THE

PRESBYTERIAN QUARTERLY.

NO. 7.—JANUARY, 1889.

I. MATERIALS OF HISTORY.[1]

The materials of history may be classed under four heads; for mnemonic purposes, under four monosyllabic words: who, what, where, and when. Who: the names of the prominent actors in all the scenes of the thrilling drama, as Adam, Noah, Abraham, Moses and Pharoah, David and the giant of Gath, Christ and Pilate, the Christian martyrs and the Roman Emperors, Athanasius and Arius, Augustine and Pelagius. What: what has been done; all the covenants, human and divine; all the religious rites and ceremonies; all the events of history. Where: embracing all of ancient and modern geography. When: the entire subject of chronology. But all this is not history, any more than the stones and timbers scattered along the river banks are the bridge; any more than the ten Arabic characters, unarranged, give the distances of the planets and the stars; any more than the twenty-six characters of the English alphabet are "Paradise Lost." What are the colors without the design of the painting? What are the trappings of the stage and the costumes and names of the actors to one who understands not the plot? Even so, the abstract materials of history may be as unmeaning as the scattered leaves of the Sibyl. History, therefore, is something more than names, and facts, and places, and dates.

As introductory, it may be proper to postulate, at the outset, a revelation from God, the exercise of creative power, and the sus-

[1] Inaugural address delivered by the author at his induction as Professor of Church Government and History in the Theological Seminary in Columbia, S. C., May 9, 1888.

VII. NOTES.

THE ETHICS OF TRADE.

With rare exceptions, all teachers of morals in civilized lands hold that love is the fundamental law of social ethics. The only question is as to the primacy of self. Some will say, Love thyself first, thy neighbor next; others more truly teach, Love thyself last. The Christian rule is not always correctly read. Paul says: "Love is the fulfilling of the law." Moses wrote: "Thou shalt love thy neighbor as thyself." But Christ announced the true and full form of the law when he said: "A new commandment I give unto you, that ye love one another; as I have loved you, that ye also love one another." It is clear that the newness does not lie in the injunction, but in the standard, of love. The Christian is expected to love his neighbor in the manner and to the extent that Christ has loved him. The Christian law, therefore, not only binds men to the golden rule of reciprocity, but makes Christ's love to us the measure of our duty to others. We must do to others what we would have them do to us, were our positions exchanged. More than this, we must do for others what we judge Christ would do for them were he in our stead. It is the golden rule measured by Christ's example, animated by his Spirit: full justice benevolently interpreted.

Let us apply this rule to the current dealings of men with each other in the relations of trade. *Monopolies* are either artificial or natural. China has a natural monopoly of the growth of tea, Cornwall for the export of tin to America, Louisiana for the cultivation of the sugar-cane in this country, the Gulf States for the raising of cotton. These, of course, do not concern us now. It is sufficient to say, that it is the duty of all blessed with the natural monopoly of a good thing to use it justly and benevolently. Many artificial monopolies are proper, beneficial to others as well as to the holders, or else manifestly grounded in right. The law gives to authors and inventors the exclusive right to the sale of their productions. This is surely just. It is equally expedient to give to a ferryman in a small town the sole right to transport passengers across the river on which the place is situated. Monopolies, therefore, whether natural or artificial, are not necessarily wrong or hurtful. A *Trust* is an artificial monopoly. Is it innocent, beneficial, or harmful? Is it in accordance with, or does it violate, the golden rule? What is a Trust? It is a combination of those engaged in a special kind of business for the purpose of controlling that business. The combination is called a Trust, because a company is formed representing those engaged in the special business, to whom the management is entrusted. Say that there are a dozen firms in this country engaged in the refining of crude sugar. Instead of these firms working independently of each other and in competition, they unite and entrust the entire direction of sugar refining to a Trust Company, composed of representatives of the several firms. This Trust Company determines how much sugar shall be refined, what shall be the wages of the workmen, and what the price of the refined product. Is there anything wrong in all this? Surely there need not be. If men can combine their capital, labor and skill to engage in the operation of a single refinery, why may not a dozen of these firms similarly combine? There is a good purpose in these combinations; it is to prevent the evils of over-production. Operating independently, more sugar may be refined than the market demands, with the resulting price lower than is profitable. This leads to the failure of the weaker firms, a great decrease in the manufacture, and a subsequent price inflated beyond what is reasonable. Manifestly these Trusts, conducted by prudent, Christian men, may be a blessing to the land. Why, then, the outcry against them? Because, in addition to the good purpose already noted, they have all the evils that are incident to monopolies when in the hands of selfish men. It is not difficult to see these evils: 1. To those rivals not in the combination they often bring loss, and sometimes ruin. Either they are not allowed to enter the combination, or they are unwilling. As the purpose of the combination is to control the business, it must be so managed, it is often thought, as to crush out all competition. As the Trust is able to create the product somewhat cheaper than an individual firm can do, sugar is undersold by the combination long enough to drive the competitor to bankruptcy, into the Trust, or else out of the business. Is this according to the golden rule? Would Christ do such a thing? 2. To the workman, the Trust sometimes does a wrong by depriving him of the benefit of competition among employers. If all the refineries in the country join the Trust, the wages of their employés can be fixed by the managers. The workman is helpless; for should he refuse the scale at one refinery and go to another, he will find the same management there.

The rate of wages may be just; if so, no wrong is done. But when a Trust uses its power to grind the faces of the poor, it violates the golden rule, and acts contrary to the Spirit of Christ. 3. To the general public, the Trust may act as is does towards its workmen. If all the sugar of the country is refined by the Trust, the public is powerless, and must pay the price demanded, however unreasonable, or else do without what has become indispensable for comfortable living. The sugar Trust is said to have arbitrarily raised the price of its product this past season some twenty-five per cent., and thus realized millions of dollars, most of which came from the hard-earned wages of the poor. Is this the golden rule? Would Christ have acted thus?

The *Protective Tariff* is a political expedient; but, as it is levied at the instance of a portion of the industries of the country and is designed to affect trade, it fairly comes within the range of our subject. What is a Protective Tariff? It is a tax laid on an article brought into a country for the purpose of increasing its price, so that the same article, produced at home, may compete with it. Suppose crude sugar can be made in this country and furnished to the New Orleans market for four and a half cents a pound, and that foreign sugar can be put there for two and a half cents. In order that our sugar may not be driven from the market, a tax, say of two cents, is laid upon the imported article. This puts the home producer upon an equal footing with the foreign planter, and so protects his industry. This seems to be fair and just. Take another case. A few years since the wholesale price of domestic quinine in New York was about three and a half dollars an ounce. At the same time, the European article could be sold in the same market for two dollars or less. In order to protect our factories, an import tax of one hundred per cent. was laid upon the foreign article. This seems right. Let us see if it is. Suppose that one-half of the people manufactured quinine and the other half did not. One-half of the people would then be favored by the duty on quinine, and the other half would be injured to the extent of over a dollar for every ounce of quinine which they were compelled to buy. Is this just? Why should the unfortunate sick be compelled to pay two prices for their medicine, in order that their neighbors may be enriched? Suppose that nine-tenths of the people manufactured quinine, is it just to require the other tenth to pay twice as much as is necessary for the recovery of their sick? Is it an answer to say that quinine cannot be produced in this country for less than three and a half dollars an ounce? It does not seem so, from the ethical point of view. If I cannot manufacture quinine for you at the rate some one else can, am I justified in forbidding you to buy from my rival and requiring you to buy of me at the double price? Would I not better stop the manufacture of quinine, if I cannot do so upon the same terms as others? Is not this the golden rule? Suppose now that only one-tenth of the people make quinine and nine-tenths use it, is it either just or politic to force the nine-tenths to pay tribute to the one-tenth? Suppose that only three firms in the whole country make quinine, is there any moral propriety in forcing every poor wretch in the land that shakes with the ague to contribute to the support of three firms, who cannot compete with their European rivals? We have yet to deal with the most serious fact in this case. Suppose that quinine can be made at a profit in this country for less than two dollars an ounce; that the assertion to the contrary is a mere pretence for the sake of securing an exorbitant gain; that our factories can live and prosper and compete with their European rivals without any protection,—what then? Is there any question as to the moral obliquity of those who demanded a tariff of one hundred per cent. as necessary to their protection? These last suppositions are the substantial facts of this case. For years the people of this country were compelled to pay two prices for their quinine, because a duty of one hundred per cent. was put upon it for the protection of three firms who made it. The duty was not removed until a member of one of the firms died, and the papers announced that he had left an estate of ten millions of dollars, largely contributed by the ague-stricken sufferers of this country in the exorbitant price they were required to pay for their medicine. To-day quinine is quoted in New York at a wholesale price of less than seventy cents! It is not asserted that every protected article in this country will furnish a parallel to quinine. It is asserted, however, that the principle is the same, that no government has the moral right to forbid its citizens buying any useful article wherever they may prefer; that it has no moral right to require its citizens to pay one dealer more for an article than they can buy the same thing for from another. It is further believed, that, in many cases where protective duties are now laid, they are not needed, and operate simply to increase the gains of the protected to an exorbitant amount. The reasonable ground of this belief is the fact, that the wealthy men of the country are the men whose industries are protected, and to whom the hard-toiling masses are compelled to pay tribute. The underlying motive of the system is selfishness, and its continuance in this free and intelligent land is mainly due to two causes: the ignorance, lack of union, and scare of the unthinking masses who are not protected, and the combination of those who are protected. The latter is the main cause, as may be seen in the fact that four thousand articles are included in the schedule of protection, in order to enlist so many interests in the scheme. No one, nor a hundred of these could succeed without the coöperation of the others. It is similar to the usual River and Harbor Bill, which is a combination of a few worthy cases with a multitude of jobs all over the country. No tax should ever be levied which it is the interest of any class of persons to perpetuate, especially should that class be large and influential. A tax is a tribute upon industry, and should be as small and as short-lived as possible. The golden rule clearly forbids political favoritism.

The buying and selling of *Options* is now practiced in all the cities of the land. What is this? It is a speculation in future values. Take wheat. One class of men, bulls, believe that its price is now low and that it will rise in the future. They buy now to be delivered a month or more hence. Another class of dealers, bears, think that the present price is high, and that it will surely fall. These sell to be delivered a month or so ahead. When the day of settlement comes, if wheat has risen, the bear pays the bull the difference between the market on the day of sale and that of delivery; if wheat has fallen, the position of the parties is reversed. This seems a very simple and legitimate transaction. Now, should the bull require the bear to actually deliver the wheat on the day of settlement, is there any moral objection to the transaction? It would seem not, for it is a *bona fide* purchase and sale. Is the case morally changed should there be no delivery of wheat, but merely the payment of the marginal difference? It is. It is not a genuine buying and selling of real values, but a simple betting upon the fluctuations of the market. Mr. Bull virtually says, "I bet that wheat will rise ten cents." Mr. Bear responds, "I accept the bet to the amount of the marginal difference upon ten thousand bushels." Mr. Bull replies, "Agreed." They put up the stakes, which is the marginal difference, and then await the issue. Mr. Bull does not want any wheat, although he has nominally bought ten thousand bushels. Mr. Bear has no wheat, and does not expect to have any, although he has sold the same amount. This is not trade; it is speculative gambling. Does Mr. Bull give Mr. Bear any equivalent for the money paid him should wheat rise? Mr. Bear is as sheer a loser as though it had been a game of cards. Had the other card turned up, Mr. Bull would have been the loser and Mr. Bear the winner. In legitimate trade both parties are benefited. Options violate the golden rule, for in them each party is seeking to gain an advantage over the other.

Growing out of options we have another American institution, the *Corner.* In this transaction, the party who makes the corner buys stealthily very largely of options in the article to be cornered. If it be wheat for the next month's delivery, he will buy more than can possibly be delivered in the market where the corner is made. The transaction goes up into the millions of bushels. Perhaps all the wheat accessible to that market is needed for the bread supply. There is but little, if any, surplus, and here are millions called for and only a few thousands to be had. The result, of course, is that wheat assumes an unnatural, purely fictitious value. For the bread supply it is not worth more than ninety cents per bushel. This corner, however, runs it up to more than a dollar. Every consumer of bread finds that the staff of life costs him twenty-five per cent. more than it should do. Every bear in the option ring finds that he has lost twenty-five cents on every dollar's sale which he has made. The clique of bulls, who have produced an artificial scarcity, gloat over their success and pocket their unrighteous gains to the amount of hundreds of thousands of dollars. The bulls who made the corner are enriched. The bears who were cornered are bankrupted. The innocent outside public must eat corn-bread or pay an exorbitant price for their flour. The case is this: There are a thousand people living on an island, two of whom buy up all the bread and then force the remainder to pay them what price they choose to demand for it. No one is so obtuse that he cannot see how grossly this violates the golden rule and how far this is from the love of Christ.

Another scheme of civilized robbery is what is vulgarly known as *Freezing Out.* One of the small towns in the Missouri Valley is built upon a coal-bed, the mining of which caused the formation of a local company. It was the most profitable business in the community, especially after a railroad, which had been largely subsidized by the county, had connected the mines with a neighboring city. As is frequently the case, this railroad had its rings, composed of the leading officials, organized to benefit themselves in outside matters by their connexion with the road. Seeing that these coal-mines were profitable, they bought out all the small stockholders until they had secured a majority of the stock and a controlling interest. They then approached the larger holders and offered to take their stock. These did not wish to sell, as they considered it the best investment they could make. An examination, however, convinced all but one that they would better sell at first, as they would be forced to do so at last. One large holder, however, refused, and they proceeded to *freeze him out.* Having the control of the company and the management of the railroad, they made themselves the officers of the coal company, and voted themselves large salaries. They charged the company high rates for the transportation of the coal to the city. Of course, the mines ceased to be profitable. All the gains were absorbed in salaries and freights, which went into the pockets of the freezers. In a year or so the old, persistent stockholder, finding that his dividends were gone, offered to sell his stock to the syndicate. "Very well," said they, "but you must see that the company is not making money now, therefore the stock is not as valuable as it was when we offered to buy you out." Yes, Mr. W. saw at last, and took what they chose to give him for his interest. This is a case of freezing out and the usual mode in which it is said to be effected. Highway robbery no more violates the golden rule or the Spirit of Christ, and is more noble, in that it shows a degree of courage and does not steal under the protection of the law.

Watering Stock is the last of the tricks of trade whose moral character will come before us for review. A syndicate bought one of the prominent railroads of the interior some years ago for eight millions of dollars, and immediately capitalized it at thirty millions. There were eight parts milk and twenty-two parts water in that stock. This seems an innocent transaction. Whom does it wrong, and how? It is a pertinent inquiry to ask these waterers, "Why do you thus nominally increase your stock so much beyond its cost and value?" What answer would they give? There must be some object, and surely it is not for the childish pride they may feel in saying that they own stocks to the amount of millions. It is not difficult to divine the purpose. The public are presumed not to know of the fictitious increase of their capital, as they usually cover it up by claiming that it represents improvements made in the property. The road that cost eight millions is now stocked at thirty millions. Six per cent. is a modest interest for the country through which that road runs. The company must receive such rates for freight and passengers, and it must pay its employés such wages as will allow that modest rate of interest on the capital of their road. Six per cent. on thirty millions, the nominal capital, is twenty-two and a half per cent. on eight millions, the real capital. Is it strange that there have been two general strikes of the hard-worked and poorly-paid laborers on that road, and that those sections where it has a monopoly execrate its management? Is this the golden rule? Is this the Spirit of Christ?

It is said that a large moiety of the colossal fortunes which have been made in this country since our civil war have been acquired in some one or more of these dubious ways. The virtuous poor may well rejoice that they have not been overwhelmed in this sea of selfishness, that they try to live by the golden rule, and to show the spirit of him who came not to be ministered unto, but to minister, and to give his life a ransom for many. To the selfish millionaire, whose wealth is a monument to his rapacious trickery, we would quote the solemn and prophetic words of James: "Go to now, ye rich men, weep and howl for your miseries that shall come upon you. Your riches are corrupted, and your garments are moth-eaten. Your gold and silver is cankered; and the rust of them shall be a witness against you, and shall eat your flesh as it were fire. Ye have heaped treasure together for the last days. Behold the hire of the laborers who have reaped down your fields, which is of you kept back by fraud, crieth; and the cries of them which have reaped are entered into the ears of the Lord of Sabaoth."

J. A Quarles.

THE SUNDAY-SCHOOL: ITS TRUE NATURE AND MISSION, AND RELATION TO THE CHURCH.

The modern Sunday-school, in its historical development, has passed through three stages, and is now entering upon a fourth. It originated outside of the church, in an effort to give a secular education to the children of the ignorant and vicious classes. Next, the church took hold of the enterprise and introduced a religious feature. By and by she began to train her own children in these schools, and thus the missionary and charitable feature ceased to be the most prominent. And now we are gradually realizing a still higher idea of the institution and entering upon a new era of Sunday-school work.

As it has been conducted hitherto, the Sunday-school has embodied two fundamental errors, in its organization and in its design. It has been organized as an institution in a great measure distinct from and independent of the church, with its own officers, government, and worship. Its mission has been merely the instruction of children; its standard has been simply that of a primary school. To be "the