

into the hands of a receiver; and if he went about bragging of his prosperity he would be sent to a lunatic asylum.

But it may be asked, What becomes of these vast exports of American goods if they are never paid for with other goods nor with gold and silver? The question is easily answered. To some extent they pay the expenses of Americans traveling abroad. To a still greater extent they pay the interest on American public debts abroad. To a greater extent yet they pay the interest and principal of private debts owed by Americans to foreign creditors. Then there are dividends on the stock of American railroads and street car companies held by foreign stockholders. But most of all, are the ground rents of American lands owned by non-resident landlords. These latter include mines and city lots as well as farming land. The interest on debts is repayment, of course, for something the foreigners who receive it have done to improve this country; but ground rents and the dividends on account of railroad franchises and mining royalties are simple tribute. They are in no sense repayment for any improvement or other benefit. To this extent our exports would do the country as a whole as much good if they were dumped into the sea. Yet we are asked to regard every excess of exports over imports as evidence of prosperity!

When prosperity does come, no statistics of exports will be necessary to prove it. Everybody will know the fact without figures. Meantime, keep your eye on real estate speculation. That is the true test of coming or going prosperity. When times are good, the real estate market is lively. When times are bad, the real estate market is dull. At present the real estate market is dull. And so are the times. The only prosperity is that which monopolists enjoy.

The republican governor of Michigan, Mr. Pingree, is in nowise self-deceived by his partisanship as to the true character of the relation of Mr.

McKinley to Mr. Hanna. He has explained to a reporter that "the president is Hanna, and Hanna is McKinley, and if you said he wasn't, Hanna would be awfully offended." It is refreshing to find one republican of prominence who is proof against the blandishments of the sanctimonious member of Mr. Hanna's political firm.

At least one of the prominent antagonists of Bryan in 1896 has at last discovered that the silver issue is superficial—only a surface manifestation of widespread and deep-seated hostility to things as they are. This man-head-of-his-crowd is Prof. J. Laurence Laughlin. In a recent article in *Self Culture* he says that though the silver agitation were to die out, the underlying cause would find some other form of activity. The underlying cause is opposition to legalized privilege, though Laughlin does not so distinguish it in terms; and of course that is just as reprehensible in his estimation as the silver agitation; for is he not a professor in Rockefeller's university at Chicago? and could he remain there if he were in any degree opposed to the perpetuation of legalized privilege? True, Prof. Laughlin deplores the corruption under existing conditions, which he thinks is directly traceable to a few arrogant corporations, but he is offended only by surface corruption. We do not mean to imply by this that he would approve corruption merely because it succeeded in hiding itself. He is by no means so crude as that. Prof. Laughlin would doubtless condemn as unsparingly, corruption that remained hidden if he believed there were any such, as that which is exposed. But he does not realize that corruption is corrupt when its methods are conventionally decent. He has no conception of corruption at the core. Institutional robbery is to him not robbery at all. Hence his anxiety. For if arrogant corporations continue their display of legislative corruption it is indeed certain, as he says, that the masses will not discriminate. They

will strike as hard at vested interests as at those of recent unsavory origin—as hard, for instance, at respectable robbery through landlordism as at the less respectable sort through legislative bribery. Even Rockefeller's sanctified plundering might feel the stress of the storm. If only the masses would confine their hostility to the creation of new opportunities for plunder, and especially to legislative corruption, leaving the beneficiaries of hoary wrongs to the enjoyment of their "swag" in peace, Prof. Laughlin would be content. But, shrewder than some of his associates, he sees not only that the great underlying cause of the silver agitation, but also the underlying cause of every other variety of social agitation, is inveterate hostility to legalized privilege. So he sounds the alarm.

A correspondent asks us to explain from what source wealth is derived. It depends upon what he means by "wealth." If he means land, machinery, money, bonds, dry goods, houses, grain, slaves, book accounts, railroad franchises, cattle, and so on—that is, if he means all the various things that we have in mind when we say of an individual that he is wealthy—then wealth is derived from various sources. Land, for instance, is derived from nature, grain from land, slaves from the great body of men, book accounts from trading transactions, money from government, and franchises from legislatures. But if by "wealth" our correspondent means not the things that make individuals wealthy by impoverishing other individuals, but, as we suppose him to mean, only those things that add to the sum total of wealth, the things that lessen that amount when destroyed and increase it when produced—then the source is the material universe which constitutes human environment—the land. The power which produces wealth from this source is human energy—labor. This definition of wealth properly excludes land, money, bonds, slaves,

bank accounts and franchises. Franchises and bonds are mere powers—whether good or bad is foreign to the point—whereby the owners are able to command the labor of others. They do not add to wealth in general, but merely transfer ownership. So of book accounts and money, convenient as they are they could be destroyed without diminishing the aggregate of wealth. Being mere evidences of title, what the owners lost others would retain. Slaves, of course, are not wealth in this sense. And as to land, its value is no addition to the sum total of wealth, for that value stands for nothing but the power of the owner under the law to take wealth from others. What he gains they lose, and when they are considered together as a whole, there is neither gain nor loss. Wealth, considered as a social quantity, can be produced only by labor, and its sole source is land. Anything not so produced from that source is not social wealth. It may enrich individuals, and so be individual wealth; but inasmuch as the impoverishment of other individuals is to the same extent involved, it cannot be considered as wealth in general.

A St. Louis woman told the Household Economic association, at its Omaha meeting, that more can be done toward solving labor problems, "by woman making the home attractive and elevating its morals than by all the labor organizations, and anarchist and socialist societies put together." This St. Louis woman must be a reincarnation of the French princess who, when the populace cried for bread, asked why they didn't eat cake.

Four years ago the Pullman Palace Car company crowded down the wages of its men until they were driven to strike, efforts to bring about an arbitration being foiled by the company, whose officers insisted that they were compelled to reduce wages by the bad conditions of their business. Yet this same company report-

ed last week that in addition to the dividends which it has paid on its capital of \$36,000,000, mostly water, it finds in its assets a surplus of \$18,000,000, which it has now added to its capital stock, as a basis for future exorbitant dividends. If this were really a private business, the increase of capital stock would be nobody's affair but that of the stockholders. But the Pullman Palace Car company could make no such profit out of a competitive enterprise. It makes its enormous profits out of hidden "pulls" and secret contracts with railroad corporations, which are not private concerns at all, but public servants. The matter is therefore a public affair. But what is the public going to do about it?

In connection with the increase of capital stock of the Pullman Palace Car company, it will be interesting to note how the employes have been paid during the past year. According to the company's report, the average number of persons on the pay rolls at Pullman for the year was 5,012, and the wages paid was \$2,702,591—an average of less than \$540 for each person employed. These persons, according to the same report, turned over to the company during the year a manufactured product worth \$10,368,256. In the latter sum there enter, of course, not only the labor of the men but also items for materials and wear and tear of machinery; but these items do not account for the difference between something less than three millions in wages and something more than ten millions in product. If they did there would not be an \$18,000,000 surplus after paying dividends. It appears, then, that for less than three millions in wages the Pullman employes have turned over to the company not far from ten millions in product. Yet the company and its apologists would have the public understand that the wages of its men are paid by it. To a man up a tree, it would look as if the men paid their own wages, and a good deal besides.

The annual report of the secretary of the American Proportional Representation league is just out. This league has for its president William Dudley Foulke, of Richmond, Ind., and for its secretary Stoughton Cooley, of Maywood, Ill. Its vice presidents are William Lloyd Garrison and Charles Francis Adams, of Boston, and Tom L. Johnson, of Cleveland. The object of the league is to promote the adoption of a simple election system, whereby voters may choose the candidate whom of all others they prefer, without risking the success of their party organization. Mr. Cooley's report shows that in Switzerland, where proportional representation is already in use in some cantons and cities, it is being extended to others, and that a recent attempt to abolish it in one of the cantons was overwhelmingly defeated. Spirited agitations also are in progress in France, Belgium and Germany, while Norway, Argentina and Brazil are in some form using the system for local elections. In Japan, the liberal party, the strongest single party there, is behind the proportional representation bill, which is soon to be reported. And in Tasmania the system was used in 1897 in two towns, under a temporary law, which is likely to be made permanent owing to the satisfactory result of the experiment.

An essential principle of proportional representation is that it gives the reformer in politics freedom to act within party lines. The voter, by making his party candidate his second choice, can vote for an independent whom he prefers, with full assurance that if the independent fails of election, the full force of his vote will go to the party candidate. On this point Mr. Cooley says in his report :

It is useless to rail at the voter for sticking to his party; but an appeal to support the best men in the party will seldom be made in vain, if a way is provided by means of which he can discriminate between the candidates of his own party without jeopardizing the principles for which it stands.