

Germany but to render a reconciliation unnecessary. An almost irresistible argument could be framed in favor of a defensive alliance among France, Great Britain and the United States, provided France would agree drastically to reduce the indemnity, evacuate the Rhineland, surrender her "sanctions" under the Treaty and cut down her military expenditure, but there is no evidence that, if the United States proposed such a bargain, the France of M. Clemenceau would not reject it with scorn.

In 1919 French statesmen could have adopted with respect to Germany one of two courses. They could have used the Allied victory to create a European order to which a chastened Germany would eventually have no just reason not to be reconciled or they could have created a European order which could not endure without the permanent subordination, humiliation and opposition of the German nation. They preferred the second alternative and they have hitherto remained true to this preference. They made it impossible for any upright German citizen to recognize the Treaty of Peace as the foundation of European order and preserve his own self-respect. If they continue to press the cup of humiliation to German lips, they are bound ultimately to destroy Germany as a nation and incidentally to bring about the economic and moral ruin of Central Europe. They have not as yet afforded their friends in this country the slightest ground for believing that they will abandon their existing policy towards Germany voluntarily. The Treaty expresses the French conception of their military victory and they wish for the American alliance chiefly in order to protect it.

But if the French will not abandon or revise the Treaty voluntarily, there remains only one way of inducing them to give it up. They must be taught to understand the fatal penalties of their handiwork. They must demonstrate to themselves the disastrous consequences of their behavior. The lesson is bound to be salutary. These consequences will in the end be no less disastrous to France than to the rest of Europe. They will taste some of the poison which they are forcing on Germany. French opinion is beginning already to hesitate. When the French conscience realizes what the consequences to France of annihilating the self-respect of a neighboring people are, it will shudder and refrain. But until the French conscience does see the light and obtain expression, the course for the American nation to pursue is to treat France to the isolation which she is trying permanently to fasten on Germany.

Given the existing French state of mind, the French people will not pay the price which they

will have to pay for the appeasement of Europe except under coercion, and considering their sufferings and wrongs during the war the only coercion which a former associate can exercise upon them is to remain aloof while they continue to saw off the branch of the tree upon which they are sitting. They are now beginning a series of attempts to escape from the impossible predicament in which they are involved by the consequences of their policy. M. Clemenceau's plea for American political support is one of these attempts. If they can only obtain the political assistance of the United States, French statesmen may at least for a longer while avoid the necessity of conciliating Germany. On the other hand, if they finally decide, as they must, to conciliate Germany, they would not have as much need of the assistance of the United States. They would need it less, but precisely because they would need it less, they would deserve it the more and would be far more likely to get it. The United States would have no reason to remain aloof from a Europe which was by way of being appeased and federated; but it has a sound reason for remaining aloof as long as nations which claim active American support, practice and advocate a policy of extreme national egotism.

Soft Money and Progressivism

IT might be supposed that with all Europe floundering and choking in a flood of soft money, Americans would be agreed that the way of salvation does not lie through inflation. They are not. There is a great deal of soft money sentiment stirring. The farmers are not yet over their resentment at what seemed to them the deflationist policies of the Federal Reserve system. Hosts of them think that the prevailing low prices of agricultural products are due to restrictions upon the currency imposed in the interest of high finance. As yet, to be sure, no soft money program has crystallized. But the materials of such a program are lying about, for the use of any political leader who may seek a whirlwind success. And that, we think, is a serious menace. It is not, as we see it, a menace to the interests against which it is ostensibly directed: high finance, big business and speculation. It is on the contrary a menace to the new party movement, and in the end, to the American democracy itself.

The case is one that nobody needs to speculate about. It has been completely illuminated by our history. Twice in the memory of men still living the soft money parasite has fastened itself upon a vigorous democratic movement. And in each case the parasite killed its host. We refer to the

Greenback movement of the seventies and the Free Silver movement of the nineties.

In the seventies the profiteers of the Civil War and Reconstruction period were consolidating their fortunes by aid of war tariffs and a network of railway discriminations. That was the germinal period of the Standard Oil Company, Carnegie Steel, the packing and milling companies, the great railway speculations. Private fortunes were multiplying, while unrestricted immigration kept labor flat and falling agricultural prices drove the farmers to despair. Naturally the oppressed groups turned to politics, with a vast sheaf of demands out of which a consistent, far-reaching democratic program might have evolved. No such program, however, was worked out. The idea that the root of economic evil lay in the price structure thrust all other ideas into the background. Give us more money, and prices will rise and all will be well; such was the dream of the disinherited. The Greenback fever spread with astonishing rapidity. In 1878 a million votes were cast for the Greenbackers, and fourteen congressmen were elected. But within five years the zeal for soft money was dead, and with it the democratic movement. The captains of industry could proceed with their plans unmolested. From that time it was settled that America should be a land of millionaires and wage slaves.

Again in the nineties privilege moved forward toward a new position. It was no longer content with the individualistic building of private fortunes. It required the security of regulated competition, or better, monopoly. This was the germinal period of the great combinations. In industry, in transportation, in finance the more successful concerns began to draw together and to impose discipline on the weaker ones. Periods of cut-throat competition were followed by periods of "stable prices" from which the outsider could infer combinations in restraint of trade. The workers, as organized in the Knights of Labor, had found themselves outmatched by the capitalists in the industrial field and were favorably disposed toward political action. The farmers were again driven to despair by the discriminations they encountered on the railways and in the markets, by a wretched credit system, by the low prices of the products they had to sell and the high prices of the goods they required. A wave of democratic unrest spread throughout the country, bearing its burden of demands: income taxation, railway regulation, cooperation, labor protection. But before these could be wrought out into a consistent program the free silver issue mushroomed out to cast everything else into the shade. On that issue the democratic movement was beaten and dis-

persed. The trust organizers proceeded peacefully with their work, under McKinley prosperity. That work has never been undone. Since the democratic defeat of the nineties we have adjusted all our economic life to the great impersonal corporate forces and should hardly know how to get on without them.

Like the seventies and the nineties of the last century, the present appears to be the germinal period of a forward movement of privilege. It is still too early to determine exactly what this movement will bring if it succeeds. But there are a great many indications that, as the captain of industry was the central figure in the seventies, the trust organizer in the nineties, so the great banker is the central figure today. More and more, the bankers are inclined to take part in determining the policy of industrial and transportation companies. A banker who is interested in a number of companies does not wish them to fall into discord. Recently it was rumored that the bankers were putting a brake on excessive competition in the automobile industry. It was also rumored that the stubbornness of the railway companies in their quarrel with the shopmen was the result of the bankers' orders. We do not know whether these particular rumors were well founded or not. But they indicate a process that is actually going on, and is bound to go on, simply because it is good business. And when it has worked its way through, the democracy will find that it has to face a much more potent form of privilege than that represented either by the captain of industry or the trust.

Nor is the democracy asleep. It is conscious that the net of privileged control is tightening. A political movement is stirring, with its group of demands not yet wrought out into a program. Will the program be wrought out, or must we again see the realities of the movement thrust aside by a soft money delusion? So surely as that happens a democratic movement fails, and privilege has its own way. For the price situation that produces the soft money movement never holds long enough for that movement to gain political power. Wheat will be two dollars a bushel before any soft money advocate comes within measurable distance of the White House. And with wheat at two dollars any democratic movement compromised with soft money will collapse.

In the seventies, in the nineties and in the present crisis the farmers had and have real grievances. Falling prices have hit the farmers harder than any other class, chiefly because our economic system has not developed credit institutions adapted as well to the farmers' needs as to those of trade and industry. The federal farm loan system has im-

proved the situation, but nobody supposes that it represents more than an auspicious beginning. It is very far from being true that every farmer who has good security to order can obtain the credit he requires for his productive operations. And so long as they can not obtain credit on fair terms, the farmers will be exposed to epidemics of foreclosures and liquidation. Inevitably they will conclude that the source of the evil is scarcity of money.

First of all, then, the national democratic movement needs a sound and adequate program of agricultural finance. Perhaps the progressive political leaders are not financial experts, capable of working out such a program. Neither are they engineers, capable of working out a program of internal improvements. But there are numerous financial and engineering experts whose services are to be had, if the political leaders want them. The political leaders of the national democracy are practical men who know that working programs do not spring full formed out of anybody's head. They must be put together, laboriously, plank by plank, by many hands. And it is time that the work should get under way. For if it is not completed when the political crisis comes upon us, the national democratic movement will blow up in a great cloud of soft money smoke, and privilege will be granted additional decades to consolidate its gains.

The Opportunity of British Labor

THE substantial majority in the House of Commons which the Conservative party has just obtained, important and unexpected as it is, is not the event of outstanding importance with respect to the recent general election. More significant for the future of British politics are the virtual failure of Mr. Lloyd George to secure sufficient popular support in forming an adjustable centre group which would hold the balance of power between the right and the left, and the emergence of the Labor party as the leading opposition to the Conservatives and as the second most powerful group in British politics. The Conservative ministry, in spite of a majority of eighty in the House, will not possess the essentials of a strong and enduring government. It represents a minority of only about thirty-five percent of the voters at the recent election. Its victory is traceable not so much to its own merits as to a compulsion of circumstances which, like the com-

pulsion which elected Mr. Harding, will vanish soon after the new government begins to exercise power.

The victory of the Conservatives was the only method which the British electorate could use in order to emancipate British politics from the pretences and the falsifications of coalitionism. It was needed to prove the impossibility of wholesomely mediating between the parties of the left and the right by maintaining a centre party which was supposed to represent in some peculiar way the national interest. Mr. Lloyd George and the coalition Liberals were ground into insignificance between the sharper and the more compelling loyalties and antagonisms of two extremes. Mr. Lloyd George himself was obliged to consider the future possibility of cooperating both with the Unionists and the Liberals. This obligation fatally crippled his campaign. He was pulled in two directions and did not dare to let himself go in either.

His obligations to his former Unionist colleagues were overpowering and inescapable. All the most powerful Unionist leaders sacrificed place and power out of loyalty to him. They refused seats in the Bonar Law ministry. They declared for continued cooperation with the coalition Liberals. But at the same time they camped themselves firmly in the Unionist party and declined to be driven out. How could Lloyd George maintain his association with them while at the same time building a new line of communication with the Independent Liberals? It was all very well for Sir Alfred Mond to wire to Swansea that "Lloyd George is coming out as a Liberal and so am I." Lloyd George had to come out as a Liberal, indeed, but as a Liberal bound by all the ties of loyalty and of agreement in principle to his late Unionist colleagues. Inquisitive friends began to ask where the Centre party would be after the election. Would Mr. Austen Chamberlain and his faithful band maintain their independence, or would they drift towards the Liberals (of which there is not a shadow of a sign) or would they gravitate towards the powerful magnetic force exerted by the historic Tory party? And where would Mr. George be? Jettisoned by the Die-hards (who made no bones about being glad that they were rid of him), would he also be left high and dry by his present Tory friends or squeezed with an exiguous centre group between Tories and Liberal-Labor left? The break-up of the coalition, instead of bringing Liberal reunion and a clear cut definition of parties and of party aims, has brought such questionings as these. No wonder