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The Week

WHAT is left of the Entente has survived another crisis. After a week end in which M. Poincaré's attitude of truculent defiance seemed deliberately designed to make further coöperation impossible for Great Britain, the Council of Ambassadors has succeeded in patching up an agreement which will preserve a little longer the appearance of unanimity, though the reality long ago departed. Germany must guarantee that Allied officers will be protected "wherever the Reich controls." She is reprimanded, but without the immediate threat of additional punitive measures. Though a breathing space is thus secured, it is of course momentary. The general French policy remains unchanged; and it is one which Great Britain cannot much longer condone, even though she is also powerless to stop it. Italy's defection is a blow to M. Poincaré, but not serious enough to cause him to halt. Indeed, there is now no power in sight which can stop France except bankruptcy or the fall of her present government. Strese-

mann's optimistic statement last Sunday that things are progressing well for Germany, because France is now detached from Great Britain and Italy, was evidently intended for home consumption. Certainly there is little in the present situation to cause any German to hope.

AFFAIRS in Germany, indeed, grow steadily worse, even when they are already so bad that to plumb lower depths seems almost impossible. While decent opinion everywhere must deplore a return of militarism in Germany, and must agree that the disarmament clauses of the Treaty should be respected, it is clear that the Stresemann government is physically unable to guarantee the safety of the Allied military control officers in such regions as Bavaria, for instance, under present conditions. As to the return of the Crown Prince, the French case is far less valid. By encouraging the Wittelsbach and Hohenzollern factions to fight among themselves, Stresemann has not improbably taken the shrewdest step for the preservation of the Republic. He has certainly postponed the day of the Monarchist coup and perhaps averted it. Even a postponement is valuable in his present precarious position. His Cabinet is but a fragment; he has lost the support of the Reichstag; he has been forced to abandon the Ruhr and Rhineland in a political sense, and even unemployment doles and public feeding will only be maintained a few weeks longer, until British and American charity can get under way. The situation of the Ruhr population, indeed, is as tragically uncertain as that of any group in modern history, with the exception of such victims as the Christian minority in Turkey. Both Germany and France have refused responsibility for its existence. The negotiations between the French and the industrialists were broken off by the former in a cavalier fashion which gives much support to Francis Delaisi's theory that the policy of Paris is concerned only with destroying the productivity of the Ruhr for all time.

LITTLE by little it becomes clear why the British Prime Minister called a general election at such a critical and unpropitious moment in English his-

tory. He did not feel strong and unfettered enough to cope with the situation unless he could obtain a vote of confidence from the electorate. His weakness came in part from differences of opinion among his supporters, in part from the failure of his Cabinet to include a number of Tory leaders of considerable influence inside and outside of the House of Commons and in part from certain embarrassing promises which his predecessor had uttered during the last general election. Mr. Baldwin hopes that by a new election he can improve the position of his government in all these respects. By reviving protection as one of the Tory policies he expects to unite and consolidate his party, to give it a program sharply distinguished from that of his adversaries, to improve its morale, and to draw back into the Tory fold the rest of the Tory coalitionists. In this he has already succeeded. All the leading coalitionists who went out with Lloyd George except Winston Churchill, are supporting Mr. Baldwin, and their accession adds much to the aggressive strength, the brains and debating ability of the Tories. But whether it will add to their voting strength is a much more doubtful matter.

THE present British government is supported by only a minority of the electorate and under the conditions now prevailing the addition or the subtraction of a few hundred thousand votes out of a total of many millions might make an enormous difference in the composition of the next House of Commons. A year ago approximately 5,500,000 Tories elected almost 360 representatives while more than 8,000,000 voters, divided about equally between the Liberal and Labor parties elected about 280. By raising the issue of free trade Mr. Baldwin has reunited the Liberals, and will probably increase the Liberal strength at the expense of Labor. But he has also converted some of the so-called national Liberals to Toryism, and the division between the Liberals and Labor has, as a result of Liberal reunion, become wider than before. English prophets expect one of two results—either the return of a Tory majority to the House somewhat smaller in numbers than the present majority but more united under Mr. Baldwin's leadership, or the division of the House into three groups of which the Tories will be the largest but not large enough to constitute a majority against a combined Liberal and Labor opposition. The second of the results would from a practical point of view be extremely undesirable. The only possible government would be that of a coalition either between the Liberals and the Tories or between the Liberals and Labor. It is difficult to see how a coalition could be effected or how if it were effected, it could mean anything but a weak government at a time when the British Empire needs above all a strong government.

HIS political opponents of both parties have denounced Mr. Baldwin violently for bringing on a general election at the present time, but at this distance it looks from the Tory point of view like shrewd politics. If Mr. Baldwin has actually lost the confidence of the country in the sense that the late Mr. Bonar Law won it a year ago, the sooner he is superseded the better. On the other hand if he succeeds in electing a majority to the House, he will be in a stronger position than he is now even though his majority is somewhat reduced in numbers. For he will have proved that his government is the only possible government at the present time and he will have diminished the obstacles to the proposal of a specifically Tory economic policy. Such a policy is bound to move away from dependence on European markets and towards the increasing economic unity of the Empire; and a movement of this kind is inevitable if France is to control for many years, as she is evidently planning to do, the coal, iron and steel production of the Continent. Insofar as French policy forces Great Britain either to become the accomplice of France or go to war or retire from the Continent, Great Britain will in the end adopt the third course of conduct. Yet if she does adopt it, and France obtains a free hand in exploiting German manufacturing ability, Great Britain cannot maintain wholly unimpaired her traditional free trade policy.

THE recent fall of the franc to the lowest point in its history raises a question which ought to be of great interest to the French bondholder. How much is the franc worth, intrinsically? The value of the franc stands on a pedestal of ifs. If the French government can cover the interest on its internal debt, together with current civil and military expenditures, the franc may remain near its present level. The French people are now taxed about as heavily as they can be taxed without developing a dangerous political restlessness. The revenue receipts for this year are expected to reach 21,000,000,000 francs of which about 15,000,000,000 will be absorbed by interest payments on the public debt. The remaining 6,000,000,000 might suffice for other expenditures if they were ruthlessly pruned to the limit. If, however, France becomes isolated and consequently is forced to increase her expenditures for military and naval purposes, the 6,000,000,000 would not suffice. Moreover, if her present economic boom gives way to doubt and depression, much of the 6,000,000,000 will fade away. A policy of reconciliation which enabled Germany to make substantial payment would help, but it is probably too late for such a policy. Apparently, then, the franc at its present quotations is an extremely precarious value. A judicious rigging of the market may keep it where it is for a time.

THERE is not an equally definite financial reason for the weakness of sterling. Great Britain has taxable capacity enough to meet the interest on her debt together with other necessary expenditures, whatever complications may arise on the continent. Her people will stand being taxed to capacity. But the general economic forces making for inflation are powerful. It would be much easier for the government to balance the budget with the pound at four dollars. The export industries would find it much easier to yield a profit if wages could be paid in pounds of a lower value. Old principles of financial honor will prevent the government and the governing industrial classes from taking deliberate steps toward pulling the pound down. But the pound can be kept up only by an active policy of support. This policy may easily flag.

WE greatly regret that Mr. McAdoo has given his support to what is unquestionably the worst plan of all for financing the bonus, a long term bond issue. If we must have a bonus—and there is no very good reason outside of politics why we must—we ought to stand up to it and pay it now. The project of a bonus, as the politicians see it, is a vote getting outlay. The injustice of saddling the cost of the 1924 election upon the next generation is evident. The next generation will have its own election costs to meet. We are the more grieved by Mr. McAdoo's advocacy of the plan of inflating our public debt, because he is one of the few political leaders who is alive to the consequences of such action. He knows that our debt is now too large. We are paying much higher interest than we should have to pay if the debt were reduced to reasonable proportions. If we are forced eventually to take over the railways—and Mr. McAdoo knows we may have to do it—we shall have to extinguish the claims of the private owners with funds raised by the sale of bonds. These funds will come high if we play the spendthrift with our national credit.

SECRETARY MELLON has at last discovered the magic formula with which to slay the bonus dragon. Except politicians, no one favors a subsidy to ex-service men save those who expect to get something out of it; and the shrewd Mr. Mellon has, to vary our figure, built a counter-fire of self-interest by telling the tax-payer he may have substantial relief for his pocketbook, if only he will refrain from burdening the government with a liability of several billion dollars for "adjusted compensation." This announcement has resulted, we are told, in a storm of approval from all parts of the country (aided, it is fair to add, by vigorous support by many leading newspapers); and as a result the Republicans are tumbling over themselves in their effort to get into line. President

Coolidge is expected to make tax reduction a leading theme of his first message to Congress. In public, the Congressmen in charge of the fight for the bonus are pulling a long face; though privately, most of them are not at all displeased at this chance to evade a struggle in which none of them would have participated of his own accord.

THE air continues to resound with plans to relieve the suffering farmer. Some of them are good politics; but none which has been advanced recently is good economics. Governor Nestos of North Dakota, and a number of other people, believe a higher tariff on wheat will do the trick, even though we do not import wheat but export it, and though the present tariff does not seem to have helped the farmer in the slightest degree. W. P. G. Harding, who was Federal Reserve Board governor until partisan politics forced him out, assumes that tax reductions, which will raise the general level of prosperity, will give agriculture all the help it needs. Secretary Wallace proposes a scheme which seems fantastic, a government-controlled export organization which shall dump surplus wheat abroad until, behind the tariff wall, the domestic price rises to a profitable level. Such a plan, of course, would encourage retaliatory dumping by other countries, would cost the American consumer far more than the producer would get, and would very likely encourage additional planting so that next year's surplus would be bigger than ever.

TO the list of avowed presidential candidates, which has hitherto consisted of Senator Underwood, two names were added last week, and a third half-way proposed. Hiram Johnson announced himself a candidate for the Republican nomination, and W. G. McAdoo virtually admitted his willingness to be the Democratic choice. Charlie Murphy, the Tsar of Tammany Hall, has demanded a "wet" plank in the Democratic platform, which the political experts take to be his way of making "Al" Smith, governor of New York, an added starter.

IN prescribing a wet platform for Governor Smith's presidential malady Mr. Murphy demonstrates how far the professional politician will go in possessing himself of the asset of an unavailable "favorite son." We have frequently expressed our admiration of Governor Smith as a man and as an executive. He is courageous, honest and a genuine democrat. We regard as unworthy of America the religious intolerance that would dismiss forthwith his claims to consideration as a candidate for the presidency on the one ground that he is a Catholic. But a Roman Catholic candidate on a wet platform is about as good a definition of unavailability as could be devised. Any-

body could beat such a combination—even Nicholas Murray Butler. It is plain that Murphy's proposal conceals ulterior designs of some importance.

IF Governor Pinchot were absolute Tsar of Pennsylvania he could make rapid progress toward a settlement of the problem of anthracite coal. He could reduce the operators to submission by the threat of taxing the unearned increment out of their holdings. He is not Tsar, but a democratic executive narrowly limited in what he can do by a legislature very far from sympathetic with the whole of his program of reform. The same is true of the governors of the coal using states. If they were Tsars they could go far toward controlling the price of coal through regulating the dealers. They are rendered impotent by the feebleness of their legislative control. And so they try to save their faces by passing the buck. In the meantime the consumer is heavily mulcted and the coal operators and distributors wax fat and impudent. Their time is coming, however. If Governor Pinchot accomplishes nothing else, at least he is arousing the people to an acute sense of the outrages practiced upon them. Sooner or later they will drive the legislatures to action.

JUDGE MORROW of the United States Circuit Court of Appeals has made himself famous over night by a California decision which, if it is sustained in the United States Supreme Court, will put an end forever to trade unions in the land of the climate and the home of the booster. Section 697 of the penal code of California forbids employers to use coercion or compulsion in making employees agree not to join labor unions. Judge Morrow has declared this law invalid and has enjoined the Brotherhood of Locomotive Engineers from organizing non-union workers of the Pacific Electric Railway, holding that the statute in question is repugnant to the "due process" clause of the Fourteenth Amendment. Press dispatches state that Judge Morrow reviewed the war-time activities of strikers and declared that union labor has, because of these acts, sacrificed its right to engage in peaceful arbitration. Pending study of the full text of the decision, we refuse to believe that a federal judge could seriously employ such an argument as this; but in any case the decision as it stands turns back the clock of progress a full century, and leaves the individual worker at the mercy of his employer. Being a hundred years behind the times is a condition which would hardly be noticeable in the California of today; but other parts of the country are certain to protest against this revival of eighteenth century "morality."

SWITZERLAND seems to have invented a new version of the unwritten law. It is all right to

murder a representative of the Russian government, it seems, provided you can show that you don't approve of Bolshevism and provided some of the jury agree with you. Maurice Conradi, who shot down Vorovsky, representative of the Soviet government at the second Lausanne Conference, has just been acquitted under a "plea of provocation" after a trial which was devoted almost exclusively to a discussion of alleged practices of the Russian government at home. Five of Conradi's nine jurors wanted to convict him of the crime of which he was admittedly guilty; but the other four seemed to have a general feeling that assassination is only a minor peccadillo when its victim belongs to a political faith you don't approve of, and especially if he is a foreigner. This is not a new doctrine; but it seems somewhat surprising to find it turning up in a country so supposedly devoted to law and order as Switzerland.

Progressivism—the Vintage of 1924

There is discontent abroad in the land; there is threatened disintegration in the Republican party. The discontent and party difficulties arise not because of popular government but from the lack of it. . . . Reaction and progress must fight it out again in the Republican party in the coming presidential primaries. I question not men now but their philosophy of government. That which obtains at Washington does not fit present-day needs. Ultra-conservatism thus rules, progressivism challenges it. . . . We would have a revitalized Republican party, a party representing alone its rank and file, the instrument neither of static reaction nor destructive radicalism. Only such a party with the broad understanding, vision and human sympathy of progressivism can solve our present day domestic problems.

HIRAM JOHNSON has announced his candidacy for the Republican presidential nomination in a statement of which the preceding quotation contains the essential matter. Progressives, no matter whether they are or are not Republicans, will welcome the announcement. Under existing conditions it would be a confession of weakness on the part of the Republican party to consent to President Coolidge's nomination without a sharp contest. The President himself has as yet done nothing either to deserve or not to deserve a testimonial of confidence; but he represents, as did his predecessor, the conservative wing of his party and he inherits from Mr. Harding a heavy burden of failure and disappointment. Since March, 1921, the American people have become increasingly discontented and restless. They have passed through a process of economic liquidation which was costly to all classes but from which some classes and some sections suffered much more severely than others. They attribute much of this