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POINCARE'S policy has never before received so substantial a blow as is the memorandum of the bankers called into consultation by the Reparation Commission. Belgian, Italian, British, Dutch, German, and American united—the French banker alone dissented—in setting forth in calm and measured terms that unless France changes her policy an international loan is impossible—and even Poincaré seems to admit that without such a loan there is no escape from Europe's financial chaos. The object of the proposed loan was to give France the money immediately needed for reparations without causing such a collapse in German credit as would ruin the hopes of future reparations payments. The bankers had been invited to advise upon the technical possibility of such a loan; they discovered, however, that the French and English texts of the invitation from the Reparation Commission differed, the French text prohibiting consideration of the present schedule of reparations payments, the English permitting it. They thereupon asked the Commission what it meant. Three of its four members replied that the bankers should discuss all questions bearing upon the reestablishment of Germany's external credit. The French member dissented.

UNDER such circumstances the bankers inevitably reported that they could not usefully continue their studies. "The known differences of view among the members of the commission as to the limit of the Committee's mandate have for the time being created an atmosphere unfavorable" to such a loan, they declared, and continued:

> France is Germany's chief creditor. In any reparation problems her interests are the most important factor. The members of the Committee had hoped that the chief benefit of any advice they could have given would have been derived by France. . . . If, therefore, France does not now desire any inquiry into the more general conditions necessary for the reestablishment of Germany's credit the committee do not feel justified in undertaking such inquiry.

The language is mild, but the inference is strong. If France wishes to play the spoiled child she will play it without indulgent admirers. But the bankers go further:

> The reestablishment of the general credit of Germany is impossible so long as the lending public feel no assurance that the obligations of Germany, as they are at present defined and as they may be enforced, are within her capacity or that her will and intention to meet them will be maintained. . . . So long as this is the position, an investor is bound to be influenced by the possibility that a collapse of German finance resulting from present uncertainty may produce a social upheaval.

No loan and no financial help for Europe until the Treaty of Versailles is revised—that is the plain meaning of the bankers' statement. They also make a guarded reference to the necessity for an adjustment of the interallied debts. Regarding these, as well as the reparation schedules, they insist that mere leniency is not enough; certainty is essential.

A YOUNG man by the name of Erich Anspach recently fell into the hands of the German police. Anspach was a dope-fiend aged 23, who had been arrested in 1921 for forging doctors' diplomas, but who had since reached higher stages in forgery. His only principle was to invent that which pleased the possible purchaser. He sold stories about communists to pan-Germans, and vice versa. He offered to Austria, to Czecho-Slovakia, and to the German Foreign Office the text of an alleged Franco-Polish treaty which he had manufactured in his laboratory. (We should like, by the way, to see the true text of the four Franco-Polish treaties which the Polish Diet, on motion of our aptronymic friend M. Grabski, ex-Minister of Finance, unanimously ratified on May 14. According to the brief announcement, one was "political," one "commercial," one dealt with "private property," and one with "oil.") Anspach's arrest followed his own boasts during a pleasant evening in a west-end Berlin cafe. He declared that he had sold to the French secret service and to André Lefèvre, French ex-Minister of War, a faked list of 104,000 members of the German *Schutzpolizei*, faked reports of secret munitions stations, of a plan for mobilization of the police as an army, of military student corps, of a secret German cabinet meeting, etc. Curiously, Anspach's reports seem to correspond closely with charges made by M. Lefèvre in the French Chamber last winter on the basis of "secret reports." It looks as if some of the charges freely made against Germany by French statesmen were based upon the purchased fabrications of a 23-year-old forger and dope-fiend.

MUCH attention has been paid by the German press to the suit brought by Kurt Eisner's former secretary against several Bavarian newspapers which charged that he and Eisner had "falsified" the documents which they published in November, 1918. These documents showed that Germany had foreknowledge of the Austrian ultimatum and realized that it meant war. The Bavarian newspapers—except one, which had accused the secretary of being in Entente pay—were acquitted on the ground that while the published text of the documents was correct important portions of them had been omitted, thus distorting their meaning. The parts omitted show that Germany was making strenuous efforts to "localize" the Austro-Serbian conflict and thus to avoid a European war. She urged Austria not to mobilize on her Russian frontier and agreed not to mobilize herself. This tends to confirm what reasonable men have long believed: that Berlin did not deliberately plot the war and force it upon Europe. It confirms Mr. Lloyd George's chance remark that no nation had willed the war; all had slipped into it. But it does not absolve Germany's 1914 statesmen of criminal *Leichtsinnigkeit*. They wanted to "localize the conflict" but they were willing to gamble on the chance that it might not be localized; as the dispatch from Count von Schoen, Bavarian charge in Berlin, dated July 18, 1914, showed, they more than suspected that it could not be localized. "Serbia obviously cannot accept such conditions as will be laid down," he wrote. "There must be war." Those who maintain that the entire guilt falls on either of the two European groups will find little comfort in study of the undeleted Eisner-Von Schoen documents.

THOSE "splendid Americans"—the phrase is A. Mitchell Palmer's—"who helped in the great work" of taking over German property and patents during the war neglected one matter which, when there was war to be waged and money to be made, was unimportant. They did not take over German safety devices to protect men in aniline-dye factories; nor have our States copied Germany's compensation laws covering occupational diseases. The most deadly of the new chemicals is benzene or benzol—a coal-tar product valuable as a solvent in many industries. Dr. Alice Hamilton, writing on The Growing Menace of Benzene Poisoning in the *Journal* of the American Medical Association, declares that benzene, a much more powerful solvent than petroleum benzin and naphtha for fats, gums, and resins, is now cheaper than they, hence the manufacturer is doubly tempted to use it. Benzene, however, is a dangerous poison. So powerful is its effect upon certain persons that there is on record the case of an

> English tank car which had been emptied of benzene, washed with water, then steamed out, then left for twenty-four hours full of water, washed out twice, boiled for twelve hours, and finally left for ten days with the 16-inch (40 cm.) manhole open. Nevertheless, the man who was sent in collapsed; and, although he was pulled out in time, one of his rescuers died.

Such cases abundantly justify Dr. Hamilton's conclusion: "To the manufacturer, the introduction of this cheap and powerful solvent may seem an advantage; to the physician, interested in the producer more than in the product, it can only seem a disastrous innovation in industry."

THE Senate, in its precipitate acceptance of nearly every increase attached by its Military Affairs committee to the army appropriation bill drawn by the House of Representatives, paused briefly when Senator Borah challenged the increase from $500,000 to $750,000 for the Chemical Warfare Service. He pointed out that the recent Arms Conference had prohibited "the use in war of asphyxiating, poisonous, or other gases, and all analogous liquids, materials, or devices." Whereupon Senator Wadsworth, chairman of the committee, replied: "May I simply state that the amount is merely for research work and will not permit the Chemical Warfare Service to manufacture anything in quantity? Most of this research, in fact practically all of it, will be on the defensive side." Does any one imagine that a Chemical Warfare Service would ever "manufacture in quantity" for a possible future war? And what human being can demonstrate the dividing line in poison-gas experimentation between the offensive and defensive? Yet, on a roll call roughly following party lines, the Senate promptly passed the increase by a vote of 46 to 22. Senators Ladd and France, we regret to say, voted for poison gas.

SOME months ago there were rumors of a tacit understanding that no further reductions would be made in the wages of the Big Four brotherhoods—engineers, conductors, firemen, and trainmen—but that the other eleven craft unions of men engaged in railroad work would all receive substantial reductions with the approval of the Labor Board. The reason assigned had nothing to do with justice and everything to do with power. The Big Four could tie up the railroads; the other unions because of internal weakness and the pressure of hard times might temporarily cripple service, but could not conduct a successful strike. It looks as if rumor had been right. A series of decisions by the Labor Board means that by July 1 wages of all railroad workers outside the Big Four will have been cut; nothing has been said about cuts for the Big Four; all other unions are taking strike votes, the Big Four are not. Thus is scripture fulfilled: "Unto him that hath shall be given and from him that hath not shall be taken even that which he seemeth to have." There is another and more modern labor scripture which the Big Four may soon learn: "An injury to one is an injury to all." When that happens, there will be one union for railroad men.

PUBLIC opinion has a way of being excited about the wrong things. There has, for example, been somewhat of a flurry about the two mergers of independent steel companies on the ground that they would still further restrict competition in steel. It seems to us that the defenders of the mergers are probably right in saying that these combinations will give the independents greater strength in competition with the United States Steel Corporation. At any rate there is an abundance of evidence that there has been no real competition in steel since the trust was formed two decades ago. What is significant about the three-company merger is the vicious stock-gambling on the curb market in stocks not yet issued and the immense reward to the lawyer and bankers who engineer the deal. According to the provisional agreement they are to get $7,000,000 in stock: they and their heirs for generations to come are to have that much claim upon the labor of those who actually produce steel. These things show once more that modern capitalization is based in large part not on honest investment of hard-earned savings but on a mere estimate of earning power in which the possession of special privilege of one sort or another is a very considerable factor.

THE news that the editor of the *Emancipator*, a newspaper in the Virgin Islands, has been officially censured by the Government's Secretary for printing a Federated Press dispatch about the American occupation in Santo Domingo is hardly surprising. When a nation goes in for imperialism it inevitably carries with it the trappings of empire. But we are still near enough to the days when the "United States" and "freedom" were relatively synonymous, when our constitutional liberties were still something more than a mere phrase, for the rebuke to be accompanied by this verbiage:

> While there is no desire or attempt on the part of this Government to muzzle the press of these islands, yet the Government cannot look with tolerance upon any article tending to discredit the military forces of the United States who are acting under the strict orders of the President.

Needless to say, the Virgin Islanders may go it as strong as they like on the relative vitamin values of the banyan and the pawpaw, or inveigh with the utmost acerbity against the predatory habits of the deep-sea barracuda. But they should not forget that they are now emancipated from old-world monarchy, and are entitled to the full blessings of the new freedom and normalcy.

AT regular intervals the Japanese Government solemnly avows to the world that to its deep regret it will have to continue its military occupation of Siberia in order to protect Japanese residents and interests there. Now come the Japanese residents of Siberia and, with the candor that people often have and their governments never, announce publicly that the army is precious little protection to them and that they want to go home. In fact, they say in effect that the troops are a handicap to them. In their petition to the home Government they dwell on the unfavorable conditions under which Japanese are forced to do business in Siberia owing to the political situation. They ask the Government to come to some final decision whether the troops will withdraw or remain, to restore economic relations with Siberia, and otherwise enable the Japanese to regain the economic foothold they have lost. In the meantime the petitioners wish to return home and ask to be indemnified for their losses. All of which is to say that the hatred the presence of Japanese troops has engendered in Siberians has made impossible the development of a profitable Japanese market in Siberia.

BULGARIA is having a high time these days, both in and out of the newspapers. In the newspapers she has had a full-fledged revolution: the Communists join with the peasants (who, as the party in power, had been as busily raiding and jailing Communists as any Mitchell Palmer) and the king takes to flight. This was in our newspapers; the Bulgarians, it turned out, had not heard of it until the telegraphic inquiries began pouring in. What they heard was that the king's sisters, much moved by the Government's no-votes-for-women-who-don't-work act, had taken to washing dishes (the reports negligently omit to tell how many they broke) and that the king himself publicly scratched weeds in the back yard of the palace to encourage the rest of the populace to other and probably harder work. Meanwhile the Peasant Party held mass meetings and cheered their peasant premier Stambuliski, who talked gallantly about the way he intended to put the rich loafers of the capital to work. The real purpose of the whole hullabaloo, however, was to protest against the proposal of the Reparation Commission that Bulgaria turn over control of her mines, forests, and customs revenues and let the Allies run them. The Bulgarians complain that the Allied control commission already occupies 100 of the best hotel rooms in Sofia and that its employees do nothing but live high and charge expenses to Bulgaria. We predict that the Allies will succeed, despite the peasants' protest, in reducing Bulgaria to the level of a South American colony of a Wall Street bank.

COLUMBIA and New York universities have issued carefully worded statements in reply to *The Nation's* charge that by the application of new types of tests for candidates for admission they had reduced the proportion of Jews in their incoming classes. But the Columbia authorities have not denied that in the two years following application of the new tests the percentage of Jews admitted fell from 40 to 22. And Chancellor Brown of New York University admits: "We do not simply take the student whose application was first on file but the one who, according to the best judgment of our Committee, gives the best promises of making good as a useful member of society." There is no objective test of a young student's prospective usefulness. So vague a standard, applied by old-stock Americans to boys and girls of immigrant origin, naturally results in a limitation of the number of Jews admitted. No committee can be depended upon to apply such a test without conscious or unconscious prejudice. We do not charge that the psychologists who prepare the mental tests have any thought of racial discrimination, but the application of these tests, together with the concomitant tests of character, inevitably gives an opportunity for race prejudice and has, in fact, resulted in discrimination against the Jews. The only way for the universities to disprove our charge is to publish figures showing them to be untrue. We challenge the authorities of Columbia and New York universities to make public their figures upon the proportion of Jews in each incoming class before and after the introduction of the system of psychological and concomitant tests.

IT happens now and then in a heartless world that a would-be-bride is left waiting at the church, but how often has it happened to an already-is-groom to be left waiting on the dock—while the fair lady sails off for Europe? Anyhow it has happened once to a newly-wedded man of whom the newspapers tell—and he will probably insist that a single such experience is enough for all time. The twain were made one in New Jersey, after which the groom left hurriedly for Philadelphia while the bride proceeded to the steamship George Washington in New York, where her newly-acquired husband was to join her just before the time of sailing. Why the man had to go to Philadelphia the newspaper accounts fail to explain. Perhaps he had forgotten his money—a detail of some consequence on a honeymoon. Anyhow, owing to the odd custom whereby the railroads into New York run on Eastern standard time while the transatlantic liners depart according to daylight saving schedules, the groom arrived an hour after the steamship—and the bride—were on the deep. We submit that even in this hectic and slap-dash age it is unusual for a bride to sail away on her honeymoon without the partner-to-be of her joys and sorrows. Still it might have been worse. She might have started off without her trousseau.

The American Taff Vale Case

THE unanimous decision of the Supreme Court in the Coronado Coal Company case does not seem to have satisfied anybody. The coal companies involved have lost their judgment, which totaled close to a million dollars, and have moved for a rehearing. The unions find themselves saddled with the liability to be sued at law as if they were corporate entities, and Mr. Gompers protests—and quite rightly—that this is an American Taff Vale decision. It is all quite mystifying and it probably will be some time before the implications of the decision have become plain.

The facts are reasonably clear. The Coronado Coal Company and two other corporations, all of which represented the same financial interests and had a common management, in 1914 were operating union mines in Prairie Creek Valley, Arkansas, under a wage agreement with District No. 21 of the United Mine Workers. The wage agreement, similar to those which had been in effect for years in the surrounding territory, expired on July 1. In March the operators decided to "run non-union." They shut down the mines, discharged the union miners, evicted them from the company houses, and prepared to reopen with a new force. Bache, the manager, realized that "this means a bitter fight." He imported rifles and ammunition; he hired guards from the Burns Detective Agency, and generally put the mines upon a basis not unlike a state of siege. On April 6 he tried to reopen one mine with a crew of strike-breakers. Trouble began at once with a riot which resulted in the flooding of the mines, and continued with great bitterness for more than three months, culminating in an armed attack led by union men, in which two strike-breakers were killed, mine buildings were burned, and much other property destroyed. Of course there can be no possible justification for the conduct of either party in such a situation, which was industrial warfare in the literal sense of the term.

The operators then began suit for damages against the United Mine Workers, against District 21, and against the local unions involved. They contended that since 75 per cent of their coal went into interstate trade, the strike was part of a great conspiracy by the United Mine Workers to restrain interstate commerce in coal by completely unionizing the industry and thus lessening competition between union and non-union mines. They contended further that the various unions were suable as much and apart from the liability of their individual members, and that they were responsible in damages for the unlawful acts of their members. The lower courts sustained all these contentions and the operators secured a verdict for treble damages under the anti-trust law.

This verdict the Supreme Court has now set aside upon the ground that there was no evidence to show that the Arkansas strike was part of a conspiracy to violate the anti-trust law, and the decision in this regard is a defeat for those who for some years have been endeavoring with much ability to build up a body of cases to support the contention that a strike in an interstate industry may in itself be an unlawful restraint of trade. Although a serious setback to that campaign, the decision does not foreclose the possibility of success at a later date. The court based its opinion upon three considerations: (1) That the International Board of the United Mine Workers did not order or ratify the strike; (2) that there were enough local grievances to account for the strike called by District No. 21 and the local unions, and no intent on their part to restrain interstate trade was shown; and (3) that in any event the amount of coal affected (5,000 tons a week) was not sufficient to have an appreciable effect on interstate competition.

What the decision would have been if production had been greater or if the International Board had ordered the strike was not made plain. The Chief Justice is clear that the mere mining of coal destined for another State is not in itself interstate commerce. But he also states that if the national body had used "unlawful means" to unionize mines "whose product was important in affecting prices in interstate commerce," it would have been guilty under the anti-trust law. Whether culpability would then depend on the illegality of the means adopted, or on the resultant effect upon prices, or on both is not stated, and thus the subject is left as vague and ill-defined as it was left by the famous "rule of reason" laid down in the Standard Oil and American Tobacco Co. cases. It is a pity that the court did not take this opportunity to clarify the subject once and for all so that the public could tell what the problem of labor under the anti-trust law really is and decide what to do about it.

The court's decision on the anti-trust law point was enough for the complete disposition of the case. It called for a reversal of the judgment and for the direction of a verdict for the defendants. The Chief Justice, however, was not content to let the matter rest there but included in his opinion a decision of another question of prime importance. This related to the suability of labor unions for injuries which they may cause. Unions are unincorporated associations and heretofore have been considered subject to suit only by action against their individual members. The verdict in the famous Danbury Hatters case, for example, was recovered and collected in this manner. In 1901 in the Taff Vale decision England's highest court, the House of Lords, laid down the rule that labor unions could be sued as such, and that strike funds in their treasuries could be made subject to the payment of damages. This proceeded upon the theory that, because the existence of labor unions was recognized as lawful and because they acted as highly organized business entities and had become very powerful, it was anomalous not to hold them responsible for their actions. It was held that as a practical matter the right of suit against individual members is an unsubstantial form of redress for injuries done by the organization.

In the Coronado case our Supreme Court has now adopted the rule and the reasoning of the House of Lords. The implications of the decision are very great. Since the unions are now held to be suable it means in all probability that even in a strike which is itself lawful they are to be held liable for the lawless acts of their most irresponsible members (unless contrary to explicit instructions), for the courts will be quick to find a theory of agency by which the act of each member during a strike will be held to be the act of the union. And what is more, it is likely that the union will be subject to liability in damages for ascertainable injury to the employer's business profits whenever the court holds that the purpose of a particular strike was unlawful. In practice this will mean that the union must