

MR. ASQUITH'S BUDGET.

When in the troublous times of the Napoleonic war Mr. Pitt decided that it was necessary to have recourse to a new source of revenue and imposed the income tax, he never intended it as anything but a temporary expedient for raising money, and indeed after Napoleon's final downfall, and the consequent end of the war, the tax was allowed to lapse. But it was more than probable even then that so convenient a method of raising money, and one too which more or less agrees with the well-known canons of taxation, viz. equality, certainty, convenience and economy of collection would be revived by some Chancellor of the Exchequer in need of money. It was Sir Robert Peel who reimposed the income tax in 1842, and though Mr. Gladstone found it theoretically indefensible in times of peace, he never had the courage or found himself able to dispense with it, and while it is still renewed annually there seems little likelihood of its being altogether abolished, so integral a part of the fiscal system has it become. The tax is levied on incomes derived from five separate sources, viz. from landed property, from profits arising from the occupation of land, from interest on money in public funds, from profits arising from trade or professional employment, and those derived from State or municipal employment. There have always existed abatements of various amounts on incomes between £150 and £700, while no tax is levied on incomes falling below the former sum. It is contended by the opponents of the income tax that the wage-earning class, the large majority of whom are exempt, do not contribute, at least by direct taxation, to the expenses of the State; but to Mr. Asquith and his supporters this is, in the nature of things, a minor consideration. The working classes have the votes; and it must be admitted that in various continental nations a tax on wages has been found to be an intolerable hardship, and has perforce been remitted. Mr. Asquith's proposal in his budget as foreshadowed by him on Thursday evening will afford considerable relief to the well-to-do middle classes who have naturally grumbled not a little at having to pay in times of peace an income tax of 1% in the pound, and though perhaps they had hoped for a still greater reduction than 3d, they will probably be inclined to be grateful enough for small mercies. Successive Governments have promised at successive general elections to deal with the question of old age pensions, and it has often been made a reproach against Mr. Chamberlain that he, who was practically the first leading Statesman in England to champion the idea, dropped it or at least made no attempt to deal with it when in office. Mr. Asquith is bolder, and though he finds himself unable at present to do more than promise, such a promise when made in office, and that too, when there is every probability that the maker of the promise will still be at the Treasury next year, has much more likelihood of fulfilment than when made during the vote-catching expansiveness of mind prevailing at a General Election. One thing Mr. Asquith did not allude to at any length, and that was his extraordinary good fortune in the past 12 months in the matter of death duties. Never in a like period have so many vast fortunes changed hands, a very considerable sum thereby accruing to the State. In estimating that he will next year again have a surplus of three millions, is Mr. Asquith relying on the death of a few more millionaires? If he is, he seems to be counting his chickens some time before they are hatched, and the rude health of the millionaire class may easily postpone the fruition of his old age pensions scheme to the Greek Kalends.

An English Lady wishes to exchange English conversation for German. Address: **Hettner Strasse 1, II.**

COWPER'S CENTENARY.

On the 25th of this month the little town of Olney will carry its head high for the celebration of the centenary of two of its great names—Cowper, and Newton, the hymn writer. The story of Cowper's association with Olney needs no telling, but Newton's name is less familiar, though some of his hymns are known throughout the world. After a midshipman's experience on a warship, he took service in a slaving ship, and finally settled down to Holy Orders, dying in 1807 as vicar of St. Mary Woolnoth's. Eighty-six years later his remains were transferred to his native town of Olney. The erroneous notion that Newton's influence over Cowper was deleterious has long ago been exploded. The friendship of Cowper and Newton is one of the four or five most beautiful friendships in the history of the world. It remained sweet to the end—the very last preserved letter of Cowper's being one to Newton. The beauty of Newton's character is well attested by the unpublished letters in the museum at Olney. It is perhaps worth while to add that the Cowper Society, founded in 1900, meets every 25th April at some town associated with Cowper, if only to show how much room for hero-worship there is, after all, in the English nature.

CURRENT TOPICS IN AMERICA.

(By letter dated April 6th, from our New York correspondent.)

THE WAR IN CENTRAL AMERICA.

One of the most important tasks which President Roosevelt and Mr. Secretary Root have set themselves is the establishment of closer relations, political as well as commercial, between the United States and the American sister-Republics. Mr. Root's journey to South America has already borne good fruits in this direction. He has done much to set aside at least a portion of the mistrust of the United States prevailing in many Republics and the suspicions that the former only aim at playing the rôle of usurper and carrying on the so-called "big stick" policy. Hitherto the United States have been counted as the only Republic which guarded the Munroe doctrine as the apple of their eye. Since Mr. Root's tour we have, as a matter of fact, seen a more intimate cooperation, above all between Mexico and the United States, both of which countries have recently been work-

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ing hand in hand with the object of introducing a condition of order in Central America. The eternal unrest in Central America, the readiness with which certain Republics disregard their financial obligations to European and other creditors, and the readiness with which they declare war against each other, are not exactly conducive to the introduction of a close understanding between all the Republics. The present war between Honduras and Nicaragua, the original cause of which is said to have been a dispute as to the possession of a mule, was, even if we regard certain other motives, begun in a spirit of bravado and with a desire to pass the time. It has once again been followed by harm to great economic interests, in particular the interests of the United States and various European Powers, and like all wars of this kind, if indeed considering the small number of soldiers in the "armies" the term "war" can be applied to it, it always contains in itself the danger of a conflict with foreign countries, owing to the recklessness with which the interests of foreigners

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settled there are disregarded. The present war will, however, help to bring it about that the attempt to call into being a coalition of the Republics, which will exercise sufficient pressure on the smaller Republics and induce them to always fulfil their obligations to foreign countries and to settle their differences without their having recourse to the sword, will be taken up again with all decision. On the occasion of last year's disturbances in Central America an arbitration treaty was signed on board the U. S. cruiser "Marblehead" between Guatemala, Costa Rica and San Salvador. Nicaragua declined to sign it. But, as a matter of fact, none of the Republics which signed it feel themselves particularly bound by it. A new treaty, the observance of which the larger Republics could insist on with greater firmness, would do much good, both with regard to the maintenance of internal order and to the relations of the small Republics to foreign creditors. The U. S. would welcome the existence of such a coalition with the greatest satisfaction. They would no longer have to play alone the burdensome and ungrateful part of public police, and to worry about the obtaining of the money which the Republics owe to foreign countries, but decline to pay.

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A BLOW TO MUNICIPAL OWNERSHIP.

The adherents of the municipal ownership idea in the United States have suffered a severe defeat. The idea that American towns, like many European

towns, should own the tramways, gasworks, and other public institutions and carry them on at their own risk, has, during the last few years, played a very important rôle in municipal elections. One of its most zealous champions was William Hearst, described by his opponents as a demagogue and dangerous anarchist, the publisher of a number of yellow journals. His defeat at the polling booths—he himself, it is true, still maintains today that he received more votes than his antagonist the re-elected Mayor McClean, but that through the machinations of his political opponents votes cast for him were not counted—prevented the municipal ownership idea being placed on a wider basis in New York and its practical value under American conditions being tested.

It has, however, during the last two years been subjected to such a test in the strongly Democratic city Chicago. There a zealous adherent of the municipalisation idea, a Mr. Dunne, was elected Mayor. So grievous was the condition of the tramway service that the citizens determined to make trial of municipal ownership. They declared themselves for immediate municipalisation of the tramways, but when it came to carrying out the scheme it became apparent that between theory and practice there was a vast difference which under American conditions could not for a time be set aside. Ever new difficulties faced municipalisation. The tramway Directors then themselves made a proposal to the city for the improvement of the trams. They contented themselves with a licence which could be revoked at any time, and conceded other far-reaching privileges to the city. None the less Mr. Dunne did not allow that he was mistaken in his championship of municipal ownership, and it was at the recent election still "his issue". At the polling booths, however, the citizens adopted the proposal of the tramway Directors and elected the Republican candidate for the Mayoralty, a Mr. Fred Busse. The people of Chicago thus accepted a positive proposal for the regulation of the tramway question, instead of an idea which is indeed described by many as Utopian. The opponents of the municipal ownership idea claim as a valid objection that the municipal management of public institutions under the frequent change of municipal authorities occasioned by the American system of election and nomination would of necessity suffer in the first degree. It is further to be feared that the service, since the spur of competition would be lacking, would be even worse than it is at present, when private individuals have the management in their hands, and that, further, political abuses would be developed in the typical political American conditions.

The cry for municipal reform rises ever loudest in those towns in which the traffic and other arrangements are in the hands of a great Corporation which has no rivals and which pays only so much attention as it deems fit to the traffic requirements of the public. But even if such towns were seriously to consider the introduction of municipal ownership, they would be prevented for years from taking over the trams, &c., by the so-called debt limit which prevents a public debt rising to more than a certain height. Municipal ownership would probably have found no adherents here had not the tyrannous rule of the great corporations allowed the idea to crop up that it might be a means of obtaining freedom from the great traffic corporations. The arguments which are valid against municipal ownership refer also to Government ownership, the idea of acquisition by the State. The opponents of both are far more prone to see the solution of the great traffic and other problems in the idea that municipal and State authorities and even the Federal Government should reserve to themselves the greatest imaginable control when issuing licences. In the matter of municipal control Chicago has certainly made a remarkable commencement.

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THE JAMESTOWN EXHIBITION.

The programme for the opening day of the Jamestown Exhibition has just been published. The festivities begin at sunrise on the 26th of April with a salute of 300 guns. The President will arrive at the Exhibition on board the "Mayflower". All the warships of American and foreign nations in Hampton Roads will greet him with their customary salutes. Arrived at the Exhibition the President will be conducted to the saluting point on Lee's Parade, where he will deliver an inaugural address. At its conclusion he will press a golden button and thereby all the machinery in the Exhibition will be set in motion and thousands of flags unfolded; the warships of all nations will give the National salute. In the evening the President will hold a reception. The great Naval Review will take place on the 13th or 15th of May.