

cost of living, which in recent years has been rising more rapidly than wages. To increase the taxes upon tobacco and alcoholic beverages, on the other hand, is desirable on several accounts. According to Professor Seligman's computations, tobacco taxed at Civil War rates would yield \$305,000,000 and distilled spirits would yield \$272,000,000. For the two items the revenue would be \$330,000,000 in excess of the present yield. Another \$100,000,000 might be obtained from additional taxation of fermented liquors. Such drastic taxation would necessarily reduce consumption, but at a time of national crisis we may regard this as an advantage in itself. We have better use for our industrial power than the provision of quite dispensable luxuries.

APPARENTLY our government intends to follow the bad precedent of Civil War finance in exempting war loan bonds from taxation. The off-hand opinions of some prominent bankers appear to favor this course. Men who have devoted their lives to the study of finance here and abroad, like Professor E. R. A. Seligman, are opposed to tax exemption. We should market tax-free bonds at a higher price than bonds yielding an income subject to taxation. But what we should gain in the price of bonds we should almost certainly lose several times over in taxation deficiencies. Tax-free bonds yielding a low rate of interest represent a rich man's investment; they serve as a refuge from income taxation sure to become heavy if the war lasts. Taxable bonds yielding the normal rate would be especially attractive only to men of small savings. It is superfluous to urge the point that the more widely a government loan is distributed the better. The poor man needs the stimulus to thrift that is afforded by a productive investment. The rich man can find abundant opportunity for investment in private enterprise.

THE presence of a German submarine in the North Atlantic off the American coast has not yet been confirmed by indisputable evidence, and until it is the report must be taken with scepticism. The German government, it must be remembered, has not formally enlarged the war zone, in which the submarine blockade is effective, to include any American waters. Doubtless a proclamation to that effect, if it comes, will accompany rather than precede the offensive activity of the submarines, but considering the much greater importance to the Germans of blockading the British islands and the much increased cost and difficulty of operating submarines on this side of the Atlantic, the presumption runs against the

credibility of the report. The German admiralty would, we believe, have only one sufficient reason from the standpoint of naval strategy in planning submarine raids in the western Atlantic. They might expect by so doing to keep the American navy from sending any part of its fleet of submarine chasers to British waters. Yet unquestionably and in any event that is what our navy should aim to do. The reasons urged by Admiral Jellicoe for the adoption of such a course just as soon as it is practicable have the utmost force. The American navy cannot afford to accept a merely defensive strategy. The best way to prevent submarines from hunting American ships in American waters is to hunt submarines in British waters. Submarine chasers should be built in sufficient numbers to permit the despatch of a large mosquito fleet to Europe. For the present it is by aggressive tactics in the water and in the air that Americans can bring home most quickly and most terribly to the German government the penalty of having incurred for so long their just resentment.

MAYOR MITCHEL of New York has done well to revoke all-night liquor licenses. It would be scandalous to permit during war the kind of revelry which takes place after one o'clock in certain of the restaurants and dance halls. His action is only the first of a series of restrictions which will have to be imposed upon the night life in New York and other large cities. Almost all the food and drink consumed after midnight is sheer waste or something worse, and it must soon be stopped if only in the interest of economy. One of the first tasks of any food control bureau will be to do away with the unmitigated frivolity of this class of food consumption, limited though it is.

Public Opinion and the War

IN entering the European war the American nation has adopted a decision which will profoundly modify for better or for worse its future destiny. The possible benefits are incalculably great but no less incalculable and considerable are the possible disasters. The decision itself has settled little. It has merely launched the nation on an enterprise as hazardous as it is important, whose prosperity depends upon the way it is conducted, and whose risks are as much of the spirit as they are of worldly power and safety. Those who labored to persuade their fellow countrymen to join the alliance against Germany have assumed a peculiarly

onerous responsibility. War, even when a nation accepts it with chagrin and without any expectation of exclusive gains, is a devilish business. He who sups with the devil must fish with a long spoon. It will require vigilant and enlightened management to make such dangerous company profitable—particularly when the largest good which victory in the war can yield will profit us nothing unless the greater assurance of external security can be made to yield an increase of internal grace.

One condition of the gathering of the better benefits from American participation in the war is the candid and sympathetic understanding of the prevailing psychological and moral condition of the American people. Their state of mind is at present dubious, inchoate and tentative. It is accessible to all kinds of influences, both wholesome and diseased, both binding and loosening, both vitalizing and enervating. If its hesitations, uncertainties and moving impulses are understood and submitted both to the needed correction and to the needed encouragement, the nation may pluck from its share in the war an invigorated national organization and a liberalized national consciousness. But if this state of mind is misunderstood, if its susceptibilities are wounded, if its suspicions are intensified, if its misgivings are overridden and if insufficient means of expression are afforded to its better positive impulses, then no matter whether Germany is beaten or not, America would emerge from the war a defeated and disintegrated nation.

Just at present popular opinion is at once curiously placid and unenthusiastic about the war, but at the same time loyally acquiescent. The American people still do not know quite what has happened to them. They have suspected all along that something was being "put over" on them, but they have not been sure. The business has been managed according to rule and they have confidence in the good faith and the political wisdom of the President. When, consequently, congressman after congressman and senator after senator asserted during the debate over the declaration of war that they would vote for the declaration, but betrayed a manifest reluctance to do so and an equally manifest indisposition to accept Mr. Wilson's definition of the objects of American participation, Congress was much more representative than usual of the state of mind of the American middle class. Popular reluctance is not expressed in immediate irresolution. Congress with the support of public opinion has already consented with practical unanimity to vote for the expenses of the first few months a sum more than twice as large as required by a four years' war to save the American Union. It will continue to consent to any financial or military measure which may be necessary in order to make Ger-

many feel the impact of a formidable enemy and to make the European democracies feel the supporting hand of a useful friend. But these consents have been and will continue to be given subject to certain tacit stipulations, of which the people are only partly conscious, but which cannot be separated from the sincere attempt to use war as an aggressive tool of democracy. If these stipulations are ignored or misunderstood, the American people are likely when they finally settle accounts with those responsible for the war, to express their discontent in a drastic and revolutionary manner.

None of the stipulations involved in the attempt to fight a war for democracy will operate against the adoption of any military, naval and economic measures which are necessary to enforce the declared object of national policy. War is the most intolerable and exacting of taskmasters; and now that they have accepted its rule the American people will not flinch from the rigors of its discipline. The discipline will include some amount and kind of compulsory military service. No matter how formidable the existing opposition to conscription appears to be both in Congress and in the country, it will in the end fail to put up a more successful resistance than did the opposition to war. Our pacifist fellow-citizens who are fighting compulsion in what they believe to be the interest of democracy are falling into a natural error; but they are none the less doing their own cherished cause a doubtful service. They are making democracy depend more upon the observance of scruples than upon the successful use of the new conditions, brought into existence by American participation in the war, in order to penetrate the national organization and policy with a democratic impulse. If they consider the war in which their country is now engaged so dangerous and hostile to democracy that the most important business of sincere democrats is to adopt obstructive and defensive tactics, they will not succeed in their obstruction and they will be dividing themselves from the forward liberal movement in American national life.

The stipulations which the official management of the war will have to recognize in order to vindicate its declared purposes look in a different direction. They presuppose an opportunity of promoting democracy even during war, and particularly during a revolutionary world war. Compulsory service must be accepted because compulsion is a necessary part of the grim logic of war, and because voluntary recruiting degenerates into a peculiarly hateful form of moral and social violence. But it must be a selective conscription, which will exempt all who have valid moral objections to fighting and which seeks to organize the labor of the country for national service rather than merely to compel

honest men to fight against their convictions. The financing of the war offers an opportunity of redressing some of the inequalities in the distribution of wealth, against which social reformers have long been protesting in vain, and which may be lost if a plan of democratic finance is proposed merely for obstructive purposes and by opponents of the war. Labor standards, in so far as they contribute to the happiness and health of the wage-earners, must not be sacrificed, but the important work of the friends of labor is not to fight a temporary accommodation to the hard necessities of war, but rather to use the opportunity to improve the political and social standing of the labor unions and to adjust the union policy to the application of scientific method in industry. The operation of any censorship during war is dangerous to freedom of speech, but the danger is not serious so long as the government is at bottom not seeking to deceive or bulldoze public opinion, but to inform and direct it. The suppression of facts and at times of opinions is only the negative aspect of the necessary national propaganda. The government is conducting a dangerous and costly enterprise which will fail unless it is intelligently and loyally supported by popular opinion. Its success, consequently, depends upon its ability to capture and to hold the interest and attention of the American people, to make them understand not only what it is doing but how all its expedients and plans are controlled by its declared object of making the world a safer place for democracies.

The necessary propaganda, however, cannot be carried on by the government alone. It will need the support of every American who understands that the nation is engaged in not merely a military but a spiritual enterprise, in a war with the enemies within the gates as well as the enemies without. It may be difficult to cleave to this truth. There is daily coming into completer operation the forced moral draught with which during war a patriotic nation is infused. Congressmen vote for a declaration of war in which they do not believe, but against which they dare not protest. Other Congressmen who dare to protest against the declaration of war succumb to the compulsion of patriotism and vote the funds with which to carry it on. Press and pulpit conspire to make nonconformity disreputable. "We must all," says Mr. Wilson, "speak, act and serve together." Yet although the nation will be subjected to the usual process of moral compulsion in the interest of unity, we doubt whether it will be possessed by the usual war psychology. That psychological condition is associated with fear and with hate, and as yet the American nation does not hate and is not afraid. In entering the war it yielded to the deliberate choice of a limited but influential

class, rather than to the dominion of a tangible physical threat.

Starting with such a state of mind to work upon, liberals who can gain public attention will have a chance to put to good use the forced draught of patriotism. They can make the concentration of public attention and the fixation of the national will serve the cause of compulsory popular education as to the nature of war and the implications of democracy. They can bring home to their fellow-countrymen that a war on behalf of organized international security and the rights of all peoples would be the basest hypocrisy in case it supplied to foreigners a quality of security and opportunity to the national industrial organization denied to Americans. The people who willed American participation in the war must not be allowed to take the name of democracy in vain. By proclaiming it war between autocratic and democratic principles, those who were conservatives delivered themselves into the hands of the radicals. It remains for the radicals to use every chance offered either by domestic and foreign policy during the war to advertise and realize a democratic program.

America's Debt to Mr. Balfour

IN sending Mr. Arthur J. Balfour to this country as the head of its Commission, the English government made a singularly wise and happy choice. Mr. Balfour has all obvious qualifications for the task and some which are not so obvious. Americans will like to negotiate with him because as an ex-Premier and as Foreign Secretary in the existing Cabinet he possesses rare personal prestige and authority. They will like him, even though they do not negotiate with him, because he is an urbane, an honest-minded and fair-minded gentleman, whose conservative political opinions have never betrayed him into intellectual illiberalism, and whose influence upon British counsels in the present war is known to have counted in favor of moderation. But in addition to these obvious qualifications which are shared to a greater or smaller extent by other English statesmen, Mr. Balfour has an additional claim on the consideration of the American nation which justifies the extension to him of a particularly cordial welcome on the occasion of his first visit to the United States.

On January 15th, 1896, Mr. Balfour, then Leader in the House of Commons for the Cabinet of Lord Salisbury, made a speech about the relations between the United Kingdom and the United States, for which every intelligent American owes him a debt of gratitude. Some weeks before, President Cleveland, in objecting to the way in which the