

well equipped with both political knowledge and literary skill as Mr. Howe. Only two chapters of this story have been published before. They appeared as independent short stories in *The World's Work*, where they attracted marked attention for their shrewd insight into political and economic conditions and their faithful and picturesque character drawing. The serial now appearing in these columns is as interesting throughout as were those two short chapters; and the picture of business and political conditions and leaders is vastly improved by the greater variety and complexity of political incidents and business experiences which it enables the author to introduce. "The Confessions of a Monopolist" invites the reader in charming fashion into the sanctum sanctorum of the business man to whom politics is a valuable commercial asset.

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#### The Open Door to Wealth.

When any bright young man can make \$30,000 in a few days at an outlay of a 2-cent postage stamp, what is the use of pitying the poor? Are they not poor because they lack business intelligence? Behold! One bright young man, Samuel Beverly, to be specific, put in a bid for \$5,800,000 Panama canal bonds. No deposit was required; he couldn't have made one if it had been required. So the bid cost him only a 2-cent postage stamp. A few days later he sold his bid for \$30,000 profit. As long as men are so dull as to overlook opportunities like this, is it not folly to pity them? Nobody is so poor that he can't get rich in a country like ours, if he has a little capital and the gumption and energy to use it wisely. Beverly's case proves it. Go to!

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#### Taxation in Illinois.

As Mr. Lawson Purdy of the New York tax commission points out with reference to Prof. Merriam's proposal that the Charter Convention of Chicago recommend a tax commission for Illinois, there is nothing of importance that such a commission could do so long as the Illinois Constitution forbids every departure from the antiquated, unfair and impracticable personal property tax. This tax increases the tax burdens of the farmer, the small business man, and the thrifty wage worker, and is dodged by the privileged rich; the richer the man, the easier and the more fully does he escape his share of personal taxes. But true as all this is, it does not minimize the importance of a tax commission for Illinois. Even if such a commission adjourned

within an hour, yet if it sat long enough to discover its own weakness under the present Constitution and to make the deplorable situation known, it would have served a most useful purpose.

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#### Successful Municipal Ownership in Chicago.

Critics of the municipal ownership movement will find still further food for reflection in the ninth annual report of the department of electricity of the city of Chicago, which has just been issued. From this report it appears that in consequence of owning and operating a city lighting plant for the last 18 years, Chicago has saved \$323,305 in comparison with what it would have been obliged to pay if it had procured all its public lighting from private corporations. This estimate of saving makes full allowance for interest on the plant, and the taxes that would have been received from private companies. The only item it omits is depreciation charges. The report estimates that the cost of operating the municipal plant last year, was \$352,547 less than the city would have had to pay a private corporation. This is especially worthy of consideration in view of the fact that one of the criticisms of the department is that it pays higher wages than are paid by private companies. Isn't it better for the city to pay high wages to workmen than to pay enormous profits to corporations that pay lower wages? Considered with reference to the expenditure per lamp, the cost to the city for its own plant during the past year is reported to have been \$52.63, whereas the amount it paid to the private company for lamps needed in excess of its own during the same year was \$103.

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#### LABOR CO-PARTNERSHIP SOCIETIES IN GREAT BRITAIN.

In the opinion of many shrewd economic thinkers the ultimate solution of the labor question will be some form of industrial co-operation which will break down the hard barriers between capital and labor; some arrangement not necessarily amounting to state socialism, but working rather along voluntary lines, which would attract the intelligent sympathy of both interests and make them see the true line of their common advantage. Of course not much has been done in this direction up to the present, especially in the United States, where the gigantic industrial factors act as if they believed that the interest of each lay in reducing the other to impotence. The idea of labor being a partner in production has

not appealed to the American laborer. He believes, rightly or wrongly, that he could get more advantage as the result of a successful strike than he could out of any profit-sharing plan that might be presented to him. And even though he might not be able, taking it all the year round, to increase the sum total of the wages paid to his trade, he often is able, through strike conditions, to work considerably less time for the same amount of wages; a result not to be despised from the militant labor standpoint. Many workers, however, belonging to the conservative element, are getting sick of strikes and are beginning to recognize the costly and somewhat demoralizing nature of the remedy which they have been employing and are not indisposed to listen to alternative schemes of a constructive rather than a destructive character.

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One of the most promising schemes of this kind is the labor co-partnership movement, as it is known in Great Britain. The Labor Co-Partnership Association, of which Mr. Henry Vivian, M. P., is secretary, aims at enlisting the interest of the worker in the profits of the firm employing him, by arranging for his participation in those profits after fair wages and other concessions have been conceded to him. Thus he has a permanent interest in the success of his employer's business.

A beginning is generally made by a simple profit-sharing concession on the part of the firm, after which comes in due time the accumulation of workmen's capital which is invested in the business, ultimately leading to joint-control of the business by having workmen's representatives serving on the directorate. In 1889 the London South Metropolitan Gas Company instituted a scheme on the above lines. Since that time the employes have received over \$1,500,000 in profits and over 5,000 of them have standing to their credit in the capital stock of the company the sum of \$1,320,000. In the year 1905 a sum of \$210,000 was divided amongst the workers as profit in addition to the wages usual in the trade. Out of a total of nine directors, three are chosen now by the workmen share-holders. In at least two other gas companies in London substantially similar schemes are in operation.

Another interesting profit-sharing experiment is that in use in the firm of Messrs. J. T. & T. Taylor, Limited, of Batley, Yorkshire. The distinctive feature of this scheme is that after paying the regular wages and 4½ per cent. dividend on capital, the balance of profit available for dis-

tribution is divided at the same rate per pound of wages as per pound of capital. This arrangement resulted, last year, in an extra dividend of 10 per cent. being paid both to the wage-earners and stockholders in addition to the regular wages and dividend above referred to.

While the direct participation of workmen's representatives in the directorate is encouraged in these co-partnership schemes, yet it has been found necessary to guard against the possibility of workmen with deficient managerial ability being chosen to act as directors. The difficulty is got over in some such way as this. The workmen individually do not take shares in the firm, but they put their little capital together and form an investment society, which invests its funds in the business. As members of this society they draw their share of the profits accruing to them, and through its officers they have a voice in the management. A plan of this kind has been for some time in operation in the building firm of Messrs. Foster, Sons & Co., of Padiham, Lancashire.

The above instances furnish some indication of what has been done by employers to meet the demands of workmen, and to identify the latter with the business interests of the firm. There are, however, other forms of co-partnership of a less complex character, where the workmen themselves supply the whole capital and manage the business. It is estimated that there are in Great Britain over 120 such organizations established and run successfully by workingmen. The profit is divided in pretty much the same way as above mentioned, interest is paid on capital at 4 or 5 per cent., and any surplus remaining is paid to the workmen as workmen. Sometimes this surplus or a portion of it is applied to provident or educational purposes.

Of course it is not every industry that admits of being handled and managed exclusively by workmen. As a general rule, those industries which are of a highly speculative character, or which require large capital for their development, are unsuited for this form of co-operation. It is best adapted for those businesses which do not demand high organizing ability, but do demand a fair share of skill and intelligence from the individual workman. Hence we find it successfully employed in boot and shoe-making, metal-working, building and wood-working, printing, etc.

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The above experiments are significant. They have an educational value which is not to be measured by the modest scale upon which they are at

present conducted. They show that when capitalists and workmen rise above the narrow prejudices of their class they can, with a little patience, solve those problems which generations of militant industrialism could not settle. They show to what extent workmen are at present capable of industrial co-operation, and tend to moderate the extravagant notions of those who hold that a co-operative commonwealth is within measurable distance of realization. If, as so many think, we are to reach that stage some day, we cannot do better in the meantime than study the working of the co-partnership system.

THOMAS SCANLON.

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## EDITORIAL CORRESPONDENCE

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### ITALY.

Florence, July 12, 1906.—Mr. Howells has written nothing more delightful than the Florentine Mosaic in his little book on Tuscan Cities, which I bought yesterday, and could not put away until I had read the last of the 137 pages on Florence. When I had finished it I felt that I should like to tell him with what delight I had followed the charming touches with which he passes through the mazes of the streets and palaces and memories of Florence. No one who is not so good a democrat as he, could possibly appreciate with insight and proper intelligence the history of the Florentines; for Florence perhaps came nearer at one period to the point of realizing some approach to the democratic idea than had ever been known in history. "I was with them," he says, "all through that dim turmoil of wars, martyrdoms, pestilences, heroisms and treasons for a thousand years, feeling their increasing purpose of municipal freedom and hatred of one-man power." How Florence maintained her independence and established her democracy, and thus laid the foundation for her great achievements in letters and arts, is one of the greatest chapters in all history.

Another great chapter, one that has not yet been satisfactorily written, is the failure of the Florentine attempt. For it failed utterly—not indeed in the results upon the minds of her great producers whose works are a possession forever, but as a government it failed utterly. "What is certain," says Mr. Howells, "is that the one-man power, forboded and resisted from the first in Florence, was at last to possess itself of the fierce and jealous city." Here were a people, who for a thousand years had constantly before their minds the ideal of a government of the people by the people for the people, who during this time, in spite of all the strifes and treasons and cruelties, continued to advance in wealth, and even more in noble arts; and yet the collapse came.

Neither Mr. Howells nor any of the historians can be said to have given a satisfactory explanation. Mr. Howells says: "It appears that if there had been no foreign interference, the one-man power would never have been fastened on Florence." By which he seems to mean foreign interference of a

political nature, and this explanation is not satisfactory because the people would have been able to resist what external pressure there was, had not there come a change within themselves. Nor is it a satisfactory explanation to dismiss the fact, as some historians do, with the commonplace assertion that Florence is but another instance of the folly of the democratic experiment. The truest and deepest explanation seems to me to be implied in the sermons of Florence's great preacher and prophet, Savonarola.

From the year 1490 to 1498 Savonarola preached to the people of Florence such sermons as have rarely been heard in any place or age. By this time the new learning, the renaissance of the classical spirit, was spreading its influence far and wide. The council of Florence, called for the purpose of uniting the Eastern and Western branches of the church, had been held in 1439, and had brought to the city many Eastern ecclesiastics who were full of Greek literature and Greek philosophy. Cosimo de' Medici in this same century had established a new Platonic Academy, where men of light and leading met to spin anew the threads of sweet philosophy. And even before this time, by various means, the influence of classical learning, classical art, and classical philosophy had been gradually permeating and upsetting the unquestioning faith and fervor of medievalism. The powerful restraints of religion were gradually relaxing, and this relaxation began to show itself in the manners and morals of the people.

We are not speaking here of the advantages that came with the Renaissance, nor of its scientific importance, but of its inevitable effects upon religion and art. This effect was most keenly felt by Savonarola, and so, as an eloquent writer has expressed it, "in 1490 a spiritual tempest burst over the gay, pleasure-loving people of Florence, and the cry of faith raised by one mighty voice came to drown the intellectual speculations, the dilettante appreciations of philosophy and culture." We can see from his words how Savonarola feared the encroachments and influences of the "new" learning. "Have not Aristotle and Plato," he cries, "been preached to you from this pulpit? Worse than that, has not Ovid been quoted to you from here? Tell me, is this the place to preach Ovid to you, or to exhort you to the Christian life? O would that I might persuade you to turn away from earthly things and follow after things eternal."

May it not be that in this preaching of Savonarola, narrow though it may be accused of being, we may catch a glimpse of the ultimate cause of the decline of Florence's democratic strength? Is it not true that, in its ultimate effects, the paganism of the classical influence tended among the masses of the people to relax their moral nature and to promote an enervating sensuousness and love of pleasure? Savonarola's preaching could not check the inevitable trend of influences and events, and under the Medici, who sweetened their tyranny by the promotion of the fine arts, how surely can be traced in the great art productions of the period the struggle that ensued between soul and sense.

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It is the representation of this struggle that forms one of the supreme features of the ever-abiding and