

USES OF THE MILLIONAIRE.

It is not an uncommon thing for the people of an undeveloped country, especially those who own its resources, to wish that some millionaire might come among them and improve it. This is one of the errors into which our upside down industrial system leads men. Pray what could a millionaire do in developing a country? If he worked with his hands, he could at most do no more than any other able-bodied individual. If he had ability as an organizer, he could do no more than any other organizer of equal ability, not a millionaire. In either case he would have to bring men to the place. The men and not he would do the developing. Where, then, is the peculiar power of the millionaire?

That the millionaire has peculiar power no one can deny; but in what does it consist? How can the man who cannot or will not do manual labor, who has no organizing ability, or if he has does not use it, who has nothing whatever but millions of dollars—how can he develop a country? There is but one answer. He does two things. In the first place, he buys local working opportunities; and, in the second, he supports the workers while they are making improvements, by turning over to them part of the earnings which he confiscates from others of their class.

Take for example a country rich in undeveloped resources. These resources are monopolized by people who are patiently waiting like a boy at a ground hog hole, for men to mortgage themselves for a chance to develop them. The millionaire serves the purpose of releasing those resources to labor so that they may be developed. Then it may be that expensive structures are necessary. Here again the millionaire comes in. He is a millionaire because by virtue of some institution or law he is able to draw tribute from labor. For instance, he may be an Astor, owning one-ninth of all that rock known as Manhattan island. He did not make the rock, and he does not improve it; but he is allowed a "rake-off" from the earnings of those who do improve it. It is this "rake-off" that makes him a millionaire. Devoting some of the

"rake-off" to the development of the undeveloped country, he exchanges it for the labor of men who make machinery, railroads, and so on, which he allows the developers to utilize in development. Owing to restrictions upon trade they could not get this otherwise. Thus the undeveloped country comes to be developed, and everyone praises the millionaire. But after all, what essential service does he perform? Could not all the necessary exchanges be made and the undeveloped natural opportunities be availed of by the very men that make the exchanges and develop the opportunities, if there were no millionaires? What more is necessary than that all trades should be unshackled and all undeveloped opportunities be free?

PLUTOCRATS AND SOCIALISTS.

The difference between socialists and honest plutocrats is like that of the silver-gold shield over which the two knights fought till set of sun. Says the socialist: "The profits of the capitalist are made out of unpaid labor!" and forthwith he lays right and left against capitalism. Says the plutocrat, on the other hand: "The profits of the capitalist are not made out of unpaid labor!" and he sails into the socialist. If the plutocrat would but go a step further and try to explain whence the profits of the capitalist do come, he might remove the confusion. For the truth is that neither the socialist nor the plutocrat is wholly right upon this point, nor is either wholly wrong.

There are interests called capitalistic which do make their profits out of unpaid labor. So there are interests called capitalistic which do not make their profits out of unpaid labor. The confusion is due to the careless use of the same term for two different things. To illustrate: A storekeeper is called a capitalist; he uses capital in his business. But his profits are not made out of unpaid labor. If he paid any more for his labor than he does, he would go to the wall. The conclusion, therefore, is unavoidable that though his laborers may be underpaid, he gains nothing by that. No sane socialists pretend that such a man's profits are made out of unpaid labor. Yet they assert that it is out of

unpaid labor that the profits of capitalists are made. Clearly their generalization is too broad; they do not mean all capitalists. To illustrate on the other hand: A Vanderbilt or an Astor is called a capitalist. These men do indeed own capital—buildings, locomotives, etc.; but the most important part of their wealth is not at all like these things. The Vanderbilts own railroad franchises; the Astors own choice sites in a great city. And from these privileges they do make profits, great profits, out of unpaid labor. So it appears that some so-called capitalists make their profits out of unpaid labor, and some do not; or, to put it more accurately, so-called capitalists make profits out of unpaid labor in connection with some of their property which is called capital, and they do not make profits out of unpaid labor in connection with other of their property, which is also called capital. It is in not recognizing the difference, the radical, the significant difference between the two kinds of capital—that which does not make its profits out of unpaid labor, and that which does—that the honest plutocrat and the socialist come to blows over the proposition, asserted by one and denied by the other, that capitalists make their profits out of unpaid labor.

The distinctive qualities of these two kinds of capital, qualities which both sides to the controversy ignore, are easily understood. Capital which does not make its profits out of unpaid labor, is produced by labor; that which does make its profits out of unpaid labor, is a privilege conferred by government—a monopoly.

For the sake of more distinctly defining the issue between socialists and honest plutocrats, let us vary the terminology, giving distinguishing names to essentially different things. Let us give to that kind of capital which labor can and does produce, the name of "capital;" and to that which government confers, the name of "monopoly." Then we can tell to what extent the socialist and the plutocrat respectively are right, and to what extent wrong. With this distinction in terms, we can readily see that the socialist is wrong when he says that the profits of the capitalist are made out of unpaid labor. The

capitalist himself is a laborer, and his profits are in fact his wages. But the plutocrat cannot say that of the profits of monopoly. Should he do so he would prove at once that he is not an honest plutocrat. The profits of monopoly really are made out of unpaid labor. There is no other source under heaven from which they can be made. Let us add, that most so-called capitalists who are very rich are in truth not capitalists but monopolists.

NEWS

Last week we told of the astonishing edicts, looking to the adoption of Western civilization and the advance of democracy in China, which the emperor had recently put forth. These edicts explained the new imperial policy, announced the establishment of a general postal service, required officials to publish monthly accounts of receipts and expenditures, and extended the right of petition to all classes in the empire. We told at the same time of a rumor to the effect that the dowager empress had regained ascendancy over the emperor, and suggested that this might imply a reaction from the reform policy which the imperial edicts had outlined. That rumor has since been confirmed. The emperor has virtually restored the dowager empress to her old position of regent, and it is reported, though the report lacks verification, that immediately after having done so he was assassinated.

The dowager empress of China was first a slave, then a concubine, and then a wife of the Emperor Hsien Fung. Upon his death she became regent for her infant son, whose name was Tung Chi. While still under age, Tung Chi died without issue. His brothers could not succeed him because they were all older than he, and were therefore unable, in accordance with Chinese custom, to worship him as an ancestor. A similar objection applied to the brothers of Hsien Fung; they could not worship him. Consequently, an infant son of one of Hsien Fung's brothers was chosen, and the dowager empress continued to rule, as his regent. His name was Kwang Hsu. When Kwang Hsu came of age, the dowager empress surrendered her authority as regent, and he entered into full pos-

session of the imperial prerogatives. Meantime he had come under the influence of a brilliant and progressive Chinaman, who inspired in him the sentiments which led to the publication of the democratic edicts already mentioned.

This nineteenth century Chinaman is Kang Yu Mei. He was born in Canton but was educated in Hong Kong, where he became thoroughly Europeanized. About two years ago he figured at the head of the reform movement, and in connection with a Presbyterian missionary, published at Peking a paper called "Chinese Progress," which advocated among other reforms the right of petition and freedom of the press. Kang Yu Mei succeeded also in establishing a personal friendship with the young emperor—Kwang Hsu. This friendship enabled him to instill into the mind of the emperor his own progressive and democratic ideas, and led finally to the promulgation not only of the decrees already mentioned but also of one looking to the establishment of a free school system in the several provinces, of another substituting modern affairs for the Chinese classics as subjects for the examination of candidates for public offices, and of another granting full freedom of the press.

But Kang Yu Mei's success in giving a democratic outline to the imperial policy was not accomplished without opposition. The emperor's tutor, Weng Tung Ho, a conservative leader, had always been one of the most influential personages about the palace, and he undertook to thwart the purposes of Kang Yu Mei. So far from making any headway, however, he excited the emperor's wrath, and for his interference was stripped of his offices and honors and forever banished from Peking. The conflicting interests of Russia and Great Britain are supposed to have played a part in this trouble at the Chinese court. Kang Yu Mei at least was affected by them. He appears to have been a friend of Great Britain and an enemy of Russia. He is said to have regarded English influence as better for China than Russian. Not only did he prefer the British form of government for its essential democracy, but he believed that Russia was maneuvering for the capture of Chinese territory while Great Britain only cared for freedom of trade. He is supposed also to have been in communication with the British minister at Peking, and to have

been instrumental in the recent reduction of Li Hung Chang.

That the imperial edicts which Kang Yu Mei induced the emperor to promulgate would excite the consternation and deadly hostility of the old regime of China might well be expected. And they did. It soon became evident that some sort of counter revolution had begun, and on the 22d a rumor gained currency in Shanghai that the emperor was dead. But no details were obtainable. On the same day it was authoritatively reported from Peking that the emperor had resigned his power to the dowager. The same dispatch told of the flight of Kang Yu Mei, the reform leader, and of the failure of vigorous attempts to arrest him. Rumor had it that he was charged with murdering the emperor. This dispatch also stated, upon the authority of the Japanese statesman himself, that the emperor had received the Marquis Ito most cordially only the day before, and expressed a desire for his advice in carrying out the policy outlined in the imperial edicts. That dispatch was followed on the next day, the 23d, by a copy of the edict of abdication. It is as follows:

Now that China is disturbed and there is need that all business shall be well done, we, the emperor, agitated from morning to evening for the welfare of all affairs, and fearful lest errors may occur, observing from the beginning of the reign of Tung Chi that the empress dowager had twice given instructions to the emperor, each time with signal ability and success, so we now, considering the important interests of the empire, have begged the empress dowager to give to the emperor the benefit of her ripe experience and her instruction. The dowager empress has been pleased to accede to this request. From to-day the empress dowager conducts the business in the imperial apartments, and on the 3th day of the present month (Chinese calendar, meaning the 23rd, English calendar, we will take all the princes and ministers to perform the ceremony in the Chin Chung palace. Let the yamen (foreign office) prepare that the ceremony may be performed with fitting honors.

The reported escape of Kang Yu Mei was verified two or three days later, from Shanghai. He had found refuge there on board a British steamer bound for Hong Kong. In an interview with a London Times correspondent he said that he had left Peking on the 20th, doing so in compliance with a suggestion from the