

heim managers or Pancho Villa. The thinking of Mr. Wilson is always cleaner, more sterilized, than life itself.

The world, like an iceberg, is mainly submerged. Yet you feel when you read Mr. Wilson that he is interested almost exclusively in the fragment that points toward heaven and glistens in the sun. By his reticence he achieves a fine-looking style, but a style as remote as a Sunday morning. The excellence of his intentions no one can dare to deny; their relevance, however, is often difficult to discover. Has he taken into account, let us say, Mr. Roger Sullivan, or found a place for Senator Vardaman? Has he quite squared the idealized Democratic party of service with the actual Democratic party of the pork barrel? After fastening his career to a machine, is it altogether fair of him to talk as if he had hitched his wagon to a star?

Being too noble is dangerous business. It is the fault of most Sabbath moralities, and the cause of their sterility. When you have purged and bleached your morality into a collection of abstract nouns, you have something which is clean and white, but what else have you? Surely nothing comparable to the usefulness of that wisdom which retains the odor of the world, which shrinks from proclaiming superlatives, is sparing in grandiose phrase, and rich in tumbled experience. The makers of human wisdom put a little clay into the feet of their gods. They seem to know that mankind cannot live by golden affirmations, and when they come to themselves they come to something which is not rhetoric, but life.

Business Good-Will After War

EVER since the Franco-German war, economists and historians have dwelt upon the marvelous powers of recuperation displayed by a modern state after even a disastrous war. Especially popular are such reflections to-day, in the midst of the unlimited destruction of the greatest war of history. The war cannot last forever, and upon the restoration of peace industry will resume its wonted course; trade will revive, even between nations that are now mortal foes; Germans and Russians, French and English, will again cooperate in the work of advancing international prosperity. So it has been in the past, and so it must be in the future.

What we are apt to lose sight of when we thus derive the future from the past is that industry and trade represent a rapidly evolving part of our life, and that there are elements in the current economic situation much more sensitive to the

century ago. It is easy to lay a finger on at least one such element: business good-will. This item of wealth and productive power, which did not even have a name fifty years ago, is of enormous importance to-day in domestic trade; witness the half billion annually that we devote to it under the form of advertising alone. Huge investments in good-will have been made abroad by the principal warring nations. What of the present state of this capital, and what of the chances for its recovery after the war?

So long as foreign trade consisted in exchange of staples, crude food supplies, raw materials, and simple and unvarying types of manufactured goods, there was no need to invest money and energy in creating a selling organization abroad. Wheat flows where it is wanted; it is no evidence of our international popularity or of our selling skill that the British buy our surplus. We have not concerned ourselves greatly with creating a secure market for our cotton; the foreigner might be counted on to come after it. Until our manufacturing industries reached significant growth, the British could assume a similar attitude of aloofness toward the American market for tweeds and worsted, cutlery and earthenware. Sentiment has nothing to do with this kind of trade. Immediately after the Revolution British manufacturers consigned great shipments of staple goods to New York, Boston and Philadelphia, without even waiting to learn the names of plausible consignees. Whether we liked the British or not, we were bound to take their goods. Only recently, when Russia threatened a commercial war because we denounced a treaty, we laughed in our sleeves. What Russia had been buying from us was cotton; she had to have it whether she liked us or not.

But what every industrial nation is now trying to do, and must do if she wishes a high degree of prosperity, is to sell the finer and more special products of industry. Automobiles, agricultural machinery, manufacturing equipment, articles of luxurious consumption, represent the expanding element in international trade, as, for that matter, in domestic trade. And these articles do not sell themselves. They must be "pushed." Our trade experiences in Latin America offer sufficient evidence of the necessity of assuming other than a passive part if we desire to secure orders for goods of this character.

The Germans deserve credit for perceiving more clearly than any other people the essential character of the dynamic element in modern trade. Wherever there was purchasing power that could be diverted to German products, the German

languages and a proper understanding of the local character and customs. These German commercial houses were nowhere more numerous and active than in the very countries with which Germany is now fighting—France, England and Russia. Thanks to their efficient work, German exports were increasing before the war by leaps and bounds. However rapidly German overseas trade was developing, it lagged far behind the trade with France and Russia. Nor was there the least reason for believing that this situation would change for the worse. There is no assignable limit to the buying capacity of a rich industrial nation, cultivated intensively by expert salesmanship.

All this capital of good-will, so systematically built up by the Germans, is now wasting. We shall have acquired new tastes in dyes and drugs before the Germans can again supply us. In Latin America and the Orient the German selling organization is dispersed, or diverted to other work. In the countries at war with Germany the patient efforts of the German commercial agent have been transformed from an asset into a liability. For it is now believed that the shrewd and skilful German trader was a spy. Perhaps he was, occasionally, but trade statistics prove abundantly that there were other reasons for his presence. Nevertheless when the German dealer again appears in France and Russia and England, it will hardly be to a clientèle eager to welcome him.

Trade is a practical matter; in the long run, men will buy the better goods offered for the same money, whether from friend or foe. But above the level of staples the qualities of goods are largely a matter of taste, and taste may be fixed by sentiment. There are communities to-day that drink tea but not coffee; there are communities that abominate in tobacco flavors that are elsewhere highly esteemed. These are vagaries that the economic historian can explain in terms of conflicts over colonial trade, two hundred years ago. It is a rash prophet who will predict that present animosities will have no serious effect upon future trade movements.

There have been wars that furthered the commercial interests of nations. And no doubt there are men who expected the present war to advance one nation or another, at the expense of the rest. Among military men it was widely believed that an extension of colonial dominion would bring commercial gains sufficient to compensate for the immediate losses of even an important war. Let us suppose that Germany should acquire Morocco and Madagascar—two of the best colonies in the world. No amount of trade stimulation could make those colonies take as large a volume of high

with a properly conserved business good-will. Commercial gain through war between industrial nations is purely an anachronism.

Sidetracking Labor

OUT of the investigation into the rates of the New York Telephone Company in New York City has emerged the amazing fact that the fiscal policy of that corporation, like that of other large public service corporations, is determined without reference to its employees. The investigation was undertaken by the Public Service Commission and later complicated by a joint committee of the New York legislature, the Foley Committee. The Committee reported that the New York Telephone Company's profits were excessive. The Public Service Commission of the State of New York took action and recommended that the telephone company reduce its charges to subscribers and thereby decrease its net income approximately \$3,000,000 a year.

Obviously the beneficiaries of such a reduction would be the subscribers. Both the Foley Committee and the Public Service Commission considered the question at issue to be one of combining good service to the consumer with a fair return to the stockholder. The parties to the controversy were on the one hand the officers of the company who represented the stockholders, and on the other the Public Service Commission which, as it seems, represents the consumer. It remained for the National Consumers' League to point out that all the negotiations had been conducted without reference to a third group whose welfare would be or should be materially at stake in any alteration of the earnings or the policy of the telephone company, namely, the employees of the company.

Mrs. Florence Kelly, general secretary of the National Consumers' League, wrote to the president of the Telephone Company, pointing out that the wages of the women telephone operators in the employ of the company were lower than would support them in health without assistance from parents or otherwise, and suggested that the excess profits of \$3,000,000 be distributed not by reducing rates to telephone users but by establishing a minimum wage for telephone girls.

Under the present scale of wages the telephone industry does not pay its own labor costs. The industry is subsidized in so far as it is necessary for parents, relatives, or other agents to contribute to the support of the workers in it. The standard of dress and the clear-headed efficiency which the company requires of its tele-