

The German Moratorium

IT is the moderates who are advocating a moratorium on German cash payments. The French government, with its record for consistency bound up with implacability, opposes the plan vigorously. In England and America the fast dwindling body of propagandists for the obliteration of Germany is against a moratorium. If it were safe to take one's position according to existing party alignments, every liberal would be bound to support the moratorium project.

But that would be safe only if the past policy of the moderates on the matter in question had been on the whole salutary. They have already had their innings twice. The first time was when they succeeded in saddling a Reparations Commission on the back of the indemnity. They recognized that the indemnity was a baleful monster, capable of treading down every fresh growth of economic life in Europe. But they thought that a commission on its back would be able to restrain it, domesticate it even, and put it to useful purposes. They were wrong. The indemnity has worked just as destructively as it would have had there been no Reparation Commission. The chief result of the creation of the commission was to throw dust in the eyes of the moderates and make them accept the role of sponsors for the indemnity.

The second time when moderation exhibited its workings was during the London Conference, which fixed the indemnity terms as they now stand. The total indemnity, thirty-two billion dollars, was obviously wholly beyond German capacity to pay, as well as wholly beyond the just rights of the victors to reparation. But the settlement offered a loophole to moderation. Bonds were to be issued against the indemnity, Classes A, B, and C, but the last class should be actually floated, and draw interest, only when German ability to pay exceeded the requirements of Classes A and B. If Germany never became able to pay she would never be asked to pay. Was not this a great moral victory for the moderates? But in rejoicing over it they failed to observe that Classes A and B already exceeded Germany's liability, as honestly interpreted, and her ability to pay, as practically ascertainable. The moderates let themselves be taken in by the ancient commercial practice of doubling a price and then knocking off fifty per cent as a special concession to a favored customer. Therefore we are justified in looking scrutinizingly upon this new bargain, the moratorium.

In the first place let us face the fact that the financial condition of Europe is very serious indeed. Mr. Hoover tells us, to be sure, that "outside of the government finances of a limited

number of states the outlook is very encouraging." The statement is true, properly interpreted. That "limited number of states" includes practically all the states of Europe. Possibly it would exclude Holland, Scandinavia and Switzerland, although even in these states the public debt is growing apace. Perhaps it would exclude England, but the tax burden the British subject must meet this year is between three and four times as heavy as that under which we are groaning. For the rest of Europe the financial position is hideous. France is better off than most of the other states, but we need not overlook the fact that the French public debt has increased more than one hundred per cent since the armistice. The French budget does not balance, and there is no hope of making it balance, either through sums squeezed out of Germany or through taxation. We may profitably set off against Mr. Hoover's optimism the words of Marshal Foch:

"For the world is in economic purgatory, as it suffered in a spiritual purgatory during the war. If it would have paradise regained it must act with all its heart, with all its soul; we can not establish a lasting peace by hoping for it; we must work for it. The need is imperative. . . . The principal fact is that something must be done, and that at once."

That, we think, must be the opinion of everyone who is willing to face the facts of Europe. Something must be done; something drastic. No time-wasting palliative, like a moratorium on indemnity payments, ought to distract attention from the main issue. That issue is to bring the nations together to discuss frankly ways to put their international financial relations on a practical working basis. Cut and scale, where what can be cut off is nothing else than suffocating claims that work disastrously to the interests of every country in Europe.

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In Memoriam—Willard Straight

[The following sketch of Willard Straight will be published sometime during 1922 as the introduction to a memoir of his life and work.]

WILLARD DICKERMAN STRAIGHT was conspicuously a man of diversified interests. His career, in the sense of his voluntary and responsible contact with the world, began when in the late fall of 1901, at the age of twenty-one, he sailed for China. From that time until he died in Paris on December 1st, 1918, he was eagerly seeking many experiences and engaged in many affairs. Trained in college as an architect, he always remained keenly observant of the outside aspect of things, and particularly during his early residence in China, his pencil and his pen were both busy in reporting what he saw. He was impressionable, sensitive, alert, inquisitive, quick to the challenge of the occasion and the affair. Yet he was not by temperament an artist. Primarily he was a man of action. He did not want so much to report life and re-interpret it as to modify it.

His occupations were as diversified as his interests. Beginning as an official in the Chinese Customs Service, he resigned in 1904 to act as correspondent during the Russo-Japanese War. At its end he entered the service of the American government as Vice-Consul at Seoul, and during the next few years he served successively in Korea, in Washington, in Cuba and finally as Consul-General at Mukden. He resigned as an employee of the State Department in order ostensibly to go into business, but the business in which he engaged remained public. No well-wisher of the Chinese people could live for long in China without becoming interested in the development of her economic resources. He was interested in a large way and in an essentially public and political relationship. Seeing that American policy in China was less selfish than that of other countries, he sought to induce American capital, as an agent of the American government, to invest in railroad construction. He labored for the next few years to overcome the grave political and business obstacles to this enterprise. When President Wilson withdrew the support of the government from the group of American bankers which had consented to lend money to China and deprived his work of all immediate chance of success, he occupied himself with various affairs until the United States entered the war in April, 1917. During the last eighteen months of his life he was a soldier, but

it is characteristic of his versatility that while a soldier he performed some of his best work in an essentially civilian capacity and that in the few weeks between the armistice and his death he had returned to diplomacy. When he was taken sick he was helping to plan the organization of the American delegation at the Peace Conference.

During the seventeen years of his active life, therefore, Willard Straight served successively as an employee of the Chinese government, a war correspondent, a member of the American Consular Service, a financial diplomat, a business man and a soldier. Yet the variety of his occupations was not the reflection of any essential discontinuity of purpose. He took his orders from the irresistible prompting of a lively and versatile imagination. He could never refrain from deserting the less for the greater adventure. His original intention of becoming an architect yielded quickly to the project of going to China and of opening up for himself a less routine career in the unexplored and beckoning East. He worked hard to qualify himself for his new job, but he was as little cut out for the hum-drum life of a Chinese civil servant as he was for that of an architect. When he resigned his position to become a war correspondent, he was not deserting a chosen career. He was yielding to the dictates of his imagination and embarking his own life on the largest adventure within his reach.

In abandoning a year or two later the consular service of his country in order to interest American capital in the development of China, he again gave up a safe routine occupation and responded to the call of a pioneering enterprise. This new affair was the outstanding adventure of his life. It was the culmination of his seven years of exploration, of study, of experience and of experiment in China. It demanded for its success high abilities as a negotiator, as a judge of men and as an appraiser of political and economic conditions. It was, indeed, the one enterprise in the China of that day which was bound to tempt a man who was pioneer both in temperament and in mind. The development of China was no longer a matter of opening up ports and extending commerce. It had become a matter of building railroads, tapping natural resources, founding industries and of seeking those changes in Chinese political and social organization which would equip it to stand the