

tion which wants peace no matter what the consequences. The politics which underlies the need for diplomatic intervention in the Near East is this: If Prusso-Germany establishes the Mid-European Empire it will be on the basis of her military prestige, of economic advantages, and of fear on the part of the peoples of southeastern Europe that the Allies contemplate their conquest and disintegration. In order to weaken this bloc in the heart of Europe two great things are necessary: Prusso-Germany must be stopped in her effort to dictate peace, and the submerged peoples must be enticed away from her by a clear assurance that the Allies contemplate a Europe in which they can be safe, prosperous and free. Since the Russian Revolution such a Europe is possible, and America's entrance into the war is an added guaranty of the fundamental liberalism of the Alliance.

## Tariff Plans of Congress

**I**N forming its plans for the first war revenue bill, the Ways and Means Committee of the House estimated that increases in the customs duties could be made to yield two hundred million dollars. The distribution of this sum meant a more than usually difficult problem in tariff legislation, for it involved the balancing of war needs with the considerations of international policy. The least sensible way of going about it was to put on a horizontal increase along the whole scale, regardless of what imports could best bear the additional duty.

It was this method which the Ways and Means Committee chose. As it began the framing of the revenue bill, certain suggestions as to the customs provisions, the result of informal conference with the Tariff Commission, came to it from the Treasury Department. So far as was possible in a hastily arranged program, these suggestions discriminated between wisely and unwisely levied duties. The Committee ignored them. A Democratic member proposed, instead, the scheme of laying on a tariff in the way paint is laid on, with a duty of ten per cent upon all articles now admitted free, and an indiscriminate increase of ten per cent upon those already taxed. With this idea a number of the Republican members were at once in accord. They acclaimed it as a recognition of the principle of protection. And since several Democrats approved the simplicity and lack of confusion in the proposal, a majority was effected. A few members protested, declaring that the plan did not recognize the needs and responsibilities set up by the war. But the Republicans were fighting for a principle, they said, the principle of

protection, and the bill was reported to the House. "Your committee," states the report, "realizes that this tax [the customs tax] is not scientifically nor equitably adjusted." Nor is it adjusted so as to contribute to the strategy of the war for which it raises revenue.

The case of tin is typical. Crude tin, imported chiefly from the Straits Settlements, is indispensable to the canning industry. A week ago, in a speech in the Senate, Mr. Fernald said, "Within an hour information has come to me that every cannery of food in the country to-day is shut down on account of the lack of cans." Of this shortage the Committee on Ways and Means has taken no account. It has placed upon tin the same increase of tariff as upon silks and laces. With the inventiveness of the nation taxed to find methods of supplying food to the Allies, the Committee proposes the further embarrassment of restrictions on importing a necessary product of which the country is almost destitute. The same reasoning has been applied to other requisite materials. Nickel is essential as a steel alloy in the making of armor plate, cannon and shells. Practically no nickel is produced in the United States. But instead of encouraging its importation in every way possible, the revenue bill proposes the handicap of a ten per cent tax on every dollar's worth. Copper, at the present time interchangeable on the Mexican and Canadian borders, tungsten, an essential for ordnance, zinc and brass—of these there is need for as much as can be had, at as low cost as possible, and without the discouragement of a tax. A duty on explosives, also carried in the bill, is inherently ridiculous at this time.

The most rudimentary coöperation is lacking. The war is directed against the submarine; until some method of destruction is discovered, the only way to defeat it is to build merchant ships faster than they can be sunk. Yet for the Shipping Board's plans to construct a fleet of wooden ships the revenue bill makes no allowances. It taxes lumber, just when the importation of lumber from Canada has an unprecedented need of encouragement. Other essential Canadian imports meet the same barrier. The chief hope of an increased stock of newsprint paper has been in the prospect of effective competition between American and Canadian producers. The American stock must now serve additional purposes; simultaneously a restriction is levied upon imported paper. Canadian foodstuffs, agricultural implements, horses for farms and armies, have a tax placed upon them just as they come to be of maximum desirability. Even gold and silver bullion will, in the terms of the Committee bill, be subject to a duty. Proposals as shortsighted as these are not to be ex-

plained on the ground that the revenue bill was brought into Congress as a skeleton plan, meant to be perfected in the course of its consideration. For in that case there was even more reason for the initial adoption of any suggestions the Tariff Commission might offer. Changes made on the floor of the House are made without recourse to a trained opinion.

The shortcomings in the customs provisions of the revenue bill are not the only indications of disregard on the part of Congress for the Commission which it has established to counsel it in matters of tariff legislation. On the day on which the war resolution was reported to the House, the chairman of the Committee on Ways and Means wrote to the Tariff Commission, asking for "suggestions in view of the present conditions, in connection with possible revenue measures." One of the first of such measures which should have had consideration was the matter of interim legislation. It is a common practice, when increased customs duties are threatening, for importers to seek the benefit of the existing lower rates by withdrawing from bond, and importing directly for consumption, more goods than would ordinarily be introduced. The government accordingly loses revenue during the period when the precise terms of the bill are being settled upon. Nor do the benefits of the lower duties accrue to the consumer. For, when the time comes to sell, the level of prices is fixed by the higher rates which have subsequently become effective. The only purposes served are the speculative purposes of the trader.

The need of interim legislation covering the present period was pointed out by the Tariff Commission in a report sent to the Committee on Ways and Means shortly after the war had been declared. The Commission recalled what had happened at the time of the Spanish-American War. The emergency revenue act of 1898 was introduced on April 26th, and became effective on the 14th of June. One of its provisions increased the duty on manufactured tobacco from six cents to twelve cents a pound. During the seven weeks while the bill was being debated, the withdrawals of manufactured tobacco from warehouses amounted to fifty-five million pounds, as compared with forty million during the same period of the preceding year. The sum of \$3,300,000 was accordingly lost to the government, above that yielded from the six cent rate. The total amount lost on fermented liquors and tobacco imports was almost nine million dollars.

It was the advice of the Tariff Commission that in the present instance adequate interim legislation should precede the introduction of any revenue measure. Great Britain, France and Italy have

legislation or legislative procedure which protects the national revenue from evasions of this sort. New or increased taxes are collected provisionally, while the revenue bill is pending, subject to refund if it should fail. The rights of those who have contracted to furnish articles at a fixed price are protected by an authorization to add the increased customs duty to the purchase price stipulated in the contract, in the absence of any express agreement to the contrary. In this country it might be advisable, on account of the greater freedom of Congress in writing new sections into the bill, not to follow the European custom of collecting interim taxes. Instead of making actual collections, the government might better require the giving to the Secretary of the Treasury of surety bonds to guarantee the payment of duties as finally provided for.

If the rights of those who have assumed contractual obligations are protected, there is no reason why Congress should not at once make the increased customs duties and internal revenue taxes effective. Interim legislation does more than protect the government from evasions; it has the advantage of establishing the higher rates in a period when the value of imports and the withdrawals from bond are normal. Business conditions and relations must to a certain extent be disturbed by increases in customs duties and excise rates. It is preferable that the necessary changes should be made without advance notice, when capital is not being wastefully employed in the purpose of avoiding the pending legislation.

It is the possible disturbance of business conditions which, in the present consideration of the revenue bill, has become the chief concern of many members of Congress. If the proposals of the Tariff Commission had been adopted before any revenue legislation had been introduced, the unsettling effects of the present bill, so far as customs increases go, would to a great extent have been avoided; for, with evasion impossible, there would have been no purpose in taking capital from its customary employment. There is still occasion for the enactment of interim legislation, since it must be some time before the revenue bill can be passed in both houses and the conference report agreed to. It is doubtful, however, whether Congress can readily be shifted from the plan of procedure which has been mapped out for it. That this country must profit by the experience of Great Britain and that the various governmental agencies must coöperate, have been the slogans of many addresses in Congress since the war began. But in the matter of interim legislation, embodying a considerable amount of British experience and a working coöperation with the Tariff Commission, there has been

little tendency to follow the theories that make such excellent watchwords.

A fundamental factor in the construction of a securer peace is the tariff legislation that will be enacted during the war, and in the period of reorganization immediately following it. A narrow imperialistic policy can make waste of the generous sacrifices that our going in will involve. A policy guided by wisdom and a willingness to forsake criterions which are now being proved unreliable will go far toward setting up a less precarious order. So far, the results of neglecting the counsel of a trained commission have been a poorly drawn tariff revision and a lack of interim legislation. With such a beginning there is need for pressure to be brought to bear, lest Congress continue to plunge ahead in tariff matters with no consideration for the body which should stand as a safeguard against the adoption of an outworn theory of politics.

## American Soldiers for France

**F**RANCE alone of the belligerent Powers can look upon the war as a simple if heartbreaking problem. Germans may disagree on the question of annexations and indemnities; Italians may disagree as to the feasibility of holding the Dalmatian coast against the secular pressure of a non-Italian hinterland; Russians may disagree as to the desirability of winning Constantinople, recovering Poland or conquering Galicia; Britons may disagree as to the solution of the problems centering in the Austrian and Turkish Empires and the German colonial dominions. For the French there can be no serious differences of opinion or division of purposes. The hereditary foe must be beaten and hurled back from French soil. As Frenchmen see it, there can be no peace until the Germans have been forced to evacuate not only northern France, but the whole of Alsace-Lorraine. The cost may be terrible, but France is ready to pay, to her last drop of blood.

There is nothing in the world to-day more admirable than this French heroism and singleness of purpose. But the French demand something more from the world, and especially from us her newest allies, than admiration. They demand that we should see the immediate military problem in precisely the same light that France sees it. Indeed, it seems hardly credible to them that we could take any other view of the war. Accordingly, the manner of American participation appears to the French as determinable by a simple logic. We represent an immense man power animated by purposes identical with the French. In effect, we are annexed reserves of ten million potential fighting

men. The French have already the officers, the fighting formation, the equipment. These are fairly permanent assets. Their chief wasting asset, to be constantly replaced, is men. Now just as they have drawn steadily upon their own reserves to supply wastage, until these reserves are all but exhausted, why should they not draw upon us, their new reserve? Let American recruits be hurried to France as promptly as possible, to be given the minimum of training behind the lines that will fit them for a place in the existing French formations. Thus the danger that the French lines may wear thin will be obviated. The flow of French blood will be promptly counterbalanced by an infusion of American. Perhaps at first a score of Americans would be incorporated in each French company. Later the American elements of a number of companies, in so far as they survived, might indeed be consolidated into purely American companies, seasoned by fighting at the side of the French. At a still later stage, American regiments, brigades, divisions might be formed in a similar manner. This is the substance of General Pétain's project for American participation. It is not new. The United States had hardly entered the war before similar projects were broached by other French officers. And it must be admitted that General Pétain's project offers great technical advantages. In no other way can American man power be so promptly brought to bear against the Germans. No doubt by adopting the project we could have at the opening of next spring an army in France quite fitted to hold an allotted section of the line. More time will be required if we follow our own devices in building up an army.

General Pétain recognizes that there might arise certain problems involving national sensibilities. Would Americans be willing to fight in the French army, under the French flag? These problems, however, General Pétain regards as not insoluble. It could be so managed that our men would fight under their own flag and the national military autonomy could in some fashion be preserved. And indeed if nothing stood in the way of the adoption of the plan but national sensibilities, we should not long hesitate. American soldiers would regard it as sufficiently honorable to fight for a time in the French army, under French officers. They would probably prefer to charge behind a French barrage rather than behind a purely American barrage that would at first inevitably be less effective. The obstacles to incorporating American soldiers in the French army are of quite another order.

The American public is not yet inured to the hideous cost of military operation on the western front. A French general may sacrifice a division of French soldiers for a gain of terrain that he