

Basin—a little town about twenty-five miles from Butte—and stopped every machine that passed. They might not have been waiting for us but that was our information.

On another occasion in Great Falls, I was returning from a meeting of the boiler makers where I had been urging a sympathetic strike. Contrary to my usual custom I was returning to the hotel alone and while I was passing a rather dark alley, three men sprang out at me. I had a .32 Colts in my coat pocket—with my hand on it—and I shot twice. Two of the men dropped and the third man ran. I ran down the same alley they came out of and went to my hotel by the quickest route. I expected to see headlines about the affair the next morning, but there was not a word. Instead there were headlines announcing that W. F. Dunn had disappeared and that it was believed he had been taken off a train between Great Falls and Helena. I immediately left for Butte and was met at Helena by one of my "bodyguards" who gave me an envelope which had been sent to our headquarters and which contained one of the "Vigilante" notices written with red chalk. This notice gave me until August 12th to live . . .

Another time when a party of us was going to Anaconda—twenty-six miles from Butte—there is also a smelter there—on a lonely stretch of road where there are no houses for six or seven miles, an automobile load of gunmen pulled up behind us and began shooting when about seventy-five yards away. I was in the back seat of our machine with another electrician, who is a remarkable shot. We had, in addition to revolvers, a high powered rifle apiece. The gunmen had only revolvers and we promptly shot their engine in pieces. We then pulled out of range and shot off their tires. We did not try to hit any of them but it was certainly amusing to see them trying to get cover behind a piece of sage-brush about as thick as a man's thumb. We left and went on to Anaconda and needless to say there was nothing carried by the local press.

These incidents are all known to the authorities and to the public, but nothing is ever done about them. We have never emphasized these incidents in detail, nor the dozens of minor plots . . . because few people will believe them . . . I do not like to write about myself . . . I merely mention my personal connection with these matters in order to give you an insight into the local situation.

Such is the gist of industrial espionage,—the heart of so much labor trouble and the inspiration of so many horrors,—a thing at first approached by us incredulously but finally accepted as irrefutable. Anaconda confirms Calumet. West Virginia substantiates Colorado. The street cars of Denver are a parenthesis in the story of the Steel Strike. Espionage is something which we must accept, a substitute for industrial relations, covering the whole field of American industry excepting only those few cases wherein real industrial relations do exist.

The present purpose has not been to probe individual outrages. So intricate are the ways of labor spies that no authority short of Congress can ever reach the exhaustive and authentic evi-

dence necessary to place the blame accurately and specifically. The present purpose has been merely to present an impartial description of the practice, told in the language of its own men. We find that it puts both employer and employee at the mercy of a power which is, at best, unscrupulous; that it lays labor open to corruption, misleads capital into folly, injustice and, often, actual crime; that it creates, wherever it appears, a turmoil of unrest and rage; and that it is at the very heart of labor violence. Industrial spies, "many of whom would commit a murder for two dollars," are undeniably the seeing eyes of more than one honorable American employer. The system "which could not exist in England" is undeniably a characteristic of American industry and a factor in our industrial problems. It is about as difficult to become a detective in this country as it is to get married or buy a license for a dog. This, in view of the detective's powers and responsibilities, is a curious thing. If ever there were a field for a Congressional investigation, an institution completely damnable, ethically, socially and economically, it is industrial espionage.

SIDNEY HOWARD.

(The End.)

The Mystery of Colonel Harvey

PRESIDENT HARDING, as he sits here at Washington in his daily habit, transacting business (which means for the most part receiving office seekers), is still the single object of bright and eager curiosity. He is unlike any President we have ever had before. The significance of this is in no wise impaired by the circumstance that it has been equally true of all his predecessors. Even the movie men, who are not gifted as students of politics or the conduct of public affairs, know that Mr. Harding is the overshadowing interest, for they have never left the White House since Inauguration Day. They come in battalions and set up their batteries outside the executive offices. Only a few of them have left.

Washington is never content until it knows all about the President, whoever he may be: his daily habits, his manner of thought, his pet foibles and weaknesses, all the little human qualities that go to make up the man, as he is at his ease. It seeks to discover his private habits, what time he gets up, whether he takes morning exercises in his bedroom, whether he shaves himself or has an attendant come in and perform that task for him,

what he reads, what he does for his amusement and recreation, what time he goes to bed, his choice of intimate friends and on what basis his choice is made. All of these things we are trying to find out about Mr. Harding.

But particularly is the town curious about the President's friends, for it is already in these first days clearly seen that his intimates will color and give shape to all the activities of the administration. It is the definite opinion of all the experts in such matters that even more than Mr. Taft will Mr. Harding be susceptible to any friendly influences always at his elbow. That is why so much concern is manifested at the President's choice of cronies. This concern shows itself in a dozen different ways. For example, the one topic at every dinner table and in every cloak room pow-wow for more than a week has been: "Why is Mr. Harding so bent on sending Colonel George Harvey to England? Who is behind it? Who is putting him over?"

So far as anybody has been able to find out, it is the President's own idea. There has not yet been uncovered any Senator or responsible leader in the councils of the Republican party who is urging Colonel Harvey as ambassador to London. As a matter of fact, they none of them seem to want him; but when the Foreign Relations Committee of the Senate was polled by the White House by way of precaution it was quickly discovered that not one of the Senators would oppose the nomination if and when made. That is in conformity with the usual practice and convention to give a new President a free hand in the beginning.

Nothing that Mr. Harding has done in his brief tenure has evoked so much smothered criticism and opposition as has this proposed appointment of Colonel Harvey. The politicians and party men are opposed to it because they do not think that Colonel Harvey is much of a Republican, and the present order of the day is that only loyal partisans and attested party workers shall be rewarded with office. Further opposition comes from those who do not believe that Colonel Harvey belongs in the same gallery with Motley, Adams, Lowell, Choate, Hay, Bayard and the other eminent men who have represented this country in Great Britain.

Much of this feeling has been conveyed to the White House directly and indirectly, but I suspect that Mr. Harding is not aware of either the volume or the intensity of the protest. There aren't many persons who care to bring unpleasant news to a President and Mr. Harding is no more fortunate in this respect than other Presidents have been. All the same, the mere proposal of the appointment has made a leak in the reservoir of good will

toward Mr. Harding which at the moment is his most precious possession, if he only knew it.

Mr. Harding's prime selfish interest is to see that this leak does not become a great fissure and drain his container in which there is so much present kindly hope for his success. He can do things now, and get away with them that will be impossible a year from now. Colonel Harvey's proposed appointment is a case in point. In my own experience in Washington, I do not recall a suggested nomination that has been received locally, and that means politically, with such sharp and general disapproval. That this emotion has not been more articulate and vocal is due to the simple and effective circumstance that virtually everybody here who is in a position to make his opposition felt wants something from Mr. Harding for himself or for his friends and is in no mind to imperil these private fortunes by crossing the President's path or thwarting his desires.

But with all the speculation and hushed dissent no one yet has explained satisfactorily why Mr. Harding is so intent on naming Colonel Harvey. The common reason given by gossip that, remembering Colonel Harvey's later attitude toward Mr. Wilson, in the long run it may be pleasanter to have him in London and attached to the administration than at home running his weekly, does not satisfy. It is too ingenuous.

Of course, all Mr. Harding's appointments are being closely scrutinized as a measure of his taste, his discrimination and of the type and character of men who appeal to his sense of fitness. It has been commonly remarked of them up to this point that, with some exceptions, there has been, as old Lord Melbourne observed about the bestowal of the Order of the Garter, "no damned nonsense about merit" in them. Industrious party workers have been chosen who have had convincing and solid political backing. In brief, small politicians recommended and supported by larger politicians. The "original" Harding men will not have to go out in the garden and eat worms for their subsistence, as did the original Wilson men. It may be as good a way as any to fill the jobs. At any rate, it is a familiar way, understood and approved by the people who have been given the mandate. That is why they are so puzzled and annoyed about Colonel Harvey. He doesn't belong.

In two lesser instances where Mr. Harding strayed from the accepted path he has been abruptly checked. He sent to the Senate the name of C. C. Madison to be district attorney for the western district of Missouri without consulting Senator Spencer.

That nomination died in the Senate and probably

will not be renewed. Senator Spencer went to the White House and as they say, "had it out" with the President. Again, John J. Esch was named for the Interstate Commerce Commission without notifying Senator La Follette. The Senate did not act when La Follette protested, though he is an isolated figure in the Chamber and without much, if any, voice in Republican councils. Still, he is a Senator; that was enough. In the same way either of the New York Senators could stop Colonel Harvey's nomination if they were so disposed. It was for reasons of state politics and state control that Senator Spencer acted. That does not hold true of the New York Senators and the Harvey case. They would have to oppose him on the ground of his qualifications.

If all the ambassadors, all the ministers, all the secretaries of embassies and legations and all the consular officers resigned in a body today there are enough applications on file at the White House to fill all their places and still leave a waiting list. This is equally true of the offices at home. For some inscrutable reason more people want to be Commissioner of Indian Affairs than ever before in our history. These are the people and these are the things that occupy Mr. Harding's days and test his metal. As he deals with them he reveals himself and as he discloses himself so will he be dealt by. Washington is taking his measure, or, as it is commonly phrased, "getting a line on the old man." Until this is done the bigger tasks will have to wait.

EDWARD G. LOWRY.

The Reparation Problem*

THE discussion concerning German reparation has passed through various phases. In the first stage, thought was centred on the question of how much Germany owed. Statistics were compiled to show the enormous havoc and ruin wrought by the German armies, and the question was debated as to the values in terms of which this damage should be computed. This phase then gave way to a second, in which the crucial question was deemed to be Germany's capacity. This, it was said, was the limiting factor in reparation. Germany should pay to the full extent of her capacity, the only question being what that capacity was.

Thought is now tending toward a third phase of the problem, which I trust will be the final and conclusive phase, namely, how much payment is the world willing to accept from Germany.

I, myself, have always believed that Germany's capacity to pay was very large. An industrious and intelligent population of sixty million persons, with a magnificent industrial equipment, can perform prodigies once it has a proper incentive. The United States by such an effort during the war period built up external credits at a rate which probably reached \$8,000,000,000 per annum. This was done, to be sure, at a period of unusually high prices; but let us reduce our accomplishment by half, and again halve the result as allowance for our greater population and greater natural resources. Even this fractional remainder represents \$2,000,000,000 per annum, a sum as large as any which it has been seriously suggested that Germany should pay. It is on account of such considerations as these that I have had little concern as to Germany's capacity. At the Peace Conference I was favorable to a higher indemnity than many of my associates; and I have no sympathy today with the German assertion that the recent Paris program involves an impossible economic effort. I have, however, recently been much impressed with the difficulty in finding economic values in terms of which the world will be will-

ing to accept payment from Germany. It must not be forgotten that paying is a two-sided transaction: Every payment involves the passage of something of value from one person to another. There must be something to give; it is equally essential that there be someone to receive.

Now, we have had, to date, nearly two years' experience with the actual operation of the Reparation Clauses of the Treaty. The final amount which Germany is to pay was, to be sure, not finally fixed, but the Treaty did fix an initial payment of five billion dollars, to be paid by May 1, 1921, and various clauses of the Treaty fixed the manner in which this payment should principally be made. These provisions, which are embodied in annexes to the Reparation Clauses, deal with the German assets which at the time of the Peace Conference the Allies selected as being those which they were particularly desirous of receiving from Germany. So insistent were they upon the right to receive reparation in these particular ways, that they demanded specific Treaty provisions giving them, in effect, an option upon the German commodities in question. These economic values which the Allies were so keen to secure from Germany in payment of reparation were ships, coal, machinery and reconstruction material, chemicals and dyestuffs, and German labor; and I think it may be of interest to you, and illustrate the point I wish to make, if we consider the actual experience of the Allies with these forms of payment.

Let us first consider ships. At the time of the Peace Conference, it would have seemed incredible that the Allies should not want, by way of reparation, all the ships that Germany had or could produce. The shipping clauses of the Treaty were among the most stringent that were drawn. Under them, Germany was to surrender practically her entire merchant marine, and to construct ships for the Allied account at the rate of about two hundred thousand tons per annum.

A day or two ago, I talked with a banker who had just arrived from England, and I asked him about the operation of these shipping clauses of the Treaty which were designed primarily for the benefit of Great Britain. He said that the British government had endeavored to sell the German ships, and on account of the lack of demand

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