

PERHAPS the most extraordinary recent example of calling in government to assist private business is contained in Governor Miller's New York City transit legislation. During the campaign Governor Miller, like so many other Republican speakers, was loud in his protests against the tendency to bureaucratic centralization which had prevailed during the war. Yet as soon as he assumed power, he introduced a bill which vests in an administrative commission powers to dissolve contracts made by popularly elected officials and to force popularly elected officials to obey administrative orders which are unprecedented in American legislative practice. His new public service commission will exercise as unlimited a grant of discretionary administrative authority as is known to the public law of any country. We doubt whether Prussian bureaucratic centralization ever went as far as Governor Miller has gone in his attempt to put an end to the transit deadlock in New York City. Of course the explanation is simple. This huge grant of administrative power is intended for the benefit of business. Its purpose is to save business men and investors from the results of a bad bargain.

MR. BONAR LAW may have resigned from the Coalition Cabinet solely because he was too ill to go on working, or he may not. Rumor persists in ascribing this act to his disagreement with Lloyd George over Irish policy. What is just as important as the possible truth of this is that Mr. Bonar Law is gone. For with him went the faithful Unionist leader on whom Lloyd George had so long relied for the discipline of his Unionist support. Will the Unionists, who are in so great a majority in Parliament, demand that the Ship of State steer wholly on a course their numbers make them think they are entitled to dictate? Lloyd George's real support seems to be founded on the Conservatives rather than the Liberals. The Cardigan election proves it: Here his candidate drew 14,000 votes, half of whom at least were Conservatives. The independent Liberals, who polled 10,500 votes in this contest, outnumbered the Coalition Liberals who supported Lloyd George by about 10 to 7. If Lloyd George feels the threat of a general election, where is he to turn for his support?

WHATEVER should be the result of a British general election, one thing is sure: the Labor vote would enormously increase. Labor has won eight seats in by-elections since 1918. But this figure is not so significant as the total Labor vote in all by-elections. From the London Daily Herald we learn that the same constituencies which in 1918

gave the Coalition, Labor and Liberal parties 411,800, 148,780 and 91,800 votes respectively, have in by-elections since then, given about 417,000 to the Coalition and 368,000 to Labor. This is an increase of 250 per cent in Labor's strength.

AS we go to press, the Upper Silesians have voted to remain with Germany by a majority of over two hundred thousand. Apparently the desperate intrigue and even terrorism practised by both sides did not prevent the mass of the population from recording its vote, and recording it decisively. But the population's choice does not settle the question: by the treaty the Allies must now draw these frontiers with due regard to the "wishes of the inhabitants." French officials, though saddened, do not admit that Silesia is lost to Poland: wherever the vote was Polish, they say, the land will probably be Polish too. One can imagine the confusion which would result from delimitation on such a principle, for in many cases towns which voted solid for Germany are islands in a sea of country districts which voted for Poland.

The Viviani Mission

FOR the second time M. Viviani, an ex-Premier of France and an eloquent and liberal French political leader, has come to this country on a mission of extreme and urgent importance. He came first soon after the American declaration of war against Germany chiefly for the purpose of bringing home to the American government the imperative necessity of sending at the earliest possible moment the largest possible number of troops to France. The American General Staff had not decided at that time to concentrate all its efforts on organizing with the utmost celerity a large expeditionary force. He convinced the President and his military aids that if Germany was to be defeated they must do all they could to reinforce the Allied armies. It was the success of M. Viviani's first mission which quickened the American military effort and enabled this country in the spring of 1918 to go to the rescue of the Allies with the millions of new soldiers whose presence in France saved the Allied cause from probable defeat.

He comes in the spring of 1921 on a very different mission. His object now is to negotiate a better understanding between America and France as to the desirable political consequences of their joint military victory over Germany. A real understanding and agreement has unfortunately never existed. Mr. Wilson should have made some attempt in

May, 1917, to bring together the war minds of the two nations. No country in the world except America would have prepared to spend thirty billions of dollars and recruit three or four million troops as her contribution to a military coalition with whose objects in fighting she might not fundamentally agree, but that is what America under Mr. Wilson's leadership did. The President promised all American resources in money and men which it was possible to mobilize for service in France without asking the French government how far it accepted his own recently proclaimed program of American aims.

The consequence inevitably was misunderstanding and friction between the two countries. In May, 1917, there was a deep discrepancy between French and American objects. It turned upon the proposed treatment of the vanquished in case military victory enabled the Allies to dictate the future destiny of Germany. The American program, as defined by President Wilson in his April address, looked toward ultimate conciliation. He discriminated between the culpability of the German government and that of the German people. If they would repudiate their government, he promised the German people in the event of defeat fair treatment and the chance of recovery. His dominant object in placing American military and financial resources unreservedly at the service of the Allies was to bring about permanent pacification and to prevent the repetition of such an awful catastrophe. The French government, on the other hand, believed neither in the possibility nor in the desirability of conciliation. It naturally wished to prevent anything of the kind from happening again, but the means by which it proposed to protect western civilization from a repetition of the disaster was to destroy Germany as a positive element in the political and economic counsels of Europe. French political leaders regarded Germany as their incorrigible enemy. They proposed not to conciliate but to render her impotent. They had written treaties with their European Allies which in the event of victory would permit them to accomplish this result. The Wilson war aims blocked their way, but they were not asked to agree to the American program. As long as they could obtain unlimited American military assistance without discussing the discrepancies, they naturally did not volunteer dissent.

After the victory was won and the delegates of the Allied governments assembled in Paris, the conflict between the French and American program of peace threatened for many months to render the conference abortive. The conferees finally

avoided a break, but they avoided it by a spurious combination in one instrument of the two contradictory programs. In the provisions of the Treaty the French won almost a complete victory. It furnished the French government with a weapon which could be used to emasculate Germany and render her political and economic resurrection impossible. In the League, on the other hand, Mr. Wilson was supposed to obtain an organ of ultimate pacification which would place a serious if not an insuperable obstacle in the way of future war. But Mr. Wilson's organ of pacification was a weak thing compared to France's weapon of retaliation. It might survive and serve, provided its members employed it in good faith to build a common foundation for future international security and to work out practicable methods of international conciliation and cooperation. But France did not enter the League with any such intention. Her statesmen have never pretended that in joining the League she committed herself to seek security for herself and pacification for Europe by the ultimate adjustment of her quarrel with Germany. On the contrary, the tendency and the clear object of the Treaty was to perpetuate the feud. Her attitude placed upon the League the impossible future task of conciliating irreconcilable national animosities, of correcting incorrigible grievances and of providing police protection for people whose belts bristled with knives and pistols. The French obtained the substance while Mr. Wilson obtained only the form; and he purchased French acquiescence in the form of a League by guaranteeing in the name of America the success of a Punic peace which violated his public promises to the German people.

Thanks to the Senate, America refused to ratify the Treaty of Versailles and so escaped, at least for the moment, the ignoble fate of solemnly endorsing the defeat of her own ideals. The refusal of the Senate was based, to be sure, less upon the vices of the Treaty than on the undesirable responsibilities which America assumed by joining the League, but among those responsibilities the one which the Senate liked least was that of the necessary future implication of this country in irrelevant and irreconcilable European quarrels. The refusal was extremely disconcerting to France—so disconcerting that the French government is sending M. Viviani to this country on a second mission chiefly for the purpose of persuading the new administration to revoke it. Ostensibly the object of his mission is to confer with President Harding and Secretary Hughes about the nature of a new society of nations which will avoid the Senate objections to the existing League, but the ob-

ject is so stated only for the purpose of accommodating French policy to the illusions of American opinion. The French are not interested in the League except as an unfortunate but at the time an unavoidable appendage to the Treaty. M. Viviani's mission can have only one real purpose—that of obtaining an American support for the existing and future coercion of Germany.

The new outbreak of war proves that the Treaty of Versailles was a Punic peace and that as a Punic peace it is going to be executed. The English attempt to modify it into a conciliatory instrument has collapsed. There is no remaining opposition which is capable of being dangerous except that of the United States. It is essential, consequently, for the success of the French plan to provide against possible American opposition. The execution of a Punic peace is costly. It will be extremely costly to the American people. They are suffering from an economic collapse which is at least partly due to their inability to sell their supplies abroad. The new war will prevent any recovery of European economic vitality. It will diminish still further the effective demand for American food and raw materials in Central Europe. It will also react unfavorably upon the ability of France and Great Britain to consume American products. It will increase the expenditures of the bankrupt European peoples on armaments. It will intensify the hatreds and fears which are expressed in tariffs as well as in armies and which interfere with economic intercourse and expanding production. It will arouse a general popular discontent which may eventually result in the exercise of political pressure on the American government to undertake, in the interest of a settlement, some kind of intervention. As long as the American nation is not one of the executioners, the authority and the success of the execution must remain questionable.

Of course M. Viviani will not proclaim that what he wants is American assistance in order to carry out the original French plan of reducing Germany to future political and economic impotence. France, he will declare, seeks nothing but justice and reparation. The object of the new birth of war is to force on a shirking Germany the payment to her victors of the barest compensation for her misdeeds. No doubt many Frenchmen believe in this account of French intentions just as many Germans believed in 1914 that their government was fighting a defensive war. Unfortunately the plain effect of their behavior falsifies the explanation. The method they are using, which is **military coercion**, is not adapted to the declared end of economic restoration. It is bound to inflame

the resentment of the German people, to make them more than ever determined not to pay and to provoke in France a demand for the application of still severer and more destructive penalties. There is no telling how far the logic of a coercive policy will carry the French, but the more drastic they become the less they will succeed. It is impossible to collect reparations on the proposed scale without the consent of the German nation, and even if it were possible, such reparations would not avail to repair the damages. As John Foster Dulles so clearly shows on another page of this issue the Allies are waging war on Germany in order to wring from her a volume of commodities which, if delivered, would injure Germany without benefiting France. The new war and the policy which it serves are sheer sabotage. France can gain nothing from their success except by virtue of the damage she does to Germany.

These are hard words but it is necessary to speak plainly. The American people are not being accurately and sufficiently informed about the objects and the effects of the new war. They find it portrayed in the cables from Paris as an appropriate answer to an egregious default on the part of Germany and as a justifiable and well-considered means of repairing the damages. In spite of their suspicion of the wisdom of waging war in order to collect money, they may drift into accepting and supporting it as an inevitable and desirable method of ironing out the differences between the victors and the vanquished. But it is as far from being inevitable as it is from being desirable. By helping Europe to cancel the liabilities which keep alive the exclusive interests and the vindictive spirit created during the old war, the late American government could have rendered the new war unnecessary and the present government could now bring it to an end. The original American policy of conciliation is by way of dying, but it is not yet dead. It is the only policy which can heal the sufferings of Europe. Unless it is honestly and intelligently tried, one shudders to anticipate the distress which may in the next ten years overtake the European peoples. But it can be honestly and intelligently tried only under American leadership and with American assistance; and American initiative will never obtain a sufficient popular support unless the cause and effects of the Allied policy of retaliation are understood and its motives repudiated. That is why plain speaking is desirable. It has become the condition of convincing popular opinion in this country of the desirability of intervening in the new European war as an independent, friendly and powerful mediator and of the dangerous folly of intervening as an accomplice.

The Tactics of General Atterbury

THE testimony of the chairman of the Association of Railway Executives, before the Railway Labor Board at Chicago shows the change of heart which the railway managements have suffered since the Esch-Cummins law was enacted.

It is now for the first time a matter of public record that the Association, on March 29, 1920, by a vote of 60 railroads to 41, repudiated its own labor committee, which advised a conciliatory policy toward the railway unions, and rejected its recommendation that the railways join with the unions in setting up national adjustment boards for the peaceful settlement of grievances. Instead the board adopted a fiery minority report of General Atterbury, (in which he alone of the committee members joined), breathing hostility to the Brotherhoods and vaguely prophesying syndicalism and ruin if the adjustment machinery set up during the war should be restored. Thereafter the executives were represented, in labor matters, not by Mr. Carl R. Gray, President of the Union Pacific, who since his association with Mr. McAdoo during the war has had a progressive mind on labor matters, but by General Atterbury, whose industrial philosophy is closely allied with that of Mr. Gary.

General Atterbury's melodramatic appeals to the Railway Labor Board were the first fruits of this new intransigent policy. With a fine show of impatience the General asked the board, without hearing evidence and without further deliberation, to abrogate the working rules established during the war and then retire from the controversy, leaving the railways to fight the matter out with their employees. The board's obvious answer was that its duty under the Transportation act was to decide controversies after hearing and deliberation, not before. After this flurry, the parties settled down after the manner of litigants to contest the issue before the board, namely whether or not national or regional boards of adjustment should be established, or whether each road should deal with its men according to its own sense of policy or power.

In another respect also the railways suffered a severe defeat before the Railway Labor Board. They asked the board, in determining wages and working rules, to take into account the financial condition of the railways. The board refused, saying that under the Transportation act, complaints as to the inadequacy of earnings must go before the Interstate Commerce Commission. The Railway Labor Board is only concerned with the justice and reasonableness of wages and working rules.

Upon the surface the ruling may appear to be

merely procedural, but in reality it involves a fundamental controversy. The railways claim that they are entitled to a fair return on their property. If rates are too low to bring such a return, they must be increased, even if an increase spells ruin to shippers. If higher rates cannot bring a reasonable return, wages must be cut, and employees discharged, even if lower wages and unemployment mean starvation to the men and their families. This, and nothing less, is what the railways mean when they say that inadequate earnings must be taken into account by the Railway Labor Board. The receiver of the Atlanta, Birmingham & Atlantic Railway put this theory in a nutshell when he said that any order of the Railway Labor Board putting wages higher than the financial condition of the railways warranted would be unconstitutional.

On the other side is the claim of the employees that their right to reasonable wages and working conditions is at least as important as the railways' right to a reasonable return on the investment. A railway cannot reduce the price it pays for coal because its earnings are low. Why should it reduce the price of labor? Investors, when they put their money into railways, had certain expectations of profit, and took certain chances of loss. If the business was successful, the profit was theirs. If business was poor, and especially if it was so poor that it had passed the point where higher rates bring greater earnings, theirs was the loss. Why should they now try to shift that loss to the laborer, who is least able to bear it, who gets none of the profits of successful railway operation, and who never as a part of his bargain accepted the risk of loss from unsuccessful operation?

That is the heart of the present controversy between the railway companies and the unions. As a matter of economics, if not of strict accounting, there is a large national railway deficit. As long as present business conditions prevail, the railroads cannot earn enough to pay fair wages and a reasonable return on their investment. The railway officials themselves apparently admit that a further rate increase would not increase earnings, and might decrease them. Who is to bear the deficit, investor or worker?

We have no solution to offer. The policy of throwing the deficit upon the workers is condemned by its palpable injustice. Yet as long as the country depends upon private financing of its railway system, investors must have a fair return if the roads are to secure the new capital which they urgently need for their rehabilitation. The situation presents one of those hopeless dilemmas we cannot escape while we adhere to our present system of private financing and public regulation of railways.