UNCERTAINTIES.

The greatest hazard of business is doubt about money and materials. Ask any merchant, any manufacturer, any contractor what it is that makes him hesitate to commit himself and tends to paralyze his activities and he will tell you that it is uncertainty about prices of commodities and the standard of value. This is especially the case when artificial means—either stimulants or depressants—are used to throw out the reckoning. It is as evident today in England as in the United States. There are loud British complaints about the violent fluctuations, up and down, in the quotations of sterling. When the pound may be worth 30 cents more today than it was yesterday and by next week may drop 40 cents, there is nothing for traders to do except to stand still and see what is going to happen. The same is, of course, true of the dollar.

On the American embargo on gold exports the comment of one French financial authority is in point. The United States, so it runs, has now two different dollars. One is the dollar at home, which still by law is convertible into gold. The other is the dollar in international exchange, which is left to "find its own level"—that is, to alter in value from day to day, almost from hour to hour. This state of indefiniteness and confusion has happily not reached our domestic markets, though it necessarily affects them, and has intensified the demand that the Administration at Washington give to the country a precise and positive announcement of its financial and monetary plans.

Thus far the sole official action has been to place an absolute ban on the export of gold. This is intelligible. It merely tightens the restrictions which were imposed by the President in his proclamation of March 5. The reasons which led to that decision may have become more compelling now. At any rate, everybody understands what has been done. So long as such a suspension of free gold payments continues, we are, according to the definition of our own Treasury, off the gold standard. So be it. But what next?

Well, we now have the so-called "Administration bill," introduced yesterday by Senator THOMAS of Oklahoma as an amendment to the Farm Relief bill. That seems a queer place for the surrender by Congress to the President of its own Constitutional power to "coin "money and regulate the value "thereof." However, the main question is what is aimed at. The obvious intention is to secure an expansion of credit and the currency by the amount of $3,000,000,000. First, the effort is to be made to obtain this by the agency of the Federal Reserve Banks. Should that fail, the President is authorized to issue notes of the United States, under an act of 1862—that is, "greenbacks"—to an amount not to exceed $3,000,000,000. But these notes, unlike the greenbacks, are to be called in and canceled at the rate of 4 per cent a year. Furthermore, the President is empowered in his discretion, and in agreement with other countries, to reduce the value of the gold dollar by no more in any case than one-half. Another provision would permit the payment in silver, up to $100,000,000, of any debts owed our Government by foreign nations.

What is to be said of this extraordinary delegation of power to the President? It is entirely contingent. It represents not certainties but only possibilities. If the bill passes, it may well be that no part of the authority conferred upon Mr. ROOSEVELT will be exercised by him. In agreeing to the measure, he might easily have been influenced by two motives. One would be to prevent the enactment by Congress of actual and binding inflationary bills. A conditional inflation is less to be feared than one positively directed by law. Another hope of the President may have been to arm himself with a power which will prove a makeweight in his coming negotiations with European representatives, and in preparing for the World Economic Conference. Thus in both respects he may have been thinking more of strategy than of practice.

Those who have, as we have, the firmest confidence in the excellence of President ROOSEVELT'S purposes cannot believe that he intends recklessly to impair the obligation of gold contracts, or to meddle with the currency. He may not be a great financial authority, but he at least knows the dangers of inflation. It is always at the expense of labor. Wages lag behind higher prices. And the small homeowner, with a fixed salary, is also hard hit by it. As for "controlled inflation," one might as well talk of controlled opium-eating. The dose has always to be bigger and bigger.

President ROOSEVELT cannot wish to leave business guessing and groping in the dark. It is vitally important that industry should know what it has to count upon. Thus it is only reasonable to expect that the President will make it plain that the enormous powers which it is proposed to grant him will be used, if at all, only with the greatest prudence and in a way to remove the curse of uncertainty.