

The Outlook

Volume 137

May 21, 1924

Number 3

Another Count Against Congress

THERE are few subjects concerning which those who have responded to The Outlook's poll of public opinion show a more united front than the question of maintaining our Navy at treaty standards. The demand for the expansion of the Navy shares the distinction of popular interest with the demand for rigid enforcement of the Volstead Act, the protection of children in industry, restriction of immigration, Conservation, and Governmental efficiency. It is obvious from The Outlook's poll that intelligent people will view with concern any loss of our relative naval position as defined by the Conference on the Limitation of Armaments.

It is perfectly obvious from reports from Washington that we have lost this position. The reports of Admiral R. E. Coontz, who gives specific facts as to the deficiencies of our Navy and its need for aircraft and aircraft carriers, cruisers, destroyer tenders, submarine tenders, modern submarines, and destroyer squadron leaders, cannot be ignored on the ground that it is the plea of a professional naval officer anxious for increased appropriations for his service. The facts in regard to our failure to provide the necessary vessels auxiliary to our battleship fleet cannot be controverted, nor is there any reason why we should not accept at its absolute face value the plea of the Navy Department for funds to effect the modernization of thirteen battleships. It is shown by the maneuvers that the effectiveness of our fleet has been materially lessened by the deterioration of boilers in certain of its units.

Assistant Secretary Roosevelt admits that the Navy has fallen from its place in the 5-5-3 ratio provided by the Treaty to a position of 5-4-3, the 4 representing the position of the United States. We cannot believe that the American people will be satisfied with less than the restoration of the Navy to its rightful place.

The Tax Fiasco

THE Mellon plan for tax reduction is, so far as this Congress is concerned, dead. The Democrats, with the unswerving aid of Insurgent Republicans,

have passed in the Senate a revenue bill in which no material part of the Mellon plan remains. This Senate bill, a Democratic measure out and out, differs only in relatively unimportant details from the Longworth compromise House bill, which was a sort of Republican half-victory.

With bills differing so slightly, the conferees of the two houses cannot well fail to adjust such discrepancies as exist. Chairman Smoot, of the Senate committee, believes, however, that conference consideration will consume at least two weeks. That will bring the Tax Bill to the fringe of June, and will leave not much more than two weeks for final consideration in Senate and House and, if they pass a bill in final form, by the President. It is still an open question whether tax reduction of any kind can be achieved at this session.

While only fifteen Senators opposed the Democratic bill on the final vote, it had no such large support as this would indicate. On earlier test ballots the vote ran about 43 to 40, the Democrats claiming, however, slightly more unpaired absentees than the Republicans. Some Republican leaders who voted for the bill on the final ballot have said that they will oppose it after conference unless material changes are made. Insurgent Republicans in the House, on the other hand, have let it be known that they will oppose the conference report if material changes are made from the Longworth Bill, which the Insurgents supported as a compromise and for the purpose of showing a consolidated Republican front. Thus, whatever happens in conference, there is another fight ahead before the Tax Bill reaches the President.

Finally, the question comes of whether or not President Coolidge will approve such a bill as may be passed. He has never in any public utterance deviated from his insistence that taxes should be reduced in conformity with the Mellon plan. When the Longworth compromise was effected, it was commonly said about the cloak-rooms that the President would sign a bill of that kind rather than take the party before the voters with a record of no tax reduction. There was never

any citation of authority for the claim that the President would do this, and now that the Senate bill does not stand in any sense as a Republican measure, there may be room for increased doubt as to the President's action.

Relief that is Not Relief

INSURGENT Republicans in the Senate, unlike their brethren in the House, refused to negotiate a compromise with the regular Republicans on the Tax Bill. They at first apparently considered a compromise on the basis of a "trade"—so many votes for a Tax Bill that could be called a Republican measure in return for an equal number of regular Republican votes for the McNary-Haugen Farmer Relief Bill. The fact that they declined to go on with the compromise negotiations may indicate their belief that they are able to pass the McNary-Haugen Bill without any more regular Republican aid than is in sight.

The McNary-Haugen Bill already has passed the House. President Coolidge is said to have indicated that something in the way of legislation for the relief of farmers must be accomplished before Congress adjourns. He is known to find serious objections to some of the terms of the McNary-Haugen Bill, which would require the Government to find \$200,000,000 of capital for a farm products export corporation, but nobody definitely knows whether or not his objections are insuperable.

In our judgment, the defect in the McNary-Haugen Bill is fundamental. It will, if passed, tend to encourage the production of surplus wheat, and thus to aggravate and not reduce the evils from which the farmer has been suffering. It will not afford the farmer relief, but rather do him injury.

Practical political considerations for the forthcoming campaign are involved in consideration of farmer relief legislation. It is freely said about Washington that if no farmer relief legislation is passed or if the McNary-Haugen Bill is passed and vetoed the third-party ghost will step out of the clouds and materialize from Ohio to the Pacific coast. It is argued that some measure purporting to

bring relief to the farmer, whether the McNary-Haugen or some other, passed and signed might lay the ghost, leaving the road clear for a straightaway contest between Democrats and Republicans. That is the politics of the situation.

All of that is in the realm of rather high political speculation, but it is a fact of the week's legislative record that Senator Norbeck, one of the leading advocates of the McNary-Haugen Bill, obtained the promise of both Senate and House leaders that the McNary-Haugen Bill would be permitted to come to a vote before the session ends. Only thus was he induced to abandon his plan of attempting farmer relief legislation as a "rider" to the Tax Bill. It is a fact of the week's record also that the President conferred with leaders on the desirability of farmer relief legislation at this session.

Whether, in the short time remaining, a measure can be evolved less objectionable to the President than the one carrying a provision for Government financing of a \$200,000,000 export corporation remains to be seen.

Holding the Japanese in Suspense

BYOND the passage of the Senate revenue bill and the maneuvering of the McNary-Haugen Bill into an apparently favorable position, Congressional achievement for a critical week when the President had specifically asked for a programme of "speeding up" did not go much beyond refusal to comply with the President's wish for a deferred effective date for Japanese exclusion.

The original effective date was fixed for July 1 of this year. The President told Congressional leaders that this would not give time for the completion of diplomatic negotiations and is quoted as suggesting an effective date as far removed as January 1, 1926. The date most discussed, however, was March 1, 1925. A conference report was secured agreeing upon this date. This, however, raised a storm and was later overturned. The House refused to agree to it. The conferees reconsidered, and finally agreed upon the original effective date, July 1, 1924.

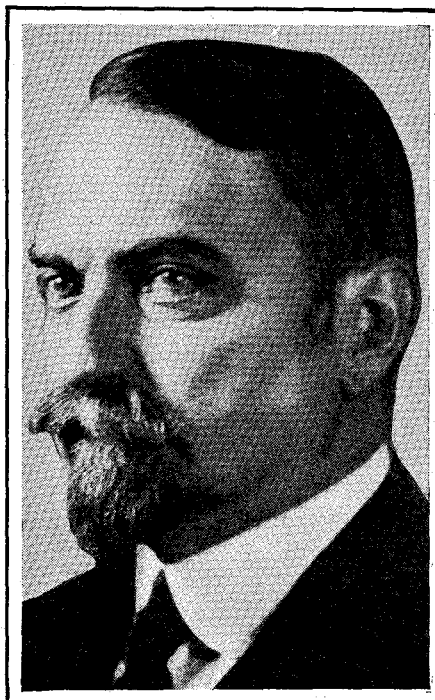
That occurred at the end of a week during the middle of which the President of the United States had called leaders of the two houses in conference, discussed pending legislation with them in detail and impressed upon them the necessity of prompt action. Possibly the over-riding of his wishes with regard to Japanese exclusion may be in the interest of

prompt action on other measures. It is a sorry spectacle, no matter what the necessity for it may be.

These are queer times, and perilous. A good President cannot do the best that is theoretically possible for a patient people. That he is doing the best which is practically possible is not to be doubted. Any Executive who must work with such a pewter tool as the present Congress can hardly be expected to make clean-cut chips.

Will Government be Kept Out of Business

THE idea that organized business is a social agency, whose function is service to the community and the general welfare, and as such should regulate it-



(C) Underwood

Judge Edwin B. Parker

self rather than suffer Governmental control, was the keynote of the twelfth annual meeting of the Chamber of Commerce of the United States held at Cleveland, May 6-8. This is an expression of that spirit which has been gathering strength and direction through the activities of such organizations as the local Chamber of Commerce, and the Rotary, Kiwanis, and Lions Clubs. The culminating address of the Convention was the presentation on the last day of a code of business ethics consisting of fifteen principles by Judge Edwin B. Parker, umpire of the Mixed Claims Commission of Washington, and Chairman of the Committee on Business Ethics of the National Chamber. The desirability of such a code was emphasized by Secretary Hoover in his address on Wednesday evening,

May 7, when he said: "The alternative of Governmental interference in business is self-regulation."

The product of the study of the Committee is to be given wide distribution by the National Chamber, with the object of providing a standard of practice that will tend to place business upon the same basis of service to the community as that occupied by the medical and legal professions. The principles as enunciated aimed at the establishment of the point of view that business is a social agency working for the general welfare. They are an outgrowth and a crystallization of the spirit of fair play and co-operation germinating everywhere in America and an evidence of the presence of antitoxic bodies in the life stream of the Nation serving as a guaranty for its future good health.

Business in the United States has been developed by personal initiative. The tendency to inject Government into business is not only contrary to our institutions and traditions, but destructive of the service which business is called upon to render the community. It robs men of the spirit which has made America what it is, the land of great and equal opportunity, and of freedom in the pursuit of happiness. Our prosperity demonstrates the validity of this declaration. But business must be a servant of the Nation, performing a service fairly, or it will be regulated by Government in the name of the people.

Responsibility of Men in High Places

REPRESENTATIVE JOHN A. LANGLEY, Republican, of Kentucky, for seventeen years a member of Congress, and now Chairman of the House Committee on Public Buildings, has been found guilty in the Federal Court of Covington, Kentucky, of conspiracy in connection with a whisky transaction in 1921. The maximum penalty is two years' imprisonment and \$10,000 fine. Representative Langley is specifically charged with attempting to use his influence to induce a Federal prohibition director to permit the transportation of a large number of cases of whisky by truck, contrary to law, the whisky itself being illegally removed from a distillery.

Such a crime on the part of an ordinary citizen would not arouse more than average comment. It becomes a far more serious matter when it concerns a trusted man in a highly important official position. All officials do not realize that