

Conservative party organization, which was as powerless to hurt him as the Liberal organization. Now it may be too late.

The other alternative is for Mr. Lloyd George to swing to the left. He can capture the Labor Party as the old Socialist Independent Labor Party did before him; for the only reason why the Socialists gained such an influence in the Labor Party (which is itself a coalition of Liberal and Conservative work-

ingmen) was that they had most of the ability and the only definite policy. This is the real coalition for Mr. Lloyd George, and he will carry into it a great number of Liberals and an appreciable fraction of the Conservatives who have worked with him. And this creation of a new Labor Party, capable of taking office and striking out a genuine national policy, will be the greatest service that his genius could render to the country.

THE AMERICAN RELIEF ADMINISTRATION

BY THOMAS H. DICKINSON

I

ON July 1, 1919, the appropriation of funds for the support of American relief of countries liberated from enemy domination in Europe expired by Congressional limitation. Thereafter the work that continued was concerned with the liquidating of the field-missions of the administration, and with the organization of national commissions among the nations themselves for the carrying on of the programme inaugurated by the American Relief Administration. Though deliveries on programmes already outlined were expected to continue for some months after July 1, this date may be accepted as an appropriate vantage-point from which to view the whole programme of American relief.

In its large political and humanitarian aspects, the relief of peoples liberated from German domination by the supply of fundamental foodstuffs and

by the support of their financial, industrial, and transportation life, is a matter which interests equally all the Allies. All benefits would be shared by them, and all burdens should be equally at their charge. The Allied nations of Europe have been explicit in adhering to this principle. They have insisted that there should be no appearance that this great political and humanitarian enterprise was not to be undertaken equally by all the Allied and Associated nations. And yet many circumstances conspired to place the larger share of the responsibility for administering the programme, as well as the burden of providing for it, on the United States. The United States was naturally the greatest producing nation. It had multiplied in some cases by five hundred per cent its facilities for food-export. Its financial condition was unimpaired by the war. While the war had forced it to economize its resources, it had not enfeebled its energies. The signing of

the armistice saw the United States approaching the peak of power rather than using the last gasp of its second wind. In every important resource — men, shipping, food — the war programme for 1919 promised to be greater than that for the preceding year.

This relative position as to resources is in fact represented in the amount of the service rendered to relief. Out of a total Allied relief tonnage of 3,192,834 up to July 1, the United States had supplied eighty per cent of foodstuffs. The figures of foodstuffs supplied for relief by the Associated nations stand as follows: United States, 2,486,360; British Empire, 417,315; France, 106,081; Italy, 81,365; and other countries, 101,713. In addition to carrying the lion's share of direct relief, the United States extended to Italy, France, and England the credits with which they purchased 243,122 tons of food delivered to German Austria and included in their totals given above.

The figures are more impressive when considered in terms of finance. Out of a total combined relief supplied by all the Allied nations of \$797,525,000, cash and credit, the United States alone furnished on credit 55 per cent. Of her own deliveries to relief nations, the United States supplied 69.7 per cent on credit. The credit operations for relief of no Allied nation approached this percentage, even though a part of these credit operations was supported by advances from the United States.

On the side of shipping, the United States took as preponderant a part. With a considerably smaller shipping resource than Great Britain, the United States took more than one half the total burden of tonnage. The remainder was divided, in about the ratio of two to one, between British shipping and the German tonnage turned over under the Brussels Agreement for the feeding of Germany.

It will be seen that the total value of foodstuffs supplied by the United States on credit far outran the hundred million dollars that had been provided by Congress as a revolving fund. So vast was the undertaking, that it was soon manifest that no private organization, and no single governmental fund, would be adequate to supply the money necessary to deliver foodstuffs to half a continent. Particularly was this true when a large proportion of the buying countries were unprepared to pay in cash. Before Congress had provided the hundred million dollars as a revolving fund, President Wilson, acting upon the emergency, had set aside five million dollars from his war funds. The Relief Administration also had available for facilitating its operations the resources of the United States Grain Corporation, with its capitalization of \$150,000,000.

Even with these resources, it would have been impossible to undertake on any adequate scale the relief of Europe if America had not had another resource temporarily available. Among the war powers of the government was the power to make advances to those governments engaged in hostilities against Germany. This power continued up to the signing of peace. It was the part of good warfare as well as of the wise statesmanship of peace to continue its exercise until a wise peace had been secured. Certain small nations had come into being in the act of defeating Germany; others by this defeat had been thrown upon their own resources. To all we owed the same support we were still giving to our allies. Their relief from famine was equally fundamental to the preservation of their government and the upbuilding of peace. Under these provisions the United States Treasury has made advances to European countries, covering the period from the signing of the armistice to the

autumn harvest of 1919, of \$278,000,000. This does not include monthly credits of \$50,000,000 for food purposes allowed to Italy, and large advances to France and England. These credits have been distributed approximately as follows:—

Belgium.....	\$140,000,000
Czecho-Slovakia.....	50,000,000
Roumania.....	25,000,000
Serbia.....	15,000,000
England } France } Italy }	for Austria..... 48,000,000
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\$278,000,000	

Besides this total contribution for relief on the part of the United States, the Allies provided together about \$78,000,000 of credits, including those to Austria.

How America rose to meet the emergency of increased demand and decreased production in foodstuffs has often been told. This process, which was necessarily of slow growth, had just about reached its crest when the armistice was signed. A country which before the war had exported about 6,000,000 tons of food a year was prepared to export, in the year 1919, 15,000,000 to 20,000,000 tons. Without a moment's hesitation, this vast fund of the necessities of life was turned from the purposes of war to the purposes of peace. The only difference that was made in the distribution was that, when peace came, the funds of food were transferred to the weakest members among the family of nations. The Allies, who had been supported as war-making agencies against Germany were now called upon to support themselves from the surpluses left on hand with the signing of the armistice, and from such stocks as they could secure with their released shipping from their distant colonies. Food which before had been delivered to the Allies was now turned to the support of countries

which had been the innocent bystanders or victims of the war, or countries which had broken loose from generations of domination.

The armistice found these countries still economically helpless. In order to get food to their peoples, the United States had to repair transportation systems, create protocols between suspicious neighbors, bolster up weak governments, and accept paper whose best security lay in the promise of an orderly prosperity for the future, which itself could be guaranteed only by food and the raw materials of industry. It had to create a system of remittances whereby the difficulty of getting dollars might be obviated. It had to use the facilities of the army and navy to protect its shipments and deliveries and to provide the elementary conveniences of transport and communication. When the United States entered into European relief, it placed all the resources of America at the disposal of the administration charged with the task. It was not a separate function assigned to a single organization. It was a general dedication of the resources of the army, the navy, the Treasury, and of the American food-surplus to a great programme of world-rehabilitation.

II

Why did the United States enter upon this programme of European relief? What principles lay behind the breaking of our traditions and the venturing forth upon a project of combined benevolence and commerce in Europe? The answer by reference to principles would be that relief work logically followed, and was involved in the principles we had followed, both as neutrals and as participants in the war. Before the war, President Wilson had defined the principles of our neutrality to be

'to seek to serve mankind by reserving our strength and our resources for the anxious and difficult days of restoration and healing which must follow, when peace will have to build its house anew.' And the same idea was reiterated as one of the cardinal principles of our participation in the war, when he set down as the third of his fourteen items in the programme of the world's peace 'the removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.'

No statement with regard to the purposes of the United States in contributing to European relief would be adequate which did not render due respect to these abstract principles. Having given the abstract answer, there remains the simple answer based upon the bare necessities of the situation. The United States entered upon the programme of European relief because there was no other possible course to pursue. Given, on the one side, the need of Europe, a need which was daily emphasized by evidences of starvation, of disorganization of social bonds, and of the collapse of governments, and given, on the other side, our surplus as a result of our three years of intensive increase in production and reduction in waste consumption, no room is left for doubt as to what we had to do. We were compelled to render aid by the combined commands of humanity and common sense. There was no alternative; the situation left no room for choice, and any discussion of abstract principles, interesting as it may be, and any weighing of motives only confuses an imperative which for an American statesman in charge of American resources was very simple and very categorical. There was never any question as to whether

the task should be done. The only question was as to how it was to be done.

Here we come to a crossroads of choice. Food as a national fund could be considered in one of two ways — either as a source of moral power and influence or as a stock for trading. The choice made by the United States had certain important effects, not only abroad, but at home. The United States took the position from the start that food-relief should be administered in accordance with the principles upon which the United States had entered the war. It refused to admit the possibility of commercial motives in its official relationships with the Allied nations. As in the war all the force of the nation had been placed without reserve at the service of the enemies of Germany, so in the time of the armistice all our resources were at the service of a Europe which needed to 'build its house anew.' The United States refused to be confused by the fact that it was selling its goods. As long as it was selling them at a fair margin between the producer and the buyer, as long as it was producing them in an ever-increasing stream in response to the call of the world's need, it would grant no man the right to question motives. Furthermore, it would insist upon its prerogative to dictate the use to which the supplies should be put.

This uncompromising attitude taken up by the United States, by which our resources were interpreted in terms of moral force rather than of commercial trades, had its influence in two directions in our relationships with the Allies. The time came when we had to hold certain of the Allies to moral contracts. From the vantage-ground of six months' later, we can see that the pressure to make the Allies forgetful of these contracts was very strong. Their contracts with us had been built upon

the presumption of continued war. When the war ceased, the contracts seemed to be nothing but a burden. Release from them might have been a simple thing, merely a bit of book-keeping between two treasuries, had it not been that the contracts between the United States and the Allies were balanced on the side of the United States by an infinitely distributed series of contracts with our own farmers, cattle-raisers, and laborers. Behind such contracts as these lay the economic prosperity of the country and of the world. Such contracts as these had an extra-commercial, in other words a moral character, which the Allies were compelled to recognize.

At another point the attitude taken by the United States aided greatly in clarifying a conflict of opinion between the United States and the Allies as to the manner in which food-relief should be administered. The Allies desired administration by international council; the United States desired unity of command. The difference between the two methods of administration is not altogether superficial. The United States desired to treat food simply. It desired only that men should be fed; that no man should starve. It desired to administer its funds for the preservation of human life and the support of orderly institutions, without regard to local quarrels, ambitions, and designs. This would have been very difficult to do if food were to be handled by an inter-Allied council, a kind of adjunct to the Peace Conference, where rival claims were weighed against each other and the resources of human life were made a factor in international strategy. The result was a compromise, by which unity of command was accorded to the American Director-General of Relief, he to report his operations to a section of the Supreme Economic Council, of which he was

one of the ministerial members and one of the chairmen.

Having gained unity of command, it was left for the Director-General of Relief to administer food-distribution by the simplest and most fundamental of rules. The Peace Conference itself existed at the background of relief. The need of food-relief was the single necessity upon which all governments and all peoples were agreed. Through it new governments and old, allies and former enemy, were joined by fundamental bonds, the sources of which are anterior to the sources of the war, and of which the ends lie beyond temporary divergences, however deep and bitter. In the handling of such a resource as this, one cannot go into fine-spun differentiations. If one had begun to weigh the merits of the different governments which were in need of food, the task would have been an impossible and interminable one. The simplest rule was to keep the eye on the human need and to attempt to fill that. As far as could conceivably be done under limitations of embargoes, blockades, financial systems, and transportation, the effort has been to look behind the government to the needs of the people. There are good governments and bad governments, honest executives and those who are not so honest. It would have been impossible to make these considerations govern the succor that was to be extended to a hungry and needy people. Such a policy would have been inconsistent with our expressed principles.

There was, however, one limitation that had to be reserved. Food could be used to support the people of a bad government, and food could even be used to uphold the hands of a good government. But food could not be used to support a bad government against its own people, or to support a government which failed to respect its con-

tracts. Here we find the principles upon which food could be sold to Germany for the support of starving people, while it could neither be sold nor delivered on credit to Hungary or to Russia, to support a government which was not respecting its international obligations and of which the form was unrepresentative of the will of the large mass of the citizenship. In delivering food to Germany for the German people, no opinion was implied of the present German Government except the tacit one that it was expected to hold to its obligations. We were always ready and anxious to deliver food on advantageous terms to Russia and Hungary, as soon as the people had created a representative government and were ready to enforce from it a respect for international obligations.

Through the administration of food-resources under the abnormal conditions of recent years, one truth has come to light. This is that food is rapidly passing out of the status in which it can be handled as an item in a commercial or diplomatic transaction, like so many nails or locomotives. Food is developing a moral priority that transcends the demands of either commercial or national advantage. Consequently, the time has passed when the possession of foodstuffs can be considered an embarrassment in the one case or a weapon in the other. As a basal necessity of life, food generates a power stronger than blockades and embargoes. In a period when great areas are famine-swept, it is out of the question to break the market from under a nation which has surplus stocks of food. And it is out of the question for that nation to use its surplus as a club to enforce exorbitant demands. Even if morality does not intervene, the economic hunger pressure will work its will. While there is a potential market anywhere in the world, adequate

supplies will break their way through blockades and high prices, across difficult transport routes, and over obstacles of credit and finance.

As these considerations necessarily governed in the administration of food-relief in Europe, they had their place in the winding up of America's intimate participation in European affairs. A task which remained after the armistice was so to arrange our withdrawal from European affairs as to leave the widest sense of security after our departure. During four years we had been informally, and during two years we had been admittedly, supporting a large portion of Europe with our resources. Under the necessities of war this support had outrun and in some respects contravened economic principles. It could be kept up only at increased expense and by governmental force. It could not be kept up indefinitely. American relief in Europe had to be managed in such a way that, instead of being a further extension of American participation, it was a prelude to American withdrawal. It had to provide the solid resources of subsistence and at the same time turn the activities of the assisted nations back toward economic channels and independent self-support.

This change of emphasis from war to armistice could nowhere else have been as effectively accomplished as in an organization that dealt in the life-giving factors of a nation's life. In providing the food for Europe, America was able to shape the traffic in such a way as to be an impetus to and a support of industrial local autonomy. The purpose changed from the formal support of war to the support of the bases of peace. The destination of American foodstuffs changed from Western to Eastern and Central Europe. The Allies were compelled to keep their contracts, but soon their own

interests demanded that they search out other more distant markets which were more related to their economic existence. Belgium, which had been the first to be supported, was the first to take over the reins of its own independence. Only Italy was left with a certain monthly advance from the Treasury, and a part of this was used to finance foodstuffs for the countries of Central Europe.

There were left the states of Central Europe, the Baltic states, and the states of Southeast Europe. Under varying local conditions, all these showed the same general conditions — a complete change of political life as a result of the break-up of old nations, economic destruction, labor unrest, violation of transportation, mutual suspicion, absence of stable financial and credit systems, and a strong tendency toward radicalism and revolution, as a result of from five to seven years of war, and the dislocated conditions after the war. So confused were conditions as to all political and economic institutions that few stable structures were left. Here lay the field of American relief.

The missions of the Administration were strategically set so as to be at the best points of service to famine spots. If the problem had been solely one of shipping, the chief missions would have been at the seaports — Trieste on the Adriatic, Danzig on the Baltic, Rotterdam or Hamburg, or Constantinople on the Black Sea. But shipping was one of the least of the difficulties. So the chief

missions were moved inland to Vienna, Warsaw, Prague, and Bucharest, from which points could be handled the many details of transportation, of interstate agreement, of finance and credits, and exchange of produce and raw materials. As particular problems came up, new missions were established at Reval and Libau and Tiflis for special treatment, while the food was routed through from seaboard by directions from Paris.

The food-problems of the world are involved not only in the substance of food itself. Quite as important as the stocks of cereals and fats are the facilities by which these stocks are made available to famished populations in time to be of service. Some of the hardest and most useful work done by American relief in Europe was done in places which were not more than a hundred miles from plenty. A large factor of the work of American administrators and engineers was done with the rehabilitation of transportation lines, with the increase of production and the more equitable distribution of coal, with the exchange of commodities between states where-by products might be made available where needed, and with the opening up of great waterways to international traffic. All these look toward political stability and social order. And these, with the generous work in children's relief which has distributed food for under-nourished children over half the Continent of Europe, are the benefits that promise to remain after the Americans have withdrawn.

AN UNPOPULAR VIEW OF THE SHANTUNG QUESTION

BY KENNETH SCOTT LATOURETTE

I

ON one point in the much-debated peace treaty there seems to be general agreement among liberals in this country and Europe: German properties in Shantung should be returned to China. The territory controlled is indisputably Chinese in population and in geographic and historic connections. The leases and concessions involved were originally extorted by force, and when Japan wrested them from Germany, the world was distinctly given to understand that they would eventually be restored to the original grantor. To the conviction that this restitution should be made, all lovers of justice the world over have steadfastly adhered, and they have felt that any secret or public conventions to the contrary have, at the least, been dangerous, and have, at the most, perpetrated a serious wrong and threatened the future peace of the world.

As to the method by which restitution should be made, however, there has been, as all the world knows, a sharp divergence of opinion. The Chinese, the great majority of Americans, and a fair proportion of the thinking people on the Continent and in Great Britain have believed that the peace treaty should immediately turn over to China all former German possessions in that country, with, possibly, compensation to Japan for her expenditures and a guaranty that no portion of Shantung should ever again be alienated and that the province should be kept open to international trade. The other method, the one adopted by President Wilson

and so much decried in this country, is to leave the properties in question in the possession of Japan and to trust her to restore them to China.

It is obvious that, whatever means are employed, certain definite objects should be sought. The first and chief of these is justice. Justice implies the ultimate restitution of all leased territories to China and the undoing of any impairment of the sovereignty and independence of that republic. It also implies due consideration of Japan's expenditures of life and money, and ample securities to her for economic opportunities in Shantung equal to those of any other power and unprejudiced by special agreements. The well-known facts of Japan's limited resources and growing population, and her natural and legitimate belief that the neighboring continent furnishes her a field for commercial expansion, render the maintenance of the open door in China essential to the life of the island empire and to the peace of the world.

A second object, and one closely allied to the first, is the peace of the Far East. This depends in turn upon a number of objectives which any fair settlement must seek to attain. Perhaps the most obvious of all is the strengthening of China internally, so that as quickly as possible she may be able to manage her own affairs and rid herself of the tutelage of the powers, a tutelage which humiliates her, provokes her to militarism, and is conducive to international jealousy and strife. Another and equally necessary objective is the promotion of true friendliness between