

"THE GOVERNMENT" AND "THE ADMINISTRATION"

In a dispatch to the Chicago Record-Herald Walter Wellman says: "The president's friends, on the other hand, argue that the libel did involve the government, because it was said by some paper that the government had tried to cover up the facts, and that therefore the good name of the nation was involved, and Mr. Roosevelt is justified in his vigorous efforts to protect and defend it. They say it will prove a wholesome lesson to newspaper editors and others, and in this way have a far-reaching effect in protecting public men and government officials from slanderous publications in and out of campaign seasons. These friends of the president praise his extraordinary energy in thus coming to the defense of the national reputation."

Now just what is "the government" in the American sense? Mr. Wellman uses the term as though it were a coterie of government employes—hired men, if you please—although Secretary of War Wright became highly indignant when the chief executive was referred to as "a hired man."

In recent years newspaper writers have acquired the habit of referring to the public officials, who represent the government, as the government itself. This form of expression is of recent use so far as America is concerned. Years ago we never heard it in that sense. In United States court rooms where prosecutions were going on we often heard "the government" referred to but it was in the sense that the term "the people" is used in indictments and prosecutions in some of the states. But since we adopted the ways of imperialism, since we undertook the un-American method of governing colonies and without their consent we have become quite accustomed to the phrase "the government" as applied to the men who, in the old-fashioned view, are supposed to be merely the representatives of the government.

In American doctrine "the government" is the people and the thing to which Mr. Wellman refers as "the government" is the administration—that being the term which well describes the organization of individuals upon whom devolve, for the time being, the duty of administering the affairs of government.

This viewpoint, therefore, provides explanation for several things. The government has not, as Mr. Wellman says some charge, "tried to cover up the facts"—and this regardless of what the administration or any of its members may have done. The government—otherwise the people—want the facts made known. And should it develop that any one who has been trusted with authority has been guilty of wrongdoing the government wants those officials punished; and should it develop that false accusations have been made the government wants those officials cleared. But the government will not proceed against any one charged with libel except as in one of the states it permits the use of its authority to enable the injured party to bring proceedings. Let the young reader keep clearly defined the difference between "the government" and "the administration" and he will have a more perfect conception of the American form of government than seems just now to be held by some of the individuals temporarily high in authority.



BANKING PROFIT

The comptroller of the currency, Lawrence A. Murray, has submitted his annual report from which the following facts are gleaned: The national banks in the United States number 6,824; the state and private banks and trust companies, 14,522. The aggregate resources of the national banks amount to 8,714 million dollars; the aggregate resources of the other banks, 10,869 millions. There are nearly thirteen million individual deposits, about one-third of them depositing in the national banks. The national banks hold nearly nine hundred millions of cash; the other banks 479 millions. The growth of the banks has been about seventy-five per cent in the last eight years; the average rate of dividends paid by the national banks during the last year was 10.89 per cent.

Last year was a profitable year for the national banks—a net profit of nearly fifteen per cent is certainly a good showing. And yet with that large a profit secured through the laws that give confidence in banks, the bankers are, as a rule, unwilling to pay the slight tax that would be necessary to make their depositors absolutely secure. Experience has shown that a tax of less than one per cent would have protected all depositors in national banks from the possibility

of loss during the last forty years, and yet the prominent bankers, while making their money out of the depositor's money, are unwilling to give him the security that he needs.

The growth in bank deposits furnishes a lesson in the science of money. Those who scoff at the quantitative theory of money and insist that the number of dollars in circulation is not material, just so all dollars are good, are invited to consider the following proposition: The law requires a reserve to be kept in each bank for the protection of deposits. Suppose the deposits amount to ten billions, a fifteen per cent reserve would require a billion and a half of money. Now suppose that deposits double, how can the banks keep a reserve of three billion dollars for the protection of twenty billions of deposits unless the volume of money keeps pace with population and business? Unless the money supply is sufficient to furnish a safe reserve, banking must be done upon an insecure basis. Where would we have obtained the money to furnish reserves for our increased deposits but for the unexpected discoveries of gold? The prosperity that we have had during the last twelve years would have been impossible on the quantity of money that we had in 1896 when republican speakers said that we had enough and that a rising dollar was a blessing.



DEMOCRACY ADVANCES

The House of Lords, in Great Britain, has read the handwriting on the wall and is preparing to surrender its position as obstructor of the popular will. Feeling the force of the movement started against it by the House of Commons, the House of Lords appointed a committee to consider the question of reformation. That committee has reported; it recommends a reduction of the membership of the House of Lords from 617 to 350 and it proposes that this reduction shall be brought about in the following manner: The hereditary peers are to be formed into an electoral body and are to elect 200 of their number to serve during a single parliament. The twenty-six bishops are to select ten; the colonies are to be given representation in the House of Lords, and a certain number of hereditary peers, estimated at 130, possessing certain qualifications shall sit in their own right, this number to include men who have had the post of cabinet minister, viceroy, governor-general of Canada, etc. Irish peers who have served for twenty years in the House of Commons shall be entitled to seats.

The plan proposed by the House of Lords is not so important as the fact that the members of that body recognized that something must be done. This is the most conservative body in England—possibly the most conservative parliamentary body in Europe—and the friends of democracy can find no better proof of the growth of democratic ideas than the fact that the ancient and aristocratic House of Lords bends before the onrushing tide of popular government. If the liberal victory has accomplished nothing else, it has forced upon the attention of Great Britain and the world the fact that aristocracy can no longer stand against the democratic spirit.



BUT SUPPOSE?

Judge Gary, the head of the steel trust, recently appeared before the ways and means committee. In answer to a question propounded by Congressman Cockran, he said that the steel company could "continue to make a profit without any protection," and added: "Remove all steel duties and we will still dominate the American market, but we will dominate it as a monopoly. That is the problem that confronts the committee." Mr. Cockran smilingly replied: "Of course, I understand your sensibility for the pending misfortunes of your competitors." Finding it impossible to defend the steel tariff, the trust magnates took the position that they can get along without the tariff, but that it will be hard upon their competitors to have the tariff removed. Even Mr. Carnegie was touched by this solicitude shown by the steel trust officials for the weaker rivals whom it is driving out of business. This is the defiant attitude which the steel trust assumes, but suppose congress should decide not to allow the steel trust to dominate the American market? Suppose congress should put a limit to the proportion of any product that any corporation might control? What would the steel trust do then? It is just this very situation that the democratic platform meets and which no other platform attempts to meet. If the democratic plan is adopted, the steel trust will be limited to an output which

will give competition a chance. It will be seen, therefore, that the trust question is closely interwoven with the tariff question and that no real progress is going to be made until those entrusted with legislation are ready to deal thoroughly with the economic problems which now demand consideration.



PENNSYLVANIA'S DEMOCRACY

Here's to the democracy of Pennsylvania: May its tribe increase. If the national party spent as much time on Pennsylvania as it does on New York the Keystone state might be brought into the democratic column. Look at the vote this year. With no work done in the state by the national committee and yet the total democratic vote was 113,000 more than in 1904, while in New York with all the effort made the democratic vote fell off 15,000. In New York the democratic vote is in the cities, while in Pennsylvania it is in the country—and the rural vote fluctuates less than the city vote. The tariff issue has made the cities of Pennsylvania republican but that is likely to decrease in influence, while the financial interests which dominate and terrorize New York are harder to cope with.

An immediate fight ought to be made to gain congressmen in Pennsylvania. Let clubs be organized in the various counties; let democratic speakers be invited in; let a democratic weekly be established in every county where one does not now exist. The 448,000 democrats of Pennsylvania desire more consideration than they have received—now is the time to demand that consideration. Republican corruption in Philadelphia and Pittsburg, as well as at the state capital, has weakened the allegiance of republicans; now if the democrats will select leaders in whom the voters have confidence there is a chance to build up a democratic party which will one day dominate the state. Pennsylvania needs democratic principles applied to her state and municipal government—her people furnish a good field for the missionary.



BEWARE OF THE POISON

Some of the democrats have fallen into the republican habit of asking for a protective tariff on local products on the ground that while they oppose protection generally, they want their share if there is to be protection. It is a dangerous principle to adopt. If the protective tariff idea—a tariff for the tariff's sake—is bad, no democratic senator or member can afford to plant it in his community. Whenever a manufacturer or producer adopts the theory that the government should tax others for his benefit he is a republican at heart. He will ultimately join the republican party and he will hurt the democratic party less as a republican than as a democrat.

The democratic legislator, too, impairs his usefulness as a tariff reformer when he begins to make exceptions in favor of local industries. The democrat who favors a tariff for revenue only should stand by his colors and insist on applying the principle to all the schedules. As long as he does this he helps the consumers in their fight against unjust taxation; as soon as he begins to make exceptions in favor of local industries he destroys the force of his own arguments and builds up in his community an undemocratic influence, for the man who demands privileges for himself will soon see that he must stand in with others who want privileges.



DANGERS OF OFFICE

Mr. Roosevelt has proved once more the dangers of office, the unbalancing effects of power on a nature in which the rank growth of despotic impulse has never met the pruning knife of sober self-criticism. He has proved that the fathers knew what they were about when they turned from "centralized government," with all its fair seeming, to a government of checks and balances, with all its manifest defects. We may add that in seeking to prove his critics liars he has come near to proving them prophets. He has shown his utter incomprehension of a government of law, as distinguished from a government of personal impulse. The liberty which oceans of blood have been shed to gain he waves aside as outworn theorizing. The bureaucratic despotism which a thousand trials have proven an unmixed curse he would recall to gratify his personal whims. He has chosen to make his enemies rejoice and his olden friends ashamed; but there is at least this consolation, that he lacks the power to