

most vigorous opponents of the bonus, outlining the Legion's position.

In view of what is asserted to be the approaching passage of the Bonus Bill, Mr. Taylor in his statement urges the opponents now to turn their attention to aiding the veteran in making his selection among alternative forms of bonus which will be offered to him. The mass of the common people, he asserts, have approved the bonus because they understand the privations of the veteran. The opponents of the bonus, on the other hand, he says, are members of that class that think and live in terms of money and have profited most from the war. Concerning this, the thing Mr. Taylor has overlooked is the large number of farmers, as well as men of very moderate means who are dependent on salaries, who oppose the bonus, not out of any lack of sympathy for the veteran, but out of concern over the danger involved in any additional financial burden upon the Nation.

Mr. Taylor's statement is a reminder that all the other countries on the Allied side in the war provided for adjusted compensation at the close of the war; and that the lower house of Congress has approved the provision for adjusted compensation by a vote of 333 to 70. Above the physical benefits of the bill he places the mental and spiritual benefit that will come to the veteran in the evidence that his country appreciates his services and sacrifices. In particular, Mr. Taylor says:

Everybody who reads the bill is for it because of its constructive features. The main opposition to it has been through ignorance of these provisions, which include home and farm aid, vocational training, land reclamation, and paid-up insurance.

This latter has been the chief object of attack because, like other paid-up insurance policies, it carries a loan privilege, first from the banks and later from the Government. In addition veterans entitled to less than \$50 on their adjusted service credit may receive their obligations in cash.

These constructive features are intended to help stabilize the veteran, aid him in getting back to his former station in life, and, if possible, to place him in the position he would have occupied had he not been called to take up arms in defense of his country, and they are intended to prevent him from being penalized economically for his service compared to the man who stayed at home and reaped the benefits and rewards.

Such a statement as this by Mr. Taylor should have the attention of the opponents as well as the supporters of the Bonus Bill now in Congress. Whatever may be said in favor of the cash features of the Bonus Bill, however, the fact remains that the men in authority who understand finance and who understand the veteran are convinced that any measure entailing the obligations in-



(C) Keystone

WALTER M. HOOVER, WINNER OF THE
DIAMOND SCULLS

involved in this bill will do more harm to the veterans by retarding the recovery of prosperity in this country than any good that could come through direct payment of money.

WITH RACKETS AND OARS

A FRENCHWOMAN and an American fought out the finals for the British tennis championship. The representative of France and the winner was Mademoiselle Suzanne Lenglen. The American representative was Mrs. Mallory. The disappointing record made by Mademoiselle Lenglen during her last year's invasion of America was more than wiped out by her decisive defeat of the woman before whom she was forced to withdraw last summer. Though the cable despatches indicate that the fight was closer than the score would lead one to believe, a defeat to the tune of 6-2, 6-0 can be explained on the grounds of nothing but absolute superiority. We are sorry to find that Mrs. Mallory has been reported as complaining that the match was played too late in the day to afford an equitable test of skill. The sun shines alike, we have been told, on the just and the unjust. It also shines alike on the defeated and the victor.

If our representatives in the Women's British Tennis Championship failed to carry off the wreath of victory, we were at least more fortunate in a British event of perhaps even greater importance. The American sculling champion, Walter M. Hoover, of Duluth, won the Diamond Sculls at Henley-on-Thames by the generous margin of fifty yards. The contest for the Diamond Sculls has been rowed for nearly one hundred years. It is twenty-two years since an American crossed the line a victor. B. H. Howell won the race in 1900. The

first American to win the trophy was E. H. Ten Eyck, of Worcester, who rowed for it in 1897. Apparently Hoover was given a most cordial reception by his British opponents.

GOOD BUSINESS IN GOVERNMENT

THE Government, closing its books at the end of the fiscal year, finds that it is apparently \$338,269,000 richer than anticipated. A threatened deficit of \$24,468,000 has been converted into an actual balance of \$313,801,000.

The transformation is largely one of dates, rather than figures. Analysis of the balance-sheet discloses that the \$338,000,000 change was brought about by two circumstances, as follows:

First, the Government collected about \$138,000,000 more than it had expected to collect during the fiscal year; and,

Second, the Government spent about \$200,000,000 less than it had expected to spend.

In the first total there is a windfall of \$81,000,000 from the Emergency Tariff Law. When the Director of the Budget submitted his estimates to the President last December, customs receipts for the fiscal year were placed at \$275,000,000. Presumably the Director adopted the estimate of the Government actuary and other Treasury officials. They guessed wrong on the tariff and wrong on the volume of imports to the extent of about twenty-five per cent, their error being an understatement of receipts, with the result that there are un hoped-for millions in the Treasury to-day. This kind of wrong guessing, however, is the sign of a careful management.

In addition, \$44,000,000 were received from a totally unexpected source, the Federal land banks. These institutions experienced difficulty several years ago in disposing of their bonds, and in addition were hampered in their financial operations by a court decision, so the Government took their securities, paying cash therefor. The bonds were a frozen asset until recently, when the situation changed. They became liquid, and the land banks bought them back.

The remaining \$13,000,000 of unexpected receipts came from other quarters. A considerable sum came from heavy sales of surplus war materials left on the Government's hands.

On the spending side, we have paid out \$200,000,000 less than we have counted on paying out, but we have not saved it. The obligation to pay remains; it merely has been postponed from the last fiscal year to the present one. For a certainty, it will be reflected in the balance-sheet at the close of this year. As Secretary Mellon wrote Senator McCumber last April, that sum "represents delayed settlements [with the railways] of matters arising out of



(C) Harris & Ewing

RAILWAY EMPLOYEES AT WASHINGTON QUITTING WORK—THEIR FACES SEEM TO INDICATE THAT THEY ARE STRIKING CHEERFULLY!

Federal control and under the guaranty for the six months following Federal control. . . . The postponement of these payments to 1923 is, of course, reflected in a corresponding reduction of railroad expenditures for 1922."

Under the budget system, now nearing the first anniversary of its inauguration, there has been undoubted economy in Government expenditure, but the economy is shown indirectly in the balance-sheet. The savings were effected last fall, when General Dawes clipped the wings of soaring estimates. There is no one item that is Dawes's on the balance-sheet; no entry upon which a searching finger can be placed in identification of a budget saving. But Dawes and the budget are there, none the less; were it not for the system and the pruning knife, cost of government in 1922 would have been millions more and the balance on hand millions less.

THE FUTILE VIOLENCE OF RAILWAY STRIKERS

BEGINNING peacefully, the strike of the railway shopmen has lately been in some places accompanied by acts of lawless violence. In the neighborhood of one of the division shops in Missouri, strikers stopped a Wabash train, cut the air hose, and threw rocks in the windows, and have so interfered in another place in Missouri with officers of the company as to prevent the performance of their duties. The President of the Wabash Railway Company, reciting these facts, has appealed to the Governor of the State and, in order to prevent interference with the operation of mail trains, to the Federal Post Office Department. Strikers have also interfered by violence with mail trains in Texas and have caused loss of life by riots in Illinois. In perpetrating such acts the strikers are doing injury to a cause which at best is not good. They

are not merely trying to put out of order the transportation facilities of the country, but to injure the Railroad Labor Board, which the people of the Nation, through their representatives in Congress, have erected as an instrument for subordinating the interests of railway operator and railway employee alike to the interest of the public.

In contrast to the shopmen, those employees of the railways who are engaged in the maintenance of ways have chosen so far a reasonable course. Without yielding anything in their contention that the Labor Board's wage decision was unjust, the maintenance of way unions have decided to continue work at the present wage decision under protest, meanwhile taking up their grievances first with the railway managers, and, in case of failure there, to bring them for reconsideration before the Labor Board. This is applying to industrial questions the same spirit that men accustomed to free institutions apply to political questions. In countries where revolutions prevail the cause of instability is the unwillingness of the people to abide by the decision made by the courts and at the polls. Until men learn to abide by such decisions and use orderly methods to see that they are reversed if they think they are unjust there will likewise be instability in industry. We hope that the course pursued by the maintenance of way unions, as stated by Mr. E. F. Grable, their chief, will find its natural reward in a sympathetic consideration of their reasonable claims. And we hope, for the same reason, that the striking railway shopmen will meet with pronounced and instructive failure.

A REASONABLE WAGE SETTLEMENT

IN the midst of the railway strike, with all its bitterness, confusion, and inconvenience, it is comfortable and as-

suring to read the official announcement that the Pennsylvania Railroad and over forty thousand of its employees have come to an agreement on a disputed question of wages by conference methods instead of by a resort to a strike.

In our issue for August 31 last Sherman Rogers, Industrial Correspondent of The Outlook and one of the foremost leaders in this country of the movement for employee representation in industry, reported the adoption by the Pennsylvania Railroad of an employee representation plan which "is one of the broadest in real democratic principle in existence to-day." This plan provides that delegates elected by the employees "will sit with the company's officials and draft all rules and regulations pertaining to relations between the management and men."

Acting under this arrangement, an agreement has just been made, effective July 1, for the reduction of wages, with due regard to the cost of living, in the departments of maintenance of way and of telegraphs and signals. Because of this employee representation plan the Pennsylvania Railroad was not a party to the agreement between the United States Railroad Labor Board and the other railway companies of the country.

THE OFFICIAL STATEMENT

THIS action of the Pennsylvania Railroad and its employees is so important in itself and is so indicative of what might be done more generally in American industry that we quote at length from the official statement of the Pennsylvania Company as follows:

The negotiations were entirely voluntary and were conducted solely between management representatives on the one side and elected representatives of the employees on the other, free from outside intervention. The information on which these negotiations were based was gathered,

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