

ted itself by the message which it has addressed to such a nation as England, which could but answer charges uttered by America. The latter nation remembers the plain facts of the war, and cannot be humbugged into the belief that the bulk of the English people approved of the subjugation of the South. Such an assertion makes the Americans believe that England, by telling lies, wishes to escape a thrashing. The Tory party was never guilty of meanness in denying the sympathies entertained in order to escape the displeasure of the successful party. The educated classes who sympathize with the South are in a proportionate ratio to the masses, who are only followers.

The Paris election for the *Corps Legislatif* resulted as follows: The Government candidates elected are one hundred and ninety-three; the Opposition candidates elected are ninety. The number of the Opposition party in the last *Corps Legislatif* was forty-five. Among the members elected are Jules Simon, Eugene Pelleteau; Thiers is probably defeated.

London.—The Epsom races have commenced. The "Woodcote" stakes, for two-year olds, were won by Merry's Filly "Sunshine," beating the field. The "nineteen rouse" stakes were won by Watt's Filly "Misalis," beating eight others.

Paris, midnight.—All the returns which have been received to this hour show 196 official and 26 opposition members elected; the elections in the Fourth District are still undecided.

Florence.—The Austrian Consul at Leghorn, while walking with Col. Greenville was killed by an assassin; Col. Greenville was wounded. Col. Greenville said he was the intended victim.

New York, 26.—The *Herald's* Paris special says the Orleanist, legitimist and moderate Republican candidates have been beaten every where; the radicals are victorious in Paris and Lyons. Thiers and Jules Favre are defeated. The new *Corps Legislatif* will be composed almost wholly of Government and Radical members. It will meet June fifteenth. The country is tranquil. Judge Allen, formerly of Arizona, died at Paris on Monday.

New York.—It is reported by well informed persons that the Spanish government will soon issue a decree requesting all citizens of the realm or colonies, residing in foreign countries, who own property in Cuba to register their names, at a stated period, with the nearest consul and take the oath of allegiance to the mother country; otherwise all such property will be liable to seizure.

Havana.—Hayti advices report that Salnave recently declared a suspension of hostilities for three days, and offered an amnesty to all rebels who surrendered; many availed themselves of this offer.

New York, 25.—The *Herald's* cable special says the *Times*, to-day, says in view of the approaching arrival of Motley, it is conceded that he will make no fresh overtures on the Alabama claims, as no new proposals have been offered to England. A dead lock on the question would excite no apprehension but for the fact that the Americans display no disposition to divide material from sentimental grievances. It says that whatever may have happened, owing to the neutrality proclamation of the Queen, was purely accidental, and asserts, resolutely, that in order to maintain the claims arising from the Alabama depredations, as identical with all wrongful captures, it cannot permit to be erased from the category the fact that such demands were made on the ground that an unfriendly spirit permitted the escape of the depredator. The demand for atonement for unfriendliness of another character can be resisted on the ground that whatever direction British sympathies took, the government cannot be held accountable, and on such a point a tribunal will certainly separate one from the other. Let no misdirection of sympathy, but settled reflection and cool communings of conscience settle the question, and on both sides let the alleged injuries be measured and appraised by the proper tribunals. The *Times* says that that course may open a way for the settlement of the difficulties and we shall be rejoiced to find that the Americans have discovered it.

Cork.—Parties have been discovered here engaged in secretly drilling with arms at night; three men have been arrested.

New York.—Panama papers of the 17th report that virulent small pox was aboard the British war steamer *Champion*, in that bay.

Paris, evening.—The excitement over the elections is very great; the Boule-

wards are crowded with people, anxious to hear the results. Further returns announce the election of eight official candidates, three independent, two Democrats, and two Liberals, in addition to those reported this morning. Raspail, Favre and Doreau are elected.

London.—The *Times'* editorial on the French elections, says the chief cities repudiate the idea of an empire, and the revival of political activity will result, which will condemn personal government; the restoration of a parliamentary government may conciliate existing feeling, and by such means only can the Emperor expect to mitigate an opposition, which has not yet become anti-dynastic.

EDITORIAL SUMMARY.

They have an Industrial School near San Francisco to which vagrant boys are sent. It is established and conducted on the principle that it is cheaper to prevent crime than to punish it after its commission; it is better to train a child by reformation than to put him in a dark dungeon in punishment for an offense against the laws of society.

The practice has prevailed that such little waifs as were found floating around large cities, without any parents or guardians to govern, protect or guide them, should, or any wrongs they might commit, be thrust into dungeons and cells, there to associate with and be contaminated by the examples and teachings of vile and degraded criminals. Reformatory schools have been established in many places of late years, and the effects upon the children sent to them have been, in most instances, very satisfactory.

The tenth anniversary of the Industrial School of San Francisco was celebrated a few days since, and the guests on the occasion were much gratified at all they saw and heard. The exercises of the boys were interesting, and gave evidence of the care which had been taken with them. The guests were reminded that the school was not a place of punishment or a prison; but a school of virtue and a home where they received instruction in both books and useful employments, to enable them, in after life, to live as creditable members of the community. The effort was to send them out with good characters. One of the speakers in stating his wishes respecting them, said that "he did not want them to think of becoming legislators, and cautioned them to beware of aspiring to the Presidential chair or to seats in the National Congress. From his knowledge of legislators on that coast, he would much prefer that they should aspire to be honest, laboring men." Very good advice, which, it is to be hoped, the boys will follow.

The establishment of such schools, in communities situated as those which live in San Francisco and other large cities are, cannot fail, if properly conducted, to produce good results. Man's inclination to do evil, is, in most instances, the result of habits which grow out of defective and improper education and training. When men are rightly trained, they will be unable to perceive a single advantage which they can gain by doing wrong. If society were properly organized, there would be nothing that men could legitimately desire which they could not obtain by doing right, and, of course, under such circumstances, there would be no temptation to do wrong. But mankind are far from this condition at present; and until they arrive there, the organization of industrial and reformatory schools is an excellent movement and worthy of encouragement and support. The money spent in that direction is saved by lessening the cost of police, courts of justice and prisons.

PROFESSOR C.N. Berkley has been publishing a record of the growth of co-operation in England, which gives many interesting details. The San Francisco *Herald* has a leading article on the subject from which we gather much information. The Professor asserts that the first co-operative efforts made in England originated with those who had become impressed with a belief in the efficacy of the social views propounded by Robert Owen, the Socialist. Owen's scheme included the founding of villages, "whose production, distribution and education were to be carried on in proportion to the wants of the community." But his disciples were compelled to abandon his plan. However beautiful it might be in theory, and many were fascinated by it, they found it impracticable in fact.

There has never been any dearth of beautiful and soul-inspiring theories in the world. Men of far reaching minds, seeing man's capabilities, have had glorious visions of a condition of society which they found utterly beyond their reach to realize with the means at their disposal. Finding Owen's schemes beyond their means to accomplish, his disciples determined upon the project of establishing co-operative stores, in which the working men should be the subscribers of the capital and the customers and the recipients of the profits which might accrue. Many stores were started upon this principle in various parts of England; but most of them were soon closed. But it was not co-operation that

was to blame for this result. In nearly every instance the failure was traceable to the mismanagement, in efficiency or dishonesty on the part of the agents. A few of these stores went on profitably many years, and three of them are said to be yet in existence. Yet these latter have found it to their advantage to recently alter their method of doing business, and adopt that established by the younger and more vigorous stores now in operation almost every where in England.

In 1844 twenty-eight men began the present gigantic co-operative movement in Rochdale on a capital of twenty-eight pounds. The association is now said to number 7,000 persons, chiefly heads of families, and the business has risen to about \$4,000,000 per annum, "employing all the methodized labor and management that belong to a great retail business, including every variety of article needed for daily consumption." The success of co-operation at Rochdale is a fair illustration of its beneficial effects elsewhere. Twenty-four years have altered remarkably the moral aspect of society in those districts. Then the great mass of the working population was in the hands of the small retail dealer. The "stuff shop," as it was called, supplied food, of an inferior kind, on credit. The publican gave credit, and the pack-peddler traveled from house to house, and also sold on credit his poor, but high-priced goods; and "men and women were induced to make those imprudent purchases by them so often indulged in when payment is deferred." Adulterations were practiced; light weights and short measures were also wrongs which were in existence.

In this condition of things the principle of co-operation was introduced. It had difficulties to contend with. It was in England as it has been (and probably still is in some instances) in Utah—the system was ridiculed; it was predicted that it would fail; but before two years passed away its success was pronounced. Now co-operative stores, mills, and factories are in a flourishing condition in over six hundred communities in England. A wholesale, or Central Co-operative agency, has been established in London, which has so far outgrown anticipation that a new warehouse is being erected this year, which will cost sixty thousand dollars. A condensed illustration of the operation and benefits of the system is given in the following paragraph:

Presuming that a store consists of 100 members, each of which has subscribed £1 to the share capital, for the purpose of carrying on the business, and each of whom spends 10s. a week at the store, the capital will be £100, and the amount of business £50 per week, or £2,600 a year. It is fair to presume, also, that as the custom at a co-operative store seldom fluctuates, and as all wholesale purchases are made with a perfect knowledge of the extent of the retail demand, there is little depreciation of stock, and little or no waste in cost of attendance. Under these circumstances, though the very best quality of goods be sold at a moderate price, no adulteration is likely to be resorted to, of even the most harmless kind, and the truest measure and weight given; fifteen per cent. may be almost counted on as an average profit, after paying cost of distribution. As a rule, in the stores the whole of this would not be divided. First, 5 per cent. would be carried to the credit of capital as interest. This would leave £385, £390 being the full amount. After this, 2½ per cent. of profits, or about £10, would be deducted against depreciation of stock, whilst the rest would be divided amongst the shareholders in proportion to amount of money laid out at the store. Dividends on consumption, or bonuses, as they are called, vary very much—from 6d. to 2s. 6d. in the pound. In the case which we here suppose, we take the subscription of each to be equal, and the spending of each shareholder also equal; the benefit of each would therefore be 1s. for interest on the 20s. invested as capital, and 2s. 6d. in the pound paid upon the £26 spent by each in custom. Thus the investment and custom at the end of the year would bring to each 26 half crowns, or £3 5s., making altogether £3 6s. as interest on money and dividend on consumption.

THE Anniversary meeting of the American Equal Rights Association was held a few days since at New York. The audience was large and mostly composed of ladies, though a number of colored people were present. Speeches were made by prominent women's right men and women. The correspondent of the *Chicago Tribune*, herself a lady, who was present at the convention, notices that at those public meetings of women, men who are on the platform appear at a great disadvantage. They are merely the echoes of the women who speak. The correspondent also noticed the kind of women who responded most liberally to the demands made upon them for funds to carry on the cause, and the paper published in its interest—they were plain thinking women from Connecticut and New Hampshire, or Rhode Island, who were honestly convinced they were slaves. But the correspondent had been present at a reception a few days previous at the Women's Bureau, at which all the female celebrities who advocate woman's rights were present, and she states that there was not a single woman present who looked like a slave; if any were slaves, then their fetters were gorgeous; for the majority wore point lace and diamonds, or very brilliant substitutes for them.

THE *Chicago Tribune* has a leading article, in its last Saturday's issue, on "Watering Railroad Stocks." It states that there has been an almost regular increase in the nominal stock of the various railways of the country by a process known to the initiated as "watering;" that is, stock dividends issued without any actual capital to represent them. The *Tribune* gives lists, which it takes from the *Financial Chronicle* and the *N. Y. Evening Post*, that show the capital stock of twenty-eight railroad companies a little less than four years ago and now. By this list it is seen that of the present \$400,000,000 of nominal capital stock of these twenty-eight railroads, \$180,000,000, or nine twentieths, have been created in stock dividends, or, as it is called, "water stock." In this way the actual capital of these companies is diluted, or watered. For, supposing that in July, 1865, the stock then issued represented actual capital, the issuing of stock dividends to the extent of \$180,000,000 between that time and May, 1869, without an increase of capital, reduces the value of the actual capital—that is, \$220,000,000 of capital is represented by stock dividends to the amount of \$400,000,000!

In some cases several corporations, each representing a certain amount of nominal stock, have been consolidated; in others (which are very few however) companies have increased the length of their roads; but in no case where consolidation has occurred, has the increase of stock been confined to the amount of the consolidated capital, or where the road has been extended, does the extension bear any proportion to the issue of stock dividends.

The most substantial plea the *Tribune* finds urged for "watering stock" is "that railroad property should yield seven per cent. interest on the real value of its property, and that, when that property for any cause increases in value, the whole value should be represented in shares—the stockholders drawing their incomes from the whole sum of the value of the property."

But, the *Tribune* argues,

"This, if it has any real merit as a principle of action, necessarily includes the converse, that when the property of a railroad declines in value, the capital stock of the company should be reduced proportionately."

The comments of the *Tribune* upon these nefarious transactions we give in its own language.

"The adoption of this policy of watering the stock of railroads results in another, which is most oppressive to the producers of the country, and must ultimately prove fatal to the railroads themselves. To pay the dividends on these millions of watered stock the whole energies of the companies must be directed to swelling the present earnings. The \$180,000,000 of water stock issued since 1865 demands an annual dividend of \$12,600,000 from the net earnings of these roads. To meet this increased demand upon its profits, the road has to plunder the public by its rates wherever there is no competition, and to take freights at less than the cost of running at other points. Driven under the pressure for dividends on water stock, it has no money with which to renew its iron, its cars or its locomotives, but is wearing these all out and in point of fact reducing the value of its property. It can lay no new track; the most it can do is to patch its already over-taxed rails, replace its broken wheels, and send its locomotives to the shops weekly for repairs. There is not one of the trunk railways leading to the East which might not, by a reduction of its capital stock to the real amount of cash invested, pay its stockholders eight per cent. dividends in cash, and by investing the remainder of its earnings in laying an additional rail, double the actual value of the property, and thereby treble the net earnings of the company. At this moment a double track for freight from Chicago to New York, with the proper complement of cars and engines, would have the transportation of the great bulk of the products of the north-west. But nothing of this kind is contemplated; nothing of this kind is desired; on the contrary, every energy is put forth to swell the immediate earnings, so that the stock may be watered without limit, and cash dividends realized on the water.

It is a significant fact that the bonds of these railway companies are rarely reduced, and when paid are generally replaced by a new issue. The bonded debt of the Erie Road is over \$22,000,000. Instead of keeping the roads in condition, in laying additional tracks and increasing its capacity for business, in increasing the rolling stock and generally adding to the real value of the property, the roads are skinned to pay dividends on water stock. This policy may answer for a time, just as a bankrupt may disguise his condition by loans at a rate of interest that is consuming rapidly his borrowed means, but the break must come. It is inevitable, and the unfortunate victims who invest their savings in these unsubstantial railroad stocks will discover, in their ruin, the shameful depravity which has instigated and carries on this profligate business."