

fast line of distinction could be drawn between them. The overlapping would blur it. But in a general way the principal varieties may be distinguished as scientific socialism, utopian socialism, democratic socialism, and state or imperial socialism. The doctrines that are common to all and distinguish them from what is not socialism, are hostility to competition and the subordination of the individual to superior power. Judge Grosscup, of Chicago, the Federal judge who is now acting as conservator of some of the traction interests of Chicago, would seem, judging from some of his recent extraordinary public lectures on social problems, to be an imperial or state socialist.

From Mr. Cleveland's letter to the Brooklyn Eagle, expressing his "unalterable and conclusive" determination not to "again become the nominee" of the Democratic party for the presidency, it is evident that this determination has not long lingered in Mr. Cleveland's mind. That he was willing until the elections, his pre-election behavior and that of his political friends left no room for reasonable doubt. That the people were not hankering for his nomination was made manifest by the vote in Pennsylvania and Iowa, where his supporters were in the party saddle. Having lost Cleveland, the Brooklyn Eagle now turns to Judge Alton B. Parker for its candidate. And who is Judge Alton B. Parker, when he's off the bench?

"Mr. Bryan may be remembered in Europe," says the Chicago Tribune, "as the person who said a few years ago that the President of the United States is merely a hired man." Well?

MORE COOKED STATISTICS.

Recently a cloudburst of statistical information on the "workingman's cost of living" was poured out through the American newspapers from Washington. The statistics were supplied by the Bureau of Labor, of which Carroll D. Wright is commissioner, and in

the November number of the Bulletin of that bureau the collection may be studied. The comparison is of the relative cost of living from 1890 to 1902 inclusive. These statistics seem to be widely at variance, not only with prevalent opinion based upon observation, but also with other statistics recently published by the Bureau of Labor, as well as with the non-partisan index numbers of Dun's Review.

I.

The figures of the Bulletin are from the Eighteenth Annual Report of the Bureau of Labor and relate to retail prices. It is stated in the Bulletin that—

as the full printed report will not be ready for distribution for several months, and as many urgent requests have been made to the bureau for the results of the investigation, especially as they relate to the cost of living now compared with the cost of living in former years, a brief summary of the results is herewith shown.

Regarding this investigation and report we find in the Bulletin the following explanation:

That part of the investigation which relates to retail prices is, it should be stated, the first extended investigation that has been made into retail prices in this country. All previous price studies covering a period of years have dealt solely with wholesale prices, which, of course, do not represent accurately the cost to the small consumer. In their general trend, retail prices follow the wholesale prices, but their fluctuations are smaller and less rapid, and this is clearly brought out in the full report. A comparison of the relative wholesale and retail price (simple average) of 25 similar articles or groups of articles of food, covering the period 1890 to 1902, inclusive, shows a range of 37.2 per cent. in wholesale prices, but only 15.4 per cent. in retail prices.

In order to ascertain the course of retail prices of food for a series of years, and the consequent changes in the cost of living, as regards food, the bureau through its agents secured from the books of 814 retail merchants, in the same localities from which data relating to family expenditures were obtained, the retail prices of the principal staple articles of food. Prices were taken for each month during the 13 years of 1890 to 1902, inclusive, which was as far back as it was possible to go. These covered 30 distinct articles, and under each article various grades and descriptions of that article. From the prices thus obtained relative prices were calculated, the average prices for the ten-year period of 1890

to 1899 being taken as equal to 100. The importance of the various articles or groups of articles of food in the family consumption being known from the expenditures of the 2,567 families referred to above, the relative prices of the several articles of food were weighted according to this importance. The result, shown in the following table, gives for five geographical divisions and the United States for the period of 1890 to 1902 the relative retail price of the food consumed in one year by a workingman's family, compared with the average price for the ten-year period 1890 to 1899.

This table shows the cost of food consumed as a whole reached its highest in 1902, the average for that year being 10.9 per cent. above the average for the ten-year period, 1890 to 1899. Compared with 1896, the year of lowest prices, the cost in 1902 showed an increase of 16.1 per cent.

To economize space we quote the figures of this table for the United States only, omitting those for the geographical divisions.

With these figures of the relative retail cost of food, for the sake of contrast, we present also figures of the relative wholesale cost of food taken from Bulletin 45, of the Bureau of Labor (March, 1903), in which we find presented the results of an extended investigation as to the course of wholesale prices. In both series of prices the average for the ten-year period 1890—1899 is taken as 100.

Year.	Relative Retail Prices of Food.	Relative Wholesale Prices of Food.
1890	102.4	112.4
1891	103.8	115.7
1892	101.9	103.6
1893	104.4	110.2
1894	97.7	99.8
1895	97.8	94.6
1896	95.5	83.8
1897	96.3	87.7
1898	98.7	94.4
1899	100.1	98.3
1900	101.1	104.2
1901	105.2	105.9
1902	110.9	111.3

According to the foregoing figures, it appears that while for the entire period, 1890 to 1902, wholesale prices decreased nearly 1 per cent., retail prices for the same period increased 8.3 per cent. These figures also indicate a fall in wholesale prices from 1890 to 1896, of 25.4 per cent. and in retail prices of but 6.7 per cent.

From this it appears that the fluctuations of retail prices are less rapid than those of wholesale prices, only when the tendency is downward. This is quite reasonable, for the retail dealer who has purchased goods at high prices

will be slow to sell his goods at prices which entail a loss; and, his competitors being generally in the same position, he does not usually find it necessary to do so. On the other hand he would be quick to take advantage of an advance in wholesale prices—refusing to sell his goods at a lower price than it would cost to replace them.

It is worthy of notice that, though prices for the greater part of the present year are available, this report considers prices of no later date than 1902. And in view of the assertion that retail prices slowly conform to wholesale prices, it seems strange that Col. Wright has not tried to discover whether or not they have finally caught up.

Regarding family expenditures other than for food, it is remarked in the Bulletin:

For these no retail prices covering a series of years are available, but accepting as true of wholesale and retail prices what this has found true in the case of food, namely, that retail prices rise and fall more slowly and in smaller degree than wholesale prices of these classes of articles in Bulletin No. 45, giving them their proper weight according to family consumption, leads to the conclusion that the retail prices of these articles, as a whole, could have been but little, if at all, above the level indicated for food.

It is apparently a safe and conservative conclusion, therefore, that the increase in the cost of living, as a whole, in 1902, when compared with the year of lowest prices, was not more than 16.1 per cent., the figures given above as the increase in the cost of food as shown in this investigation.

Thus the Commissioner of Labor emphasizes the fact that this investigation shows a comparatively slight increase in the cost of living since 1896. He, however, fails to call attention to the fact that retail prices were considerably higher in 1902 than in 1890 and that this comparatively small increase shown since 1896 is due to the fact that the figures of retail prices show prices in 1896 but very little lower than in the flush times of 1890 to 1893.

If these latest statistics of the Commissioner of Labor are to be relied upon as demonstrating anything whatever, they demonstrate nothing but the fallacious

character of other series of price statistics by which that official has sought to prove a decided increase in real wages resulting from a great decrease in the cost of living.

The general public have been led to believe that the fall in money wages during the period of depression following the panic of 1893 was more than offset by the decrease in the cost of living. A demonstration of this we find in Bulletin 38 (January, 1892), in which is presented a table of relative money wages, relative wholesale prices, and relative real wages measured by wholesale prices. These statistics, illustrated by charts, were presented as an exhibit of the Bureau of Labor at the Pan-American Exposition.

According to this table, notwithstanding the fall in wages from 1893 to 1896, the wage earner enjoyed an increase in real wages, that is wages measured by their purchase power, of over 12 per cent. The price figures are those of articles common to the Aldrich report giving wholesale prices down to 1891 and a report published in Bulletin 27 bringing prices down to 1899.

The Aldrich report included prices of 223 articles and the latter report 142 articles. But 90 articles given were found common to both reports. Among these articles we find steel rails which had fallen in price from \$112, Jan. 1, 1872, to \$18.50 Jan. 1, 1899. Pig iron which had for the same period fallen from \$48 to \$11; also bar iron which had fallen from \$97 to \$22. Sheet copper, pig lead; Manila rope, Rosendale cement, scythes, butts (loose joint), and numerous other similar articles which had fallen one-half of their former price.

The absurdity of measuring the purchasing power of laborers' wages by the relative price of these and similar articles would seem apparent to any but an eminent official statistician intent on demonstrating the prosperity of the laborer.

A fall in steel rails can benefit the laborer only by reducing the cost of transportation and thereby the cost of things which the laborer purchases. If he does not obtain a corresponding reduction in the cost of those things which he purchases, some one else gets

the benefit of the reduction in steel.

Whatever benefit the laborer gets from a fall in prices, is expressed in the prices of things which he purchases.

The Aldrich report recognized this fact by presenting a weighted average of prices, prices being given weight according to their importance as measured by consumption of normal families. For a basis of calculation an investigation of the labor bureau as to consumption by normal families was taken.

The fallacious character of the price statistics of Labor Bulletin 38 appears from a comparison with the weighted average of the Aldrich report which shows a fall in the prices of those things which the laborer uses, from 1872 to 1894, of but 14.1 per cent., while the figures of the table in Bulletin 38 show a decrease in prices for the same period of 28.3 per cent. The figures of this table show, also, an increase in "real wages," that is wages measured by their purchasing power, of 72.9 per cent. from 1872 to 1899, though the increase in money wages is shown as but 7.2 per cent.

That the increase in money wages shown, small though it is, is fictitious, might be demonstrated did space permit. That the prices of commodities (gold value) used in workingmen's families are but little if any lower at present than they were in 1872 is shown by the weighted averages of the Aldrich report taken in connection with similar weighted averages of the latest investigations of the Bureau of Labor.

According to the Aldrich report the fall in prices measured by consumption in normal families from 1873 to 1890 amounted to but 10 per cent., and according to this latest report the increase in prices from 1890 to 1902 amounts to 8.3 per cent. Thus the increase since 1890 almost entirely offsets the fall preceding that date.

This, perhaps, was not what the Commissioner of Labor intended to demonstrate by his latest report. He seems to have been most anxious to support Secretary Job, of the Employers' Association, in his contention that there has been no increase of prices in recent years to justify the demands of

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