

The New REPUBLIC

A Journal of Opinion

VOLUME XXXI

NEW YORK, WEDNESDAY, JUNE 14, 1922

NUMBER 393

Contents

The Week	59
Editorials	
The Puzzle of Our European Policy.....	61
Bed Rock of the Coal Question.....	63
On the Wrong Track.....	64
Labor Proposes Economy.....	65
General Articles	
Oil.....Walter N. Polakov	68
Genoa: Hope Deferred.....George Glasgow	70
To the Highest Bidder.....Robert L. Duffus	72
The Flag in the Coal Mines.....	
.....Arthur Garfield Hays	74
Figure (Verse).....George Brandon Saul	75
Demon Lovers (Verse).....Elinor Wylie	75
Correspondence	76
The Crow's Nest.....Clarence Day, Jr.	78
Books and Things.....P. L.	79
Reviews of Books	
On the Trail of the Truth.....Robert Littell	80
The Cooperative Movement.....Harold J. Laski	80
The Teaching of Jesus.....Kirsopp Lake	81
O Pioneers!.....Bruce Bliven	82
The Poetry of Ireland.....Lloyd R. Morris	83
Working Women.....Dorothea Brande	84

The Week

PREMIER POINCARÉ'S note to the powers amounts practically to a proposal that no further negotiations with Soviet Russia shall be entered upon. It demands that as a preliminary step the Soviet government must acknowledge all the debts of the old régime, both the pre-war and the war debts, and that it must restore unconditionally all property belonging formerly to foreigners, except that where this is physically impossible it must offer compensation on terms agreed upon between Russia and the foreign claimants, or settled by arbitration. In return for these concessions France offers absolutely nothing but a certificate of moral approval which may or may not induce private individuals to extend credit to the Russian government or to associations organized under it. How scant a prospect there would be of any such extension of credit may be deduced from the following considerations. The debts to be assumed by the Soviet government are vast enough to absorb its credit as completely as the indemnity has

absorbed the credit of Germany. Even if the Soviet government were absolutely stable no prudent investor would extend credits on top of such a mass of obligations. But the acceptance of such onerous conditions in exchange for purely derisive benefits would wreck the prestige of the Soviet government and make its fall inevitable. Nor is there any reason for thinking that it would be succeeded by a conservative régime with which foreign investors would care to do business. Poincaré's policy is not a policy of peace, but a policy of war.

MANY Americans are no doubt of the opinion that Poincaré's view, though unrealistic and futile, rests upon some sort of abstract justice. French nationals in good faith invested their money in Russia, and their title, it is assumed, is as good as that of private property owners anywhere. This, however, is entirely to overlook the circumstances in which France became an investor in Russia. In order to maintain her position as a great power against a Germany growing ever more powerful, France had not only to ally herself with Russia, but to make whatever sacrifices might be necessary to equip Russia with munitions, armament industries, strategic railways. For the furtherance of its political designs, the French government placed the saving power of the French people at the disposal of the Russian Tsar. And no one will say that the policy was not justified from the nationalistic French point of view. If the French had not built up the Russian power it would have been the Kaiser, not Clemenceau, who dictated the terms of peace. The French already have the fruits of their investment in Alsace Lorraine restored and in the French military hegemony of Europe. That is, of course, no reason why they should not try to get their money out of Russia, too. But in their zeal to get it they strove to thrust aside the present rulers of Russia and set up a régime they could depend on. They made war, openly and ruthlessly, upon the Soviet government and

were beaten. And therewith they threw a heavy cloud over their claim to compensation. War does not necessarily extinguish private rights, but whether such rights are to be revived after war depends on the terms of settlement. And where neither party is subjugated, settlements run in terms of quid pro quo.

OFFICIALLY the retirement of Mr. Bakhmetieff has no bearing upon the Russian policy of our State Department. Practically, however, it has an important bearing. It is the final acknowledgment of the absurdity of the assumption on which the Wilson-Hughes Russian policy was based. This assumption was that the defunct Kerensky government was somehow truly representative of the Russian people, and in falling fell only into temporary eclipse. All the rest of the world abandoned that assumption three years ago. It was perfectly plain that whatever might come out of the Russian revolution, the restoration of the Kerensky party was among the excluded possibilities. Mr. Hughes may oppose recognition of the Soviet government as vigorously as before, but he will find it increasingly difficult to delude himself with the notion that his opposition means the positive support of another and more satisfactory régime. He will have to content himself with the position of an apostle of negation. How he can ever get out of that position we do not know, unless Mr. Bakhmetieff, who is, we believe, a talented and versatile gentleman, with more patriotism in his make-up than partisan obstinacy, returns from Europe to impart the discovery that the Soviet government has a great admiration for Mr. Hughes and means to incorporate his precepts in its revised constitution. The Soviets and Mr. Bakhmetieff are capable of rigging up something of the sort, and Mr. Hughes is capable of being taken in by it.

INTERNATIONAL bankers had been asked to find a way for floating a German loan, to enable Germany to put her house in some sort of order and begin adequate payments on reparations. Apparently the security contemplated by M. Poincaré was in the nature of a second mortgage on Germany's resources, with the reparations claim representing the first mortgage. But the bankers are not satisfied. They not only insist that the reparations claim exhausts all the security there is, but hint that not even a juggling of priorities will do any good so long as the indemnity is so heavy as to require military occupation and threats of punitive expeditions to enforce it. Before the bankers will talk business the indemnity

has to be cut to about fifty billion gold marks. The New York Times will have no difficulty in determining the origin of the bankers' views. They are practically the views that the liberals have been expressing, in season and out, ever since the Treaty of Versailles was published. Even the figure of fifty billion marks has been the favorite outside liberal estimate of what Germany was able to pay. The bankers are merely parroting the liberals in dwelling on the futility of an indemnity which requires constant application of military force to collect it. Where did the liberals get their views of the question, in the first place? The theory of the Times was that those views sprang from pro-Germanism and Bolshevism. Accordingly the Times will either have to join with Tom Watson and Bob LaFollette in denouncing the international bankers, or turn its coat and do an about face. "Jack be nimble; Jack be quick."

THE retirement of Hsu Shih-chang as president of China and the expected accession of Li Yuan-hung bring equilibrium nearer in China. The elimination of President Hsu has long been deemed by every element in the country to be indispensable to unification. He has been a source of contention since his election by a corruptly trumped-up parliament in 1918, and by intriguing now with one faction and now another and doing the bidding of any military leader who promised to continue him in office he has made for constant turmoil. The recall of Li Yuan-hung is an effort to recover a position of legality for the central government. Li was the republic's first vice-president and succeeded legally to the presidency on the death of Yuan Shih-k'ai, remaining in office until he was driven out by a military conspiracy in 1917. He is a man of little force of character and no qualities of leadership, but he is universally credited with integrity and sincerity and holds public confidence. His chief contribution will be that he will not make use of the presidency as an instrument of political advantage for any one party, as it generally has been used. And there is no other candidate who would not arouse the hostility of so many factions as to make renewed hostilities certain.

ANOTHER factor making for equilibrium is the turn of events in South China. Dr. Sun Yat-sen has been pressed to withdraw his claim to the presidency simultaneously with the retirement of President Hsu in order to clear the ground for a fresh start under a united government. Thus far he has refused, as usual, though his chief reason for setting up an independent government has been the illegality of President Hsu's government and the

lack of a legal parliament. The latter objection Wu Pei-fu has met by the recall of the old parliament, Dr. Sun's own body. However, Chen Chiung-ming, governor of Kwangtung province and Dr. Sun's chief military support, has turned against him and insists on his resignation in the interests of national unity. With Chen Chiung-ming are several other Southern generals, most of those who refused to follow Dr. Sun in his ill-starred alliance with the defeated pro-Japanese general, Chang Tso-lin, and Sun is being forced into a position of untenable isolation. His military campaign against Kiangsi province need not be regarded as important. It is an effort by a military success to bolster up his crumbling prestige and if necessary, in case he is driven out of his capital in Canton by Chen Chiung-ming, to give him a new base. But in Kiangsi he cannot be a serious factor, even if he refuses to support the new government.

THE jail sentence passed on Charles R. Crane by a French military court in Syria, while he was being entertained there by high officials, is comedy, but comedy that conceals tragedy. The tragedy affects not him, but all the mixed peoples of that region, as he pointed out at Paris, in the blood and treasure demanded by the effort of allied Europe to partition the former Ottoman Empire into mandated areas, really spheres for commercial exploitation. From personal study and interest, and as head of an official mission sent out by Mr. Wilson in 1919, Mr. Crane possesses a basic grasp of the Near Eastern question. He has gained the confidence of the racial elements in Syria not directly in the hands of the French exploiting authorities. He has advocated justice for all elements of the population, and sent to be educated in the United States certain young natives, irrespective of race or creed. He has dared on the spot to stand for the truth. A similar "incident" would have been quite possible in Palestine, were not the British there more appreciative of American viewpoints and characters; and in the Smyrna area, had not the Greeks their hands too full with the Nationalist Turks. A representative of General Gouraud, French Commander-in-Chief in Cilicia and Syria, said to an American official at Constantinople in 1919: "All the troubles that we have had in our sphere in the Near East have been well-deserved. We have no right there, anyway, on the present basis. Our presence is the doing of Paris politicians, who feel that France must compete with the selfish commercial designs of England out here. Our destiny in the Mediterranean lands lies southward, into Africa, not eastward into Asia." The French, too, know in their hearts that Mr. Crane is right.

ATTORNEY-GENERAL DAUGHERTY, in his address before the Illinois Bar Association, expressed the view that the states ought to relieve the federal government of the burden of enforcing such measures as food inspection laws, anti-narcotic statutes, blue sky laws, white slave laws and prohibition. The last, we suspect, is the meat of the nut. Federal enforcement of prohibition presents enormous difficulties, administratively. It has not been solved by Mr. Daugherty, nor is there any clear prospect of its being solved by any future Attorney-General. Federal enforcement of prohibition, to be effective, would require a vast and all pervasive federal police force: honest men to watch honest men, thieves to catch thieves, and all the rest of the paraphernalia of a centralized bureaucracy. We haven't such a bureaucracy yet, and it is doubtful that any considerable number of Americans want it. The state and local governments can, if they choose, build up police forces strong enough to enforce prohibition along with other measures vitally affecting the lives of the people, without arousing apprehensions for the safety of free institutions. That is the argument for leaving prohibition enforcement to the states and confining federal action to the interstate and foreign commerce aspects of the question. It is an argument which will arouse militant prohibitionists to violent anger. What! leave enforcement to states like New York and Illinois, which never wanted prohibition and never will accept it in good faith? That would be tantamount to nullification. So it would be, in a sense. But the present condition is also one of nullification, of tolerance tempered by sporadic intervention of federal officers who are too few to cope with the problem. And neither the prohibitionist nor any one else appears to be willing to pay the price of effective federal enforcement: hundreds of millions for spies in every city block and village and wooded valley.

The Puzzle of Our European Policy

IT is idle to talk about American abstention from European affairs. Whether we are represented at a conference of the European powers or not, we intervene in it, by virtue of our position as the chief financial power and chief creditor nation of the world. Whatever policy may be debated in our absence, an important factor in the decision will be the probable effect on America. That was strikingly the case at Genoa. It will no doubt be the case at the Hague also.