

Secretary McAdoo on Prosperity

regular republicans if union was possible under the standard of the ex-president, but willing to follow him and share his fortunes with unflinching faith. They yielded with some forebodings to the proposition to appoint a conference committee—they could not really refuse to do this without having their refusal misconstrued. They waited and hoped, left to do so by reasons which were plausible, and which they dared not reject. Then came the final action of the republican convention and the disillusionment.

When Colonel Roosevelt found that the regular republicans could not be forced into nominating him he had to meet a situation which he had evidently foreseen and for which he had carefully prepared. In his telegraphic reply to Committeeman Jackson, he had emphasized the necessity for co-operation against the democratic party, and when the time came when he had to refuse a nomination or lead a forlorn hope, he pointed to the language of the Jackson telegram to justify his unwillingness to jeopardize republican success by division in the party. He urged the nomination of Senator Lodge as a compromise, and when that also failed, he sent the progressive convention a declaration which is final or conditional according to the decision of the committee. The scene that followed was pathetic. The convention referred the telegram to the national committee, which had already been empowered to act in such emergency, and the convention adjourned, a disappointed and dispirited body. The delegates had enlisted for the war; they had cut themselves off from their political associates and thus forfeited whatever rights or privileges they might have enjoyed as members of the republican party. They had selected a candidate for vice-president. They had set sail under sealed orders; and when the orders were read, behold, the ship was without a captain!

The statement issued by Justice Hughes is certainly strong enough to meet the views of Colonel Roosevelt upon the subjects which he has most emphasized, namely, protection, preparedness, and Americanism.

What will the progressives do? If they attempt to carry on a campaign for a separate ticket they can hardly hope to make a creditable showing, without the aid of their former leader, and yet it will be humiliating to go back, re-enlist under the banner of the very men who drove them out of the republican party, and whose return to authority would be characterized by excesses that would probably surpass the misdeeds that cause the progressive revolt.

It may be, of course, that Mr. Roosevelt will cheer the hearts of his followers by taking up the standard and leading the forlorn hope, but the chances are that he will not. Then the progressives will come to understand the peril of building a party upon a personality. Man is human; principles are permanent and, therefore, the only permanent foundation upon which a party can rest.

W. J. B.

CONSCRIPTION

Has the state of New York gone stark crazy? Her legislature has passed and Governor Charles S. Whitman has signed five bills that require, among other things, all men between eighteen and forty-five to be enrolled as members of the Militia Reserve beginning August 1, and all schoolboys between sixteen and nineteen to drill not more than three hours each week and go to summer military camps under the direction of the officers of the National Guard, and all school children over eight—girls as well as boys—to "receive as a part of the prescribed course of instruction such physical training as the regents, after conference with the military training commission, may determine during periods which shall average at least twenty minutes in each school day."

These laws mean conscription in time of peace. They should be forthwith repealed. The American people believe in preparedness—sane preparedness—but this goes to the very brink of the precipice of militarism.—New York Independent.

The republican party leaders declare that the presidential campaign will be fought out on the tariff issue, and that the republican appeal will be made to the business interests of the country. A tariff tax is a tax on consumption and that is why it is so popular with the business interests. The consuming is done by the great mass of the people, and their part in the program is to furnish the votes that will put into power the men who will give the business interests what they desire.

The United States is enjoying the greatest era of prosperity in its history, and the outlook for the future of the country was never so bright. Unlike all previous periods of great business activity, the present ascendancy in all lines of industrial endeavor possesses all the elements of permanence, provided we avail of the opportunities, which are being literally thrust into our hands, with that intelligent energy and enterprise so characteristic of the spirit of the American people.

Prosperity has permeated every corner of the country. Every line of business is pulsating with it. Every industry is driving at top speed of profitable activity. Labor is employed throughout the land at the highest wages ever known, and the demand for labor in all parts of the country seems to be in excess of the supply. Never in American history have conditions been so favorable to American business and American industry. We have not alone the full dinner pail, but the overflowing dinner pail.

Agriculture, which is the basis of all prosperity, is experiencing a most wholesome growth. The farmers of the United States never in their history have enjoyed such splendid rewards for their toil, and never before have the economic conditions and the laws already enacted by a democratic administration so justly favored them. The Rural Credits bill, which will soon be passed and approved by the President, will emancipate the farmer from many of the most serious ills he has so long endured and provide the long time credits, at low rates of interest, so essential to the remunerative and productive development of the farming industry.

Money and credit are abundant; the ghost of panic has been securely laid. In the midst of a war-torn and war-worn world, with adversity crumbling the economic foundation of almost every other great power, the financial, commercial and industrial conditions in the United States are phenomenally sound and exceptionally strong. This is due not to transitory war orders, or ephemeral trade, but to the amazing economic strength of the United States.

WORK OF RESERVE ACT

The Federal Reserve act, which is now generally conceded to be the most constructive measure placed upon our statute books in a half century, is the greatest contributing factor in this happy condition. The Federal Reserve system has been in operation less than two years, during which time the nation has passed through the greatest crisis and strain the world has ever seen. We have successfully withstood the shock of the European cataclysm, and have rebounded into the most unexampled prosperity any nation has ever known. The Federal Reserve system has provided the elastic and responsive credit sources required for the expansion and growth of the business and the development of our country.

The straight jacket in which the business and industry of the United States have been cramped and limited by the old financial laws of the republican party has been shattered and the country may grow without restriction to the full limit of healthful and legitimate expansion. Not only has the reserve system provided ample credit resources and strengthened the financial structure of the country immeasurably, but it has caused a more equitable diffusion of credits; has reduced rates of interest and has mitigated already, and in great measure, the abuses of usury in those parts of the country where usury has been a serious handicap to business and enterprise. What this means to the business men and all classes of our people is too obvious to describe.

It is a significant fact, and an achievement of which the administration may well boast, that when the country was on the verge of appalling panic at the outbreak of the European war in 1914, it was the decisive and adequate measures taken by the government at Washington that prevented this panic and laid a secure foundation for the great prosperity we are now enjoying. It was the leadership and action of the government at Washington that saved the country in this great crisis. This is said in no spirit of depreciation of the important co-operation of the leading bankers and business men of the country gave to the government in that critical time.

What a contrast this is to the ineffectiveness of the republican administration at Washington

during the panic of 1907, which left the country prostrate for many years and brought immeasurable disaster upon the American people.

Nothing is more indicative of the amazing growth of the country than the conditions of the banks. The comptroller of the currency states that in March, 1916, the resources of the national banks amounted to \$13,838,000,000, exceeding by \$370,000,000 the greatest resources ever shown in the history of the national banking system. The resources of the national banks were \$2,271,000,000 greater in March, 1916, than in March, 1915.

This marvelous increase in one year exceeds, the comptroller states, the entire resources of the Reichsbank of Germany, as reported in February, 1916.

The aggregate resources of the national banks of the United States now exceed by approximately \$3,000,000,000 the combined resources of the Bank of England, the Bank of France, the Bank of Russia, the Reichsbank of Germany, the Bank of the Netherlands, the Swiss National bank and the Bank of Japan. The total deposits of the national banks in March, 1916, amounted to \$10,790,000,000, an increase in three months of \$411,000,000, and an increase over March, 1915 (one year) of \$2,198,000,000.

A STUPENDOUS RECORD

These figures are so prodigious as to be almost unbelievable. They reflect infallibly the degree of prosperity as wide and deep as it is amazing and gratifying. One can not speak of this record without superlatives. Even the infallible and sanctified republican party could not have done better! Perhaps it is heresy to say this, but may the democrats not reasonably claim that since the republican party has never done anything like so well for the country when for many years it had control of the government it would not have done better than the democratic party has done as shown by these impressive figures and by the results which are visible to every man, woman and child in America today. Has the republican party ever done even as well?

Judge Gary, head of the United States Steel Trust, and a leading republican statesman, in a recent speech in New York has bewailed the fact that the high protective tariff, which is the sanctified doctrine and cure-all remedy of the republican party, has not been in force at this time, and he almost weeps as he appeals to the country to restore this republican system of subsidies, conferring upon the great manufacturers of this country the right to tax the people for their own benefit. If this is a sample of republican statesmanship, then it may well be asked whether or not the republican party could have handled the affairs of the country so well as the democratic party has, during the past three years.

In the face of the greatest prosperity ever known in the history of the iron and steel industry; the prosperity brought about under the democratic tariff law enacted in 1913, and with the coffers of every iron and steel industry in the country overflowing with plenty, Judge Gary seriously asks the people of this country to restore the high protective policy and subsidy system of the republican party. What is there in the present conditions to justify such an appeal? How can the people be convinced that the iron and steel industry should be given new advantages and additional subsidies in the light of the huge profits they are now earning?

The present tariff law—the Underwood Simmons act—made a reasonable reduction in the customs duties, transferring a part of the burdens of taxation from the backs of the masses of the people to the ample shoulders of wealth, which has never under republican system borne its just proportion of the burdens of government. The democratic system is the just system. The republican system is the privilege system. The people will not repudiate the former and deliberately re-adopt the latter in view of the demonstrated fallacy of the claim of protected industries that they need to tax the people for their own benefit in order to make a profit. Every reasonable man wants industry to thrive and prosper, and every reasonable American citizen is willing that enterprise shall have a just and fair opportunity, but while conceding this to enterprise and business, democracy claims that like treatment should be accorded to the masses of the American people.

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