

States, but in the English-managed iron and steel works of Spain. It was widely reported at one time that the Gould interests were supplying the sinews for the Kansas City, Mexico and Orient Railway, which contemplates a trunk line from Kansas City to the splendid port of Topolobampo, of which a portion is now built in the United States, another section completed and operating on the central plateau of Mexico to the eastern base of the Sierra Madre, and a third section open for traffic from Topolobampo, sixty miles eastward to Fuerte. It is difficult to understand how such experienced railroad managers could have permitted so important a concession as that for a north-and-south coast line through the broad, fertile plain fronting the Gulf of California to escape them. It was a vital point in the success of the transcontinental railroad; necessary as a feeder, without which practically no through freight to and from the west coast can be expected to choose that route. The Southern Pacific has made a great strategic move in securing the concession. It makes that company master of the situation, able to develop one of the few rich virgin areas of large size north of the Isthmus of Tehuantepec, and to offer an outlet via Mazatlan, Tepic, and Guadalajara to the central plateau, the City of Mexico and Atlantic tide-water at Vera Cruz, and in the other direction via Guaymas, Mex., and Benson, Ariz., to the great transcontinental trunk line east and west.

The agricultural and mineral wealth of the territory thus controlled is enormous. It is a fair presumption that systematic advertisement of the region as one with lands as rich as, and a climate softer than, California will produce here a vast boom in real estate, and a crowding in of fugitives from Northern winters to revel in the balmy air, and to make merry amid the ideal beauties of rocky promontories and blue sea and dashing surf of Mazatlan, at once the most picturesque and salubrious port in the southern latitudes of North America.

COURTENAY DE KALB.

JAPAN'S FIRST POST-BELLUM BUDGET.

TOKIO, April 24, 1906.

Let me begin this letter by saying that, misled by a usually trusty source, in my letter of March 31 I included in the list of foreign war loans a 4 per cent. 100-million loan which antedates the war. The part of war costs thereby balanced is covered by loans authorized in the new budget.

The Diet met on December 25, organized, was formally opened by the Emperor, and immediately adjourned till January 22. Meanwhile, the Ministry changed. The Katsura Cabinet, first organized as a makeshift, was the longest-lived and most eventful since the Constitution took effect. In war, it won the people's trust and praise. It became a victim of unpopular terms of peace. Deaf to rising clamors for an extra session of the Diet to let the nation share in plans for peace and fiscal readjustments, it meanwhile placed large foreign loans in July and November. After the "Portsmouth surrender," unwise police methods turned protests into riots. A late promise to convene the Diet on

the return of the peace commissioner from Portsmouth endangered treaty ratification, and so, unkept, became a *faux pas*. After that, prolonged discussion and small concessions at Pekin brought more surprise and disappointment. Strong restraints on press and agitators kept firm the Ministry's grasp on Government, but acted as a ceaseless irritant. In time, the nation saw that Russia's vitals were safely wrapped in thousand-leagues, that "awakened China" is, like other States, a suspicious ingrate with new confidence of strength, and that some such terms at Portsmouth and Pekin were after all inevitable. Meanwhile cleavage between Ministry and nation became a chasm. Unusually late assembly and the long New Year vacation of the Diet allowed the Ministry unhindered to bring negotiations for ending war to a close. Then, even before Baron Komura was back from Pekin, it adroitly passed the reins of Government over to the Saionji Ministry, and so smoothed the way for post-bellum readjustments.

The change of Ministry before the Diet could strike a blow deftly dissipated a pent-up storm. Many things favored the smooth and rapid working of the Diet, and gave an amazing sum of legislative grist. The new premier, Marquis Saionji, enjoys the twofold prestige of liberal views and aristocratic associations. Successor of Marquis Ito as head of the Seiyukai (Friends of the Constitution), he was sure of devoted support by the strongest political party—for in Japanese politics personal attachments have greatest weight. By a catholic choice of colleagues, he avoided the resentment of those who oppose party government, and also conciliated a variety of influential interests. While others had sharply criticised the recent policy of the Katsura Cabinet, he kept an "open mind," and rather upheld the unpopular measures as unavoidable. Aid and sympathy, won by his tactful leadership, made expeditious and fruitful what was expected to be a stormy and intractable Diet.

In presenting and explaining the budget, both Premier and Finance Minister disarmed opposition by the frank avowal that the new Ministry had perforce adopted the budget of its predecessor, and so could be responsible only for its execution; that for want of time it had been unable to shape post-bellum plans for industrial and commercial expansion. In its main features, the budgetary scheme includes the budget proper, which is divided into ordinary and extraordinary parts; two supplementary budgets to cover deficits; a special supplement to complete the war budget, which is treated as a unit; a bill to continue the special war taxes; and a bill to create a sinking fund for extinguishing the war debts—the last two features being embodied in separate laws. With only slight changes, this scheme was made law. In the normal budget and in each supplementary budget, some part of the expenditures had been paid and some part of the loans placed by authority of Imperial decree. Furthermore, the war policy of economy by postponing public works of less urgent nature was continued, and the sums so saved were used to balance budgetary accounts. But, as much analysis and detail would be confusing, a summary statement of the

main results will best show post-bellum fiscal measures and conditions.

The first supplementary budget covers, out of Treasury surplus, a war contingent fund deficit of 7.2 million yen for the last fiscal year. The second supplementary budget pays another deficit of 46.7 million yen, viz., 43.35 millions debt redemption paid from the last foreign loan, and 3.36 millions military pensions and sundry expenses paid from Treasury surplus. The war supplementary budget borrows 450.45 million yen to pay costs of repatriating troops, military and naval rewards, enterprises in Manchuria and Korea, and deficits caused by rising prices. Of this sum, 88 millions had been borrowed, leaving only 362.45 millions to be placed. Furthermore, in connection with the purposes of the first supplementary and the war supplementary budgets, payments of 28.8 and 60 millions respectively had already been made by authority of Imperial decree, and so do not figure in the budgets. All the supplementary budgets were voted as proposed.

In the normal budget, the main change made in the Government proposals was a reduction of five millions in expenditures for army and navy restorations, and a corresponding reduction in the amount of loans required to balance the budget. As adopted by the Diet, the normal budget for 1906-07 balances thus:

	Revenue.	Expenditure.
	Yen.	Yen.
Ordinary	391,186,958	354,925,475
Extraordinary	96,711,614	132,973,097
Total	487,898,572	487,898,572

The ordinary revenues are drawn from taxes, stamp and custom duties—together 278.3 millions; from Government enterprises and property 104.4 millions (tobacco monopoly 30.3 millions, salt monopoly 26.3 millions, railways 10.1 millions, posts and telegraphs 30.2 millions, forests 5 millions, convict labor 1 million), from interest and income from special funds 6 millions, from miscellaneous 2.5 millions. Extraordinary revenues include mainly 14.2 millions yielded by the sale of state properties, 2.2 millions taken from the forestry fund, 2.9 millions miscellaneous, and a balance of 75.8 millions raised by loans.

On the side of expenditure, the most striking fact is its increase. Put beside the average expenditures for the last three years before the war (1902-1904), the facts are (million yen):

	Yearly average.	Budget,	
	1902-04.	1906-07.	Increase.
Ordinary	167.1	354.9	187.8
Extraordinary	101.5	133.	31.5
Total	268.6	487.9	219.3

To the increase of ordinary expenditure the war added directly 172.5 million yen, viz., sinking fund for war-debt interest and redemption 110 millions, pensions and annuities 32 millions, expansion of the army 10 millions, for the navy 4.9 millions, posts and telegraphs in Korea and Manchuria and Saghalien 1.7 millions, costs of salt monopoly and tax collection 14.5 millions. These expenses must continue thirty years or more. Of the extraordinary expenditure, the war gave rise to 79.5 millions, which go through a contingent fund to army and navy restorations (45 millions), establishment and maintenance of garrisons in Manchuria and Korea (20 millions), and

sundry purposes. About 40 millions of this sum represent instalments on expenditures which must continue for at least six years. Other extraordinary expenditures are likewise of a recurring nature. Hence the normal budget of the next six years, if constructed on the basis of the present budget, would require at least 93 million yen yearly extraordinary expenditure, thus making a prospective yearly total expenditure of 447.9 million yen, *i. e.*, an excess over the average for the years 1902-1904 of 179.3 millions. With no change of revenues, that would mean after this year a yawning deficit of some 50 millions.

But in fact the present budget was constructed mainly on the basis of retrenchment adopted during the war. For new subsidies and enterprises and for resuming works suspended in the war, it appropriates only about 10 million yen. Besides, the schemes for post-bellum industrial and commercial expansion—long and much talked about—are promised by the Ministry for the next session of the Diet, and they must entail enlarged expenditures. Finally, the capital of the permanent funds which was used for the war should by law be restored. The Finance Minister informed the Diet that the Government could not now see its way to replenish those funds. Presumably, it will soon try to do so. In the face of all these facts, increase seems more likely than any reduction of expenditures in the next few years. Meanwhile, the 16 millions this year obtained from the sale of war prizes will in the future fall away from the present amount of extraordinary income. Also, a loan of 75.8 million yen was needed to balance the present normal budget.

In brief, the financial situation presented to the Diet in the budgetary scheme was this. The war adds to the bonded debt over 1,800 million yen, with yearly interest charges (after proposed conversions are made) of 82¼ millions. To pay this interest and cancel the principal, the Government proposed to set aside a yearly sum of 110 millions as a sinking fund. War pensions and annuities, military expansion and other new needs require an additional yearly recurring sum of 62.5 millions. As a resource to meet this 172.5 millions of yearly recurring expenditure, it was proposed to perpetuate the new and increased war taxes, with an expanded yield of about 160 millions, and to draw the remaining 12.5 millions from the Treasury surplus. Again, in the extraordinary part of the normal budget, the war causes an expenditure of 79.5 million yen for army and navy restorations, for creation and maintenance of garrisons abroad and sundry purposes. For this year, that expense is covered by sums obtained from the sale of war prizes and by loans. But about 40 millions of this sum must recur yearly for six years, and no source of revenue now exists to cover it after this year. The net result therefore is, that the normal budget this year could be balanced only by borrowing 75.8 million yen, and that at least 40 millions of the sum so covered must recur yearly for six years. But, from the normal budget so balanced, the continued policy of retrenchment has eliminated the less urgent expenditures by postponing the execution of works for which they were planned. Furthermore, it is commonly understood that schemes for post-bellum expansion, involving new

and additional expenditures, must be adopted by the next year's Diet.

The whole scheme thus outlined is now law, but it was a big and bitter pill. In three points especially it was assailed by Diet and press, *viz.*, the creation of a sinking fund, the continuation of the war taxes, and the resort to loans for balancing the normal budget. The sinking fund of 110 millions is solely to pay interest, and in about thirty years to cancel the principal of the war debt. Many thought it unwise thus to pledge a yearly sum equal to 65 per cent. of the whole ordinary revenue just before the war. It would hamper fiscal administration, put on the people unduly heavy burdens, surrender control of resources which might at times be more advantageously used, restrict the power by limiting the means for post-bellum expansion. Such an engagement now was hasty, because fiscal readjustments are not yet clear and settled. Worst of all was the means to maintain the sinking fund, *viz.*, to continue the hastily devised and temporary war taxes *en bloc*, and still to balance the normal budget with new loans—a course that would injure the nation's credit more than the sinking fund would raise it. Finally, the Opposition was irritated by the report that the Government had, without authority of the Diet, through its financial agent in England, stated its intention thus to deal with the war debt. Against perpetuation of the war taxes, it was urged that they were hastily devised and contained some specially bad features; that the nation accepted them with slight consideration or discussion, from patriotic motives and because of the clear provision that they should end within a stated time after the end of war; that to continue them without revision was to break faith with the people after their loyal support of the war, and deliberately to fix on a heavily taxed people a radically bad scheme of taxes. Finally, the critics argued that the Ministry props up its bad financial scheme by balancing the normal budget with loans which seemingly must be recurrent. Hence, in their opinion, the sinking fund to maintain the nation's credit rests partly on a bad tax system and partly on recurrent loans. In short, the Government proposes to pay its debts and provide means for expansion by making more debts. This leads Count Okuma and others to deprecate "the present Government's loan policy."

In reply to anxious questions in committee—for there and in party councils the struggle was decided—the Government said that the sinking fund was absolutely necessary to maintain national credit, especially with foreigners; that it would be efficacious in doing so; that such maintenance of credit was needful both to bear the war burdens and to get means for future expansion; that continuation of the war taxes was an indispensable support for the sinking fund and other new expenditures; that the Government would seek new sources of revenue to substitute for loans in the future normal budget; that, while the Government regretted the necessity of both measures, there was no other way out of the present situation; that therefore the creation of a sinking fund and the continuation of the war taxes were the main basis of the present budget and of future financial policy. The Government pressed these measures with all its power, and it was rumored

that their failure would cause the Finance Minister to resign. Strong elements of opposition in all the political parties brought, as usual, a compromise. The Lower House agreed to pass the measures. The Ministry agreed to appoint a comprehensively representative tax commission which should make exhaustive investigation and report within two years a scheme for tax revision, the Ministry to ask this Diet for an appropriation to pay the costs. The appropriation to pay the costs of a tax commission was, however, rejected by the Upper House. Meanwhile the budgetary scheme became law. This is in itself a feat, for Japan's budget is usually born in travail—sometimes with the aid of the Emperor's prestige; and sometimes it is still-born, being, by constitutional provision for failure of the Diet to act, merely a continuation of the last year's budget.

A few other facts will complete the survey of Japan's financial condition as shaped by the new budget. After deducting from the loans authorized in normal and all supplementary budgets those which had already been raised, there remained a total of about 425 million yen to be borrowed. The Finance Minister hinted that the indemnity receivable from Russia for prisoners' maintenance might be used to reduce this sum. But, assuming that the whole 425 millions are floated at 5 per cent. at home, then Japan's national debt will by present plans take this approximate form:

DEBT GROWING OUT OF THE WAR WITH RUSSIA.

	Amount (million yen).	Yearly Interest (million yen).
Foreign bonds @4½%	600.	27.
Foreign bonds @4%	500.	20.
Home bonds @5%	705.	35.25
Total war debt	1,805.	82.25

DEBT NOT CONNECTED WITH THE RECENT WAR.

Foreign bonds @4%	100.	4.
Home bonds @5%	about 475.	23.75
Total of other debt	575.	27.75
Grand total national debt	2,380.	190.00

Of the above debt not connected with the war, two blocks of "Home bonds" aggregating 93 millions were in the past sold in London. Of the war debt, "Home" 6 per cents, which are being converted into 5 per cents, were sold abroad to the amount of about 130 million yen. The new sinking fund to deal with the new war debt and other existing provisions to pay the debt not connected with the recent war will, if the plans are carried out, extinguish the whole national debt within the next thirty-five years.

To sum up, Japan's first post-bellum inventory shows, as liabilities, her debt quadrupled by a net addition of 1,800 million yen, her yearly expenditures almost doubled, most revenue organs hard-worked, her financiers still seeking some needful revenue resources. As assets, she finds still growing trade and industries, a larger field with much natural wealth, release from some overhanging dangers, an alert Government and people, a new national consciousness, credit and prestige. For her, the fruits of war weigh heavily in both scales.

E. H. VICKERS.

Notes.

We learn, pleasurably for the author's sake, that Mr. James Ford Rhodes's great task, a history of the United States from 1850, is now closed with two final volumes which will appear in November (Macmillan). As it stands and may stand, it covers a little more than a quarter of a century, for Mr. Rhodes has receded from his original intention to make 1885 his goal, and ends instead with 1877—that is to say, with the culmination of the reform movement which thwarted Grant's third-term adventure, which signally revived in 1884 and again in 1892, and has since been nearly dormant except sporadically.

A new translation of the Arabic fables known as the 'Kalilah wa Dimnah' is at present in course of preparation by Prof. Morris Jastrow, jr., of the University of Pennsylvania, together with two of his students, the Rev. William J. Hinke and Mr. Ellwood Austin Welden. Though the work is rapidly progressing, the book can scarcely be finished before a year or so. The authors expect to make a comparison of the text of the Beirut edition, on which their translation is based, with the other Arabic versions, and later to compare the Arabic with the Sanskrit, Syriac, and Hebrew's recensions. The book, when completed, will make two volumes, the first being devoted exclusively to the translation, and the second containing a general introduction, together with notes and illustrative material bearing on the text.

The University of Chicago Press is on the point of publishing 'The Legislative History of Naturalization in the United States,' by Frank George Franklin.

'The Mother of Clubs: Caroline M. Seymour Severance: An Estimate and an Appreciation,' edited by Ellen Giles Ruddy, will issue from the Baumgardt Publishing Company, Los Angeles, Cal.

The "World's Classics" of the Oxford University Press are to be augmented by a thin-paper pocket edition of Shakspeare in seven volumes or thereabouts, the text edited by Mr. Watts-Dunton, who supplies also a preface and a bibliography to each play, while Mr. Swinburne will give an introductory discourse on Shakspeare and his art. A part of the set will appear in the autumn.

The seeker after out-of-the-way knowledge will find much satisfaction in the 'Allegations for Marriage Licenses Issued by the Commissary Court of Surrey between 1673 and 1770,' transcribed from the original documents. Of the said allegations, those dating from the year 1674 to the year 1692 are bound up in a volume preserved in the Faculty Office; for all the later ones it has been necessary to examine the original records, many of them in a very dirty and dilapidated state. It is reckoned that there must be at least 9,800 of them in the MS. and not less than 20,000 names. The contracting parties appear to have belonged to every rank in social life, almost every town and village in Surrey being represented. A large number of the names known in past times in the Surrey parishes will be found in the collection. The book will be put out by Messrs. Goose & Son, No. 19 Rampart Horse Street, Norwich, in an edition limited to 100 copies.

Forewarned, forearmed. The first-fruits

of the lesson taught by the destructive fire in the Library of the University of Turin is a facsimile reproduction of a surviving codex, 'Il Messale Miniato del Card. Nicolò Roselli (detto il Cardinale d'Aragona).' The prospectus of this enterprise, which is under the direction of the Royal Academy of Sciences of Turin, proceeds from the firm of Fratelli Bocca in that city (New York; Lemcke & Buechner). The reproduction promises to be in all respects generous, as befits a codex of such importance in the history of miniature illumination.

A second edition of Thomas Gold Frost's 'Incorporation and Organization of Corporations' (Boston: Little, Brown & Co.) brings the book—a very good one for its purpose—down to January 1, 1906 (it was in 1905 that the first edition appeared). What has made a new edition necessary has been "the material changes made in the Business Corporation Acts" by State legislatures in a single winter. The author has revised his forms and added five hundred cases. His Digest of Incorporation Acts covers one-third of the book; it begins to look, therefore, as if an annual reissue would be called for. One of the White Man's most serious burdens is his State legislatures. It is, of course, monstrous that incorporation acts should be continually overhauled and changed as they are—frequently in the interest of jobbery. A rational and well-drawn act ought to last for a generation at least.

'Fiscal Reform: Speeches delivered by the Right Hon. Arthur James Balfour, M.P., from June, 1880, to December, 1905' (Longmans), betrays further on in the title the politico-controversial quality which pertains to this volume of nearly 300 pages. It embodies, to wit, also "a reprint of the pamphlet 'Economic Notes on Insular Free Trade,' and letters from and to the Right Hon. J. Chamberlain, M.P. (September, 1903)." The author offers it as a time-saving work of reference, and while it would suggest and bear a great deal of comment, we think none is necessary. Its place is in the hands of party men in England and in libraries generally.

Similar remarks are in order respecting 'Lord Curzon in India: Being a Selection from his Speeches as Viceroy and Governor-General of India, 1898-1905' (Macmillan), which has, what is lacking in Mr. Balfour's collection, explanatory notes, an index, and a portrait. This volume is much larger, too—of double the size, in fact, and is more manifestly a displaced statesman's apologia. Lord Curzon's political future, granted health, is likely to outshine Mr. Balfour's. His selected speeches are for those who have to reckon with him in domestic politics, and again for all libraries.

Mrs. Elizabeth (Robinson) Montagu (1720-1800) was a great lady in London, where she had a salon, knew everybody, and was called "Queen of the Bluestockings." In 1742 she married Edward Montagu, who died in 1775; he and the husband of the more famous Lady Mary Wortley Montagu were cousins. Elizabeth has a small place in literary history as author of an Essay on Shakspeare (1769), answering Voltaire, and of three "Dialogues of the Dead" in Lord Lyttelton's book, but chiefly by four volumes of her Letters, published in 1810 and 1813 by her nephew, Lord Rokeby. Her great-great niece, Mrs. Emily J. Climençon,

has now edited, with great diligence, her correspondence to 1761, and so much more than edited it that the two handsome and liberally illustrated volumes (E. P. Dutton & Co.) might be styled a memoir. According to this filial biographer, her subject was a wholly admirable person, "purest of the pure," beloved by her dependents, and "adored by men of all opinions." "She was one of the first people to institute Sunday schools. She was as interested in Betty's rheumatism as she was in the conversation of a duke or a duchess; a discussion with bishops and Gilbert West on religion, or with Emerson on mathematics, or Elizabeth Carter on Epictetus, all came alike to her gifted nature." Yet this publication will hardly add to her laurels, for, though it contains letters from Burke, Johnson, Sterne, Young, and other eminences, it offers little beyond everyday gossip. Thus, the numerous references to Conyers Middleton, his books and his wives, include nothing more vital than his deathbed comment on the uselessness of medicines, and Mrs. Montagu's complaint (1751) of "an insolence in the booksellers, . . . a set of wretches that live by other people's wits," in proposing to print by subscription his works, for which they had paid his widow £300. More elaborate is this sarcasm (1740) on her connection, Lady Mary: "She is a woman of great family merit; she has banished her children, abandoned her husband." Mrs. Climençon has all her great-great aunt's letters (between 7,000 and 10,000), enough to fill "a large bookcase"—if printed entire. As she intends to handle the rest of them, (probably the great majority) from 1761 to 1800, we may hope it will be done with stern compression.

The latest issue of "Newnes' Art Library" (Frederick Warne & Co.), devoted to Fra Angelico, is true to type. There are the usual large number of fairly good reproductions of works by the artist and the usual unimportant text, and there is no perceptible improvement in arrangement. It will be neither more nor less useful than its predecessors.

'The Drawings of David Cox,' as published in the Newnes-Scribner "Modern Master Draughtsmen," will hardly add to the reputation of an artist already much overrated, at least in England. As a man, Cox was deserving of affection and admiration, but his art is only a *bon ordinaire*.

Cox is one of "The English Water Color Painters" treated of by A. J. Finberg in his little book on that subject in the Duckworth-Dutton "Popular Library of Art," and Mr. Finberg treats him sanely, but the author's remarks about Turner are more novel. Briefly, he maintains that much of Turner's later work was dominated by the desire for immediate effectiveness; that it made him vastly popular and successful at the expense of some of the finer qualities of his art; and that it is as far as possible from being the natural expression of his personality indulged in in spite of public misunderstanding. "He wishes either to conciliate, or to astonish, or to flout his audience," and produced little work of pure inspiration; most of it being tinged with wilfulness and theatricality. The illustrations tend to reinforce the judgment of the reviewer that, taken all in all, John Sell Cotman was the finest artist among English landscape painters.