

# THE LIVING AGE

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## A WEEK OF THE WORLD

### BRITISH RECOVERY

BARRING only a serious industrial conflict, the *Spectator* thinks the prospect of trade improvement in Great Britain most heartening. To be sure, 'Unionism has to prove what is being proved in America — that Capitalism can produce a general well-being that is beyond the grasp and almost beyond the dreams of Socialism.' Nevertheless: —

There is hardly a trade in Great Britain which is not either expanding, or feeling that expansion is becoming possible. The chairmen of the great banks have been making their annual speeches, and the note of their speeches has been invariably hopeful. Within recent years these annual banking-speeches which scientifically survey the commercial condition of the country have become a feature of our public life. It is satisfactory to learn from them that optimism is no longer the prattle of those who make the wish father to the thought. If only both parties to the industrial contract will hold together and work together all will be well. Our recovery will be a certainty.

Employment conditions are improving decidedly, and the shock to busi-

ness confidence when the country's enormous trade-deficit last year was announced has been lessened by fuller analysis of these statistics. The first impression that Great Britain was living on her capital, that her invisible exports did not compensate for the deficit in her physical exports, has been corrected on closer scrutiny, and apparently there is a balance, though not a large one, in her favor when earnings from investments and services as well as from the actual sale of goods are taken into account. Furthermore, an analysis of export statistics shows that losses were chiefly in coal, where the decrease was approximately one hundred million dollars; iron and steel, where the loss was thirty million dollars; and woolen and worsted manufactures, which declined by over forty million dollars. On the other hand, many other important items showed an increase. Moreover the entire addition to the adverse balance of trade occurred during the first half of the year, and was apparently associated with the restoration of the gold standard, which was expected to be a painful economic operation undertaken with a view to

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subsequent compensatory advantages.

Another reassuring factor in the situation is the *Economist's* analysis of industrial profits during 1925, which shows that 1490 companies whose accounts were analyzed earned in the aggregate 8.7 per cent more during 1925 than during the previous year. The total increase in their net earnings since 1922 has been over forty-six per cent. In other words, there has been a steady recovery since the depression accompanying the post-war price-deflation.

On the other hand, however, rates of wages have fallen markedly. According to the *Ministry of Labour Gazette*, the total decrease of industrial workers' wages during the past five years is over four million pounds sterling a week. The fact that this has occurred during a period when the aggregate profits of big business have increased over fifty per cent naturally makes political capital for the Labor Party. Coal output rose during the first half of January from four million tons to five and a half million tons a week, partly on account of the growing market in America occasioned by our coal strike. According to the listed returns, the number of unemployed the middle of January was fifty-four thousand less than at the corresponding date a year ago. More steel was consumed in Great Britain during 1925 than during the boom year of 1913. British bankers profess to be optimistic as to the future. A symposium of opinion of the chairmen of the leading financial institutions of London, published in the *Morning Post* at the end of January, contained many statements to the effect that British foreign trade was, upon the whole, holding its own and showing promises of improvement. Iron and steel producers and the engineering firms are especially active in foreign markets. Japan has placed heavy orders for

rails in Great Britain; and large foreign orders for rolling stock and tin plate, the latter from America, are reported.

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#### STRUGGLING CABINETS IN PARIS AND BERLIN

EXCEPT to students of political funambulism, the ministerial situation in Paris and Berlin presents little of immediate interest. The history of the past few weeks in both countries will doubtless clarify itself along rational lines after the event — if there is an event. At the last Socialist Congress in France a large section of the Party declared itself ready to collaborate with the Radicals and to appoint delegates to sit in a Radical cabinet under M. Briand or some of his colleagues; but a majority of the delegates insisted that a coalition was possible only in a cabinet predominantly Socialist, and that otherwise the cabinet must be exclusively Socialist, with Radicals lending their support from outside the Government. It is this intractability on the part of one Party that accounts largely for the apparent paralysis of legislation in France. But in justification of the Socialists it should be pointed out that the solutions proposed for the country's present financial crisis strike directly to the heart of the doctrines their Party has preached for years; and that a revision of the electoral law is in prospect in which the Socialists are vitally interested. In other words, if the Party shackles itself to a coalition cabinet, it may face the choice of incurring the opprobrium of withdrawing from the Government at an extremely critical moment, or of committing moral suicide.

A significant likeness exists between the situation in Paris and in Berlin, where Herr Luther's Cabinet also exists by sufferance, without the wholehearted confidence indispensable for

vigorous parliamentary government. This Cabinet, too, in spite of its political weakness, may render services of the first order to the nation, especially if it carries Germany successfully into the League. In spite of all we hear about the Locarno spirit, however, the League has not facilitated Herr Luther's labors. Quite the contrary; it has supplied its own enemies — and Herr Luther's enemies — in Germany with ammunition. For example, at the December meeting the League Council appointed Dr. Van Hammel, who is notoriously pro-Polish and anti-German, High Commissioner for the Free City of Danzig, a post for which impartiality as between these two nations should be an imperative qualification. Furthermore, the Ambassadors Conference has decided to keep sixty thousand French, eight thousand British, and seven thousand Belgian soldiers in the Rhineland. This force is smaller than that hitherto maintained in the occupied area, but it adds twenty thousand men to the garrison of the second and third zones, which are the only zones remaining now that the Cologne district has been evacuated.

Luther's Cabinet, also, may be faced with the duty of drafting a new electoral law. For the present scheme of proportional representation is not satisfactory to anybody, least of all to the Parties of the Right and Centre. An interesting and perhaps not altogether insignificant feature of cabinet-building in Germany is the fact that Otto Gessler remains Minister of War, having held that post continuously in twelve successive cabinets.

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#### FRANCE IN SYRIA

FRANCE apparently faces more trouble both in Morocco and in Syria than her reassuring dispatches indicate. When she sent Henry de Jouvenel, a publicist

and editor of Radical-Liberal sympathies, to Syria as her civilian Resident-General, thereby replacing a military predecessor, this was not only a conciliatory gesture, but was also a step to the Left in her whole mandate policy. M. de Jouvenel offered concessions with one hand and presented inflexible demands with the other. He insisted that the natives surrender their arms. But the Druse are an agricultural people who need weapons to defend themselves from the forays of the desert Bedouins to the eastward. They are a feudal nation, moreover, and will not consent to place their chiefs in the power of foreigners. The new Resident-General's Western European device of holding an election, ostensibly to give the natives a voice in their government, was defeated by the opposition, both passive and violent, of the people themselves.

Whatever the ignorant masses may want, intelligent Syrians are probably resigned to the French mandate. They prefer it to exposure to Mussolini's expansionist ambitions; and even Mohammedan Arabs might choose it in preference to a resumption of Turkish rule. But they see the Kingdom of Irak and other neighboring British mandates inhabited by their own race enjoying liberal institutions and the promise of ultimate independence. They are well aware that many British opposed continuing the Irak mandate even for the limited period provided in the Mosul decision. Their leaders are eager for more administrative autonomy in order to copy some of the Angora reforms. Mohammedans also resent the special favors shown by France to the Lebanon Christians, whose district has already been given a degree of self-government.

Both parties are busily preparing for a renewal of hostilities. Arab officers who held high positions in the Turkish army during the World War are direct-

ing the insurgent forces, which are said to be well armed, though not provided with modern war-materials. Meanwhile France is covering the country with military posts and is courting the friendship of the Turks, whose support might enable the Druse and their fellow insurgents to prolong guerilla warfare indefinitely. Last of all, the Wahabites have appeared on the scene. Altogether the possibility of a long, expensive, and possibly indecisive spring campaign faces France in Syria.

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#### ENGLAND'S ITALIAN DEBT AGREEMENT

COUNT VOLPI's success in compounding Italy's debt to Great Britain 'for an effective and clear four million pounds a year for sixty-two years,' to quote Mr. Churchill's summary, was not received with joy by British taxpayers. To be sure, press criticism of the settlement had a political temper and was confined largely to Opposition papers. The *Times* said in the Ministry's defense: 'It would be difficult to maintain that the terms are less favorable to Italy than those accorded by the United States, and the Italian delegates would not in fact have accepted the settlement if they had not been convinced that it was at least as favorable'; to which it complacently adds: 'This debt settlement is inspired by a clear British perception of the essential unity of the European peoples in the present condition of the world.' The *Morning Post* considered the agreement 'of happy augury,' because it tends to knit Europe closer together. Incidentally, this Tory organ is not averse to seeing new feathers in Mussolini's cap, and concluded a leader upon the subject with this effusive tribute to the debtor country:—

Friendship between England and Italy is traditional. England, indeed, is built upon the massive foundation established by the

Romans. In Italy sprang the source of Latin civilization, and the renewal of its waters was manifested in the Renaissance. We are not alone in looking forward to the time when no young man's education shall lack the completion of a sojourn in Italy, the ancient seat of the art of government, the home of all the arts.

On the other hand, the *Manchester Guardian* thought that the Italians did so well at London that they seemed 'to be keeping a straight face with difficulty'; and the *Westminster Gazette* declared of Mr. Churchill: 'Never have we been saddled with so bad and so stupid a negotiator. Italy owes us about a third more than she owes America, and she has consented to pay something less than four fifths of what she has agreed to pay that country.' The *New Statesman* characterized the terms of the settlement as extraordinary. 'The principal is not to be repaid to us at all. All Mr. Churchill is asking the Italians to do is to give us for sixty years about one sixth of the annual interest which the British taxpayer has to pay upon the money that we borrowed and lent to Italy.' It then proceeded to pay its compliments to the Premier as follows: 'Mr. Baldwin may be an "honest" man, but he has shown himself to be the most expensive luxury that the British taxpayer has ever had to pay for. To pay our debts and yet forgive our debtors puts us no doubt in a proud position in the world . . . but there is surely nothing admirable in the vicarious generosity which Mr. Baldwin and Mr. Churchill are exercising at the expense of the poorest section of their fellow countrymen.'

Of the more conservative weeklies, the *Outlook* took the settlement philosophically. It admitted that British critics who protest against letting Italy pay only four shillings on the pound are right, but it opined that 'from the Treasury point of view we should be

happy to get anything at all.' The *Saturday Review*, which stands by Mr. Baldwin's Government through thick and thin, congratulated Count Volpi on his success, but observed: 'In offering an annuity of under four and one-half millions a year, the Italian Government does not greatly relieve the British taxpayer; but for this Count Volpi is less to blame than Mr. Baldwin. Apparently honesty is not always the best policy, for Mr. Baldwin's honesty, when he went to America to fund our debt, has had unpleasant results. Not only did he agree to terms much more severe than those demanded of any other country, but he offended the other European debtor governments by settling the British debt to the United States without consulting them.'

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#### BELGIAN UNREST

The late disorders in Brussels had their origin in the determined effort made by the Cabinet to balance the budget by vigorous economies, particularly in the military establishment. The Belgian Fascism reported in the press resembles the military insurgency of Spain and Greece more than it does the reactionary agitation in Central Europe or Fascism in Italy. Essentially the conflict is between the Social Reform Parties, who want to devote a larger share of the public revenues to social-welfare objects, and the militarists, not necessarily in active military service, who want more money for the army. It has been proposed that the period of compulsory service be reduced to six months. In fact, the *Conseil Supérieur de la Défense Nationale* — it is said under political pressure — recommended this reduction, although a majority of its members are reported to believe personally that twelve months is the

minimum length of service compatible with adequate defense. Therefore the Belgian crisis apparently turns upon differences of opinion regarding a single public measure, and not upon divergencies of view over the constitution of the government.

Paul Hymans, formerly Belgian Foreign Minister, and ex-President of the League Council, bitterly attacks the new army-plan, in *L'Indépendance Belge*, the organ of the Nationalist, pro-Gallic Liberals. A Minister of Defense and a Chief of the General Staff resigned as a protest against that plan; but it was carried upon the insistence of the Socialists. Hyman's 'Fascism' appears in his comment upon a statement by M. Destrée, a former Socialist minister, apropos of the army, to the effect that: 'It is the right of the masses, the divine right of the masses. The masses must decide. For if a blunder is made, they are the ones who will suffer.' To this M. Hymans says: 'The dogma of the supreme sovereignty of the masses leads to anarchy or to dictatorship. It means the oppression or paralysis of the intelligence, of the enlightened opinion, of the foresight of the country. . . . The reform contemplated is not justified by science or experience, by technical considerations or by military needs . . . but is a partisan measure to curry favor with the voters.'

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#### MINOR NOTES

THE Soviet Government has recently executed twelve officials of the port of Petrograd after finding indictments against 122 persons, about one third of whom were Government employees, for wholesale theft and embezzlement of merchandise. *Izvestia*, the Moscow daily, reports that Government employees were corrupted by luxurious dinners, liberal loans which they were



not expected to repay, and other disguised forms of bribery. Several engineers, formerly in Soviet employ, resigned from the service and opened offices as commission brokers, to specialize in handling stolen merchandise. One of the men convicted had misappropriated property worth over half a million dollars. The total losses in the Government fuel and transportation departments alone are estimated at about one million dollars, which shows that they are doing some business in the port of Petrograd. This does not tell the whole story, however, for similar graft, though presumably not on quite so large a scale, has been unearthed in the 'construction' and 'mechanical' departments.

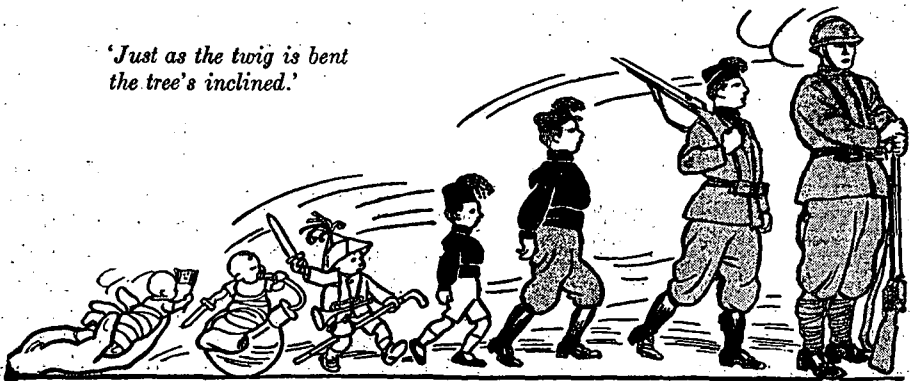
ACCORDING to the Mexican press, extensive plantations of poppy have been discovered along the banks of the Mayo River in the State of Guaymas, Mexico. The area under cultivation is larger than has ever before been detected. Some three hundred laborers are employed by the farmers raising it, at higher wages than are paid elsewhere in the vicinity, and one proprietor produced more than half a ton of opium last year. Although native land-owners are apparently engaged in this

business, the people behind it are supposed to be Chinamen, and the product is said to be consumed chiefly by the large Chinese colony settled along the west coast of Mexico.

To console the solitary young Japanese bachelors settled in South America, the Consul of that country at São Paulo, Brazil, has undertaken to encourage the immigration of picture brides. According to *Miyako*, three thousand of these brides have registered for passage to Brazil, three thousand for Argentina, two thousand for Mexico, and a smaller number for other destinations on this side of the Atlantic.

THE Harriman Group, which is operating the big Chiaturi manganese mines in Georgia under a contract with the Soviet Government, is reported to be doing well with this concession and to be negotiating with the Moscow authorities for others like it. The Harriman interests have invested in the neighborhood of four million dollars in modernizing and improving the works at the mines, building a railway to the nearest harbor on the Black Sea, and in harbor works. The Chiaturi mines produced before the war sixty-four per cent of Russia's output of manganese.

*'Just as the twig is bent  
the tree's inclined.'*



TEACHING THE INFANT MIND TO SHOOT IN FASCIST ITALY

— Travasa, Rome

# JAPAN AMONG HER FRIENDS AND NEIGHBORS

BY BARON K. SHIDEHARA

JAPANESE FOREIGN MINISTER

[This article is the substance of a speech by the Japanese Minister of Foreign Affairs delivered before the Imperial Diet in Tokyo on January 21, 1926.]

ON November 24 General Kuo Sungling suddenly rose against his chief, Marshal Chang Tso-lin, and began a march toward Mukden. In accepting the challenge Marshal Chang seemed to set up his first line of defense at Lien-shan, far behind the Manchurian frontier. His forces again retreated from Lien-shan without offering much resistance to the invaders, and it became increasingly evident that he had decided to stake his last fortunes on one decisive battle along the Liao-ho. With these developments in view, the commander of the Japanese garrison in Manchuria issued a warning to both opposing forces, calling their attention to the nature and scope of duty incumbent upon the Japanese garrison.

A deficiency in the strength of our garrison, due to the departure of discharged soldiers in the middle of November, was originally to be supplemented in January, according to the annual programme. Any dispatch of men for replacement was to be postponed until the last moment of absolute necessity. An entirely new situation, however, presented itself when reports from Manchuria came successively to hand from the night of December 14 to the next morning confirming the arrival of a detachment of General Kuo's

army at the opposite bank of Yingkow. We had then seriously to consider the possibility of an impending conflict between the respective forces of Marshal Chang and General Kuo in the open port of Yingkow. Our garrison had now to keep special watch over the zone extending from Yingkow in the South to Tiehling in the North. It became obvious that with the actual reduced strength of the garrison a satisfactory fulfillment of its mission over such an extensive zone was well-nigh impossible. It was not doubted that both Marshal Chang and General Kuo had taken due note of the warning given by the Japanese commander, and that in their military operations they would fully respect the rights and interests of Japan. We could not, however, dismiss from our mind apprehension that in the event of desperate engagements lasting for several days on all fronts the belligerents might unconsciously be driven to the railway zone to carry on street fighting and other forms of warlike operations. It has also happened in many past instances that remnants of a defeated army let loose from all control and discipline have sacked towns and terrorized the population.

Having regard to the imminence of such a danger, which manifested itself on December 15, the Government decided at once to proceed to restore the Japanese garrison at Manchuria to its normal strength, as maintained prior to the middle of November last. With