The Farmington Enterprise

C. E. RAMSAY, Publisher

FARMINGTON MICHIGAN

SUMMARY OF A WEEK'S EVENTS

Latest News of Interest Boiled Down for the Busy Man.

Washington

Declaring that unless the friar lands in the Philippine Islands are speedily disposed of they will become a heavy financial drain on the Philippine government, the chief of the bureau of insular affairs, in Washington, in his annual report, recommends that these lands be sold.

In his annual report, which has just been submitted to President Taft, Secretary of the Navy Meyer reiterates the old theory, that the best safeguard of international peace is preparedness for war, and advises that the American navy be not increased, but kept at its present strength of about forty battleships.

The deficiency of the federal government continues to grow. Up to date the disbursements of the current fiscal year have exceeded the receipts by $20,641,000, while a month ago the deficit was $20,181,000.

Employees of the postal service are being warned by the government against forming secret organizations within the service.

The eastern trunk lines have been granted by the interstate commerce commission until February 1 to file their joint passenger fares within trunk line territory, which extends from the Atlantic seaboard to Chicago.

Headed by Chief No Shirt, fourteen of the wealthiest representatives of the Indian tribes of the northwest left Spokane, Wash., for Washington, D. C., demanding constructive legislation from congress.

Marines of the United States may soon have winter uniforms more comfortable and serviceable for severe weather than the uniforms now worn by this branch of Uncle Sam's service. A board of officers is inquiring into the subject.

The United States is keeping up readiness at Manila an expeditionary force of from 500 to 2,500 soldiers for immediate dispatch to China for the purpose of protecting foreigners and to keep open railway communication between Peking and the sea. The order for starting the troops awaits only the word from American Minister Calhoun at Peking.

Government control of corporations to protect public interests and insure stability of business, publicity of corporation affairs and less presidential politics were urged by Elbert H. Gary, chairman of the board of directors of the United States Steel corporation, as remedies for trust evils and business unrest, before the senate committee on interstate commerce in Washington.

The president's message to congress, 6,500 words long, revised by him in a number conversation with his cabinet, will deal almost exclusively with the trusts, which he terms monopolies and illegal combinations in restraint of trade, as a remedy for which he suggests "federal incorporation."

Westernesty

Capt. Edward Swaney and four of his crew were hurled to their death and five others were rescued, in a thrilling manner when the steamer Diamond was blown up in the Ohio river near Pittsburg. Two of the men rescued are terribly injured and may die. The boilers let go, but the cause of the explosion is not known.

Mrs. Gertrude Gibson Patterson ate her Thanksgiving dinner within the Denver prison walls. She was acquitted not guilty by a jury in the district court of the murder of her husband, Charles A. Patterson, whom she shot to death while the couple were walking together in a suburb of that city on September 29.

Dr. J. F. Sudman, a Jackson (Miss.) veterinary surgeon, was sentenced to life imprisonment in Jackson prison. He confessed murdering his wife by putting cyanide of potassium in medicine that she was taking.

C. B. Brown, B. Lawrence, (Kan.) brick mason, unexpectedly finding himself heir to an estate of $16,000, has pledged half his fortune to the Salvation army. Brown inherited the money from an uncle in Philadelphia.

Judge Adelor J. Petit, with the tears streaming down his cheeks, sentenced Thomas Schutz, nineteen years old, Frank and Ewald Shlbalski, brothers, aged twenty-one and twenty-four years respectively, and Philip Sommerling, thirty-five years old, to be hanged on December 22 for the murder of Fred W. Guelzow, Jr., the young truck gardener, in Chicago, October 20.

Nearly $100,000,000 worth of domestic merchandise from the United States was transported across the Isthmus of Panama in the fiscal year of 1911, via the two railway lines.

James B. McNamara pleaded guilty to a charge of murder preferred against him in connection with the dynamiting of the Times building at Los Angeles, Cal. At the same time his brother, John J. McNamara, entered a plea of guilty to a charge of blowing up the Llewellyn iron works. The cases ended the apparently hopeless task which state and defense had been engaged in of drawing a jury to hear the evidence in the cases.

Another amazing disclosure in the McNamara dynamite plot came when Robert F. Bain, the first juror sworn in at the trial of James B. McNamara, confessed that his wife accepted a bribe of about $500 from the defense as part payment of the sum which was to be paid to him if he stood out for the acquittal of James B. McNamara.

Supreme Court Justice Stapleton in Brooklyn granted Captain Peter C. Hains, who, after serving three years of an eight-year sentence in Sing Sing for the murder of William E. Annis, was pardoned, an absolute decree of divorce from his wife, Claudia C. Hains.

While racing at 60 miles an hour after Mr. and Mrs. James R. Gormely, who a short time before had been married, a touring car driven by John Gormely, overturned in Walnut avenue, Roxbury, Mass. Two women were killed, one woman and two men were seriously injured.

A contract for $500,000 for logging and sawmill machinery to be used in Formosa has been awarded by the Japanese government to a Milwaukee company.

The Missouri supreme court, in an opinion by Judge Woodson, held that the Missouri 16-hour railway trainmens' law was nullified by the federal 16-hour law.

Foreign

Ignoring Great Britain's advice and refusing to comply with Russia's demands for the dismissal of W. Morgan Shuster, her American treasurer general, Persia precipitated a clash which may bring war.

The last position of the Russian troops on Pu-pu-ling at Ninkling has been captured by the revolutionists.

Reciprocity with the United States will be one of the first important problems considered by Mexico as soon as conditions in that country are settled, says Crespo y Martinez, Mexican ambassador to the United States.

Sporting

David L. Bruce Brown of New York city, driving a Flat car, won his second successive grand prize race over the Savannah (Ga.) automobile course and broke the world's record for so lengthy a contest. He captured the 24 laps of the 17.14 miles course, or 411.36 miles, in 5 hours 31 minutes and 10 seconds, an average rate of speed of 74.45 miles an hour.

The battle scheduled between Ad Wolgast and Freddie Welsh, the British champion, is off and Wolgast lies in Clara Barton hospital at Los Angeles, Cal., recovering from an operation for the removal of his vermiform appendix.

Packey McFarland, the idol of the Chicago stockyards, was awarded the decision over Harlem Tommy Murphy at the end of 20 rounds of fighting before 6,000 critical spectators at San Francisco.

Personal

Classic Harvard had the shock of a lifetime when Samuel Atkins Eliot, Jr., grandson of Harvard's ex-president, Charles Eliot, took Miss Emma Goldman, the noted lecturer on anarchy, to dinner at the Harvard Union.

Woman suffragists of New York state have opened a clubhouse on Madison avenue, New York, and they will henceforth have the most elaborate social headquarters of any state suffrage organization. The official housewarming will take place February 14.

Senator Henry Cabot Lodge of Massachusetts addressed 3,000 people at Raleigh, N. C., and vigorously attacked the initiative, referendum and recall.

The first eugenics club organized in any American university has been started at the University of Wisconsin. The meetings will be devoted to lectures and discussions of the physical, mental and moral improvement of the race.

Referee W. S. Kelley, at New York, has filed a report recommending that Upton Sinclair, the novelist, be granted a divorce from Meta F. Sinclair. The referee involves Harry Kemp, the Kansas novelist, with Mrs. Sinclair.

TAKES UP TRUST PROBLEM

Only Matter Touched On In President's Message to Congress

Additional Legislation to Strengthen Present Statutes Is Recommended---Defends Standard Oil and Tobacco Decisions

Washington.—President Taft's annual message, which was read in both houses of congress Tuesday, deals exclusively with the anti-trust statute. The message in part is as follows:

To the Senate and House of Representatives: This message is the first several which I shall send to congress during the interval between the opening of its regular session and its adjournment for the Christmas holidays. The amount of information to be communicated as to the operations of the government, the number of important subjects calling for comment by the executive, and the transmission to congress of elaborate reports by special commissions, make it impossible to include in one message of a reasonable length a discussion of the topics that ought to be brought to the attention of the national legislature at its first regular session.

The Anti-Trust Law—The Supreme Court Decisions.

In May last the Supreme court handed down decisions in the suits in equity brought by the United States to enjoin the further maintenance of the Standard Oil trust and of the American Tobacco trust, and to secure their dissolution. The decisions are epoch-making and serve to advise the business world authoritatively of the scope and operation of the anti-trust law of 1890. The decisions do not depart in any substantial way from the previous decisions of the court in construing and applying this important statute, but they clarify those important decisions by further defining the already admitted exceptions to the literal construction of the act. By the decrees, they furnish a useful precedent as to the proper method of dealing with the capital and property of illegal trusts. These decisions suggest the need and wisdom of additional or supplemental legislation, to make it easier for the entire business community to square with the rule of action and legality thus finally established and to preserve the benefit, freedom and spur of reasonable competition without loss of real efficiency or progress.

No Change in the Rule of Decision—Merely in Form of Expression.

The statute in its first section declares to be illegal "every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several states or with foreign nations," and in the second, declares guilty of a misdemeanor every person who shall monopolize or attempt to monopolize or combine or conspire with any other person to monopolize any part of the trade or commerce of the several states or with foreign nations."

In two early cases, where the statute was invoked to enjoin a transportation agreement between interstate railroad companies, it was held that it was no defense to show that the agreement as to rates complained of was reasonal at common law, because it was said that the statute was directed against all contracts and combinations in restraint of trade whether reasonal at common law or not. It was plain from the record, however, that the contracts complained of in those cases would not have been deemed reasonable at common law.

It has been said that the court, by introducing into the construction of the statute common law distinctions, has emasculated it. This is obviously untrue. By its judement every contract or combination in restraint of interstate trade made with the purpose, or necessary effect of controlling prices by stifling competition, or of establishing a monopoly in part a monopoly of such trade, is condemned by the statute. The most extreme critics cannot find a case that ought to be condemned under the statute which is not brought within its terms as thus construed.

The suggestion is also made that the Supreme court by its decisions in the last two cases has committed to the court the undefined and unlimited discretion to determine whether a case of restraint of trade is within the terms of the statute. This is wholly untrue. A reasonable restraint of trade at common law is well understood and is clearly defined. It does not rest in the discretion of the court. It must be limited to accomplish the purpose of a lawful main contract to which, in order that it shall be enforceable at all, it must be incidental. If it exceeds the needs of that contract it is void.

The Remedy in Equity by Dissolution.

In the Standard Oil case the Supreme and circuit courts found the combination to be a monopoly of the interstate business of refining, transporting, and marketing petroleum and its products, created and maintained through thirty-seven different corporations, the stock of which was held by a New Jersey company. It in effect commanded the dissolution of this combination, directed the transfer and pro-rata distribution by the New Jersey company of the stock held by it in the thirty-seven corporations to and among its stockholders, and the corporations and individual defendants were enjoined from combining to create a monopoly and all agreements between the subsidiary corporations tending to produce or bring about further violations of the act were enjoined.

In the Tobacco case, the court found that the individual defendants, twenty-nine in number, had been engaged in a successful effort to acquire complete dominion over the manufacture, sale, and distribution of tobacco in this country and abroad, and that this had been done by combinations made with a purpose and effect to stifle competition, control prices, and establish a monopoly not only in the manufacture of tobacco, but also of tin-foil and licorice, used in its manufacture and of its products of cigars, cigarettes and snuffs. The tobacco suit presented a far more complicated and difficult case than the Standard Oil suit for a decree which would effectuate the still of the court and end the violation of the statute. There was here no single holding company as in the case of the Standard Oil trust. The main company was the American Tobacco company, a manufacturing, selling and holding company. The plan adopted to destroy the combination and restore competition involved the redistribution of the capital and plants of the tobacco trust between some or for the companies constituting the trust and, now companies organized for the purposes of the decree and made parties to it, and numbering, new and old, fourteen.

The original suit there were twenty-nine defendants who were charged with the illegal means through whom the combination was acquired and exercised its unlawful dominion. Under the decree these defendants will hold amounts of stock in the various distributee companies ranging from 41 per cent. as a maximum to 2½ per cent. as a minimum, except in the case of one small company, the Porto Rican Tobacco company, in which they will hold 5 per cent. The twenty-nine individual defendants are enjoined for three years from buying any stock except from each other, and the grant is thus prevented from extending its control during that period. All parties to the suit, and the new companies who are made parties, are enjoined perpetually from in any way effecting any combination between any of the companies in violation of the statute by way of resumption of the old trust. Each of the fourteen companies is enjoined from acquiring stock in any of the others. All these companies are enjoined from having common directors or officers, or common buying or selling agents, or common offices, or lending money to each other.

Size of New Companies.

Objection was made by certain independent tobacco companies that this settlement was unjust because it left companies with very large capital in active business, and that the settlement that would be effective to put all on an equality would be a division of the capital and plant of the trust into small fractions in amount more nearly equal to that of each of the independent companies. This contention results from a misunderstanding of the anti-trust law and its purpose. It is not intended thereby to prevent the accumulation of large capital in business enterprises in which such a combination can secure reduced cost of production, sale and distribution. It is directly against such an aggregation of capital only when its purpose is that of stifling competition, enhancing or controlling prices and establishing a monopoly. If we shall have by the decree defeated these purposes and restored competition between the large units into which the capital and plant have been divided, we shall have accomplished the useful purpose of the statute.

Confiscation Not the Purpose of the Statute.

It is not the purpose of the statute to confiscate the property and capital of the offending trusts. Methods of punishment by fine or imprisonment of the individual offenders, by fine of the corporation, or by forfeiture of its goods in transportation, are provided, but the proceeding in equity is a specific remedy to stop the operation of the trust by injunction and prevent the future use of the plant and capital in violation of the statute.

I venture to say that not in the history of American law has a decree more effective for such a purpose been entered by a court than that against the Tobacco trust.

Common-Stock Ownership.

It has been assumed that the present pro-rata and common ownership in all these companies by former stockholders of the trust would tend to the continuance of the same old single control of all the companies into which the trust has by decree been disintegrated. This is erroneous and is based upon the assumed inefficacy and inhoculousness of judicial injunctions. The companies are enjoined from co-operation or combination; they have different managers, directors, purchasing and sales agents. If all or any of the numerous stockholders, reaching into the thousands, attempt to secure concerted action of the companies with a view to the control of the market, their number is so large that their attempt could not well be concealed and its principal movers and all its participants would be at once subject to contempt proceedings and imprisonment of a summary character. The immediate result of the present situation will necessarily be activity by all the companies under different management and then competition must follow or there will be activity by one company and stagnation by another. Only a short time will intervene before a change in ownership of the stock, as all opportunity for continued co-operation must disappear.

Movement for Repeal of the Anti-Trust Law.

But now that the anti-trust act is seen to be effective for the accomplishment of the purpose of its enactment, we are met by a cry from many different quarters for its repeal. It is said to be obstructive of business progress, to be an attempt to restore old-fashioned methods of destructive competition between small units and to make impossible those useful combinations of capital and the reduction of the cost of production that are essential to continued prosperity and normal growth.

In the recent decisions the Supreme court makes clear that there is nothing in the statute which condemns combinations of capital or mere bigness of plant organized to secure economy in production and a reduction of the cost. It is only when the purpose or necessary effect of the organization and maintenance of the combination or aggregation of immense size are the stifling of competition, actual and potential, and the enhancing of prices and establishing a monopoly, that the statute is violated. Mere size is no sin against the law. The merging of two or more business plants necessarily eliminates competition between the units so combined, but this elimination is in contravention of the statute only when the combination is made for the purpose of stifling competition in order to secure control of, and enhance, prices and create a monopoly.

Lack of Definiteness in the Statute.

The complaint is made of the statute that it is not sufficiently definite in its description of that which is forbidden, to enable business men to avoid its violation. The suggestion is, that we may have a combination of two corporations, which may run on for years, and that subsequently the attorney general may conclude that it is in violation of the statute, and that which was supposed by the combiners to be incorrect then turns out to be a combination in violation of the statute. The answer to this hypothetical case is that when men attempt to amass stupendous capital as will enable them to suppress competition, control prices and establish a monopoly they know the purpose of their acts. Men do not do such a thing without having it clearly in mind.

New Remedies Suggested.

Much is said of the repeal of this statute and of constructive legislation intended to accomplish the purpose and blaze a clear path for honest merchants and business men to follow. It may be that such a plan will be evolved, but I submit that the discussions which have been brought out in recent days by the fear of the continued execution of the anti-trust law have produced nothing but glittering generalities and have offered no line of distinction or rule of action as definite and as clear as that which the Supreme court itself lays down in enforcing the statute.

Supplemental Legislation Needed—Not Repeal or Amendment.

I see no objection—and indeed I can see decided advantages—in the enactment of a law which shall describe and denounce methods of competition which are unfair and are badges of the unlawful purpose denounced in the anti-trust law. The attempt and purpose to suppress a competitor by undersellling him at a price so unprofitable as to drive him out of business, or the making of exclusive contracts with customers under which they are required to give up association with other manufacturers, and numerous kindred methods for stifling competition and effecting monopoly, should be described with sufficient accuracy in a criminal statute of the one hand to enable the government to shoulder its task by prosecuting such misdemeanors instead of an entire conspiracy, and, on the other hand, to serve the purpose of pointing out more in detail to the business community what must be avoided.

Federal Incorporation Recommended.

In a special message to congress on January 7, 1910, I endeavored to point out the disturbance to business that would probably attend the dissolution of these offending trusts. I said:

"But such an investigation and possible prosecution of corporations whose prosperity or destruction affects the comfort not only of stockholders but of millions of wage earners, employes, and associated tradesmen must necessarily tend to disturb the confidence of the business community, to dry up the now flowing sources of capital from its places of hoarding, and produce a halt in our present prosperity. The evil cause suffering and strained circumstances among the innocent many for the fault of the guilty few. The question which I wish in this message to bring clearly to the consideration and discussion of congress is whether, in order to avoid such a possible business disaster, something cannot be done by which these business combinations may be offered a means, without great financial disturbance, of changing the character, organization and extent of their business into one within the lines of the law under federal control and supervision, securing compliance with the anti-trust statute.

"Generally, in the industrial combinations called 'Trusts,' the principal business is the sale of goods in many states and in foreign markets; in other words, the interstate and foreign business far exceeds the business done in any one state. This fact will justify the federal government in granting a federal charter to such a combination to make and sell in interstate and foreign commerce the products of useful manufacture under such limitations as will secure a compliance with the anti-trust law. It is possible so to frame a statute that while it offers protection to a federal company against harmful, vexatious and unnecessary invasion by the states, it shall subject it to reasonable taxation and control by the states with respect to its purely local business.

"Corporations organized under this act should be prohibited from acquiring and holding stock in other corporations (except for special reasons, upon approval by the proper federal authority), thus avoiding the creation under national auspices of the holding company with subsidiary corporations in different states, which has been such an effective agency in the creation of the great trusts and monopolies.

"If the prohibition of the anti-trust act against combinations in restraint of trade is to be effectively enforced, it seems clear that the federal government shall provide for the creation of national corporations to carry on a legitimate business throughout the United States. The conflicting laws of the different states of the Union with respect to foreign corporations makes it difficult, if not impossible, for one corporation to comply with their requirements so as to carry on business in a number of different states."

Federal Corporation Commission Proposed.

I do not set forth in detail the terms and sections of a statute which might supply the constructive legislation permitting and aiding the formation of combinations of capital into federal corporations. They should be subject to rigid rules as to their organization and procedure, including effective publicity, and to the closest supervision as to the issue of stock and bonds by an executive bureau or commission in the department of commerce and labor, to which in times of doubt they might well submit their proposed plans for future business. It must be distinctly understood that incorporation under a federal law could not exempt the company thus formed and its incorporators and managers from prosecution under the anti-trust law for subsequent illegal conduct, but the publicity of its procedure and the opportunity for frequent consultation as to the legitimate purpose of its transactions would offer it as great security against successful prosecutions for violations of the law as would be practical or wise.

Such a bureau or commission might well be invested also with the duty, already referred to, of supervising the court in the dissolution and recreation of trusts within the law. It should be an executive tribunal of the dignity and power of the comptroller of the currency or the interstate commerce commission, which now exercise supervisory power over important classes of corporations under federal regulation.

The drafting of such a federal incorporation law would offer ample opportunity to prevent many manifest evils in corporate management today, including irresponsibility of control in the hands of the few who are not the real owners.

Incorporation Voluntary.

I recommend that the federal charters thus to be granted shall be voluntary, at least until experience justifies mandatory provisions. The benefit to be derived from the operation of great businesses under the protection of such a charter would attract all who are anxious to keep within the law and to avoid the combinations that fall. Take advantage of the federal incorporation will not have a right to complain if their failure is ascribed to unwilling as to submit their transactions to the careful scrutiny, competent supervision and publicity attendant upon the enforcement of such a charter.

Supplemental Legislation Needed.

The opportunity thus suggested for federal incorporation, it seems to me, is suitable constructive legislation needed to facilitate the squaring of great industrial enterprises to the rule of action laid down by the anti-trust law. This statute as construed by the Supreme court must continue to be the line of distinction for legitimate business. It must be enforced, unless we are to banish individualism from all business and reduce it to one common system of regulation or control of prices like that which now prevails with respect to public utilities, and which, when applied to all business would be a long step toward state socialism.

WM. H. TAFT.

DOCTORS SAID HE WOULD DIE.

A Friend's Advice Saves Life.

I wish to speak of the wonderful cure that I have received from your noted Swamp-Root, the great kidney and bladder cure. Last summer I was taken with severe pains in my back and sides. I could not breathe without difficulty. I tried all the different doctors from far and near, but they said it was no use to doctor as I would die anyway. I was at the end of my rope and was so miserable with pain and the thought that I must die that words cannot tell how I felt. One day a friend told me of the wonderful help she had received from Dr. Kilmer's Swamp-Root. She gave me one of your pamphlets which I read and determined to try Swamp-Root. After taking half a bottle I felt better. Have now taken ten bottles and am well as I ever was, thanks to Swamp-Root. I wish to tell all suffering people that have kidney, liver or bladder trouble, that Dr. Kilmer's Swamp-Root is the best medicine on the market.

All persons doubting this statement can write to me and I will answer them directly.

Yours very truly,
CLYDE F. CARERER,
Rosalia, Wash.

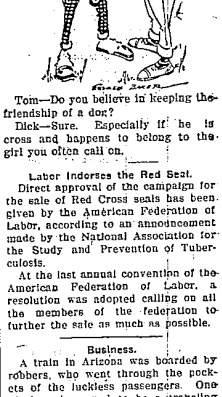
Subscribed and sworn to before me this 23rd day of July, 1909.
VERE TOWNE, Notary Public.

Address: Dr. Kilmer & Co., Binghamton, N. Y.

Prove What Swamp-Root Will Do For You

Send to Dr. Kilmer & Co., Binghamton, N. Y., for a sample bottle. It will convince anyone. You will also receive a booklet of valuable information, telling all about the kidneys and bladder. When writing, be sure and mention this paper. Regular fifty-cent and one-dollar size bottles for sale at all drug stores.

WISE PLAN.



Tom—Do you believe in keeping the friendship of a dog?

Dick—Sure. Especially if he is cross and happens to belong to the girl you often call on.

Labor Indorses the Red Seal.

Direct approval of the campaign for the sale of Red Cross seals has been given by the American Federation of Labor, according to an announcement made by the National Association for the Study and Prevention of Tuberculosis.

At the last annual convention of the American Federation of Labor, a resolution was adopted calling on all the members of the federation to further the sale as much as possible.

Business.

A train in Arizona was boarded by robbers, who went through the pockets of the luckless passengers. One of them happened to be travelling salesman from New York, who, when his turn came, flashed out $200, but rapidly took $4 from the pile and placed it in his vest pocket.

"What do you mean by that?" asked the robber, as he toyed with his revolver. Hurriedly came the answer: "Mine frent, you surely would not refuse me two per cent. discount on a strictly cash transaction like dis?"—Fun.

WORKS WITHOUT FAITH

Faith Came After the Works Had Laid the Foundation.

A Bay State belle talks thus about coffee:

"While a coffee drinker I was a sufferer from indigestion and intensely painful nervous headaches, from childhood.

"Seven years ago my health gave out entirely. I grew so weak that the exertion of walking, if only a few feet, made it necessary for me to lie down. My friends thought I was marked for consumption—weak, thin and pale.

"I realized the danger I was in and tried faithfully to get relief from medicines, till, at last, after having employed all kinds of drugs, the doctor acknowledged that he did not believe it was in his power to cure me.

"While in this condition a friend induced me to quit coffee and try Postum, and I did so without the least hope that it would do me any good. I did not like it at first, but when it was properly made I found it was a most delicious and refreshing beverage. I am especially fond of it served at dinner ice-cold, with cream.

"In a month's time I began to improve, and in a few weeks my indigestion ceased to trouble me, and my headache stopped entirely. I am so perfectly well now that I do not look like the same person, and I have so gained in flesh that I am 15 pounds heavier than ever before.

"This is what Postum has done for me. I still use it and shall always do so." Name given by Postum Co., Battle Creek, Mich.

"There's a reason," and it is explained in the little book, "The Road to Wellville," in pkgs.

Ever read the above letter? A new one appears from time to time. They are genuine, true, and full of human interest.