word that merit and fitness should be the sole tests for his appointees, and he seems to have lived up to his pledge, even though he has met with a number of disappointments in the refusal of several "first choices" to sacrifice their personal interests in order to accept office. In saying this we do not mean to assert that Mr. Low's government is to be a perfect one. Since his selections are, after all, only human beings, many of whom have had little or no experience with the dangers and

difficulties of important administrative offices, it is altogether likely that there will be plenty of mistakes made between January 1, 1902, and December 31, 1903. But the fact remains that Mr. Low has given the most reliable surety for the proper administration of the city government, by choosing the best men that he could get, and men who are thoroughly in sympathy with the fundamental doctrine that the city is to be ruled in the interests of all its inhabitants, and not in those of its office-holders.

The guiding principle of Tammany Hall in filling offices was frequently, if not always, the idea of "taking care" of men who were unable to earn their own living in business or in the professions. So far as we are informed, there is not one of Mr. Low's selections who has failed to make an honorable place in the community for himself by his own efforts. The only man on the list who has held office frequently is Col. Partridge. He has earned this distinction, not by favor of a district leader or a boss, or as a result of party servility, but because he has made himself indispensable to the Executives of city or State who wished to have an honest and fearless department head, of experience and training.

In most of the administrations of the city during the last fifty years, special fitness for office has been altogether ignored. The scientist who, like Dr. Biggs of the bacteriological laboratory, retained his office under a Tammany administration, did so because no Tammany heeler wanted the "job," or because of other unusual circumstances. Mr. Low has never lost sight of the fact that special duties require special training. For Tenement-House Commissioner he selected the man with the broadest knowledge of tenement-house conditions. For Charities Commissioner he chose a man whose life work has been the problem of private and public charity. To the office of Police Commissioner he appointed a man who had been the head of the Police Department of a large portion of the city. As his Corporation Counsel he took a lawyer of wide reputation in his profession, who had helped to draw the very charter which he will be called upon to interpret. Where he was not able to find a man to head a department who had been trained in similar work, he selected

*	UNITED STATES.		FRANCE.		GERMANY.		GREAT BRITAIN AND COLONIES.		SWEDEN AND NORWAY.	
	Steam tonnage.	Mail pay'ts, subsidies, etc.	Steam tonnage.	Mail pay'ts, subsidies, etc.	Steam tonnage.	Mail payments, subsidies, etc.	Steam tonnage.	Mail pay'ts, subsidies, etc.	Steam tonnage.	Mail payments, subsidies, etc.
1893	630,646	\$646,031	855,798		1,125,952		9,544,394		593,996	
1894	887,766	711,443	891,720		1,214,830		9,838,353		630,582	
1895	920,672	633,035	903,105		1,343,357		10,238,001		670,929	
1896	1,005,459	1,027,735	930,785		1,436,539		10,508,443		773,667	
1897	1,105,423	1,280,063	954,916		1,549,961		10,799,446		857,193	
1898	1,175,762	1,038,141	972,617		1,644,937		11,168,189		947,172	
1899	1,236,308	998,111	997,235		1,946,732		11,719,247		1,117,984	
1900	1,454,996	1,269,660	1,052,193		2,159,919		12,149,090		1,183,233	
1901	1,704,156	1,250,000	1,068,036		2,417,410		12,739,180		1,261,355	
				Average \$7,500,000 per year.		Average \$1,500,000 for postal services; also special tariff and railroad rates on building material for ships; not computable.		Average \$5,000,000 annually.		Average \$175,000 annually. Including some payments to foreign vessels for postal services.

one of broad scientific training, such as implied his successful mastery of the problem assigned to him. Dr. Woodbury, the new Street-Cleaning Commissioner, is of this type, while Dr. Lederle, the Health Commissioner, illustrates Mr. Low's desire to promote a faithful subordinate official to the head of the department in which he has served.

Mr. Low's policy in these matters must commend itself to all concerned, and make any future return to the "Mike" Murphy, the Percy Nagle, and the John J. Scannell type of public officer seem even more monstrous and uncivilized than hitherto. So Mr. Low's frank taking of the public into his confidence as to the reasons for his appointments will make any return to the old method of "government under a blanket" more difficult than in the past. Tammany's administration of the Street-Cleaning Department, bad and corrupt as it has been, has still been more effective than the work of Col. Waring's predecessors. The Waring standard has not been without its effect even upon Tammany Hall.

There have been some doubts expressed whether a government like Mr. Low's, formed largely of specialists and of representatives of what are often called, for want of a more proper term, the "better classes," will not lose touch with the masses, and so bring about a relapse into the old barbaric Croker methods at the end of two years. To these fears the reply must be that the development of a modern municipality makes the services of specialists or of men of large affairs indispensable. The safest way of preventing a return to Tammany government is by giving an administration which is so indubitably honest and so sincerely devoted to the interests of the "plain people" that no citizen can have any doubt upon those points, whatever mistakes of judgment may be made. The failure of the Strong administration to inspire confidence in these respects was largely the cause of Tammany's success in 1897. The approval with which Mr. Low's appointments have been received by the various parties to the fusion movement, as well as their excellent character and his own high motives, afford ground for the belief that every honest citizen will recognize in 1903 the necessity for the continuance of government of this type.

PUBLICITY OF ACCOUNTS ABROAD.

President Roosevelt's recommendation of enforced publicity in the accounts of corporations, followed up as it was by the introduction of Representative Littlefield's bill to compass that end, gives pertinence to a survey of what other countries are doing in this way. Corporation law on the Continent has always been much more rigid and precise than in England or the United

States. The German Corporations Act provides for securing an inquiry at the outset into the circumstances of the promotion of every incorporated company. One of the first duties of directors is to send out a formal report on this subject, and, in case any of the directors have had a hand in promoting the company, another report, prepared by independent auditors, must be issued. Capital stock must be fully paid in cash or in property at a fair value. The articles of incorporation must state the number and kind of shares to be issued, and no permission for subsequent "increase of stock" is granted. Publicity is secured by minute provisions for stockholders' meetings and for regular reports to them.

French law is quite as explicit. It deals with the full payment of capital as a preliminary to business in nearly as rigid a way as the German law, and, if anything, it is more elaborate in its requirement of publicity. Not only does it contain regulations like those in the German law, but it furnishes a means for revision of the annual reports by the stockholders, and orders the publication of the articles of incorporation and by-laws in every locality where the concern operates. Corporations must furnish to the Government information about their transactions upon demand.

With such an enforcement of publicity and responsibility, organization under corporate form would, in any case, naturally have proceeded more slowly on the Continent than in the United States or England. The trouble there has not been owing to looseness in corporation law, so much as to difficulty in inducing the Trusts to assume corporate form. This difficulty has, however, been partly due to outside influences. An attitude towards Trusts entirely different from ours has been adopted by Continental governments. In Germany, for example, they have been officially recognized in certain ways, and have been assisted in maintaining their monopoly. This does not refer merely to protective tariff duties. The general policy of protection for all industries in need of assistance against outside competition has been coupled with a willingness to see internal competition destroyed. Thus, Prussia has practically recognized the existence of the Coal Trust, and has made agreements with it for supplying fuel to state railways. In a similar fashion, the Trust of locomotive manufacturers has dealt directly with the Government. In this latter instance the Trust is not merely recognized, but practically created, by the state. Public authority in Germany has, in fact, not only failed to hinder the Trust movement, but has favored it, seeming to see in it a legitimate extension of the protectionist policy.

This state of things has for some time been looked at askance by consumers,

who now wish to know what the Trusts are doing, and to that end desire to see them subjected to corporation law. And, in spite of the already minute and extensive provisions of that law, there has been a growing demand throughout Europe for stricter control. The leaders of the German anti-Trust movement are particularly explicit. They ask that all Trusts or other commercial organizations shall furnish to the Government information concerning the nature of their operations, and that this shall be published, with data showing the effect of combinations upon prices and wages. They insist that all combinations shall be required to organize under the corporation law. And, finally, some even urge that monopolies shall be supervised by the state, their prices fixed, and their profits above a fair rate of interest taken from them by taxation.

That this latter demand is extreme, is apparent. It does not gain large support, even in Germany. Just how far conservative Continental opinion is willing to go in this matter of corporation control may, however, be seen in the "Actien regulation," issued by the Austrian Ministry of the Interior in 1899, for the control of all commercial corporations, exclusive of banks, insurance companies, and railways, which operate under special charter. Not only does this act revise the whole Austrian corporation law, but it is particularly clear in prescribing publicity and full payment of capital stock by means of assuring equitable dealing. According to the new order, the mode of paying capital stock—whether in cash or in property—must be specified in the articles of incorporation, and only in a certain limited number of cases may it be paid otherwise than in cash. When paid in property, such property can be accepted only at its fair market value. The stock may not be issued below par, and must be fully paid up before the company begins business. Directors are required to see that the necessary books are kept. At the close of each business year, there must be a statement of profit or loss. The principles upon which this balance-sheet is prepared must be specified in the by-laws of the corporation, and a full account of all assets and liabilities, according to value, must be made public. Property that has deteriorated since it was acquired is to be inventoried, and each piece valued at a proper discount. This report must be furnished to all stockholders each year by the directors. Furthermore, a reserve must be established, by laying aside annually 1-20 of the net profits of the company, in order to guard against losses. Finally, all information about the enterprise, its earnings, etc., is to be certified to the local authorities, and by them sent to the Ministry of the Interior.

It may be suspected that the tendency toward regulation of corporations is to