to public servants is not necessarily an insult to the people they are pledged to serve.

Investigating the "Money Trust."

It won't be the first time that the Interests have "caught a tartar," if William J. Bryan accepts their jibing invitation to appear before the banking committee in Congress and tell them what he means by saying that "the fact that the money trust wants that committee entrusted with the investigation is proof positive that it thinks it can control that committee." Perhaps this significant fact may not be the only proof Mr. Bryan has up his sleeve.

Whoever looks over the names and districts of the members of the Congressional committee on banking may be pardoned for having suspicions, regardless of anything Mr. Bryan has said on the subject or can say. There could be nothing more significant in confirming those suspicions than the fact that the "money trust" is grateful to the Democratic caucus for voting against a special committee of investigation and referring the investigation to the committee on banking. "The conservative statesmen," said the Washington editor of the Chicago Record-Herald (a big-bankers' organ) in its issue of February 8, "as well as the business interests that have feared an outbreak of probe mania with politics for its main motive, will now rest easier." But why rest easier those "business interests that have feared," if Mr. Bryan's estimate of the committee on banking isn't about right? Significant also is the line between factions. Big Business apologists in Congress are all opposed to a special committee and in favor of the banking committee. Yet the banking committee, a standing committee, might be supposed to have regular work of its own to do without the further burden of a special investigation hardly more in its own line than any other grand jury question. And is it not at least conceivable that the banking committee, with its Louisiana reactionary for chairman, was appointed with due regard for the interests of the Wall Street "money trust"?

That there is a "money trust" centralized in Wall Street—"credit trust" would describe it more accurately, no doubt, but "money trust" is the generally understood colloquial term—no one with any information at all upon the subject can very seriously dispute. To understand it, however, and appreciate the significance of the break in the Democratic ranks in Congress over the "money trust" investigation, the fact must be grasped that "Wall Street" is not one "crowd" but two, and that those two "crowds" are not really distinguished as "bulls" and "bears." The younger element are one "crowd," and they are fighting the older and entrenched "crowd." The younger "crowd" suffer as much from the "money trust" and Big Business generally as any other of the unentrenched anywhere. Nor do the younger "crowd" scoff at the idea of a "money trust." They are "up against it" and know all about it. They are a more conscientious and progressive "crowd," too. How long they would remain so if they themselves were once entrenched, no one can say; but they are so now. They oppose the shifty dealing and the shifty relations of the stock exchange; they want that famous trade union of which they are a part, incorporated so as to bring it under legal control; and generally they are for recognizing and falling in with the changed conditions and tendencies of the national consciousness. With all this, however, they haven't yet got their bearings, or else they have to drift helplessly with the current the entrenched "crowd" controls. Be that as it may, this younger "crowd" in Wall Street looks with no reluctance upon a thoroughgoing investigation of the "money trust," except perhaps that individuals in the "crowd" may fear becoming involved as witnesses. In that event they might provoke from the entrenched "crowd" a vengeance vastly more dreadful than their mere exclusion from "good things."

The "money trust" is dissected by Samuel Untermeyer, the corporation lawyer of New York, of whom Moody's Magazine for February remarks that he might say of it "what Aeneas said of the siege of Troy, 'All of it I saw; part of it I was.'" According to Mr. Untermeyer's dissection, there are twelve bones in the "money trust's" anatomy. First, a few groups of men in New York City control the finances of the consolidated industrial and the railroad corporations. Second, thereby they dominate most of the great banks and trust companies. Third, there has consequently been an enormous concentration of banking power. Fourth, the money and securities' markets have thereby largely fallen under the dictation of those few men. Fifth, they prevent independent railroad construction. Sixth, they prevent competition with the corporations they foster. Seventh, they dominate the New York Stock Exchange and the New York Clearing House. Eighth, part of their system is 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-guage 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