

has explicitly stated that those debts (except for a negligible five per cent) can and should be paid.

As may well be imagined, Mr. Hoover rests the duty of payment, not upon a merely selfish consideration of American interests, but on a consideration of world stability and confidence. He points out that the economic problems of the world should "not be obscured by fluctuation in exchange or by calculation of trade balances in terms of war and depression." Many commentators on these economic conditions cannot see the woods for the trees; Mr. Hoover certainly has better vision than they have.

He points out, too, that these debts are not so much debts to our Government as debts to our taxpayers, and that the repudiation of them "would undermine the whole fabric of international good faith." He declares that the annual payments would vary in their burden upon the various debtor countries "from two to twelve per cent of their governmental incomes." Naturally, the American taxpayer regards other things as of more importance for stability than the repudiation of that amount of debt—and among them the reduction of armaments, the balancing of budgets, and the cessation of inflation. In comparison with the waste and destruction of armaments, extravagance, and inflation, the burden of the loans due to us is, says Mr. Hoover, trivial.

In detail he meets the argument that the payment of these balances means shipments of either goods or gold, that these shipments would have to be direct to us, that they would embarrass our industries, that they would depend upon the ability of a country to produce a surplus for export, and that present trade balances are an indication of future paying power. All these assumptions he examines and finds faulty. For instance, sources of money supply from which European countries can draw for paying their debts are to be found in the amounts spent by American tourists abroad, the remittances of emigrants, the investments abroad, etc., amounting in all to three times the interest on the debts. Moreover, even in payment of goods, shipments need not be direct; they may consist in shipments of manufactured goods to tropical countries and then shipments to us of tropical products which we need. Before the war the rest of the world owed Europe over thirty billion dollars, and that debt was borne without a ripple. The creditor situation has been shifted, but only partly.

Mr. Hoover rightly concludes that we should have more experience with economic forces before we jump to the idea

that there is any necessity for putting irretrievable burdens upon the American taxpayer by canceling the debts.

THE PRESIDENT'S COMMENDATION OF CONGRESS

WITHOUT any reference to the approaching election, and without even a hint of partisan appeal, but evidently in recognition of the fact that as the election approaches the people of the country have a right to expect an account of stewardship from the party in power, the President has reviewed the work of Congress for the past two years and has called it good. Though he has addressed himself to the majority leader in the House of Representatives, he obviously intends his informal report for the whole people.

No one can expect, much less require, the President to emphasize the faults and shortcomings of a Congress in which his party has control. There is no reference, for example, in the President's letter to the passage of the Bonus Bill, which the President vetoed. Nor is there any suggestion of the tendency, discernible even in his own party, to the formation of such a group as the farm bloc, which the President has openly deplored. Naturally, too, the schedules of the Tariff Act which have been under attack are not mentioned even for the purpose of defense, as it is too soon to forget the effect of President Taft's approval of Schedule K.

On the other hand, President Harding's commendation is not emotional or excessive. The contrast which he draws between the record of reconstruction after the Civil War and that after the World War is striking and true. Certainly the convulsions of the early period of which President Harding reminds his readers—"the impeachment of one President, an embittered National election contest, and a prevalent conflict between legislative and executive branches"—have been conspicuously absent during these recent months. Similarly, his comparison of our own experience with other nations after the World War is fair and reasonable, and should lead to confidence in our own Government apart from party considerations.

Though it may be said that the reductions which we made in our expenditures, particularly for military purposes, which the President cites were made much more safely than they could have been if we had such close neighbors as France or Britain has, nevertheless the record is commendable. A reduction of annual public expenditures of over three billions in two years is one for which Congress should have credit—and all

the more credit because it is in part the result of a budget system created by Congressional enactment.

The feature of the tariff which the President selects for special praise is its provision for administrative adjustment that makes the tariff flexible and adapted to changing conditions.

Many people who are concerned with our apparent isolation from our former Allies will welcome the President's statement that—

The last thing in our thoughts is aloofness from the rest of the world. We wish to be helpful, neighborly, useful. To protect ourselves first and then to use the strength accruing through that policy for the general welfare of mankind is our sincere purpose.

There will be by no means unanimous assent to the approval which the President gives for the extent of the provision which has been made for disabled veterans; and there are signs that people in certain regions of our country are by no means satisfied with the agricultural advancement which the President cites; but on the whole the President is not without justification in expressing gratification at the progress made toward normal conditions. Certainly as a measure of economic health it would be hard to find anything better than the advancing value of Liberty Bonds. After all, that tells pretty well of the confidence which the people of the country have in the soundness of their Government.

THE FEDERAL COAL COMMISSION

THE country will welcome President Harding's appointment of the United States Coal Commission. The Commission proposed has been pretty generally called a Fact-Finding Commission; it will be also, we hope, a fact-selecting commission. There has been a vast amount of statistics, averages, and the like put forth by the leaders of both sides of the recent coal war. What most of us would like to see would be an intelligent and wise selection and presentation of those things that are of vital importance—the things that will aid the consumer to get fair treatment from the industry, the operator to carry on his business with some security, and the working miner to have steady employment for reasonable hours at a fair wage.

There has been nothing but approval, so far as we have observed, at the list of seven names in the President's Commission. Its chairman is John Hays Hammond, who has no superior as a mining engineer and is thoroughly acquainted with the practical as well as the financial aspects of mining; the

IF HE DO RESIST, SUBDUE HIM AT HIS PERIL

(Othello, Act I, Scene 2)

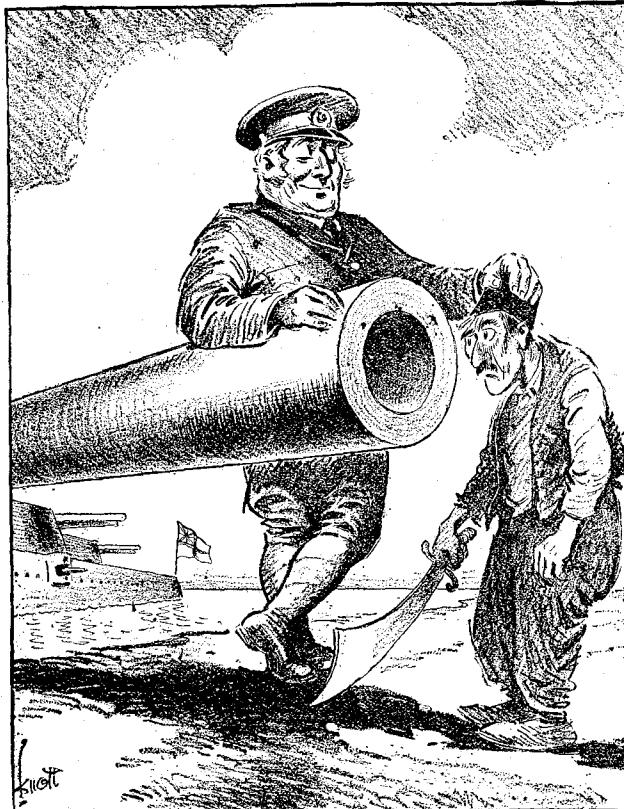
Darling in the New Haven Register



LETTING COUSIN JONATHAN ATTEND TO THE DOOR

From Elinor C. Woolson, Naugatuck, Conn.

Knott in the Dallas (Texas) News



WILL THE TURKS LISTEN TO REASON?

Marcus in the New York Times



TURKEY: "THANKS! AGAIN YOU'VE HELPED ME WIN!"

From Wayne W. Jordan, Atlantic City, N. J.

Bernard Partridge in London Punch



THE WATCH ON THE BOSPHORUS

Turkey (fortissimo): "See the conquering hero comes!"
Britain and France (together): "Yes, we see all right; but don't you let your head get too big for your fez, young fellow."

From Rev. W. S. Rainsford, Ridgefield, Conn.