

edgement 127 E, for presidents of republics having twelve battleships or over. Thus the incident was closed—or should have been. But a lot of people saw in President Wilson's message of congratulation to the war-lord a peril to our institutions and wrote letters to the papers. Apparently we should have made the day a day of mourning as the Poles used to do. F. Hopkinson Smith wanted to know whether watchful waiting had changed to the Watch on the Rhine. The President could not blame the system, for "guilt is always personal." What would have happened if that message had not been sent?

Business and Politics

PRESIDENT WILSON'S last two speeches have raised once again the great classic American problem—the inveterate, bristling, tantalizing problem of the relationship between politics and business. The ordinary American has been more than anything else both a politician and a business man. He has played the two parts with some measure of success and a larger measure of self-congratulation. He has wanted above all to bestow upon the drama of politics and business the benediction of a happy ending. He has succeeded at times in preventing the two heroes of the national drama from quarreling throughout one whole act, but whenever that has taken place they are sure to be fighting a duel in the next. The plot of the play escapes the control of the amiable author, and what was designed to be an idyllic romance degenerates into a tedious tragedy of voluble and violent recriminations.

Just at present business is overflowing with grievances against politics. The country is passing through a period of business depression of almost unprecedented severity, and the great majority of business men attribute the consequent losses and sufferings to an excess of political interference and agitation. What they want above everything else is to be let alone. They declare that if the political agitation would cease and some stability of economic conditions be assured, the sun of prosperity would flood the landscape and bring its depressed and shivering inhabitants back to activity and life. Apparently a majority of American citizens are disposed to agree with them.

They may be right in believing that business has of recent years been burdened with an excess of merely meddlesome interference and inconsiderate agitation. They may succeed in doing away with the immediate political effectiveness of the busybodies and the agitators; but they should not be expected to accomplish much by their victory or stave off for long the interference of politics. It cannot be done. American business will always

have to reckon with political requirements and vicissitudes. Business men, instead of bemoaning interference with business and vainly protesting against it, should rather seek to understand why it is inevitable and what can be done to forestall it and make it useful.

In the past, business men have made many valiant attempts to secure uninterrupted stability. The Constitution of the United States was in part the embodiment of the first and most successful effort of business to do away with the damaging political interference. Trade of all kinds and the security of property itself had been threatened by the legislation of the states in favor of debtors. The express intention of preventing the passage of laws inimical to business had much to do both with the calling of the Convention and with the nature of its work. The business man's point of view was wrought into the very foundation of the American political system. It was written in indelible ink on an imperishable parchment that the nation should encourage the individual accumulation of property to the very limit, because when confined within proper rules it would result in individual independence and social amelioration. The superficial enmity between politics and business was to be banished by the declaration of a deeper harmony.

For a generation or two it looked as if the effort had been successful. Under the protection of the increasingly popular and respected Constitution, business was emancipated to a large extent from political annoyances and distractions. Business men were delighted with the result, and in their delight they failed to understand that the superficial emancipation had been paid for by a deeper dependence. The writing of the point of view of business into the fundamental law had in truth fastened business and politics together in a knot which could thereafter be neither cut nor unravelled. Business cannot escape the clutches of politics, for the reason that a political system such as the Fathers founded cannot escape the clutches of business.

Business men who are now so loudly demanding to be let alone by politicians should recall a little history. When they were in the saddle, as was the case during the forty years succeeding the Civil War, they did not let politics alone. Not content with the stiff legal protection of the Constitution, they sought the active political promotion of business interests. The economic legislation of both the states and the nation during the last three decades of the nineteenth century was contrived almost exclusively for the purpose of stimulating to the limit all kinds of business activity. Its underlying assumption was that American life was chiefly a huge profit-sharing enterprise and that popular economic well-being was commensurate with the

volume of business activity. Throughout this period business men were insisting on political interference as sedulously as they are now protesting against it.

The dictation by business of the political policy of this country did not prove to be a great success. It resulted in the unwholesome concentration of wealth, in the exploitation of labor and in political demoralization. Public opinion underwent a violent reaction against it. Business has been suffering from relentless political interference chiefly because politicians have been trying to tear down some of the sky-scrapers erected during the period of domination by business, and substitute for them lower and more hospitable buildings supplied with abundant light and a freer circulation of air. Business has been injured, perhaps unnecessarily injured, during the reconstruction; and it will continue to suffer injury because the work of reconstruction is far from being completed. But the friends of business should recognize that its sufferings are not caused really by irresponsible and malicious agitation. They are in part the necessary consequence of the attempt made by business to subordinate politics to its needs, and to a still greater extent they are the result of the interdependence between politics and business which in the beginning was written into our fundamental law.

When consequently President Wilson declares that the business man's troubles are over, because Democratic legislation has established a new definition of the limits within which business motives can be allowed free play, he is encouraging a dangerous illusion. The political pressure on business may indeed be relaxed in the near future, partly because recent legislation has diminished the area of immediate grievances and mitigated some causes of acute suspicion. But that the Democratic legislation has actually achieved the task, attempted by the framers of the Constitution, of defining the conditions under which individual money-making is to take on inevitable social character is rather too absurd. Politics must continue to interfere with business, because social purposes cannot be intrusted wholly to the individual, but must in part seek expression through political action. There is only one way in which business can escape political interference, which is by the voluntary reorganization of business in the interest of a more social result; and should such a reorganization take place, business men themselves will be impelled to interfere with business for the benefit of social purposes. The national drama of business and politics cannot have two heroes. It has no chance of a happy ending unless its writers frankly accept politics as the hero, and convert business at worst into a subordinate rôle, and at best into a fully enfranchised heroine.

Normal Inequalities of Fortune

THE Supreme Court has decided that no state may forbid an employer to compel a workman to leave the union under penalty of losing his job. This is not a new decision, but the Court repeated its belief in the propriety of the principle and refused to change the law. The result is that it will take the consent of the legislatures of three-quarters of all the states in conjunction with Congress to make illegal such a practise. How has such a result arrived? No one supposes that a man may make any contract he pleases, and the court in spite of some archaic language about inalienable rights thought nothing of the kind. Everyone agreed that the right to contract was subject to the police power, whatever that might be. We should not think of it as though it related only to certain subjects, like the public health or safety; that used to be said, but probably it never was the law, and it has long since been exploded if it ever was. At present the police power covers anything which serves the public interest, so far as the courts think the legislature's judgment on the public interest should prevail.

The majority of the court, for the vote was six to three in this case, while agreeing that the legislature might in most cases decide when the public interest required a limitation of the right to contract, thought that this was a case where it might not. The test is, though it has seldom been avowed in quite these terms, whether a fair man could believe that the law as enacted really served any genuine public interest. Between all reasonable differences of opinion the legislature has the right to choose; the court recognizes that it has no general legislative powers; it upsets the doings of the legislature only when it cannot find any conceivable purpose which an honest man could think would serve the public; then it says that the legislature has deprived some person of his liberty without due process of law. Therefore this decision and the previous case necessarily mean that no reasonable man could think it for the general public interest that a workman should not be compelled to leave the union or not to join it at the risk of losing his job.

Now of course the court did not suppose that it would not tend to injure the power of the union if employers actually did this; nor did the court pretend to say that unions did not have their uses; in fact, the justice who wrote the prevailing opinion wanted to be rather nice about unions, so long as they did not interfere with the freedom of contract. His theory was that if you forbade the employer to injure the unions in this way, you took from him some of the economic advantage which he got by his control over capital and his ability to keep the