

the use for their own ends of the arbitrary power of the Clearing House and of the Stock Exchange. Ninth, they use the funds of the banks and trust companies they dominate for the speculative and other enterprises they take under their wing. Tenth, those banks and trust companies are thereby drawn into partnerships in great speculative enterprises foreign to their legitimate business. Eleventh, panics are arbitrarily produced through the complexity of great financial interests under the control of these few men. Twelfth, the same men are at all times able to know when and how to strike a victim, because all secrets are open to them through their control of the banking mechanism.



Is it any wonder that a committee on banking was packed in the lower House of Congress for the purpose of putting through the Aldrich bill, for the benefit of that same "money trust"? or that under the Underwood-Fitzgerald leadership the proposed Congressional investigation of that trust was whisked away from a special committee to the standing committee on banking? To know this situation is to know why Bryan is hooted at by Congressional allies of the Interests. He interferes with the game. An obtrusively troublesome "cuss," this Mr. Bryan!



THE LARGER VIEW OF SCIENTIFIC MANAGEMENT—ITS RELATION TO LABOR.

Ever since the day of Louis Brandeis's famous assertion before the Interstate Commerce Commission, that the railroads of the country could save a million dollars a day by a thorough application of the principles of "scientific management," the periodical press of the country has taken a great deal of interest in this phase of industrial development. The general relation of the labor unions to this new principle of management has been set forth in "Industrial Engineering," as follows:

The labor unions have been accused by those opposed to them, of being strong upholders of the doctrine of limitation of output. Whether this accusation is true or not, we shall not at this moment inquire. There are two points of view from which to consider the doctrine of limitation of output by the workers, and it depends on the point of view whether this doctrine is justifiable or not.

The first point of view is that whereby the entire country is considered as a great manufacturing plant in competition with other manufacturing plants, that is with other countries. If a nation be so regarded,

it is absolutely indefensible to limit the output of the workers, because such action permits the competing countries to enter into the market of the country under consideration and sell goods in competition with it which otherwise would be sold by it. Furthermore, regarding the country as a manufacturing plant and limiting the output of the workers in this plant, necessarily raises the cost of the goods manufactured by it, and this cost may be then so prohibitive in competition with the cost of goods made in other countries, as to preclude the sale of the articles made in a country where the output is limited. For it is obvious that the selling price of the goods must bear a proportion of the overhead expenses of the plant, and if the output is but one-half of what it might be, then the proportion of overhead expense borne by each unit of manufacture, is double what it otherwise would be. This is as true of the country as a whole as it is of any single manufacturing establishment. It is thus readily seen that limitation of output may serve in the end to prevent any output whatever for export use, and possibly for domestic use, unless the given industry is protected by a high tariff which prevents foreign-made goods entering into free competition with those of domestic manufacture.

This broad-gauge view of affairs is not the one commonly ascribed to the labor union leaders. These gentlemen are usually considered as holding the contrary viewpoint; namely, that there is only a limited amount of work of each kind in the country to be done, and that if it is done too rapidly, the men will work themselves out of a job. This belief goes hand in hand with the practice of limiting the number of apprentices in any given industry, for, according to this idea, the more men there are to do a given amount of work, the sooner that work will be done and all hands rendered idle. It is one of the fundamental facts of political economy that reduction in the cost of a product stimulates the demand for that product. It is this fact that the gentlemen of the labor unions profess to disbelieve, and is the rock upon which capital and labor often split.

It is on account of their disbelief in this fundamental fact that opposition is being offered in certain quarters by the labor unions to the introduction of scientific management. Scientific management, as has been proven beyond doubt, is the most powerful tool ever placed in the hands of American manufacturers for the reduction of costs. At the same time that it reduces costs, it enormously increases the output of the workers and thereby runs afoul of the doctrine of limitation of output.

Neglecting in this connection the apparent misconception of some of the most fundamental laws of economics, as evidenced by the latter part of the second paragraph quoted, let us ask ourselves if scientific management really would, under present social and economic conditions, materially reduce costs.

Is it not true that as soon as manufacturing can be done more profitably in one locality than in another, and as soon as wages rise in one locality

as compared with another, the values of land—rents—rise also?

If the manufacturing efficiency of the whole country is raised to double its present level, *how much* of the increase of the production or the decrease in costs will benefit the producers—either in their capacity of manufacturers or workers?

Have we not the evidence of generations past, that very nearly the total increase—the total benefit—will take the form of increased land values? And that therefore the “scientific manager,” who is not a land-owner, and the “scientifically managed” workman, will both find that neither of them is any better off than today?

Admitting this to be true, can we blame the labor unions for seeing no benefit to the worker in the methods of scientific management?



What the advocates of scientific management do not seem to understand is that equitable distribution of produced wealth is by far a more pressing industrial problem than is increased production.

We have gone on for the past fifty years increasing production beyond the boldest dreams of the engineers of half a century ago, yet the workers in the industries are not materially better off today than they were at that time. At least, they are no nearer—but farther—from their cherished hope of independence and freedom from want in advanced years. Hence a mere increase of production cannot appeal to the wage-earner. It does not benefit him.



Real scientific management must look farther than to a mere increase of goods per worker; for it seems as if our increased production went into a bottomless pit. That pit is the monopoly of land—of natural resources—of ore lands, of mining lands, of forests.

What we need is scientific management of the natural wealth of our country. And in order to have scientific management in this respect it is necessary that we prevent limitation of output in a greater sense than that applied to the labor unions. The monopolist who holds vacant lots idle if he does not get the tribute he demands, the farmer who quits working his farm and rents it to a tenant if he finds one who will pay his price, the owners of mining land who require high royalties from the operating capitalists—all these restrict the output. They should bear the blame for the limitation of output fully as much as the disinherited workman who resorts to this means purely in self defense.

If we had scientific management of the nation, if all the land values were required to contribute to the support of the government an approximate equivalent of the benefits attaching to land on account of the existence of government, then it would not be possible for the owner of natural resources—of land—to gather unto himself all the profits from an increase in production. Then it might be worth while to talk to the wage-earner of the benefits of double productive efficiency; but not till then.

This proposition, however, is one which most of our advocates of scientific management cannot see. They are, in general, either by training or association, closely allied with the monopolistic interests, and to them scientific management means nothing except increased profits.

And, therefore, although all doctrines of limitation of output are wrong in principle, we cannot accuse the labor unions of any error in judgment, as long as those men who profess to know better than the laboring people, themselves uphold the greatest example of limitation of output known to the world: *The monopoly of land.*

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EDITORIAL CORRESPONDENCE

SINGLETAX FACTS IN OREGON.

Portland, Oregon, Feb. 14.

In preparation for the vote on land values taxation for Clackamas County,* Oregon, at the election in November next, the “Singletax Assessment and Tax Roll of Clackamas County, Oregon, for 1910” is now complete and ready for the printer. It shows in detail what the taxes under the present system were in 1910, and what they would have been for that year if, instead of the present tax system, the Singletax had been in operation in that county. As Clackamas County is a fairly typical progressive community, the data will probably be useful everywhere.



Under the supervision of the deputy assessor of Clackamas County the name, assessments and taxes of every taxpayer in the county were copied into large blank books especially prepared for the work.

The land values and labor values are shown separately; then the Singletax exemptions and assessments; then the taxes actually paid on the 1910 assessments, and by contrast the taxes that would have been paid under the Singletax to raise the same amount of revenue in the county. As the Clackamas County Initiative tax bill to be voted on by the people of the county proposes to abolish all revenue from licenses and permits, the amount raised from those sources for 1910 is included in

*See The Public, volume xiv, pages 824, 844; current volume, pages 97, 105.