

Comment

Party government has developed as a necessary consequence of the coming of self-government in the countries of the modern world. It breaks down rapidly whenever self-government is swept away or greatly curtailed. Dictatorships play havoc with party rule. With all their faults, parties in action give assurance that democracy is still alive. The antagonistic interests of powerful economic elements of the present day make party government extremely difficult. It is partly due to the weaknesses of the party system but much more to the conditions which have evolved in modern industrial states that government by parties is under such a severe strain even in a country like the United States.

The strength of a party in control depends on the program to be carried out and on efficient leadership, but also somewhat on the coherence and wisdom of the party of opposition. A strong party out of power behind a constructive program is a great stimulus to the party in power. Such an opposition makes for responsibility on both sides. A party in power with a weak, or merely negative, or reactionary opposition is under less compulsion to achieve. Today, as never before, it would seem that the party out of power, if it would live and have a useful future, must endeavor to seize ground in advance of that occupied by the administration party. A competition between American parties in a work of real reconstruction along progressive lines would be extremely interesting and such a competition would serve as an inspiration to all the enlightened peoples of the world.

Too much food. Too vast a quantity of finished goods. Too much fuel. Too many laborers. Too many cars. Too many movies. Too much money. Too much capital. Too many factories. Too many filling stations. Too many empty houses. Too many shacks. Too many cheap tenement houses. Too many people in want and misery. Such is the world we live in—poverty because of abundance—surpluses and want. Is there no way out? If the answer be *yes*, how long will it take to find the way?

“Down with taxes” — “Down with expenditures” — “Balance the budget” — “Let natural laws take their course”. How

puny these slogans have come to seem in the face of the problems that confront us. Unless we are willing to sustain a régime of plenty for some with permanent unemployment for several millions, we must support a program of change on a vast scale. There need be no violent revolution in America, and there need be no dictator, but we can have, and will have, either the one or the other unless we go to the roots of our troubles, and coöperate with honesty and intelligence in a work of fundamental reconstruction. Experimentation cannot be avoided. There must be plenty of it. At the same time, there must be plenty of criticism, but the critics should themselves be experimenters seeking the best road to follow. "Every fellow for himself and the devil take the hindmost" should never again be a fit description for the economic régime of any enlightened country.

Under federal law, bank deposits up to \$5000 are now guaranteed in all eligible banks that have accepted the privilege. Bankers and students of banking were quite generally opposed to the policy. They pointed out that all efforts to maintain such a policy in states where tried had failed. They also argued that such a policy always tends to put weak or badly managed banks on a par with strong or well-managed banks in the matter of obtaining deposits. In addition the contention has been that unsound banks are encouraged to become more reckless in the use of the depositor's funds. In the end, the result is bound to be the collapse of the policy with great losses to depositors and to sound banks.

Two points, the second of which has not been stressed nor even mentioned so far as the knowledge of the writer goes, are worthy of consideration. First, each previous attempt to guarantee bank deposits was on a much smaller scale than is the present effort, and in each case the bankers concerned were in opposition to the policy from inception to collapse. From beginning to end, the public was assured that failure was certain. It would be hard to show that in any previous trial, the policy was given a real chance. The present effort has been quietly accepted by a vast number of banks and is therefore very much more likely to be successful.

The second point is that it is very difficult for the managers of any bank to pursue reckless and unsound methods

without the knowledge of other bankers. Herein lies the secret of success for the new venture launched by Congress. If sound banks will give adequate attention in time to those banks known to be venturing on dangerous paths, the disasters chargeable to guarantee of deposits will be few indeed. In short, sound bankers can make the guarantee of deposits safe for themselves and all concerned if they will now do so. Under the present system, it is probably true that no one else can make certain the success of the present federal law.

Contributors to this issue: George Fort Milton, editor of the *Chattanooga News*, whose forthcoming work, *The Eve of Conflict: Stephen A. Douglas and the Needless War*, was drawn upon for the contents of the first article, is the author of *The Age of Hate: Andrew Johnson and the Radicals*; R. Gerald McMurtry is Librarian of the Lincoln National Life Foundation, Fort Wayne; Leon G. Zerfas, M.D. is on the staff of the Indiana University School of Medicine, Indianapolis; Lillie D. Trueblood is an active member of the Washington County Historical Society and lives at Salem, Indiana; Glen E. Veach who lives near Marion, Indiana, is a collector of rare books; H. K. S. Bartholomew, who resides a short distance from Goshen, Indiana, is a retired newspaper man who has contributed several articles in recent years; Mary Byerley is an instructor in the English Department, Central Senior High School, South Bend, and has published several poems in the past in different magazines; Oka Stanton Flick is Head of the Department of Social Science, Arsenal Technical High School, Indianapolis; Dr. James Albert Woodburn is Emeritus Professor of American History, Indiana University; Dr. John Donald Barnhart is visiting Professor of History at the State Teachers College, Greeley, Colorado, during the present summer session, but will return to West Virginia in September; Ruth R. Ridenour of Modoc, Indiana, has kindly furnished information relative to William M. Macy who wrote the diary published in this issue, which document the *Editor* obtained through Professor Lawrence Hurst, Ball State Teachers College, Muncie.