

THE "LABORER" IN FEDERAL OFFICES.

The Civil Service Commission's demand upon the Treasury Department for the reinstatement of five employees of the Philadelphia Mint discharged for political reasons is not merely a revelation of gross abuses in that institution. It is a fresh warning to the President, and to all interested in the welfare of the public service, that it is time to close up the "laborer" loophole by which many unqualified persons obtain classified positions without examinations, in direct violation of the law. What has been done in this respect in the Mint has been done in the Philadelphia Post-Office, and, it is believed, to a greater or less degree, in the New York Custom House. The public will remember that the naval "historian," Edgar Stanton Maclay, was carried on the rolls of the New York navy yard as a "laborer" until discharged for his criticisms of Schley, and that the now famous report of Mr. Tulloch gave numerous instances of "laborers," some of whom held two positions, but most of whom toiled not, neither did they spin.

The object-lesson afforded by the Philadelphia Mint cases is very plain. Mr. Francis P. Rodden had been employed for about eleven years as a "roller" in the classified service. He was faithful and efficient, but his place was "wanted" in the pursuance of a scheme by which the Mint's classified employees were reduced by thirty-eight persons, while the unclassified service was increased by forty-two. Mr. Rodden was notified that his dismissal was due to insubordination, of which not the slightest proof was submitted; perhaps it was not deemed necessary to waste ink and paper on a Democrat. Instead of appointing an employee from the classified list in his place, his work was assigned to two "laborers," both Republicans. One of them was an "active political heeler in the Seventh Ward"; the other was the son of the foreman. Thus, in place of one obnoxious Democrat the Mint was served by a personal favorite and by a party worker. In the eyes of Superintendent Landis, a valued Quay man, this was doubtless an extremely meritorious act; at least he continued this policy by discharging four Democratic watchmen and employing six Republicans in their stead. From the point of view of a Quay or a Platt, Mr. Landis is certainly a wonderful public servant. No one but a political genius or a magician could make five places become eight, and then fill them with the faithful in the very teeth of the silly civil-service reformers.

But Mr. Landis cannot lay claim to real originality. The former postmaster of Philadelphia, Mr. Hicks, was removed because of his striking penchant for "laborers." The work of the office seemed to increase over night, but with

the demand there was always the supply. Mr. Hicks, too, had a very remarkable experience, not usually shared by large employers of labor, for he speedily found, if we may judge by his selections, that there were no unemployed Democrats in all the City of Brotherly Love. His successor, Postmaster Clayton McMichael, had the itch for laborers in only a little less virulent form. Within a year he had appointed forty-seven, thirty-seven of whom took the places of an equal number of men left over from the Hicks era, who mysteriously disappeared from the service or were transferred. One of these McMichael laborers was Charles S. Morgan, jr., who thus defined his arduous laborer's duties: "Copying letters, opening letters, straightening up the desk, bringing messages from one part of the building to another; that is my idea of a laborer's work, and I cash the checks when signed by the Postmaster." John S. Knowles, another laborer, the son of the Assistant Postmaster, earned \$600 by acting as messenger for the cashier's division, and—surprising as it may seem—to the Assistant Postmaster. Edward J. Wynne bent his back and strained his muscles in the money-order division "casing" money-order advices, for the sum of \$700 a year. As his name indicates, he is a relative of the First Assistant Postmaster-General.

The purpose of all this scheming and manœuvring is plain. These are the final efforts of the spoilsmen to "beat" the civil-service rules. Driven from one entrenchment to another, they are now in the last ditch. The one way in which they can oblige their political bosses and owners is to make a man a laborer and then give him clerical work. So flagrant had this abuse become in Washington a year or two ago that there were 800 laborers found doing work to which no man is lawfully entitled until he has passed an examination and been appointed from an eligible list. This was too much for President Roosevelt, and in July, 1902, he issued an order establishing labor boards and a registration system. The department heads are now compelled to appoint laborers from an eligible list, but the 800 who have sneaked into the service are to retain their present "classified" positions. A similar ruling has recently been made for the Philadelphia Post-Office in the hope of stopping the practices cited above.

But this does not lessen the culpability of officials who, like the Superintendent of the Mint, have openly and avowedly ignored the eligible lists furnished by the Civil Service Commission and appointed laborers instead of men who had passed their examinations. In the Mint, as Commissioner Cooley has just reported, the number of unclassified employees has increased out of all proportion to the amount of unclassified work, there having been a net increase since May 1, 1902, of fifty-three unclassified employees

and a decrease of thirty-seven holding classified offices. Naturally the Commission insists that all these classified positions now held by laborers should be declared vacant and refilled after an open competitive examination, and that there should be proper regulations for the employment of laborers at the Mint.

By an order of March 16 last, President Roosevelt provided for the extension of the labor registration system to Federal offices outside of Washington. Save in Philadelphia, nothing has yet been done to carry out this order. Collector Stranahan is reported to have opposed its introduction in this city very bitterly, and the spoilsmen at the head of the other Federal offices here and elsewhere look with equal disfavor upon the plan. The President should now see to it that the system is applied without loss of time. The Philadelphia situation should prove to him that only prompt action will prevent further scandals, and he already has enough on his hands. Incidentally, the Philadelphia experience should demonstrate the folly of expecting heads of great offices to look with favor upon the classified service until they themselves are believers in it, and in fixity of tenure in office, as against appointing political favorites to please a boss or with an eye to a local political situation.

BUSINESS AND THE CURRENCY.

Troubles in the money market always raise a hue and cry about the currency laws. The deep-seated tendency to attribute such a state of affairs as this country has been passing through for a year or more to a defective monetary system, springs from a variety of causes. For one thing, this is the traditional way of explaining a financial dislocation. During a very large part of our history, the influence of unsound currency methods on the general financial and industrial welfare was unmistakable. This was certainly the case down to the repeal of the Sherman law in 1893. But many of those who are now using the defective-currency argument to explain the collapse in Wall Street ignore the fact that our present currency situation differs from previous ones in two particulars: first, such circulating media as we now possess are in no danger of directly inflicting loss on the trading public; and, second, the time has apparently forever passed when they can weaken the national credit. Our present currency bears no resemblance to the inflated note issues of the State-bank days or to the silver issues that so greatly impaired the public credit prior to 1893.

Another cause for the confusion that now exists regarding the relation of the currency to the business situation is a widespread inability to distinguish between money and capital. The address of Comptroller Ridgely, on "The Busi-

ness Situation and the Currency," before the Bankers' Convention, is therefore timely. He maintains that the business situation is not largely attributable to currency, and that it is not to legislation that we should look for permanent relief. If we had had a better and more elastic currency system, and if the surplus revenues of the Government had not been taken out of circulation, there might not be so much fear of a stringent money market. But, on the other hand, if there had not been the most absolute confidence in the soundness of our currency, the disturbances in the stock markets of the past two years would probably have spread much farther, and doubtless ended in a serious crisis, with severe industrial and commercial depression. Sound opinion will uphold the Comptroller in these statements. But when he goes on to say that, "if there had not been a large surplus revenue and plenty of money in the United States Treasury, the Secretary might not have been able to render the assistance he had to the money market on several occasions, when he checked trouble due to causes entirely apart from all questions of currency or governmental finance," he constructively throws his influence in favor of excessive revenues for the purpose of enabling the Government to dominate the money market in the interest of general business—a species of paternalism that is not likely to obtain wide approval.

But if there is any lack of agreement with Comptroller Ridgely on such points as this, it is speedily lost sight of in the endorsement which his remarks as a whole command. Without going into details, he states concisely his view regarding currency reform in the following language: "I am a thorough believer in currency reform, and agree with those who wish to see the greenbacks retired, the silver withdrawn down to the point which is practically subsidiary coinage or currency, leaving nothing in circulation but gold, as coin or certificates, and a real banknote circulation by gold reserves, with such regulations for issue and redemption that it would be a matter of indifference to the banks whether their credits remained with them as deposits or were circulating notes." But we have a very different system in force, and it is the Comptroller's opinion that there is much to be said for the argument that this is not the time for any very radical change. He states the philosophy of the present situation with a cogency that leaves nothing to be desired, saying: "There is no use to delude ourselves with the hope that legislation will help us out of the trouble due to over-expansion and speculation. We need all the reserve money we can get, but legislation will not produce it. We must wait for the accumulation of gold, the only real reserve money. It will be no real help to make a further large in-

crease in banknote circulation, and no one would think of adding to the volume of the greenbacks. No legislation can change fixed capital to productive capital. That is merely a question of time, and there is nothing to do but to wait for it." That is the situation reduced to briefest terms. Not more currency, but more capital, is what is needed to rectify the financial situation.

No one will dissent now from Mr. Ridgely's assertion that "our bank loans have been expanding too fast." In his statement of the causes which have produced this result, he refers to many factors which can hardly have escaped general observation, such as extravagant living, a great rise in prices, and a consequent necessity for larger volumes of credit for the conduct of business on the previous scale, with the vast amount of loanable capital that has gone into fixed improvements which are unproductive or are very slowly becoming productive. His allusions to the speculation in farming lands, however, throw light on a subject regarding which many well-informed people have possessed only a more or less vague knowledge; and of course he does not neglect to mention the part which has been played by the banks in fostering speculation. But, despite all these adverse influences, the Comptroller views the situation hopefully. He keeps his eye on the enormous development of the real resources of the country of late years, and remarks that our recently acquired prosperity "is not going to disappear or vanish in a day because of a slump in stocks or the collapse of a few underwriting syndicates." Yet the applause which he received was well-deserved when he told the assembled bankers that "the speculative attempts to discount the future and over-capitalize earning power have met with foreordained and inevitable failure."

TAMMANY'S MIXED ALLIES.

Rather than be accused of a want of courtesy to its political opponents, the Citizens' Union withdrew, the other day, a political banner which bore the words, "Every thief, gambler, and dive-keeper will vote for Tammany." The same fact was then restated in a different form: "No thief, gambler, or dive-keeper will vote to elect Mayor Low." The change in wording may or may not have salvaged the wounded sensibilities of Tammany Hall; but the truth of the original statement has not been altered thereby, or even questioned. Now, as during all its career of political crime, the closest friends, the warmest allies of Tammany Hall are found in the denizens of the "world of graft." These it has cherished, nurtured, and rewarded; defended when in trouble, and not infrequently admitted to its innermost councils. Its record shows that whenever the Hall has made its hypocritical pleas on behalf of

the downtrodden poor, it has had in mind, not the dwellers in tenements, but those citizens whose chief dread under a reform administration is that of an enforced residence in Sing Sing.

Concerning this alliance with crime and vice, so strenuously denied by Col. McClellan in 1901, but so plainly admitted by him in 1903, there can be no language too strong. More openly than ever before, Tammany is seeking to bind to itself the vulgar violators of the law. The elevator man who declared the other day his intention of voting for Tammany because he had been promised his former position as steward of a pool-room in the event of Col. McClellan's election, is merely a type of a class to which Tammany appeals with irresistible force. Unable to bring a single serious charge against Mr. Low's Administration, driven to national issues or to the wildest falsehoods in order to save themselves from total silence on the stump, Tammany's leaders are now trying to purchase the city by wholesale promises of immunity from the legal punishment of public offences.

The liquor dealers who would make sales in defiance of the statutes are daily assailing Mr. Low, positive that Col. McClellan's election would mean a relapse to the system of police blackmail and illegal sales. The gambling syndicate is worried only by its fear that, owing to Mr. Jerome, Tammany may not be able to "deliver the goods"—that is, the freedom of operation—it so glibly promises. The corrupt building contractor is for Tammany, heart and soul, knowing full well that there will be no Perez M. Stewart to enforce the law without fear or favor if the city votes for the grafters. Even to the theatres, we are informed, the tip has gone forth that Col. McClellan's success will mean official forgetfulness of the laws forbidding standing in the aisles, and requiring other precautions in the interest of the public.

There is not a single interest which would profit financially by a failure rigidly to enforce the laws, to whose greed Tammany has not made its corrupting appeal. "Help us to the offices," it cries, "and you may ask of us any favors you please"; and it dangles this bait at the very moment that its subservient candidate is suavely assuring his audiences that, if elected, he will give the city "an honest and a business Democratic administration." With the best intentions in the world, so weak a man could never prevent his Tammany associates from carrying out the pledges made in their desperate search for votes.

Upon the most dangerous class of those who would betray the city in order to make unlawful gains, Mayor Low touched in his most admirable speech in Cooper Union on Wednesday week. The abandoned and the outright criminals of a great city are ever in a small minority.