

labor leaders for any considerable advance in wages. He has, however, succeeded in completely discrediting the methods and results of former price investigations of his own department.

II.

Whatever confidence may be placed in this and other reports of the Bureau of Labor depends upon the confidence that we have in the Commissioner of Labor. The saying is as apt as it is old, that "statistics are like sausage in that confidence in them depends upon who makes them."

As the November Bulletin, quoted from above, presents but little of the data from which its conclusions are drawn, it is impossible to judge of its reliability save as we may be able to decide as to the degree of confidence that reports of the Bureau of Labor are generally entitled to.

That it is the studied purpose of the Commissioner of Labor to conceal rather than reveal facts unfavorable to existing economic and social conditions is shown by numerous reports and tables of statistics of the Bureau of Labor besides those of Bulletin 38, in which, as we have seen, the increase in "real wages" is measured by the decrease in the price of steel rails and other commodities of which the wage earner is never a purchaser.

A recent report of this kind is that on the course of wholesale prices found in Bulletin 45 (March, 1903). To appreciate its misleading character we must recur to the November Bulletin on the cost of living, which gives the results of an investigation of the expenditures of 2,567 families. These expenditures are used in determining the relative weights to be given to the various articles of consumption in computing average expenditures in different years. This is also the method of the Aldrich report, except that the latter related to wholesale instead of retail prices. The Aldrich report computed also simple or unweighted averages of relative prices which widely differed from its weighted averages, and it is noticeable that the unweighted averages are the ones invariably used in demonstrating the prosperous condition of wage earners.

Coming now to the misleading report on the course of wholesale prices (Bulletin 45), we find there in this remark:

Various methods of weighting have been attempted in connection with previous compilations of relative prices. One method employed by European statisticians is to measure the importance of each commodity by its annual consumption by the entire nation, the annual consumption being found by adding to the home production the amount imported and subtracting the amount exported. . . . The method employed in the Aldrich report consisted in giving to the various commodities or groups of commodities an importance based upon their consumption in normal families. There are, of course, many commodities whose importance cannot be measured by this method. It has been thought best in the present series of index numbers, after a careful consideration of all methods of weighting, simply to use a large number of representative staple articles, selecting them in such a manner as to make them, to a large extent, weight themselves.

This is precisely what was not accomplished and what seems not to have been attempted; for in this series of index numbers we find articles of relatively small importance given the greatest weight. These articles, it may be noticed, are generally those which have decreased in price from 1890 to 1902 and which show a comparatively small increase since the period of low prices in 1896 to 1897.

According to the investigations of expenditures in 2,567 families, as given in the November Bulletin, that on the "cost of living," expenditures for clothing constituted but 14.04 per cent. of all expenditures, while expenditures for food amounted to 42.54 per cent. These figures closely correspond with those used in the Aldrich report. Yet, in the latest report on the course of wholesale prices, the March (1903) Bulletin, we find that of the total number of articles (261) used in computing the average price of all commodities, 76 are of cloth and clothing, and but 54 are of food. Thus clothing is here given a weight of 29 per cent., whereas it should have a weight of but 14.04; and food is given a weight of but 20 per cent., whereas it should have a weight of 42.54.

Had these articles been given weight according to their relative importance, we should find 111

quotations of articles of food instead of 54, and but 37 instead of 67 quotations of clothing.

The reason for giving undue weight to clothing and insufficient weight to food seems obvious.

The average price of articles of clothing, as quoted in this report, shows a decrease in price from 1890 to 1902 of 10 per cent., while the average price of food articles had decreased less than 1 per cent.

From 1896 to 1902 the food group shows an increase of 32.8 per cent. and the clothing group an increase of but 11.7 per cent. Moreover we find that of the articles of clothing quoted, 330 are of cotton goods and several of goods that are part cotton. Cotton goods had declined in price more decidedly than other kinds of clothing, which seems to account for the great weight given to this class of goods.

To this cheeky juggling of the data of the report on wholesale prices we must attribute the small increase in the average wholesale price of all classes of commodities, compared with that shown by the nonpartisan index numbers of Dunn's Review.

According to this report the increase from 1897 to 1902 amounted to but 25.8 per cent.; according to Dunn's Review the increase from the lowest period, July, 1897, to Jan. 1, 1902, amounts to slightly over 40 per cent., the increase to January, 1903, being 38.5 per cent.

This manifest falsification in reports that do give us data for comparison is significant of the untrustworthiness of a report, like that of the November Bulletin, which is noteworthy chiefly for its meager information and bold conclusions.

HENRY L. BLISS.

EDITORIAL CORRESPONDENCE.

Washington, D. C., Nov. 29.—So far as the House of Representatives is concerned, the week has been absolutely barren of result. But two sessions have been held, and these at three-day intervals, merely for the purpose of showing the Senate that the House will not consent to a final adjournment of the special session. The purpose of the Senate in setting a date for a vote on

the Cuban bill ten days after the commencement of the regular session was no doubt to let the President know that they would not be a party to his grandstand play in calling the special session "to keep faith with Cuba."

That most of the Republicans in the Senate would "throw" him if they could is almost certain. The one thing needed to produce that result is to find some one whom the "business" interests consider absolutely safe, and who has sufficient hold on the rank and file to make it wise to pit him against the strenuous egotist at the White House. All of which merely shows that absolute, unqualified subserviency is demanded as the price of the support of the "captains of Industry."

Stupid? Of course it's stupid. A poser like Roosevelt, whose whole political career has been one of coquetting with reformers and independents, only to leave them in the lurch the moment he has made terms with the forces of evil, is really much more useful to predatory wealth than one who never jumped the traces—over some triviality.

Barnum's estimate of the American people, that they liked to be humbugged, is not far wrong, and Roosevelt demonstrates the correctness of the theory. In the matter of suppressing the trusts he has posed just enough to lead many to believe he means business. This has undoubtedly tended to minimize, if not to dissipate, hostility to the trusts. If the trusts were wise they would emulate Roosevelt and, affecting anger against him, declare that under no circumstances will they support him. The poor bucolic resident of the West would accept their hostility as evidence of Roosevelt's sincerity, while the working man could be caught with the chaff of a luncheon or two to labor leaders. Esau at least got a mess of pottage for his birthright, but organized labor will have to be content with the parading before them of a few leaders who ate the porridge a thousand miles away.

The opinion seems to have become general during recent years that in "haute finance" New York, i. e., "Wall street," could give points to London, Berlin and Amsterdam. The disclosures now in progress showing how to transfer property to a combination, get paid for it three times over, and yet hold a first mortgage on it, as displayed in the shipbuilding trust case, would seem to demonstrate the correctness of this view and to indicate that if European financiers were not to become "effete," they had better run over and study in the Morgan-Schwab school.

It appears, however, that boasting as to the cleverness of American experts in this line is a trifle previous. The newspapers from time to time gibe at the "chuckle-headedness" of the British landed aristocracy, not even excepting such prominent representatives of landlordism as the fortune-hunting earls, marquises and dukes who visit our shores and seldom go back without having "bagged" big game. That these gibes are misplaced, and that these gentlemen can give points even to the masters of American financial legerdemain is shown in the new Irish land act, which went into effect on November 1.

No longer will it be pertinent for the British housewife to say to her offspring: "You can't eat your cake and have it," for there will be the danger that some precocious youth will reply: "Doesn't the Irish land act give the landlord his cake back after he has eaten it?"

How is it done? one may ask. Simple enough! Not only does this wonderful law, which we are assured has "settled" the Irish land question, provide the means by which the Irish landlord can dispose of his land at its full market value and more—some ten per cent. more—but it contains the astounding provision that the landlord can sell his land to the government in the same manner as though he were selling to tenants, and he can then turn round and get it back on exactly the same terms that tenants can acquire it, viz., by paying three and a half per cent. interest on the purchase price for 68 years. One is naturally curious to know whether in selling to the government and then taking it back, the landlord is to receive the ten per cent. premium the same as if he were selling to a tenant and he were receiving the ten per cent. as a bonus to let it go. To thoroughly grasp this feat of financial jugglery it must be kept in mind that the principal of the loan is not to be repaid in either case. At the end of 68 years, after having paid three and one-half per cent. on 90 per cent. of the purchase price (about ten per cent. being bonus), the land becomes the property of the tenant. Similarly, the landlord pays interest at the same rate for a like period of 68 years and then again owns the land free and clear.

Who will not admit, with this evidence of the greater skill of the Irish landlord as compared with the bungling methods of shipbuilding and steel trust financiers, that if any of them need schooling it is our Schwabs and Morgans, and not the Irish dukes and earls. Not even in the heyday of their most

successful floatations did our financiers expect to get hard cash, down on the nail, to the full value of the properties they were juggling with. There was always the possibility that the public would only "come in" for a portion of the money required and they would therefore have to carry a part of the "securities" until they could work them off on the market. There was also always the further possibility of loss of prestige should the bottom drop out of the market at all quickly. Possibly they may even have had a premonition of such a suit as is now engaging the attention of the country in the shipbuilding trust case, where they are called upon to make restitution of at least a part of their plunder. Never in their wildest dreams did they hope to have the glamour of benevolence thrown around their exploitations. No doubt they thought they had guarded against the possibility of criminal proceedings by having their puppets in the New Jersey legislature pass laws that would make almost any kind of trust-promoting swindle "legal," but to be held up to the gaze of an admiring public as "benefactors of the race" was more than even their colossal impudence was capable of.

When Carnegie gives a library there are always some coarse and vulgar people ready to mar the angelic sweetness of the act by calling out: "What about blow-hole armor?" "What about the men who were shot down at Homestead?" But nothing mars the serenity of the Irish landlord. On every hand he is extolled for his magnanimity in so generously consenting to sell his land at 110 per cent. for cash, while also afforded the opportunity to eat his cake and yet retain it unimpaired.

ROBERT BAKER.

NEWS

Week ending Thursday, Dec. 3.

The referendum vote on the proposed settlement of the Chicago street car strike (p. 535) was taken on the 26th, with a favorable result, and the men returned promptly to work. Both sides claim a victory.

On the Sunday following the close of the strike, November 29th, an afternoon memorial meeting in honor of the late Henry D. Lloyd (p. 537), whose fame is closely associated with labor and allied economic movements, was held at the Chicago Auditorium. Judge