

lis and the progressive character of her people seemed alluring to me, especially after ten years of labor in a city which probably deserves its reputation of being the worst governed in the United States. What Lincoln J. Steffens said of us is the solemn truth. Coarse thieves fill our courthouse and city hall. The hired bosses of two political machines and newspapers, silenced by subsidies, have brought us to such depths of dishonor as you could hardly believe possible. This vulgar terrorism would not be tolerated—not yet, at least—in that fighting fair city of yours. The awakening of Philadelphia and other signs of a new civic spirit that are blazing forth in so many places encourage me to believe that the day of reckoning for Cincinnati is near at hand. Therefore I have determined to remain and see the fight through, hoping that there may soon be awakened here a civic pride and patriotism worthy of these generous people and their glorious hills.

A civil service problem.

The report for last year of the Chicago Civil Service Commission outlines what this Commission understands to be the legal principle under which it is required to act with reference to the removal of public employes. On that point the report reads:

A law providing for discharge without a hearing before a commission, or some other body created for that purpose, would presumably contain a provision that the head of the department shall have the right to discharge for cause. The question would therefore remain absolutely in his hands as to what constituted cause; or, if the courts in our State should do as those in New York have done, they might feel inclined to review every case to determine whether the cause had been sufficient. On the one hand we have the exercise of the power of discharge by the head of the department, who in that way is constituted both administrator of the work of his department and sole judge in the matter of discharge, or we may have the spectacle of a court far removed from the immediate and practical problems of administration, passing upon a case strictly and solely from the standpoint of the legal question involved. Does not the provision of our city law providing for the bringing of charges by the head of the department, and the approval of the Civil Service Commission in the matter of discharge, afford a most happy solution of the questions involved? Here is a body standing apart from the direct administration of the city's work, and yet, as it were, within the atmosphere of said work; sufficiently independent

to constitute a body for hearing the facts, and yet from its every day experience and from the duties imposed upon it under the law, sufficiently near to the questions of practical administration to understand what ought and what ought not to be done.

This seems to us to be the correct view regarding removals under the merit system (p. 195). If the regular courts review in cases of removals, they will incline to treat the office as a property right, and this is detrimental to the public service; if heads of departments remove, merit employes will feel, often correctly so, that their retention depends not upon official fidelity to their trust but upon political or other loyalty to their superior or some one with a "pull" upon him. But a commission within the atmosphere of administration but not of it, reviewing removals with reference neither to the personal wishes of heads of departments on the one hand, nor to proprietary interests in an office on the other, but solely with reference to the good of the service, would go as far as possible toward making the merit system effective. Should the Chicago Civil Service Commission distinguish itself by a faithful execution of the theory outlined in its last year's report, and quoted above, it would appear in pleasing contrast to the State administration with reference to merit as applied to spoils in the civil service, besides reflecting somewhat upon a national administration which has but recently abolished all barriers to arbitrary departmental removals.

An appropriate and deserved rebuke.

Thomas Dixon's play of "The Clansman"—Dixon of "Leopard's Spot" notoriety—was most justly and sensibly condemned by the Columbia, S. C., audience upon which he tried the play last week. The audience, a large one and composed almost exclusively of white people, roundly hissed the play, which was evidently an adaptation of Dixon's book of the same title. That book, though it professes, and honestly no doubt, to portray the white man's side of the race question in the Ku Klux

period, is a gross libel on Southern white men and women. Of course it is a libel on the Negro, also, but that is by intention. The libel on the whites is attributable to mental and moral obtuseness. Happily Southern white men generally are not constructed on Mr. Dixon's mental and moral lines. The resentment of a Richmond audience goes to show that the Columbia audience expressed a general Southern sentiment.

MAXIMUM SALARIES.

We have become accustomed of late years to the contemplation of enormous salaries.

The payment of such salaries is sanctioned upon the pretext of the equivalent value of the recipient's services. If a protest against the payment of a hundred thousand dollars a year to the president of a mutual insurance company is offered, the answer is made that the rare qualifications demanded in the manager of such an enormous and complex business not only justify but necessitate the payment of such a salary. "The office demands the highest ability, and a hundred thousand dollars is none too much for that."

Defenders of the high salary sometimes make comparisons between a particular salary in question and certain other salaries of equal value, or salaries somewhat less but attaching to positions of less responsibility, under the impression that such citations establish the equity of their cause. And what is of vastly greater and more portentous significance—the general public, though perhaps doubting, yet not knowing how to answer, suffers the case to go by default.

Yet to the clear thinking man who has a comprehensive knowledge of fundamental economic law, the question presents no difficulties, and the verdict will be promptly and emphatically adverse.

In the common field of wage labor, so called, the arbitrament of competition, though it does not indicate the absolute value of the service rendered, nevertheless does determine, with some approach to equity, the relative values.

True, competition is not free even here; some wages are artificially advanced. But the discrepancy is insignificant in comparison with the difference between, say, the \$8,000 salary of a judge and the \$150,000 salary of the president of an insurance company. Some carpenters may receive 30 per cent. higher wages than some other carpenters of equal capacity; but some salaried men receive 1800 per cent. more than others of equal capacity!

Yet the claim that such enormous salaries are necessary in order to secure the services required, is equivalent to asserting that the salaries are competitive. A very little reflection should expose the absurdity of that claim.

President Alexander, of the Equitable Assurance Society, received a salary of \$100,000. With whom was he in competition? Did he ever have a chance to get such a salary in any other connection? Will he ever have another chance?

Mr. Paul Morton has succeeded Mr. Alexander, as being fitter for the place, at a reduction of \$20,000 in salary. But if the salary were competitive, Mr. Morton being conceded to be much the better man for the place, would have received an advance, instead of a cut.

Of course, in this particular case, the real reason of Mr. Morton's voluntary acceptance of the reduced salary was that the United States public was in no mood to be trifled with at the moment. Mr. Morton, and everybody else, knew perfectly well that a considerable part of the \$100,000 salary was graft, pure and simple, and as the ostensible purpose of his selection for president of the company was the elimination of its scandalous excess of graft, he wisely began where the permanent graft was greatest—in the president's salary.

But the salary still is \$80,000. Is it an equitable salary? Or (to get away from this particular case, which I have cited only as a means of illustration), are the notoriously large salaries justified by the services rendered by their recipients?

No. And that they are not is easily demonstrated.

If any individual is entitled to

higher pay than another, it is because he renders greater service to society than that other. The interposition of the employer between the workman, for instance, and the public does not alter the case. The most efficient group, including employer and employes, will outstrip the less efficient in the competition—that is, in service to the public—and will, as a group, receive commensurately a greater reward.

The law holds, either as to the individual or the group of individuals. The question of reward does not depend upon the amount of an individual's product, but on the amount that he imparts. He must get his reward by exchanging his product for the product of others; and therefore in order to get more than his competitors he must impart more.

That would be the case if the principle of competition were universally free to act. And the moment that you exempt an individual from the law of competition you thereby concede his inability to command an increased reward without such exemption. Else why exempt him? By exempting him you help him to an increased income; an increase which he could not get without such help, and which, therefore, he does not earn, but receives by special privilege.

Since, then, naturally—that is, under purely competitive conditions—increased reward comes only from increased service to society, it follows that under such conditions an exceptionally high salary would indicate a general rise in the level of social conditions; and that a large number of very high and frequently advancing salaries would indicate a very much improved and frequently rising general standard of living, reaching down to the lowest level of wage-earners.

I repeat that the rapidly rising standard of living would embrace the common laborer. This is the most important fact of the whole problem. The laborer's wage is the criterion of general service value. All advance in income starts from the wage-level of Common Labor. All advance in service-value, therefore, starts from the service-value of Common Labor. The test of alleged exceptionally high service-value, is,

therefore, the condition of the Common Laborer.

It follows that if the exceptionally large incomes now prevailing (whether these incomes are in the form of \$100,000 salaries or of \$1,000,000 profits), are earned, then the condition of Common Laborers generally has risen by leaps and bounds within the last few years.

But statistics prove that in the United States the cost of living has increased beyond any advance in wages. The conclusion is inevitable, therefore, that large incomes exceed the recipients' earnings.

How much do these incomes exceed earnings? No one can tell. The fact of paramount importance for our consideration in this connection is that the great incomes are indisputably beyond the effective influence of those natural laws which tend toward social equity.

The individual laborer's wages are modified by the wages that his fellow consents to work for. The wages of the mechanic bear a manifest competitive relation to the wages of common labor. The profits of the green-grocer, the draper, the teacher, etc., all are competitively related to the wage rate of common labor. Only through exceptional service to those below, can those above maintain their positions in the competitive field.

But there is no comparison whatever between the common-laborer wage and the hundred-thousand-dollar salary. There is no natural relation between them. The wages of the common laborer are the just compensation for valuable service rendered—minus the laborer's enforced contribution to the incomes outside the influence of competition. The great incomes are, at best, in small part compensation for valuable service rendered—plus the maximum of graft that special privilege is able to extort from the occupants of the competitive field; and, at the worst, they are, in their entirety, Graft, pure and simple.

What should be the maximum salary, or the individual income of whatsoever name?

It should be just what a man can get, under conditions of universal freedom of competition, in

a world where natural opportunities are free to all men. Abolish all special privilege, and the man of high abilities would earn his greater compensation as the just reward of benefits imparted to the whole body of society.

Under such conditions all society, including the humblest servitor, would rise in affluence in proportion to the increase in productivity. Which is to say that if our productivity should increase as fast in the next 40 years as it has in the last 40, the poorest class would be ten times as affluent as now, plus its hitherto withheld equity in the current product of to-day.

To-day, the difference between the extremes of income measures the difference between the opportunities of individuals. Abolish all forms of special privilege, and the difference between the extremes of income would measure the difference in the social service of the individual recipients, and the maximum income would be the just reward of the largest contributor to the sum of human welfare.

EDWARD HOWELL PUTNAM.

EDITORIAL CORRESPONDENCE

MUNICIPAL OPERATION IN NEW YORK.

New York, Oct. 10.—The inauguration of the municipal ferry between Manhattan and Richmond boroughs—that is, from New York city proper to Staten Island—which has been announced for the 25th of this month, is an event most interesting and significant in the progress toward public control of public utilities. It is not quite correct to speak of this as New York's first essay in municipal operation of transportation facilities, since for a number of years the railway on the Brooklyn bridge was so operated; and, incidentally, gave far more satisfactory service than since it has been turned over to the trolley corporations. But this is the first experiment in New York of the city in managing a means of transport essentially complete in itself.

For many years the facilities for reaching Staten Island have been inadequate in the extreme; and as a result, the progress of the island has been retarded, although the nearest of all the suburbs to the great business centers, and nearer to the financial heart of Wall street than any place even in the city proper, where a family could live at less than \$1,200 a year rental, unless they lived in a tenement house. The ferry service of about five miles was maintained with

comparative freedom from accident, and with rather extraordinary regularity, but grew steadily slower and less and less comfortable as time went on. Demands for improvement, however angry, were met by the ferry company, of which the Baltimore & Ohio railroad, notorious for its penuriousness, was chief owner, with the reply that unless they were granted a practically unlimited franchise, they could not afford to give any improvement.

The steady insistence of this assertion was telling on public sentiment, and if the acute stage had been reached a few years earlier, the result would probably have been the same as with the establishment of a traction system throughout the more thickly settled part of the island about a dozen years ago. Then a feeble cry was set up for municipal ownership (or, rather, ownership by the county, since it had not been absorbed by the city at the time), but public sentiment was not ripe, and two private corporations were allowed to monopolize the franchises under conditions of most flagrant corruption, whereby such an excessive capitalization was distributed in the way of bribes among the various town and village officials, that although the lines have had a tremendous traffic, they have been losing enterprises from the start.

Meanwhile the ferry service was steadily growing more and more unbearable; the boats were becoming absolutely unsafe, and the company obstinately refusing to take any steps toward procuring better ones, when the Low administration came into power—the island having then been "consolidated" as part of the city—and the single tax element, which really furnished the chief vital leaven of the Low movement, began to instill its virus at once into official life and public thought. Neither Mayor Low nor his most influential advisers probably ever knew how much they were indebted for their ideas to the energetic band of single taxers who formed so active a part of their following, although sedulously kept in the background so far as positions of authority were concerned. But the leaven worked and seethed, until the administration, distracted by a fierce conflict for control of the ferry franchise, renewal of which was under discussion, finally declared in favor of taking it over by the city itself.

Then followed a long period of incompetent scheming, which lasted nearly a year, and culminated just as Mayor Low was defeated for reelection, in plans which were totally impracticable, and had to be set aside by the new Tammany administration. Coming on the scene with the city definitely committed to the principle of municipal ownership, these men, who would almost certainly have never thought it

out for themselves, promptly accepted the situation, took it up in a businesslike way, put under construction a fleet of boats, the finest in the harbor, and went ahead with reconstruction of the entire plant on a basis which is admittedly better than anything that even the great railroad ferries have ever furnished for public convenience. Partly as a result of the personal influence exerted by a considerable body of men to retain their jobs, a bill was passed to give first preference for employment to the staff which had been operating the ferry, and thus quite innocently a reply was made in advance to the common objection that the city would sacrifice efficiency of employes to political considerations, because precisely the same men were to be employed that the presumably strong incentive of private interest had previously engaged.

As we are just at the threshold of the experiment, its detailed results cannot yet be predicted; though it is beginning to dawn on people that the city, even with its limited system of taxing land values, can better afford than any private owner, to operate a means of transit without direct profit for sake of the incidental benefits in building up the suburb. There are those who still prophesy disaster, chiefly among the class which, of very moderate means itself, delights in aping the rich; but by the great majority it has come to be accepted as a matter of course that this is the right way for a ferry to be run, and the enthusiastic salute which the harbor craft have given the boats whenever they have appeared, is significant of the sentiment of the masses. Most valuable of all, however, is perhaps the illustration given of how reforms of the sort come about, to cheer earnest men who sometimes lose heart because an agitation seems to make so little ground along the lines that it is first projected. We reap not where we sow, and those who have been preaching for so many years that we should render unto Caesar the things that are Caesar's, that the people should retain for themselves what is naturally their own property—whether it be land values or franchises—have had no direct hand whatever in this most important step in the direction at which they aimed. But their ideas have been bearing fruit in all sorts of unexpected places.

E. J. SHRIVER.

It does not, we admit, necessarily signify a satisfactory economic state to show that 88 per cent. of the Negro males over ten years of age in the 11 largest cities of the North are engaged in gainful occupations, in comparison with the 83 per cent. of all males of the same age, but it suffices to dispose of the charge that as a race they are idlers.—New York Nation.