

The Army Bill

OBVIOUSLY, the army bill transmitted to Congress on Thursday of last week is meant for careful revision. So far as its present form permits one to judge, the immediate recruiting of the regular army and the National Guard to the size contemplated by the Hay law of last year is to be the first step, and, wisely, this is to be done by a call for volunteers. When this is accomplished, there is to be raised an entirely new force of 500,000 men, and these are to be drafted by a selective process, without giving the country a chance to volunteer. Thus, the regular army and National Guard will need about 450,000 volunteers at once to fill the existing regiments and the new ones which the Hay law was designed to raise during the next four years; these are now to be raised forthwith. Then is to come the raising by draft of the special war-time army at 500,000, "or such part or parts thereof as he [the President] may at any time deem necessary." Next the President is to be further authorized, "at his discretion and at such times as he may determine, to raise and begin the training" of still an additional force of 500,000 men, presumably by drafting, though this is not specifically stated (Section 4).

With these provisions no fault can be found save in the matter of the draft. This might become necessary if the war should prove to be unpopular, but since Canada, with her eight millions of population, has raised nearly 500,000 volunteers to oppose the Kaiser, it is to be assumed that the President will obtain all the volunteers he desires, even up to 1,500,000, should he wish them. It will seem to most Americans like a reflection upon the 100,000,000 citizens of this country to assume, as this bill does, that it will be necessary to use the draft at once. England raised fully 4,500,000 volunteers before resorting to conscription. Since President Wilson already possesses the power to draft under the Hay Army law passed last year—although few are aware of this—the new army bill should be promptly amended to permit voluntary enlistments for all the proposed forces.

Volunteering is made the more easy since the War Department's proposal permits the enlistments of men between the ages of eighteen and forty, and, as was the case in 1898, it is specifically stated in Section 6 that all such enlistments in the regular army and National Guard shall cease on the "expiration of the emergency." But the men now enlisted in the National Guard or regular army, whose enlistments will expire before the war is over, will not be permitted to receive their discharges until the conclusion of hostilities. And all men who voluntarily join the colors will be assigned to the regulars or National Guard or any other force not raised by draft to which the War Department may direct them. Registration for purposes of draft is to be upon proclamation by the President, and refusal or neglect to register will be punished by imprisonment for not less than three months nor more than one year. Any person charged with any duty under this act who neglects to perform it, or any one who seeks by fraud to evade any of its provisions, will be imprisoned for not less than six months nor more than one year. There is, it is pleasant to note, a clause exempting objectors to military service because of religious convictions, or membership in an organization whose creed forbids the bearing of arms; but this should be widened to exempt those who can prove their anti-war beliefs, despite the fact that they do not belong to the Quakers or other re-

ligious organizations. The four thousand conscientious objectors in England now in jail testify to the need of a broader clause.

The very inclusion of this exemption for Quakers is in itself an argument against the draft features of the bill. What is it that is reported to have won the militiamen who served in Texas to universal military service? Nothing more or less than the feeling that they had "done their bit," and that the other fellow ought to do his. But here is a measure which proposes arbitrarily to take John Smith at 225 West 46th Street and to leave at home John Williams, who lives at 227 West 46th Street. This will not appeal to the American as fair play, and it is, therefore, in our opinion, a mistake to suggest such a policy until it is clearly shown that an army of the size needed can be raised in no other way. Already we have heard of a chilling of the ardor of some who were planning to enlist because of the belief that a service they are glad and willing to give is to be exacted of them by force. If men are driven to service before it is even ascertained that more than 450,000 wish to go, it will give the American response to the President's call a most unhappy look abroad, besides causing great popular unhappiness at home. The Congress will be well advised to amend the bill in this one respect without delay, and all the more readily because the power to draft has already been bestowed upon the President.

Plans for Financing the War

THE announcements from Washington as to the very large scope proposed for our initial plans of war finance have been received by the entire community in a commendable spirit. Both the amount which it is suggested may be raised through sale of bonds and the amount to be raised by new taxation are much greater than had been generally contemplated before war was declared; but we have heard no murmuring against them, even in quarters which would be hardest hit. Wall Street itself, though puzzled as to the influence which unexpectedly high taxes might have on the status of certain investment securities, has professed its entire willingness to bear the burden. Banking houses whose special business is the placing of new bonds with the investing public have come forward instantly to offer their services free of commission or expense in floating the United States loan. What the Government requires in this hour of great events, all classes of the community will give, whatever the individual sacrifice.

As yet, no statement has been promulgated at Washington showing in detail what those requirements are, how they have been ascertained, and in what way the huge new public receipts will be applied. We have so far only the general statement that, according to present expectation, the Administration will ask for authority first to issue \$5,000,000,000 bonds, of whose proceeds \$2,000,000,000 will be used for the war establishment and \$3,000,000,000 for extending credits to the Allies; secondly, to raise through taxes \$1,750,000,000. These are wholly unprecedented amounts. If raised within a single twelvemonth, their aggregate would be more than three times the revenue raised through loans and taxes even in the fiscal year 1865, when the Government had more than one million men in the field on one of the widest battle-fronts in history.

Cost of this present war to the European belligerents has

created closely similar comparisons with the cost of previous wars. The debate which will arise, when our Treasury gives Congress its detailed estimate of requirements for the war credit, will in part at least converge on the question whether our Government, taking the figures as proposed, would or would not be starting on too large a scale of initial appropriations. We are aware of the argument which exists for providing more rather than less than will be required in a given period; but there are also strong reasons for studying carefully before hand the purely economic effects of assuming at once any burden greater than present paramount needs require.

The first war credit voted to the English Government, after the hasty preliminary measures, was for \$1,750,000,000. The British war loans issued in the first twelve months of fighting amounted to \$4,500,000,000; they were put out, however, at two separate dates, seven months apart. The total increase in Great Britain's annual tax-roll over that of the year before the war has been \$2,000,000,000. The sum of these two items is a little short of the sum proposed in the Washington dispatches for our Government. Even the increased receipts from taxes—which were imposed only at intervals, as it was seen how actual war expenses were developing—exceeded by only about 14 per cent. the suggested revenue from new American taxation.

Now, it is true that the enormous costliness of war is more clearly understood to-day than it was in 1914, or even a year ago; also that the United States is better prepared to sustain such financial burdens than perhaps even England has been. This consideration is to some extent offset, however, by the fact that the British Government, before it began to raise its war loans, prohibited the further use of English capital, except with the Government's consent, for investment in any other securities than war loans. Our case is wholly different. The very fact that London had thus abdicated, for the period of war, its position as the world's money centre threw on American capital a new and immensely heavy burden. Of the \$2,925,000,000 capital invested at London in all kinds of new securities during 1916, all but \$45,000,000 was placed in war loans.

The ratio was similar in 1915; whereas the American investors, besides financing the very large needs of domestic enterprises, have in the past two years taken nearly \$600,000,000 of new securities of neutral foreign countries. This process ought to continue. At the same time, the comparison of England's fiscal war requirements with our own cannot be convincing unless allowance is made for the enormous cost to England of maintaining over the whole world fleets and armies vastly greater than our own contemplated armament, and keeping them supplied for active warfare.

We repeat it, the Government ought to have every dollar that can be usefully employed for our part in the war, including our rightful financial assistance to our allies. Few citizens, we are confident, will resent the personal burden placed upon them. But there are limits beyond which either Government borrowing or public taxation cannot be carried, in a single measure of legislation, without embarrassing the Government's own plans and expectations; and this well-known fact ought to lead to extremely careful and large-minded study of the details of the proposed vote of credit. Happily, it is already sure that the response of the American people to its Government's call for the necessary funds will be the response of a nation convinced of the righteousness of its declaration of war.

Mobilizing the Shipyards

GERMANY'S professed indifference to our entrance into the war is based less upon our military position than upon our lack of shipping. If the war is indeed over before this country can make itself felt, it will not be because our armies will be too late, but because our supply ships will be too late. Germany has staked her all on the chance of starving out England. The most direct reply to the German challenge and the swiftest blow at German confidence is to lose no time in bringing every ounce of American energy to the demonstration that this hope, like so many other promises held out to the German people by its Government, is doomed to failure. Ship construction is as important as recruiting. We must go at the task with the same determination which has witnessed in other belligerent countries the extraordinary development of necessary industries under the stress of the crises. What we accomplished last year under indirect pressure is only an index to what we may achieve in an emergency. In the four years from 1912 to 1915 we built an average of 185,000 ocean-going tonnage. In 1916 the estimated output of our shipyards was about 670,000 tons. This fourfold increase may in turn be quadrupled. Of wooden ships alone the head of the Federal Shipping Board estimates that beginning next autumn we may turn out two and a half million tons a year.

There is all the more reason for putting our full power into ship construction, because we shall be building not only for the war but for after the war. It is the one form of warfare that is an investment instead of a waste. If it be true that Germany's submarine war is dictated by post-bellum considerations as well as by present needs; if one of her objects is so to reduce the merchant fleets of enemies and neutrals as to give German shipping first place in the trade of the world, the obvious reply lies in our own shipyards. The technical aspects of the question are for the experts to determine. While wooden ships are for the moment to the front, there is no reason why skilful management of the steel industry should not produce a notable increase in other tonnage. Thus much should be kept in mind, that the fleet of 3,000-ton wooden freighters advocated by the chairman of the Shipping Board does not mean a motley of makeshift "jitney boats." The loss of a Britannic or a Laconia is a dramatic episode, but the great bulk of the trade of the world is carried in vessels of smaller dimensions. In 1915 the British mercantile fleet comprised 10,218 steamships of a little less than 21,000,000 tons, or an average of 2,100 tons to the ship. These are the humble cargo boats which the submarines have been sinking, and it is upon these small freighters that our efforts should be concentrated.

The war as a whole has taken on the aspect of the world against Germany. The struggle on sea has taken on the form of the shipyards of the world against the German submarine. Berlin's pretension that her U-boats have frightened the neutrals from the sea is false. Norway has been braving the barred zone decrees and paying the penalty. Norway and Japan will be with us in building against Germany. As for England's effort, we may be assured it will increase in spite of other demands on her resources. In the last peace year she built nearly two million tons, a rate she cannot be expected to reach, but which she will probably approach. England's concern, however, is not for