

Horizon Lines

A Monthly Survey of Our New International Frontiers

By JAMES G. McDONALD

CAPITALIZING promptly the unexpectedly brilliant success of Locarno the League of Nations now prepares for disarmament. After years of apparently futile fussing with straps and buckles it is for the first time enabled to call upon the world to prepare to unburden itself of the crushing habiliments of war. The response will test the reality of the "new spirit" in Europe.

The preparatory commission for the Disarmament Conference meets at Geneva February 15. To it are invited the states on the Council—Great Britain, France, Italy, Japan, Belgium, Brazil, Sweden, Czechoslovakia, Uruguay and Spain; to it also are invited six other members of the League—Bulgaria, Finland, Holland, Poland, Roumania, Yugoslavia—chosen so that "the commission should be representative of the different situations of states as regards the disarmament problem"; and to it, also, Germany, the United States and Soviet Russia. The acceptance of all save Russia is assured.

Muffled Sabres

THE list of seven questions submitted by the Council to the preparatory commission deserves careful examination by every student of social history. Their full text—not reported in the daily press—but given on a succeeding page indicates the wide ramifications of the problem and discloses difficulties almost appalling.

The conflict of interests between important groups of states is writ large in these queries which will constitute the program of the preliminary inquiry. The obviously diverse conceptions of the basis on which disarmament should proceed seem at first glance wholly irreconcilable. Great Britain and the United States, pointing to their small armies, will emphasize the necessity of land disarmament. France, pointing to the Anglo-American dominance on the sea, will underline the inconsistency in the British-American criticism of alleged French dominance on the Continent. Even in regard to those phases of naval reduction—cruisers and submarines—which Britain and perhaps the United States favor, France will reply, and with truth, that such reductions would merely make the Anglo-American control of the sea completely unassailable.

Even more fundamental differences will be disclosed by the French contention that economic and industrial resources, actual or potential, and man power should be reckoned equally with armaments and soldiers as parts of national armament. They will point to the larger populations and to the vast industrial strength of the United States, Britain and Germany as more than counterbalancing the larger French army. A reply convincing to the French will not be easy. On many other points scarcely less basic the problem bristles

with obstacles. Only an earnest will to succeed will assure any substantial progress.

Germany, her navy abolished and her army reduced to 100,000 men, will urge vigorously the reduction of the forces of her neighbors. She will pointedly remind them that she undertook "strictly to observe the military, naval and air clauses" of the Treaty of Versailles, by which she was disarmed, "in order to render possible the initiation of a general limitation of the armaments of all nations." The logic of her position is unassailable. It will be a stirring sight—Germany, the one great power urging drastic reductions of all armaments. What an advance over the days when William II stood forth in "shining armor"! Fortunately the Allies, by disarming Germany, unwittingly made their own disarmament both easier and more imperative.

What of Russia? Her statements regarding the League's invitation were equivocal. Reiterating their assertions in favor of peace and disarmament, the Soviet authorities emphasized the technical obstacles to cooperation with the League and to attendance at a conference at Geneva. If Moscow is not represented on the preparatory commission it will be difficult to plan a logical program for the Disarmament Conference. Moreover, any substantial reduction of the forces of Poland, Czechoslovakia or Roumania is closely dependent upon some proportionate reduction of the large Russian army of about 600,000. One conclusion is inevitable: not until Russia becomes once more an integral part of the society of nations can any world-wide cooperative effort be richly fruitful.

The Goblin That Hasn't Got Us

PRESIDENT COOLIDGE'S decision to be represented on the preparatory commission has been received throughout the country with unqualified approval. Astutely he circumvented the possibility of any effective senatorial opposition. The intimation, from the White House, that Senator Borah had been invited last summer to make a study of conditions abroad, and had refused, and that he had similarly refused an invitation to be a member of the United States delegation to Geneva were hard blows, even if unintentional, at Borah's prestige.

Certainly, the League of Nations bogey no longer frightens even the timid. The wraith of distortion which enfolded it is clearing away. The League is coming to be seen as it is—an embryonic but hopeful effort at world organization. More and more of our people realize that it has neither the sinister power for evil, attributed to it by the Irreconcilables, nor the magic power for good claimed for it by its sentimental friends. Thus the way has been prepared for an increasing degree of American cooperation with the League, without exciting dark and dismal forebodings.

Seven Questions on Disarmament

The full text as submitted to the Preparatory Commission by the League Council

1. What is to be understood by the expression "armaments"?
 - (a) Definition of the various factors—military, economic, geographical, etc.—upon which the power of a country in time of war depends.
 - (b) Definition and special characteristics of the various factors which constitute the armaments of a country in time of peace; the different categories of armaments (military, naval and air), the methods of recruiting, training, organizations capable of immediate military employment, etc.
2. (a) Is it practicable to limit the ultimate war strength of a country, or must any measures of disarmament be confined to the peace strength?
 - (b) What is to be understood by the expression "reduction and limitation of armaments"?

The various forms which reduction or limitation may take in the case of land, sea and air forces: the relative advantages or disadvantages of each of the different forms or methods: for example, the reduction of the larger peace-time units or of their establishment and their equipment, or any immediately mobilizable forces: the reduction of the length of active service, the reduction of the quantity of military equipment, the reduction of expenditure on national defence, etc.
3. By what standards is it possible to measure the armaments of one country against the armaments of another, e.g. numbers, period of service, equipment, expenditures, etc.?
4. Can there be said to be "offensive" and "defensive" armaments?

Is there any method of ascertaining whether a certain force is organized for purely defensive purposes (no matter what use may be made of it in time of war), or whether, on the contrary, it is established for the purposes in a spirit of aggression?
5. (a) On what principle will it be possible to draw up a scale of armaments permissible to the various countries, taking into account particularly:
 - Population;
 - Resources;
 - Geographical situation;
 - Length and nature of maritime communications;
 - Density and character of the railways;
 - Vulnerability of the frontiers and of the important vital centers near the frontiers;
 - The time required, varying with different states, to transform peace armaments into war armaments;
 - The degree of security which, in the event of aggression, a state could receive under the provisions of the covenant or of separate engagements contracted towards that state?
 - (b) Can the reduction of armaments be promoted by examining possible means for ensuring that the mutual assistance, economic and military, contemplated in Article 16 of the Covenant, shall be brought quickly into operation as soon as an act of aggression has been committed?
6. (a) Is there any device by which civil and military aircraft can be distinguished for purposes of disarmament? If this is not practicable, how can the value of civil aircraft be computed in estimating the air strength of any country?
 - (b) Is it possible or desirable to apply the conclusions arrived at in (a) above to parts of aircraft and aircraft engines?
 - (c) Is it possible to attach military value to commercial fleets in estimating the naval armaments of a country?
7. Admitting that disarmament depends on security, to what extent is regional disarmament possible in return for regional security? Or is any scheme of disarmament impracticable unless it is general? If regional disarmament is practicable, would it promote or lead up to general disarmament?

The prompt acceptance by Greece of the fine assessed against her by the Council for her violation of Bulgarian territory was more than a clean-cut victory for the League. It closed an irritating and dangerous dispute. It strengthened the principle that armed invasion is unwarrantable. While in a sense it was the imposition of the will of the Great Powers on a small state, it none the less is a precedent which will tend to diminish the probability that states will light-heartedly resort to military sanctions as redress for alleged grievances.

Though Germany will probably not be admitted to the League before March, when a special session of the Assembly is planned, some German politicians are acting as though the Reich were already a member. Animatedly they are discussing the number of positions in the League's secretariat which will be available for Germans. One can scarcely realize that it was only three years ago that the French were marching into the Ruhr and all Germany was crying out against the League for its failure to protest.

Iraq and the Balance of Power

THE effect of the Council's decision of December 16 to hand over the bulk of the disputed Mosul territory to Iraq is still uncertain. This followed promptly on the receipt of the opinion of the Permanent Court of International Justice that the Council under the terms of the Treaty of Lausanne had the power to draw a definitive boundary line and that its decision must be taken by unanimous vote, not counting the votes of the parties to the dispute. Turkey had contended that the Council's decision would not be binding and that in any case a decision could not be reached without Turkey's assent.

Despite the bitter opposition of an influential portion of the British press, the House of Commons, December 21, voted 235 to 4 to accept the conditions prescribed by the Council. The Labor members withdrew from the House in a body before the vote, not so much as a protest against the decision itself as against what they believed to be the

Conservatives' high-handed shutting off of debate. Great Britain is now pledged to extend its mandatory relationship with Iraq for a period of twenty-five years, to grant the specified degree of autonomy to the Kurds who form 62 per cent of the population of the Mosul villayet and to complete a commercial-economic agreement with Turkey on behalf of Iraq.

Turkey's attitude is equivocal. Her responses to the British proposals for direct negotiations have been neither friendly nor hostile. There seems little likelihood that Angora will attempt a military invasion of the disputed territory. Britain has too many means of retaliation. Not the least of these is a large and well-equipped air force at Bagdad. British air authorities do not hesitate to say in private conversation that these planes are sufficient to defeat any possible Turkish attacks.

The day after the Council's decision, the representatives of Russia and Turkey signed in Paris a treaty of friendship and mutual benevolent neutrality. As summarized in the press, it provides that neither country shall attack the other; that in the event of one party being involved in war, the other shall remain neutral and that neither shall be a member of any combination against the other. The Russians say it is the answer to Locarno. The Turkish spokesmen give the impression that it will strengthen them in their negotiations with Britain about Mosul.

Official British and French opinion tend to belittle the pact, and compare it to the ineffective Rapallo treaty as "a simple case of 'misery loves company'." None the less, it illustrates one phase of the danger, that unless the Locarno agreements can be broadened to include Russia, Europe may again drift into a balance of power—this time with the dissatisfied portions of Asia sympathizing with or actively supporting the Soviet Republics.

The Dilemma of France

THE arrival in Washington of the new French Ambassador M. Bérenger, instructed to fund the French debt owed to our government, emphasizes anew France's fundamental domestic problem. It is financial and not, as so many of our editorial writers would imply, primarily political. Her politicians, perhaps a little more personal and partisan than ours, are essentially the same as politicians everywhere. They are the voices of economic, class, or other interests. Not politics, but an unbalanced budget has been the cause of the recent ministerial crisis and is the real reason for the instability of Briand's ministry. In 1924 the outgo of the French Government was about 16,000,000,000 francs more than its income. For 1925 the deficit will be approximately the same. These figures set forth by the Institute of Economics are admitted by French authorities to be accurate, though the official figures tell a very different story.

Critics of France are prone to assume that the budget could be easily balanced. They ask questions which press in from one side or another from this base.

Why does not France tax herself adequately? They forget that France during 1924 collected about 20 per cent of her national income in taxes, or about the same proportion as England and much larger than the United States. Clearly then a general increase of taxation would be very difficult and except on the higher incomes would probably not repay the effort.

But does not France lend huge sums to her allies? The total of such loans from 1919 to the end of 1924 was about 4,000,000,000 francs. But even this sum did not represent capital exported from France, but rather the sale of existing war supplies, a large part of which was no longer of value to her.

But would not the sale of such state enterprises as the railways, telephones and telegraphs, eliminate important items of expense? Possibly, but the probable savings, assuming that these properties could be disposed of to private owners, would be small.

But does not France spend a large portion of her budget for military purposes? During 1924 these items totalled less than 8,000,000,000 francs or less than 17 per cent of the national expenditures. Even a reduction of this amount by half would leave a deficit of more than 10,000,000,000 francs.

But would not the large foreign loans, hoped for after the expected refunding of the foreign debt owed the United States, or the loans secured by mortgages on French factories as proposed by the Northern French industrialists solve the problem? The answer is obvious. Such loans might ease the situation for a few months but if unaccompanied by other and drastic readjustments could only increase the government's total obligations without proportionately increasing its income.

The Institute of Economics in a brilliant analysis of this whole problem concludes that the French budget can be balanced only through a sharp increase of taxes on the higher incomes and the general reduction on the interest paid on the internal debt. This latter item alone absorbed 16,500,000,000 francs in 1924. Unfortunately these measures are not likely to be adopted now. No party or combination of parties seems strong enough to carry them through.

Failing agreement on some such far-reaching program, further inflation appears inevitable. It is so much easier. Its effects are not immediately evident. It impoverishes most the millions of the middle classes who are least able to defend themselves. None the less, it would, by diluting the internal debt, make a balanced budget possible. There are not lacking French economists and financiers who believe that this is the only way out. Recently, one of the world's foremost bankers said to the writer: "Only when the horror of inflation becomes greater than the horror of drastic fiscal reform will the French people unite upon an adequate policy." A few days later an eminent and patriotic French scholar, in almost the same words, confirmed this pessimistic diagnosis.

Twelve Months of the Dawes Plan

GERMANY at the end of the first year of the operation of the Dawes plan presents many contrasts with France.

The German budget is balanced, the mark is maintained at par, and the internal bonded indebtedness has been wiped out. The first annual report of S. Parker Gilbert, agent general for reparation payments, is a singularly illuminating picture of the world's first attempt to save a great power from bankruptcy through international control. Mr. Gilbert, though not dogmatic, is optimistic that Germany will continue to be able to meet her obligations under the plan.

Many German authorities do not share this view. Despite Germany's amazing recovery during the last twelve months, these observers point with anxiety to the large adverse balance in foreign trade, the excessive interest charges (until the early autumn the minimum rate charged by the important Berlin banks on ordinary commercial loans was 14 per cent), the high cost of production and the increasing numbers of unemployed. Germany has, as Mr. Gilbert himself admits, still to face the two-fold problem of replenishing its working capital and of still further reorganizing some of its basic industries.

The Road Leading From Rome

MUSSOLINI'S recent prophecies of empire and his exuberant declarations of manifest destiny are disquieting. His later qualifications and interpretations have not sensibly diminished the uneasiness of his neighbors, particularly France and Yugoslavia. His glorification of might and his fanatical creed of extreme nationalism—illustrated ludicrously by his followers' refusal to permit the Austrian Tyrolese to cut down Christmas trees for their traditional celebration—are strangely out of harmony with other European developments since Locarno. It will occasion no surprise if Italy in the forthcoming disarmament conference plays an obstructive, if not a destructive role.

But it is in domestic affairs that Fascism during the last few months has demonstrated the extraordinary revolutionary character of its program. The recent session of Parliament enacted at Mussolini's command a series of laws which profoundly change the body politic. Italian citizens abroad may now have their citizenship revoked and their properties confiscated for words or actions which, though not constituting crimes, the Government believes likely to cause disorders within the state or to damage Fascist prestige abroad. The Premier is now responsible only to the King and not as before responsible jointly to King and Parliament. Those who act or speak in a derogatory manner of Mussolini may be fined or imprisoned. The Fascist employers' association and the Fascist labor union are the only organizations through which workmen may legally deal with their employers in reference to wages or conditions of work. Arbitration of all disputes between labor and capital is compulsory. Special labor courts have been created to hear these disputes. It is Mussolini's contention that this legislation is meant to initiate an era of class cooperation and to displace that of class struggles. Local government has in large part been abolished through the establishment of a system of "podestas" appointed from Rome for all communes of less than 5,000 population. Moreover, the powers of the prefects also named by the central government have been greatly extended. Thus step by step all power in the state tends to center in Rome.

Balloon Tires and Amity

MR. HOOVER'S strictures on the British rubber monopoly, which have resulted in the investigation authorized by the House of Representatives (begun January 5), should focus public attention on an international problem which reaches far beyond the immediate issue.

Mr. Hoover complains that through the operation of the so-called Stevenson Plan, adopted by the British growers

in 1919 on the recommendation of a committee of the Colonial Office, the price of raw rubber has been artificially raised from less than 30 cents per pound to the recent high level of \$1.21. The Stevenson scheme in effect limited the normal export to 60 per cent of the standard output, subject to increase every three months provided the price during that period had increased a given percentage. About 70 per cent of the world's output is controlled by British interests. Almost exactly the same percentage of the total world supply is used in the United States. Hence the basis for the charge that the United States is being gouged.

The British answer, which was put in a clear and admirably restrained article in the New York Times, January 3, by Sir Robert Horne, former chancellor of the exchequer, may be summarized as follows:

1. Prior to the adoption of the plan of restriction the growers had suffered such heavy losses that many plantations were in danger of reverting to the jungle. Had this been permitted the present shortage would be even greater and the price proportionately higher.

2. The real reason for the price increase has not been the restriction but rather the unexpected vast increase in the demand in the United States, due to the automobile boom and the introduction of balloon tires.

3. In any case, there is no discrimination against American purchasers because British buyers pay exactly the same prices as others.

4. The proportion of increase in the total cost of an automobile, due to the high price of raw rubber, is very small, and over against it should be set the vast profits which both the automobile and rubber industries in the United States have made during recent years.

5. In effect, although not through a policy of restriction, the United States, by its predominant position in the production of cotton, levies a similar toll on British industries. There has never been any protest either from the British Government or the British industries directly affected, even though the cotton trade in Lancashire has been languishing for years.

6. Criticism comes with bad grace from a country which, through its tariff, prohibitive on many items of British manufacture, maintains a virtual monopoly on the American market for its own producers.

This particular controversy, with good will on both sides, should not be difficult to settle. Its greatest importance lies in the opportunity which it offers to drive into the public mind the vast implications of the similar problems of other essential raw materials. No fear is more fruitful of suspicion and ill will than the fear of an industrial state that its essential supplies may be curtailed. It is not an answer to say that in the past, in time of peace, no state has greatly suffered. There is always latent in the minds of statesmen the possibility that in time of war their industries may be paralyzed. And the recent tendency among producing countries to restrict the production or export of universally needed raw materials constantly raises in an acute form questions which formerly became acute only in time of war or because of the possibility of war.

If Great Britain and the United States, two of the richest countries in the world in raw materials, permit conflicts of interests about a single material like rubber to become a possible source of misunderstanding, how much more vital must similar questions seem to states largely dependent for their very industrial life on supplies from abroad? If the world is to remain at peace, political agreements like those of Locarno and reductions of armaments such as the League is now striving to effect, must be supplemented by effective international agreements about the raw materials.

My Apprenticeship

II. Herbert Spencer: and My Search for a Creed

By BEATRICE WEBB

LOOKING back from the standpoint of today it seems to me that two outstanding tenets, some would say, two idols of the mind, were united in the mid-Victorian trend of thought and feeling. There was the current belief in the scientific method, in that intellectual synthesis of observation and experiment, hypothesis and verification by means of which alone all mundane problems were to be solved. And added to this belief in science was the consciousness of a new motive; the transference of the emotion of self-sacrificing service from God to man.

I.

THE London season of fifty years ago came and went, and with it disappeared my feeble hold on orthodox Christianity. The restless and futile activities of society life and the inevitable reaction in self-disgust and corresponding depreciation of other people's motives did not constitute a fruitful soil for religious experience; and even if there had not been a sudden revolt of the intellect I doubt whether I should have remained a practising Christian. But it so happened that during these very months intellectual curiosity swept me into currents of thought at that time stirring the minds of those who frequented the outer, more unconventional and, be it added, the more cultivated circles of London society.

By the autumn of 1876 I thought I had reached a resting-place for the soul of man, from which he could direct his life according to the dictates of pure reason, without denying the impulse to reverence the Power that controlled the Universe. This resting-place was then termed, by its youngest and most uncompromising adherents, the Religion of Science. The God was The Unknowable: the prophet was Herbert Spencer. Prayer might have to go, but worship would remain. Looking back on my intimacy with the philosopher, it is certainly surprising to me that I do not appear to have read any of his books until I was eighteen years of age. It was during the six succeeding years of irresponsible girlhood that I tried the religion of science and found it wanting.

INSEPARABLY associated with my mother, and in many respects her complement, was Martha Jackson, my mother's lifelong companion and attendant. "Dada" was a saint, the one and only saint I ever knew. She mothered all the members of the large household, whether children or servants, whether

good or naughty; she nursed them when they were ill, comforted them when they were in trouble, and spoke for them when they were in disgrace.

The most far-reaching and influential of Martha's gifts was her revelation of the meaning of the religious spirit. Fresh from listening to my mother's interminable arguments with Herbert Spencer concerning the origin of religion, Martha's formal creed, that of a Particular Baptist, seemed to me primitive if not barbaric. But she held the dogmas of the atonement, predestination, eternal punishment and of the literal infallibility of the Old and New Testament, not to mention the Protestant assumption that the Roman Catholic Church was the "Scarlet Woman" of Revelation, humbly and without question, as an act of loyalty to the faith in which she had been reared. Religion meant to her from beginning to end a state of mind, a state of mind which she believed reflected the state of mind of her Savior Jesus of Nazareth, an overpowering consciousness of love. It was a strangely impersonal love; if I may so phrase it, it was an equalitarian beneficence without respect for persons or even for the characteristics of persons: it was manifested quite indifferently to all human beings, whether they were attractive or hideous, of high or low degree, geniuses or mental defectives, nobly self-sacrificing or meanly egotistical. Yet it was evident to all who knew her intimately that she held, with radiant conviction, that the state of mind which was to her religion could only be created and maintained by communion with an outside spiritual force, itself a manifestation of the spirit of love at work in the universe.

At the other end of the scale of human values and in significant contrast with the household saint—in intellect towering above her, but in emotional insight depths below her—stood the oldest and most intimate friend of the family, the incessantly ratiocinating philosopher—Herbert Spencer.

Always cheerfully beneficent, my father had a genuine if somewhat pitying affection for the philosopher on the hearth; he would walk with him, he would fish with him, he would travel with him, he would give him sound advice and tell him tales from business life which illustrated the working of this or that economic "law" in which they both believed; but argue with him or read his books he would not. "Won't work, my dear Spencer, won't work," my father would say good-humoredly, when the professional doubter defiantly proclaimed his practice on a Sunday morning of deliberately walking against the tide of churchgoers. This distaste for Herbert Spencer's

WHILE Herbert Spencer, her intimate for forty years, is the central figure of this second instalment, Mrs. Webb gives us glimpses of other outstanding Englishmen who shaped the social, economic and political thought of the mid-Victorian epoch. Among them

John Bright
Thomas Carlyle
Joseph Chamberlain
Francis Galton
Thomas H. Huxley
John Morley