

JANUARY 1921

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**THE AMERICAN**  
**REVIEW**  
**OF**  
**REVIEWS**  
**EDITED BY ALBERT SHAW**



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The Treasury's Plan for Federal Taxes

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Why Not a Tax on Sales?

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England in the Throes of Deflation

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A New Outlook in the Conquest of Disease

*By T. Mitchell Prudden, M. D.*

The New Session of Congress and Its Problems—European Happenings and Personalities—The Flood of Immigrants and Proposed Restrictive Legislation—A College Outing Club—Current History in Caricature, and many other timely features

# THE AMERICAN REVIEW OF REVIEWS

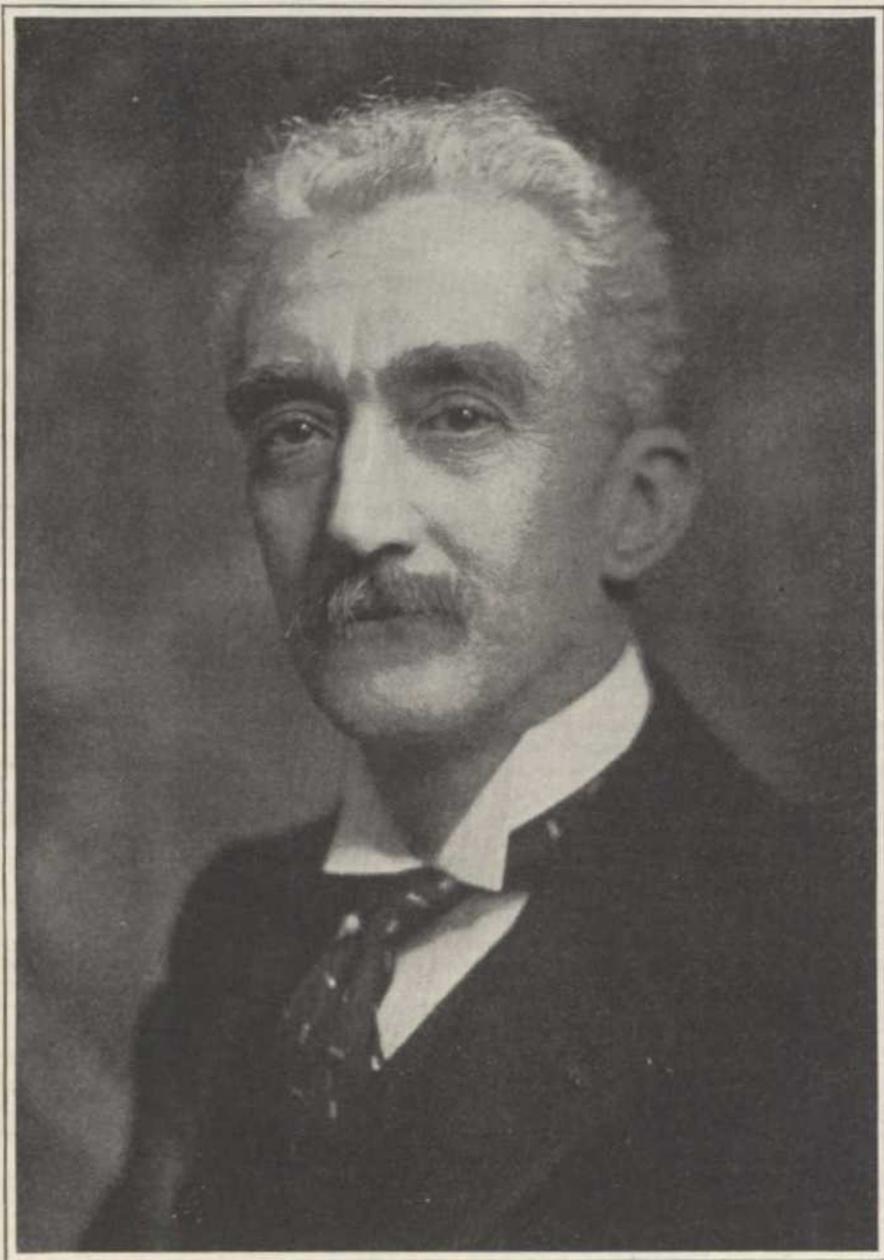
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**PAUL HYMANS, PRESIDENT OF THE ASSEMBLY, LEAGUE OF NATIONS**

M. Hymans had only recently resigned the post of Secretary for Foreign Affairs in the Belgian Government when he was chosen President of the Assembly of the League of Nations at its first session in Geneva. During the years 1914-16 he had held the responsible position of Belgian Minister to Great Britain. He met the emergencies of those trying years with a quiet dignity and urbanity that won many friends for Belgium at the Court of St. James's. M. Hymans is described as a polished man of the world and an orator of no mean ability.

# THE AMERICAN REVIEW OF REVIEWS

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## THE PROGRESS OF THE WORLD

*A New Year of Industrial Crisis*

While the political and social affairs of mankind are, for the time, simmering, with only minor eruptions here and there, the New Year comes to a world in acute industrial crisis, grimly facing the inevitable economic aftermath of the Great War. No country is so favored as to escape the effects of the waste, the extravagance, the inflation of the past six years. Human nature is so curiously constituted in its relation to economic matters that unheard-of high prices for the commodities in which it has an interest are only reasons for expecting still higher prices and a new and unending era of them, despite the lessons of history. Thus the fall that is bound to come never fails to bring shock and suffering; and as this war and its waste and hectic overstimulation were the greatest in history, so the troublous penalties are worldwide and intense as never before. Silk in Japan, rice in India, wool in Australia, grain, coffee, and rubber in Argentina and Brazil, cotton goods in England, sugar in Cuba and in Germany—all the goods that mankind values as the necessities of life have dropped in price with amazing swiftness from war-time heights and painful readjustments of industry and finance must be made everywhere and at once.

*America's Good Fortunes*

Though the last weeks of the year 1920 were anxious ones indeed for American business men, who proved no exception to the rule that the obviously inevitable in business always comes with some surprise, this country's resources are so great in relation to its losses from the war, and are so well organized to withstand shock, that it promises to go through the ordeal of readjustment with less suffering than any other of the great nations. Mr. Roberts explains in this magazine how our recently constituted Federal Reserve System is saving

us from the great panic that most men feel would certainly have been upon us but for the elasticity and coördination of the new banking régime. Concise reports and forecasts by leading business and other authorities in economic matters from the various sections of the United States indicate that our progress toward more normal conditions will be sure and without large catastrophes, some of them placing the beginning of a new and more stable régime only a few months ahead. Leaders in Congress recognize acutely that our orderly readjustment can be greatly aided by a wise revision of federal taxes, now rendered doubly difficult by rapidly spreading depression in business and the consequent fading away of taxable profits and incomes. When Congress came together for the present session the earliest activities of



IT'S NEVER YET FAILED TO CLEAR UP  
From the *Spokesman-Review* (Spokane, Wash.)



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THE PRESIDENT-ELECT IN WASHINGTON LAST MONTH, WITH HIS COLLEAGUE, SENATOR LODGE

the men who count in both the House and the Senate made it clear that these fiscal matters were among their first concerns.

Easily the most interesting and picturesque aspect of the opening of Congress last month was the presence in the Senate of the newly elected President-to-be. Senator Harding had just returned from his vacation in Panama. He had landed in Norfolk on December 4, and on his way to his home at Marion he stayed in Washington for two days and attended the opening session of the Senate. Within a few moments after the beginning of the session, Senator Lodge of Massachusetts arose and called the attention of the Senate to the fact that this was an unprecedented and memorable occasion—that never before in history had any man gone directly from the Senate to the Presidency. In this vein Senator Lodge suggested that the President-elect should be asked to address the Senate informally. The brief speech that Senator Harding made in response was extremely happy. The most

obvious characteristic of it, and probably the most important as well, was the emanation of friendliness from the speaker, the appeal for harmonious coöperation that was made with simple sincerity and yet with enough restraint to preclude any impression of lack of due regard for the dignity and prerogative of his own office. In fact, one interpretation of the speech made by persons who listened to it closely in order to detect its significance, was that Senator Harding wished not only to make a plea for a harmonious working understanding with the Senate, but also wished to disabuse the public mind of any notion that during the next four years the Executive branch of the Government will be unduly deferential to the Legislative branch.

*Friendly  
and  
Firm*

The impression that Mr. Harding, because he was a Senator and because many Senators had favored his nomination, would be the "creature of a Senatorial oligarchy" had been put abroad quite generally, soon after his nomination, as an incident of the not overpunctilious aspersions of a political campaign. Those who listened thoughtfully to Senator Harding's speech in the Senate felt that he was conscious of this and that he wished to reassure the public mind. He alluded smilingly to the phrase "Senatorial oligarchy" and said of it: "Of course, everybody here knows that to be a bit of highly imaginative and harmless fiction." He added, with a manner of cordial friendliness, that he wanted "to express the wish of a colleague for the confidence and coöperation of the members of this body." Having said this, and said it in a way to preserve and increase the friendliness of his colleagues, he then continued:

When my responsibilities begin in the executive capacity, I shall be as mindful of the Senate's responsibilities as I have been jealous of them as a member. But I mean at the same time to be just as insistent about the responsibilities of the executive. Our governmental good fortune does not lie in any surrender at either end of the Avenue, but in the coördination and coöperation which becomes the two in a great and truly representative popular government.

*His Bearing  
Creates  
Good Will*

Both in his appearance in the Senate and in his other contacts while he was in Washington, Senator Harding made a happy impression, not only in his speech but in his bearing. It often occurs that the creation of an impression of friendliness, and of a disposition toward harmony on the part of an individual,

as well as the securing of a friendly disposition in return on the part of others, is achieved less by words than by manner. Senator Harding's two days in Washington were characterized by a most fortunate combination of both. Anyone who sat in a favorable position and was able to watch the countenances of the other Senators, was instantly aware of an atmosphere on their part of friendliness and of the wish to cooperate in making the new administration successful. This attitude was shared by both Republicans and Democrats. The Democratic leader of the Senate, Mr. Underwood of Alabama, himself made a pair with Senator Harding for the exigencies of the President-elect's necessary absence; and there were other examples of courteous amenity, both on the part of Democratic Senators and on the part of Mr. Harding. Later on, in a conference which Senator Harding had with the newspaper men of the capital, the most marked characteristic of his attitude and the most urgent aspect of his solicitation for cooperation was his wish to avoid doing or saying anything that could be interpreted as raising an issue with his predecessor in the Presidency or with the other party generally. It was apparent that the wish which lay closest to his heart was to live up to the highest standards of propriety and taste, and to do all in his power consistent with principle, to give good will, and to be receptive of it, not so much for his personal comfort or the success of his administration as in the interests of a universal cooperation toward the best good of the country. In the interests of this policy, he declined a good deal of solicitation that he should now, during the present session and before the beginning of his own Presidency, assert the prerogative of a party leader and do what he could to influence legislation in the present short session. This rôle he rejected emphatically.

his disability and read the address in person. The common impression of the state of his health was that he would be able to do this, although it would cost him much in strain and discomfort; but that his intimate advisers felt the better course was to be meticulously careful about any unnecessary expenditure of the diminished stores of his vitality. When the committee headed by Senator Lodge made the formal call at the White House, to make the customary announcement that a quorum of Congress was in session and was ready to hear an address from the President on the state of the country, they were received by Mr. Wilson standing. With his right hand he leaned upon a cane, and his humorous greeting was: "You see, gentlemen, I cannot yet dispense with my third leg"—an expression which was meant to be a courteous explanation of his inability to shake hands, inasmuch as his right hand was engaged with his cane and his left is under the impairment of his illness. The committee, as well as others who have seen him during recent weeks, had a painful but admiring impression of a strong-willed man doing all that courage can to overcome the handicap of ill health. It is noticeable in Washington that much of the partisan acrimony of which Mr. Wilson has for some time been the focus, is being replaced by a feeling of sympathy for his physical affliction and for the tragedy to his aspirations involved in the defeat of the League of Nations.

President  
Wilson's  
Message

Almost equal in interest to the appearance of the new President, was the concluding message of

President Wilson, delivered on the second day of the session. Two aspects of this event had been the subject of much speculation. It was wondered whether the President would continue the custom he inaugurated at the beginning of his Presidency, of reading his address in person. It was also wondered whether he would say anything about the League of Nations; and if so, what. The belief was general in Washington that the President, in a spirit of fortitude, would defy



THE PRESIDENT'S CHRISTMAS LIST

From the *World* (New York)

[The president urges Congress to provide just taxation for Americans, a loan to Armenia, economy for the Government, and independence for the Philippines]

*Personal Touches in the Address*

As it turned out, the President did not come to the Capitol in person, but sent his speech to be read. It contained no direct allusion to the League of Nations, but there were passages which were interpreted by all, and especially by the sympathetic, as expressions of the determined belief of a strong though crippled man in the righteousness of his convictions and in their ultimate triumph. The message opened with a quotation from Abraham Lincoln: "Let us have faith that right makes might and in that faith let us dare to do our duty as we understand it." Taking this as a text, Mr. Wilson made an earnest expression of faith "that a new order would prevail throughout the affairs of mankind, an order in which reason and right would take precedence over covetousness and force." He said, "I believe that I express the wish and purpose of every thoughtful American when I say that this sentence marks for us in the plainest manner the part we should play alike in the arrangement of our domestic affairs and in our influence upon the affairs of the world. By this faith and by this faith alone can the world be lifted out of its present confusion and despair." Later, in the closing paragraph of his address, after alluding in a formal way to various projects of legislation, there was another personal touch when he said: "I have not so much laid before you a series of recommendations, gentlemen, as sought to utter a confession of faith, of the faith in which I was bred and in which it is my solemn purpose to stand by until my last fighting day." Those who heard the words and understood the background, were moved by them, and felt that they were under the circumstances a dramatic and adequate expression of a lofty spirit. Nor was such appreciation confined by party lines.

*A Brief Message*

The body of the President's message was brief and made a smaller number of specific recommendations than any Presidential message of recent times. He described briefly the state of the public debt and the condition of the Treasury, and emphasized the imperativeness of economy. "Closely connected with this," he said, "is the necessity of the immediate consideration of the revision of our tax laws. Simplification of the income and profits taxes has become an immediate necessity. These taxes performed an indispensable service during the war. The need for their simplification, however, is very great, in order to save the tax-

payer inconvenience and expense, and in order to make his liability more certain and definite." Further than this, Mr. Wilson's recommendations included the providing of adequate facilities for the care and treatment of former soldiers and sailors, who are now sick and disabled; encouraging the manufacture of dyestuffs and related chemicals; improving agricultural marketing and agricultural conditions otherwise; a law regulating coal storage; a law requiring that every packing case of goods carried in interstate commerce should contain on the outside a plain statement of the price at which the goods left the hands of the producer, and a federal license for all corporations engaged in interstate commerce. All of these recommendations were made in the briefest language, without any argument.

*Armenia and the Philippines*

Two of the recommendations in the President's message were accompanied by a more detailed description of the need, and with a more earnest spirit of advocacy. One was that Congress should authorize the Treasury to make a loan to the struggling government of Armenia, of the same kind that we made to several of the Allied governments during the war. The second recommendation was unexpected and, in some degree, startling. The President said:

Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf, and have thus fulfilled the condition set by the Congress as precedent to a consideration of granting independence to the islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence which they so honorably covet.

This recommendation took Congress a little by surprise, and there was no immediate development of a kind to indicate that any early action will be taken on it. The recommendation as to Armenia received a more affirmative response.

*A Budget Bill Certain*

When Mr. Harding was being pressed, to some extent publicly and to a greater extent privately, to assert at once, without waiting for March 4, his prerogative as party leader, and to endorse a program of legislation for the present Congress, he refused in all respects except one measure. The exception was the Budget bill. This bill is so much in favor from all

sections of opinion and leadership that it became apparent within the first forty-eight hours after the opening of the session that the Budget bill would soon be made a law. This bill aims at reorganization of the system of Congressional appropriations, and some of the other financial operations of the Government business; in the direction of better system and greater economy. It represents many months of hard work on the part of leaders of both parties in Congress and on the part of heads of some of the executive departments as well. Their work was finally crystallized into a bill during the session of Congress last spring, and it was passed by both houses late in May. At that time President Wilson vetoed it, because of a minor constitutional objection. His veto created much dismay because it was felt that he had prevented the consummation of an effort which was described, with some reason, as the most important measure of the kind, except the Federal Reserve Act, passed since the Civil War. The lower House modified the bill to meet the Presidential objection, and re-passed it, before adjourning, last spring. But the Senate did not get around to reconsideration of the measure.

*The  
President's  
Advocacy*

At the opening of the present session, Mr. Wilson in his annual message referred to his previous veto and said: "I reluctantly vetoed the Budget bill passed by the last session of the Congress because of a Constitutional objection. The House of Representatives subsequently modified the bill in order to meet this objection. In the revised form I believe that the bill, coupled with action already taken by the Congress to revise its rules and procedure, furnishes the foundation for an effective national budget system. I earnestly hope, therefore, that one of the first steps taken by the present session of the Congress will be to pass the Budget bill." This endorsement by President Wilson, coupled with the fact that this same measure was practically the only issue to which President-elect Harding was willing to give his public endorsement, and coupled also with the almost universally favorable disposition of the members of the House and Senate, makes it certain that the new administration will begin on March 4 with a new system of handling estimates and appropriations, such as will enable the Government to achieve a measure of economy that has been needed and discussed for more than a generation, but which has always been impossible because of an antiquated and



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Rep. James W. Wood      Senator Medill McCormick  
(Rep., Iowa)                      (Rep., Ill.)

LEADERS IN THE MOVEMENT FOR MODERNIZING THE  
SYSTEM OF CONGRESSIONAL APPROPRIATIONS BY  
CREATING A BUDGET

cumbersome mechanism. Nothing in the work before Congress can exceed the importance of this measure.

*Reorganizing  
the  
Departments*

Allied to the Budget bill is another measure in the interests of better system and greater economy, known as the bill for the reorganization of the Government departments. In the gradual growth of the Cabinet and of governmental activities under the Cabinet, an illogical and wasteful distribution of bureaus and departments has grown up. For example, the work of the Government in behalf of public health is incongruously under the charge of the Secretary of the Treasury. The office of Public Buildings and Grounds (D. C.) is in the War Department, while the office of Supervising Architect and also the separate office of Superintendent of State, War, and Navy Department Buildings are in the Treasury Department. The Board of Road Commissioners for Alaska is in the War Department, while the Bureau of Public Roads is in the Department of Agriculture. The Children's Bureau and the Women's Bureau are in the Department of Labor, while various Government hospitals are in the Department of the Interior. The bill to remedy these incongruities can best be described with accuracy and brevity in Senator McCormick's own language: "It abolishes the Interior Department; creates in its stead the two departments to be known as the Department of Public Works and the Department of

Public Welfare; divests the War and Treasury Departments of functions not germane to the national defense or the national finances, and in general coördinates existing agencies which now are scattered irrelevantly and wastefully throughout the whole Government organization." In the Department of Public Works the McCormick bill brings together all the important building and engineering services of the Government.

*Two New Departments*

In the Department of Public Welfare the bill assembles all the various welfare agencies of the Government, such as the Women's Bureau, the Children's Bureau, the Public Health Service, and the like. It is not to be expected that it will be possible to pass this bill for the reorganization of the Government departments during the present short session of Congress, but it can be anticipated with confidence that the reorganization will be made in the relatively near future. During the presidential campaign, Senator Harding, in one of his speeches, earnestly advocated the creation of this new department of Public Welfare. Incidentally, it is a frequent and probably well-based assumption that when this new Cabinet office is created, a woman may be chosen to fill it. This movement toward the better disposition and coördination of Government depart-

ments is second only to the Budget bill as an intelligent attempt toward better system and greater economy in the work of the Government.

*Immigration Problems Acute*

Of the comparatively few important measures that can be passed in the present short session in face of the necessity of the session giving the bulk of its attention to imperative appropriation bills, one of the most likely is a bill for the restriction, in one degree or another, of immigration. Congress, as well as the country as a whole, has become alarmed at our present situation in regard to incoming aliens. Previous to the war we were accustomed to receive, roughly, about a million immigrants a year. Even at that time there were many who believed that this was a larger number than we could absorb readily. But our industries were busy, and from the standpoint of labor we were able to make use of them. With the war, however, and with the disturbing appearance of cleavages in our population based on European origins, we became aware that immigration must be looked upon, not wholly as a labor problem, but also as a social problem. As Senator Harding expressed it in his speech of acceptance, we must look upon immigrants not merely from the standpoint of units of labor, but more from the standpoint of material to be absorbed into our permanent citizenship. It is this latter standpoint that is in the foreground in the present consideration of immigration.

*The Ebb and Flood of Aliens*

While the war was on, immigration fell off because so many of the European countries needed their man power for military purposes and put restrictions in the way of their people leaving their countries. During most of the six years of war our immigration fell to proportions that were negligible relative to what it previously had been. Immediately after peace was declared there was a curious and unexpected phenomenon: instead of an immediate growth in immigration from Europe, it happened that many aliens who had been here during the war returned to their own countries. Their motives were partly curiosity to see the condition of their old homes after war had passed over them, and partly the fact that during the era of high wages they had accumulated what seemed to them small fortunes, with which they hoped to be able to buy land in their mother

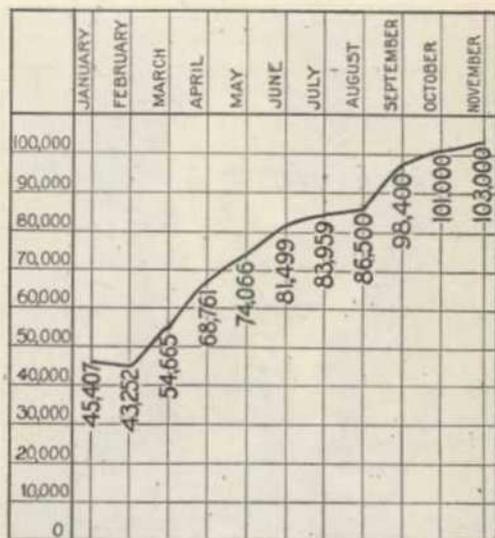


ABOUT TIME TO STOP THE FLOOD, UNCLE!  
From the Rocky Mountain News (Denver, Colo.)

countries and settle down in what they looked forward to as a degree of independent comfort. In this latter expectation they were wholly disappointed. They found that in their old countries the relation of money to values had undergone the same course as here. Their visits to their homes were full of disillusionment, and they began to return in large numbers. Not only did aliens return who had been here before, but a great quantity of new immigrants, finding the economic and social conditions of their own countries intolerable, turned toward our shores. The result has been, during the past few months, a quantity of immigration which has been alarming to many thoughtful persons.

*How Taxes  
Make  
Emigrants*

In the debates on the various immigration restriction measures, some denial has been made of any overwhelming quantity of immigrants likely to come in the near future; but to one who followed the speakers carefully it seemed that the best information, and the best judgment as well, has been on the side of those who claim that unless America takes some action we are likely to receive in the near future a quantity of immigration beyond anything heretofore known. It is likely, indeed, that if an unrestricted movement is permitted to the masses of European peoples, there will take place within the next year or two a shifting comparable only to some of the great tribal movements of history. Social and economic conditions in many parts of Europe are extremely trying. Some of the European countries, if they pay their internal and external debts, will be forced to an amount of taxation which will put upon the citizen a burden that he will not bear and cannot bear. When taxation reaches the point where a workman must labor until noon before he has paid his direct and indirect taxes, and can have for himself only what he earns during the afternoon, there is no recourse that will appeal to such a citizen so attractively as to pick up his movable goods and go to a more prosperous country. The fear of an excessive amount of emigration to the United States seemed justified on the part of those advocates of restriction who seemed to have given the greatest amount of thought to the subject and who submitted their views to Congress and to the committee. The reports of the transatlantic steamship agents and current figures of new arrivals support this view.



THE RISE IN THE TIDE OF IMMIGRATION

(With the single exception of February, the incoming tide has steadily risen since the first of the year 1920, until the figures are now more than doubled. It should be remembered that some thirty or forty thousand aliens leave the country each month. Our chart is based upon statistics computed by the Inter-Racial Council)

*A Flood  
of  
Immigrants*

Mr. Frederick A. Wallis, Commissioner of Immigration at the Port of New York, reports remarkable conditions in the tide of Europeans that has been setting stronger, month by month, toward the shores of America. In spite of the efforts of the governments to hold back their able-bodied men of military age and young women who could aid in industrial production, the seaport towns of Europe are crowded with families who have sold all they possessed to get money to go to America, and are clamoring at steamship and passport offices, willing to pay double prices for transportation and to travel on anything that can keep afloat. The representatives of the transatlantic lines estimate that no less than 15,000,000 aliens want to come here, and Commissioner Wallis believes at least 30 per cent. of them would fail to pass inspection. France, England, the Scandinavian countries, and Holland are able to control their people through appeals to loyalty or otherwise. Italy, Poland, the new Slav states, Spain, Portugal, Serbia, Turkey, Armenia, Russia, and the Central Powers seem to want to rise *en masse* and go to America. It is said that millions of Germans are only waiting for the formal declaration of peace, when they will try to emigrate to this country.



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HON. ALBERT JOHNSON, CHAIRMAN OF THE HOUSE COMMITTEE ON IMMIGRATION

(Mr. Johnson is the author of the measure which passed the House on December 13, prohibiting immigration for one year. He has also been interested in the special alien problem of the Pacific Coast, for Washington is his native State.)

*Desirables  
and  
Undesirables*

The Commissioner reports that we are getting a fine class of new citizens from Czechoslovakia, Jugoslavia, Scandinavia, and Holland—farmers who want to go right to farming when they get here. But the Polish Jews have different aims, and Poland is sending us more immigrants now than any other country. A million aliens have landed here in 1920, and steamship men are certain that the rush in 1921 will be very much greater. United States Commissioner Caminetti is now in Europe, studying the problem and planning the establishment of emigration centers at all consular offices, where Europeans wishing to come to America can learn about the required tests before they have sold all their belongings and burned their bridges behind them, only to find, in tens of thousands of cases, that they cannot enter America.

*No  
Simple  
Problem*

In the debates it became apparent early that the subject is less simple than is realized by those who have not given it study. It is easy to

make arbitrary and sweeping policies, but the practical application of these policies is difficult. As to many of these projects for wholesale exclusion, their literal application would have effects that would be deplorable on humane and other grounds. No one would like to see our country cease to be what it has always been—a refuge for high-minded protestants against autocratic governments, and for persons otherwise acceptable who are persecuted because of their religious beliefs. In a broader way, there is hardly anyone who would like to see a rule made of which the practical application would result in preventing entirely the incoming of good immigrants from the British Isles, the Scandinavian countries, Holland, Germany, France, and parts of other countries. The prevailing attitude of Congress clearly was, however, that it is better to err on the side of rigidity in this matter than on the side of liberality.

*Specific Plans  
for  
Restriction*

Of the specific plans for restricting immigration there are many, and it is too early in the session yet to say clearly just what plan will finally emerge. The plans include, among others, total exclusion of all immigrants for a period of two years; an expansion of our consular service abroad so as to make possible at the port of departure an individual examination, by officers of the United States, of every applicant for passage to America; a similar project for the same kind of examination at the port of entry into the United States; a plan for limiting the number of immigrants who may come to the United States from any one country, and basing the number on a percentage of those already here. That some one of these plans, or a variation of some of them, will be adopted seems very probable to anyone who has been in sufficiently close contact with Congress to understand the temper of its members. On December 13 the House passed the Johnson bill, forbidding all immigration for one year except that naturalized citizens may bring their wives, brothers, sisters and other blood relations from abroad. Representative Johnson in urging the passage of the measure made strong representations as to the dangers of introducing typhus and other epidemic diseases into this country, stating that immigrants on two ships landing within the previous week were found to be suffering from the dread typhus so prevalent in Central Europe.

*Financial  
Help for  
Farmers*

Many of the subjects that have come up in the present session of Congress arise out of distress caused to business organizations and to individuals, as well as by recent economic phenomena in this country. When the fall in commodity prices became serious in September and October, delegations of farmers and others, headed by the officials of farm organizations or by political leaders in their respective communities, approached the Treasury with a request that some form of relief be extended. These various requests were chiefly one form or another of two projects: The first, a revival of the War Finance Corporation, which was originally formed to provide funds for the facilitation of exports; the second, in effect a suggestion that the Treasury should itself go into the banking business and indirectly, through the operations of the Federal Reserve System and through local banks, extend credit to farmers and others who did not wish to sell their products at the prevailing low prices, but did not have themselves the necessary capital to hold the goods off the market. These requests were pointedly refused by the Secretary of the Treasury, who took the ground that there was nothing the Treasury could do which was within the spirit of existing laws and which was consistent with sound theories of the Treasury's proper function.

*A  
Courageous  
Stand*

Incidentally, whether this refusal by the Secretary of the Treasury was wise or not, it most certainly was courageous. An election was on at the time; the party of which the Secretary of the Treasury and his superior, the President, are office-holders, was seeking a new tenure. It was clear that a refusal to do the thing that was asked by large numbers of farmers and others would be unpopular and would lose votes to the party in power. The fact is it did lose votes. In many communities Republican Congressmen owe their success in the recent election to disaffection among Democratic voters because of this action on the part of the Secretary of the Treasury. That Mr. Houston should be willing to adopt this stand, knowing its political consequences, and that the Secretary of the Treasury should be supported in it by the President, was an act of political courage for which both men should have due credit, regardless of individual opinion as to the wisdom or unwisdom of the course they had adopted.



"MERRY CHRISTMAS! FOUR BILLION DOLLARS,  
IF YOU PLEASE!"

From the Sun (Baltimore, Md.)

*Revive the  
War Finance  
Corporation?*

When Congress assembled, the requests which had been made of the Treasury and refused were renewed before Congress. Large delegations of farmers, the heads of powerful farm organizations, members of Congress and Senators from farming communities, all presented proposals for the resumption of the War Finance Corporation or for some other form of Treasury relief to farmers and others who wished to hold their products off the market but did not themselves have the necessary capital. One joint resolution to this effect was introduced by Senator Gronna, of North Dakota. In the debate on it, Senator Lodge, of Massachusetts, objected, saying: "Technically, I suppose, it may be said that we are still in a state of war, but practically the Finance Corporation has gone out of existence. . . . I think I shall have to ask that the joint resolution go over. It is a very important matter, and I think probably it ought to be enlarged if it is to pass. Many of the mills of New England are closing down because they are carrying great quantities of unsold goods, and if the Finance Corporation is to be revived for that purpose, I think the joint resolution ought to be made to cover all industries." Senator Lodge's objection ended this project for the moment; but on December 13 the Senate voted by an over-

whelming majority to revive the War Finance Board as a measure of relief, not only to farmers, but to other industries now suffering from depression.

*Specific  
New Tax  
Proposals*

A good deal of the thought of Congress has been devoted to a revision of the present taxes.

On this point the Secretary of the Treasury, whose ideas are presented in his own words elsewhere in this issue of the REVIEW OF REVIEWS, made recommendations in his annual report which included:

A tax of 20 per cent. on corporation profits, distributed or undistributed, in addition to application of a higher surtax rate.

An additional tax of 6 per cent. on corporation incomes.

Readjustment of surtax rates on incomes.

Abolishment of the \$2000 exemption allowed corporations.

An increase from the present 4 per cent. to 6 per cent. in the tax on incomes of \$5000 or less and from 8 per cent. to 12 per cent. in the tax on incomes between \$5000 and \$10,000.

A tax of two cents a gallon on gasoline for motor cars and all other purposes.

A federal license tax of 50 cents per horsepower on the use of motor cars.

An additional sales tax on automobiles (other than trucks and wagons) and motorcycles and motor car accessories.

A 10 per cent. additional tax on theatrical admissions.

An additional tax of \$2 per 1000 on cigarettes.

An additional tax of 25 cents per 1000 on cigars.

An additional tax of 5 cents per pound on tobacco and snuff.

An additional tax of 5 per cent. on candy.

An additional tax of 7 per cent. on chewing gum.

An additional tax of 7 per cent. on toilet soap and toilet-soap powders.

A 10 per cent. tax on the sale by manufacturers, producers or importers of perfumes, cosmetics, and medicinal articles in lieu of the present tax on the consumer.

An additional 5 per cent. tax on jewelry and precious metals.

An additional tax of 5 per cent. on musical instruments.

An additional tax of 5 per cent. on motion-picture films.

*Mr. Kitchin's  
Attack*

One somewhat sensational aspect of the reception by Congress of Secretary Houston's proposals for changes in the tax laws was an attack directed against the proposals and against Mr. Houston personally by the leader of his own party on the floor of the House, Congressman Claude Kitchin, of North Carolina. Mr. Kitchin denounced the suggestions as being an effort to relieve the rich and to put upon

those who are less prosperous the taxes from which the rich would be exempted. He said that Secretary Houston is a friend of the rich; he said that if such proposals had come from a Republican source, they would be denounced by the Democrats; he said that if the Democratic party were in power during the next four years, and if that party being in power should make itself responsible for such a scheme of taxation as this, it would justify defeat at the next election. Quite apart from this opposition of the leader of his own party in Congress, and apart from what attitude the minority party may take, the probability is strong that Secretary Houston's proposals will have historic interest only. They will have little necessary relation to what the Republicans will do. The Republicans may or may not adopt some of these proposals, and parts of the Republican revision of the taxes may overlap some of Mr. Houston's proposals; but in a broad way the Republican program is to accept party responsibility for revision of the taxes and to make a revision according to their own notion, for which they will accept responsibility in future elections. It is too early yet to predict what the Republican program may be. The two proposals which vary in the greatest degree from the present taxes are a direct sales tax of 1 per cent. or  $\frac{1}{2}$  of 1 per cent., and a project for revising and raising the tariff so as to yield a very much greater volume of revenue. The Finance Committee of the Senate gave up most of the month of December to holding hearings on this subject of taxation. These hearings will, it is expected, end early in January. Thereafter at leisure a tax bill will be framed and it will probably emerge from committee soon after the beginning of the new administration in March.

*High Tariffs  
to the  
Fore*

The majority of Republican members of the Senate and House are devoted to the policy of high tariffs and the principle of protection for American industries. Some Republican members go so far as to favor a complete embargo on importations of wool, sheep, and other raw materials. A small group of Republicans, however, are troubled by the thought that the results of the war may make inevitable a complete change of front on the part of the United States in regard to foreign trade. They say that it is only a debtor nation which can afford to maintain a policy of high tariffs and protection. They say that a creditor nation,

which has payments coming to it in the form of interest from foreign countries, must facilitate the payment of this interest by making it easy for foreign countries to ship goods to us. Everybody knows, of course, that we entered the war a great debtor nation, and that we ended the war the greatest creditor nation in the world, with some eleven billion dollars due us from European countries, upon which interest must be paid. To adopt a policy of impeding the payment of this interest by those nations who are our debtors, in the shape of goods as an alternative to cash, would, they say, be suicidal. This change in our relations to the rest of the world creates a large question, which will turn up in a most important way in the tariff debate that undoubtedly is ahead of us during the coming year, as soon as the new House and Senate come into power on the 4th of March next.



MR. AND MRS. HERBERT HOOVER

(Who have been touring the country in the interest of starving and diseased children of Europe)

At midnight on November 30 *Obregon, President of Mexico* General Alvaro Obregon was inaugurated as President of Mexico, following his election by an overwhelming popular vote. This is the first President of Mexico to take office peacefully since Madero's administration. Many Americans were present, but all necessarily in an unofficial capacity, as President Wilson has not yet recognized the present government. The American guests included George T. Summerville, Chargé d'Affaires of the United States, the Governors of five States, and several special delegations. No word has come from Washington as yet bearing on the recognition of the Obregon régime, but Mr. Pesqueira, who has been representing Mexico at Washington, has evidently made progress with our State Department; and it is generally believed that if within the next two or three months President Obregon appears to be standing the test of meeting the situation confronting him, recognition will be extended.

*The New President's Problems* This situation is not an easy one. Serious labor troubles have been breaking out in various parts of Mexico, the worst of them in the seaport towns; and the closing down of the silver mines, due to the rapid decline in the price of the metal, is adding to the ranks of the unemployed. It will require a strong and wise man, also, to straighten out the difficulties as to the ownership and operation of the oil-fields in such a manner as to satisfy

Mexican nationalists and at the same time to leave the United States and Great Britain content. If President Obregon is anything like the able and high-minded personality portrayed in recent articles by Dr. E. J. Dillon, there is a fair chance that Mexico may emerge from her troubles. Secretary Colby's letter to Mr. Pesquiera, made public in the last week of November, looks hopeful as to a settlement of the vexed question of Article XXVII of the new Constitution of Mexico, dealing with nationalization of oil-fields. This provision had been interpreted in many quarters as a preparation for the confiscation of existing holdings of citizens of the United States and of Great Britain. Secretary Colby expressed himself as satisfied that there had been misunderstanding and that nothing in the supposedly ominous clause need be interpreted as providing for *ex post facto* proceedings or for the violation of any property rights attaching to citizens of the United States.

*Relief for Europe's Children* On the urgent plea of Mr. Herbert Hoover for one more year of help to the starving and diseased children of Eastern and Central Europe, eight of the largest relief organizations have joined to coordinate the work. The resulting European Relief Council has Mr. Hoover as chairman and Mr. Franklin K. Lane as treasurer. Three and a half million

children will this winter be in dire need in these countries, and Mr. Hoover estimates that \$33,000,000 will be required for efficient help—\$23,000,000 for food and clothing and \$10,000,000 for medical service. The Council includes, among other organizations, the American Red Cross, the Knights of Columbus, and the Y. W. C. A. Mr. Hoover considers that, while several of the central and eastern countries cannot come back to normal for a generation, Germany, Poland, and the Czechs will, after this year, with peace and reasonable crop conditions, be able to feed their own people sufficiently to support life. As to Russia, Mr. Hoover confesses that he is at a loss to know how help could be given, though it is obvious that it is sadly needed.

*China's Worst Famine*

On December 8 President Wilson appointed a national commission to deal with the problem of helping the starving Chinese in what is authoritatively described as the worst famine in history. The President appointed as chairman Mr. Thomas W. Lamont, of J. P. Morgan & Co., who was in the Far East last summer successfully negotiating the plan by which a consortium of the world's bankers will finance needed Chinese industrial projects. The terrible famine that has brought many millions of souls to dire want affects five provinces of North China, with a population of 87,000,000. A prolonged drouth has left great areas literally without food, so that families are deliberately poisoning themselves, rather than starve to death slowly; or selling or drowning their children, while those that survive are existing on the leaves of trees and weeds. Hordes of refugees are wandering from their homes in search of food, only to be turned back by communities that have barely enough to keep their own people alive. The famine sufferers have often sold their clothes to get food, and face a winter with a climate as rigorous as New York's, while the normal fuel supply of the country—the stalks of their grain crops—is wanting because of the total failure of the harvest. Reports have it that this winter of famine may see 15,000,000 persons starve to death, and that scarcely half a million can be saved even with the most effective help America can give. Cables received from China speak of huge sums from America being necessary to give any effective aid, \$300,000,000 being absolutely required for the winter's work.

*Europe's Financial Plight*

Whatever differences of able opinion may exist among Americans as to our proper concern with Europe's political affairs, there can be but one conclusion as to the interdependence of all the great nations of the world in trade and finance. Under modern conditions the countries of the world are one community in interest when it comes to the exchange of goods and the financing of such operations. In a very real and material sense it is our deep concern that Europe enters the New Year with so little appreciable progress toward ridding herself of the financial incubus of the war, and the fearful handicaps to trade and production it has brought. National debts, so far from showing a decrease in the two post-war years, have actually increased somewhat faster, in Europe, than during the period of conflict.

*Debts Keep Increasing*

In the first year of peace \$30,000,000,000 were added to Europe's public debts; and in the second, just ended, no less than \$45,000,000,000. Paper currency increased in the European countries \$11,000,000,000 in 1919, and by the almost unbelievable sum of \$26,000,000,000 in 1920. These huge additions to debt burdens and currency inflation have been largely caused by budget deficits. The governmental machinery, maintained with a greatly depreciated currency, is almost hopelessly expensive as compared with pre-war costs, while the interest charges alone on the national debts run to more than a billion dollars a month. As eleven out of twelve of the European countries reporting to the recent Brussels conference are spending each year more than their incomes, these charges can only be paid by new loans or new issues of paper currency.

*The Gold Standard Must Be Reached*

The one European nation that has made a start toward solvency and the gold standard is Great Britain. In the year ending with November last she actually reduced her public debt by the sum of £298,000,000, including the repayment to her American creditors of the £50,000,000 which was her share of the Anglo-French loan. It is also true that Great Britain is managing to keep her current expenditures within the limits of the budget and below the income receipts. But even Great Britain is far from being on a gold basis; and that is what the great nations must come to before production and

trade can reach the volume necessary to save most of them from bankruptcy. America stands at the peak now—the only great nation that can redeem its currency in gold. The Russian rouble is worth nothing; the French franc, the German mark, the Italian lira but a pitiful fraction of their par value, due to the vast output of paper currency. Even the pound sterling is exchangeable for American dollars only at a discount of nearly 30 per cent.

*International  
Exchange  
Broken Down*

But America's proud financial position is her own undoing when it is found that the supine condition of our European customers prevents them from trading with us or paying their existing debts to us. We have a productive capacity vastly increased since 1914, and we are straining at the leash to send our exports abroad to the European peoples crying for them. Our ambitious financiers and manufacturers go to Germany to talk to Herr Stinnes about doing business on a grand scale, to Rumania to sell locomotives; and the thing cannot be done with international exchange in a state of wreck. Our splendid volume of exports and the favorable balance of trade has already rolled up a debt from Europe to us, and there are the war loans due us aggregating \$10,000,000,000. If Europe cannot pay, we are deeply interested in getting her where she can pay, and there is no way but to aid her in such drastic scaling down of her redundant paper currencies as will bring francs, marks, liras, and pounds sterling back to figures somewhere near normal and make a basis for some working system of international exchange.

*Stop  
Printing  
Money!*

Thus it is not so much commercial credits or new loans to Europe that are most vitally needed—indeed, these may operate in some ways further to aggravate the trouble. We must insist that Europe stop issuing paper moneys and aid her to do it, and bring her gold stocks into some reasonable relation to the existing amounts of currency outstanding. From the coldest business point of view, as a matter of pure dollar interest, it will be worth our while to be liberal in the matter of past loans abroad and to surrender such part of our great stock of gold as we may give up safely when lowering prices and slackening trade in America allow it, if only Europe will stop issuing paper money and cut off a large part of that already issued. Not



HUGO STINNES, GERMANY'S FOREMOST INDUSTRIAL LEADER

till this is done will we be able to transact business with certainty and profit and be freed of the spectre of Europe's distress and the menace of radical agitation.

*Progress in  
France  
and Britain*

It is not absolutely all dark in European trade and industry. Great Britain is making truly remarkable progress in her foreign trade; for the six months preceding November last she actually bettered her pre-war proportions of exports to imports. The French Commission to America has recently published figures concerning France's agricultural work, showing that the great area of productive farm land devastated by the war is practically reclaimed and doing its part to feed the nation. Of 7,000,000 acres rendered unfit for cultivation by the fighting, only 280,000 will be unfit for sowing next spring. France is making a sturdy effort to become self-sustaining as to food supplies. Her production of wheat this year is 62,000,000 cwt., as against 49,000,000

in 1919; and the crop of oats exceeded that of the preceding year by 18,000,000 cwt. The French are in a fair way to furnish all the cereals needed in their country, and already the Government has cancelled contracts for South American wheat shipments.

*A Foreign Trade Financing Corporation* A specific effort to revitalize our foreign trade through proper financing and to aid in the reorganization of foreign industries is being made by a group of American bankers, who met at Chicago on December 10 to form a foreign trade financing corporation under the Edge Act. The new corporation, beginning business in January, is to have a capital of \$100,000,000, and it would be legally allowed to issue debentures against existing foreign securities to an amount not exceeding one billion dollars. These debentures are to be distributed to American investors, secured by foreign obligations running a sufficiently long time to enable the industries of importing countries to be restored. As provided by the Edge Act, the corporation's activities would be under the direct supervision of the Federal Reserve Board.

*To Relieve Trade Stagnation* With the American dollar at such a high premium in every country of the world, and the resulting stagnation in trade, these business men see commodities like wool, sugar, rubber, coffee, leather, certain metals, wheat, and cotton failing to move to the countries in dire need of them. To meet the necessity for credits to foreign buyers over longer periods than

banks can properly give, the corporation will take foreign securities in payment for goods and sell its own debentures to the American public, helping to prevent the backing up of American goods manufactured for export and having them thrown into competition with goods manufactured for domestic consumption here.

*American Buyers Cease Buying* There was never a time when such help was more needed from the standpoint of helping producers in America. The fall of prices of commodities and securities and the decrease in buying, which were noted in the last issue of this REVIEW, have proceeded during the past month with accelerated rapidity. Price fluctuations within the past two years have been so extravagant that American buyers, seeing them headed downward now, are prepared for a drop of any dimensions, and are holding off from purchases until very sure that the bottom has been reached. The result is a truly terrific unsettlement of business. A great tire manufacturing company finds that its sales for the year will be \$45,000,000 less than it had confidently estimated. It has already borrowed to the limit to transact business on the basis of the highest cost ever known. With such a vast quantity of unsold stock on hand, that cannot be turned into money by any means, it is forced into complete reorganization. Retail dealers find that the public will not pay the high prices marked on their goods, but dare not make the necessary cuts because the goods were actually acquired in the period before wholesale prices had declined; and marking them down now means serious losses and financial statements that they would not care to show to their banks. Tens of thousands of business concerns have paid heavy excess profits taxes on the basis of inventories which now show shrinkages in value of 30 per cent. or more. In other words, they paid taxes on paper profits which never materialized; and what is worse, many of them had no money to meet the final tax installment which became due on December 15 last.



THE CONSUMER'S TURN TO STRIKE  
From the Evening Post (New York)

*The Decline in Prices* The twelve basic commodities used in the price table of the Federal Reserve Bank of New York—wheat, corn, hogs, sugar, iron, copper, lead, lumber, petroleum, cotton, hides, and rubber—had, by mid-December, already declined 33.5 per cent. from the high prices of last May. Petroleum alone shows no de-

cline. The cotton mills of the country are running on half time or less and the great automobile industry is largely shut down. Twenty-five banks in North Dakota have closed their doors. The farmer will have much less money to spend than during the war period and will need all he can find to pay his debts, which are large in proportion to the recent high prices of fertilizer and machinery. The Industrial Court of Kansas has just cited a number of flour-milling concerns before it, to defend their course in running on only part time. The obvious defense is that during the past half-year wheat has been selling very much lower for the forward months than for the "spot" deliveries, the difference being sometimes as much as 25 cents a bushel; and it would have been business suicide to continue to mill high-priced wheat with the certainty of selling it as flour in a much lower market.

#### Revising Federal Taxes

In such a troubled-transition period for American business, it is particularly needful that the plan of tax-raising should be such as to bring as little hardship as may be, and to offer as few obstacles as possible to production. It is very generally conceded, now, that the excess profits tax is a mistake, as Secretary Houston argues in this issue—and many also agree with him that the higher surtaxes on individual incomes are difficult to collect and interfere with the passing of needed capital into production. There is much more controversy over the proper substitute for these unwise taxes, and many take issue with Mr. Jules S. Bache in his advocacy of the gross sales tax, set forth by him elsewhere in this magazine. Prof. T. S. Adams, of Yale, who is associated with the Bureau of Internal Revenue in taxation work, is a representative unbeliever in sales taxes. He points out that it would be a great hardship on the one-process manufacturer or merchant in competition with the large, self-contained industry that follows through from the raw material to the finished article. Such critics see in the proposal a premium on trusts and a great danger to the small business man.

#### The Attitude of Labor

A large part of the problem of getting through the present gloomy industrial situation without real distress and prolonged depression is the attitude of labor toward inevitable wage reductions. It was to be expected that the unions would be anxious to maintain

any advantages won in the recent period of high prices, large profits, and phenomenal demand for labor at any price, and there have been numerous resolutions of labor bodies declaring against any cut in wages—notably in the shoe and textile manufacturing center of New England. On the other hand, in several instances employees have actually suggested such a reduction in their wages as would enable these plants to keep running; and as those who have not accepted a reduction are, in the trades mentioned, for the most part running on only half-time, a reduction in fact, of wages paid, has really come to them, too.

#### Labor Can Help

In general, there is a strong feeling that labor will be willing to keep its war-time wages as measured by the cost of living rather than by dollars. Nothing will so much help the country over the industrial and financial difficulties it is facing during the next half year as an intelligent acceptance by labor of the conditions under which costs can be reduced, production stimulated, and consumption encouraged. Already there are signs that the unions will not be impossible to deal with on a fair basis, and signs, too, of increased efficiency in labor units, notably among the railroad employees. Not only the slowing down of industry is operating to put labor on its mettle; the huge influx of immigrants is beginning to make stern competition in the seeking of jobs.



THE LIFE PRESERVER MAY SAVE HIS WAGES  
From the Citizen (Brooklyn, N. Y.)

*A Deficit  
in the  
Postal Service*

The striking feature of Postmaster-General Burleson's annual report on the operations of the United States postal service during the past year is a deficit for the twelvemonth of \$17,000,000—the second largest in the history of the department. For much of its history the Post Office Department was in the habit of reporting deficits, but, during the past ten years, profits, and often handsome ones, have been the rule. General Burleson dwells on the change with emphasis and at length, charging Congress with the responsibility and showing that the change in the complexion of his operating account was entirely due to the war bonus of \$33,000,000 to postal employees. But for that there would, obviously, have been an operating surplus for the department of more than eighteen million dollars. The Postmaster-General criticized severely the action of Congress in giving this bonus, charging that the blanket increase in pay gave bonuses to thousands of employees "who were already amply compensated." He goes on to say that next year will make a much worse showing if the war-bonus policy continues, and estimates the deficit then at \$36,000,000.

*Strikes in  
the Service  
Condemned*

Another new and unusual item of expense for the past year was the additional pay given the railroads for carrying the mail, amounting to \$8,000,000. The development of the air mail service has progressed steadily. This work began in the spring of 1918 and during the past year was extended across the continent. The report contains some outspoken expressions of disapproval of the union organization of the postal employees, and the use of the strike as a weapon against the Government, "by an outside organization," is called a menace to the welfare of the republic. "Postal employees have become bold because of this affiliation and have within recent years threatened to strike. In one case they actually did so by tendering their resignations and leaving in a body. In this case they were promptly indicted and prosecuted in the federal courts."

*Great  
Increases in  
Mail Matter*

The gross postal income for the past year was \$437,150,212, the largest on record. The volume of mail has increased so fast that General Burleson asks urgently for larger plants in the great centers, such as New York and Chicago, where the most acute congestion is

suffered. New York itself sends out one-fifth of all the second-class matter mailed in the United States. To handle this expeditiously, General Burleson asks for three huge buildings, to cost about \$30,000,000 and connected by tunnels. He calls attention to the fact that free mail, by members of Congress and the various establishments of the Government under the franking privilege, is increasing by even larger percentages than the paying mail, and that the handling and carrying of this free mail cost the department in the past year about \$9,400,000.

The annual report of the Secretary of Commerce shows that our foreign trade for the last fiscal year reached the record-breaking total of \$13,349,661,000—nearly \$3,000,000,000 above the previous record, established in the preceding fiscal year. Secretary Alexander had a further sensation to report in the fact that almost 40 per cent. of this export and import trade was carried in American bottoms. During the year the American merchant marine was increased by 670 vessels of 3,416,000 gross tons, and on June 30 our shipping comprised more than 28,000 vessels of 16,000,000 gross tons—more than double the tonnage of 1914. The significance of these figures, of course, lies in the fact that the increase in shipping parallels so closely the increase in foreign trade. The growth has been almost entirely in that portion of our marine that is devoted to foreign trade, and the increase of the last fiscal year is double that of any year before the Armistice. The Secretary calls attention also to the fact that while our gross tonnage registered for foreign trade is tenfold what it was in 1914, it has supplied in actual employment in overseas trade fourteen times the American cargo and passenger space available in 1914.

*Low Prices  
of  
Farm Products*

In his first annual report Secretary Meredith, of the Department of Agriculture, dealt with the falling prices for farm products, which he says should be treated as a national problem. He pointed out that on November 1 prices were 33 per cent. below those prevailing at planting time. While not attempting to propose any single solution for the problem, Secretary Meredith suggested several steps that should be taken to place our farming on a more satisfactory basis and

to stabilize it as a business, not in the interest of the farmer alone, but in the interest of the nation as a whole. He urged the extension of coöperative marketing and some means of aiding in carrying over to periods of low production the surplus of years of high production. The season of 1920 was remarkable for the size of the staple crops produced. The combined yield of the ten principal crops was 13 per cent. above the average for five years. Yet this great output, produced, as the Secretary says, at an abnormally high cost, is worth at current prices \$3,000,000,000 less than the smaller crop of 1919, and \$1,000,000,000 less than the still smaller crop of 1918. "There is probably no other industry or business," Mr. Meredith declares, "that could suffer a similar experience and avoid insolvency."

*Alaska's  
Needs*

Secretary Payne, of the Interior Department, devoted much attention in his annual report to Alaska, which he recently visited, as noted in this REVIEW at the time. The Secretary recognizes transportation as the chief problem of that country, and advocates the operation of a Government-owned steamship line as a relief measure. The Government railroad, 540 miles in length, will be completed and in service during 1922. The Government is now operating 445 miles. Secretary Payne points out that the administration of Alaskan affairs has been sadly hampered by the lack of a definite, far-sighted national policy. The difficulties in the way of successful government in Alaska are great and can only be overcome by obtaining the disinterested service of experienced and well-informed men. With this in view, an effort has been made to coordinate the several departments of the Government that have to do with Alaska. A committee has been formed, consisting of one representative from each department, who is familiar with Alaskan affairs and competent to act in an advisory capacity with the Secretary of the Interior in deciding what steps should be taken to better conditions, what industries can be developed, and what resources exploited to give employment to a resident population. This committee has made its first report, which contains much valuable material. It recommends that road construction be coordinated, that a pulp-wood industry be developed, and that an effort be made to lower freight rates and improve mail service by uniting two existing steam-

ship lines. These recommendations are heartily seconded by Secretary Payne.

*State  
Law-  
makers*

No fewer than forty State Legislatures are to be in session during the month of January, 1921. Those of us who live in States which, like New York, have annual legislative sessions, are likely to overlook the fact that three-fourths of our State Legislatures meet only in biennial session unless called for some special purpose by the Governor. With few exceptions these biennial sessions are held in the odd years. Thus during 1920 only a small number of legislatures met regularly, but there were several extraordinary sessions of unusual interest, especially in relation to the suffrage question. Some of the legislatures that assemble this month will have brief sessions because of constitutional limitations. Others will not adjourn before summer. The output of these legislative labors in the form of private and local as well as general laws will be enormous. The twelfth annual conference of State Governors, held at Harrisburg, Pa., during the first three days of December, dealt with questions of State income, budget, and business methods in a way that should be helpful in securing sound legislation on these subjects.

*Cuba's  
New  
President*

Cuba's Presidential election, held on the day preceding our own, resulted in the choice of Dr. Alfredo Zayas, the coalition candidate. His opponent, representing the Liberal party, was José Miguel Gomez. Dr. Zayas was for twenty years president of the Liberal party, which divided, one year ago, on lines similar to those of the Republican-Progressive split of 1912 in the United States. Dr. Zayas then became leader of what was known as the Popular party, but in the recent election was supported by the Conservatives, and he now expresses the hope that these two organizations may be united. To relieve the financial situation, the new President is eager to have established in Cuba something similar to our own Federal Reserve banking system, described elsewhere in this REVIEW by Mr. Roberts. He is opposed to the adoption of a paper currency. In some of the rural districts the election of November was accompanied by disorder, but at Havana and generally throughout the island there seems to have been little disturbance, and the result has been accepted without question.

*The League's  
Assembly at  
Geneva*

The Assembly of the League of Nations has sat for over a month at Geneva since it met on November 15. Its sessions have, however, shown both the strength and weakness of the principle—the equality of nations—on which it is organized. Mr. Frank H. Simonds in his article in this issue of the REVIEW OF REVIEWS takes a very dark view of the League's capabilities for effective work, and there is no denying the strength of much of his argument. The world of public opinion has been deeply and justly affected by the presence in a single deliberative body of forty-one independent nations. History has recorded no such event. It opens a new era. It begins a new aspect in the relations of nations. Whether the League prove permanent or not, whether it be reorganized on a new basis or continue under the Covenant of Versailles, Humanity has seen itself envisaged in a Parliament of Man. The League idea itself has gained in dignity, position, influence and weight. The weighty fact is not the League which brings these forty-one nations together, but the supreme event that these nations as nations are together, great and small, from all the five continents "whence all rivers do flow" and the isles of the sea that stand alone. The League Council has more concrete power. England, France, Italy and Japan can, together, sway any issue of the old world and influence any in the new. But it sits in secret; it failed Poland when attacked by Russia. Each of these four powers has followed an individual and selfish policy, France aiding Poland, Italy in the Adriatic, England in Mesopotamia and Persia, and Japan in Eastern Siberia. Each has gained, but all collectively have lost the chance of a world leadership along constitutional lines. The Assembly has forty-one powers in its membership, no one of which, except the Big Four, can alone influence the world's destiny except through the Assembly. They have taken their work seriously and it has held the center of the world's stage.

*The Weakness  
of the  
Assembly*

But the Assembly is organized on a false basis—the equality of nations. Nations are not equal. For international relations nations have to be treated as equals. When Grotius laid down the principle of the equality of nations in 1625 the theorem was not wholly true. To-day, it is a legal fiction. Haiti and England have each one equal vote in



HONORIO PUEYRREDON,  
ARGENTINE FOREIGN  
MINISTER

(Head of the Argentine delegation to the League Assembly, which withdrew after urging that the Assembly should elect the Council, give compulsory jurisdiction to the World Court, and admit the so-called "enemy" countries)

the Assembly. This cannot make them equals. This fiction flawed the whole work of the Assembly. Its proceedings were clouded, as have been the sessions of each Pan-American Congress by the constant effort of small powers to score off the great powers. An Assembly in which fifteen Latin states of the New World and six small European states are a majority is a fiction so far as practical power is concerned. These lesser powers have neither fleet nor army. They cannot defend themselves. Japan

was the only strong power on the Executive Committee of the Assembly. Its Vice-Presidents and Chairmen of Commissions were selected from small lands. The publicists of Argentina are always pushing the doctrine of national equality and the delegates of this theorizing Republic left the Assembly because the body refused to accept a proposal that the Covenant should be amended so as to make the Council subordinate to the Assembly.

*Only Five  
Great Fleets  
To-day*

The lesser powers of the world once had effective armies and navies. The British fleet destroyed the Danish navy in 1801 because it was large enough to be dangerous, and Campbell made much of the "Battle of the Baltic." Only five countries have effective fleets to-day. The lesser powers were too wise to take extreme steps. Each country was left free to act or not in enforcing the blockade to be imposed on recalcitrant powers. Disarmament was left to future action and discussion. Japan flatly declared that it could not disarm unless the United States did, though the army and navy with which Japan crushed China was organized when this country had an army of 27,500 men and a fleet too small to cope with Japan's. The Island Empire armed long be-



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#### THE HEADS OF THE SEVERAL COMMISSIONS OF THE LEAGUE OF NATIONS ASSEMBLY

(From left to right are: Dr. Gastao de Cunha, Brazil; Quinones de Leon, Spain; Premier Tomasso Tittoni, of Italy; Leon Bourgeois, France; the President of the Assembly, Paul Hymans, of Belgium; Sir Eric Drummond, of England, Permanent Secretary of the League; H. A. L. Fisher, England, and Viscount Ishii, Japan)

fore the United States. In spite of Japan's opposition, China was admitted to a non-permanent seat on the Council. The racial question raised by the Japanese delegate, Ishii, in a most eloquent speech was wisely postponed. The way to meet the racial question is to give each race its full opportunity without interfering with the established civilization of other races. East Asia and Africa have to-day enough uninhabited, undeveloped, accessible land to give each race its space, without calling in the great vacant islands and the vast empty tracts of South America. Typhus was wisely attacked and it is a misfortune that the call for \$10,000,000 to fight it has a response of only \$1,000,000. The world could be made a new home for man if the Assembly were to take up with vigor an international war on disease. The endemic presence of plague in this country is too often forgotten. It would pay us to cure immigrants before they land.

All "secret" treaties, fifty-two in number, were duly filed. Two with the United States were filed by Sweden, "secret" because our State Department cherishes the foolish, useless secrecy of the past. "Understandings" still exist, however, in secret as numerous as ever. The attitude of the Assembly on mandates—a committee of five, with three non-mandatory powers—bore out Secretary Colby's demand that all nations share alike in the future development of Colonial territory acquired as a result of the war. All amendments to the Covenant were laid aside,

but, at Mr. Balfour's wise suggestion steps were taken to have the Council prepare amendments to go before the Assembly next September so as to be able to deal with any proposals from the United States, whose absence was again and again regretted.

#### *A League Credit Commission*

On December 14 the Economic Section of the Assembly reported a plan for the establishment of an International Commission to act as banker for European nations with depleted credit. The Assembly at once adopted the project, the chief features of which are as follows: When a nation wishes to take advantage of the credit facilities offered by the Commission and gives notice regarding the assets that it is ready to pledge—such as customs duties, railroads, and monopolies—the Commission makes an appraisal of the assets and, if they are satisfactory, authorizes the government in question to issue gold bonds to the amount of their value. Individual business men of that country may then make purchases abroad and in payment an amount of gold bonds covering the credit for such purchases will be forwarded to the exporter with whom the order for the goods is placed. All this will be transacted through the Commission. The nation concerned agrees that in case of default by the individual importer it will pay the amount of the bonds, and in case the nation itself defaults the League Commission may administer the assets placed with it as security for the bonds. This plan has been discussed and approved by leading European bankers, and an American will be asked to

become a member of the Commission. The Central European nations would especially benefit by such a credit arrangement.

*Armenia  
and the  
Assembly*

The action of the Assembly for Armenia came too late to do more than aid in saving the bare fragment of an ancient race and Christian nation left defeated but not destroyed in the Arctic cold of the table-land and snow-filled valleys about Ararat. Last September it seemed possible for the small Armenian army of some 50,000 men to hold its own. No annals hold the record of more dauntless courage than Armenia has shown. Colonel Dro, a great partisan leader, has wisely negotiated a peace for the sorely pressed remnant which has made its last stand on the fertile plateau and snow-filled valleys about Ararat. There have gathered in this space, the Armenian despatches claim, 1,600,000 Armenians. In Georgia and Baku there are 320,000 more who will gravitate to the new Armenian Republic. It has the protection of Moscow against the Turk. Erzerum is empty—5000 where 43,000 were. The Turks and Kurds have moved westward and a possible prospect exists that this new republic may extend to the Black Sea. The new territory holds the ancient sacred places of Armenia, Etchmiadzin, and Erivan. It has coal at Olti and iron mines.

*New Ad-  
missions*

Terrible as has been the Armenian loss, if American liberality continues across this bitter winter, the Armenian race can still be saved, a new future given this most able and historic people, and the mutual jealousy of Soviet Russia and Moslem Turkey promises safety. The Assembly asked President Wilson to mediate for Armenia and delimit its territory. The portion he set aside is far larger than the new boundaries; but the territory he assigned is almost empty of Moslems and the rapid readjustment now at hand in Turkey's affairs may extend Armenia, in return for the concessions about to be made in Western Anatolia. The Assembly declined at its first action to admit Armenia to the League. This will come. The entire question of admissions has been uncertain. At the first vote the Baltic Republics, Esthonia and Latvia, were refused admission. Bulgaria, Finland, Austria, Luxemburg, and Costa Rica were admitted by vote of the Assembly just before the session ended. The exclusion of Germany was generally agreed upon.

*Danzig, Vilna  
and Fiume*

The Assembly furnished proof of its usefulness by first refusing to Poland the military occupation of Danzig, but permitting its military defense, when attacked by Polish troops. This enforces the freedom of this city of German inhabitants from hostile military pressure—a fair arrangement even if Poland enters at last. Calling together a skeleton force of 2000 men from Great Britain, France, and Spain and adding to it contingents from Sweden, Norway, Belgium, Denmark, and Holland (the last waiting on action by its legislature), the Assembly has sought to rescue Vilna from the Polish lawless military raid which seized this city pending a plebiscite. At the start, this force was treated with scant courtesy, but pushing into No Man's Land between Pole and Lithuanian it has stilled conflict. If by tact and pressure it carries out a fair vote as to the self-determination of the inhabitants, a great forward advance will be made in the fair distribution of disputed territory. This is equally true of the arrangement between Italy and Jugoslavia over Fiume. Neither power, nor Fiume, gets all it wanted, but each gains substantial advantages—Jugoslavia access to the Adriatic, Italy a naval base to protect its coast, and Fiume becomes a free city and is certain to be prosperous.

*Turkey's  
Last  
Chance*

The secret agreements over Turkish territory begin to point to a final settlement. The Turkish peasants of Anatolia and the Kurds of the Eastern plateau that rises on the South from Mesopotamia and on the West from the valley of the Halys have again by sheer fighting strength halted the division of Turkey. Mesopotamia has offered unexpected obstacles to England and its inhabitants would prefer Moslem rule even by Turkey to the better administration of Great Britain. It is odd how even Moslems prefer to manage their own affairs to England's skilled bureaucracy. France, which expected to occupy Cilicia with African troops, has found the task too great and no French ministry could stand an hour after sending Frenchmen to a new war. The Turkish Nationalists are willing to protect French concessions and give France the opportunity to develop cotton in Cilicia and copper in what was Armenia, in return for a Turkish administration. Italy apparently prefers as neighbors to Idalia the Turkish Nationalist to the militant Hellenes. Eng-



KING CONSTANTINE AND THE GREEK ROYAL FAMILY

(This photograph was taken during the recent exile in Switzerland. Sitting, from left to right, are: Prince George, Queen Sophie, the King, and Princess Catherine. Standing, left to right, are: Princess Helene, Prince Paul, and Princess Irene. Prince George is the eldest son and is well thought of as the successor of his younger brother, the late King Alexander, if Constantine should deem it wise not to retain the throne.)

land shares the occupation of Constantinople with Turkey and can permit a Turkish Nationalist administration in Anatolia by Moslems, having had long and successful experience in governing a Moslem state through a British "resident." No one of these three countries desires after the fight the Turk and Kurd have put up for two years to continue warfare, while Mesopotamia becomes safe and secure.

*Greece, Too,  
Is Rejecting  
War*

The triumphant reëlection of Venizelos was confidently expected a month ago in Greece. Instead he was overwhelmingly defeated by a war-weary Greek people tired of the cost of glory and "redeemed" territory. By a vote as strong, King Constantine, whom the Allied leaders had deposed, has been recalled. This lays aside at the full tide of his successful service the most useful national leader the Greek people has had, a statesman of the foremost ability and stainless reputation. Yet this sudden revolt is neither fickle nor ungrateful. Mr. Balfour, in the Assembly at Geneva, pointed out to M. Viviani, the French delegate, six years ago Premier, that neither the English nor French governments could venture to send

troops to rescue Armenia because the people would not have it, nor would the American people. Neither will the Greek people continue war. They have voted overwhelmingly to stop for the same reason that in our own election the country turned its back on new adventures. Outside of Smyrna, nearly all the territory Greece was seeking to occupy in Anatolia had a majority of Moslems. A large Bulgarian population has been brought under Greek government in Thrace. Hate, bitterness and war are being sown for the future. This is no such problem as Italy presented of a common tongue. No more wholesome event has come in the East than the refusal of Greece to continue bloodshed and increased debt. The Turkish Nationalist movement has its faults and evils, but it stands for the demand of a large population and territory for its own government. France has been unable to hold Cilicia and Italy finds the occupation of Idalia entailing heavy burdens. Greece was wise in refusing to take up burdens public opinion would allow neither France nor England to take up, and which this country flatly refuses. The fundamental reason is that Greece, like all the world, wants peace abroad and her sons at home.

# RECORD OF CURRENT EVENTS

(From November 15 to December 14, 1920)

## PROCEEDINGS IN CONGRESS

December 6.—The Sixty-sixth Congress assembles for the short session. . . . In the Senate, Mr. Harding (Rep., Ohio) addresses his fellow members as President-elect, and arranges a "pair" for the remainder of the session.

December 7.—For the second time during his two terms, President Wilson—owing to continued illness—fails to deliver in person his annual message on "the state of the Union"; he sends a written communication, urging economy in appropriations, revision and simplification of taxes, cold-storage laws to decrease the cost of living, a loan to Armenia, and the granting of independence to the Philippines.

December 14.—In the Senate, a resolution is adopted directing revival of the War Finance Corporation and use of Federal Reserve facilities to help farmers finance their crops.

In the House, a measure repealing stringent war legislation is passed by unanimous vote—excepting from repeal, however, the Trading with the Enemy act, the War Finance Corporation act and the Liberty Loan acts. . . . The Johnson immigration bill, practically prohibiting the incoming of aliens for a year, is passed, 293 to 41.

## AMERICAN POLITICS AND GOVERNMENT

November 15.—The Board of Estimate of the city of New York begins an investigation of \$62,000,000 of building contracts, for illegal combination and over-charging.

November 16.—The Western Union Cable Company refuses to handle Government messages unless prepaid, claiming the State Department owes for cable service since August, 1919.

November 17.—The Congressional Select Committee receives testimony that total losses were \$2,000,000; that a claim of \$34,500,000 was overpaid \$23,000,000; and that \$170,000,000 was placed in the hands of operators with no accounting or other record by the Shipping Board.

The State Department declares that it will not pay the Western Union Cable Company twice as much as Great Britain, and insists that refunds due from the company should be paid.

A labor union leader is indicted in New York for attempted extortion from building contractors. . . . The American Federation of Labor committee on steel unionization drops John J. Fitzpatrick and William Z. Foster, leaders in the recent strike.

November 18.—President-elect Harding sails from New Orleans for the Panama Canal.

The Interstate Commerce Commission overrules the New York Public Service Commission, and directs the sixty-three New York railroads to raise intrastate tariff schedules to correspond with the advanced interstate rates.

November 21.—The Governor of the Panama Canal reports that, on a cost of \$366,650,000, the

project has earned \$2,387,599 over expenses of operation; not including military defense.

November 23.—The New York Legislature's Housing Committee exposes a fireproof material combination whose profits to individual contractors were scaled at as high as 35 per cent.

Secretary of War Baker rescinds the Western Union cable landing permit at Miami, Florida.

November 24.—The remainder of the "conscientious objectors" to the draft act are released from prison, their unexpired sentences being remitted.

The thirteenth bank within ten days is closed in North Dakota.

Franz von Rintelen, a German spy and war conspirator, is released by pardon of the President, and gives bond to leave the country by January 1.

November 26.—The Congressional committee receives testimony that minor Shipping Board officials were bribed for contract awards.

In New York, the constitutionality of the new rent laws is upheld by two decisions of the Supreme Court.

November 29.—Archbishop Hayes rebukes New York Catholics for denouncing an "un-American" riot by members of their faith who tore a British flag from colors displayed on a clubhouse opposite St. Patrick's Cathedral, saying their public protest to him is a "serious breach of Catholic etiquette."

In New York, an extraordinary grand jury is impanelled to hear and act on building graft evidence brought out in the legislative inquiry.

November 30.—The Naval Board of Inquiry at Haiti ends its work; the evidence shows that 1142 Haytians were killed within one year, in 298 skirmishes.

December 1.—The twelfth annual Governors' Conference meets at Harrisburg, Pa., with over half the States represented.

December 2.—Brickmakers testify, in the New York housing investigation, that production was juggled to raise the price of building brick from \$6 per 1000 to \$30.

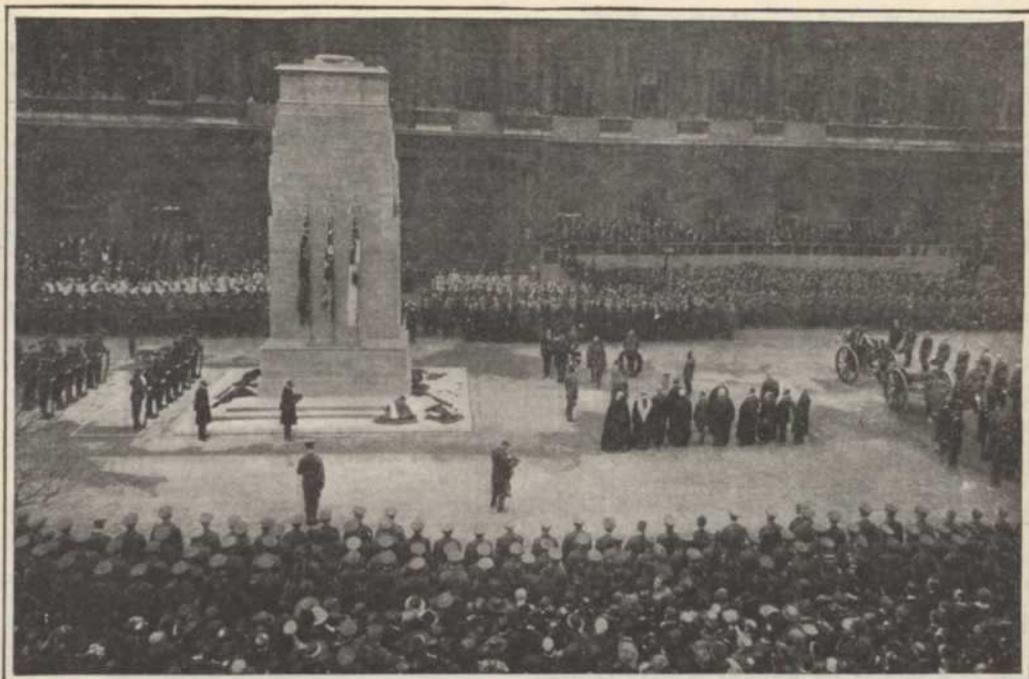
Internal Revenue figures are announced for the fiscal year ending June 30: \$5,407,580,251 was collected in taxes, income and profits taxes constituting \$3,956,936,003 and tobacco \$295,809,355; liquors in bond decreased 16,494,405 gallons.

December 4.—Prohibition agents fight in Indian style with "moonshiners" deep in a mountain forest along the border between Kentucky and Tennessee, capturing nine.

President-elect Harding arrives at Norfolk, Va., from a visit to the Panama Canal.

President Wilson forms a committee to deal with Alaskan questions, composed of a representative from each Department and including Governor Riggs, of Alaska.

December 6.—The Supreme Court decides



THE NEW STONE CENOTAPH IN LONDON, MEMORIAL TO ENGLAND'S UNKNOWN DEAD

(The picture shows the very impressive ceremony for the burial of an unknown soldier on November 11, 1920, Armistice Day. The King, at the right (standing alone) faces the cenotaph, Prince Henry, the Duke of York and the Prince of Wales. Every important personage in England was present.)

against the Lehigh Valley Railroad in the second anthracite coal case, and orders a more complete separation from coal-carrying subsidiaries under the anti-trust laws.

December 8.—The housing investigation reveals that the New York courthouse could have been built at a saving of \$1,240,000 on the limestone contract let for \$1,840,000; the contract was canceled following earlier exposures.

December 10.—Thirty builders are indicted in New York; the investigating committee exposes a marble trust.

December 12.—Senator Lodge, as chairman of the Committee on Foreign Relations, assures the State Department of support by the Senate in its stand against the contentions of France and Japan in the International Communications Conference at Washington, over the disposal of 18,000 miles of German cables.

Secretary Daniels, in his annual report, recommends building eighty-eight new warships if the United States does not enter the League of Nations.

Postmaster-General Burleson reports \$17,270,482 deficit for the fiscal year 1920, blaming Congress because of the \$33,202,600 war bonus paid to postal employees.

Admiral Benson, head of the Shipping Board, reports a total of 1180 ships built and delivered in 1920; total tonnage is 18,002,184; he notes that 44.6 per cent. of our foreign commerce last year was carried in American boats, compared with 9.7 per cent. before our entry into the World War.

December 13.—Mrs. Ellen A. O'Grady, first

woman Deputy Police Commissioner of New York, resigns, after charging Commissioner Enright and Mayor Hylan with interference and calling attention to inefficiency and politics in the leadership of the police force.

John T. Hettrick, author of the New York building bidders' "code of practice," is indicted with thirty others, and held in \$100,000 bail.

#### FOREIGN POLITICS AND GOVERNMENT

November 14.—Greek elections put Premier Eleutherios Venizelos out of power and give Royalists a Parliament majority of 132.

Russian Bolsheviks occupy Sebastapol, Crimea.

November 16.—In Saxony elections, the Majority Socialists lose 18 seats, holding only 24; Independent Socialists gain 2, with 17; Democrats are reduced from 22 to 8; the National party increases from 13 to 22, and the Peoples party from 4 to 19.

November 17.—Georgios Rhallis forms a new Greek Cabinet, assuming the foreign ministry.

General Hsu Shu-cheng, Chinese Anfu leader, escapes from the Japanese Legation at Peking.

November 21.—Fourteen British officers are killed in simultaneous raids in Dublin; British "Black and Tans" clash with a football crowd at Croke Park, and kill ten.

November 26.—In Ireland, Arthur Griffith, Prof. John MacNeill, his son, and other members of Dail Eireann, are arrested by the British.

November 27.—In Ireland, more than 1000 arrests are made, and the Irish Republican army is being slowly interned.

November 28.—In Liverpool, 18 warehouses are fired along the waterfront; police officials blame the Irish.

Famine conditions in northern China are so bad that whole counties are destitute of food or fuel, babies are sold on the streets, and millions are dying; the Peking government seems powerless to aid in American relief work.

November 29.—In London, extreme precautions are taken to protect prominent personages and buildings from possible violence.

Sixteen cadets of the police auxiliaries in Ireland are killed in ambush at Shana Cashel.

November 30.—In Cork, incendiary fires destroy five Sinn Fein clubs and other property valued at \$1,500,000.

The French Chamber passes a bill renewing diplomatic relations with the Vatican, voting 397 for and 209 against.

D'Annunzio declares war on Italy, effective December 3.

December 1.—Mexico's new President, General Obregon, takes the oath of office.

In the House of Lords, the Irish Home Rule bill, by vote of 120 to 36, is amended to provide a Senate for South Ireland, to protect Unionists. Russian Bolsheviks smash a peasant rebellion led by General Balakovitch.

December 4.—In Hungary, the Teleky Cabinet falls in a split of the majority between ex-King Charles and Prince Joseph for succession, and for continuance of the republic.

December 5.—The Greek plebiscite on the return of Constantine results in an overwhelming victory for the former King.

December 10.—Lloyd George announces martial law in Cork, Limerick, Tipperary and Kerry counties, in Ireland; he says he will treat with Sinn Fein members of Parliament not guilty of serious crimes.

December 11.—The Greek Government officially notifies King Constantine of his recall to the throne as a result of the recent plebiscite.

December 12.—The City Hall at Cork and \$15,000,000 property in the heart of the town are burned by incendiary fires said to have been in reprisal for a Sinn Fein ambush of two motor lorries filled with military police; many are homeless and the town is dead.

December 13.—Sinn Feiners attack police barracks at Camlough and Ballinalea and ambush a military patrol at Cloyne.

December 14.—The Irish Home Rule bill passes the House of Lords with amendments which take it back to Commons; it is the first such bill to pass the upper House.

#### THE LEAGUE OF NATIONS ASSEMBLY

November 15.—The Assembly meets at Geneva, where, for the first time in history, forty-one nations sit in common council; all important countries except the United States, Mexico, Germany, and Russia are present; Paul Hymans, of Belgium, is elected permanent President of the Assembly.

November 17.—The Assembly elects the following chairmen of commissions: A. J. Balfour (Britain), General Organization; Tomasso Tittoni (Italy), Technical Organization; Leon Bour-

geois (France), World Court; Quinones de Leon (Spain), Administration; Antonio Huneeus (Chile), Admission; Hjalmar Branting (Sweden), Mandates and Disarmament.

November 18.—The Assembly elects the following Vice-Presidents: Viscount Ishii (Japan), Honorio Pueyrredon (Argentina), Sir George B. Foster (Canada), Rodrigo Octavio (Brazil), H. A. van Karnabek (Holland), and Dr. Eduard Benes (Czechoslovakia). . . . Britain, France, Belgium, Spain, and perhaps Sweden, will send troops to Vilna pending a plebiscite.

November 23.—The Assembly commission, headed by A. J. Balfour, decides to recommend postponement of amendments to the Covenant until the new American policy is made known.

November 25.—Allied and associated nations are each invited to mediate between Armenia and Mustapha Kemal's Turkish Nationalists, in the hope that America will assume the responsibility for Armenia.

November 26.—Commission No. 6 of the Assembly decides to recommend a permanent mandate committee composed of five non-mandatory and four mandatory nations; Britain objects.

November 29.—It is decided to give each mandatory power an extra delegate on the Mandate Committee, with an auxiliary labor delegate to sit on labor questions.

November 30.—President Wilson writes the Assembly he will be glad to do all in his personal power to help mediate for Armenia.

December 1.—Commission No. 5 votes for the admission of Austria and Costa Rica. . . . Spain and Brazil offer Armenian mediation.

December 2.—Assembly debate decides that Article X of the Covenant is not a territorial guarantee, but merely protection from external aggression and not from political or territorial changes produced by other causes.

December 4.—Argentine delegates withdraw from the League Assembly pending acceptance of the following motions: Elections to the Council by the Assembly for two years with complete rotation every thirty years; compulsory jurisdiction by the World Court; admission of enemy states; and admission of undefined small states in consultative capacity, without vote.

December 8.—The Committee on Admission endorses Luxemburg and Finland, but postpones action on Baltic States and Albania, which are not yet recognized by the Allied Governments.

President Wilson declines an invitation to send an American representative to sit in a commission of the League.

December 9.—Canadian delegates eliminate permanent commissions on finance, transit and health from the technical commission's report.

December 11.—The Disarmament Commission recommends, as successive steps: (1) agreement not to increase armaments; (2) gradual reduction; (3) general and complete disarmament when conditions permit.

December 13.—The Assembly adopts the plan for a permanent court of international justice, with eleven judges to be elected by the Assembly and the Council, and without compulsory jurisdiction; to become effective upon ratification by a majority of the member nations.

December 14.—The Assembly passes a recommendation that armament budgets for 1922-3 be not larger than for 1921; France blocks a vote in the form of a resolution.

### INTERNATIONAL RELATIONS

November 15.—The Armenian capital, Erivan, is evacuated; communications between Tiflis and Alexandropol are cut; Turkish Nationalists order the evacuation of Batum, in Georgia.

November 16.—Russian Reds defeat Ukrainians at Kiev, trapping three divisions of General Petlura's troops.

November 19.—Washington receives documents showing Britain's arrangements for resumption of trade with Russia.

Nicaragua, Honduras, and Costa Rica sign an agreement at Amapala, Guatemala, for boundary settlement and protection, and arranging for a unified Central America.

November 23.—Ambassador Jusserand, of France, returns to Washington after a four-months' absence.

The American note on the Anglo-French oil agreement in Turkey is delivered at London, and argues for an open-door policy to all nations in all mandate territory.

November 26.—Soviet Russia notifies Mustapha Kemal to get out of Armenia as the government of Armenia has been sovietized.

November 27.—Dr. Bedrich Stepanek, first Minister from Czechoslovakia, arrives in the United States.

November 29.—President Wilson receives three new Ministers: Dr. Octavio Beeche, of Costa Rica; Dr. Julio Bianchi, of Guatemala, and Emilio Joubert, of Santo Domingo.

November 30.—Fiume is reported surrounded by Italian warships and troops.

Washington proposes to Mexico City a commission to draw a treaty embodying the agreements between Mr. Colby and Sr. Pesqueira.

December 2.—John Dombksi and the Polish Peace Mission at Riga resign because of a Diet decision to participate in peace negotiations with Russia.

December 3.—Bainbridge Colby, American Secretary of State, sails for South America.

December 3.—The Supreme Council of Allied Premiers advises it will withdraw financial support from Greece if Constantine is returned to the throne; territorial reprisals are also considered, as the Treaty of Sevres (Turkish) has not yet been ratified.

December 6.—Russia proposes to China a resumption of consular service and trade, and a revision of the Czarist treaties to rectify the "outrages against China."

December 8.—The British Ambassador at Washington refuses passports to Americans seeking to investigate the Irish question at first hand.

December 9.—Armenia and Mustapha Kemal's Turks sign an armistice agreement, reducing Armenian territory to Erivan and Lake Gokcha.

December 12.—The Supreme Council announces a decision to give Poland military control over Danzig, while the civilian control is held by a council whose membership is largely German.

### OTHER OCCURRENCES OF THE MONTH

November 17.—The Bureau of Railway Economics announces that railroad earnings for September were 26.9 per cent. below estimate, and insufficient to earn 6 per cent.

November 18.—The report of the Commissioner of Internal Revenue indicates a decrease of 5246 persons classed as millionaires in 1918.

November 19.—Sales of 1,430,124 shares on the New York Stock Exchange mark down 115 issues of industrial corporations from 2 to 8 points.

November 21.—In Chicago, 742 criminals are rounded up by the police in a city-wide raid on gambling dens and similar places.

November 25.—Lieut. C. C. Mosley, U. S. A. Air Service, wins the Pulitzer prize in an air race at Mitchel Field, Long Island.

November 26.—October exports increase \$150,000,000 over September; imports decrease \$1,000,000; the excess of exports is \$390,000,000—the largest this year—and includes \$55,097,018 of manufactured goods ready for consumption.

March wheat drops to \$1.47 in Chicago, the lowest price since 1916.

November 29.—Mingo County, West Virginia, is placed under martial law because of extended coal strike disorders lasting six months; miners are living in tents.

December 2.—Hogs on the hoof drop from 23 cents a pound in July, 1919, to 10½; the price was 8 cents in 1913.

December 3.—November failures number 1085, with total liabilities of \$39,751,859—the largest, except September, since January, 1915.

December 4.—American gold production falls off \$8,000,000 for 1919 to a total of \$60,333,000.

New York manufacturers break relations with the Amalgamated Clothing Workers of America in an ultimatum requiring piece work, reduction of wages, and resumption of "hiring and firing" power by employers; Boston employers take similar action.

December 9.—Thomas W. Lamont is asked by President Wilson to head committee of 180 men and women to relieve Chinese famine victims.

Life insurance companies report an increase of \$10,000,000 in 1920 business, a gain of 21 per cent. over 1919, which was 62 per cent. larger than 1918.

December 10.—The Nobel Peace Prize for 1920 is awarded to President Wilson.

December 11.—The Needle Trade Workers' Alliance is formed of all garment workers' unions, at New York, with 400,000 members.

December 13.—Textile mills in Maine and Rhode Island order a 22½ per cent. reduction of wages, effective December 20.

### OBITUARY

November 15.—Thomas Shields Clarke, painter and sculptor, 60. . . . Frank Sullivan Smith, noted corporation lawyer, 69.

November 17.—John Franklin Fort, ex-Governor of New Jersey, 68. . . . Thomas Jefferson Coolidge, ex-Minister to France, 89.

November 19.—Sir Charles E. Fryer, noted

British authority on fish culture, 70. . . . Mahlon H. Garland, Representative in Congress from Pennsylvania, 64.

November 21.—George Giddens, noted English actor who starred in "She Stoops to Conquer" and "You Never Can Tell," 75. . . . Walter D. Moody, prominent Chicago civic worker, 50. . . . Mrs. Burton Cary Harrison, author, 77.

November 22.—George McLeod Smith, managing editor of the New York *Tribune*, 52. . . . George William Breck, mural painter, 57.

November 23.—Col. Thomas W. Symons, U. S. A., a distinguished engineer, 71. . . . Elias Cornelius Benedict, widely known yachtsman and banker, 87.

November 26.—Wilhelm August F. Ekengren, since 1912 Minister from Sweden to the United States, 59. . . . Jacob L. Hamon, of Oklahoma, Republican leader and wealthy oil man.

November 30.—Eugene W. Chafin, twice Prohibition candidate for President, 68.

December 2.—Frederick Van Schoonhoven Crosby, for 22 years treasurer of the Union Pacific system, 60. . . . Wolf von Schierbrand, author and journalist, 69.

December 5.—Francis Lynde Stetson, famous New York corporation lawyer, 74.

December 6.—Regis Chauvenet, Colorado chemist and metallurgist, 78.

December 9.—George E. Keith, widely known shoe manufacturer of Massachusetts, 70.

December 10.—Horace E. Dodge, a leading automobile manufacturer, 52. . . . Elijah Pad-dock Harris, professor emeritus of chemistry at Amherst College, 88. . . . Rev. William Jessup, Presbyterian missionary to Syria, 58.

December 12.—Olive Schreiner, English author of "Woman and Labor."

## POPULAR AND ELECTORAL VOTE FOR PRESIDENT, 1920

STATE	POPULAR VOTE						ELECTORAL VOTE			
	Harding, Rep.	Cox, Dem.	Debs, Soc.	Christen- sen, Farm-Labor	Watkins, Prob.	Scatter- ing	Pluralities		Harding, Rep.	Cox, Dem.
							Harding, Rep.	Cox, Dem.		
Alabama	7,124	24,982	555		271			17,858		12
Arizona	37,016	29,546	125			19	7,470		3	
Arkansas	71,117	107,409	5,111					36,292		9
California	624,992	229,191	64,076		25,085	587	395,801		13	
Colorado	173,248	104,936	8,046	3,016	2,807		68,312		6	
Connecticut	229,238	120,721	10,350	1,947	1,771	1,492	108,517		7	
Delaware	52,858	39,911	988		986	132	12,947		3	
Florida	44,833	90,515	5,189		2,941			45,662		6
Georgia	41,089	107,162	465					66,073		14
Idaho	88,972	46,575	88	6	32	115	42,397		4	
Illinois	1,424,480	534,395	74,747	49,630	11,216	4,246	890,085		29	
Indiana	696,370	511,364	24,703	16,499	13,462	266	185,006		15	
Iowa	634,674	227,921	16,981	10,321	4,197	988	406,753		13	
Kansas	369,195	185,447	15,510				183,748		10	
Kentucky	452,480	456,497	6,409		3,250			4,017		13
Louisiana	38,538	87,519				339	48,981			10
Maine	136,355	68,961	2,214			7	77,394		6	
Maryland	236,117	180,626	8,876	1,645			55,491		8	
Massachusetts	681,153	276,691	32,267				404,462		18	
Michigan	782,865	233,450	28,947	10,372	9,846		529,415		15	
Minnesota	519,421	143,994	56,106		11,489	5,828	396,427		12	
Mississippi	11,576	69,277	1,639					58,701		10
Missouri	727,162	574,799	30,242	3,291	5,142	2,164	152,363		18	
Montana	109,430	57,372		12,204			52,658		4	
Nebraska	247,498	119,608	9,600		5,947		127,890		8	
Nevada	15,479	9,851	1,884				5,628		3	
New Hampshire	95,196	62,662	1,234				32,534		4	
New Jersey	611,541	256,887	27,141	2,200	4,734	1,440	354,654		14	
New Mexico	57,634	46,668	2	1,097			10,966		2	
New York	1,870,796	781,631	204,120	68,477	39,377		1,089,165		45	
North Carolina	232,848	395,447	446		17			72,599		12
North Dakota	160,672	37,422	8,282				122,650		5	
Ohio	1,182,022	780,637	57,147			2,447	401,985		24	
Oklahoma*	244,320	216,390	25,985				27,930		10	
Oregon	143,592	80,619	9,801		3,595	1,515	63,573		5	
Pennsylvania	1,218,215	503,202	70,021	15,642	42,612	1,556	715,013		38	
Rhode Island	107,463	55,062	4,351		510	100	52,401		5	
South Carolina	2,610	64,170	26					61,560		9
South Dakota†	110,692	35,938				900	74,754		5	
Tennessee	219,829	206,558	2,239				13,271		12	
Texas†	115,640	289,688	8,194					174,048		20
Utah	81,555	56,030	3,159	4,475			24,166		4	
Vermont	68,212	20,919	807		774	56	47,293		4	
Virginia	87,456	141,670	807		240	826		54,214		12
Washington	223,137	84,298	8,913	77,246	3,800	1,321	138,839		7	
West Virginia	282,007	220,789	5,918		1,528		61,218		8	
Wisconsin	498,576	113,422	80,635		8,647		385,154		12	
Wyoming	35,091	17,429	1,288	2,180	265		17,662		3	
Totals	16,091,804	9,014,667	914,157	280,488	201,927	33,142			404	127

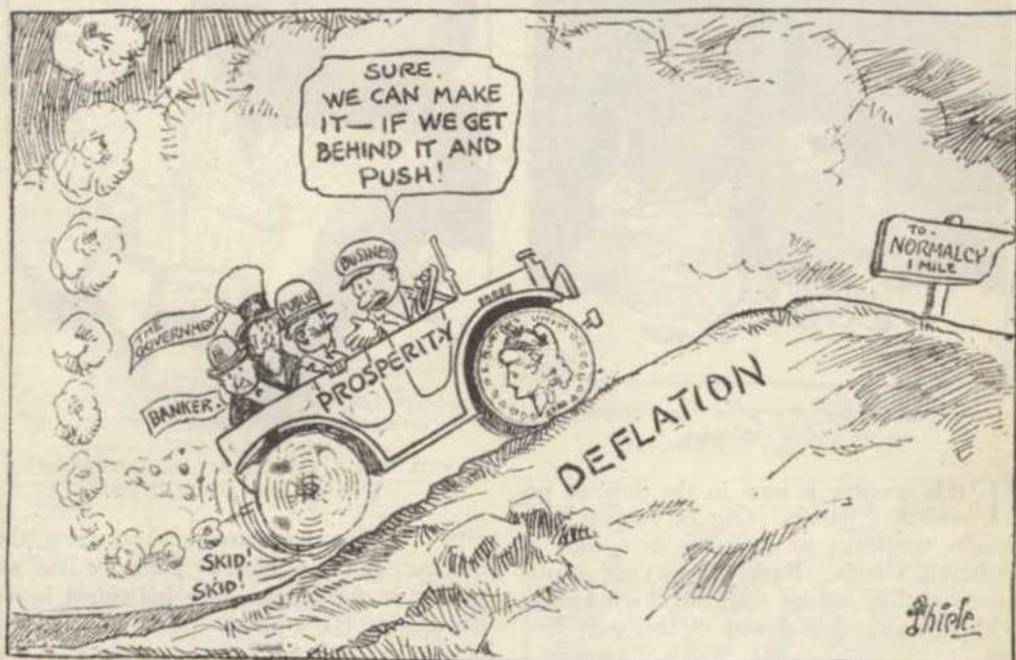
\*Unofficial. †Non-Partisan League polled 34,707.

‡The so-called Black and Tans received 27,515 and the American party 47,669 votes.

Total vote, 26,646,086. Harding's plurality, 7,090,062.

*This table has been compiled in the editorial office of the REVIEW OF REVIEWS after direct communication with officials of each of the forty-eight States. The figures are, with few exceptions, final, in some instances having been received by telegraph at the last moment before going to press in the middle of December.*

# THE TURN OF THE YEAR IN CARTOONS



WELL, BOYS! JUST A LITTLE TEAM WORK AND WE'LL SOON BE OVER THE "HUMP"

From the Tribune (Sioux City, Iowa)



YOU STOP FOLLOWING ME!

From the Spokesman Review (Spokane, Wash.)



TIME FOR CONGRESS TO DO SOME CHOPPING, AND RELIEVE THE BURDEN

From the Post (Cincinnati, Ohio)



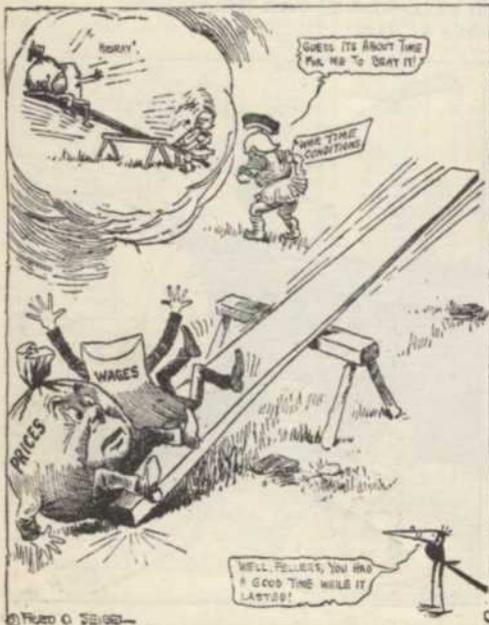
WHATEVER GOES UP MUST COME DOWN!  
From the *Citizen* (Brooklyn, N. Y.)



WILL THE PASSENGER REFUSE TO DESCEND?  
From the *News* (Dallas, Texas)

THE country is now in the difficult period of deflation. Our cartoonists have caught the spirit of optimism in a time of gathering clouds. Rather than yield to depression, they bid us take our hard knocks with a smile. The lesson of this page is—

after the ups we must be ready for the downs. If the wholesaler takes his loss, so, too, must the retailer (the individual buyer has already taken his).



WE ALL HAVE OUR UPS AND DOWNS  
From the *Knickerbocker Press* (Albany, N. Y.)



WHOLESALE AND RETAILER—TAKE A TIP FROM SANTA  
From *The Newspaper Enterprise Association* (Cleveland, Ohio)



DON'T WORRY, AUNTIE, I'VE GOT THOSE FEDERAL RESERVE SYSTEM ANTI-SKID CHAINS ON  
From the Oregonian (Portland, Ore.)



WHILE PRO AND CON ARGUMENTS CONTINUE, THE FACT REMAINS  
From the Sun (Baltimore, Md.)



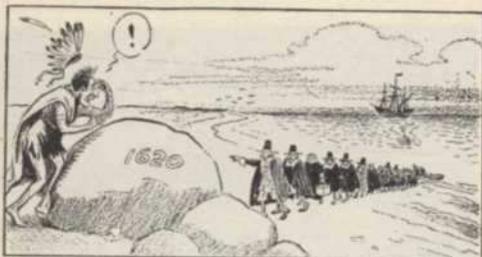
THE GOING WAS FINE—BUT COMING BACK IS DIFFERENT  
From the News-Press (St. Joseph, Mo.)



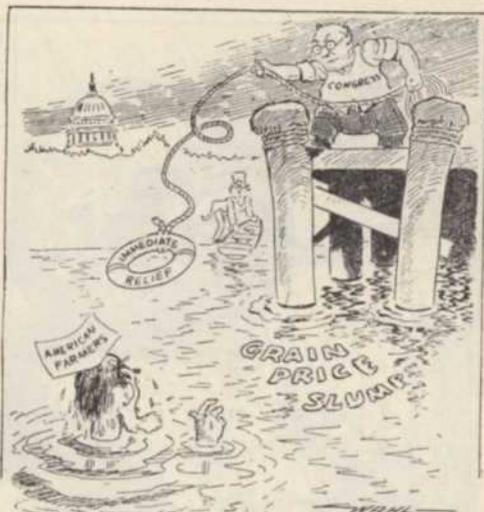
"ISOLATION"? YES! BUT YOU WOULD HARDLY CALL IT "SPLENDID"  
From the Tribune (Sioux City, Iowa)



THE CROSSING—[Cool and steady does it]  
From the Daily Star (Montreal)



LANDING OF THE PILGRIMS  
From the News (Dallas, Texas)



THROWING A LIFE-LINE TO THE FARMER  
From the Bee (Sacramento, Cal.)



HANGING AROUND THE WRONG HOUSE  
From the News (Chicago, Ill.)



THE AWAKENING GIANT!  
From the Tribune (Sioux City, Iowa)



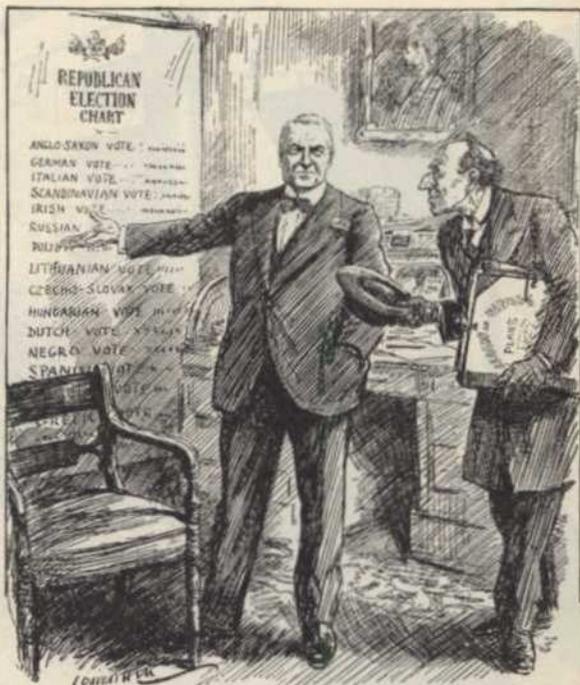
THE MODERN JACK AND JILL  
From the News-Press (St. Joseph, Mo.)  
[But as yet wages have not tumbled also.]



THE DAY AFTER  
From the Sun (Baltimore, Md.)



GREECE DROPS THE PILOT VENIZELOS  
From the *News* (Dallas, Texas)  
[After a famous cartoon of Bismarck and Kaiser Wilhelm, by Tennie]

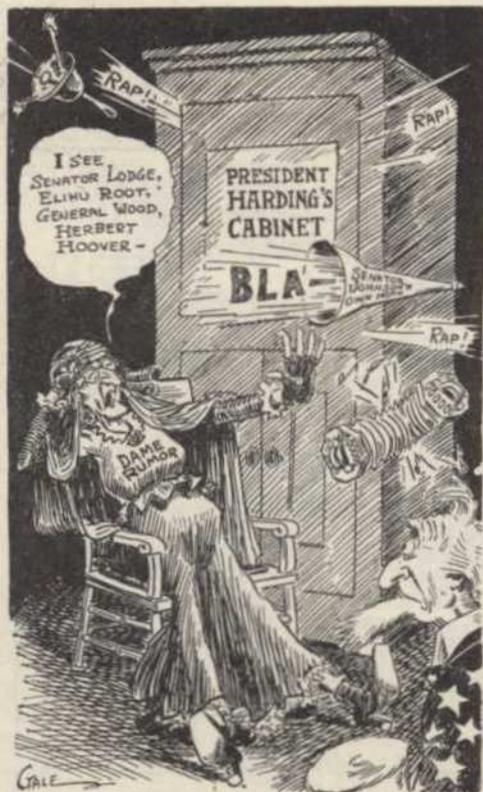


ENCOURAGE HOME INDUSTRIES

LORD ROBERT CECIL: "I trust that after all we may secure at least your qualified support for our League of Nations?"  
U. S. A. PRESIDENT-ELECT: "Why, what's the matter with ours?"

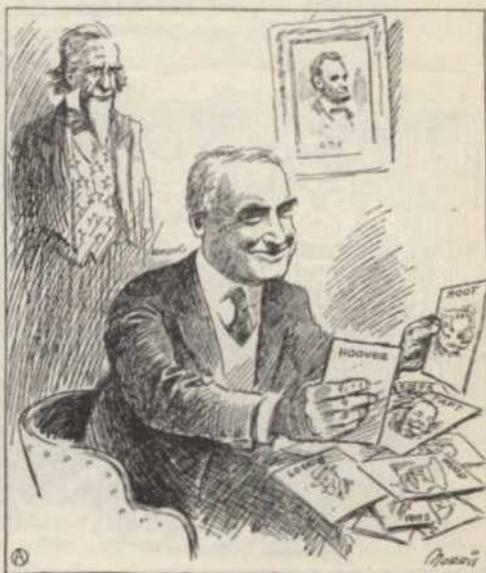
From *Punch* (London)

On this page and the following one are three European cartoons which refer to a League of Nations without America.



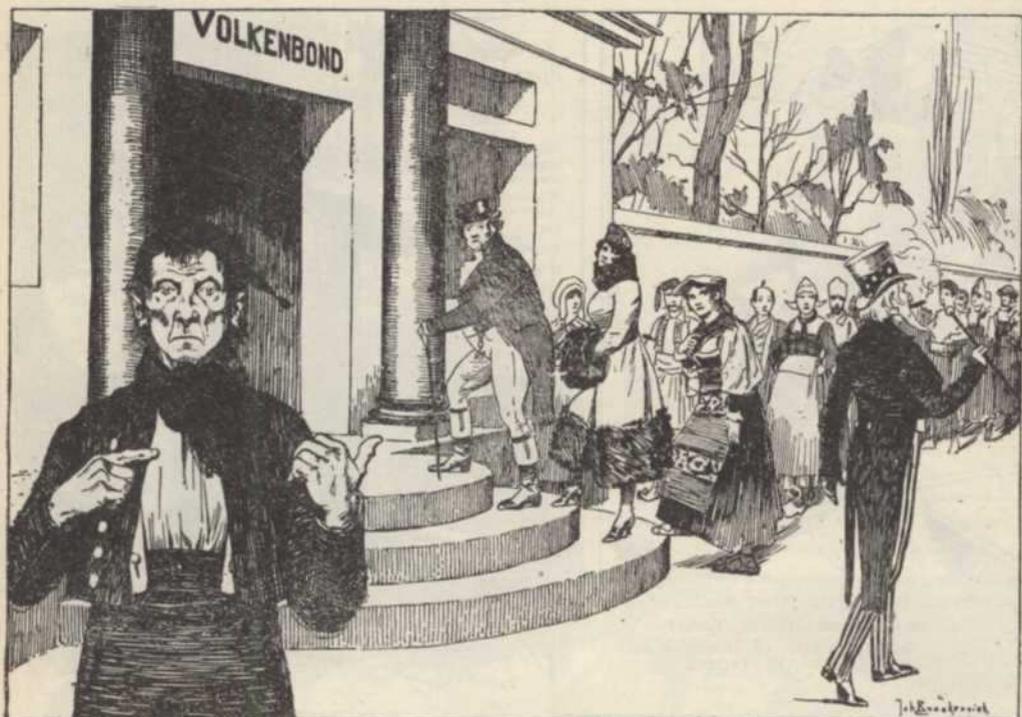
THE SEANCE IS ON—AND DAME RUMOR BECOMES A BUSY MEDIUM

From the *Times* (Los Angeles, Cal.)



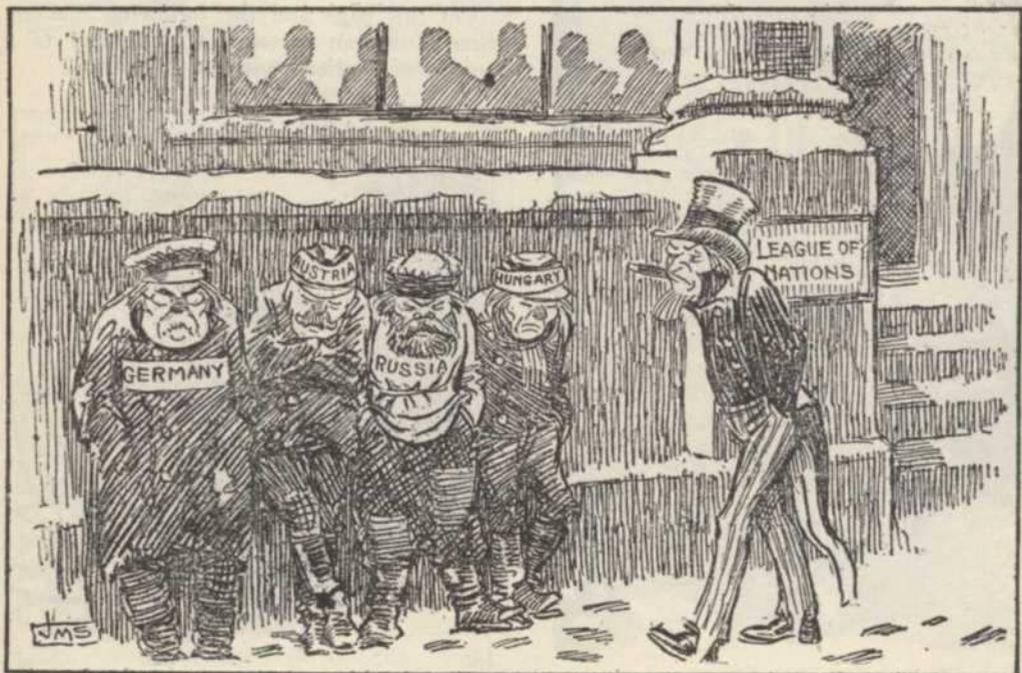
CHOOSE 'EM CAREFULLY, WARREN!

From the *Spokesman Review* (Spokane, Wash.)



## UNCLE SAM AND THE LEAGUE OF NATIONS

GERMANY: "He can go in, and won't. I want to go in, and can't."  
 From *Amsterdammer* (Amsterdam, Holland)



"OUT IN THE COLD WORLD, OUT IN THE STREET"

From *News of the World* (London, England)

# THE GENEVA CONFERENCE

ASSEMBLY OF THE LEAGUE OF NATIONS IN SESSION

BY FRANK H. SIMONDS

## I. PARIS AND GENEVA

THE past month has seen at Geneva the launching of the experiment of the League of Nations. For all the speculations, assumptions, arguments which have surrounded this question from the moment of the Paris Conference onward there is now presented the substitute of fact. We have had the League actually in session and henceforth our judgment must be based upon the results of the first session and the possibilities and probabilities there disclosed rather than upon the suppositions of past months.

We have, however, still to avoid too easy optimism and too complete pessimism, which have been the double evils of all the past discussion. On the one hand we have to guard against those who would persuade us that because there has been a session of the League, all doubts as to the viability of the Paris creation are removed. On the other, we stand in need of protecting ourselves against too sweeping conclusions because, on the whole, the Paris plan worked badly at Geneva, as it had worked badly both at Paris and since Paris.

All of us in the United States who have at all followed the debate over the League of Nations are aware of two distinct sentiments in our country as to the great proposal. There is, first, an almost universal desire to make new wars impossible, to cooperate internationally in the task of abolishing war or at the least of making war more difficult. There is a strong conviction that the United States should have a part in such a task, that there is a duty as well as an opportunity involved. Not less clear is the instinctive dread of any partnership with other nations which shall involve the United States in dangerous participation in the quarrels, rivalries, disputes of Europe in which we have no material stake. President Wilson's proposals originally gained great support in the United States because of the former sentiment. They latterly lost na-

tional approval because the American public saw us at Paris, and since, involved in European affairs to our own detriment and saw also the possibility of European intermixture with American affairs.

It was to promote peace that Americans conceived that the President launched his program for the League of Nations. It was when this League, and the United States through it, became concerned in the delineation and guarantee of frontiers, the perpetuation of territorial arrangements, when the question arose of the delegation to the League itself of powers hitherto jealously guarded by independent states, that American opinion began to react against the Paris settlement and to support the position of a majority of the United States Senators, who sought to preserve by reservations the essential rights of the United States.

Now examining the progress of events at Geneva, we have always to view them with the American issue in plain sight. What did Geneva supply of light and leading for United States policy with respect of the League and with respect of the even greater question, namely, the preservation of world peace? Did the sessions in the city forever memorable because of the Calvinistic tradition demolish or sustain the criticisms made of the League in the United States in advance of the sessions? Or did the things that occurred in this assembly prove that no League was possible?

To-day American sentiment vacillates between the proposal to "scrap" the League altogether and that to seek by conference and negotiation with the existing League so to modify the latter as to make American membership possible. What lessons on this debate does Geneva supply? It is in this fashion that I desire briefly to examine the history of the Geneva Conference. But in such an examination one fact must always be borne in mind: In the larger sense Geneva was no more than the continuation of Paris; what occurred by the shores of the Lake of Geneva was in large measure

the result of what had already happened on the banks of the Seine.

## II. THE GREAT OBSTACLE

At Paris the League of Nations was conceived as a double association of nations for a dual purpose. There was to be a partnership between five great powers—Britain, France, the United States, Italy and Japan, with four smaller states joined to them, which through a Council was to dominate the new League. And in practice the United States, Great Britain and France were to dominate this partnership, as they did at Paris throughout the whole conference. In addition there was to be a larger body, an assembly, in which were to be represented all nations. Together these two houses were to comprise the League of Nations.

So much for the double partnership; but there was a double purpose: first to consolidate and establish the victory of the nations at war with Germany by applying the Treaty of Versailles, and second, to promote the cause of world peace. With the consolidation of the victory and the application of the terms of peace the French, the British, and the Italians were vitally concerned. With the promotion of the cause of world peace the United States was far more engaged. But in order to serve this latter end President Wilson found himself called upon, not alone to make many compromises with the principles which he had proclaimed as the foundations of world peace, but also to accept many obligations in Europe for the future.

From the moment of the gathering of the Paris Conference onward, the French, the Italians and the British were primarily concerned with the question of preserving their victory and exploiting it. I mean this in no critical sense. For the Italians, the League of Nations was nothing, for the French it was no more than the preservation of the alliance which had won the war and in the French mind could alone guarantee French security in the future. As to the British, to them it was the first step in an Anglo-American alliance.

When the people of the United States came to examine the Treaty made in their name at Paris, they discovered that they were either morally or legally bound, provided the treaty were ratified, to an almost unlimited extent of intermingling in European affairs. We had become in a degree

the moral if not the legal guarantors of the territorial clauses of the several Paris treaties. We had, in addition, undertaken by separate treaty to guarantee France against Germany and we were expected to assume mandate obligations in the chaotic regions south of the Black Sea. Armenia and even Constantinople awaited our occupation, while our declarations prevented the settlement of disputes between Greeks and Bulgarians, Italians and Jugo-Slavs. Thus to a majority of Americans it seemed that the net result of our excursion to Paris in the interests of world peace was disclosed in our entanglement with half a dozen old or new wars, present or prospective.

Meantime, while America debated the question of the League, the nations with which we had been most closely associated, France and Great Britain, openly quarreled on a score of matters concerning Germany, Russia, Turkey; whereas the League of Nations, constituted without our adhesion, disclosed itself as powerless to prevent so great a conflict as the Russo-Polish war or to contribute in any material way to the settlement of the vast number of unsettled issues which had survived the Paris Conference itself.

Thus, little by little, it became more and more apparent that the great obstacle to any sane and useful undertaking to prevent future wars lay in the fact that the League instrument designed for this purpose was also designed to serve as the executive of the settlement of the last war. Questions which had to do with the future were inextricably entangled with issues surviving from the recent struggle. The control of the League was vested in the hands of not more than two victors of the World War, who necessarily approached each question from the narrow view of national interest.

Now the smallest examination of the events at Geneva discloses the fact that the dead hand of the World War continued there to exercise the same fatal influence as at Paris, with the difference that at Paris there was no possible appeal; at Geneva, on the contrary, there was a revolt—a revolt on the part of the neutral nations which had not been concerned in the war, were not interested in preserving for the victors the fruits of their labors, and were out to transform the League into something quite different.

This revolt took the form of a battle between the Assembly of the League and the Council. In the former sat the representa-

tives of at least forty nations, consisting in large number of South American states and of European nations which had been neutral during the war. On the whole, this movement might be described as a revolt of the small nations against the large, with the recognition that many of the small states had been neutrals during the recent war.

What the Assembly desired was to take control of the League away from the Council, which was in fact controlled by France and Great Britain with the aid of Belgium and Greece. It desired to vest complete power with the larger body and to use this power to admit forthwith all the enemy states, which had been defeated in the recent war, Germany first of all, with the full recognition that such a course would greatly add to the voting strength of the smaller states. It had as further items in its program the adoption of compulsory arbitration, the prompt disarmament of all nations, the British at sea and the French on land, and beyond this it looked to the redrafting of international law covering blockades and sea law generally.

This program instantly abolished the privileged situation of the great powers who had defeated Germany. It took control of the League away from the Council; that is, from France and Great Britain. It struck at British sea power and French military strength. It brought Germany into the League, while she was still unrepentant and had made no serious effort to meet the just demands of the French for reparation. It passed a sponge over the war and it automatically deprived the great powers of the precise advantages the League had been designed to preserve for them.

Inevitably the large powers resisted, and their control of the Council enabled them to block the various proposals of the Assembly, but even here they were obliged to consent to many concessions and to agree to permit the whole matter to be dealt with at the next session of the League, while Argentina created a sensation by quitting the conference, because its proposals, which were the proposals of the smaller powers, were not immediately acted upon. Canada, on her part, voiced with startling frankness many of the suspicions and apprehensions existing in the United States.

Meantime, at the precise moment when the Geneva Conference met, the European stage was filled with the shadows of great events. In Greece the plebiscite, following

the election, was resulting in the recall of King Constantine and the destruction of all the arrangements made at Paris for the reorganization of the Near East. In Russia the Bolshevik leaders were consolidating their recent victory, not alone over Wrangel, but over the whole western world, represented by the League of Nations, and preparing to resume their attack upon their western enemies. While Geneva offered the opportunity to President Wilson to mediate between the Armenians and Kemal, Bolshevik forces were erecting an Armenian state at Erivan.

In Anatolia, Greek and Turkish forces were engaged in hostilities. In all of old Turkey from the Black Sea to the Persian Gulf anarchy and bloodshed were reported. Between London and Paris there persisted the old quarrel as to the right policy with respect of Russia, with respect of Germany. D'Annunzio threatened war at Fiume and Zellgouski planned conquest from Vilna. While the Geneva Conference debated the relative rights of Assembly and Council, war was in the making or in progress from the Baltic Sea to the Indian Ocean and from Siberia to Smyrna. Moreover, while Geneva was talking, the Foreign Offices of half a dozen European powers were acting all over the world without regard to the League of Nations.

In theory the League of Nations, as conceived at Paris, should have been able to grasp and solve the great problems and the constituent nations should have acted in concert to restore order under justice in Europe and in Asia. In practice, Geneva could only turn its back upon the great issues or deal with them alone in anodyne resolutions. Nor was the situation improved by the fact that, so far from being united in opinion and in decision, Geneva was disclosed not alone paralyzed but divided in the presence of a world crisis.

### III. THE RESULTS

In the end it seems to me that the Geneva episode clearly established two things: First, that the League of Nations as organized at Paris cannot successfully function as an association to prevent wars, to promote useful international coöperation; secondly, that unless the United States not alone gives its support to the League, but insists upon a totally different orientation of the whole League activity, the experiment is doomed,

and will succumb as did the wholly similar experiment of the Holy Alliance a century ago.

The Holy Alliance died in the attempt to preserve the peace of the world by a combination of powers, recently victorious in a world struggle, mutually jealous and individually having totally different interests at heart. In practise the constituent powers were unable to agree in any specific case where combined action seemed necessary, and since the Congress of Vienna—like that of Versailles—had established conditions which could not endure unless they were buttressed by force, situations arrived with great rapidity in which combined action was necessary.

Thus the Congress of Vienna had assigned Belgium to Holland, but the Belgian people refused to accept this condition and revolted and in their revolt they were supported by the French, recently the vanquished of the Napoleonic War. Yet the British declined to support the Dutch claim, the Russians did not act, the Austrians and the Prussians were powerless. And the Belgian episode was but the first in the long series which continued to modify the Vienna settlement. Presently Britain and France were fighting Russia; Austria and Prussia were fighting each other, while Italy fought Austria first in alliance with France and then in association with Prussia.

To-day a very great divergence of interest and, therefore, of policy has already taken place between France and Great Britain, between France and Italy, between Italy and Great Britain. This divergence of opinion and of policy has already resulted in the substantial wrecking of the Paris settlement of the Turkish Question, contained in the Treaty of Sevres. It is disclosed in the whole progress of the Polish Question. It is exposed in the Russian Question.

All effort to deal with the Russian Question, the Polish Question, the Eastern Question came to nothing at Geneva for the simple reason that the interests of the great powers conflicted and each power pursued its national policy in the League quite as much as out of it and sought to use the League itself as a means to further its own or defeat its rival's end. The appeal to the United States to intervene on behalf of the Armenians was no more than the confession of bankruptcy of the League in the face of Anglo-French rivalry in Asiatic Turkey. The attempt to despatch a handful of neu-

tral troops to dispose of the Polish-Lithuanian quarrel was eloquent testimony to similar failures in the North resulting from Anglo-French clashes in all the Baltic lands.

Had the United States been represented at Geneva it might have supported the British view against the French or the French against the British, but patently it could have had no policy of its own with respect, say, of the Vilna dispute. In Lithuania, as in Armenia, the real issue is between French and British policy, although in the one case the rights of the Armenians and the claims of the Turks are involved, while in the other the apparent difficulty is between the Lithuanians and the Poles. If the Lithuanians get Vilna a railway line will be opened between Germany and Russia and the extension of German activity into Bolshevik Russia will be made possible. If the Poles keep Vilna, the Germans and Bolsheviks will be separated. The British are willing that the Germans should expand into Russia; should have the chance to remake themselves economically by developing Russia. The French are not, because what means profit for British industry and commerce may mean ruin for Poland and ultimate insecurity for France.

Exactly in the same way, had we been represented in Geneva, we should have been called upon to decide between the British and the French as to the wise policy to pursue with respect of Russia. Britain would recognize the Lenine government and open the way to trade. France would not. On the whole, our policy has tended toward the French rather than the British, but to what extent is the country now ready to go on this line? In the same way we should have had to vote with Britain to admit Germany to the League of Nations or with France to exclude. And here our view inclines toward the British. But if we exposed France to new dangers by insisting upon the admission of Germany, would we not be doubly bound to stand with France in case of any German attack? Would we not be morally bound to support Poland by arms and men if, as a consequence of our vote, Germany obtained contact with Russia and later renewed the old policy of Polish partition?

In sum, and this is the point which seems to me most important for Americans to consider, the Geneva Conference disclosed exactly the same forces in operation as were encountered in Paris, wherever the question

of territories or national rivalries were concerned. Whichever way one turned one was bound to perceive that the United States, were it represented, would have been obliged to back one nation against another, to support the interests of one people at the peril of those of another, without the smallest advantage to the United States, but rather with a manifest increase in the responsibilities and liabilities of our own country. Nor was there the smallest reason to believe that in any case it would be possible for the United States to fix upon the single right course, since such a course was almost invariably lacking.

#### IV. THE FUTURE

What, then, is one to say of the future prospects of the League of Nations, following the Geneva experience? Just this, it seems to me. Again, as at Paris and since Paris, there has been demonstrated the impossibility of creating an international machine and expecting it to function when it is condemned to deal with two mutually exclusive tasks. The whole history of previous experiments conforms to the recent experience. A treaty of peace is one of the most ephemeral of all things. Its disintegration begins at the moment it is signed. It is no more than a temporary expedient to abolish the intolerable condition of war. The real adjustment is a matter of years.

Nor is an alliance a more permanent circumstance. Nations unite in the presence of a common peril to abolish that danger and, the danger abolished, resume their freedom, which means that they revert to their former rivalries, jealousies, competitions—in a word, to the pursuit of their own national aims. A momentary glance backward at the names of the partners Britain has had in her long history and her many wars discloses the truth of this, just as the briefest examination of the history of the nineteenth century discloses the impermanence of the decisions of the Congress of Vienna.

It follows, then, that any international association based upon the assumption of the immutability of the decisions of a peace congress and upon the durability of existing alliances must collapse with these perishable pillars upon which it rests. The League of Nations was constructed upon the theory that the Versailles Treaty was not only righteous altogether, but capable of eternization, and the second assumption that the

Anglo-French-American-Italian-Japanese Alliance was immortal. In practise, what happened after 1815 has once more happened after 1918, and in less than two years since the Paris Conference it has been disclosed that neither the Treaty of Versailles nor the anti-German alliance can endure.

Yet while the Geneva gathering was failing and losing control of the helm of world affairs, it was taking the first steps toward the opening of an international discussion of subjects which have an intimate relation to world peace, namely, the creation of a court of arbitration, the remaking of international law, practically destroyed by the recent conflict, and the question of disarmament. In a word, it was undertaking to deal with a whole range of subjects which may be classified as legal, rather than economic or political, much less territorial.

If the League of Nations has broken down, and I think it has, as a conception of a superstate, as an international body to replace national institutions, for the simple reason that nationalism shows itself once more, as always in the past, incapable of surrendering its prerogatives, it does not yet follow that the League or some extension or outgrowth of it—or some substitute for it—may not take up the work of international conciliation at the point where the last Hague Conference left it and proceed to recreate or expand The Hague Tribunal, add to its authority, its dignity, codify the laws which it shall interpret.

Paris demonstrated that no nation will surrender the claims it holds to be just because of an adverse decision by other nations, save only as it is coerced or rewarded. We persuaded the French to abandon the Rhine barrier only by guaranteeing to protect them against Germany. We failed utterly to persuade the Italians to abandon Fiume, because we had nothing to offer of equal value. We promised the Rumanians the protection of our fleets and armies for their frontiers provided they would let us, in company with the other great powers, regulate the treatment of their minorities, and they refused and quit the Peace Conference.

Geneva demonstrated that the League of Nations, as at present constituted, is still dominated by the consequences of the recent war. It remains the executive of the Treaty of Versailles. It revealed the further fact that the League of Nations is powerless in the presence of real questions, such as the Russian or the Turkish, because it has no

power of its own and the constituent nations will not supply their own troops to carry out decisions which carry no benefit for their own nations. In the League or out, the United States would not consent to send thousands of its sons to Armenia or Volhynia to defend Armenians against Turks or Poles against Bolsheviks.

But every nation in the world is interested and concerned in the establishment of a court of arbitration, in the rewriting of international law, in the regulation of the rights of neutrals in war as of the small states in peace. All the objections raised in the United States Senate against the League of Nations disappear when the function of that body is limited to the provision of a court of resort and the adjustment of international relations by law. Already in The Hague Conferences American policy has been revealed unmistakably.

The reservations which the Senate added to the Treaty of Versailles protected the United States from an invasion of its rights by other nations, but they did not estop the United States representatives in the League from interfering with the rights of other nations. It was the view of the Senate that the Covenant might give the other powers a chance to invade our rights, but it was the fact of Paris that we undertook to invade the rights of the Italians, the Greeks, the Rumanians, the Serbs, the French, to impose our view of their necessities upon them. Had we gone to Geneva under the same conditions, we should have been unable to contribute to saving the League itself. For the fate of the League is locked up in the constitution under which it operates.

If the League continues to be hampered by the ball and chain of the Treaty of Versailles, if it continues to be the battleground of rival national policies, if its field of operations is prescribed as that of provinces, territories, economic privileges, then at the least it seems foredoomed, like the Holy Alliance, and its fate appears already written in its short, but by no means simple, annals; but if it is freed from a task of world regulation, from the conception of the superstate, and becomes the adjunct of international arbitration, there remain real possibilities for service.

And precisely this is the conception American people have really had for the League from the outset. Confused by the Paris events, bewildered and disgusted by much that has happened since, they retain a very

real hope to see something done to make war less likely, to see the most that can possibly be accomplished achieved with American participation. But not at the price of European adventures or entanglements. And the chief value of Geneva is the demonstration that even such entanglements do not promote peace, cannot promote it in the very nature of things.

At Paris we established a "Wilson line" between Jugoslavia and Italy; we insisted upon an "ethnic line" between Poland and Russia; we opposed the allocation of Thrace to Greece. But we were not prepared to undertake to maintain those lines by force, and, while we were earnestly championing these respective settlements in the name of abstract justice, the several European powers were engaged in using the issues involved to serve their own interests, which were, on the whole, legitimate, let us concede. In the end, the "Wilson line," like the "ethnic line," disappeared, the first as the result of peaceful bargain, the second as a consequence of actual war, while Greece received Thrace in return for concessions made to Italy in Asia Minor and engagements undertaken with other European states. Our intervention made us enemies in Poland, in Italy, and in Greece; it did not make us friends in Russia, since our proposals were rejected, nor did it help with the Southern Slavs, because our failure to support principles with force left the Slavs with no alternative but to surrender as to Fiume in the end.

By intervening to prevent the French from holding the Rhine barrier we incurred an obligation to defend France against Germany. Since we have declined to recognize that obligation, France insists that she has regained freedom to hold the Rhine, but Germany has been encouraged to resist France and to reckon on American support against France. We have declined to recognize Rumanian possession of Bessarabia, thus incurring Rumanian resentment; but Rumania, with British, French, and Italian consent, holds Bessarabia, and our intervention merely served to keep alive Russian claims for the future.

At Paris we gave the world to understand that we would take the mandates for Constantinople and for Armenia, but in the end we declined both, and the chaos in Asia Minor, in some degree at least, results from our intermixture with the situation. President Wilson has undertaken to draw the frontiers of Armenia, but what more ironical

circumstance is there than the fact that within the frontiers he will draw exists only a surviving remnant of the Armenian people, afflicted alike by overpowering Bolshevik and Turkish invasion?

And all the reservations which the Senate, in its wisdom, appended to the Treaty of Versailles would not in the least interfere with a repetition of all these intermixtures with European and Asiatic affairs, which would bind us in all ways, save legally, to active participation in military defense and financial support of decisions reached as a consequence of our participation. And in practise this means the sacrifice of blood and treasure. Nor have any of these invasions materially or even usefully promoted the cause of world peace.

## V. ARBITRATION AND REGULATION

I should, perhaps, ask the pardon of my readers for so extended a discussion, yet the fact is that for all the months since, as well as during, the Peace Conference I have been writing month by month of the progress of events in Europe, and now, at the moment when the Geneva Conference has, so to speak, put all the cards upon the table, I cannot forbear to present the conclusions drawn from that session and from previous events.

Actually, after more than two years of debate, investigation, experience, the question has narrowed down to the issue between regulation and arbitration. Mr. Wilson's conception at Paris was of world regulation through the League of Nations, but this conception rested upon the assumption that the peoples and the governments controlled by the peoples were both ready to sacrifice national interests and national policies upon the altar of world peace and, at the same time, prepared to undertake the burden of military as well as financial operations to impose decisions reached in the League, but opposed by unreconciled races.

But at Paris and since Paris, this enormous assumption has been proven unfounded. The several nations of the world, the various peoples, were not and are not willing to sacrifice interests, which amount in their view, in many instances, to self-preservation, to decisions of the League. Nor are they prepared to supply armies or treasures to bring order in Russia or in Armenia. The whole noble conception of a World Parliament and of the "federation of man" has

been bedeviled by the special interests of various countries, by the policies of alliances in Europe. Moreover, the United States has displayed exactly the same solicitude for American rights in its insistence upon reservations which exclude American rights from foreign invasion, but, unfortunately, from my point of view, do not prevent the United States, through its representatives in the League, from invading the rights of the other nations.

The experiment of world regulation has broken down because the regulation, following closely upon war, has necessarily been undertaken in the interests of particular nations, with the purpose to preserve the decisions of the Treaty of Versailles on the territorial side. It has broken down because it was founded upon the conception of an old-fashioned alliance for the purposes of old-fashioned alliances; to insure the safety and to advance the interests of the partners and to restrain the equally strong aspirations of other nations. It has broken down as the Concert of Europe broke down in the case of the Eastern Question, for example, because inevitably now as then the question at issue has been approached, not upon its merits, but with regard to the peculiar interests of the larger nations. And the situation has been complicated by the weakening of the major alliance itself, owing to the clash between British and French interests all over the world.

After Geneva, it seems to me that the problem must be patent. The decision must be between "scrapping" the League altogether and rescuing it from the morass of territorial and political disputes and transforming it into a conference, association, international forum, if one please, in which can be debated those principles of law and of practice which may put international law on a sounder basis, and, in addition, expanding the court of international arbitration and giving to that court every possible sanction of dignity and authority.

The necessity and the possibility of international coöperation to prevent war remains as great as in 1918. In point of fact it has increased rather than diminished. Actual isolation, so far as the United States is concerned, seems impossible, or, if not actually impossible, fraught with great dangers and carrying with it obvious reproach and humiliation. But, on the other hand, there is a supreme necessity now to recognize the inevitable limitations to such coöperation, to

perceive the fatal consequences of undertaking too much.

In the United States the period of partisanship, so far as the League is concerned, is now a thing of the past. Personalities, too, have been removed from the discussion. What remains is the obvious necessity to formulate a program in which the United States can cooperate with the rest of the civilized world in preventing war and promoting, not alone peace, but friendship. The future of the League of Nations or, if one prefer, the ideal which lies behind the League, is henceforth to be determined in Washington, not in Geneva.

In the last ten days I have been at Washington and have talked with not a few of the men who in the Senate will share in the making of American policy in the next administration. With few exceptions, I find that the Geneva Conference has confirmed all the doubts and apprehensions of the earlier debates. I find the general decision that peace must now be had with Germany, not through amending the Treaty of Ver-

sailles by reservation, but by resolution; that is, that a separate peace must be made. I find equally strong the conviction that membership in the League of Nations, as at present constituted, is impossible; that, affirmatively and negatively, the United States must not be involved in the disputes having to do with frontiers and territories in Europe, Asia, or Africa.

What survives is the desire to share in some fashion with the rest of the world in international conferences which deal with those questions having general application without special and national angles—in a word, those questions which have to do with principles rather than provinces or frontiers. But whether it is possible now to achieve this end through American participation in the League, under specific limitations, or whether this end is now attainable only by seeking the creation of some new association, remains problematical, and in this direction the debate is drifting, with the unmistakable trend in the direction of some new association.



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THE OPENING SESSION OF THE FIRST MEETING OF THE LEAGUE OF NATIONS ASSEMBLY, AT GENEVA, SWITZERLAND, ON NOVEMBER 15

(Forty-one nations were represented, and sessions were carried on for more than five weeks—see page 20)

In connection with Mr. Mount's article it is interesting to read one published in *La Nature* (Paris) of Nov. 13, by H. Vigneron, from which we learn that, on the one hand, the increased cost of labor in Europe has made the old methods of producing peat fuel unprofitable, and, on the other hand, that some very promising new methods have lately been evolved by Europeans. These

methods are derived from the study of "colloids"—a subject now very prominent in scientific circles—one of them involving chemical treatment of the peat and the other electrical treatment, the purpose in both cases being the rapid elimination of water from a colloidal substance in the plant material, known as hydrocellulose. Both methods are still in course of development.

## A GLANCE AT ARMENIAN LITERATURE

AN ARTICLE by an Armenian, K. M. Tellalian, which appears in *La Revue Mondiale* (Paris), gives a brief, appreciative survey of Armenian literature, ancient and modern.

Literature [the writer observes] is the mirror of the soul of a people. Nations that have no belles-lettres are unfortunate, for not only outsiders but they themselves are not sufficiently cognizant of their character.

Armenian literature is, beyond doubt, one of the oldest extant in the universe; it is, moreover, the richest of the Orient, ranking immediately after the Hellenic.

Before the invention of the Armenian alphabet, by Saint Mesrobe Machotz, in 406, there were popular songs in Armenia, of which only a few fragments have come down to us. There is every reason to believe that the Armenians possessed national epics worthy of Homer, but, unfortunately, Saint Gregory, the Illuminator, carried away by a zeal to destroy everything that smacked of paganism, burned the great library of Artaxata, capital of Armenia, toward the close of the third century. Since Lord Byron, it is rare to find Europeans desirous of studying Armenian, which offers so much of interest.

In the fifth century, a period in which all the extant European nations were still sunk in the depths of ignorance, there was a flourishing literature in Armenia. It was the golden age, rendered illustrious by writers such as Moses of Khorene, surnamed the Herodotus of Armenia, Elysaëous, called the Armenian Xenophon, and others. It was at this epoch that the Armenian general, Manigonian, imposed the treaty of Navarsak upon the powerful Sassanid Empire, which, in my opinion, is the very first document of international law.

The tenth and eleventh centuries were likewise made illustrious by great litterateurs and historians whose works shed light not only upon the past of the Armenians but upon universal history in general. This is the period of the life of Gregor Narek, a genius worthy of Dante and

author of a grand mystical work and of a commentary on the Song of Songs.

In the thirteenth century Armenian literature took a new flight under the kings of Cilicia, Leon, Hatoum, whose court was thronged with Armenian and European litterateurs and scholars, a period of the great, intimate friendship of the Armenians with the Occident.

The eighteenth century revived the Armenian spirit through the efforts of Mechitar of Samaria, founder of the sect of Mechitarists, which has enriched the nation with such great men as Pacradouni, Alichan and others.

This happy revival was brilliantly echoed in Constantinople, Smyrna, Tiflis, and elsewhere, so that in the nineteenth century we find writers in all the various departments of literature.

During the Great War the Turkish Government arrested and massacred most of the Armenian intellectuals. Among a great number of representatives of all the muses must be cited a poet of great creative power and extraordinary originality, fitted to reflect honor upon any great nation; that great poet is Daniel Varoujan. The main theme of his beautiful epic and lyric poesy is the Armenian land. Deported by the Unionists to the remote recesses of Anatolia, he defended himself valiantly against his assailants and died invoking his cherished country.

The Armenian, the greatest victim of the World War, has to-day representatives distinguished in all the fields of human intellectual endeavor.

In the old Ottoman Empire, in Erivan, Egypt, Europe, America, and in some degree in all quarters of the globe, the Armenian press labors and aims to raise the intellectual level of that industrious, tenacious, and unfortunate nation.

The Armenians take great pleasure in the languages and literature of the Occident. There are those who are equal masters of their mother tongue and that of Victor Hugo. The writer of these lines loves to write in them by turns.

M. Tellalian concludes by quoting a sonnet of his own written in French, breathing patriotism and indomitable courage.