

armed himself in Cleveland. As is generally known, Mayor Johnson has for two years led the movement in Cleveland for a 3-cent fare on street cars. Senator Hanna, who patriotically mixes shady politics with profitable street car franchises, fought Johnson at first in the city council, which he was unable to hold; then in the courts, which served him well; and then in the legislature, which he bodily owned. But now it all comes back again to the people of Cleveland, and Senator Hanna is organizing his "labor leader" outfit in readiness for the approaching municipal election. His success may be inferred from the fact that a committee of the local central body has recently reported that upon investigation it discovered (what Johnson not only denies, but the falsity of which has been demonstrated) that it costs three cents and eight and two-tenths mills to carry a street car passenger, without allowing anything for dividends.

Now, these labor leaders may be perfectly honest in their conclusions. They may think that it does cost nearly three cents to carry a passenger. But how did they find it out? Is there any Simple Simon so innocent as to suppose that they got their information elsewhere than from the offices of Mr. Hanna's companies? They have acted in this matter as a labor committee of monopoly white-washers. It does not follow, of course, that they have been bribed, and everyone is entitled to his own opinion as to their motives. But be their motives whatever they may be, the significant fact remains that a committee of labor men, without experience or special knowledge of the matter in hand, except such as they may have received from the street car ring, have put forth a labored argument in defense of that ring and dubbed their production a "labor report." So labored is this argument, and so spotted with thumb marks of a certain corporation law office in Cleveland, that Mayor Johnson, who knows that office pretty well

and is himself an expert in the street car business, openly charges that the substance of the report was prepared by Hanna's own lawyers. Of course the labor committee denies that charge. Yet there is much about the whole affair to indicate that influences are at work in "labor leader" circles in Cleveland similar to those that controlled the Chicago Federation of Labor until at the last election its outraged and indignant membership voted the "gang" out of office in the Federation.

Prof. Taylor, who holds the chair of political economy at Ann Arbor University, is as candid as a new convert at a Methodist experience meeting. Believing in plutocracy, he defends it without mental reservation or purpose of evasion. Rockefeller is our great tax farmer, as Prof. Taylor concedes, and a useful one as he contends. Moreover, the system is wise and good. As a private citizen with taxing power, Mr. Rockefeller is doing for this country what Lord Cromer, as a government servant, is doing for Egypt. Listen to this exceptionally candid professor:

When Egypt was under the khedives those rulers squandered the enormous taxes paid by their subjects. To-day, under Lord Cromer, Egypt pays just as much taxes to her English masters. Now, however, Egypt gets that money back. Witness the expansive dam on the upper Nile, which will make the whole desert country fertile. In this dam alone Egypt is likely to regain her tax money. In America we have a different method than taxation to secure money for large improvements. Private capital does it. When Mr. Rockefeller, for instance, raises the price of oil two cents he forces us to contribute money for the collection of a great body of productive capital. It is, of course, a system of voluntary despotism to which we Americans thus submit. Mr. Rockefeller has more money than he can use; so it is no effort for him to save his extra earnings in the form of productive capital. If the riches were divided equally none of us would have enough to induce us to form vast amounts of capital. We should want to use our money for ourselves.

In that naive fashion does this professor of political economy expose the economics which his confreres stand for, but the true inwardness of which

they, as a rule, bury in mazes of verbosity and parade in the guise of "science."

Here is an unreserved acknowledgment that the chevaliers d'industrie of whom Mr. Rockefeller is a type, hold and exercise khedival privileges. Note the innocence of Prof. Taylor's observation that we should waste our earnings if there were no Rockefellers to confiscate them and turn them into productive capital. He seems quite oblivious to the obvious truth that the use a man makes of his income is morally subordinate to the manner in which he obtains it. Very generous, for instance, was it of that embryonic type of Rockefellerism, Sixteen-String Jack, to make gifts to the poor. And the poor naturally praised him for it. But where did he get his gifts? That was the crucial question in his case, as it is in Rockefeller's.

AMERICAN WAGES AND CAPITAL

A distinguished newspaper writer, W. A. Croffut, of Washington, D. C., has recently undertaken to demonstrate statistically that the average American wages are but \$300 a year and that this is about equal to the average product, per wage earner, over and above necessary business expenses and a fair return upon invested capital. He argues, therefore, that the only way to increase the average wages is by increasing the average product. Consequently he strongly denounces, as enemies of the laboring man, those who favor restrictive methods adopted by trade unions for the purpose of limiting competition in the labor market.

It would be well to note that in fact a large proportion of our industrial class are compelled to live upon less than \$300 per worker. This does not mean, necessarily, that the average income of the family falls below, or even down to that amount, but that in many families there are two or more bread winners. This has a tendency to reduce the average wages to \$300 or below, even though the family receives a larger income.