FRANCE WILL JOIN IN GENOA CONFERENCE

Strictly Nationalistic Policies Will Be Forsaken—Change of Attitude Made More Apparent.

BY OLIVER OWEN KUHN.

FRANCE will participate in the Genoa parley. The "ifs," "ands" and "buts" with which Premier Poincare hedged tentative declarations of France's participation a week ago will be abandoned. When French statesmen take their place about the council board with representatives of all the larger European nations, including Germany and Russia, France will have foreseen restrictions which Poincare stated would govern French deliberations. This is the information that has reached Washington through official sources.

Ambassador Harvey's stay in Paris, though he not yet having entered formal conferences, is believed to have been instrumental in focusing attention of the French people on the fact that France stands in the way of possible successful action at Genoa, and, as a result of the situation, French statesmen may have about decided to move with the tides that are working for European reconstruction. Whatever Harvey's influence, it is an unquestioned fact that the past week has witnessed a tentative change of heart on the part of officials sitting in Quai d'Orsay, for they have been made more and more to feel the gulf that is separating France from European allies and endangering the possibility of France ever realizing her dreams of political and financial safety in Europe. Separation from her old ally across the seas, namely, the United States, also is having its weight.

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Poincare may have proclaimed to the chamber that France intended to pursue an independent course in all international deliberations likely to take contrary courses. But, as has been the case with many other premiers of France, declaration of policy does not always mean fulfilment. Many a French premier in recent years has gained ascendancy by the promulgation of far-reaching policies attuned to French thought of the moment—at least to political expediency. Poincare was no exception, but it appears that already he has been forced to bend to the unchangeable tides of internal and external policy. France is finding that it will be extremely difficult to accomplish far-reaching goals aspired to by the nation unless the French foreign policy is more in tune with that of other countries.

It is not surprising that France should fall in line for open-minded participation in the Genoa parley, not only has she seen the possibility of losing the much-desired offensive-defensive alliance with Great Britain, but she has seen solidification of the tendency to form a great continental bloc composed of England, Russia, Germany, Italy and Belgium. The fact that Belgium should go so far as to inform the French foreign office of its desire to revise the offensive and defensive alliance with France, in order that Belgium may work more in unison with Great Britain in an offensive pact guaranteeing Belgian integrity, has been startling. Undoubtedly it has proven to the French the error of their ways more than any other single event, for the Franco-Belgian agreement always has been considered one of the most important in France's scheme of building an iron ring about Germany and predicating foreign policy upon the fact that such a ring was necessary to insure the future safety of Europe. Belgium naturally, it was expected, would be the last nation to strike at alliances with France, and if France is to lose Belgium, who undoubtedly would freely enter the new European bloc of nations, then indeed the whole French scheme of dominating Europe politically and militarily is in sad way. It undoubtedly has caused France to take a reef in her sails. Instead of pursuing the idea that the whole world must be wrong except France, the French foreign officials, it is believed, now show signs of suspecting that perhaps there may be a few things wrong with the foreign policy of France. This fully realized, the French will not be long in adjusting their whole scheme of international co-operation in conformance to France's best interests.

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There is another indication that France under Poincare may not pursue the militaristic policy which was launched with a change of premiers. The Paris press, the barometer of the foreign office and largely amenable to official dictation, for the past several days loudly has proclaimed the error of French foreign policy. The curtailment of prestige through the lack of a far-seeing constructive policy has been lamented to the point where one acquainted with the political "kites" the French press is inclined to send out, suspects that the wail is intended to prepare the mind of the people for a right-about-face on the part of the Poincare government. At least the government will be more privileged to adopt policies tractable than those announced by Poincare and there will be less friction and more understanding on the part of the people when the time comes for France to take an active part in the Genoa deliberations.

If official France was not preparing to modify its bold pronunciamentoes little would have been heard of French loss of prestige. Most certainly the failure to make French, British and American policies coincide, would not be lamented. On the other hand, the policy of maintaining a large army and navy would have been supported to the end and the maintenance justified in the eyes of the people. It is believed here and in Paris that the conference between Ambassador Harvey and Premier Poincare tomorrow may go far toward influencing the French in the right direction.

The Genoa parley continues to dominate the thought of Europe, for if it succeeds Europe will be a new Europe within the space of a year. Hearty co-operation along economic and financial lines cannot but redound to the best interests of all concerned.

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In both Germany and Russia there is manifest genuine enthusiasm for the prospects. Particularly is this true in Germany, where there still is hope that the sum total of reparations will be curtailed and that German industry and finance will be thrown in the continental crucible and assist in not only the recovery of Germany but all countries to which Germany looks for the furtherance of prosperity and advance.

The Russians will enter the conference, it is made plain, not with the idea of driving sharp bargains or promoting the interests of bolshevism, but as representatives of a government eager to undo the far-reaching evils of the red revolution. It is reported that the Moscow government may be considered operating on a different plane than the communist internationale and that the government will strive alone for the revival of Russian industry and finance.

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The Russians are not entering the conference, it would appear, with humble spirit. Latest dispatches indicate that there will be presented claims for tremendous sums in the way of indemnities charged to various allied powers and the United States. In short, the bolshevik regime will claim that billions upon billions of damages were suffered by Russia through various counter revolutionary enterprises, notably those of Kolchak, Denikine and Wrangel, and that the allies were responsible in aiding and abetting them. It cannot be expected that the Russians will get far with their claims, but in the general adjustments and understandings it is expected that all European countries will give the bolsheviks some measure of aid financially, industrially and economically. When final action is taken it probably will be seen that Germany and England will lead in the penetration of Russia. Should the United States join in the parley and support its dictates, then this country may be expected to participate largely in Russia's development.

But the one great significant feature of the Genoa conference is not possible adjustment of nationalistic claims and counter claims, but the earnest desire, already made apparent, to set Europe's house in order. If striking advance is made the effects of the war rapidly may be eliminated. But one thing is certain: When final results are announced it will be found that many of the panaceas prescribed for the ills of the continent in the past by one or another group of nations will be discarded and a new era of industrial, political, economic and financial negotiation will set in. Nationalistic spirit such as fathered by France will more and more pass, at least until all nations of Europe have progressed to a point where the war's ills are no longer noxious.

THE STORY THE WEEK HAS TOLD

BY HENRY W. BUNN.

THE following is a brief summary of the most important news of the world for the seven days ended January 28:

The Washington Conference—Hughes' original two resolutions which contemplated publicity for "commitments" relating to China were expanded into four, and the four were adopted by the committee on Pacific and far eastern affairs. It remains to be seen whether publicity will have the same effect on improper agreements that it had on the naughty ladies of King Arthur's court. A wicked agreement with a speck of modesty or self-respect should, of course, seek oblivion and refuse to be listed or filed with the secretary general of the conference, and it should be unthinkable that any of the signatory powers should ever invoke an agrement not listed or notified as per the resolutions. Time only can tell.

At last, on the 23d, the committee on Pacific and far eastern affairs addressed itself to the Siberian question. Baron Shidehara explained Japan's actions and policy in and with respect to Siberia and the northern part of the Island of Sakhalin. He reiterated, in phrases repeated so often by Japanese spokesmen as to have become stereotyped, the intention of Japan to withdraw from the Siberian mainland when reliable guarantees shall be forthcoming of security of Japanese residents and Japanese property in the maritime province and security of the Korean frontier, and to withdraw from northern Sakhalin as soon as satisfaction shall be obtained for the Nikolaievsk massacre from a responsible Russian government. He expressed a hope that the negotiations now in process at Darien between representatives of the Tokio and Chita governments may have an issue such as to justify withdrawal of Japanese troops from the maritime province without more ado.

"In conclusion," he said, repeating a time-honored formula, "the Japanese delegation is authorized to declare that it is the fixed and settled policy of Japan to respect the territorial integrtiy of Russia and to observe the principle of non-intervention in the internal affairs of the country, as well as the principle of equal opportunity for the commerce and industry of all nations in every part of the Russian possessions."

The next morning Secretary Hughes reviewed American actions and policy in and with respect to Siberia. While not impugning Japanese motives, or questioning the honesty of the Japanese declarations, he expressed dissidence from Japanese views and regret at Japanese policy. Finally, "with the greatest friendliness," he expressed a hope that "Japan would find it possible to carry out, within the near future, her expressed intention of terminatnig finally the Siberian expedition and of restoring Sakhalin to the Russian people."

Thus in the time it should take to say "Jack Robinson" the great Siberian question was discussed of. To be flippant just once, as one of the younger myrmidons of the British delegation might say, "Quick work, what?"

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British Empire.—Sorrow for the death of Lord Bryce is certainly as keen in this country as in Britain. He was more endeared to Americans than any other Briton has ever been. His most important work as a practical statesman was in the capacity of British ambassador to the United States. His most important literary production was "The American Commonwealth," which is one of the classics dealing with American political institutions, the other being Tocqueville's incomparable "Democracy in America." But his curiosity was not confined to America—it was universal as to time and space. In the words of Pericles, "The whole world is his sepulchre." The committee on Pacific and far eastern affairs of the Washington conference devoted half of Monday's session to eulogies of him, perhaps the happiest fate that ever befell the memory of a great man.

Michael Collins, head of the provisional government of southern Ireland, and Sir James Craig, premier of Ulster, met in London the other day, quite by accident, with result that after a few minutes' conversation several difficulties in the relations between Belfast and Dublin which had seemed insoluble were in fact solved. The mutual boycott has ceased and boundary and railway questions are in an easy way of settlement. Common sense is your only wizard.

Some reports aver that the moderates are recovering the upper hand in India; others that Gandhi's star is still in the ascendant. Lord Northcliffe, now in India, has sent abroad through the press a multitudinous raven "croak"; it's all up with the British raj, says my lord, unless his program (restoration to the sick man of the Golden Horn of all his spiritualities and most of his temporalities, including all Asia Minor and Adrainople) be adopted. Lord Northcliffe has been in India ten days and should know all about it.

It was reported the other day that nationalist agitation in Egypt had practically ceased, but now comes a tale of a fresh uprising—190 dead, 1,000 more injured. The report (which requires verification) states that British troops squelched the insurrection.

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Germany.—On Thursday Chancellor Wirth made his eagerly awaited speech announcing his taxation program. The chancellor hopes, of course, that his program is enough of a compromise to save his official head and drastic enough to satisfy the reparations commission. The speech seems to me crepuscular and the taxation proposals therein vague and inadequate. Yesterday (Saturday) the reparations commission was to receive the German government's proposal of a schedule of reparation payments (divided into payments in gold marks and in kind) and that government's plan of fiscal and financial reforms—balancing of the budget, repudiation or abolition of subsidies, higher railway and postal rates, higher taxation, etc. It is to be hoped that that document will at least be lucid and specific.

The French are not in a mood to brook evasion or delaying tactics.

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Austria.—The Austrian cabinet has resigned. The situation is loaded with T. N. T. The pan-Germans are aggressive. The people are suffering hunger and other miseries. Perhaps the wild Vienna riot of several weeks ago was but a faint earnest of what's to come. Should the situation get completely out of hand, the allies cannot plead that they have done their best. Their plans for Austria are excellent; they have inexhaustibly delayed to put those plans in execution (the cabinet remains, but the situation is no less precarious).

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Death of the Pope.—On Sunday, the 22nd, Pope Benedict XV died, and on Thursday, with the pomp and circumstance always associated with Vatican ceremonies, (Noble, Swiss, and Palatine guards in medieval costumes, cardinals in violet robes of mourning, etc., etc.), the body was laid to rest in the crypt of St. Peter's. It is idle to speculate as to who shall be the next pontiff, seeing how often the truth of the popular saying has been verified, "He who goes into the conclave Pope, comes out cardinal." The college of cardinals meets on February 2 for election of a new pontiff. Pope Benedict favored a policy of gradual rapprochement with the Quirinal. It is a question of great political importance (though, of course, restoration of the former papal temporalities is not imaginable) whether Benedict's successor shall continue this policy.

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Russia.—There is a report that the soviet government has drawn up, and for presentation at the Genoa conference, a bill of damages against the allies (for rendering aid to Kolchak, Denekin, Wrangle, Yudenich Seminov, other white chiefs, for invasions of Siberia, Murmansk, Archangel, for several other little things) of a figure so staggering that France's claim of four billion dollars against Russia seems like small change in the comparison. There's humor of a comic sort in Moscow.

Dr. Nansen says that the total number of persons in the Russian famine area threatened with death by hunger is 33,000,000. He says that the transportation system is incapable of moving enough grain to save more than 7,000,000. Nansen, if any one, ought to know, but his estimate seems a good deal more dismal than those received from American relief agents, dismal enough as these latter are, in all conscience.

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Near and Middle East.—We keep hearing that the French and British governments have nearly reached an accord on the near and middle east, but it is always "nearly," the consummation is still ahead. Such an accord, satisfactory as the Franco-British one on Africa (struck when relations were extremely strained), would be a great boon to the republic and the empire, a great boon to the near and middle east, a great boon to the whole world. For Franco-British relations respecting the near and middle east are a great deal more dangerously sensitive than most people are aware.

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The United States of America.—The most important domestic business of the week was the proceedings of the national agricultural conference. President Harding opened the conference on Monday with a truly great speech, wherein he drew the broad outlines of a generous agricultural policy, which should contemplate removal of those financial disabilities under which the agricultural industry, in unfair contrast with other industries, labors. The devising of such a policy is, says the President in effect, a national concern; not the exclusive concern of a class, nor (before uttering the dreadful word the President made a significant pause) of a bloc.

The President indicated his approval of the co-operative idea and stressed the importance of dissemination to the farmers of market reports. (A co-operative marketing bill is, I understand, on the program of the republican leaders for this session and the Department of Agriculture is perfecting a system for the collection of market data and its broadcasting by wireless.) Perhaps the most significant sentence of the President's speech was the following:

"There should be developed a thorough code of law and business procedure, with the proper machinery of finance, to insure that turn-over capital shall be as generously supplied to the farmer and on as reasonable terms as to other industries."

The final report of the conference will be a document of great interest.

The House republicans in a caucus on Thursday instructed the House ways and means committee to report a bonus bill with all speed possible. The caucus made no suggestion as to how the money for bonus payments should be raised. It is said that majority sentiment in the House now favors some form of sales tax. Mr. Fordney told the caucus that President Harding favors a bonus.

On Thursday the House passed the anti-lynching bill by a vote of 230 to 119. Seventeen republicans voted against the bill and eight democrats for it. The bill defines a mob as three or more persons. Considerable opposition to it in the Senate is expected, on the ground that it usurps states rights.

It is understood that the question is emphatically an open one as to whether or no our government shall accept the invitation to the Genoa conference.

A perfect St. Lawrence of American bootlegger whisky is reported to be flowing into dry Ontario.

STUDY OF PROPOSALS TO AID SERVICE MEN

Measures in Congress Providing for "Adjusted Compensation" and What It Likely Would Cost.

BY EDWARD N. DINGLEY.

WHAT is the proposed soldiers' bonus? What will a soldiers' adjusted compensation law cost the government? What are the main questions involved? What have other countries done in the way of a bonus to soldiers? These are questions the people would like to have answered before finally making up their minds about getting behind or opposing a soldiers' adjusted compensation bill, now before Congress and causing much discussion.

Evidently there has been much misapprehension as to the position of President Harding toward a soldiers' adjusted compensation bill. His friendship for the veterans of the world war was manifest when, in his message of July 12, 1921, urging the recommitment of the McCumber bill, he said: "If the suggested recommitment of this measure bore the merest suggestion of neglect or a hint of national ingratitude, I would not urge it. It has been my privilege to speak to Congress on our obligations to the disabled and dependent soldiers and the government's deep desire to prove its concern for their welfare. I should be ashamed of the republic if it failed in its duty to them. Neither armistice nor permanent peace puts an end to the obligations of government to its defenders or the obligations of citizens to the government. Mindful of all these things, the administrative branch of the government has not only spoken, it has acted and has accomplished."

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The President added in the same message: "Contemplating the tremendous liability, which the government never will shirk, I would be remiss in my duty if I failed to ask Congress to pause at this particular time, rather than break down our Treasury from which so much is later on to be expected. The defenders of the republic amid the perils of war would be the last of our citizenship to wish its stability menaced by an individual pittance of peace."

The President concluded: "I know the feelings of my own breast and that of yours and the grateful people of this republic. But no thoughtful person, possessed with all the facts, is ready for added compensation for the healthful, self-reliant masses of our great armies at the cost of a Treasury breakdown which will bring its hardships to all the citizens of the republic."

The President's position was based entirely on the financial condition of the country last July. This was made clear when he said the enactment of the proposed compensation bill "would in all probability so add to our interest rates that the added interest charge on new and refunded indebtedness may alone exceed the sum it is proposed to bestow."

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There have been some ten soldiers' bonus or compensation bills introduced in the House, but only one in the Senate. The Fordney bill passed the House in May, 1920. This bill and the McCumber bill, before the Senate in July, 1921, embody the main features of all these bills and are most likely to be accepted by Congress if any measure is accepted.

The McCumber and Fordney bills are practically alike, save in a few unimportant features. The former does not contain the provisions of the latter called "establishment of projects," "co-operation with federal and state agencies," "allotment and sale of lands," "receipts from projects," and "applicability of reclamation law." Senator McCumber stated that in the Senate bill "everything the soldier might secure is preserved without involving the country in any new project with its endless uncertainties." A brief analysis of the McCumber bill will suffice to explain the Fordney bill.

The McCumber bill provides for five optional plans: (1) Adjusted service pay, (2) adjusted service certificates, (3) vocational training, (4) farm or home aid, and (5) land settlement aid. In his report to the Senate, Senator McCumber said: "In simple, plain English, the purpose of this bill is to give to the soldier who offered his services a compensation that will more nearly approach that of the laborer who remained at home, secure from danger, and whose compensation increased from 200 to 300 per cent, and, measured by the amount of labor actually performed, far beyond those figures. It is not a bonus bill, and fairness to country and soldier alike requires that we should exclude the word 'bonus' in referring to it."

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The McCumber bill and the Fordney bill exclude from their benefits all those given commissions while performing merely clerical service in the departments. Their benefits are also limited to those below the grade of captain in the Army or Marine Corps, and lieutenant in the Navy and like grade of officers.

Already Congress has voted two months' pay, or $60, to each soldier on discharge, as extra pay or "bonus." Therefore, in both the Fordney and McCumber bills, sixty days are deducted from the service of each soldier and sailor, at home or abroad.

It is proposed to pay $1 per day for each day's service in the United States, and $1.25 per day for each day's service overseas, less the sixty days' or $60 bonus already mentioned and paid. The cash payment for home service is limited to $500, and is to be paid in ten quarterly installments. The cash payment for overseas service is limited to $625, and is to be paid in installments.

"Adjusted service certificates" give the veteran the option to take insurance payable at the end of twenty years. In event of death, his estate will get the adjusted pay instead for the twenty years. The veteran can borrow money against this insurance.

"Vocational training aid" authorizes the veteran to receive vocational training at the expense of the government, equal to his adjusted service pay, plus 40 per cent.

"Farm or home aid" authorizes the veteran to receive from the government the adjusted service pay plus 40 per cent to be applied toward the purchase price of such home or farm.

"The land settlement aid" gives the veteran preference right to take lands on the opening of public or Indian lands to entry, and on all reclamation projects.

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What will such a veterans' compensation law cost? This will depend, in a large measure, upon the choice of plan which may be made by the veterans entitled to the benefits of the law. The features of the plan, which would entail the greater expense, are (1) the cash payments to be made as adjusted service pay, (2) the payments and loans to be made on adjusted service certificates and (3) the payments involved in the farm or home aid.

The Secretary of the Treasury says that "the most conservative estimate shows the plan would cost from about $1,500,000,000 (if the bulk of the payments were on account of the adjusted service pay, the greater part of which would fall in the near future) to about $5,250,000,000 (if most veterans elected to take adjusted service certificates, the payments of which would be distributed over a period of twenty years)."

If at least one-half would elect the cash plan and one-half the certificate plan the ultimate cost, it is estimated by the Secretary of the Treasury, would be about $3,330,000,000.

In his letter to Secretary Frelinghuysen, dated July 2, 1921, the Secretary of the Treasury said: "It could be financed only by adding to the burden of the debt and taxes under which the country is now staggering. * * * This is not a time to impose several billion dollars of new liabilities on an already overburdened Treasury. * * * The best interests of the veterans cannot, in the last analysis, be considered separate and apart from the best interests of the country as a whole."

Senator McCumber said in his report: "We believe the minimum possible cost of this measure would be $1,560,000,000. This amount is based upon the assumption that every veteran would accept the cash-payment plan. The maximum, to be scattered over twenty years, would be, in round numbers, $5,273,000,000. Under what we believe will be the real operation of the legislation, the total cost will be in round numbers about $4,396,000,000."

Senator McCumber suggested that the interest on the long-time bonds due the United States from European countries, would "more than care for the payments necessary each year to meet the requirements of this proposed legislation."

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There were 4,262,105 men in the service, in the Army alone. The total men-days service was 1,427,325,000. The average days' service per man was 334. The number in overseas service was 2,022,635, and the total men-days service overseas was 709,740,000, or an average of 350 days' service.

There were 80,635 deaths overseas and 34,617 in the home service—a total of 115,252. The number of officers above the rank of captain was 14,500. The total number of deaths in the Army alone is estimated at 100,785. It is estimated that 4,031,568 would be entitled to the benefits of a soldiers' compensation law. The number in service in the Navy was 551,736. The number of deaths in the Navy is estimated at 4,236, leaving 547,500 in the Navy who would have been entitled to the benefits of the compensation law. Deaths after July, 1919, were 13,350, leaving 534,150 entitled to the benefits on January 1, 1922.

The total number in the Army and Navy entitled to the benefits on July 1, 1922, is estimated at 4,465,718.

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If every veteran should accept the cash plan it would cost $1,150,166,330, to be appropriated in three years. If every veteran should accept the certificate plan the total amount in twenty years would be $5,273,345,563—about $21,980,656 the first year, $56,962,190 the second and $4,290,280,000 the third year. Estimates of the cost, according to the probable selection of options by the veterans, run all the way from $2,000,000,000 to $5,000,000,000.

The statistical bureau of the War Department has figured it out that a soldiers' "bonus" for an average of 400 days at $1 per day would cost $1,400,000,000, and for $500 even payment, about $1,750,000,000. This is based on an estimate of 3,500,000 entitled to be paid a bonus. At the rate of $1.25 a day the estimated cost for 400 days would be $1,800,000,000.

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In connection with a proposed veterans' compensation law, it is interesting to compare the bonuses paid by the United States and other countries at the time of discharge. Canada paid $973 to its officers and $600 to its privates. Belgium paid $492 to both its officers and privates. France paid $249 to both officers and privates. The United States paid $60 to its officers and privates. England paid $141 to its privates, and Italy paid $64 to its privates.

Obviously it would be unwise to enact a veterans' compensation law without specifically providing for the means with which to pay the compensation. The McCumber and the Fordney bills provide that "there is appropriated such amount as may be necessary to carry out the provisions of this act." The vital question is, how shall this amount be raised?

Several suggestions have been made for raising the necessary funds, one that the interest on the foreign debt due us be used, another that a special bond issue be made for that purpose, another that a sales tax be imposed, and still another that a stamp tax on bank checks be levied.

Congress and the executive appear to be face to face with a popular demand for a soldiers' adjusted compensation bill. What will be done?

Business Factors Approaching Normal Shown by Price Fluctuation Tendencies

BY ARCHER WALL DOUGLAS.

(Chairman Committee on Statistics and Standards, Chamber of Commerce of the United States.)

THERE are all manner of signs and symptoms which indicate that we have seen the worst of our troubles and are on the way to better things.

Merchandise stocks throughout the country have been materially reduced during the past twelve months, and many foreign credits have been thawed out accordingly. Overhead costs have been cut, with corresponding gain in service and efficiency. Most of the business wrecks—not all—have been cleared away, and work being done is almost entirely of a constructive nature. There is widespread recognition of the vital necessity of adequate credit to farming interests, and it is fast assuming definite shape. What the farmer suffered in the past because of the lack of this essential factor in his business and the price he often paid for it when it was to be had would make a moving economic tragedy.

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There are only two periods in business history when prices and volume of virtually all commodities move uniformly in the same direction—upward eras of great prosperity, and downward in those of great depression. Now, each line of business is affected almost entirely by the factors peculiar to itself, and this is an almost unfailing symptom that normal conditions in such lines are resuming their natural sway.

The dwellers in a fool's paradise are fast dwindling, for the majority of the business world are prepared to accept the inevitable, after the fashion of the philosophy of the negro mammy, that "what is to be, will be, whether it comes to pass or not."

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Such world-wide matters as the disarmament conference and the probable settlement of the Irish question have a widespread influence for good that nothing else can match, for they prophesy only too clearly that the "Hymn of Hate" and all the insane follies bred by the war are losing their grip on a world that is coming to itself after a frenzy which future generations will look back upon with the amazement and shuddering horror with which we once regarded the saturnalia of the French revolution.

Best of all, we have finally come to like those homely but essential ways and means of escape from our present situation—hard work, industry, resourcefulness, thrift—and to get as much out of the practice of them as from the certainty that they will ultimately take us out of our wanderings in the desert and into the promised land, flowing with milk and money.

Though for the present we must be content with slow but steady progress for the first six months, with growing hopefulness for the remainder of the year, should harvest conditions point the way to a more rapid gait.

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The sentiment in regard to reduction of corn acreage this spring took definite form at a meeting of the farm bureaus of five of the largest corn-growing states in a resolution directed at greater acreage of alfalfa, clover and other legumes, that thereby soil fertility may be conserved, which, interpreted, means that such increase will naturally be at the expense of much otherwise corn planting. In corn, as in cotton, the farmer holds the game in his own hands, as we grow 75 per cent of all the Indian corn raised in the world, and no other nation is ever likely to disturb that proportion. An advance of 50 cents a bushel in corn would do more to restore business in the grain regions than all other panaceas combined. Prices of farm products need some more potent stimulant than futile speculative sentiment, which marches up the hill one day and marches down again the next, afraid of its shadow and taking constant counsel with its fears.

Fortunately, heavy exports of corn, cotton, wheat and meat products furnish the sustaining sentiment. We are not to forget that these large grain shipments abroad are made possible by the elimination for an indefinite period of Russia as the granary of Europe. When that distressful country comes back we shall feel the effects of her ancient competition. The fortunes of the growing winter wheat crop hang largely upon needed moisture in the southwest and the west from the Texas Panhandle to Nebraska. At this writing in such sections where it is too dry the plant is in poor condition to face the wintry blasts.

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In constructive ways the Department of Agriculture more than justifies its existence each year, and returns a handsome profit on its investment in the wealth it adds to the farming world. Ten years ago an eight-ounce package of the seed of Sudan grass was obtained from far-away Africa. It has multiplied now into an annual crop of forage of about $10,000,000, and its popularity still increases on the thirsty, wind-swept plains of the great plains states, where less hardy plants wither and die under the brazen skies and scorching heats of some summer days.

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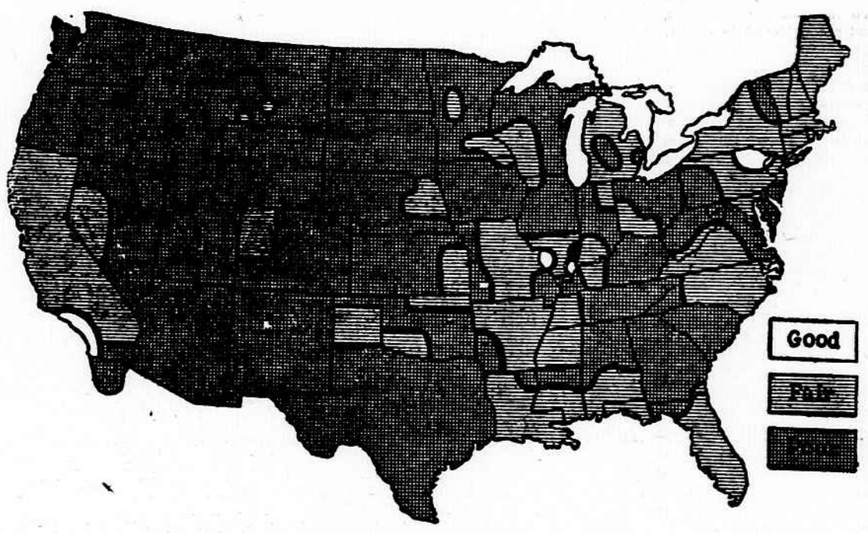
Lead, zinc and copper have taken heart because of better demand and some consequent stiffening in price.

Activity in oil is growing, and recent rains in portions of the southwest made possible the resumption of drilling in more generous fashion. Of all commodities, oil has the least need to take thought of the morrow, for as regards the future its calling and election are as sure as that of any mythical saint who never existed. Mathematically stated, it has in time the certainty of a demand increasing in geometrical ratio, to be met by only a possible supply at its present rate of going.

Lumber shipments in December stacked up well, and paper mills were fairly busy.

Industrial activity in general moves at slow pace, and the persistent prophets of "near" prosperity are having a hard time holding on to their dwindling reputations.



This map, put out by *The Nation's Business*, official publication of the United States Chamber of Commerce, shows actual business conditions throughout the country in January as seen by Archer Wall Douglas, the noted business authority.

Building Up Morale of Labor To Keep America Prosperous

(Continued from First Page.)

specially trained men to act as conciliators in each of the fifteen or twenty main industries. The type of man he wants must have technical training, but be of broad intelligence and character, so as to be looked up to—a big man first and then a technical expert. He must know precisely what is to be expected from every worker in every step of the process of manufacture; he must command the confidence and respect of both workers and employers. These men would be permitted only to offer their services as disinterested spokesmen for the public, but by their special training would they be more effective. Secretary Davis believes that fifteen or twenty such men would be leaders to peace in industry. Where radical activity crops up they would know about it and might be able to win over the wrong-headed to right-minded principles.

These specialists Secretary Davis plans to make educators—to keep employers reminded of the struggles and trials of the men who toil, and the toilers reminded of the worries of the men with the responsibilities of a business on their minds. These special conciliators would keep first in mind the good effect of restoring the loss of good, old-time personal contact between the employer and his men. In the case of some such general disagreement of national scope a group of these special men, each a master of one of the phases entering into these complex services, would be ready for common counsel.

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Better work and more of it is a slogan that Secretary Davis proposes to the industrial workers. Keeping the peace in industry is only one of the elements absolutely necessary for a return of prosperity. He advises workers everywhere, whether union or non-union, that it is a matter of self-interest for them to help American employers to increase their business in competition with the world. This can only be done in this day and generation, he emphasizes, by improving the quality and increasing the quantity of our output.

We are in competition with the workers of every other part of the world, he points out, and if we propose to go into the world market we must meet them with more and better goods. He challenges the American workmen who do an honest day's work for an honest day's pay that they must not let slackers and shirkers disgrace them. He brushes aside the old fallacy that restricting output helps to keep wages high. "The more goods we turn out, the more wealth we create," he says to the American workmen. The good workman who restricts his own production to the output of the poorest workman, Secretary Davis reminds, must pay more himself, because the American workingman is the principal buyer. Each man must produce the utmost according to his skill and ability, he tells the workingman. At the same time he tells the employer that human strength has a limit, and the man who toils with his hands can no more work at top-bent every day of the year than the professional or business man or the musician. Allowances must be made for human frailty in the day laborer.

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The so-called living wage is not enough for the workman who produces more and better goods, Secretary Davis insists. "A mere living wage is a beggarly allowance for a public as rich as ours to pay a worker as skilled and thrifty as our American wage-earner," he argues. "It is no longer enough for the man who toils merely to exist, merely to be able to meet the fluctuations in the cost of living. The time has come when we have to forget the living wage and base our calculations on the saving wage."

Talking directly to the American business men, Secretary Davis assures them that if they want to be prosperous the workman also must be prosperous, because the workers are the buying public, and the public must be decently paid to become a ready buyer. "When the workman saves, as he has been doing of late, it is the country itself that saves," is his new thought to American business.

So he couples this much-desired situation as something that both the employer and the employe must work for hand in hand, co-operatively, and as of mutual advantage. If we want prosperity and the saving wage, we must work for it. He declares for disarmament in the American factory as much as in the world's navy yards.

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The immigration and naturalization work of the Department of Labor appeal most strongly to Secretary Davis, because out of the book of his own life he is guided. He recalls the day he landed as a Welsh immigrant boy, with his mother, sister and five brothers, and eventually found his place as puddler in a steel mill. In guiding the framing of the immigration law by Congress, he pointed out that had the literacy test been applied when his father came to the United States he would probably not have been admitted, and stated: "There are today many people seeking admission but unable to gain it because of the test who would be far better citizens than many who meet our present requirements. What we need to do is properly to educate for citizenship the millions of aliens now with us and the hundreds of thousands being yearly admitted to this country of opportunity."

He advised Congress that to accomplish this, the scope of the work of the bureau of naturalization should be enlarged by providing a uniform registration of all aliens and a complete system of directing their education along lines which will make for Americanization.

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As Secretary of Labor it has fallen to his lot to welcome the incoming tide of aliens. He is sifting the undesirables and charged with the duty of making good citizens of those admitted. This is the greatest migration of peoples in the history of the world. Nearly half of the 110,000,000 citizens are recent arrivals or the children of comparatively recent arrivals. Last year nearly 165,000 came to us. One of the few kings left in the world pardoned about 700 hardened criminals last year on the understanding they would ship to America. That is the class Secretary Davis is keeping out. He is urging Congress that our new citizens from abroad should be hand-picked on the other side.

Secretary Davis is giving welcome in the name of the United States government to the best artisans and workers from all the world, impressing upon them the standards of labor here and the opportunities for advancement and for educating their children, with himself as a notable example of how far an immigrant boy may climb.

MOVE A PEACE STEP FOR SOUTH AMERICA

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Bolivia, this Washington conference. Defeated in the league of nations, she had hoped to bring about mediation by the United States. Now it is promised, she is left high and dry, as far away from the ocean as she ever was.

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The provinces of Tacna and Arica occupy a unique position in that neither is of any great commercial value to Peru or Chile. Occupying an area of about 233,000 square kilometers, the territory contains only some fifty-six square kilometers of irrigable land, of which about forty are under cultivation. The chief industries are copper and sulphur mining, neither of which is carried on to any great extent. The total number of inhabitants would not exceed 50,000.

Directly to the south of Arica, however, lie the territories of Tarapaca and Antofagasta, both of them rich in nitrate deposits, the former ceded to Chile by Peru and the latter ceded to Chile by Bolivia as a result of the war of the Pacific. Across the northern portion of Tarapaca stretches a desert which would take an army, under great difficulties, weeks to cross.

Chile has seen in Tacna and Arica, therefore, a strategic position of great value. For she is able to guard her frontier from a base situated in territory which is self-supporting and able to supply a portion of the nitrate fields in Tarapaca with agricultural produce.

WILL SAIL FOR RUSSIA.

Charles M. Willoughby, Newspaperman, Will Go to Moscow.

Charles M. Willoughby, a former Washington newspaper man and now a member of the American Relief Administration, who recently returned from Russia to make a special report on conditions there to Secretary of Commerce Hoover, will leave New York next week for Moscow.

Mr. Willoughby will accompany Col. W. M. Haskell, director for Russia of the Relief Administration. They will sail on the "Pan Handle State," a shipping board passenger vessel. Mr. Willoughby said his stay in Russia will be indifinite. When he left Russia for the United States last, the temperature there was forty below zero.