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GEORGE HORACE LORIMER, EDITOR

THOMAS B. COSTAIN, A. W. NEALL, WESLEY STOUT,
W. THORNTON MARTIN, GRAEME LORIMER,
Associate Editors

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The Export-Import Bank

THE establishment of a so-called Export-Import Bank as an instrument to facilitate exports with governmental funds raises interesting inquiries of both a general and particular nature. It has been based upon the broad assumption that an emergency exists in respect to international trade, and that in the abnormal interval such commerce ought to be facilitated at public expense, for the pecuniary advantage, or salvage, of particular classes of producers. Presumably, both relief and recovery are involved in the establishment of this bank. The initial sum of money involved is not apprehensively large; the precedent, however, is important and the practices employed may subsequently prove injurious rather than salutary.

Are the operations of the bank to deal solely with export goods of which we have obvious gluts, or are all goods permitted to take advantage of help for exports? It will be necessary to determine what constitutes a glut of a product, by trade definition or by statistical definition. One producer continues his output, and a heavy inventory is the result; another producer curtails operation to avoid building up an inventory—is there not a glut in both cases? Perhaps it is to be declared at the outset that the only gluts to receive attention are those of agricultural products, and that partially shut-down factories are to receive no benefit.

As between numerous claimants for assistance in enlarging their exports, some scheme of priority will have to be set up. Experiences with export subsidies abroad, and with various domestic subsidies at home, make one fear that a nation-wide logrolling will be provoked. Also, since imports are presumably to be obtained in exchange for exports whenever possible, the selection of the particular goods for import will also incorporate decisions open to political, regional and institutional wire-pulling.

Finally, to the extent that feasible exchanges of imports for exports, with the assistance of short-term credits, do not bring about the desired volume of commerce and relief of producers, will long-term export credits be offered? If foreign experience be accepted as a guide, this will become inevitable. It will thereupon be necessary to determine whether the credits are to be extended to American exporters or to importers in foreign countries, with or without governmental guaranty. If the credits are extended

to American exporters, there appears the prospect of building up a mass of Government loans to business men in the development of their private affairs. From this point of view, it would seem to make little difference whether the exporter is a coöperative packing house or a private packing house, a coöperative wheat-growers' association or a line-elevator company. If the credits are to be extended to the importers in foreign countries, with the guaranty of their governments, we shall be back to the system of loans from government to government for the purchase of American goods to be used in peace instead of in war. If the transactions are to be largely barter we fear the foreigners may prove better horse traders than are Americans.

These misgivings may prove unfounded, but it is difficult to resist the fear that a socialization of export and import trade may be impending.

Will the Lawyers Do It?

REPRESENTATIVE members of bench and bar are the severest critics of our cumbersome, inefficient legal system. The defects under fire are the crowded calendars, the interminable delays and the exorbitant costs.

Radical reforms have been under discussion since time out of mind, but regarding the situation by and large, there has been much talk and little action. In justice to the reformers, who have not been able to get very far with their programs, we must give due recognition to the fact that their task is no easy one. The very nature of it involves losses of fees for them and their professional brethren. It compels them to antagonize dilatory judges and fellow members of the bar whose good will may be essential to the profitable practice of their profession. It forces them to run counter to the traditions of a profession that is jealous of tradition.

In some states, members of the bar have made a gallant fight to clear the court calendars, make prompt trials possible and reduce the excessive costs of litigation. New York is giving the matter intensive study; and California, Illinois and other commonwealths have been doing some effective housecleaning that should bring about bettered conditions. Many expedients have been resorted to with varying success. In some jurisdictions where the courts are years behind with their work, additional judges have been appointed, but in most cases the net results have been disappointing.

Lawyers declare that matters affecting court procedure are of such a technical nature that reforms should be initiated and carried out within the ranks of the profession. This appears highly reasonable, but suppose lawyers who are opposed to these reforms employ their expert knowledge and their strategic position to block reforms rather than to further them? What if the forward-looking members of the profession are so hopelessly outnumbered as to be powerless to serve the public as they would?

If matters should reach such a pass, it might be necessary to call in outsiders. There have been many instances in which progress was blocked by a stalemate of the experts, and forceful men of broad general experience, who did not pretend to be experts, strode into the situation and trampled down the flimsy barriers of tradition under the hobnailed boots of common sense and beat a broad path through a seemingly impenetrable jungle of undergrowth. Anyone familiar with the personnel of American industry could name offhand a dozen men who, if armed with sufficient power and given the services of technical advisers, could go into any state or city and put much-needed reforms into effect to the vast benefit of the public, and with a minimum of blundering. Their task would be no more formidable than that of many a production engineer.

Bench and bar should be given a fair chance and a free hand to reconstruct our court procedure along

lines that will lead to speedy trials and fair and reasonable court costs. If they fail, they cannot complain if the job is taken out of their hands and put into more competent ones.

Free Speech

IT IS fortunate from every point of view that the newspapers of the country have been so insistent in recent months upon their right to freedom of expression. In their NRA code, as finally approved by President Roosevelt, there is a clause which states that "in submitting or subscribing to this code, the publishers do not waive any constitutional rights or consent to the imposition of any requirements that might restrict or interfere with the constitutional guaranty of the freedom of the press."

The President stated that this clause is "pure surplusage," that it "has no meaning," and no more place in the code "than would the recitation of the whole Constitution or the Ten Commandments." General Johnson and Mr. Richberg have poked mild fun at the publishers for their insistence upon its inclusion. The freedom of expression guaranteed by the Constitution will be scrupulously respected, says the President.

All this may be true, and it may also be true, as General Johnson insists, that out of molehills of fact a mountain of controversy has been made. Yet, fundamentally, the newspapers are right in their insistence, and for reasons deeper than those of legal verbiage. However much one may sympathize with the aims of the present Administration or even with the steps taken to correct abuses in the economic system, one cannot fail to realize that there is a large threat to the essential liberties of the people contained in the extensive governmental machinery set up. This is quite aside from and beyond any controversy which may have arisen over the technical wording of a particular code.

There is no general belief that the President and those associated with him have any intention of abusing the great powers which they now possess. There are publishers who feared that the licensing provision of the NRA might be applied to them. Apparently, also, there are those who fear that an enlarged and centralized governmental control over communications, including telegraph, telephone and radio, might result in a press censorship, although, naturally, there is very little analogy between radio and press, since wave lengths must be allocated to prevent actual physical interference.

In our view, the danger to freedom of speech and liberty does not lie so much in any one specific measure as it does in the continual piling up of such powers in the central Government. If these officials continue to be given additional authority at the same rate as in the past year, the time will come soon when they can stifle freedom of speech, whether they want to or do not want to, whether their intentions are good or bad.

Stanley Baldwin recently said that Britain is "almost the last country standing today for freedom of speech and conscience." One is curious to know whether he expects the United States to leave this distinguished company before long. It is the duty as well as the prerogative of the daily press to guard in the most sensitive way the freedom of expression. Whatever their faults, the newspapers are highly individualistic enterprises, expressing every shade of opinion, and, contrary to general belief, are mostly small instead of large, financially modest instead of opulent. Despite the statement of President Roosevelt that their reaffirmation of constitutional privileges has no place in their code, the daily papers have shown a wise instinct and a true sense of public duty in their insistence upon placing it there. This is, in fact, the very time when public interest requires that the essential principles of constitutional liberty be stated again and again.