

crashed will never be known, but it is a certainty that some did. It is equally a certainty that the small investor and, with some exceptions, the small margin trader did not so profit. The game was not for him.

Some of the "highs" reached at the climax of the market are not unduly inflated values for certain stocks. There is probably sufficient potential earning power and sufficient physical and cash assets back of some of the corporations whose stocks rose violently to warrant such rises. In these instances those who heavily discounted the future were not necessarily gambling. But the plain lesson of the crash, both to the small man who was lucky enough to make money and to the small man who lost, is that this is not a game for the individual who does not enter it with his eyes wide open to the risks, who, even if he has his eyes wide open, cannot afford to take the risks.

The investor whose stocks have suffered need not worry very much. If he really invested, if he studied before he bought, and if he bought intelligently, even though the market value of his holdings is to-day less than what he paid, he need not be greatly disturbed.

One last word. The crash, while it may forecast a depression far off, does not reveal any essential unsoundness in the fundamental business situation.

Profiting by Confidential Knowledge

THE Income Tax Law is better than the income tax machinery.

That is the conclusion reached by John W. O'Leary, President of the Chamber of Commerce of the United States, as the result of a study made by business organizations of the Tax Law of 1926 and of collection methods.

Mr. O'Leary refers to "the large number of intricate and important cases covering many years that are still unclosed in the Bureau of Internal Revenue, visiting their burden of uncertainty and risk upon the entire business community." He says that there is not adequate recognition of "the unquestioned right of the taxpayer to secure prompt and conclusive determination of his tax." The work of the Bureau of Internal Revenue, he says, is now some years behind.

Mr. O'Leary has not made a discovery, but he has courageously called attention to some of the conditions that have aroused grave fear on the part of

other observers that the tax administration agencies are getting so far behind with their work that they can never catch up.

At least one constructive suggestion is made by Mr. O'Leary. A service of career men, he says, must be established in tax administration if an efficient organization is to be secured and maintained.

Mr. O'Leary may or may not know it, but the tax administration has for several years attracted a great many "career men." The career, however, is not exactly the one that Mr. O'Leary has in mind. He is thinking of a corps of men who will enter the revenue service of the Government as their life-work. The "career men" who are now in it, and have been in and out of it for the past several years, simply support themselves on a Government salary until they acquire a familiarity with income-tax work that will enable them to make careers for themselves on the outside. When they reach the point where they might be worth something to the Government, they resign to become expert income-tax advisers for fees. Sometimes they form their contacts—actually secure their clients—while they are still drawing Government pay and as a result of inside information, not to say pull, in the Bureau of Internal Revenue.

It might be a step toward getting the kind of career men that Mr. O'Leary wants to do something about the "career men" who are now in the Bureau—or in private practice in Washington drawing fat fees for private use of the information they gathered while Uncle Sam was paying for their bed and board.

Has a man the legal right to engage in a business that, for all practical purposes, amounts to practicing before the Internal Revenue Bureau immediately after going off that Bureau's pay-roll? We do not say that he has not. But we are fairly sure that he should not have. It is a question worth looking into, even by Congress. It is going to be very hard to build up a corps of career men in the service while, by going outside, a man can make a great deal more money by the use of the same confidential knowledge that he would have to use on the inside.

Air Plans for Army and Navy

CIVIL aviation has had no pleader for it with a talent for publicity. As a consequence military aviation, which Mitchell made news, and, by a sort of

induction, Naval aviation have had a disproportionate attention both from the public and from Congress. It is disproportionate alike to the importance of civil aviation and to the importance of other requirements of the Army and Navy.

Committees of the House of Representatives have been trying to iron out wrinkles in both military and naval aviation plans. Neither the Patrick plan for a separate air corps within the Army nor the Mitchell plan for a unified Department of National Defense will get out of committee. The Mitchell scheme, however, was defeated in the House Military Affairs Committee by a margin of only one vote, eleven to ten. This might be taken to indicate that it would have a chance on the floor, but it would have, at least, the disadvantage of an adverse committee report.

What appropriations are to be made for aviation building programs of Army and Navy is a question still unanswered. The House Naval Affairs Committee worked out a building program involving expenditures of \$85,000,000, but President Coolidge promptly disapproved it on the ground that the sum is too large for peace-time expenditure on naval aircraft. The House Military Affairs Committee proposes to expend \$60,000,000 under a five-year program. At the end of the period the Army would have 2,200 planes. This plan, when submitted to the President, did not receive approval, but, on the other hand, escaped the prompt condemnation that fell upon the Navy plan.

In this matter the President represents the Nation's sober second thought.

Enforcing Traffic Laws

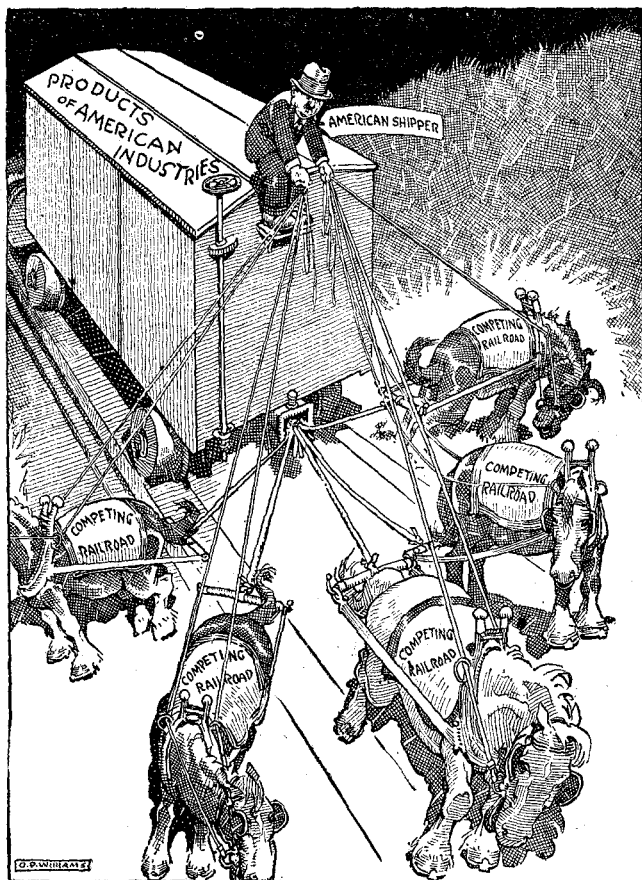
THE Committee on Enforcement of the National Conference on Street and Highway Safety, of which Committee Chief City Magistrate McAdoo, of New York, is chairman, has made public a synopsis of the report which it will make to the Conference in Washington on March 23.

A feature of the report of particular interest to The Outlook, since we commented on it some weeks ago and were criticised by two or three of our readers, is that based on the fact that pedestrians are involved in more than half of all automobile accidents. We hazarded the guess that automobile drivers as a class may possibly be less careful of pedestrians, who cannot injure them, than of

A stubborn opposite intent

(2 Henry VI, Act III, Scene 2)

Williams in the New York American

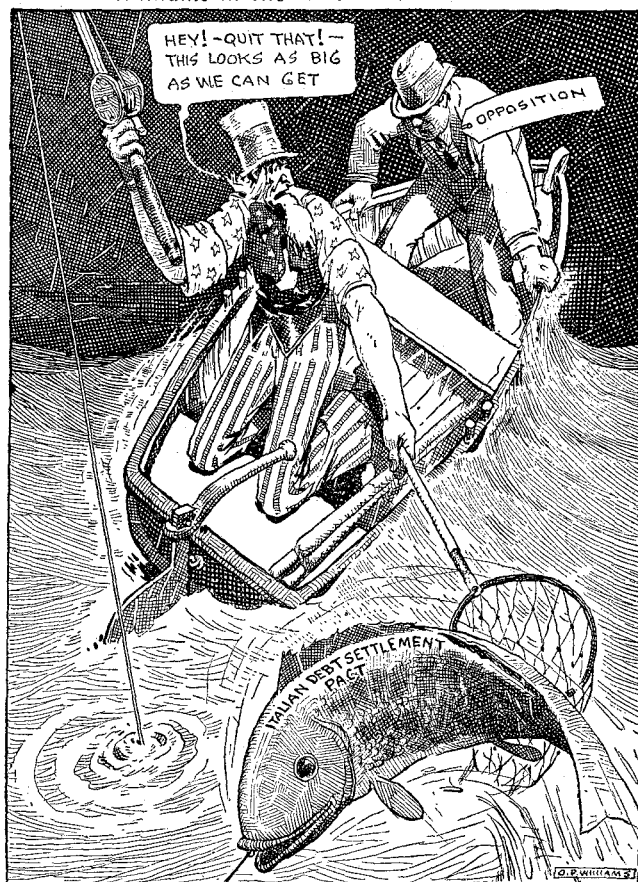


Copyright, 1926, New York American, Inc.

They'd pull better tandem

From W. E. Shafer, New York, N. Y.

Williams in the New York American

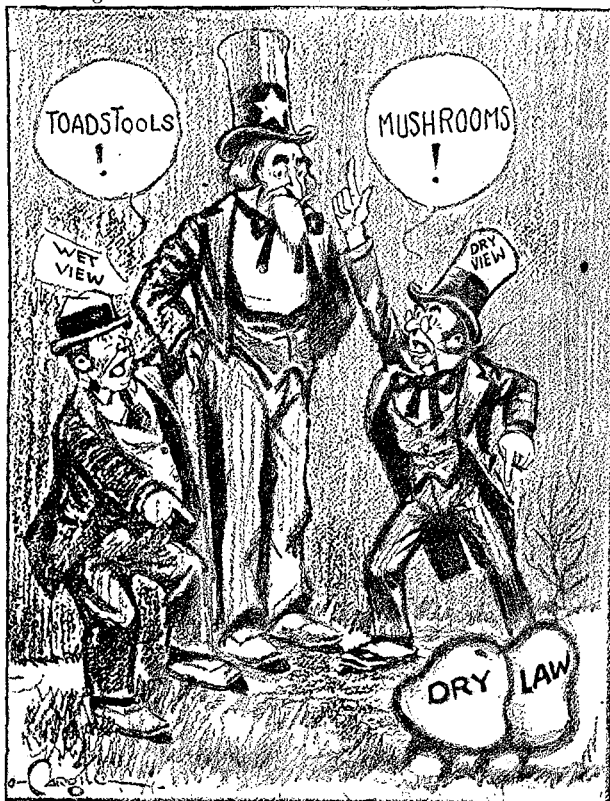


Copyright, 1926, New York American, Inc.

Don't rock the boat

From D. S. Imrie, New York, N. Y.

Cargill in the Paterson (N. J.) Morning Call



Food for thought!

From D. S. Imrie, New York, N. Y.

Orr in the Boston Traveler



The wrong target

From C. R. Mundrucu, Roxbury, Mass.