

Inconsistent.

In certain quarters there is loud derision of President Wilson's reference to the business depression as "merely psychological." Yet from these same quarters solemn assurances were issued during previous administrations that confidence would bring prosperity, or lack of confidence destroy it.

S. D.

Too Much Regulation.

Whether due to the strides in mechanics toward making "fool proof" machinery, or to a reversion to paternalistic government, there is a strong current setting in toward government control of business. Fortunately, however, for the cause of freedom, the antidote seems to be coming with the disease. At the very moment when attempts are being made to add more duties to overburdened administration, the failure to discharge those already imposed must cause paternalists to pause. If the production and distribution of wealth can be accomplished only by constant and detailed supervision of government, municipal, state and national, then is democracy a mistake, and socialism the inevitable; but by this self-same token, the failure of present government supervision indicates that socialism is impracticable. The history of civilization is marked by the shifting of authority from the autocrat to the individual, from the state to the citizen; and the present attempts to relieve the people by regulating the pressure, instead of removing it, are decidedly reactionary.

Few things in this country have had more regulation and closer supervision than our banks. The most minute provisions are made for their conduct, and they are subject to the constant espionage of the state. Yet a large bank in Chicago, is found, after its failure, to have disregarded pretty much all the regulations laid down for it to follow. Laws were enacted, officers were named to see to their execution, and the people elected a man to carry their will into execution; yet in spite of this supervision the laws were evaded, the officials failed in their duty, and the people have been defrauded. If banks, so few in number in comparison with other mercantile enterprises, cannot be controlled effectively, what reason is there for supposing government can superintend and control the vast commercial life of the country? Certain things there are that government—and by government is meant the people acting in their collective capacity—must do, such as preserve the

peace, maintain highways, and regulate land tenure; but ventures beyond these natural functions should be made with great circumspection, and with the fullest consideration for the rights of the individual, and the capacity of government. Since government by its very nature must be in the hands of men of average talent, while striving to control men of extraordinary ability, its field of activities should be confined to the least practical area. The restraining influence of public opinion should not be expected to cover too wide a range.

The new anti-trust legislation is laying down an impossible program. It is a vain endeavor to keep erect a building set upon a wrong foundation. The income tax law has proven a disappointment because of the evasions; and all the power of the government is to be invoked to find the delinquents. The Colorado State government breaks down, and the Federal Government steps in to protect the people from themselves. And now Montana is confronted with the same disorder that has swept from West Virginia through Michigan to the West. All of this confusion, as well as all of the trust trouble, comes through the initial act of government in clothing certain citizens with special privileges; and no amount of regulation or supervision of citizens so advantaged will prevent their encroachment upon the rights of others. It is not regulation but abolition that we want; and the thousand and one proposals for government relief would be rendered unnecessary by a return to first principles. It is toward liberty we should strive, not restriction. With our governments, local, state and national, discharging their immediate and proper functions, they will be doing all that our present capacity for self-government warrants them in undertaking.

S. C.

The Proper Measure.

Some, if not all, of the appointments to the new Federal Reserve Board, are being severely criticized. Perhaps they deserve criticism, but if so some more satisfactory reason should be advanced than the private business connections of the criticized ones. There seems no question at all but that Mr. Jones is a director of the Harvester Trust and of the Zinc Trust. Mr. Walburg is a member of the Wall Street firm of Kuhn, Loeb and Co. Such business connections do not very often stimulate loyalty to democratic principles. For this reason one, unacquainted with these men, may be justified in suspecting their

democracy. But, in the absence of more definite information such suspicions should not be allowed to become conviction. A similar process would have unjustly condemned Tom L. Johnson. It is fair to assume that President Wilson has, or thinks he has, reason to believe Messrs. Jones, Warburg, and others under suspicion, to be better than might be assumed from their private business connections alone. The quality of a man's citizenship is not to be judged by the advantage he takes of unjust laws, or even by his obedience or lack of it to such laws, but by his support of or opposition to the laws that confer unjust power. Let those speak out who have knowledge of the manner in which Mr. Jones or Mr. Warburg measure up to this standard. That will afford a more rational basis for judging their fitness.

S. D.



Completing the Job.

President Wilson is right in saying, "There is nothing more fatal to business than to be kept guessing . . . what in particular is going to happen to it." He may or may not be right in his prediction that the legislation that he has in mind will be followed by "a boom of business in this country such as we have never witnessed in the United States." Business will quickly adapt itself to whatever regulations are laid down, just as the protesting bankers reconciled themselves to the new banking law; but this reconciliation will not, and cannot, take place until the conditions are known. Congress should adjourn at the earliest possible moment; but to adjourn before fixing the new status of business would be like stopping to rest when the tooth is half pulled. The public has not been educated to know the real cause of business depression, and Congressmen, with too few exceptions, are ignorant of fundamental economic principles. The best that such a body can do is in the nature of palliation; so the quicker it is done the sooner the country will be able to take advantage of the reduced tariff.

S. C.



Commerce as a Moral Agent.

Coincident with the work of missionaries, and the various religious and social agencies looking to the uplift of society, is the great force of industry. Men have been preaching temperance for many generations; and now industrial life has become so complicated and so intensified that a man must keep sober in order to have a part in it. In like manner honesty has been inculcated time out of mind; but commerce is rapidly taking on

a form in which it "pays" to be honest. The tradesman of olden times was considered dishonest because he was a tradesman. His word was good for nothing, and every transaction involved a contest of wits in which faith had no part. The farmer might be honest, and the craftsman, but the merchant, never. Merchants of the East still to a large degree conduct their business on the principle of "let the buyer beware." But the expansion of trade along modern lines makes honesty a necessity. The personal deals of the individual buyer and the Oriental tradesman could take place without faith on either side; but the great transactions of today demand a moral basis. The buyer cannot personally inspect each individual article; and the seller realizes that if he would fill a second order he must do it by being honest with the first one.



The modern trend of business is seen by the action of the Associated Advertising Clubs of the World at their convention last week in Toronto, in announcing its code of ethics. "It is the duty of the newspapers," declared the association, "first to protect its honest advertiser and the general newspaper reader as far as possible from deceptive or offensive advertising," and "to accept no advertising which is antagonistic to the public welfare." Such a standard would have received little consideration a generation ago. Advertising was a business, and "business" had no soul, heart, or honor. Even periodicals that prided themselves upon their high ideals as news gatherers, and as editorial monitors, admitted to their advertising columns anything not prohibited by law. The evil result of such a course was seen, first, in the wrong done to readers who accredited editorial and advertising columns alike with good faith; and, second, in the general skepticism of the disillusioned. Some of the better class of periodicals have already undertaken to exclude from their advertising columns matter that is palpably dishonest, and inimical to public welfare. The action of the Associated Advertising Clubs will hasten the general adoption of this policy; and the day is not distant when it will be as much to the shame of a periodical to carry questionable advertisements as it is now for a judge to travel on a railroad pass.

S. C.



Benefits Denied.

The bumper crop—expected to partly offset the depressing influence of predatory Privilege—would be far more of a blessing if Privilege were destroyed. Large as the crop is, it is not what it