

The promptness in our list of "Books of the Week" will be considered by us as equivalent to interest. - Authors for all volumes received. The interest of our readers will guide us in the selection of works for further notice.

THE REPORT OF THE GOVERNMENT COMMISSION OF LABOR.*

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THE investigations conducted by Mr. Wright while connected with the Massachusetts Bureau of Labor Statistics were of so much interest and value that his appointment as Labor Commissioner for the United States was received with universal favor. It was naturally expected that the assiduity that he had displayed in the collection of information, and the care that he had shown in the compilation of statistics, when called into exercise in a wider field, would be productive of more gratifying results than had been hitherto attained. Mr. Wright himself may possibly have been influenced by these expectations, and have thus been led to undertake an investigation of a very different nature from those that had previously engaged his attention, and one from which even a trained economist might well shrink.

It is to be regretted that his first attempt in his new position should have been of so ambitious a character; for, after a careful study of the results presented in this volume, we are obliged to say that not even the author's distinguished reputation can protect them from severe criticism. The subject of industrial depressions is so complex in its nature as to require for its successful treatment the possession of abilities of a very different kind from those by which Mr. Wright has attained distinction. Still in the collection of facts is of very little avail when unaccompanied with the capacity to draw valid inferences from them when collected; and Mr. Wright seems to make little use of the methods employed by sound reasoners for distinguishing valid arguments from fallacies. He deals almost exclusively with abstractions, instead of reasoning from facts. His ideas as well as his theories are frequently crude and vague, and he expresses them in sentences of awkward structure and of phenomenal obscurity. The following passage will serve as an illustration of these peculiarities, and is a fair example of the style in which the report is written: "The statistical illustrations of the various features of industrial depressions as presented herein, unless otherwise stated, are the results of original inquiry; and these statistical illustrations, taken in connection with others, which are all from most trustworthy sources and from highest authorities, constitute a grouping of facts relative to conditions claiming the fullest attention, which, so far as I am aware, is novel not only in the grouping but in the extent of their influence."

It is hardly necessary to say that a most important step in any investigation is to determine the precise character of the phenomenon to be investigated. In this case, after a patient search, we have been unable to discover any definition of the term "industrial depression," and we have been driven to the conclusion that the investigator has failed to define his subject clearly in his own mind. We are told that panics and crises may occur without producing industrial depressions, and that "a depression is a condition which has duration of time attending it." We are further informed that a depression "is a mental and moral malady which seizes the public mind after the first influences of the depression are materially or physically felt," although it is not explained how a mental malady can have material influences before it seizes the mind; and this is the nearest approach to a definition that is offered. Upon the whole we are justified in concluding that a period of general low prices is regarded by the author as a period of industrial depression. But, if we take this view, we should expect an inquiry into the causes of general low prices, an inquiry to which the hundreds of pages of statistics collected in this volume are quite irrelevant. At one place, indeed, the author seems to catch a glimpse of the truth that the quan-

tity of products exchanged is a better test of the condition of business than the prices for which they are exchanged; but he fails to make any application of this principle. Elsewhere we find reason to suppose that he regards an industrial depression as existing when an unusual number of laborers are idle. The latter fact can hardly be regarded as a cause of the former; but as the author evidently considers that an unusual number of laborers were unemployed during the year 1885, and infers that an industrial depression then existed, we have taken some pains to examine his reasoning. If it is unusual, we must conclude that his method of investigation is defective; for in that case there is no evidence that an industrial depression now exists or has recently existed, except the prevalence of low prices, a phenomenon of which he offers no explanation.

From the observations of his agents, "and other sources from which it has been possible to form conclusions," Mr. Wright decides that five per cent. of the establishments of the country, such as factories, mines, etc., were absolutely idle during the year ending July 1st, 1885, and that five per cent. more were idle a part of the time; or, say seven and a half per cent. of the whole number were idle during the year named. For this belief Mr. Wright furnishes no evidence; but as this is a matter upon which he is unquestionably qualified to testify, we will assume his belief to be well founded. Of such establishments in 1880 there were 255,000 employing 2,250,000 hands. There were then in 1885, at least 10,125 such establishments idle, throwing out of work 168,750 hands. Assuming that what is supposed to be true of these establishments is true of agriculture, trade and transportation, mechanical and mining industries, and manufactures, there were about 1,000,000 persons unemployed during the period referred to. And although Mr. Wright calls attention to the fact that "in so-called prosperous times there are from two to two and one-half per cent. of the forces considered out of employment," he seems to disregard this modifying circumstance, and proceeds to comment upon the "crippled consumption" arising from the idleness of a million workmen.

But let us go a little deeper into this matter. Are we quite sure that what Mr. Wright believes to be true concerning certain "establishments" is true of all trade and transportation, of all agriculture and all manufactures? If, instead of guessing at the date, the returns of the railroads had been consulted, would it not appear that the number of men employed had increased? Is it not well known that the number of farms, and presumptively the number of men employed upon them, have very largely increased? And what weight is to be allowed to the fact that immigration has at the same time decreased? Has any account been taken of the number of emigrants? And how are we to explain the fact that in 1881-2 there were 2,710,000 persons having deposits in the savings-banks amounting to \$800,000,000, while in 1884-5 there were 8,071,000 such persons with \$1,095,000,000 in their credit? No wonder that Mr. Wright exclaims in bewilderment: "It is curious to observe that while the severity of the depression causes a crippling to the extent of several hundred millions of dollars per year of the consuming power of the people, the volume of business transacted is not crippled comparatively to any such extent." And if the volume of business is not "crippled" at all, but is largely increased, would it not be so "curious" as to be contradictory that the consuming power of the people should be at the same time "crippled" to the extent of several hundred millions of dollars, and that one million productive laborers should be out of employment? Surely this is a case where, if the facts do not support the theory, it is so much the worse for the facts.

In that most celebrated of all scientific expeditions described by the lamented John Phœnix, when the attempts of the corps of observers to determine the time by the use of their elaborate and costly apparatus had terminated in results so repugnant to common sense as to be unsatisfactory, the problem was happily solved by asking one of the passers by what o'clock it was. In like manner, perhaps, the Commissioner of

Labor, not contented with his own theorizing, has betrouth himself of ascertaining the causes of depressions by asking a great number of persons what they think these causes to be. As might have been expected, he has collected an extremely choice lot of absurdities. As well as we can calculate, between two hundred and three hundred "causes" are carefully tabulated. It would be entertaining to lay before our readers some specimens from this museum, but we must content ourselves with agreeing with Mr. Wright when he mildly, although somewhat vaguely, says that they "teach the difficulty of crystallizing into any formula those features of an industrial depression which can be considered as constituting any economic law." Of course there is only one thing to be done with such a heterogeneous mass of wild theories—and that is to disregard them. Mr. Wright, therefore, very judiciously dismisses all those "causes" that seem to him unsatisfactory, and confines his attention to those which he thinks may have something to do with the matter in hand. We shall endeavor to state his theory as succinctly as possible, criticizing it by the way.

The present industrial depression embraces the leading nations of the civilized world. It is "the first of its kind as an entirety." One of its unique features is "plenty of money in the banks, with low prices prevailing at the same time"; a feature that we had supposed to be generally characteristic of periods of depression. The cause of the depression is over-production of goods, and the cause of over-production is the increase of power machinery. Over-production is "that condition of a locality, state or country when more goods have been produced than are sufficient to meet the ordinary demand." This definition is unsatisfactory in several respects. It seems to imply that there can be a general over-production—that the farmers have more food to sell than the manufacturers want to buy, and the manufacturers have more products to sell than the farmers want to buy. Again, it fails to bring out the difference between prosperity and adversity, between good times and bad times; for, if we consider the state of affairs when business is brisk, we find that at any particular moment more goods have been produced than are sufficient to meet the ordinary demand; for the reason that the demand is extraordinary.

If we shift our point of view, and say that it is not the excessive supply, but the decreased demand, then we have to inquire why the increase of machinery should lessen demand at this particular juncture, when it is notorious that demand has enormously increased with the progress of invention. If the introduction of machinery causes industrial depression, we must have been getting into a bad way for well nigh a hundred years. If there had been any especial and unusually extensive introduction of machinery within a year or two, it might have some bearing on the problem, but Mr. Wright's tables show nothing of the kind. They are interesting as showing how far the labor of mankind has been lightened; but they have no bearing upon the subject of the present industrial depression. They may have some value for manufacturers, but they suggest no solution of Mr. Wright's problem, nor, so far as we have observed, does he himself draw any inferences from them.

Since the chief cause of bad times is the increase of machinery, we should naturally expect that the remedy proposed would be its decrease. Strange to say this remedy is not suggested, and in its place we have a number of familiar platitudes, no one of which if "casual consideration takes such suggested remedy out of the realms of theory," (to use Mr. Wright's language) seems to have any tendency to check the progress of invention. These suggested remedies are, in brief, the prevention by legislation of "the unholy speculation in food products," a conservative care by legislators in extending railroad building, and in organizing manufacturing corporations, and a restriction of grants of the public domain. To these are to be added uniform bankruptcy laws, legislation to "abridge the provisions of laws relating to the collection of debts, to the end that the credit

system shall not be abused"; to regulate transportation "on a just and uniform basis"; to regulate the tariff "on the basis of justice and science"; to provide "that the necessity shall be recognized of the industrial development of all parts of the land, that there may result a legitimate increase in the consuming power of the people" (we should like to see the draft of the act that is to accomplish his result); to stimulate industrial education in all parts of the country (although this must tend to stimulate invention, and thereby, on Mr. Wright's theory, aggravate the existing depression); to "see to it that labor is not lowered either in standard or through earnings by the pernicious method of importations by contract"; etc., etc. Public sentiment is to require among other things that the contracts of labor shall be such "that the workman shall not be obliged to make contracts on terms not acceptable to him."

We make no comment upon these remedies. They speak for themselves. They can be read in all the party platforms, and in the declarations of the labor unions. They have no support in any of the statistics that are presented in this volume, and however well meant, are obviously not of a practical character. Their author seems to have allowed himself to be carried away by hazy sentiment, and to suppose that vague and illogical theorizing can take the place of rigid induction from facts. It is an ungrateful task to point out the failings of a man who is unquestionably influenced by the most benevolent motives; but in this case the public interest is directly involved. We had hoped to find in this report a scientific investigation of some of the most important of our social problems, such as would justify the very considerable expenditure of public money that has been involved. We have been greatly disappointed and can only trust that the Commissioner of Labor will give us in future reports something worthier of his reputation.

*THE FIRST ANNUAL REPORT OF THE COMMISSIONER OF LABOR, March, 1886. Industrial Depressions. Washington: Government Printing Office.