

national efficiency depends. Without administrative relief, to be sure, it might embarrass the insurance companies, the savings banks and trust companies and other financial institutions that are required by law to maintain a definite aggregate of values to cover their potential obligations. If the securities held by insurance companies, for example, were to be written down ten or eventually twenty per cent, many of the companies would be technically insolvent. There is, however, no reason why the value of such securities should be written down. They yield the same income as before, and it is out of income, not out of capital reserve, that all the current claims upon the companies are met. The same thing holds, with some qualifications, of other financial institutions. They are perfectly sound if only they are not held to technical requirements that are expedient in time of peace, but that could work immense mischief in a crisis. It is to be hoped that the state authorities will adopt the policy announced by the Controller of the Currency permitting national banks to use a moderate latitude in valuing their bond investments on a basis of "intrinsic worth," instead of the present abnormal quotations. The controller's diagnosis of abnormality may not pass the financial pundits, but the remedy he prescribes cannot fail of being salutary.

VOLUNTEERING as a method of recruiting armies is now quite generally recognized as inefficient, disorderly and unfair. Yet we cling to the principle of volunteering in one of the most important branches of our services, the medical service. The doctors are so little in the habit of airing their views in the public press that we hardly realize what a difficult moral problem the war presents to the conscientious physician or surgeon. Shall he abandon his practice, which to a man of his type is not a mere business, but the obligation of serving those who trust him as they trust no one else? Or shall he go about his affairs as if his country were not engaged in a life and death struggle, as if thousands of her sons were not suffering inconceivable pain, for want of an adequate medical personnel in the field? Such a problem ought not to be made to rest upon the individual conscience. All the physicians and surgeons of the country ought to be subjected to the obligation to serve, and the public authority ought to determine who should serve at home, who should serve at the front. The man who remains at home for reasons that are satisfactory to the public authority would then be freed from the reproach of being a slacker, and the man who goes would be freed from the charge of making light of his duty toward his regular clientèle. By no other method can we keep some communities from being stripped of

their able practitioners while other communities enjoy a relative plethora of medical service.

THE intense patriot in Europe may believe that national boycotts are possible, but a sad shock to this theory has just been delivered by the indiscreet firm of Thomas Cook & Son. It appears that when the Kaiser proposed his trip to Jerusalem some years ago he elected to follow the man from Cook's. This episode was lost to memory till a newspaper the other day implied that the Kaiser was not properly conducted through Jerusalem. Between patriotic hate and professional pride we may suppose the Cooks to have struggled, but professional pride triumphed excessively, and a letter was sent to the newspapers not only proclaiming the service performed by Mr. Cook but publishing a laudatory personal acknowledgment by the Kaiser. If this sort of buoyant disregard for antipathy can be shown in the middle of a war, what hope is there that tragic intensity can be sustained later on?

"Blade to Blade"

"OFFICIAL diplomatic relations [with the enemy] are of course broken off, but the stream of public opinion flows even across the frontiers drawn by trenches and cannon. Our newspapers flit across to the enemy's country, those of the enemy are studied here. The study of the psychology of our enemies, of the changing currents of public opinion, is also an important duty lest we should at a moment when all is hard, stiff and unbending stretch out our hand and hope to produce an effect by soft words or lest when on the other side the ice is melting and a more conciliatory mood sets in we should break in with a harsh word. We must keep in touch, blade to blade."—From a speech by Baron von Kühlmann.

The statesman among the Allied nations who is keeping touch with the enemy, blade to blade, is the ex-Premier of the United Kingdom, Herbert H. Asquith. He, as the official chief of the British War Aims Committee, has been making a series of speeches in which he has confronted the Germans on their chosen field of peace propaganda, and their attack is not only parried but it is answered with a counter-attack. He even competes with the Germans in using a discussion of the essential conditions of an enduring peace as part of his war propaganda. Mr. Asquith has been particularly emphatic in repudiating a peace based on the material guaranties which would seek merely to substitute a balance of power unfavorable to Germany for a balance favorable to Germany. He bases his hope of the future pacification upon a confederation of peoples. He asks us "to banish once and for all from our catalogue of maxims the time-worn fallacy that if you wish for peace you must make ready for war." And he insists

upon the necessity of considering, as soon as the fighting stops, "the limitation of armaments and the acceptance of arbitration as the normal solvent of international disputes."

Particularly effective, however, have been Mr. Asquith's retorts to the German propaganda in favor of an immediate peace conference. To all their overtures on the subject of a negotiated peace he has answered with the question, "What specifically are you going to do about Belgium?" and by thrusting this question at them he lays bare the impossibility of formal negotiation without a preliminary agreement as to principles and their consequences. He is using the original offense of the German government as an impregnable defense for the Allies against the German peace attack. If what the Germans mean by a negotiated peace is a trading arrangement whereby they can swop Belgium and northern France against a renunciation by the Allies of similarly negotiable international securities, they are trying to make the Allies the accomplices after the event of German misdeeds. Devoutly as we may hope and pray for a peace by agreement, it would be fatal to convert reconciliation into a mask for complicity. The Germans cannot expect other nations to believe in the sincerity of their peace propaganda until they are ready to make what reparation they can for the act which violated the most precious preserve of European internationalism and destroyed an essential bulwark of French and British security. A peace of reconciliation must face chiefly towards the future, but it cannot ignore the immediate past. It must be based, not on the trading of negotiable securities, conquests and commercial discriminations, but upon the acceptance of certain common principles of right and the repudiation of certain practices incompatible with those principles.

The German peace offensive has tried in vain to pass this barrier. Michaelis, like von Bethmann-Hollweg, has considered it sufficient to reply to the question by a refusal to tie the hands of the German negotiators, and by so doing they merely emphasize the truth of the complaint. They are manifestly asking the Allies to admit the absence of any real grievance and to consent under the cover of a peace by negotiation to an unprincipled barter of conquests. Von Kühlmann has sought a diversion by a counter question about Alsace-Lorraine. But the Allies do not have to accept a challenge as to their policy in that respect. They have not conquered Alsace. The Germans have conquered Belgium and a slice of northern France. Before their peace propaganda can make any headway they must agree to abandon all territory conquered by treachery and to abandon, also, the attempt to obtain compensation for surrendering

the fruits of their own misdeeds. After they have made this first essential concession, it will be time to consider how far the Allies are entitled to the territory which they have or have not or would like to conquer.

As long as the German government will not promise unconditionally to evacuate Belgium and northern France, it is unable to carry on a peace propaganda which will either divide its enemies or keep its own people united. None of the Allies will shirk continuing the war in order to prevent the German government from profiting by its initial outrage; and, until an unequivocal promise is made to repair the damage, German liberals can hardly believe that their country is fighting exclusively to guarantee its own security. Yet necessary as the promise is in order to give vitality to its peace propaganda the German government has a good reason to shrink from making it. If ever a German government consents to give Belgium and northern France a privileged position in the negotiations over occupied territory, the consent would be equivalent to a confession of guilt; and after the confession had been made it is difficult to see how the government which committed the offense and was driven to repudiate it could survive. The German people would deserve to lose the respect of the rest of the world unless they insisted on changing a government which was self-convicted of betraying them into making so many sacrifices for an unrighteous cause. Hence it is that Mr. Asquith's retort to the German peace propaganda tends to the same result as that of President Wilson. The latter is asking the German people to repudiate their government. The former is asking the German government practically to admit that it deserves repudiation. These are the terms upon which a negotiated peace becomes possible.

No matter how it dodges and doubles on its tracks to escape, the German government is pursued remorselessly by the fatal consequences of its initial offense in marching its armies through Belgium. It was an offense which could not have been committed by any Power whose rulers were not planning an aggression dangerous to the security of the rest of the world. It was the beginning, consequently, of a train of events which little by little has marshaled practically the whole of the civilized world against Germany. The submarine campaign was the direct result of the violation of Belgium, because the German government was compelled by its moral isolation to seize any weapon which offered a chance of victory. The enemies of Germany are not unreasonable in insisting on the impossibility of negotiation or of reconciliation without a repudiation of the offense and of its perpetrators.

The Labor Shortage

THE American labor supply was never less adequate to the demand than it is today. From all over the country warnings are heard that unless something is done to increase the supply of agricultural labor we must fail as a nation to meet in full our obligation to feed the world next year. Our harvests have been good, and we have managed to get them under cover with no very serious losses that can be ascribed to labor shortage. But we cannot safely count upon another equally favorable season. We must prepare for a greater acreage and more intensive cultivation, and this will require more labor. Our mining industries need more laborers. Through better organization and the elimination of idle time we are raising more coal than ever before, but not so much more as to assure us that our furnaces and factories will be satisfactorily supplied. Our shipbuilding program is embarrassed for want of hands. The construction of dwellings to accommodate the normal increase in urban population is hampered by lack of labor. Even emergency construction designed to shelter the ever increasing influx of workers to the munitions factories is held up.

Moreover, the condition is likely to grow worse before it grows better. If the war is to last another year, or longer, the withdrawal from industry of young men for military service will influence the labor supply very perceptibly. Thirty divisions in France may grow to forty or fifty. Not only will this number be withdrawn from our list of potential producers, but the work of supplying them with guns, munitions and supplies will represent a tremendous strain upon our industry. With the progress of the war the demands for material increase at an accelerating rate. Each new offensive is distinguished by the fact that its consumption of munitions is wholly unprecedented. When all due allowance has been made for improvements in the processes of munitions production, it remains true that every division in the field makes progressively greater drafts upon the labor at home.

Our obligation to supply our Allies to the extent of their inability to supply themselves must also be borne in mind. With five million men or more under arms, England cannot be expected to provide for the increasing demands for material from France and Italy. More and more of her industrial energies will be required to supply her own armies. The industrial effort of France may be assumed to be at its maximum. Italy is hampered in her attempts at industrial expansion by lack of raw materials—a lack that cannot well be supplied until the volume of ocean tonnage is materially increased. Plainly, what lies ahead of us

is a tremendous industrial effort. Our output of the necessities of war must increase, at the same time that we must provide for the needs of our civil population, and in large measure for the needs of the civil populations of the countries allied with us.

Where are we to get the labor that such an industrial effort demands? Some of it may be released from the industries supplying objects of comfort and luxury that we shall forego as we divert more and more of our national income to the payment of taxes and to subscriptions to government bonds. Some of it may be secured through a better organization of the labor market, reducing the time a man loses between jobs. Here and there labor may be economized through the introduction of automatic devices, or through a more lavish use of mechanical power. But the chief potential resource at our command lies evidently in the increased employment of women.

Before the war the industrial employment of women was at least as general in England, France and Germany as it is in the United States today. Under the necessity of war, those countries have found it possible greatly to increase the number of women in industry. The women recruits to industry have not indeed filled the places of the men called to the colors. Total output has suffered decidedly, especially in the export industries. But it is not too much to say that it was this additional employment of women that saved the Allied cause and enabled England and France to place the Germans on the defensive.

It is now incumbent upon us to see how far we can substitute the labor of women for that of men. Before the war it would doubtless have been urged that the private interest of employers had already introduced women's labor wherever this would pay. We have now learned that mere inertia is an important determinant of industrial arrangements. The British government is employing women where it formerly employed only men, and with results that are satisfactory from a financial point of view, as well as from the more essential point of view of economy of national resources. At the Woolwich arsenal, for example, only 125 out of the 10,866 persons employed in August, 1914, were women. According to the latest available reports, 25,000 out of 73,500 now employed are women. Women make up over 60 per cent of the personnel of the department of design and inspection. In private industry women have found their way into numberless employments formerly monopolized by men. In this movement toward the employment of women the private interest of the employer has been reinforced by patriotic considerations. Doubtless in many instances women are employed where it would be more profitable to employ men, even