

# FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW



JULY, 1926

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The Editors.

# FOREIGN AFFAIRS

Vol. 4

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## THE FUTURE OF THE LEAGUE

*By A. Lawrence Lowell*

UNDUE despondency, or elation, from insufficient cause is natural to man, but does not conduce to clear sight and calm judgment. It would seem that the recent failure to admit Germany to a seat in the Council of the League of Nations is a case of this kind, for it has produced in the United States, among those who favor, and still more among those who oppose, our entry into the League, an effect out of proportion to its true significance. Let us review briefly the history of the matter.

From the fifth to the sixteenth of October the Premiers, or Ministers of Foreign Affairs, of Germany, Great Britain, Belgium, France, Italy, Poland and Czechoslovakia met at Locarno and drafted a series of treaties dated on the last of these days. The central compact of the series was made by the representatives of the five countries first named and provided for a joint guarantee of the frontiers of Germany, France and Belgium as fixed by the Treaty of Versailles; Germany and Belgium, Germany and France, agreeing moreover not to attack, invade or make war on each other except in self-defense or in pursuance of the Covenant of the League of Nations. They further bound themselves to settle all questions that might arise between them, if legal by judicial decision, otherwise by conciliation, or, the latter failing, by referring the matter to the Council of the League; any violation of these agreements to be brought before that Council, and all the other contracting parties undertaking to come to the help of the state against which such a violation has been directed, in accordance with the findings of the Council. The final article provided that the treaty "shall enter into force as soon as all the ratifications have been deposited and Germany has become a member of the League of Nations," it being universally under-

stood that on entering the League she would, as one of the Great Powers, be given a permanent seat on its Council.

With this principal treaty were associated arbitration conventions by Germany with Belgium, France, Poland and Czechoslovakia, and also by France with the last two. The treaties were all formally signed in London on December 1st and reported, amid general rejoicings, to the Council of the League at its meeting on the 14th of that month.

So far everything went smoothly, but before the Council met again in March, when a special session of the assembly had been called to vote the admission of Germany to the League, France formed a plan for granting to Poland also a permanent seat as a counterweight to German influence. To this Germany objected, intimating that such action would present a fatal obstacle to her entering the League. The question caused a debate in the British House of Commons, and called out a vigorous expression of opinion there against the use of any pressure upon Germany that would keep her out of the League and thereby defeat the Treaty of Locarno.

We need not consider the demands of Spain and China for permanent seats on the Council, or the talk about a preponderant influence therein of Latin or Catholic nations, because these things did not affect the result. The bald facts are that Briand went to Geneva seeking a permanent place on the Council for Poland; Luther and Stresemann with the determination that if this were done Germany would not go into the League. After much fruitless negotiation Sweden offered to resign her temporary seat, if Czechoslovakia would do the same, to make a temporary place for Poland. This compromise was accepted by all the states that had a direct interest in the question, and would have been acted upon at once by the Council had not an obstacle — insuperable for the time — been created by Brazil. That country, which filled one of the temporary elective seats and wanted its place made permanent, took advantage of the rule that acts of the Council must be unanimous to insist that she would not vote for the admission of Germany to that body unless she was herself given a right to a place on the same permanent terms. Thereby the execution of the Treaty of Locarno has been blocked until the annual meeting of the Assembly of the League next September.

Two things are noteworthy about this occurrence: first, that an acute controversy over the admission of Poland to the Council



was amicably adjusted by an agreement among all the countries affected; and second, that the immediate execution of that agreement was prevented because a state having no real interest in the question in dispute made use of the unanimity rule to acquire a privilege for itself. In so far as the compromise about Poland is concerned the League fulfilled one of its chief objects — that of inducing an accord on a heated controversy by bringing the parties together for its discussion. But on the other hand, there is clearly something wrong in the organization when such an accord can be frustrated, or postponed, by a stranger to the dispute for purposes of its own.

There may be said to be two reasons for the rule requiring unanimity in the Council. One of them is to preclude anything in the nature of a super-sovereignty in the League. The object of the Council is to consult, to bring about mutual understanding, a common opinion and course of conduct, not to impose the will of a majority. Perhaps this object might be sufficiently, though less fully, attained by a provision that no nation should be bound by any vote to which it did not assent. But there is another reason for the rule which has a peculiar application to the large states — the Great Powers as they were formerly called. It is that any course of action on which they do not all agree cannot in fact be carried out. A striking example of this was given by the complete abandonment of the Protocol of 1924 as soon as the British Government stated its unwillingness to proceed. A mutual guarantee from which Great Britain held aloof would not have afforded security enough for the other parties to the proposal. All this, however, is true only of the powerful countries which must act in harmony for any effective result. It does not apply in the same way to the small states. A disarmament program, for example, would be futile in which either Great Britain, France or Germany was not included, but it would be absurd to discard such a plan because of a refusal to agree on the part of Latvia, Siam, Abyssinia or Guatemala, to take a member of the League from each of four continents.

Why then, it may be asked, if the consent of the small nations is not essential, should they be represented on the Council? For a most excellent reason. No one desires to hand over the control of the world to the large nations. The League was created for the benefit of all mankind. The small countries have rights as well as the big ones, and in the aggregate their citizens form a large part

of the peoples of the earth. A few of them were therefore very properly given seats upon the Council. They could not all have places there, as in the Assembly, because the Council would have been far too large to perform its functions; and hence they were allotted four, and later six, seats, with a provision that the countries to fill these places should be selected from time to time by the Assembly. The object was clearly to represent the collective opinions of the small states, not the peculiar interests of those selected; and perhaps no one imagined that they might use their position for individual instead of representative purposes; that any of them would attempt to trade its vote for its own advantage. The particular difficulty in this case can easily be overcome in September by electing some other state in place of Brazil, if she does not give way by that time; for although a proposal has been made for a definite term of service on the Council, it has never been adopted, and the practice has been to choose afresh each year. Usually the existing members of the Council have been reelected, but that has not been invariably done and it is certainly by no means necessary.

Yet the occurrence reveals a defect that might at some time become serious. Either the small states elected to temporary seats ought to be representative, and in some way responsive to the nations they represent, or their unanimity should not be required. Brazil claimed, indeed, to be acting on behalf of America, M. de Mello-Franco saying, at the final sitting of the Assembly of the League on March 18:

. . . using our right as an American nation, we claim for America a more equitable and numerous representation on the Council. Brazil, as an integral part of America, has the right, on the same footing of equality as the other American states, to formulate this claim, since it follows logically from the community of interests as from an abstract condominium, that one of its joint possessors may defend as his own a possession which is held in common. . . .

This seems to mean that Brazil, as the representative of American states, might claim for her own benefit that which belonged to all. If Brazil was representing the Central and South American nations, she was not responsive to their opinion, for M. Caballero, of Paraguay, at the same meeting, stated that the delegations of Chile, Colombia, Cuba, Guatemala, Nicaragua, Paraguay, the Dominican Republic, Salvador, Uruguay and Venezuela had unanimously informed M. de Mello-Franco "of their desire that

Brazil should facilitate, by any means which she may consider to be most advisable, the unanimous agreement of the Council in order to solve the difficulties which prevent it from reaching a decision." In other words, they unanimously asked Brazil to vote for the admission of Germany. In this connection it is interesting to observe that a little later M. Comnène, of Rumania, remarked that "as soon as it was informed on Monday, March 15th, of what was expected of the representative on the Council of the 'Petite Entente' during its present session, the Rumanian Delegation immediately did everything possible to show its international spirit in solution of the grave problems which arose;" showing that Rumania considered that a seat on the Council was held as a representative of a definite group of states. M. Mehdi Frashëri, of Albania, took a different, but not less positive, view of the representative character of the non-permanent members, saying that they held a mandate from the Assembly and not from their own governments, and that while free to express their own personal views, yet if such a member should oppose the settlement of a question in which the direct interests of the League of Nations are concerned, the Assembly would be competent to take an immediate decision in spite of its opposition.

If, in fact, the small states sitting in the Council are there to urge their own particular interests the arrangement is not democratic, for it is giving a small population a right to control the action of large ones. That Rhode Island should have the same number of senators as New York, that before the Reform Act of 1832 a small borough in England should have had as many members of Parliament as a large city, may or may not in each case have been just and wise for other reasons, but no one has ever claimed that it was democratic.

The League has been undergoing an evolution in two respects, which are not unconnected. In its early days it was occupied with matters, like the sovereignty of the Åland Islands, the Polish-Lithuanian dispute, and technical and administrative questions, of great importance certainly, but not of primary consequence to the large nations of Western Europe. The problems of immediate concern to them growing out of the war and the Treaty of Versailles, such as the payment of reparations and disarmament by Germany, were for the most part kept in their own hands, and dealt with in conferences among themselves and with the German Government. For this reason, as one reviews the meetings of the

Council and Assembly of the League he is impressed by a change in the persons who have taken part. At all the earlier sessions of the Council France was represented by M. Leon Bourgeois, a statesman with large views of international duty, to whom more than to any other one man is due the launching of the League on its career of practical usefulness; but although President of the French Senate and a former Prime Minister, he was not at the time in the Cabinet and could hardly be considered wholly a spokesman of the government in France. The British representative during this period was usually Mr. Balfour, a member, indeed, of the Cabinet, but neither Prime Minister nor Foreign Secretary. Much the same was true of Italy; and these facts show that the work of the League was not regarded as one of the chief matters of international concern.

It is significant, on the other hand, that at two of the last meetings of the Council, that of September, 1925, and the one just held, France was represented by Briand when Premier and Foreign Minister — replaced by Painlevé at the time when he was the Premier — and England by Chamberlain, her Foreign Secretary. It is interesting to compare also the membership of the Assembly in the early and later periods. At its first meeting, in 1920, the French delegates were Bourgeois, Viviani and Hanotaux, all of them eminent in public life, but none of them in the Cabinet; the British were Balfour, Fisher and Barnes, two of them, indeed, in the Cabinet, but none of them in charge of foreign affairs. At the fifth meeting in 1924 the leading representatives of Great Britain and France were MacDonald and Herriot, both of them the Premiers and Foreign Ministers of their nations; and to the sixth and last — a change of Ministry having taken place in each country — Great Britain sent Chamberlain, her Foreign Secretary, and France Briand, who was again both Foreign Minister and Premier. There sat, indeed, in that Assembly three Premiers and sixteen Foreign Ministers; such men coming because they thought that the matters to be considered required their presence, as in fact they did.

The Corfu incident of 1923, coming when the Assembly was in session, brought sharply to mind the function of the League in controversies likely to lead to war, and although that affair was carried to a peaceful end by the Council of Ambassadors rather than by the organs of the League, yet it drew attention to the need of concerted action which the League is designed to promote.

The next year the thorny question of disarmament brought that need still more to the front. No sooner was the question seriously considered than it became clear that disarmament and security were inseparable, that no nation could be expected to lay aside its weapons until it felt safe from attack. This meant that it must have such a guarantee of assistance from powerful neighbors as would effectually prevent any attempt at aggression; and only under those conditions could judicial or arbitral decision be substituted for armed preparation for defense. It was a question of vital import to all countries, not least to the large ones on which the burden of the guarantee would fall with the greatest weight. The Assembly at which the matter was taken up in 1924 was, therefore, as we have seen, attended by the Prime Ministers of both Great Britain and France. It framed and recommended unanimously to the several governments the Protocol for the Pacific Settlement of International Disputes, which sought to carry out more definitely and rigorously the agreements and guarantees of the Covenant. Within a few months a change of Ministry in Great Britain, and the objection of the Dominions, caused the plan to fall through; but the fact that it had been made, and the way it was made, show how deeply the governments felt the need of taking an active part in regulating international relations through the League.

Finally the desire for a definite settlement of the position of Germany and for receiving her again into the concert of nations brought the Premiers or Ministers of Foreign Affairs of the principal states together at Locarno where the convention was made last October. The very importance attached to the admission of Germany as a member of the League with a seat on the Council, and to the question of other additional seats there, shows the significance ascribed by the leading governments to the League and its Council. In fact, M. Briand, at the last sitting of the Assembly on March 18, speaking of the Locarno convention, said:

“We know that it cannot have all its possible strength nor attain its full development except under the protection of the League of Nations. It is to the League that we have entrusted it. It is by the League, within the League, that we must develop it to its full extent. . . .”

Now it is clear that if the ruling statesmen of the greater nations shall continue to regard the League as important it will be important, for they have the power to make it so.

The course of history depends upon the interplay of the actual

forces in the world. Observe the use of the word forces in the plural, for people are prone to attribute to the expression force the sense of military force alone. There are other forces, by no means negligible even in war, and far more potent in time of peace; forces economic, racial, religious, forces of tradition and of thought. Let us say of thought, rather than of public opinion, because overwhelming as a genuine public opinion may become when aroused, there is a tendency to apply the word to a sentimental attitude not very profound and liable to be obscured in the face of insistent fact. These manifold and complex forces are not always in harmony, and one of the chief tasks of a statesman is to adjust, without collisions, the conflicts between those forces that arise either in his own country or with other nations.

When conflicts of interests, ambitions or ideas occur between two states, and no more, they may be arranged by a diplomatic conference of those two. But with the expansion of commercial intercourse and the interlacing of relations of all kinds the questions that affect more than two countries are ever increasing in number; and an attempt to settle them by separate negotiations between two governments at a time involves at the least an element of suspicion, and at the worst alliances of some nations against others, in short the old evil of leagues to maintain the balance of power. It is much better for all those interested to meet about a common table for mutual discussion. In such a procedure the alignments are likely to differ on different questions and enduring lines of cleavage to be escaped. Nor does harm result if there happen to be present at the board impartial representatives of states not directly concerned in the issue debated.

In a body of this kind one must expect differences to be presented that kindle strong feelings, are not easy to allay and may not be adjusted at the first attempt. If this were not so, if the course of the League always ran smoothly, without friction, it would be because the really important questions were kept out; and if so it would not be a true clearing house for international problems. Moreover, quite apart from the settlement of acute controversies, one of the merits of the League is that it meets not only, like the former European Congresses, when serious difficulties have arisen, but at frequent intervals; the Assembly once, and the Council four times or more, a year. This gives to the governments opportunities to meet and talk over matters of common concern, to forestall future dissensions and get into closer



personal touch, without arousing public fear of dangers ahead. Diplomatic congresses summoned only in crises cause general alarm, are at once reflected on stock exchanges, put merchants on their guard, and give rise to newspaper recrimination; whereas meetings at regular or frequent intervals may be held without apprehension or excitement.

Unless something unforeseen should occur the present difficulty about the admission of Germany to the League can easily be surmounted in September. A more persistent question is whether the attendance of the Premiers and Foreign Ministers at the meetings of the Council and Assembly will prove a lasting custom, or is due merely to certain pressing questions that will pass away. The very presence of Germany in the Council, by enlarging the range of questions presented and the weight of the decisions reached, may well tend to bring to its meetings the men in charge of the foreign affairs of other countries. If, in spite of occasional disappointments, the governments of the greater nations seriously intend to use the League and its Council for threshing out international problems, the importance and influence of the League are assured. Principles and policies will there be worked out and generally accepted, and every country will inevitably find its advantage in taking part in the discussions at the formative stage.

In America we have already witnessed an example in our own case of not being present when a matter of universal interest was considered. In 1856 we took no part in the Congress of Paris which agreed to abolish the use of privateers in naval warfare. We refused to assent to that agreement unless the nations would go farther by conceding to private property at sea the same protection that it has on land, and we made it clear that we should not feel bound by the provision against privateers since we were not a party thereto. But in face of the general sentiment created by the Declaration of Paris we have never ventured to act against this provision and we never shall. At the opening of the Spanish War, indeed, we felt so strongly the need of bowing to an opinion created in our absence that we declared we should conform to the Declaration of 1856. Later the Protocol of Geneva asserted in 1924 another principle far more at variance with our ideas, for it provided that a decision by the Permanent Court of International Justice, or by the Council of the League, that a matter is solely within the domestic jurisdiction of a nation should not prevent



its consideration by the Council or the Assembly; and that another nation which went to war with her on such a matter should not be presumed to be an aggressor, as would be the case of an attack for any other cause. What effect the provision would have had on the attitude of the world toward domestic questions, if the Protocol had been ratified by a large number of countries, need not be considered; but it is an illustration of the fact that opposition is easier before a thing is done than afterwards, and that a movement can be more effectively turned at the outset than after it has acquired momentum.

We are a sensible and practical people, and if the other governments shall hereafter resort to the League as the place for the discussion of the world's problems, if it becomes an international clearing house for all important differences, the United States will ultimately take her place in it by the very force of events. She will do so the sooner if foreign nations do not show excessive anxiety to have her come in, and if Americans do not urge it exclusively on altruistic grounds.

# GERMANY AT GENEVA

*By William E. Rappard*

ON March 8, 1926, the representatives of forty-eight nations met at Geneva for the express purpose of admitting Germany to the League of Nations. They had come to attend the Seventh Assembly specially summoned to consider the request of the German Government and "Council proposals, if any, in application of Article 4 of the Covenant" concerning the increase of the Council. On March 17, they adjourned after unanimously adopting the following resolution proposed by M. Briand, Prime Minister and first Delegate of France:

The Assembly regrets that the difficulties encountered have prevented the attainment of the purpose for which it was convened, and expresses the hope that between now and the ordinary September session, these difficulties may be surmounted so as to make it possible for Germany to enter the League of Nations on that occasion.

The Seventh Assembly had signally failed. Moreover a serious crisis had arisen, which threatened not only the future of the League but the cause of world conciliation as well. Germany, having been encouraged to approach the temple of peace by the unanimous wishes of the faithful within and having been coaxed up to its very threshold by the more and more insistent beckonings of its high priests, her principal former enemies, felt constrained to turn aside in mournful dignity when she found them unable to welcome her with becoming honors. The portals, standing ajar, revealed an unseemly scramble around the altar where, it had been generally understood, one place alone should be free, that reserved for the great penitent.

The political imbroglio, referred to as the Geneva tangle, was the immediate cause of Germany's failure to enter the League, or rather of the League's failure to admit Germany on terms satisfactory to both parties. And the present international crisis is the immediate effect of this failure. As the crisis will be successfully overcome only if and when Germany's admission is secured, the impending dangers can be averted only if it be found possible to unravel the Geneva tangle. The student can do no more than to seek to unravel it by historical and critical analysis. That is the only service he can render the statesman, who alone can effectively unravel it by action.

At the beginning of the present year it was apparent that four conditions would have to be fulfilled if Germany was to join the League and thereby give effect to the Locarno agreements, whose coming into force had been made contingent upon her entry. These conditions were the following:

1. Germany must apply for admission.
2. Two-thirds of the states represented at the Assembly must, in accordance with Article I of the Covenant, vote affirmatively upon her application.
3. In accordance with Article 4 of the Covenant, the Council must unanimously, and the Assembly by majority, comply with the request of Germany that her representative receive a permanent seat on the Council.
4. Nothing unforeseen must happen to upset the whole plan.

Although, as is generally known, the fourth condition alone proved the stumbling-block, it is not irrelevant to restate the general position as concerns the three others.

The relations between Germany and the League in the course of the last seven years have been as extraordinary as they have been unfortunate.

The armistice was signed on November 11, 1918, on the mutually binding understanding that the peace terms would conform to President Wilson's Fourteen Points. Of these the last, and that to which its author obviously attached the greatest importance, was worded as follows:

A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike.

When, on May 7, 1919, the German delegation received the draft treaty of Versailles, they discovered that the "association of nations" for which it provided in its Part I was anything but "general" and that in particular their country was, temporarily at least, excluded from it. In their Observations on the Conditions of Peace of May 19, 1919, they accordingly took exception to this ostracism and demanded that Germany be at once admitted to the League on equal terms with all other members.

The Allied and Associated Powers in their reply of June 16, 1919, sought to refute the German argument by quoting from President Wilson's speech of September 27, 1918, and, while "looking forward to the time when the League of Nations . . . shall extend its membership to all peoples," refused to accede to

the request for immediate admission. The logic of the Allies, it must be admitted, was hardly convincing, but their resolve was firm and their power overwhelming. And so it came about that a league was formed which, at its juridical birth, on January 10, 1920, comprised only victors and former neutrals and not even all of these.

When the first Assembly of the League met in November, 1920, the feelings of its members as to the absence of Germany were clearly divided. On the one hand, all the former neutrals and at least some of the former belligerents frankly deplored it as impairing the usefulness of the League and retarding the pacification of the world. Of this group of states, the most insistent, if not the most outspoken, was the Argentine Republic whose representative and Foreign Minister, Señor Pueyrredon, moved the following resolution as an amendment to the Covenant:

That all sovereign states recognized by the community of nations be admitted to join the League of Nations, in such a manner that if they do not become members of the League of Nations, this can only be the result of a voluntary decision on their part.

When it was decided to postpone the discussion of this proposal, Señor Pueyrredon left the Assembly and no official representative of the Argentine Republic has been seen there since.

On the other hand, France and her continental allies absolutely rejected the idea of the immediate admission of Germany. While also recognizing the principle of universality as an ideal, they were vigorously opposed to the entry of a state which, in the language of the Covenant, had not given "effective guarantees of its sincere intention to observe its international obligations."

From 1920 onwards each successive Assembly showed that the friends of the early admission of Germany were growing more numerous and more impatient and that the resistance of their opponents was weakening. But as the League, the would-be host, was becoming more inviting and more pressing, Germany, the former would-be guest, seemed to grow ever more recalcitrant.

For over four years she showed no willingness whatever to renew her application of 1919. Had any of her successive governments sought to do so, the injured pride of the German people and the well-nigh universal bitterness against the *Feindbund* and the *Versailler Diktat* would have swept it away. Besides, the League, weakened by the absence of some of the largest and most

powerful states of the world and not even assured of the whole-hearted support of its chief members, was far from resembling the majestic political institution which it had promised to be at the beginning of 1919. Germany outside the League, in the company of the United States, Russia, Turkey, and the Argentine Republic, apparently felt more contentment than she anticipated from being within a league without those states.

Even if these considerations had not sufficed to hold her aloof, it was obvious, until the middle of 1924, that she would not be admitted to the League on a footing of equality with her chief former foes, that is, with permanent representation on the Council. As German public opinion would certainly not have accepted any other terms and as, according to the Covenant, such terms could only be proffered by an unanimous Council, on which were represented France, Belgium, and, since 1922, Czechoslovakia, everyone realized that Germany's day had not yet come.

It finally began to dawn in the summer of 1924. The elections in France had condemned Poincaré's ill-fated Ruhr adventure and brought into power a more conciliatory government. Great Britain was being ruled by a pacifist minority supported by an unstable but decidedly pro-League and anti-German parliamentary majority. The success of the London conference and the adoption of the Dawes plan seemed to open a new era of mutual confidence and coöperation.

When the Fifth Assembly met in September, 1924, it was generally felt that a great change had come over Europe. At one of its first sittings, on September 4th, Mr. Ramsay MacDonald, Prime Minister and first Delegate of Great Britain, uttered the famous words about the "menacing vacant chair in our midst," which proved not only a willingness but an anxious desire to welcome Germany to the League. On the following day, M. Herriot, Prime Minister and first Delegate of France, more cautiously but not less firmly expressed similar sentiments.

These public statements had, as has since transpired, been preceded by a letter from Mr. MacDonald to the German Government in which he deplored Germany's absence from the League and expressly urged her to apply for admission. It was to this letter, to these statements, and to the several unofficial messages sent from Geneva to Berlin in September, 1924, that Herr Stresemann referred in his speech before the Reichstag on March

22, 1926, when he declared that "Germany has twice been called to Geneva, the first time by the Assembly of 1924."

In reply to this first invitation, the German Cabinet decided in principle to adopt a favorable attitude towards the League. In consequence, on September 29, 1924, a memorandum was sent from Berlin to the ten states represented on the Council inquiring as to their views on certain points which the German Government wished to see favorably elucidated before applying for admission. Besides questions relating to war guilt, disarmament, sanctions under Article 16 of the Covenant, and mandates, the memorandum raised the matter of permanent representation on the Council in the following terms:

. . . The German Government has no intention of claiming special privileges for Germany. It recognizes that the full development of the League can only proceed along lines of absolute equality between the states of which it is composed. However, so long as the Covenant of the League of Nations assigns a privileged position to certain states, inasmuch as it grants them the right of permanent representation on the Council, which is primarily the executive organ of the League, the German Government must claim the same right for Germany.

All ten replies received to this memorandum were on this last point deemed satisfactory by the German Government. This is shown by the note Herr Stresemann addressed to the Secretary General of the League on December 12, 1924, in which it is said:

. . . The German Government has now received the answers to the memorandum. It notes with pleasure that its decision has been accorded full approval in the replies furnished by the Powers represented on the Council of the League. The German Government, moreover, believes the replies to justify it in concluding that its wish for Germany to have a seat on the Council of the League is being favorably considered by the Governments now represented on the Council (. . . *prendront en considération son désir* . . . according to the French translation supplied by the German Government, which seems more accurate than the English version which it also furnished).

As the ten states had not been able to satisfy Germany's desire for information as to the interpretation of what would be her obligations under Article 16 of the Covenant, the note ended by a request for more precise assurances by the League itself in that matter. In reply to this note, the Council, on March 13, 1925, dispatched to Berlin a memorandum in which, while not expressly releasing Germany from the obligations incumbent upon members under Article 16, it discreetly recalled that "a state

member of the League, and of the Council, would always have a voice in deciding the application of the principles of the Covenant." These words clearly showed the intention of the Council to welcome Germany both to the League and to the Council itself.

In the meanwhile the negotiations which were to lead up to Locarno had begun between Berlin, Paris, and London. They had been initiated on February 9, 1925, by a German memorandum addressed to the Foreign Minister of France. The proposal of a mutual security pact outlined in this memorandum contained no allusion to the League except in the following final words:

. . . it would be worth considering whether it would not be advisable to so draft the security pact that it would prepare the way for a world convention to include all states along the lines of the "Protocole pour le Règlement pacifique des différends internationaux" drawn up by the League of Nations, and that in case such a world convention was achieved, it could be absorbed by it or worked into it.<sup>1</sup>

After much parleying between Paris and London, a reply was finally sent to Herr Stresemann on June 16, 1925, on behalf of the Allied governments, in which, as originally proposed by France, it was stated that the adoption of a security pact "can only be conceived if Germany herself enters the League of Nations under the conditions laid down in the note from the Council of the League of Nations dated the 13th March, 1925."

From the German reply, dated July 20, 1925, we would quote the following passage as peculiarly relevant to our subject:

According to the opinion of the German Government, the entrance of Germany into the League of Nations would not be a necessary condition for the realization of the fundamental ideas of the German memorandum. The Allied Governments, however, on their part, are of the opinion that the security pact as suggested in the German memorandum is only conceivable if Germany enters the League of Nations. In view of the great importance which the German Government attach to the solution of the security question, they will, in principle not raise any objection against the linking up of the two problems . . .

Perhaps not without regard to Washington, Germany wished her entrance into the League to be considered as a concession on her part rather than as a favor to be granted by her former enemies. The passage quoted also shows that membership in the League was in her opinion subordinate to the question of mutually guaranteed security. Expressed in terms of subsequent events and in complete opposition to the view taken by the Brazilian

<sup>1</sup> English text from the British Cmd. paper 2435 on the Locarno negotiations.



representative at the Assembly on March 17, 1926, Germany held from the outset that "the League of Nations should find place within the frame-work of the political constitution of Locarno" and not "that Locarno should find place within the frame-work of the League."

The Locarno agreements, signed in London on December 1, 1925, were the outcome of these negotiations. In accordance with the wish of the Allies, concurred in with such ostentatious reluctance by Germany, it was provided that they were to "enter into force as soon as all ratifications have been deposited and Germany has become a member of the League of Nations."

On February 8, 1926, Herr Stresemann wrote to the Secretary General of the League "to propose . . . in the name of the German Government the admission of Germany to the League of Nations," at the same time requesting him "to put this proposal on the agenda of the Assembly as soon as possible." The Council, informed in advance of the German intentions, met on February 12th and decided that the Assembly should be convened on March 8th to consider the German proposal and cognate questions.

Such, briefly summarized, were the principal incidents in the curious game of hide-and-seek in which Germany and the League had been engaged in the course of the last seven years. Germany had twice been invited to join the League and had accepted once, and she had twice sought admission and been once refused.

When the Assembly met, on March 8, 1926, three of the four conditions necessary for the final entry of Germany had been fulfilled: she had applied, she was assured of a favorable, perhaps of an unanimous welcome by the Assembly, and the ten states on whom the decision depended had acquiesced in her request for a permanent seat on the Council. Unfortunately the fourth condition remained unfulfilled. The unforeseen took place which was to prevent, or at least to postpone, the consummation of the long laid plan.

What had happened? When the German application was made, it became known, first, that three states, Brazil, Spain and Poland, demanded that they also should receive permanent representation on the Council; second, that Brazil made her vote on the German request contingent upon her own preferment; third, that all three of these states had been assured of the support of other members of the Council; fourth, that Sweden was opposed in principle to any enlargement of the Council beyond that

necessitated by Germany's entry; fifth, that, finally, Germany would withdraw her application if the requests of the three other applicants were considered.

Such were the conflicting policies which constituted the elements of the Geneva tangle. In order to understand how this apparently inextricable situation had arisen, one must consider in turn the attitude of each of the most directly interested parties.

Germany's position had been made entirely clear before the meeting of the Assembly. She had regarded the assurances given by the ten Council Powers in their replies to her note of September 29, 1924, as satisfactory in the matter of her representation on the Council. Neither at Locarno, nor on any other occasion before the dispatch of her application, had she received any intimation of the Brazilian, Spanish or Polish ambitions. Her application had therefore been based on the tacit assumption that she was to enter the Council as it was constituted at the time of the signature of the Locarno agreements.

Shortly before the meeting of the Assembly the German Chancellor, Dr. Luther, had thus defined and explained the attitude of his government in a speech delivered at Hamburg on March 2, 1926:

. . . In all the discussions with regard to Germany's entry into the League it had been regarded . . . as self-evident that there would be no important alterations within the League before that entry took place. The other parties to the bargain, in explaining the connection between security and Germany's entry into the League, raised no consideration that could be inferred to mean the contrary. Obviously Germany would only enter the League if she was assigned a permanent seat on the Council. This also was recognized by all parties. It would be in conflict with these understandings if the assignment of a permanent seat on the Council to Germany should be preceded by an extension of the League in respect of the composition of the Council. If, as has been said, this extension has long been contemplated, then Germany should have been told of it in the course of last year's negotiations . . . Any alteration in the composition of the Council or in the organization of the League would result in Germany's being placed in an entirely impossible position.

As the accompanying table shows, Brazil, who had been appointed to the Council as a non-permanent member by the Peace Conference, had ever since 1921 been reëlected by the Assembly as the most favored candidate.

## ELECTIONS TO THE LEAGUE COUNCIL

*Main Results in Voting for Non-Permanent Membership at the First Six Assemblies**(Figures in italics relate to elected states.)*

	1920	1921	1922	1923	1924	1925
Number of states members of the League	42	48	51	54	55	55
Number of states voting.....	39	44	46	47	47	49
Absolute majority.....	20	23	24	24	24	25
Spain.....	35	37	40	30	36	35
Brazil.....	33	38	42	34	40	43
Belgium.....	24	31	36	32	34	32
China.....	21	31	27	10	14	26
Uruguay.....	—	—	40	40	43	40
Sweden.....	5	3	35	32	37	34
Czechoslovakia.....	2	—	1	30	40	35
Rumania.....	7	11	1	—	1	1
Portugal.....	3	—	12	19	4	2
Jugoslavia.....	1	—	15	—	—	1
Persia.....	—	3	9	14	—	9
Netherlands.....	1	1	1	4	15	8
Poland.....	—	—	—	17	2	2

The only states mentioned in this table are those which in at least one of the elections obtained more than 5 votes.

When, in 1921, Spain demanded a permanent seat, Brazil raised a similar claim as the representative of Latin America. As Brazil's claim failed to receive the necessary support, it was her veto in the Council that prevented the satisfaction of Spain's ambitions. Her reply to Germany's note of September 29, 1924 was undoubtedly obscure. While agreeing in principle to the German request, it contained the following clause which the Brazilian representative at the Assembly recalled on March 17, 1926:

. . . The Government of Brazil is of opinion, however, that the secret questions resulting from the desires expressed by Germany belong to the nature of those that must not be treated from government to government, but that must by preference be exposed and discussed in their totality by the members of the League and within the League itself, so that the diverse aspects of the said questions and the point of view of the other members of the League may be better known. The German Government, however, may feel convinced that we shall examine impartially and in a spirit of conciliation her aspirations as contained in the memorandum of September 29, 1924, by keeping to the firm intention of finding adequate solutions for all the questions and all the just claims without any prejudice to engagements taken by Brazil or the good doctrine of international right as far as applicable to each separate case.

As drafted in Rio de Janeiro, the Brazilian note had contained a more explicit statement in which Brazil's agreement to the German request was clearly made dependent upon her own elevation to a permanent post. This statement had, with the consent of the Brazilian Government, been deleted by its representative on the Council on the advice of his colleagues whom he had personally consulted before despatching the amended note to Berlin on December 1, 1924. When the Assembly met, it became known that Brazil maintained this position and that her claim was assured of the support of other states represented on the Council, notably of France.

From the very origin of the League, Spain had demanded a permanent seat, partly as a former great Power and more specially as the cultural head of the Spanish-speaking world. Her ambitions were thwarted in 1921 when the British Government had moved the acceptance of her claim and the French had supported it. Ever since she has consistently opposed the principle of rotation among the elected members of the Council, which has been insistently advocated by the overwhelming majority of the Assembly. Her obstructive attitude in this matter explains the loss of international popularity as shown by the electoral returns in the foregoing table.

In 1926 Spain's claim was supported by Paris, where her representative on the Council since 1920 has been accredited as Ambassador, and also by London, in the face of obvious popular and parliamentary opposition throughout the British Empire. Spain, having unequivocally endorsed the German memorandum in 1924, declared in 1926 that she would act in strict conformity with her pledge, but intimated that she would leave the League if her claim to a permanent seat on the Council were disregarded.

Poland's demand was the most recent. Since, in spite of her candidacy for an elected seat in 1923, she never has been able to poll more than 17 votes in the Assembly, her claim to a permanent post was at least unexpected. It was based on her population, her exposed geographic position between Germany and Russia, her constant appearance before the Council in matters concerning minorities, Danzig, and Upper Silesia, and her vital interest in the Locarno agreements. It was ardently supported by France, for obvious reasons, as well as by Italy, on grounds which hardly commend themselves to the friends of the League and of international conciliation. Sir Austen Chamberlain would doubt-

less also have been happy to be able to support the Polish claim. The opposition of British public opinion, crystallized in his instructions, prevented him from following freely his inclinations.

The consistent opposition to any change in the composition of the Council, beyond that necessitated by Germany's entry, was represented in the Council itself by Sweden alone. As early as a month before the Assembly she officially made known her views. Although prohibitive instructions of her representative, M. Undén, related only to the creation of new permanent seats, Sweden deprecated any immediate enlargement of the Council as disloyal to Germany and contrary to the interests of the League.

It is impossible within the limits of this article to tell the full story of the Geneva drama. But we may outline its plot, which naturally falls into five parts.

First, France and Great Britain urged upon Germany, at a meeting of the Locarno Powers held on Sunday, March 7th, and upon Sweden on the following days, the acceptance of the enlargement of the Council by the addition as permanent members of Spain, Poland, and Brazil. Germany forthwith announced her intention of withdrawing her application if this plan was carried out. Sweden, supported although feebly by Belgium and Uruguay, opposed it in the Council, while the Brazilian representative, after formulating his claim, offered to ask for further instructions.

After much secret parleying, Belgium, on March 12th, made a second proposal as a compromise, which France, Great Britain and Italy accepted as a final concession, to be content with the addition of one non-permanent seat for Poland. Sweden alone on the Council refused to concur in this suggestion, while the Germans again threatened the withdrawal of their application should it be accepted.

Thereupon Sweden, very hard pressed by the Great Powers and openly accused in their press of being a tool of Germany, spontaneously put forward as a third suggestion the idea of resigning her own seat, to which the Assembly would have been free to elect Poland. To this very generous and disinterested proposal, Germany objected after some hesitation. Its acceptance, in her eyes, would have changed completely the political composition of the Council by substituting for its one truly impartial and independent member, the only continental ally of France which, bordering on Germany, was not yet represented on it. Dr. Luther

and Herr Stresemann obviously feared the revival in Germany of the phantom of a hostile encirclement which had so dangerously haunted the imagination of her people before the war.

In the course of the conversation between the German and the Swedish delegates on this subject, the suggestion was made that, if another more suitable resignation were tendered simultaneously with that of Sweden, it might present the possibility of a favorable solution. This led to the fourth and final proposal. Dr. Beneš, after securing the reluctant consent of his allies of the Little Entente, declared that Czechoslovakia was prepared to sacrifice her own seat if Sweden did likewise and if that would allow the admission of Germany. This offer proved just barely acceptable to France and to Germany on the understanding that the Assembly would be advised to replace Sweden on the Council by Holland or some other state of similar status, if Poland were elected to the post vacated by Czechoslovakia.

This compromise, "undignified and unsatisfactory" as it is styled in an unusually able article in the *Saturday Review* of March 27, 1926, seemed for a moment to provide the bridge over which Germany might finally be brought into the League citadel. It was reached on Monday, March 15th, but shortly afterward it became apparent that all was in vain. The Brazilian delegation in Geneva had failed to secure from their far-away government any instructions which would allow it, even after all the nine other Latin American delegations had unanimously begged it to do so, to vote for Germany's admission to the Council without Brazil. On Wednesday, March 17th, the Assembly met, heard from the Brazilian, British, French and Swedish delegates why and how the negotiations had broken down, expressed its regret and its consternation through the organs of the South American, Swiss, Dutch, Norwegian, Danish and Albanian representatives, and adjourned after adopting the resolution quoted at the beginning of this article.

The Assembly had, for a reason apparently foreign to European politics, failed to admit Germany to the League. But it had succeeded in avoiding the disappointment of Spain, Brazil and Poland, the sacrifice of Sweden and Czechoslovakia, and the difficulties which would have beset several governments, notably that of France, if the final compromise had been adopted. Above all, there had been no breach between the Locarno Powers, and Germany's application had not been withdrawn.



# THE COAL MINING DEADLOCK IN GREAT BRITAIN

*By Sir Josiah C. Stamp*

UP to two or three years ago disputes in the coal mining industry in Great Britain usually involved a confusion of differences of opinion about facts, differences about principles and conflicts of view about questions of immediate tactics and behavior. It is safe to say, however, that the coal industry is today more advanced, from the statistical and documentary points of view, than any other at any time.

As a part of the machinery of wage determination set up in 1921 the trading and revenue accounts of all collieries of any size are analyzed in great detail on standard lines by independent accountants acting for the owners and the miners respectively. Although no individual colliery details are available to the public, the aggregates of each district, showing the sundry results and expenses, expressed in relation to tonnage, etc., are compiled and are thoroughly well digested by those interested. Further investigations have been made by the recent Royal Commission into comparative facts in the other industries and in other countries, and it may be said that — with one important exception to which reference is made later — there are now no questions of fact having serious economic significance which are not clearly laid out upon the table for anyone to see.

Disputes should now therefore be confined to discussions of principle, but actually they still are intermingled, unfortunately, with conflicting views about the way in which immediate negotiations have been handled on either side. Such temporary matters of course occupy a prominent position during the period of a dispute for they are the immediate irritants of public opinion, but they sink into insignificance as time goes on, leaving bedrock questions still open for settlement.

Today we have the unique position of a deadlock between an economic impossibility and a psychological or physiological impossibility. On the one hand the existing demands or requirements of the workmen, at any rate until the industry is reconstituted, mean that it cannot be carried on except at a loss over the major part of its operations, and therefore cannot be continuously carried on at all on its present scale. On the other hand,



the minimum needs of the owners which have to be met if this economic impossibility is to be avoided, mean a reduction in the standard of life of many of the men which may be partly mitigated by a lengthening of their hours.

The deadly evolution of economic events has brought about this state of affairs. While there are some points upon which each side might be blamed, neither side can be held completely responsible for the plight of the industry, nor can either side be "blamed" entirely for the stand it has taken. When on all sides and in all countries today inconvenient economic facts are being glossed over, it is not difficult to appreciate the reluctance of the men to admit the inevitability of facts so repugnant to their cherished desires and well-being.

## II

It is not generally realized that there are now more men in employment in the industry than before the war, — this despite a reduction of normal output of some 15 percent. Seven men are now trying to live upon the product that six enjoyed before the war. It is unnecessary to enlarge upon the reasons for diminished consumption: the increase in the use of alternative fuels; the dislocation and alteration of European markets with improverished purchasers; devices for economizing in coal, etc. Whatever these reasons may be, the fact remains that the existing output of the industry is too small for its "ground plan," as indicated by the number of mines in operation and the number of men engaged. This extent is now too great for a stable equilibrium to exist between price and reward.

The first essential therefore is a reduction of the magnitude of the industry by 15 or 20 percent. It would then be possible for the present output to be maintained by the remaining mines, under conditions which would enable wages on the present scale to be paid without actually incurring losses. It would still leave it completely necessary for the reconstruction of the industry on the lines of the recommendations of the Royal Commission to be carried out, in order that the industry should be on a progressive and satisfactory basis for the future. It is obvious that to take those mines that are worked under the least economic conditions out of the "wage-ascerainments" would mean that the average costs for the remainder of the mines in a district would be more satisfactory and give a margin of profit. If in addition to the

reduction in area there were a slight lengthening of the working time for the remainder, the position of stable equilibrium would be more readily reached.

The surplusage of men in the industry has been partly caused by the frequent isolation of the mining villages from other industries and the consequent lack of mobility in labor. New pits in the eastern fields have been manned with new labor instead of with labor transferred from the declining districts. Such a transfer was next to impossible owing to lack of houses. To have left the miners' cottages in the existing areas derelict would not have enabled the country by a magic wand to produce the required houses elsewhere. Every effort has already been made to build houses rapidly to meet the actual shortage, with the result that they have sprung up in unprecedented numbers. Despite this, the problem of coping with the existing shortage has not yet been solved, and it is obvious that the effort would still less meet the requirements of transfer which would be a clear addition to such a shortage since it would "de-house" a large population at present satisfactorily housed. The Royal Commission's report has recognized the necessity for a complete transfer to other industries, and the government has assumed some responsibility for assisting in every way such contraction of the industry. Exactly what is involved in this operation beyond an extension of unemployment "doles" has not yet been constructively elaborated.

### III

The wage system in operation in the coal industry is extraordinarily complicated. It has its origin in the events of some sixty years ago, and the number of "ingredients" in the calculation to bring the wage down to recent times has been put at over forty. This does not mean, of course, that a wage earner has to go through all these calculations to get his present weekly wage, for the computations were brought to a head or "standard" for the period as immediately before the war. (Incidentally it should be remarked that the immediate pre-war period was a boom period and the claim to perpetuate or standardize the wages of such years, so that they should operate during the periods of less prosperity, would in itself be likely to give rise to considerable difficulty.) Upon this standard has been built a complicated system of percentage additions for the general change in price levels,

district adjustments, subsistence allowances and minimum wages. If any new system of computing wages is suggested, so great is the conservatism of the wage earner that the new figures have to be turned into terms of the old before they are acceptable. Men will not relinquish what they know and have experienced, however complicated, for something by the operation of which they may some day be unexpectedly deceived. Thus when the 1921 agreement brought in the new principle of dividing between the owners and the men the net proceeds of the industry, the share applicable to the men after such "ascertainment" had to be turned into terms of a percentage addition to the old wage before it was acceptable or workable.

These historical complications, together with the natural differences between the several districts and the different grades of labor, add greatly to the difficulty of the problem and to public mystification whenever miners' wages are under discussion.

Is the principle of the 1921 agreement, that there should be a fixed ratio in which the proceeds of the industry are divided, a satisfactory one? It sounds at first all that could be desired, granted that the ratio agreed upon is a reasonable one. There is no doubt in my mind that the ratio of 85 to 15 (afterwards altered to 87 to 13) on which every £100 of proceeds were to be divided between workmen and owners was a fair representation of what actually happened over a long period before the war, say twenty or twenty-five years. But it is not sufficiently realized that an accurate average for this purpose does not necessarily give a fair annual result, for it turns out to be too rigid as between good years and bad years. The average deviation over a long period from this mean ratio was 40 percent, which means that the ratio would not have been correct in more than a small minority of those years. I showed, before the Royal Commission, that the difference between the amount of wages that actually had been paid to the men before the war over a long period of years and what would have been paid if the agreement had been in force over that period was very marked, although the aggregates for the whole period were identical. The reward of the men would have fluctuated much more violently under the agreement than under the actual method then in force. As labor has no long-period "staying power" it is useless to try to compensate a man for his suffering, during a period of depression, because of the low wage which this fixed ratio gives him, by telling him that in

several years to come he will have correspondingly more which will put it right. Capital may bear these differences or fluctuations, but labor cannot.

A fixed ratio of this description means that in the majority of years either the men or the owners are feeling the pinch unduly. There is little doubt that some part of the trouble felt in the last two years would have been avoided if there had been a little more elasticity in this fixed division of the proceeds.

#### IV

The difference between prosperity and adversity in the industry is largely measured or borne by that proportion (roughly one-third) which goes to the export trade. Here the world price is an important factor, and when this is translated into sterling, an advance in the value of sterling means that the same world price in foreign currency brings in smaller sterling receipts to the owner. There has been in the past twelve to eighteen months a very marked reduction in the sterling price level which affects British exporters to a considerable extent. In the case of those traders whose purchases of commodities form a substantial part of their outgoings, what they suffer on the one hand may be partly counterbalanced on the other. But in the case of coal where nearly 90 percent of the price has represented the reward of labor, if no arrangements have been made in advance, or no easy apparatus exists, for securing a corresponding reduction, then the mine owners' revenue account is depressed on the receipt side and remains constant on the payment side. Something of this kind happened in 1924 and 1925 and helped to exaggerate the plight of the industry from the point of view of its profits to the owners and return to invested capital.

It is not too much to say that at the present time coal in Great Britain is being mined at a considerable average loss, and that if the whole proceeds were given to the men they would be receiving in a number of areas something below a decent minimum wage. Herein lies the economic deadlock. It may be said, "Why not let economic forces take their course and mines be shut and the men find jobs elsewhere?" The answer to this question is that the lack of fluidity of movement, the complexity of the industry, and the dislocation following the war, have made it impossible for such a remedy to work out except with the gravest hardship to vast numbers of deserving and useful citizens.

In our complex civilization in England, based on interdependency, public opinion has moved too far in the direction of humanitarian instinct to allow the miners to suffer starvation and exposure if the cause is something over which they have absolutely no control and arises from a common calamity like the war. There is this much substance in the men's view that the deadlock may be an economic one, but if it is so vital to the state for it to be on the right lines, then it is a responsibility on the state to see that no well meaning and hard working persons are brought to the gutter.

One of the recommendations of the Royal Commission (as indeed of numerous preceding bodies) has been that the state should acquire the freehold of coal — that is, it should purchase the royalties. No one should make the mistake of thinking that in the royalty question lies the difference between the success or failure of the industry or between the present wage and a decent wage. It is much too small financially for that to be true; the effect probably does not exceed five pence or six pence per ton as against a margin of profit and loss of three shillings or four shillings per ton now in question.

If the whole royalty were to be annihilated it would not solve the present problem. As a matter of fact, insofar as the royalty is a true economic differential like an economic rent, it cannot be annihilated, whoever may own it. But it is a political and social irritant of first importance. It rarely fails to rouse deep resentment when it is graphically presented as a deliberate deduction from the reward of the worker to be paid over to the idle recipient of inherited fortune — especially if the owner happens to be a Duke. It stands as a factor in the dispute far beyond its intrinsic importance, and to convey the royalty to state ownership on generous terms would be the best possible tactics from a political standpoint.

But the advantages would not merely be the removal of a social irritant. Not only would the State be put in possession of all coal below a certain level and of all unproved coal, but in the granting of future leases it would be able to impose such terms as would bring the working of the whole industry up to the level of the best. It would enjoy also the great advantage of being able to lease coal for working in accordance with geological conditions and not as heretofore in accordance with accidental, incidental and historical boundaries on the surface. These surface

conditions have made the leasing of coal in the past an unnecessarily complicated and uneconomical affair. Again, perhaps with ten or twenty years of experience of leasing coal, the State Department would accumulate such knowledge as even to enable it to carry out the crucial experiment of state ownership in a competitive area for some particular district. This would do more than any other device to settle the vexed question as to the practicability of state ownership and would eliminate some of the present dangers of civil service control.

One of the solutions of the whole problem suggested by the workers is that the industry should be allowed a fair return upon invested capital, not including new capitalization through reconstructions, bonus shares, etc., after which the proceeds should be divided or go wholly to the men. Unfortunately for this suggestion there is no means of knowing what has been the invested capital in the past, or, if that figure were known, how much of it is effective in producing the present output. My own estimate of the capital in the industry made to the Sankey Commission some years ago, together with the known figures of the new capital introduced in the last few years, is the basis generally adopted for argument upon this subject. It is impossible to give a precise estimate of the capital invested because many of the mines come down from periods long ago, for which the records are lost, and the balance sheets merely show an original figure in one item for the whole property coming down from father to son for generations. But even if the figures were accurately known the question of principle still remains.

It is very difficult to convince the workers that you cannot stereotype the reward of capital and at the same time maintain a progressive industry. Mines are inevitably falling out of use and new mines coming in to maintain a given supply. For those that come in there must be an offer of a return upon capital which will be comparatively equal to or better than the attractions of rival industries. This sets the minimum upon which the industry can progress. In this offer there are several hidden but real essential figures. One is the price of the product at which the estimated tonnage will sell to yield a net receipt that will produce the required proportional return upon the estimated capital outlay. There cannot be two prices on the same article (allowing for quality) in the same market. Therefore the price of coal that is necessary to attract new capital will be the same price as



would apply to coal from old mines. It may be a price which will yield a very small return upon old capital, or a very large return. The capital value of the old mines is very different from the capital invested and it must necessarily fluctuate more or less in response to the marginal return in new collieries.

It is not possible to sell one lump of coal at one price because it comes from a new mine, to pay the interest on new capital necessary to produce it, and at the same time to charge a different price for another lump from an old mine which will pay a fixed conventional rate on old capital. But this essential link between margin of new supply and the reward on old capital is nowhere properly appreciated as inevitable in a competitive industry.

## v

Unfortunately disputes between masters and men have been so frequent and have been conducted under such conditions that an unique spirit of distrust exists which renders ordinary negotiation more than usually difficult. If the reorganization of coal mining on the lines of the Royal Commission's report can be accompanied by a new spirit of conciliation, it would make a profound difference to the future prospects of the industry.

Exactly why the economic disequilibrium of the coal industry should have led into a general strike is not yet clear and probably the story will not be fully written for some time. But there were certain predisposing forces at work:

First, it is represented on many hands that a concerted attempt is being made by the capitalists to depress the standard of living of the workers; that the case of the coal miner was merely the beginning of a general campaign; and that unless workers stand together to defend it at the outset the miners will go under first and the others will follow in succession. The powerfulness of this argument to those to whom it is addressed has little relation to its truth.

Second, there are various Bolshevik and revolutionary elements, particularly in the populous centers, which will make the most of any chance of disturbance and dissatisfaction and which resent all measures of conciliation.

Third, there are those who avowedly work to engineer the industry into such a condition that the state will be compelled to take it over. This would be the first step towards the much desired goal of nationalization in general.



A fourth possibility is that the railway transport workers have been taunted with their action on a certain "Black Friday" when it is alleged that they failed to make good their promise to stand by the miners. Some have felt that when the account or demand was again presented by the miners it would have to be honored if the occasion were sufficiently convincing; otherwise it would be clear that the implied undertaking was never given in good faith and was only a sentimental gesture, lacking practical courage.

It appears unlikely, however, that the hearts of more than a minority of those who loyally obeyed the call to cease work were really in the struggle. The reckoning has yet to be made up as between the different sections of labor involved, both as to the wisdom of the general strike, the responsibility for calling it, and the responsibility for terminating it.

# WATERWAYS PROBLEMS ON THE CANADIAN BOUNDARY

*By Henry Lawrence*

**I**N a notable address at Chicago on March 9, 1926, Secretary Hoover, who has given constant and constructive consideration to the whole problem of waterway development, after a survey of possible outlets from the mid-west to the sea, referred to the difficult situation which has arisen as to the level of the Great Lakes:

"We are well advised at Washington of this fall in lake levels. Protests from our own lake cities and lake States and from Canada, all directed at Chicago; litigation in our courts; bitter denunciation in the press and by public bodies — all these are showered upon us daily. . . . Quarrels concerning water quickly get from the realm of engineering into the realm of emotion. . . . The real question is to hold more water in the lakes. Lawyers and courts cannot hold it there, but the engineers can. Litigation produces feeling but not water. I have observed throughout the whole country that for some reason quarrels over water questions create more emotion than even land questions. . . . I am in hopes that we may be able to enter upon friendly discussion with our Canadian friends upon these many problems of the Lakes. I believe that upon examination by reasonable men bent upon solution, it will be found that there is complete mutuality of interest between our two countries in these matters, and that we shall be able to propose solutions of cement and steel which will protect all the cities and interests upon the Lakes, whether in Canada or in the United States, including Chicago, and we believe that it can be done by engineers much more effectively than by the courts or international dispute."

Mr. Hoover manifests the traditional scepticism of the engineer regarding the lawyer, or rather the lawyer method. Undoubtedly we need more of the objective, fact-seeking temper of the trained engineer, and not least where international relations are concerned. Yet when facts and solutions are set forth, there may remain questions of rights which must also be settled as an element in the problem. On this very question of boundary waterways difficulties, the United States and Canada have worked out a unique and constructive instrument, the International Joint Commission, which ensures, within its range, that along with the engineers' data the claims of the interested parties will be duly weighed, without the drawbacks of too rigid court procedure.

It cannot determine general policy or carry out a program, but it can and does suggest solutions.

The three thousand mile border between Canada and the United States includes vast water stretches. With the thickening of population, the catching up of navigation demands upon water supply, the growth of power and irrigation developments, and the intricate conflict of domestic and international interests involved therein, the need of a permanent method and accepted bases of settlement became apparent. To Elihu Root, Lord Bryce, and Sir George Gibbons mainly belongs the credit of the establishment in 1909, after some temporary experiments, of a permanent joint commission.

The Boundary Waters Treaty of 1909 between His Britannic Majesty and the United States provided for free and equal navigation of all navigable waters on the United States-Canada boundary; gave private parties on one side of the border injured by diversion of waters on the other side the same legal remedies as nationals of the latter country; agreed that further obstructions or diversions of boundary waters affecting the level or flow of boundary waters on the other side of the line should not be made except by authority of the United States or the Dominion and the approval of the Commission; provided against pollution of boundary waters and waters flowing across the boundary, and for the approval of the Commission for any works in such waters raising the natural level of waters on the other side; determined the diversion and division of water above Niagara Falls for power purposes and in the St. Mary and Milk Rivers for irrigation; set up as an order of precedence for water uses, first, domestic and sanitary purposes, second, navigation, third, power and irrigation; provided for an International Joint Commission consisting of three members from each country, with semi-judicial authority as above indicated, and provided further that any border question might be referred to it by either government for inquiry and report, and any dispute whatsoever between the two countries might, with joint consent, be referred for inquiry and decision.

The Commission thus established has never yet been called upon to act as "the American Hague Tribunal" which its founders contemplated, but it has given admirable service on specific boundary issues. A complicated and irritating dispute as to irrigation on the Milk and St. Mary Rivers on the Alberta-Montana

boundary, after long inquiry, was adjusted in 1921. Recommendations of the Commission for regulation of the level and outflow of the Lake of the Woods made in 1917 were finally accepted by the two governments in 1925. The interrelated question of storage in the Rainy Lake region is now under inquiry. Provision was made for regulating the level of Lake Superior and the development of power by works at the outlet, under joint control. The deepening of the Detroit and St. Clair river channels and construction of dykes and weirs were passed upon. The very important problem of the pollution of boundary waters by sewage, involving the health of millions of people on both sides of the boundary, was also investigated, and certain definite recommendations made to the two governments. The Commission reported on the question of the St. Lawrence deep waterway in 1921, approving a joint navigation and power scheme, but recommending further inquiry by a Board of Engineers. In the east, developments on the St. Croix and the St. John Rivers have been investigated and solutions approved.

As important as the range and success of the Commission's work has been its method. It has emphasized and fostered the collection of regular and comprehensive hydrographic data. It has provided a forum where individuals in either country may bring their claims direct, without the intervention of their government. It has avoided technicalities and sought fair and businesslike solutions. As a permanent commission whose members have come to know and respect one another, and who realize that, unlike arbitrators appointed for a single case, positions they take to-day in one country's claim may come up before them to-morrow in a case from the other side, they have been fortunate in securing unanimity in practically every decision given. Certainly both countries have much ground for congratulation on their success in solving such of the perplexing boundary issues as come within the range of the Commission.

The waterways issues now outstanding in which both countries are concerned are mainly concentrated in the Great Lakes and St. Lawrence system. Some aspects of these questions have already been investigated by the Joint Commission, and others doubtless will be; the settlement of other phases involved questions of general policy and finance as well as of fact or right.

First comes the question of freer access from the ocean to the central west of both countries. In the address already quoted,

Mr. Hoover emphasized the double handicap of the mid-west. As regards foreign competition, the great agricultural areas of North America are far inland, while the producers of Argentina and Australia are close to the seaboard. As between domestic areas:

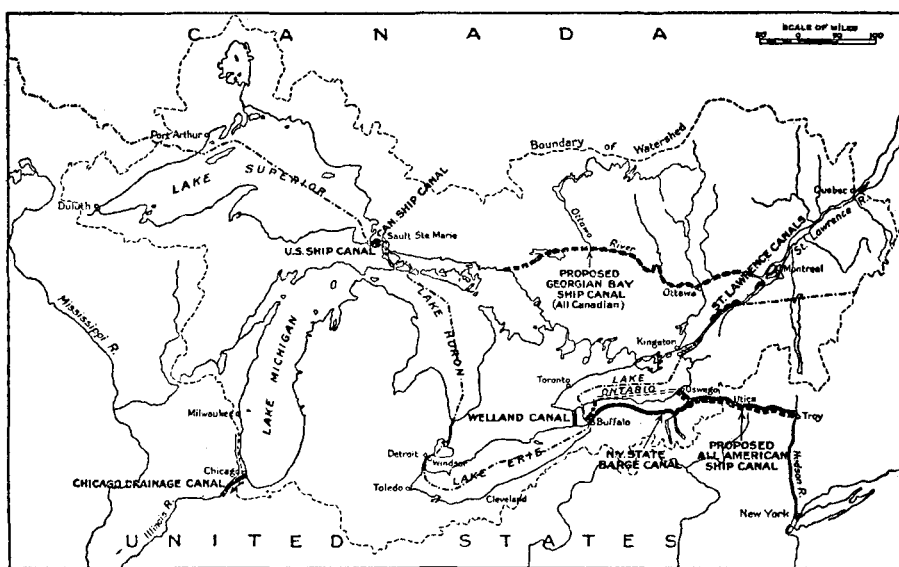
“The Panama Canal has drawn the Atlantic and Pacific seabords and their back country economically much closer together. We can roughly visualize this if we set up a new measuring unit in the shape of the number of cents which it takes to carry a ton of staple goods at present rates. Using that measuring rod and taking in every case the cheapest route, we find that before the war New York was 1904 cents away from San Francisco, while now it is only 1680 cents away. But Chicago, which was 2610 cents away from the Pacific Coast before the war, is to-day 2946 cents away. In other words, Chicago has moved 336 cents away from the Pacific Coast while New York has moved 224 cents closer to the Pacific Coast. A similar calculation will show that in the same period, as ocean rates remain about the same, Chicago has moved 594 cents away from the markets of the Atlantic seaboard and South America.”

Where is the outlet to be found? A widening area of the far west is finding it through the Pacific and the Panama Canal. The United States mid-west may look south to the Gulf of Mexico, through improvements in the Mississippi; the Canadian mid-west may look north to Hudson Bay, through the completion of the Hudson Bay Railway now under construction. But the upper reaches of the Mississippi, however developed, would remain a barge waterway, and ice barriers will limit the Hudson Bay season. There remains, then, the outlet through the Great Lakes and the St. Lawrence, the most remarkable inland waterway system in any continent and already the scene of a commerce which overshadows the Suez and the Panama.

Vast and deep as are these inland seas, natural barriers obstructed free passage between the lakes and to the ocean. In great measure these have been overcome, in the main by efforts on Canada's part. The rapid and shallow St. Mary's River, connecting Lake Superior and Lake Huron, has been supplemented by canals on both sides, and particularly on the United States side. The Detroit and St. Clair Rivers have been widened and deepened, mainly by United States effort. To overcome Niagara's barrier, Canada has built the Welland canal, with fourteen feet depth, and is now building a new ship canal, with twenty-five feet depth in the reaches and thirty feet on the sills of the locks, at a cost of about \$100,000,000. Canada has also constructed a

series of fourteen-foot canals around the rapids of the upper St. Lawrence, and has dredged and buoyed the lower St. Lawrence to afford a thirty-five-foot channel from the ocean to Quebec and thirty feet to Montreal.

But the St. Lawrence outlet is not yet completed. Three rival schemes are urged to supplement the present development. On the south, following up the old Erie canal and the New York State barge canal, there has recently been a revival of an old project of a ship canal from Oswego on Lake Ontario to the Hudson River; on the north, a project to connect Lake Huron direct with Montreal by the Georgian Bay canal, utilizing the



THE GREAT LAKES WATERWAYS

French River and the Ottawa, is again under public discussion. The Oswego-Hudson route is urged as all-American; it could not be an all-United States route unless a ship canal were added on the New York side of the Niagara river duplicating the new Welland, which if feasible at all, its critics contend, would involve an added \$125,000,000. Its critics further emphasize the great expense of the main project, set at \$607,000,000, including interest during construction, in a recent federal engineers' report, the scarcity of water on the summit, and the lack of incidental power development. Advocates of the Georgian Bay canal emphasize its shortness, its all-Canadian character, and the great

possibilities of water power development; its critics point to the long canalized stretch, and contend that the water powers can be developed independently.

It is, however, the midway project, the deepening of the St. Lawrence waterway itself to the sea, that has attracted most attention, both from advocates and from opponents, and that is now the subject of inquiry by an international board.

Here, it is urged, is the most wonderful asset lavished by Nature upon North America: all that is required to make it fully available is a little vision, a little effort. The St. Lawrence is the natural outlet of the Great Lakes. It is one of the world's great rivers, leading through the sheltered Gulf to what is the shortest sea route to Europe. The present barriers to deep navigation can be overcome by works great in magnitude but unquestionably feasible, and at a cost of perhaps \$200,000,000, in addition to the Welland, for a channel of twenty-five feet depth or \$250,000,000 for a channel of thirty feet. Through this great waterway could ply ocean vessels—even a twenty-five-foot channel would carry eight out of nine present-day sea-going ships—with not more than a single day's locking delay from Montreal to Lake Erie, making Toronto and Buffalo, Cleveland and Detroit and Windsor, Chicago and Duluth and Fort William ocean ports. The bulky grain and ore traffic of the lake regions and their growing industrial plants would alike benefit in low rates and direct accessibility to world markets.

Further, the St. Lawrence is the greatest power river in the world, not only in total available energy, but in seasonal uniformity of flow. The available power reaches the tremendous total of from four to five million horsepower, roughly two-fifths of it in the international section where the river separates Ontario and New York, above Cornwall, and three-fifths in the national section below Cornwall, where Quebec lies on both sides of the stream. This huge power could be developed as an integral part of a navigation-power scheme at low cost and utilized rapidly.

Critics present another picture. The counter advantages of rival canal routes are emphasized. Railways on either side of the border may consider their interests jeopardized. Montreal critics picture ocean vessels sailing by to Toronto and Chicago, making Montreal a way port, while New York finds itself off the route altogether. Stress is laid on the difficulty of distributing costs between power and navigation, and of reconciling not only inter-



national interests but the federal and the provincial or state interests on each side of the border. Canadian critics question the necessity of the navigation features, which it is claimed would be overwhelmingly of advantage to United States producers and shippers, and doubt the wisdom of entering jointly upon the construction and maintenance of the St. Lawrence waterway with so overshadowing a partner as the United States.

It is fortunate that ample and authoritative data will soon be available to aid in determining the advisability of a deep St. Lawrence waterway. The Joint Commission presented a report in 1921. It found the plan feasible, from the engineering and the economic point of view, recommended a treaty for a scheme of improving the St. Lawrence, with the new Welland canal embodied in the scheme and treated as part of it, suggested navigable channels of twenty-five feet depth and locks of thirty feet, proposed that navigation costs should be divided in proportion to benefit, power costs borne at the expense of the country in which the works were built, and the cost of works common to both navigation and power, over and above necessary navigation works, divided equally. The cost of the St. Lawrence improvement was set at \$250,000,000, including development at this time of 1,464,000 horse-power. It was recommended finally that a further inquiry be made by a joint board of engineers.

In accordance with this latter recommendation, the governments of the United States and Canada agreed in May, 1924, to appoint a Joint Board of Engineers, three from each country, to review the engineering phases of the whole question, checking former estimates and considering alternative schemes; the Board was also instructed to investigate the effect of the proposed works on the harbor of Montreal and the lower St. Lawrence and the effect and possible remedy of lowering of lake levels by existing diversions. The Joint Board has been actively at work for nearly two years, and is expected to present its report early in the present summer. Further, each country has appointed a National Advisory Committee of nine members to study independently the economic and national interests involved. Whatever is done, will be done in full knowledge of the facts.

A minor and more localized difficulty arises in the Niagara river, where conditions have developed which seriously threaten the beauty of the Falls. Niagara Falls is doubtless the world's most famous scenic wonder. In the space of nine miles, from

Chippewa to Queenston, in fall and in rapid, the waters of all the upper lakes rushing to the sea drop over three hundred feet. The sweep and force of the cataract, the stupendous roar of plunging waters, the clouds of rainbow-marked spray, stand out forever in every traveler's memory. No natural wonder is so well known abroad or attracts so many visitors from home. Its preservation is a vested right of all future honeymooners, and is no less essential as one of the few spectacles that can strike awe and even reverence into the North American mind. Yet it is threatened.

It is well known that the Falls are continually eroding their crest and receding up the river, excavating the Gorge as they have moved back from the edge of the escarpment at Lewiston to their present position. But this took at least thirty thousand years, the geologists say, so that at first thought further developments seem to the average man something that can well be left to posterity to worry about. But on inquiry it is found that the erosion is a matter of present serious moment. The American Falls, which carry only one-sixteenth of the river's waters but are in some ways more striking than the Horseshoe because of the even flow, are receding very slowly. The Horseshoe or Canadian Falls, however, are eating their way back four or five feet a year, and the apex of the notch is retreating so deeply that the Horseshoe threatens to become a Hairpin — if the use of either of these antiquated terms really helps to suggest the picture. The edges of the wide crest grow bare, while the main current is concentrated more and more into the notch. "The result of the recession now occurring," declares the United States Corps of Engineers' report of 1921, "is to withdraw water from the end of the Falls and concentrate it at the center. The ends are the parts that are conspicuously visible to spectators. The notch is quite invisible from the most frequented viewpoints and cannot be seen to advantage from any point. Thus the recession is causing a decided decrease in the beauty of the Horseshoe Falls. Also the greater concentration of the flow into the central notch causes a thickening of the darkening curtain of mist and further obscures the spectacle. This effect is cumulative. Increased erosion in the notch causes concentration of the flow there; concentration of the flow in the notch increases the erosion there."

It is difficult to say precisely what has been the scenic effect of the diversion of water for power purposes from above the Falls;

probably it has increased the bareness of the edges of the Horseshoe but lessened the rate of erosion in the center. The danger to the Falls from power demands aroused public opinion twenty years ago, and led to the adoption by the United States of a temporary measure, the Burton Act, restricting power development, and to the provision in the Boundary Waters Treaty of 1909 already noted. By Article 5 of the Treaty the two countries agreed that it was "expedient to limit the diversion of waters from the Niagara River so that the level of Lake Erie and the flow of the stream shall not be appreciably affected," and that this object should be accomplished "with the least possible injury to investments which have already been made in the construction of power plants." The diversion was set at 20,000 cubic feet of water per second on the United States side and 36,000 on the Canadian side, approximately the capacity of the plants then built or under construction. A Board of Control, consisting of one engineer from each country, has recently been appointed to supervise the diversion; it reported last year that the treaty limits were being observed on both sides of the river. Of the power developed in Canada an amount equivalent to 12,000 cubic feet per second is exported to the United States, so that much less than half the total developed at Niagara is available for Canadian consumption. The demand for power on both sides is increasing rapidly; it has been met by new installations to make fuller use of the water withdrawn, notably the very efficient new Queenston-Chippewa development of the Ontario Hydro-Electric Commission, by linking up isolated centres, by use of auxiliary steam-plants, and latterly, on the Ontario side, by provision for bringing power from the new developments on the Gatineau river, on the Quebec side of the Ottawa river. Any further diversion at Niagara imperiling scenic values would undoubtedly be met by the strongest opposition in both countries.

In the opinion of competent engineers it is possible not only to preserve the Falls but to reconcile power and scenic interests through a more even distribution of the flow over the Horseshoe crest. Artificial islands, a submerged weir, and other suggestions have been put forward. The United States Corps of Engineers' report of 1921, already cited, summarizes this point of view: "It is confidently believed that the works as proposed would greatly reduce erosion at the crest line, increase the beauty of the spectacle, and at the same time permit increased diversion for power

production," — probably from 56,000 to 80,000 cubic feet per second at the outset.

It appears from recent statements of Secretary Hoover and of the Canadian Minister of the Interior, Hon. Charles Stewart, that the Niagara situation has been under consideration. "Unless the enlargement of the notch is checked," Mr. Hoover declares, "the time will come when Niagara will become a great rapids instead of a gigantic waterfall. It appears from our engineers that remedy is not difficult if undertaken in coöperation with our Canadian friends."

Much more important and more difficult is the problem of maintaining the level of the Great Lakes and St. Lawrence river. That level has been falling steadily for a quarter century with devastating results. The average level is two and one-half feet lower than twenty-five years ago. Every harbor and river channel is damaged. Passage through the Detroit and St. Clair is hampered; vessels drawing less than fourteen feet frequently ground in the present Welland and St. Lawrence canals, and the ship channel from Montreal to the sea last year had at times only twenty-eight instead of thirty feet depth.

The most spectacular and controversial factor in this lowering, even if not the most important factor measured objectively, has been the policy of the Sanitary District of Chicago in abstracting nearly 10,000 cubic feet per second from the Great Lakes.

The origin of this abstraction lay in the need which Chicago shared with other large and growing cities for finding means of disposing of its sewage without contaminating its drinking supply. Lying on low ground at the stagnant end of a lake, with its population increasing at a tremendous rate, with huge slaughtering houses and distilleries turning their refuse into the same little Chicago river into which the civic sewers were poured, the city administration never was able to push the intake for drinking water far enough into Lake Michigan to escape contamination from the sewage carried out by the river and other outlets. Sewage disposal works or filtration plants were apparently held too impracticable or too expensive for consideration.

The opportunity for a unique solution was in Chicago's strategic geographical position at the junction of the St. Lawrence and Mississippi basins. The city lies in a low, narrow, crescent plain skirting Lake Michigan, southernmost of the lake-basins of the St. Lawrence system. Through this plain meander two small

streams, the Chicago and the Calumet, on their way to the lake. The plain is bounded by a low range of hills, the Valparaiso moraine; beyond the hills flows the River Desplaines, which forms the north fork of the Illinois and through it joins the Mississippi. At one point a depression in the hills brings the summit of the divide between the waters of the St. Lawrence and the waters of the Mississippi down to ten feet above the level of Lake Michigan.

Chicago seized the opportunity. With the elemental simplicity and magnificent audacity which characterize all great achievements, Chicago decided merely to pierce the divide and turn the Great Lakes into the valley of the Mississippi, that in their passage they might flush Chicago's sewers. The idea of cutting a canal from Lake Michigan through to the Desplaines was of course not new. It is one of the little ironies of history that a year after that sturdy Canadian, Louis Joliet, with his companion, Father Marquette, returning from the first white man's voyage down the Mississippi, had put Chicago on the map, it was another Quebecker, Father Dablon, the chronicler of their voyage, who first pointed out that it would be possible to go from Lake Erie "to Florida in a bark, and by very easy navigation, by cutting through but half a league of prairie from the foot of the lake of the Illinois (Michigan) to the river Saint Louis (Desplaines)." Projects, statutes, tentative experiments followed the founding of Chicago in the nineteenth century. In 1848 the Illinois and Michigan canal was opened through the portage gap in the hills, fed from the Desplaines and Calumet rivers and by a lift wheel from the Chicago river; later it was utilized to dispose of some of the city's sewage.

In 1889 the State of Illinois created the Sanitary District of Chicago, including a wide suburban area, and empowered it to build a drainage canal with a minimum flow of at least three and one-third cubic feet per second for each thousand persons tributary to it. Construction of the main channel was begun in 1892, extending from the Chicago river, along the route of the Illinois and Michigan canal, with controlling works at Lockport, to the Desplaines river above Joliet. This channel, thirty-four miles long including the improved Chicago river, was opened in 1900; an auxiliary canal, known as the Sag channel, was built later to connect with the Calumet, and cross-channels, conduits, pumping stations added from year to year. The building of these canals not merely reversed the flow of the Chicago and the Calumet,

turning their waters into the Mississippi instead of into the lake, but drew from Lake Michigan a great and growing stream. The canal was essentially a drainage channel; no navigation except by the Sanitary District's barges developed, but in 1907 the canal was extended four miles down the Desplaines to take advantage of a sharp fall in the river bed, giving an average head of about thirty-five feet, from which hydro-electric power was developed — about 35,000 horsepower — transmitted mainly to Chicago.

The Sanitary District operated under powers granted by the State of Illinois, but its activities inevitably came under review by federal authorities — executive, judicial and legislative in turn.

The federal executive, and particularly the Secretary of War, charged with control of navigable waters, began a long series of regulations by the issue in 1896 of a permit for deepening the south branch of the Chicago river, subject to a proviso against the creation of a current. In 1899, in response to an application for permission to open the canal when completed, the Secretary granted a permit, temporary and revocable at will and subject to such action as might be taken by Congress. Repeated modifications were made until the permit of January 17th, 1903, which set the maximum withdrawal of water at 4,167 cubic feet per second. An application by the Sanitary District in 1912 for authorization to withdraw 10,000 cubic feet per second led to a full inquiry, with strong representations from the Canadian Government as well as from lake navigation interests.

On January 8th, 1913, the Secretary of War announced his finding: the question of sewage disposal in Chicago was not so much one of health as of comparative costs; the construction of the Illinois and Michigan canal afforded no federal warrant for the present diversion; the protests of Canada, backed by treaty provisions, should be given weight; the withdrawal of 10,000 cubic feet per second would "substantially interfere with the navigable capacity of the Great Lakes and their connecting rivers." The application was therefore denied.

But the audacity which had defied nature and disregarded the commandment, "Thou shalt not remove water from thy neighbor's watershed," was not daunted by an order from the United States Government. The Sanitary District calmly went ahead diverting as much water as it pleased and expanding its policy to include power development as well as sanitation. The average yearly diversion, measured at Lockport, was later admitted by



the Sanitary District to have been 4,971 cubic feet per second in 1903, 5,116 in 1907, 3,458 in 1910, 6,445 in 1911, 7,105 in 1914, and 7,786 in 1917—figures which the Corps of Engineers declared were from five to twelve percent too low.

With its authority thus flouted, the Federal Government in 1908 sought an injunction from the District Court for the Northern District of Illinois, to restrain the construction of the Calumet-Sag canal, and in 1913 an injunction to prevent diversion of more than 4,167 cubic feet per second. The two suits were consolidated. What followed may be summarized in the words of the brief of the United States of America, appellee, presented to the Supreme Court in October term, 1924:

“This case was subjected to the unprecedented delay of over *fifteen* years in the Court below. Six years (1908–1914) were consumed in the taking of testimony; for six years more (1914–1920) the case was held under advisement by Judge Landis; for three years more the case was pending on appellant’s motion for a modification of the terms of an injunction which Judge Landis indicated he would enter but never did. Against this delay the Government continuously protested. . . . The pendency of the war, his understanding that there was a possibility of a compromise, and his indisposition as a citizen of Chicago to have microbes in his drinking water, were his assigned reasons.”

Had Judge Landis, as National Baseball Commissioner, withheld for six days a decision upon the status of a member of the White Sox or Athletics, the country would have risen in arms, but a delay of six years in a decision on rights involving half a continent and vital economic and international interests was taken almost as a matter of course. Finally, in 1920, Judge Landis delivered an oral judgment, granting the injunction. The Sanitary District at once made a motion for reconsideration. Three years later Judge Carpenter, to whom the case was assigned on Judge Landis’ retirement in 1922, confirmed the injunction. Appeal was taken to the Supreme Court in October, 1924. The decision of the Supreme Court, delivered in January, 1925, required the Sanitary District to limit its withdrawal to 4,167 cubic feet per second, subject to any fresh permit which might be issued.

The law was clear, the Court held: the United States was asserting its sovereign power to regulate commerce and to control navigable waters. It had a standing right not only to remove obstructions to interstate and foreign commerce, “but also to carry out treaty obligations to a foreign power bordering upon some of the lakes concerned:” the 1909 treaty with Great Britain “expressly

provided against uses affecting the natural level or flow of boundary waters without the authority of the United States or the Dominion of Canada within their respective jurisdictions, and the approval of the international joint commission agreed upon therein." The authority of the United States to remove obstructions to commerce was superior to that of the States for the welfare or necessities of their inhabitants. Withdrawal of water on the scale directed by the Illinois statute threatened the level of the lakes, and that could not be done without the consent of the United States even if no international covenant were involved.

The next step was a hearing by the Secretary of War to determine whether a temporary increase beyond 4,167 cubic feet per second should be permitted. On March 3rd, 1925, a new permit was issued, permitting the Sanitary District to withdraw 8,500 cubic feet per second until December 31st, 1929, provided that there should be no unreasonable interference with navigation, that the District should install sewage disposal works to provide for a population of 1,200,000 by 1929, should post a bond as guarantee for payment of its share of the cost of regulating or compensating works to restore lake levels, and should prepare control works to prevent the discharge of the Chicago river into Lake Michigan in storms; the permit was revocable at will, and could be revoked without notice if proportionate progress was not made in the sewage disposal works at the end of each calendar year or if the City of Chicago failed to carry out a stated program of metering its water service.

As was established by an exchange of correspondence between the United States and Canadian Governments, through the British Embassy at Washington, this permit virtually continued the existing diversion of 9,700 cubic feet per second, as the 1,200 cubic feet per second withdrawn for the City of Chicago's water supply and discharged through the canal was to be added to the Sanitary District's 8,500 cubic feet per second. The Secretary of State, however, in a note of November 24th, 1925, in response to a communication from Canada, declared that by December 31st, 1929, the gross flow might be reduced to 8,000 cubic feet per second, and probably to 6,700, and that the sewage treatment program of the Sanitary District had been arranged to make possible a reduction to 4,167 cubic feet per second by 1935 or earlier.

The next move on Chicago's part was to change the venue to

Congress. The project for a nine-foot waterway from Lake Michigan to the Mississippi was revived, and bills introduced into Congress authorizing a diversion of 10,000 cubic feet per second through the Sanitary Canal for this waterway. The support of a number of Mississippi States was enlisted, but the lake States other than Illinois held to their opposition. Competent engineers had made it clear that a 1,000 cubic feet per second diversion would suffice for a nine-foot waterway, so that the sudden change of base from sanitation to navigation was greeted with profound scepticism. During March and April, the Rivers and Harbors Committee considered the project, with considerable difference of opinion manifested. A compromise proposal was brought forward, to pass the appropriation for deepening the Illinois river but to add a rider that this should not in any way validate or affect the status of the Sanitary Canal diversion.

The neighboring States have not been idle. On the day the canal was opened Missouri sought an injunction against the pouring of Chicago's sewage down the Mississippi, but without success. At the present time Wisconsin, joined by Minnesota, Ohio, and Pennsylvania, is seeking an injunction against any permanent diversion from the Great Lakes, aside from an amount reasonably required for navigation, while Michigan is denying the right either of Congress or of the Secretary of War to impair the great natural highway of the Lakes. Both cases are set for the October, 1926, term of the Supreme Court.

The Government of Canada naturally has been even more concerned than the lake States. Its position, whatever government was in power, has been one of opposition to this unprecedented and unwarranted diversion. Protests emphasizing economic loss and national and treaty rights have repeatedly been communicated to the Government of the United States through the British Ambassador in Washington. The communications between the two governments published from time to time indicate a consistently courteous attitude upon the part of the United States. If the concrete results thus far are not as satisfactory as Canadians would wish, the issues have evidently been clarified and a settlement advanced by the discussion.

To Canada, and particularly the regions tributary to the St. Lawrence system, the menace of the Chicago abstraction has been of vital and absorbing importance. While the Chicago situation was investigated and discussed from many angles before the

signing of the Boundary Waters Treaty, it has attracted increasing attention since that date. It came to be recognized that the withdrawal was no temporary plan for dealing with a sanitary emergency, but a deliberate, permanent and indefinitely expanding policy. The St. Lawrence basin grew rapidly in population, in agricultural, mining and industrial development and in its reliance upon lake traffic. Lake levels fell, lake freighters grew in size, water power became increasingly essential.

Navigation is seriously hampered. The withdrawal of nearly 10,000 cubic feet per second from the Great Lakes lowers Huron, Erie, Ontario and the upper St. Lawrence from 5 to 7 inches, and the harbor at Montreal 9 to 10 inches. Lake vessels are built and loaded to take advantage of every inch of depth; in every inter-lake channel, every shallow river stretch, in every harbor, the reduction of levels brings difficulty, danger, and loss. A loss of one inch in water levels reduces the carrying capacity of the typical lake freighter by from 75 to 100 tons: the whole lake fleet suffers a loss amounting to one complete trip each year.

To the layman the term "10,000 cubic feet per second" does not convey much meaning. It may be visualized by comparison with the American Falls at Niagara. Every one has in mind a picture of that wonderful cataract sweeping in tremendous volume and irresistible force over the crest in an unbroken line a thousand feet from bank to bank. Yet the total water pouring over the American Falls is only 9,000 cubic feet per second.

Less pressing hitherto, but now of increasing urgency, is the loss in power development. The water which is now pouring down the drainage canal could be made to develop over 300,000 horsepower at Niagara and about 200,000 horsepower on the St. Lawrence, as against a maximum of 112,200 horsepower from the development of the proposed Desplaines-Illinois waterway. The use of lake water to develop one horsepower south of Chicago, when it could develop four and one-half horsepower at Niagara and the St. Lawrence, could not be defended on economic grounds, but even if it were so defensible, the users of power on both sides of the lower lakes and the St. Lawrence are not in a mood to make objective computations upon water which is a part of their rightful heritage.

Public opinion in Canada, as in the United States lake regions injured by the diversion, is prepared to recognize that it could not be halted over-night without serious menace to the health

of the community which has come to depend upon this method of sewage disposal. The endeavor, however, to have the diversion legalized under cover of a waterways project, the certainty of further increases if the present system of dilution under the ratios set by the Illinois statute were continued, an increase which would reach 21,083 cubic feet per second by 1940, and not least, the fact emphasized by Newton D. Baker, the former Secretary of War, that one-third of the water abstracted is used solely for disposal of the refuse and sewage of the Chicago stockyards and packing-houses, do not make for acquiescence. The sanitation question is not a question of possibilities, it is only a question of comparative cost. Other lake and river cities, Milwaukee, Detroit, Cleveland, Buffalo, Toronto, Montreal, have built or are building sewage disposal plants or filtration plants or both. Chicago, it is urged, can do the same. It is understood that a beginning has been made on the sewage purification works called for in the last permit of the Secretary of War.

Chicago contends that it is not responsible for more than one-sixth of the fall in lake levels. John R. Freeman, member of a consulting board of engineers engaged by the Chicago Sanitary District, recently stated that of 30.7 inches fall below the normal of twenty-five years ago, a rainfall five to ten percent below normal and larger evaporation caused 13 inches of the lowering, retention by storage in Lake Superior 3 inches, lessened frequency of ice jams 2 inches, enlargement of the outlet channels of Lake Huron 4 inches, the Welland and Erie canals 1 inch, and the tilting of the earth's crust 2.5, leaving only 5.2 inches to be debited against Chicago. The bearing of several of the factors listed above and the accuracy of the figures are of course challenged; possibly the report of the St. Lawrence Joint Engineering Board will bring forward objective and conclusive data.

In any case, it is not admitted that a wholesale abstraction from the St. Lawrence system, made without consent, can be put on the same level with improvements within that system or with the vagaries of Jupiter Pluvius. Even were Chicago's responsibility less than it is, the consideration that the abstraction is avoidable and that it has been made arbitrarily and with a bland disregard of neighbor interests is an essential factor in the psychological reaction. A personal injury rankles more than an impersonal one.

It is further to be noted that the Sanitary District has offered

to make a proportionate contribution to the cost of compensating works to restore lake levels, and has deposited with the United States Government a bond of \$1,000,000 for this purpose. Various projects for compensating works at the foot of Lake Huron and of Lake Erie have been advanced. Apparently these proposals have not been considered officially by Canada or by the lake States. In general discussion it has been held that the possibility of constructing compensating works which would not involve obstacles to navigation or danger from ice jams has not yet been demonstrated; that in any case it is doubtful if they could restore more than half the lost levels; and that compensating works such as proposed would not raise the level of Lake Ontario or the St. Lawrence or make up for the loss of hydraulic power.

The dispute has been long and keenly contested. Fortunately it has not been wholly or even predominantly an international dispute. It has been rather a difference between economic areas, between geographical watersheds. The interests of Canada and of the lake States other than Illinois have been almost identical, so that the dispute has not brought any cleavage at the border line.

Fortunately also there has been recently a distinct measure of progress toward settlement. The 1925 decision of the Supreme Court clarified the legal issues, making plain the sovereign authority of the Federal Government and the direct interest of Canada in the diversion; in the cases set for this autumn the rights of the parties will doubtless be further determined. The federal executive has taken a firm stand, calling for a definite reduction of the diversion year by year. The attitude of Congress is as yet undetermined, but it seems improbable that it will grant Chicago's demand for a legalization of its present abstraction. Chicago itself, it may be surmised, is now convinced that it cannot permanently thwart the rest of North America, and those of its critics who considered it responsible for every inch of fall in the lake level now recognize that other factors are at work.

During the coming summer the report of the Joint Engineering Board is to be presented, and will doubtless offer a comprehensive and authoritative survey of river and lake conditions. The way should soon be open for a settlement of all outstanding boundary waterway issues, and the ending of another chapter in a record of friendly and businesslike border policy.



# THE FOREIGN POLICY OF SOVIET RUSSIA

*By Christian Rakovsky*

IT is not my purpose to attempt a systematic and complete statement of the foreign policy of my government, but to lay down certain guiding lines which may aid an understanding of the relations between the Union of Soviets and other Powers and of the attitude that the Soviet Government has taken towards various international problems.

In order to comprehend the foreign policy of the Soviet Republic, it is essential first to consider another more general question. What is the aim of the foreign policy of every country? Foreign policy, it will readily be understood, is only a projection of domestic policy and, clearly, has a close relation to the form of political and social organization of the nation and to its institutions generally. Every government strives to establish with other countries the sort of relations most favorable to the strengthening and development of its own institutions.

This general rule obviously applies to the Soviet Government. Probably not many persons continue to hold the mistaken opinion that the régime created in Russia by the triumph of the revolution of October, 1917, was a transitory episode, the result of a sudden stroke organized by a handful of men who were strangers to the history of the country acting against the will of the people and against the interests and aspirations of the nation. The fact that the Soviet Government has endured for eight years and that no one questions its political solidity, proves that its appearance was not an accident but a necessity, for deep-lying reasons, both in the evolution of Russia and of the whole world.

Without going into a detailed analysis of Tsarist Russia, the following three characteristics of its political and social organization may be noted:

1. The existence of a class of feudal aristocracy possessing a great share of the land, and holding subject to its domination and exploitation the peasants who made up four-fifths of the population. A régime of absolute power with a bureaucracy, which had all the vices of unregulated bureaucracies, was essential to maintain the power of the feudal class.

2. A capitalist class, much weaker because the feudal agrarian system hampered the economic development of the country, but

for this reason the more rapacious in the exploitation of the workers.

3. Numerous national minorities, all together constituting a majority in comparison with those who could properly be called Great Russians, but subordinated to the domination of Tsarism and deprived not merely of political rights but of the most elementary rights of development of their own cultural systems.

Opposed to the old régime, consequently, there were formidable forces: peasants, workers and national minorities, waiting only a propitious moment to overthrow it. The war provided the occasion; it completely disorganized the governmental and military apparatus and opened the eyes of people who had been submitting apathetically to the Tsarist régime, to its total incapacity and superannuation.

It may be regarded as an established fact that it was not the revolution which caused Russia to quit the war, but Tsarism which demanded of its subjects an effort far in excess of their strength and which thereby destroyed itself and prepared the way for the revolution. In the first three months of the war, it is important to remember, the Tsarist Government put in the field 4,000,000 soldiers, while France mobilized 3,000,000 and England 165,000. Further, the consideration that revenues per capita in Russia amounted to \$43.10, while in Great Britain they amounted to \$260 and in France \$182.50, reveals still further how disproportionate to the economic resources of the country was the effort Russia was called upon to make. During three years of war, Russia mobilized 15,000,000 men, according to the statistics of the Allied General Staff (18,000,000 according to the Russian General Staff). The number killed was 2,500,000.

What assured the victory of the Bolshevik party was the fact that it anticipated the desires of the workers and peasants and national minorities — that is to say, of the great masses of the people — and put an end to the war so far as Russia was concerned. Even before we came into power, the Russian military front had ceased to exist in fact. The disorganization of the army had been indicated even before the first revolution of February, 1917, when the number of deserters had exceeded a million. The offensive organized by the Kerensky Government in June, 1917, only hastened this disorganization and intensified the popular aversion for the war.

Such was the historical setting of the revolution of October,

1917. This review of the origins of the Soviet power is necessary to explain its foreign policy, the aim of which had to be the defense of the new state of affairs in Russia. The first manifestation of this foreign policy was peace with Germany.

The new government realized perfectly that a triumphant militarist Germany would be the most furious foe of the Soviet régime. That was why the tactics of the Soviet Government at first consisted in attempting to maintain the unity of Russia with the Allies for the purpose of concluding peace. If this proved impossible and the Allies desired to prosecute the war against Germany, the Soviet Government was under the necessity of concluding a separate peace, but in such a way as to leave no doubt in the minds of the Russian people that this was not a democratic peace but a peace imposed on the vanquished and consequently provisional.

Sooner or later such a peace would have to give way to a life-or-death struggle with German imperialism; but for Russia to have a chance of victory it was necessary that the peasants, workers and national minorities should experience the effects of the revolution. That alone would secure support and sacrifices from the masses of the people. The Soviet power required a truce to accomplish the nationalization of the land, reorganize industry on a new basis, and grant independence to oppressed national minorities. It had to create totally new governmental machinery, tap new economic resources, and organize a new army.

First proposing that negotiations with Germany for peace "without annexations or reparations" should be conducted not by Russia alone but by all the Allies, the Soviet Government requested of Germany an armistice of three months. The Allies rejected the proposal, and Russia was forced to go alone to Brest-Litovsk, having secured an armistice of only one month.

The second part of the Soviet peace program was to unmask the hypocrisy of German militarism in consenting formally to peace "without annexations or reparations" but actually pursuing purposes of annexation and seeking considerable reparations. Our policy was of service not only to the Russian people but also to the subjects of the Central Powers, whose soldiers were deceived by successive assurances from their diplomats that Germany and Austria only desired to end the war as soon as possible. The Soviet delegation at first refused to subscribe to the German conditions and at the same time declared that Russia

would not continue the war. Only when the Germans launched a new offensive did the Soviet Government sign the Treaty of Brest-Litovsk. But if the material victory rested with Germany and Austria, the Soviet delegation carried away the moral victory.

Despite the refusal of the Allies to negotiate peace at the same time with Russia, Soviet diplomacy sought to avoid a break with them and to keep the Germans within the limits of the treaty they had imposed. Since Germany compelled us to recognize and conclude peace with the "People's Republic of the Ukraine," which already had become a monarchist government with the aid of German bayonets, we attempted in the course of the negotiations with the Ukraine to fix a line of demarcation between the Russian army, then made up of a mixture of detachments of Red volunteers and the remainder of the old army, and the German armies.

The present writer, as head of a delegation which went in the month of April, 1918, first to Kursk and then to Kiev, was charged with the responsibility of conducting these discussions. But in spite of every effort, I was unable to get a line of demarcation fixed except on one part of the front. The Germans never were willing to establish a line in the Rostov sector, and also reserved to themselves freedom to advance whenever they wished towards the Kuban and Baku.

At the same time our Ambassador at Berlin, M. Joffe, as well as our Commissariat of Foreign Affairs at whose head was Chicherin, were trying to establish a *modus vivendi* on the basis of the Treaty of Brest-Litovsk.

Although Germany had very definite purposes with regard to the Soviet power, she did not enjoy a freedom of action sufficient to permit her fully to realize her plans. She was engaged in the struggle against the Allies; and while she was working for the collapse of the Soviet power, she also was attempting to profit, especially from an economic point of view, by the relations between the two countries. This explains why both at Berlin, where M. Joffe represented the Soviet, and at Kiev, where for five months I dealt with the Ukrainian Government (which was nothing but a screen for Germany) and with the German Ambassador Baron Mumm and the German generals, we were able to take advantage of the difficult strategic and political position of Germany in order to maintain a state of comparative peace.

I strove to avoid any troublesome incident along the line of demarcation between our two armies and to foster economic relations with the Ukraine.

Actually, warfare with Germany continued. The workers and peasants of White Russia and the Ukraine, friendly toward the Soviet power, never ceased to struggle against German oppression. Labor strikes and peasant revolts followed each other in succession. The hope of the Germans to reprovision their armies and their country from the Ukraine, which they expected to find a rich granary, was disappointed.

During all this time we tried to maintain unbroken contact with the Allies. We felt no contradiction with our ideas in coöperation with powers having a different social structure. We recognized that the stage of economic development of our country did not favor socialistic organization of its productive system. Socialization could only be partial, since heavy industries were only slightly developed. At that time we had no idea of nationalizing all heavy industry; we accepted this necessity because the proprietors opposed a systematic resistance to our program of workers' control of industry. It was only in June, 1918, in order to conquer the resistance of the proprietors and prevent the large industrial enterprises belonging to Germans from being returned to them in accordance with the Treaty of Brest-Litovsk, that we promulgated the law nationalizing all industries with a capital of more than a half million rubles. This included only a small part of our economic system; there remained an enormous sphere for private enterprise, particularly for the peasants and also for foreign capital. The policy of concessions to foreigners for the purpose of attracting foreign capital to aid in the economic reconstruction of the country was formulated at that time by Lenin.

We communicated our concrete plan to the representative of the American Red Cross, Col. Raymond Robins, at the time of his departure for the United States in the spring of 1918. The Allied Ambassadors having left the capital for Vologda, we attempted to ascertain the attitude of the Allies through the American Consul, Mr. Poole, and through the secretary of the Norwegian Consulate, Mr. Christiansen, but we received no reply. We learned only one thing: the Allies had set themselves the aim of restoring the Russian front against Germany. This we could not do without imperilling the newly begun work of organizing

the Soviet power and reconstructing the economic life of the nation.

What they could not accomplish by persuasion the Allies attempted to achieve by violence. The Czechoslovak Legionaries, who were permitted to leave Russia by way of Siberia, instead of Archangel as we wished, established the first internal front against the Soviet Government. On April 6, 1918, the Japanese occupied Vladivostok and began to advance into Siberia. On August 5 the English occupied Archangel. A series of revolts took place in the course of the summer of 1918 at the instigation, direct or indirect, of agents of the Allies.

One of the clauses of the armistice agreement between the Allies and Germany imposed on the Germans the obligation to keep their armies in the Russian provinces they were occupying until the arrival of Allied troops. Yet we did not give up our attempts to come to an understanding with the Allies. We accepted the first invitation extended to us in February, 1919, to attend a conference at Prinkipo. We made clear our plan for concessions, and even went so far as to declare our willingness to adjust the question of pre-war debts on condition that normal relations be reestablished between Russia and the Allies.

In the years 1919 and 1920, the hardest years for the Soviet Government, we had to fight against Allied invasions, against the armies of Kolchak, Denikin and Wrangel supported by the Allies, and finally against Poland. The failure of the policy of intervention becoming evident to some of the Allies, the Conference of Ambassadors in Paris early in 1920 abolished the blockade against the Union of Soviets. During the war with Poland, there was an attempt on the part of England to bring about peace, made just at the time when our armies were drawing near Warsaw.

The first nations to conclude peace with us were the Baltic States, who hoped that recognition by the Soviet Government of these former parts of the Russian Empire would sanctify their political independence. In 1920 we signed treaties with Esthonia, Lithuania, Latvia and Finland, and the preliminary treaty of Riga with Poland; and the following year the final treaty with Poland and treaties with Persia, Afghanistan, Turkey and Mongolia, and commercial agreements with England, Norway, and Italy. These developments indicated that gradually we were entering upon a period of peace.

Among the Allied Powers the first to begin the resumption of



commercial relations with Russia was England, under the influence of her own economic difficulties. It was her initiative that was decisive in favor of sending Russia an invitation to the Genoa conference. This permitted us for the first time to establish contact with official representatives of all the other important countries, except the United States who had no representation at Genoa. But the policy of the Powers was dominated by the idea that the Soviet power, having emerged victorious from its military trials, would be overthrown as a result of internal difficulties, and by the desire to secure from us the recognition of the debts and the reestablishment of the right of private property. The credits we asked, without which acceptance of the obligation of the debts would have been only an empty phrase, were not granted. Similarly, we were invited to take part in the Lausanne conference in the hope of our signing a convention for the neutralization of the Straits of the Bosphorus and the Dardanelles, which would have opened the Black Sea and made it a future theatre of war.

The year 1924 marked our achievement of recognition. The appointment of the Labor Cabinet in England brought about the renewal of diplomatic relations, and this was followed in the course of the year by renewal of relations in turn with Italy, Norway, Austria, Greece, Sweden, China, Denmark and France, and in 1925 with Japan.

We have succeeded in maintaining and consolidating our position in Russia because we have pursued a program comprising four points: solution of the agrarian problem, the labor problem, and the nationality problem, and finally a policy of peace in contrast to the policy of conquest of Russian Tsarism. We came into power partly as a result of the protest of the peoples of old Russia against the World War, of which the Tsarist imperialistic policy was one of the causes; and we are forced to seek peace as a primary necessity for the solution of the political and social problems on which depends the welfare of our working classes. This will require sacrifices for several generations, and automatically will exclude any aggressive or warlike spirit. The description of the Union of Soviets as an economic state expresses a truth, in that the problems facing the Soviet Government are all of an internal character, economic, intellectual and social. Its economic functions predominate over its administrative functions because it controls the means of transport, a large part of industry, foreign trade, credit and banking, and consequently is responsible

for the conditions of agriculture. In a war, it is the Soviet Government itself which must suffer in its capacities as business promoter, manufacturer, banker and merchant.

Our immense task of reconstruction is only begun. We have a huge country, its territory comprising one-sixth of the land area of the globe, with unlimited potential wealth and a population which today numbers 140,000,000. But in economic organization it is one of the most backward in the world.

The national revenue per capita, which according to our statistics amounted before the war to about 101 rubles, had fallen to less than half that sum at the end of the civil war; and then rose again, but without reaching the pre-war level. Statistics for 1925 indicate that the revenue per capita was equivalent to about 72 rubles. The total national capital represented in industry, means of transport, agriculture, and buildings, within the present limits of the Union of Soviets, which was estimated at 54,500,000,000 rubles in 1913, now amounts after four years of reconstruction to about 36,800,000,000 rubles. That is to say, we have lost 32.7 per cent.

Our system of public instruction, although well advanced in comparison to what it was under the Tsarist régime, is still far from meeting the most elementary needs of the people.

The best proof of the progress of our agriculture is the popularity of American tractors among the peasants, but it is still in a very backward stage. Our industries, railways, roads and canals need to be restored and developed. While in the United States there is said to be one automobile to every seven persons, in Russia there is one automobile to every 50,000. Our task is to bring Russia up to the level of a modern state, and to divert men or money from this to other ends would be criminal.

Although we have tremendously extensive frontiers to guard, we have reduced our army to 560,000 men, about one-half of the army maintained under the old régime; and we are prepared to make further reductions, for the 600,000,000 rubles that we spend on our army — more than one-sixth of our revenues — could be employed better in works immediately necessary to our people. So we regret that the intransigence of Switzerland has prevented us from taking part in the conference on disarmament.

The desire of the Soviet Government to avoid entanglements of all sorts should explain our refusal to enter the League of Nations and our antagonism to collective agreements lacking a definite

purpose and to the system of alliances, to which we have opposed specific agreements such as we have concluded with Turkey and Germany and are concluding with other neighbors. If we were in the League of Nations, the necessity of taking positions on questions before it for settlement would compel us to choose between one or another political group, so that we should be continually involved in conflicts which we do not desire. Still less do we wish alliances which would involve our people in unknown issues. Even alliances formed for defense tend always to war. The example of the Triple Alliance and the Entente affords a lesson which we cannot forget.

What seems to us advisable, and what we have done, is to conclude with every possible nation accords carrying the obligations, first, to maintain neutrality in case one or the other party is attacked, and second, not to enter into political or financial or other combinations directed against either party. The advantage of these accords consists in their purely defensive nature and in the fact that nothing prevents their being concluded with all states without exception. The same obligations we have accepted towards Turkey and Germany we can accept toward all the other Powers.

I have said already that we are negotiating for similar agreements with our other neighbors. We have made proposals to all of them except Rumania, about whom I shall speak further on. We believe that these proposals ultimately will be accepted. Our neighbors, including Poland, have an interest in according us reciprocal guarantees of peace, for economic as well as political reasons. Esthonia and Latvia cannot take advantage of their situation as maritime states except as the increasing exports of the Union of Soviets continue to pass by way of their railways and ports. The same may be said of Poland. Industry in Poland has been developed, thanks to the huge market of the former Russian Empire; and it is in Russia, rather than in the more developed countries to the west, that Poland will have to find an outlet for her production.

I have set apart the case of Rumania. There remains a cause of division between us and Rumania, which prevents the conclusion of the same sort of accord that we are discussing with our other neighbors. The circumstances in which Rumania annexed Bessarabia are well known. Russia, it also is well known, never was consulted regarding the fate of her former province. In March,

1918, the Premier of the Rumanian Government, General Averescu, who now is in power again, signed a treaty with the present writer, as representative of the Soviet Government, obligating Rumania to evacuate Bessarabia in two months. Taking advantage later of the fact that the Germans had occupied part of our territory, and of German support since at the time Gen. Mackensen was occupying Rumania, and also of the irresolution of the Allies in seeking to bolster up their coalition by conceding Bessarabia to Rumania, the Rumanians proclaimed themselves the masters of Bessarabia. We remember that the United States never recognized this act of violence.

The policy of the Soviet Government concerning the Bessarabian question is not to claim that Bessarabia should belong to the Union of Soviets, although this former Turkish province had only 200,000 inhabitants at the time when Russia conquered it and had 3,000,000 inhabitants at the time when it was annexed by Rumania, to whom it never had belonged. But we demanded at the Vienna Conference between Rumania and ourselves in 1924, and we are justified in demanding, that the population of Bessarabia itself be consulted. Rumania rejected a plebiscite. The people of Bessarabia, who were on the side of the Allies, are refused the rights which the Allies accorded to Germany in the question of Upper Silesia. Of course, a plebiscite should be conducted under conditions guaranteeing its genuineness. The Rumanian army and officials should leave Bessarabia.

Our policy in Asia finds its inspiration in the Constitution of the Union of Soviets, which we regard as a model of political equality between different races. It even goes so far as to admit the right of nations entering into the Union to leave it of their own free will without securing the consent of other members of the Union. And we do not apply our logic to ourselves alone; we act in the interest of conserving our institutions by applying in our policy in Asia this principle of "self-determination" — an American principle, by the way, transported to Europe by the Frenchmen who took part in the American War of Independence.

Relations between the United States and the Union of Soviets unfortunately have not been established. I do not believe that the question of the debts — granting the good will that our Government has evidenced to facilitate a solution within the limits of equity — could constitute a serious difficulty. I rather attribute the anomaly to the fact that the ocean separates the United

States from us and that the United States has not yet fully realized the political and economic importance of the Union of Soviets. And I am not speaking solely from the point of view of direct commercial relations between our two countries, but also of the rôle that Russia may play in commercial relations with countries of Europe and Asia which enjoy financial and commercial contact with the United States.

I know that what is called "propaganda" often is cited as an argument against the reëstablishment of normal relations. But the Soviet Government should not be confused with the Third Internationale. We cannot believe that America will maintain towards us a policy less liberal than the Russian Tsardom adopted during a long period towards the United States despite the fact that it was identified with the republican idea which Tsardom abhorred. Relations between peoples and states should be based, not on social theory, but on mutuality of political and economic interests.

# NATIONAL MONOPOLIES OF RAW MATERIALS

*By Jacob Viner*

IN the seventeenth and eighteenth centuries countries within whose boundaries were produced important raw materials commonly controlled the export of such commodities with the objectives either of stimulating their fabrication at home or of exacting higher prices from foreign consumers. During the nineteenth century such export controls shrank greatly in range and importance, though they never completely disappeared. During the war period, however, there was an extensive, though temporary, revival of export controls, mainly as emergency measures.

Since the close of the war, and in a few instances antedating the war, there have been established new export controls of commodities whose production is largely confined to single countries, and these new controls have had much the same objectives as those of the seventeenth and eighteenth centuries. These controls have given rise to expressions of great alarm in some quarters, and especially in countries which are themselves dependent in great degree upon foreign sources of supply for the raw materials which they need. Thus Italy, Belgium, and Japan, densely populated countries comparatively poor in natural resources, have been urging upon the League of Nations the search for a solution of the problem of the fair apportionment among the nations of the world's supplies of essential raw materials. Germany, always dependent on outside sources of supply for many of the raw materials needed by her industries, and now more so than ever because of the loss of her colonies and of part of her iron- and coal-bearing areas, is also showing great concern over the problem of free access to raw materials. That Germany seeks a solution of this problem in a redistribution of the colonial territories of the world is indicated by the statement of Dr. Schacht, President of the Reichsbank, in a recent speech:<sup>1</sup> "The fight for raw materials plays the most important part in world politics, an even greater rôle than before the war. . . . Germany's only solution is her acquisition of colonies." It is in the United States, however, that the export controls appear to have

<sup>1</sup> *New York Times*, March 26, 1926.



caused the greatest degree of concern, largely due to the panic among the American rubber-using industries which followed the establishment of the British export control of rubber, and to the efforts of Secretary Hoover, who for several years has been issuing repeated warnings to the effect that the establishment of these export controls is a "problem of great gravity" and a "growing menace in international commerce and relations" which "threatens not only the sane progress of the world but contains in it great dangers to international goodwill."<sup>2</sup>

The United States is in some respects in a peculiarly vulnerable position. Richly endowed in mineral resources, in a wide range of climatic and soil conditions, and in the productive capacities of our people, we are nevertheless because of our very prosperity so tremendous a consumer, and we have devoted so much of our productive effort to manufacturing, that there are comparatively few raw materials of which we produce a supply adequate for our own needs. Of all the important raw materials at present subject to foreign export controls, we are not only in each individual case the largest single consumer, but for most of the controlled commodities, and for all of them in the aggregate, we purchase over 50 percent of the world's total output.

Strangely enough also, in the light of our extremely varied range and bountiful supply of natural resources, it is difficult to name a single raw material, unless it be the colonial case of manila hemp, of which our export surplus is sufficient to be a dominating influence on the world market. Secretary Hoover, it is true, lists cotton, copper, and oil as affording possibilities of retaliation in kind by the United States against foreign export controls, but these seem doubtful cases. Though we produce a large fraction of the world's supply of these products, we are a correspondingly large consumer, and it is by no means certain that we have export surpluses sufficient to control world prices of these products.

The problem of the nationalistic exploitation of raw material monopolies does contain in it some degree of menace to international goodwill and to international economic prosperity, both because of conditions as they actually are or may become, and because what people are led to believe the state of affairs to be is often more conducive to international friction than what it actually is. There is, moreover, no easy solution of the problem.

<sup>2</sup> *Hearings before the House Committee on Interstate and Foreign Commerce*, Jan. 6, 1926, p. 2.

Nevertheless, I feel convinced, for reasons which will in due course be presented, that there has been shown undue alarm over the actual and potential situation.

Where there is produced within a single country's territory the great bulk of the outside world's supply of an important commodity, such a country is normally tempted to seek a monopolistic profit at the expense of the foreign consumers. The concentration of all the production within a given area will not, of itself, be sufficient to raise its price above the level which would prevail if production were of the same volume but widely distributed throughout the world. To raise the price there must be organized restriction of output. Where the producers are few, they can ordinarily be relied upon to establish monopoly control through formal or informal association without waiting for governmental encouragement or assistance. But where the producers are many, scattered and individually small, monopolistic organization becomes difficult to establish and even more difficult to maintain, and governmental intervention may be necessary if the possibilities of exploitation of the national monopoly are to be fully realized. National monopolies are more likely to be present in the case of raw materials than in the case of manufactured products. The production of raw materials can be carried on only in accordance with the territorial distribution of climatic and soil conditions and mineral resources. The production of most manufactured products can be carried on almost anywhere, though not, of course, with uniform degrees of effectiveness. The problem of national monopolies is, therefore, primarily a problem of raw materials.

Where a national monopoly is being exploited at the expense of the foreign consumer and under government auspices, the method used is usually the establishment of restrictions on export. But export restrictions may be applied in the absence of even an approach to national monopoly, and they may have any one, or any combination, of a number of objectives. The export of a raw material may be restricted in order to stimulate its domestic fabrication. Such is the main purpose of the Canadian restrictions on the exports of logs and pulp wood and of hydro-electric power and of the restrictions in a number of European countries on the export of scrap iron and rags. Where the raw material is produced in a colony, the mother country, with a view to keeping the fabricating industry within the

Empire, may impose prohibitions or export taxes on its export to a foreign country, which are not applied in case of export to other portions of the Empire. The British preferential export taxes on hides from India, and palm-kernels from the West African Colonies, established during the war but soon repealed; the British preferential export tax on tin ore from the Federated Malay States, established in 1903 and still in effect, and which has been instrumental in preventing the development of a smelting industry in the United States; the American preferential export tax on manila hemp from the Philippines, in effect from 1902 to 1913; are illustrative instances.

The export of a raw material or natural resource may be restricted in the interest of conservation, though where it is not accompanied by a corresponding restriction of production for domestic use there is an obvious intention to throw the cost of such conservation as is effected wholly upon the foreigner. Such is the objective of the restrictions on the export of rare animals common in Africa, and, in part, of the Canadian restrictions on the export of crude products of the forest. Export taxes may be levied also from a purely revenue motive, especially in tropical countries where there may be no other effective or economical method of reaching the mass of the native population.

The newest export restrictions, and especially those which have recently become the subject of widespread discussion, have still another objective, namely, to "stabilize" prices on the world market of the products subjected to export control. "Price stabilization" or, as it has sometimes been called, "valorization," may mean either the attempt to assure to the producers a "fair" price for their product, which will afford them a reasonable rate of profit on their investment, or it may mean the attempt to extort from the consumer as high a price as the traffic can be made to bear without resulting in too sharp a reduction in the volume of output.

The methods of export control have been even more varied than the objectives, but they fall into two main classes, sometimes used singly and sometimes, as in the case of rubber, in conjunction, namely, export taxes and direct restrictions on the volume of exports. Where price-stabilization is the aim of the export control, export taxes are likely to be less flexible and otherwise less effective than control of the volume of exports.

There can be no serious objections against export controls

intended to produce moderate revenues for the government, or to conserve natural resources. The instances of export controls established to stimulate domestic fabrication are few and as a rule unimportant, though in the three outstanding instances, the export restrictions on Canadian logs and power and on Federated Malay States tin ore, it is the United States which is the chief sufferer. But the main issue in the current controversy is in connection with the export controls which have "price-stabilization" as their objective.

The possibilities of effective price control on the world market for any appreciable length of time through export control by a single country are subject to very real and narrow limitations. In order that there shall be a sufficient national motive to export control of this kind the domestic consumption must be but a small proportion of the domestic production. Otherwise, the chances of shifting a substantial proportion of the cost of price-stabilization to the foreign consumer will be small, and the resistance of the domestic consumers to any measure which will operate to raise price together with the general mercantilistic prejudice against any measure which obviously tends to cut down the volume of exports will effectively prevent the establishment under government auspices of rigorous export control. Secondly, the country applying the export control must have not only a preponderant part of the world's actual output but also of the world's readily available potential output. Otherwise, though perhaps after some interval, the export control will exhaust most of its influence in stimulating new production in other countries, and will have no appreciable effect on price. Third, the controlled commodity must not have what in the technical language of economics is known as a very elastic demand, namely, one which reacts sharply to price-changes, reducing its purchases substantially when price rises, whether by resorting to substitutes or by cutting down on consumption.

Commodities which can satisfactorily meet all of these tests are few. Of the nine commodities cited by Secretary Hoover as subject at present to foreign export controls which are a menace to American consumers, namely; Egyptian long-staple cotton, rubber, coffee, nitrates, potash, camphor, iodine, mercury, and sisal, there are important alternative sources of supply outside the controlling countries for coffee, nitrates, camphor, and iodine, and there are available substitutes for long-staple cotton

and sisal, which are sufficient in each case to set narrow limits to the possibilities of price extortion through export control of these commodities by single countries. Some of these commodities, moreover, may have highly elastic demands, though on this point reliable information is extremely difficult to obtain. The potash control represents the ominous phenomenon of a joint export control by two countries, Germany and France, though the fact that all of the potash deposits were German before the war, and that all of the industry had learned the methods and the benefits of export control in pre-war days made the coöperation between the two countries easier to establish than it would ordinarily be. The American imports of potash are not of great proportions, and its use in agriculture is highly variable, depending upon its price, so that the possibilities of extortion in this case are also not serious. Mercury presents another instance of a commodity which is under the joint control of two countries, but in terms of values it is of very minor significance.

There remains the case of rubber. The British export control of rubber, because of the economic importance of the commodity, the excited discussion of which it has recently been the subject, and the clear light which its few years of history throw on the various angles of the export control problem, merits consideration in more detail.

Until 1900 all rubber was the product of the tapping of wild trees in the tropical jungles, but about that time English capitalists became interested in the possibility of growing rubber trees in plantations and from experimental beginnings the plantation rubber industry grew rapidly until by 1914 its output exceeded the output of wild rubber. By 1924 the plantation rubber output was over 93 percent of the total rubber production, and was over fivefold the maximum production of wild rubber in any preceding year.

The advent of the automobile, with its rubber tires, created a market for this great increase in rubber output. But the increase in demand for rubber did not fully keep pace with the increase in production, and from 1910 on the general trend of rubber prices was downward, in contrast to the upward trend in the price level as a whole. Plantation rubber, however, cost much less than wild rubber to produce, and until the marked slump of rubber prices in 1920 to 1922 the rubber plantations were highly prosperous. In 1921 and 1922 the New York price of

crude rubber fluctuated between 16 and 17 cents a pound, as compared to an average price of 65 cents in 1913, 60 cents in 1918, and 36 cents in 1920, and as compared to a price of 30 to 36 cents estimated by the rubber growers to be necessary to assure to the industry a generous margin of profit from its operations. At one time in 1921 the price fell as low as 14 cents.

In the light of these circumstances, the British Colonial Secretary in 1921 appointed the so-called Stevenson Committee, upon which the rubber-growing interests were largely represented, with instructions to investigate and report upon the rubber situation in the British Colonies. Following the recommendations of this Committee, the Colonial Secretary put into effect on November 1, 1922, by ordinances of all the rubber-growing colonies, an export control, under which the actual output for 1920 of each producer was taken as his "standard production." Each producer was assigned for the first quarter of the operation of the plan an export quota of 60 percent of his "standard production." At the end of each ensuing quarter the export quota was to be raised over the quota for the preceding quarter by 5 percent of "standard production" if the price during the preceding quarter had averaged between one shilling and three pence and one shilling and six pence, and by 10 percent if it had averaged in excess of one shilling and six pence, but was to be lowered by corresponding percentages if the price had fallen below one shilling and three pence. Exporting was to be by license only, and any producer who exported in excess of the prescribed quota was subject on his entire export to a heavy export tax varying in rate with the percentage of excess of his export over the prescribed quota.

The purpose of the Stevenson Plan was to stabilize prices in the neighborhood of 30 cents a pound. It was not, however, until towards the end of 1924 that the price of rubber reached this level. But in 1925 the rubber market went wild. The price of crude rubber rose to an average of 41 cents in March, 77 cents in June, \$1.03 in July, and \$1.04 in November, the peak price, \$1.19, having been reached on July 18th. Late in December the price began to fall, and in the latter part of April, 1926, it fluctuated about the 50-cent level. In accordance with the provisions of the control, the export quotas had meanwhile been periodically increased, and on February 1, 1926, the maximum quota of 100 percent "standard production," estimated by American officials



to approximate about 85 percent of productive capacity, was prescribed for the following quarter.

This spectacular rise in rubber prices, following upon the establishment of the export control, caused a tremendous stir in the United States. It is indisputable that the export control was one of the major factors responsible for the rise. But there were other factors at work. The demand for rubber had been constantly increasing. During the first half of 1924, when the price of rubber was low, the American rubber interests held off their purchases, anticipating still further declines. In 1925, when the price of rubber began its sharp ascent, there was a panicky rush for supplies. The alarmist interpretations of the situation issued by the Department of Commerce and by the American rubber industries added to the panic, stimulated speculative operations for a further rise, and further accentuated the upward trend of price. Characteristic of the type of publicity matter issued by the American rubber-consuming interests during the period of peak prices was a widely circulated estimate by one of the trade statisticians purporting to show the probability that within a few years the available supply of rubber would fall short of meeting the needs of the rubber-using industries. The state of mind of the rubber trade is revealed by the following cable:<sup>3</sup>

May 12, 1925.

MILLER,

*Chairman: Servitude, Bilgate, London*

Can you cable statement for use in quieting present panic in industry? We are besieged with inquiries and would like to exert stabilizing influence to offset present excitement and general talk of disaster.

RUBBER ASSOCIATION OF AMERICA.

The conditions were ideal for a runaway bull market. When this cable was sent, the price of rubber stood at 59 cents. In the next month it rose to 89 cents, and in July to \$1.19.

Though the basic factor in the situation was the export control, the response in official quarters and in the rubber trade was such as to accentuate the effect of the control much beyond the inherent necessities of the situation. Without any important change in the basic situation the price has fallen, from its 1925 peak to its level at the time of writing, by over 60 percent. The credit for this fall in price has been claimed by Washington offi-

<sup>3</sup> Hearings, Jan. 7, 1926, p. 67.

cials for the Hoover campaign to arouse public opinion against the export control and to urge rubber reclamation, economy in use of rubber, and the organization of ambitious projects for the extension of rubber-growing under American auspices.<sup>1</sup> A different interpretation of the effect of the Hoover campaign seems more plausible. All of the official publicity dealing with rubber issued since the establishment of the export control tended to magnify beyond its due proportions the power of the control, of itself, to raise prices. The sharp rise in price came after, and not before Secretary Hoover embarked upon his campaign against the foreign export controls. The matter issued by the Department of Commerce was by its nature such as to nourish the panic in the rubber market, and thus to reinforce the factors making for still higher prices. When the effects of the official and trade publicity wore off, and the export restrictions, under the routine operation of the control, were relaxed, a calmer view of the situation began to prevail on the rubber market, and it soon became apparent that the power of the export control over prices had been overestimated.

Economies in the utilization of rubber contributed, no doubt, to the decline in price, but consumers do not ordinarily require artificial stimulus to economize when prices are extraordinarily high. It is probable that the most effective economizing measures employed were the use by the tire manufacturers of larger percentages of reclaimed rubber and the sharp increase in the price of tires, measures whose profitability under the circumstances made artificial incentives to their employment somewhat redundant. In any case, despite the higher prices and the economy campaign, the American imports and the American consumption of rubber were each greater in 1925 than in 1924 by over 20 percent.

The rubber episode throws a great deal of light on the possibilities and the limitations of export controls as a means of raising prices. That the Stevenson Plan was honestly intended to raise prices only to a "fair" level is shown by the fact that it called for increases in the export quotas whenever the price of rubber should have averaged for three months in excess of one shilling and three pence, which American authorities concede not to be in excess of the price necessary to give a reasonable return on the capital invested in the rubber plantations. In actual operation, however, the export control resulted in the maintenance of price for a peri-

<sup>1</sup>Cf. *New York Times*, Feb. 15, 1926.

od of as yet undetermined duration at a grossly extortionate level. Though in the case of rubber this result can be shown to have been due to defects in the original scheme of control which can easily be remedied, such defects are not likely to become apparent for each different type of export control, until after some period of experience under that type of control.

There is no guarantee, moreover, whatever the original objective of the control may have been, that it will be modified if it does produce extortionate prices. The Stevenson Plan was clearly defective in that it was too inflexible to adjust itself quickly to increases in the demand for rubber. The restriction of increases in export quotas to a maximum of 10 percent at one time, to quarterly intervals, and to an ultimate maximum of 100 percent of the actual output in 1920, made the control ill-adapted to conditions of rapidly rising demand for rubber unless there was no objection on the part of the British Government to price rising to, and continuing for an indefinite period on, an extortionate level. Whatever the original intent of the British, their refusal to modify the plan after it had become evident that it was producing extortionate prices convicts them, at the least, of not regarding this result as a serious defect of the plan. Moreover, the British Government has just announced some changes in the plan which make the export restrictions more instead of less severe.

The experience under the rubber export control confirms, also, the expectation that except under highly unusual circumstances of complete control over the commodity, of no substitutes, and of an inelastic demand, no scheme of export control can maintain prices at an extortionate level for a long period. The rubber-control is unquestionably breeding the germs which will eventually bring about its collapse. The resistance of consumers to high prices through economies and through the search for substitutes is almost always a powerful limiting factor. Still more important in the case of rubber is the stimulus of the high prices to expansion of production outside the control. There may be some genuine prospects of increased production of rubber in the early future in the various American projects for great rubber plantations in the Philippines, Liberia, Panama, and elsewhere, but let us confine ourselves to the more immediate possibilities. As the accompanying table shows, the establishment of export control in the British rubber colonies was accompanied immediately by a substantial and progressive increase in the produc-

tion in uncontrolled areas, chiefly the Dutch East Indies. In two years under the control the British share of the total production of plantation rubber dropped from 72 to 53 percent.

PRODUCTION OF PLANTATION RUBBER

(Net Exports in Tons)

	British	Other	Total	Percentage British
<i>Before control</i>				
1919.....	257,484	91,090	348,574	74
1920.....	226,081	78,590	304,671	74
1921.....	200,959	75,787	276,746	73
1922.....	271,589	106,643	378,232	72
<i>After control</i>				
1923.....	237,434	142,304	379,738	63
1924.....	205,027	181,676	386,703	53

Many of the rubber plantations in the Dutch East Indies are owned by British capital, and were voluntarily subjected to export restrictions corresponding to those legally in force in the British Colonies. Segregation of the output of these plantations from the output of the plantations wholly free from the export restrictions would show results indicating an even more marked diversion of production from the controlled to the uncontrolled sources of supply. It is not likely that the British will long continue their control without substantial relaxation thereof if the trend shown in the table persists.

The criticisms in the United States of the foreign export controls have centered mainly about four points, namely: (a) that the export controls force American consumers to pay extortionate prices; (b) that they are violations, usually under government auspices, of free competition and the law of supply and demand; (c) that nothing analogous to them is possible in the United States; and (d) that they are a menace to international goodwill.

Export controls, under favoring circumstances, can undoubtedly raise prices to extortionate levels, and extortionate prices, whatever their cause, are fit objects of resentment and protest. The export control, however, is objectionable only if it aims at, or results in extortionate prices. Every country permits some degree of organized control of prices in some branches of the economic structure, and most governments participate in the organization and administration of these controls. In the United States, combinations among laborers to raise the price of labor, among employers to lower the price of labor, among farmers to raise the

prices of their products, are free from any serious legal restrictions. The government itself participates in the control of public utility prices. It is true that in the United States, where specific exceptions are not provided by the law, combinations to fix price are illegal, irrespective of what the prices may be which result from such combinations. It is only in this country, however, that any serious attempt is made to enforce price competition upon industry, and even in this country the success of this attempt and its wisdom are both seriously questioned. It is not price control, therefore, but the abuse of price control which is open to objection. If safeguards are to be developed against such abuse, it is necessary that fairly precise standards of reasonableness in price be formulated, and that the prices of controlled commodities be measured by these standards before they are condemned.

The export controls do, undoubtedly, interfere with the normal operation of free competition, but in the modern world instances of completely free competition are hard to find and are rarely good to look upon when they are found. It is not the economist who appeals to a supposed economic law of supply and demand, as if it were a rule of conduct always applicable and always providing the right solution for every economic issue. Free competition as manifested in supply and demand sometimes works tolerably well and sometimes produces intolerable evils, and no community, no government, would today allow it to operate without restraint throughout the whole economic sphere. Most of the activity of modern governments consists, in fact, of attempts to guide, to restrain, and to control the operations of supply and demand. In a world in which economic matters were left to the sole guidance of individualistic competition there would be no Departments of Commerce, of Labor, of Agriculture. Except to the uninformed, therefore, it is not a criticism of much weight against the export controls that they are violations of the law of supply and demand, or even that they are violations under government auspices. The real issue is, are the results of these interferences with free competition good or bad?

The claim that nothing analogous to these foreign export controls is possible, or is existent, in this country, would have little effect on other countries, no matter how well founded it might be, except as it deprived them of the right to make a *tu quoque* rejoinder. But there are fairly close American parallels, in the form of concerted action under government auspices or with

governmental encouragement to control prices which foreigners pay for American products or which foreigners receive from American purchasers of their own products.

The Minnesota state tax on iron ore and the Pennsylvania state tax on anthracite are, perhaps, not forceful analogies, because the foreign consumers of these commodities are only a minor factor, but in their aims and modes of operation they have much in common with the foreign export controls. Secretary Hoover, among others, has cited the prohibition against export taxation in the federal constitution as evidence of the opposition of American policy to exploitation of foreigners through export controls. But the prohibition of export taxation was not inserted as a protection to foreigners against American exactions, but upon the insistence of the southern States, as a protection to their tobacco and rice growers from attempts to finance the Union by export taxes on their products. There was no general prejudice at the time against export taxes, which were an important source of revenue of some of the American Colonies and of some of the States prior to the adoption of the Constitution. Many years later, when the United States took over the Philippines, "the export taxes of the Spanish tariff were retained and that on raw manila was increased from 37½ cents to 75 cents per 100 kilos on the ground that the Philippines enjoyed natural monopoly in this produce and the increased tax would consequently be paid by foreigners."<sup>5</sup> In 1902 this export tax was converted by Congress into the most objectionable form of export control, a preferential export tax, under which both foreign consumers and native producers are exploited for the benefit of the consumers in the mother country, and the protests against the measure of Chief Justice Taft, who was then Commissioner of the Philippines, were based on its unfairness to the Filipinos and not to foreign consumers. This measure was not repealed until the first Wilson Administration revised the tariff in 1913.

Another American parallel is the Webb-Pomerene Act, which legalizes American combinations in the export trade, and exempts them from the statutory penalties against restraint of trade and unfair methods of trade provided foreigners and not Americans are the victims thereof. This was not merely an Act of Congress, but the Federal Trade Commission was the most energetic advocate of the measure, and export combinations organized under

<sup>5</sup> U. S. Tariff Commission, *Report on Colonial Tariff Policies*, p. 590.



this law are registered with this federal bureau and are subject to its supervision. Secretary Hoover has stated that the Webb-Pomerene Act is not analogous to the foreign export controls, because its object was not to raise prices of American products to foreigners. In the Report of the Federal Trade Commission urging the passage of a law legalizing export combinations one of the arguments strongly urged in its favor is that under such a law: "By fixing an export price [an American export combination] could prevent the quotation by foreign buyers of one American producer against another and could eliminate harmful price competition among Americans themselves in foreign fields."<sup>6</sup> What is this but official approval of the suppression of the "law of supply and demand" where foreigners are concerned?

Most important of all, however, of the American parallels with the foreign export control is the American customs tariff, the most severe and the most important interference with the law of supply and demand which the world has ever known. The tariff, it is true, is not directly an export control, but it is its replica applied to imports. The purpose of export controls is to monopolize national supplies of raw materials for domestic industries or to raise their prices to foreign buyers. The purpose of the American tariff is to monopolize the American market for American producers or to lower the prices which foreigners shall receive for the products which they sell to Americans. It is good protectionist doctrine that the foreigner pays the import duties, which is equivalent to saying that the tariff forces down the prices which the foreigner gets for his products.

Governmental intervention to monopolize the national market for its nationals is no less objectionable than governmental intervention to monopolize national resources for its nationals. Forcing up through governmental control the prices paid by foreigners for the things they buy is no more objectionable than forcing down the prices paid to foreigners for the things they sell. Restrictions on imports have been, and are, an immeasurably more serious detriment to international prosperity than restrictions on exports. The only real difference between them is that the apparent opportunities for national profit at the expense of foreigners have been much more extensive in the case of import restrictions than in the case of export controls.

Export controls which have as their objective the exaction of

<sup>6</sup> *Coöperation in American Export Trade*, Part 1, p. 298.

extortionate prices from foreigners are a menace to international goodwill, and if there should be any wide extension of control to other important commodities, they may involve a serious danger to American economic interests. Neither the existing situation nor the future prospects, however, quite warrant the alarmist discussions to which they have given rise. The commodities capable of being subjected to effective export control are few, and even the strongest control, as has been pointed out, tends itself to generate the forces which bring about its eventual breakdown. But the economic cost to consumers of even a temporarily successful control may be high enough to justify energetic search for defensive or preventive measures against the evil.

It is important, however, that the remedy adopted be not worse than the disease, and retaliatory measures are clearly in this class. It may easily be possible to stir up so bitter a feeling in this country against the foreign export controls, or to apply so vigorously the great economic, political, and even military power which the United States possesses, that foreign countries will shrink from the threat and will abolish their export controls. But retaliatory measures of this sort are rarely successful where there is no consciousness of guilt on the part of the country against which they are directed, and even when temporarily successful they breed a deep and lasting resentment which awaits but the least opportunity to manifest itself. It requires an extraordinary naïveté to expect that we can convince foreign countries of the injustice of their export controls, even when they do result in extortionate prices, while we insist that our much more important and much harsher import controls are matters of purely domestic concern. The one encouraging feature of the recent discussion of the rubber problem was the quite common refusal of the American press to follow the official leadership on this point.

There is only one method of procedure which gives any real promise of leading to a satisfactory solution of the problem of national exploitation of monopolies in raw materials. If official representatives of the nations will gather around the council table, and frankly appraise the merits and defects of each other's commercial policies and practices as they see them, they may succeed in time in evolving an international code of economic relations, and in setting up a supervising organization to administer this code. It is apparently at some such solution that the League of Nations is aiming, with its investigating committees and its

economic conferences. It is a procedure which, to be even moderately successful, demands that each country be prepared to modify such of its own practices as seem to the rest of the world to be objectionable in return for the assurance that it will secure protection against objectionable practices on the part of other countries. It is not to be expected that free trade or low tariff countries will voluntarily abandon export controls unless countries with prohibitory import duties on their products agree in return to moderate these duties.

If the United States were to lend to some such plan the support of its prestige and its strength, it would be a powerful guarantee of its ultimate success. In the absence of American coöperation in such a plan, the probable course of events in the near future will be a continuation of American protests against foreign export controls, foreign resentment against the inconsistency of the American protests, doubtful success in obtaining the abolition of the controls, and complete success only in raising the temperature of international relations.

# STEEL-MAKING MINERALS

*By Josiah Edward Spurr*

IT cannot be repeated too often (for it is a fundamental fact which every intelligent citizen should know) that each of the metals and useful minerals occurs chiefly in certain spots or restricted areas of the earth's surface and, in this regard, each metal is a law unto itself. It cannot be too often recalled that the astonishing development of mechanistic civilization, which has been progressing with ever-increasing speed for the last century, is built upon the use of the metals and useful minerals as its foundation, without which it would totter and slump. Third, it is a matter of fundamental importance to realize, and not to forget, that many of the metals and minerals are definitely exhaustible, and each in a different degree; and, fourth, that these primitive earth-stuffs, essential for our tremendous harnessing of natural powers and for our fabrication of marvelous machinery, are in a class different from all other materials utilized by man, because once mined and dissipated by use they can never be replaced.

In proportion as the richer supplies of metals are diminished, balances of industry and trade will be disturbed and centers and types of civilization will be altered.

Metals and minerals within national boundaries do not conform to the law of supply and demand, although this fact has not been grasped even by many competent engineers. No matter how high a price might be offered for a considerable production of tin from the continent of North America, or of nickel from the continent of Europe, these metals would not be forthcoming. No matter how pressing the demand in industry, brought on by new uses, for a vastly greater production than the present one of mercury or of selenium, the whole world would probably find itself unable, regardless of the price offered, to respond to it.

Mineral problems are intrinsically world problems — that is to say, considering the political relations of the earth's inhabitants, international problems. Indeed, there is no study which so vividly emphasizes the essential community of interests and interdependence of all nations. The United States may cultivate rubber in the Philippines, but it cannot develop tin there. Its only guarantee for the supply of necessary metals and minerals is the permanency, freedom and protection of international trade.

Among the minerals not so prominent in the public eye as coal, iron and petroleum, but essential for modern industry, are the lesser steel-making minerals, technically known as the ferro-alloys: manganese, chrome, nickel, tungsten, and a longer list of less important ones. Is it not generally conceived that iron and coal are indispensable for a great country to possess or acquire by trade? But the machinery age is founded not upon iron, but upon steel, and these so-called lesser minerals are essential in the manufacture of steel. That fact may change the whole economic and military situation for a country. To take an important example nearest to us, the United States is fortunate in possessing vast supplies of coal and iron, but is naturally and permanently deficient in its supplies of these essential auxiliary steel-making minerals — manganese, chrome, nickel, tungsten, and so on. It possesses a certain amount of these minerals, but in far too small a proportion for its needs. It has to import them, and will have to do so in the future as it has done in the past. Therefore one of its economic problems, which during the war became a military problem, is where it shall find such supplies and how it shall keep the trade lanes open through mutual interest, diplomacy and fair treatment, or in an emergency by force.

Let me first introduce manganese and explain its unassuming importance. Manganese is used in the manufacture of all steel, in the proportion of about 14 pounds of metallic manganese per ton of steel. Nearly 95 percent of all the manganese consumed is used in this way. Manganese is not utilized in this case as an alloy, but as a remover of deleterious oxygen and, to some extent, of sulphur, in the steel-making process. No satisfactory substitute for this process has been discovered, so that for the production of good steel in adequate quantities manganese is indispensable. The use of larger quantities of manganese produces a specially tough steel (manganese steel), the manganese now functioning as an alloy, whence its designation as a "ferro-alloy."

Chrome is one of the most important steel-hardening materials, and as an alloy, in percentages varying from 1 to 5, it imparts special toughness to steels. Chromium steels are used for armor plate, armor-piercing projectiles, machine tools, safes, springs, and similar essential purposes. Chrome also has its important so-called chemical uses, especially in tanning leather.

Nickel is chiefly utilized in manufacturing of steels designed for special purposes, where unusual tensile strength is required.

Ordinary nickel steels carry about 3.5 percent nickel. About 60 percent of the entire production of nickel goes in these ways. Nickel-chromium steels are employed in the making of armor plate. In nature, nickel occurs alloyed with iron in the meteorites, those "shooting stars" which blaze into our atmosphere from the unknown outer spaces and are occasionally found embedded in the earth. Investigators, sawing such meteorites for scientific investigation, found the iron extraordinarily difficult to cut, and on analysis found nickel alloyed with it. Here, indeed, was a message to man from the stars. This led to the artificial manufacture of nickel-steel and stimulated the whole investigation of the useful effect of other ferro-alloys, which are still the subject of continued experiment.

Tungsten finds its most important use in the manufacture of high-speed machine tools — that is, for tools which are driven by machinery; and no satisfactory substitute has been discovered. Its employment for this purpose is as standard "as the use of yeast in bread."<sup>1</sup> Although certain other alloys, such as cobalt, chromium, molybdenum, nickel and zirconium, in various combinations have been used in steels for certain phases of machine-tool work, they have been unable to affect the demand for tungsten steel. Since our modern industry, in peace or war, is dependent for its maintenance on machine-made products, it is evident that tungsten is another metal without which the whole tense and highly-g geared system would be disrupted.

Of the minor but still highly important ferro-alloy metals, vanadium also is chiefly of service in the manufacture of steel. Its value where great toughness and torsional strength are required led to its use in steel which has to stand heavy wear and tear, such as automobile parts, gears, transmission shafts and gun barrels. The vanadium content in steels made for these purposes is 0.1 to 0.4 percent. Vanadium differs from tungsten in having a very beneficial effect not only on tool but also on structural steel.<sup>2</sup> Chromium-vanadium steels also are utilized in automobiles.

With this slight outline, showing the pivotal importance of these steel-making metals, let us consider the sources of supply, taking the United States, the greatest steel-making country in the world and the one with the largest resources of iron and coal, as a frequent basis of reference.

<sup>1</sup> F. L. Hess, "Political and Commercial Geology," p. 142.

<sup>2</sup> R. B. Moore, "Political and Commercial Geology," p. 163.



Manganese is a fairly common and widespread metal, yet it occurs, in large and commercial amounts, chiefly in certain very definitely restricted parts of the world. For the last quarter of a century India and Russia have been the chief sources of supply, with a considerable production from Brazil, and a very moderate production from all the rest of the world. A new source of large supply, not yet thoroughly tested, is said to be the Gold Coast of Africa. The production from the United States, and, indeed, from

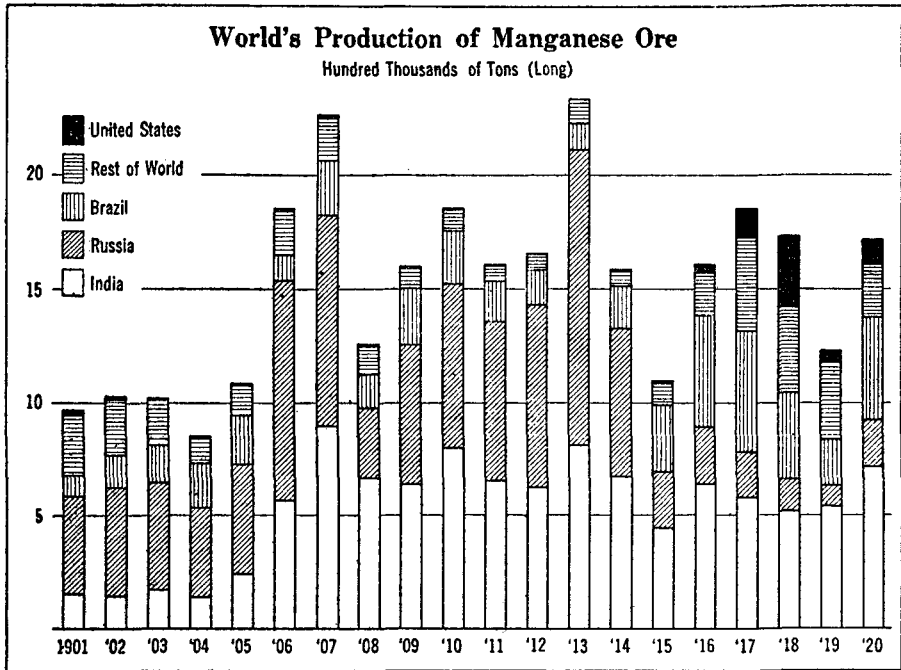


FIGURE I

all North America, is ordinarily trifling, almost negligible<sup>3</sup> (Fig. 1). This is due to the ineluctable fact that nature has distributed manganese in different areas from those in which she has segregated iron.

The second greatest steel-producing field in the world — the Alsace-Lorraine field in Europe — lies under the same conditions. Steel-makers in both centers, and in lesser ones, must buy and transport their manganese from afar. There is no steel industry in Brazil or in the Russian Caucasus, whence the main manganese

<sup>3</sup> Fig. 1 is taken from the (1925) report of the Manganese Committee of the two chief American societies of engineering.

supply comes, or on the Gold Coast; nor more than a budding industry in India. The manganese supplies of the world, although distantly scattered, are more than adequate for the demand; and thus monopoly by any one of these areas is not feasible.

Steel works in the United States, for example, consume annually, on the average, in the various grades of manganese ferro-alloys made, upward of 200,000 tons of metallic manganese in the manufacture of upward of 30,000,000 tons of steel; but the domestic production of manganese for this purpose, despite the encouragement of a protecting tariff, is so small as to be comparatively negligible — although manganese for chemical purposes (dry batteries) is coming more than formerly from the west. In 1925 the United States imported monthly about 20,000 tons of high-grade manganese ore and some 10,000 tons of ferro-manganese, the chief alloy of iron and manganese, used in steel-making.

It is due to this necessity for outside supplies that American interests in 1925 negotiated with the Soviet Government and secured control of the Russian Caucasus manganese field, which is being actively developed with adequate American engineering, talent and capital; and it is likely that in this way the former great production of Russian manganese, cut off by the World War and the subsequent industrial débâcle, will soon be resumed.

During the World War not only were manganese supplies for the United States from Russia stopped, but also, through lack of shipping, most of the supply from India. Under these conditions the production and importation of manganese from Brazil was stimulated, and the sea lane between the two countries became an essential one to maintain.

There remains to be considered how much high price and imperative demand may be able to offset natural poverty in a metal like manganese, in countries where nature has bestowed it sparsely. There are multitudinous, usually small, deposits of high-grade manganese ore in the United States, and during the World War, due to the stimulus of government demand and high prices, an intensive production was obtained. The absolute price of manganese ore rose in 1918 to nearly six times the pre-war price of 1913, while the relative price, based on comparison with the general commodity price index, exactly doubled in this period.<sup>4</sup> With such urgent demand, the United States, which pre-

<sup>4</sup> Report of the Manganese Committee, Mining and Metallurgical Society of America, and American Institute of Mining and Metallurgical Engineers, 1925.

viously had produced less than 1 percent of its total high-grade manganese consumption, produced in 1918, at the war's close, nearly 24 percent of the high-grade manganese ore consumed. But experience showed that this was a killing pace, which would have been impossible to keep up, and perhaps impossible to repeat. The Manganese Committee, appointed by the two chief organizations of American mining engineers, found that at least a third of the manganese thus produced was at a financial loss. This committee is of the opinion that a further increase of 50 percent over the war prices would be needed if important emergency tonnages of manganese should again be required. Any such stimulation, moreover, would be of temporary effect, similar to the injection of strong drugs into a dying man.

There is no escape, therefore, in the long run, from the necessity of man and of human industry adjusting themselves to the conditions laid down by nature when the world was formed. A Chairman of the Ways and Means Committee of the House of Representatives declared, not long since, that the indomitable will and enterprise of American citizens could produce at home all the manganese required. And this gospel produced, to reinforce enterprise, a considerable protective tariff on manganese ore. The geological facts appear, however, to be more compelling than the tariff, for the United States' post-war output of manganese has shrunk to insignificant proportions.

This lesson is reinforced by an examination of the distribution of the other steel-making metals (ferro-alloys). The vast steel industries of the United States require in normal times more than one-third of the world consumption of chrome. The natural form of chrome is the mineral chromite, the oxide of chrome, the crude ore containing from 40 to 55 percent of chromic oxide; and in this form of crude ore the United States consumed, in 1913, the last normal pre-war year commonly used as a basis of comparison, some 65,000 tons, while England consumed about 25,000 tons, France 35,000 tons, Germany 30,000 tons, and other countries much smaller amounts; but in 1920, the record year, the United States alone absorbed nearly 153,000 tons, and in 1924 and 1925 nearly the same, imports in 1925 having been about 145,000 tons.

The natural chromite supplies of the United States are relatively unimportant and inadequate. There was a time, to be sure, about the middle of the nineteenth century, when Maryland was the principal producer of the meagre supplies of chrome which

the world then demanded; but these limited deposits seem long since to have been practically exhausted. The full strength of the chromite reserves of the United States was brought out by the World War. They are mainly in the Pacific coastal region, and from there under stress of high prices and war stimulus a surprising response was made. Thus, while in 1913 chromite production in the United States had sunk to 259 tons, or 0.16 percent of the world's production, it rose in 1918 to over 83,000 tons, or 29 percent of the world's output. With the war's close it slumped to

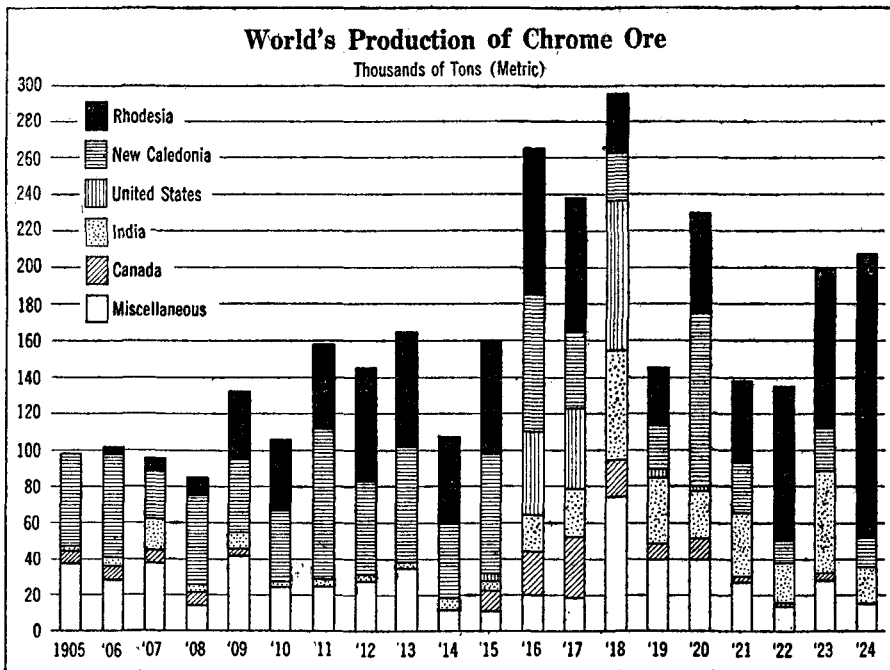


FIGURE 2

its old position. In 1922, the United States produced 252 tons, or 0.19 percent of the world's total; and a protective tariff, which was placed on chrome and chrome ores by believers in the magic of this sort of treatment, has proved to have no effect on the situation whatever (Fig. 2). It has been estimated by the Chrome Committee, appointed by the two principal mining engineering societies of the United States, that we may have, in all, ultimately available, enough for some twelve years or more of normal domestic demand; but the grade and cost of production is such that this is not now being drawn upon. With the 1925 consump-

tion, which in the long run is likely to increase rather than diminish, this estimate of ultimate supply would have to be reduced to about nine years. If the tariff, so mistakenly imposed, were effective, its only effect would be the speedy exhaustion of this reserve which should be held intact for emergency use.

Chromite was discovered in Turkey by an American geologist, and about 1870 Turkey began to supplant the United States (Maryland) as the principal chrome producing country. Little ore is now being mined in Turkey (1.96 percent of the world's total in 1922), since Turkey has been supplanted by New Caledonia and India, and later by Rhodesia. In 1921 Rhodesia furnished about 36 percent of the world production, India 28 percent, and New Caledonia 23 percent, other sources being scattered and small. Rhodesia, which began producing largely about 1910, has now become increasingly the chief source of the world's supply, for in 1922 it supplied over 65 percent of the whole, and about the same amount in 1923, 1924, and 1925.

It is thus seen that in the distribution of chromite as well as manganese, nature did not assign the chief supplies to the chief possessors of iron and coal, who were to need these ferro-alloy minerals in steel-making. During the World War, with Atlantic shipments interrupted, the United States drew its imports from Brazil and from New Caledonia. But the steel industries of both America and Europe are now drawing the 240,000 tons of chrome (chromite) annually consumed, mainly, as above stated, from Rhodesia, India and New Caledonia — though Greece, and in the last two years, Cuba, have yielded significant amounts. Cuba, in 1925, supplied the Bethlehem Steel Company with 30,000 tons.

Nickel is a metal more generally known than manganese and chrome, although industrially not so strategically important; but its major use in special steels is not so well understood. Nickel is supposed by many geophysicists and geochemists to be a most important constituent of the inner portion of the earth globe. Based upon the analogy of meteorites, mentioned above, the known specific gravity of the earth and other physical data, the conclusion is generally accepted that the bulk of the inner earth consists of an alloy of iron and nickel. But at the earth's surface the concentration of nickel is more eccentric than that of any other metal. Although nickel occurs in relatively small quantities in many localities, the bulk — 80 percent or more — of the world's supply comes from a single mining district in Ontario,

Canada, where it is produced by only two mining companies. And, strangely enough, almost at the exact antipodes, in New Caledonia, is the only other producing center of importance. The ultimate nickel reserves of Ontario have been estimated at 3,000,000 tons; those of New Caledonia at 160,000. Norway, Sweden, Cuba and many other countries possess some nickel ore; but the Ontario deposit contains far more than all the known ore of the rest of the world combined. The output from this district, limited only by the demand, was between 35,000 and 40,000 tons of

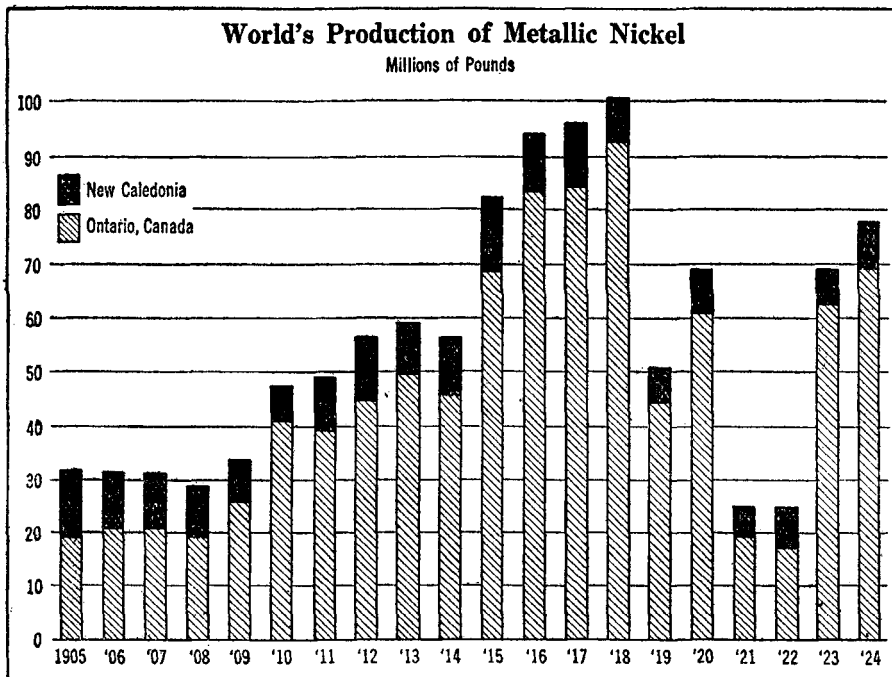


FIGURE 3

metal in 1923 and 1924; and, at this rate, it will be seen, there is a seventy-five year reserve (Fig. 3). The world will not in our day go short of nickel.

Turning now to tungsten, indispensable ferro-alloy for high speed tool steels, the United States again has supplies, but they are inadequate. The tonnage of this metal now consumed is not so large as its industrial importance would suggest, the United States, for example, using under post-war conditions annually between 3,500 and 4,000 tons of ore concentrates containing 60 percent tungsten oxide; but under World War conditions, in



1918, it was using tungsten at the rate of 20,000 tons. These figures represent approximately half the whole world's consumption for the corresponding years. In 1924 the world production was probably less than 6,000 tons<sup>5</sup> (Fig. 4).

As to the sources of supply, these, unlike nickel, are scattered widely in the world. Under the World War stimulus, in 1918, the United States production rose to over 6,000 tons. Most of the world's supply comes from China, where production is cheap;

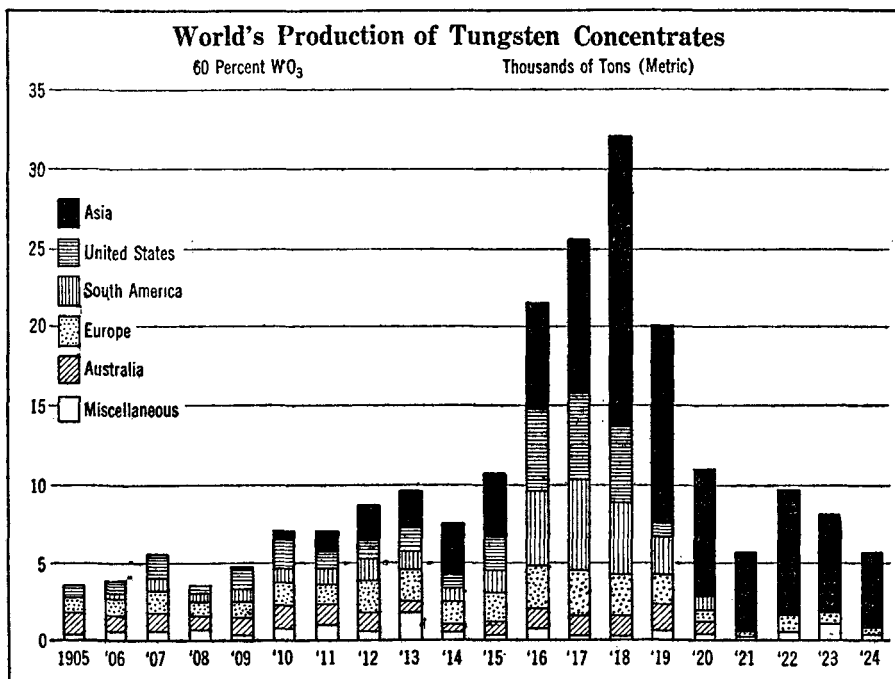


FIGURE 4

but this is not necessarily a permanent condition. In 1921 Asia, principally China, furnished 4,300 tons out of a total of 4,500 produced in the world. In general, the largest tungsten fields are grouped around the Pacific Ocean. In 1918, 92 percent of the world's tungsten came from the countries bordering the Pacific — 61 percent from the western side: Asia, Australia, and Oceania; and 31 percent from North and South America. The Iberian Peninsula, in Europe — Portugal and Spain — is the only considerable tungsten-bearing area outside this Pan-Pacific region; from this quarter came, in 1918, over half of the 8 percent of

<sup>5</sup> F. L. Hess, in "Engineering and Mining Journal-Press," Jan. 17, 1925.

the total world production which was obtained outside the Pacific fields.

Under all conditions, the United States has been a large importer of tungsten ores, although her position in this regard, in case of emergency, is not at all helpless. A heavy duty is stimulating domestic production so that, in 1925, an output of over 1,000 tons met something like a quarter of the domestic demand.

Vanadium is of recent use in the United States. In 1906 the consumption was only 750 pounds, but it rose to 1,064,000 pounds in 1923, when the world's consumption was 1,292,000 pounds. The excellent report of the sub-committee on vanadium of the Mining and Metallurgical Society of America and the American Institute of Mining and Metallurgical Engineers (1925) estimates that by 1930 the world will need 2,600,000 pounds, and that the present known resources of the world will suffice for thirty or thirty-five years. The chief sources of supply are from Peru, in South America, from the United States, and from southwest Africa. Of the estimated world ultimate supply of 94,000,000 pounds, 70,000,000 are accredited to Peru, 15,000,000 to the United States, 7,000,000 to South Africa, and 2,000,000 to Mexico. The metal consumed in the United States comes almost entirely from Peru, from mines under American control.

To repeat what has been noted in the above brief summaries, it is apparent that the most important steel industries of the world, clustered about the great and cheaply mined deposits of coal and iron, must draw their minor steel-making minerals mainly from distant countries. The United States, Germany, Great Britain and France (with Belgium) are the great steel-producing nations. Two iron-ore fields — the Lake Superior region, in the United States, and the Lorraine region of the Franco-German border region — have for years produced more than half of the world's supply. But the greater part of manganese, used in steel-making practice and in alloys, is brought from many distant sources — from India, Russia and Brazil; most of the chrome used in special steels from India, New Caledonia and Rhodesia; the tungsten chiefly from Asia, especially from China; the nickel from Canada; and vanadium also from special regions, such as Peru.

There is a tendency, when steel-making nationals do not find a supply of necessary ferro-alloy minerals in their own country, to acquire mines abroad, and thus insure a fixed and steady supply, which will be interrupted only in case of war so violent as to

disrupt ocean traffic. Thus the vanadium deposits of Peru, the manganese deposits of Russia, the nickel deposits of Canada, and chrome deposits of Cuba have become controlled by American companies. In its importance to national industry, this form of commercial control is secondary only to that of political control; but peaceful relations not only with the foreign countries directly involved, but with those patrolling the seas, are necessary for its permanent efficacy.

The great desideratum of universal peace finds here one of its most practical arguments. But in the meanwhile, it is of interest to note that the mining conducted by the Anglo-Saxon nations — the United States and the British Empire — produces the bulk of the world's mineral supplies. The United States leads in coal and iron, with England second in coal; in petroleum, the United States leads, with Great Britain second; in copper and lead, the United States is first, and Great Britain second; in zinc, the United States first, with the Silesian (Polish-German) fields representing the second greatest center; in silver, the United States first, Great Britain second; in sulphur, the United States first, and Italy second; in rock phosphates, the United States leads. The United States also leads in the production and control of vanadium and molybdenum. The British Empire has chief control of tin, nickel, tungsten, asbestos and chromite, and is the largest producer also of gold. "Only a few minerals remain," as I wrote some years ago, "in which most of the industry is not in the hands of either the United States or England." Chief among these are the Franco-German potash fields and the Chilean nitrate deposits. These two Anglo-Saxon nations also have the power to keep open the lanes of ocean commerce.

Here is one of the strong practical arguments in favor of an Anglo-American understanding, at least as to the free development and trade movement of mineral supplies throughout all the earth; and it might form the beginning of a much stronger economic league embracing other nations. It would indeed appear over-optimistic, at a time when the world is manifestly controlled by economic motives and conditions, to base excessive hope on treaties and leagues which ignore the subject of economic co-operation. Only arrangements based upon common economic interest and mutual material helpfulness will prove stable. Of such a nature would be a recognition of the free movements of trade in the essential mineral commodities.

# GREECE AND HER REFUGEES

*By Charles P. Howland*

THE exchange of populations between Greece and Turkey of 1922-24 was unique in world history in its combination of four elements: first, this "swarming" of two human hives was compulsory and resulted from military events; second, no economic motives were directly involved, no impulse but that of nationalism; third, populations were uprooted which had been indigenous, in the one case for four centuries and in the other for thirty, and, finally, the scale was unprecedented. At the time of the Greek disaster in Asia Minor 800,000 Greeks fled across the Aegean Sea to the mainland and islands of Greece, most of them destitute, and 200,000 more with their household goods and flocks trekked out of eastern into western Thrace and Macedonia. With the latter arrivals expelled from Constantinople and the "voluntary" migrants from Bulgaria, Greece has had to receive and to absorb into her national life some 1,400,000 persons, or about 26 percent of her former population of approximately 5,375,000 people.<sup>1</sup>

The growth of the demand for an exchange of populations requires a little explanation. The demand originated with Turkey, and was one of the bitter consequences of the contraction that took place when Turkish imperialism had spent its strength. As long as Turkey was sovereign over Balkan regions which contained subject populations — Serbians, Bulgarians, Greeks — far more numerous than the Turks in the same districts, toleration of their existence there was necessary; their expulsion would have left Macedonia a waste, for there were no Turks to place there. But there came a time when Serbia, Bulgaria and Greece felt themselves strong enough in union to throw off Turkish rule over that part of the Balkan peninsula which was filled with a population united to them respectively by ties of religion, of sentiment, and to a certain extent of race. The young Balkan nations expanded at Turkish expense and divided up old Macedonia and Thrace; the Turks were thus driven almost completely

<sup>1</sup> Outside of Greece proper there are about 470,000 Greeks in the United States; about 60,000 in Egypt (56,730 according to the census of 1917); about 300,000 in Cyprus or 97 percent of the population of that island and in the Dodecanese about 100,000 or 99 percent of the population, whom Italy is now trying to force into Italian citizenship. Of these aggregations who desire to be citizens of Greece only Cyprus and the Dodecanese raise an *irredenta* question.

out of Europe and back into their own ancestral home in Asia Minor.

Within that home were about a million and a half Greeks, domiciled subjects of Turkey, but belonging by faith and culture to an alien race. It was to "free" these Greeks, to annex the larger part of the districts they inhabited to European Greece, that Greece undertook the adventure into Asia Minor which ended with the military débacle at the hands of Kemal Pasha in 1922. Small wonder then that Turkish nationalism asserted itself and demanded the expulsion from what remained to the Turks of these enemies within her own household.

The beginnings of this expulsion were catastrophic. The Greek armies in their advance into Asia Minor and during their retreat were charged with having committed atrocities upon the Turkish civilian population, atrocities of such nature as invading armies made up of human fighting animals will commit; the extent of them or the truth of the charge is not matter for consideration here. When the Turks under Kemal in their turn drove down to Smyrna and the sea, the terrorized Greek population, town and country folk alike, fled before them; they knew of old the hand of the Turk and his practice of wholesale killing under the command or intimation of the authorities, and they knew what "reprisals" would be exacted by the Turkish soldiery. These fugitives fleeing pell-mell to Smyrna and the coast got over to the Greek mainland and islands as best they could, by whatever vessel of any size was available. A great swarm came with the retreating Greek army, and such of them as escaped alive were carried across the Aegean in tramp steamers, sailboats, United States destroyers and miscellaneous craft, crowded to the gunwales.

When the Turkish armies entered Smyrna many of the Greeks and Armenians from the countryside and a large part of the city population still remained there. The Turkish soldiery received license to work their will upon these people, and there followed scenes of carnage such as would have warmed the heart of Tamerlane on one of his black days. The Christian quarters were destroyed by a general conflagration started by incendiary bombs, and the fugitives were bayoneted in the streets or shot as they tried to swim to boats in the harbor. Pillage, arson, rapine and massacre are words in the English dictionaries and in the criminal codes; in Smyrna in 1922 they stalked the streets and did the work of fallen Lucifer. When the withering blast had spent

itself and means of transport could be organized, the remnants of the Smyrna population were taken over to Greece under the auspices of Nansen, the ferryman of the League, who has become a specialist in transporting lost peoples to places of safety; but the Turks carried away into the interior Greeks between the ages of 18 and 45 to the number of about 25,000 for work in so-called "labor battalions." These unfortunates, marked for death by violence and starvation were reduced to less than 15,000 by the time the treaty was signed for their release, and they too were transported to Greece in 1923.

This treaty provided for the exchange of the Greeks in Turkey, all but those who had become established in Constantinople before 1918, and all the Turks in Greece except those in Western Thrace. That migration has steadily taken place, swollen in the Greek direction by Greek peasants driven out of Bulgaria, until at last the situation has been fairly well stabilized according to the figures given earlier.

The phenomenon of the exchange of populations, as a method of settling the problem of minorities, has been condemned in many quarters as a barbarous innovation in international politics. But it is certainly not an innovation. There are instances of it in history, on a smaller scale, and the question whether it is "barbarous" or not to accept it when forced by a triumphant "nationalism" depends upon the existence of an acceptable alternative; in the Greek case there was none.

The attack of the Balkan countries on Turkey in 1912 brought home to the Young Turks "the fact that the minorities had evolved from religious into national minorities. Fearing that their continued existence might bring about further disruption, and realizing the impossibility of effective assimilation on the part of the ruling race, the Turkish Government embarked on a new policy of eradication, with the object of creating a homogeneous State." The Balkan allies were helpless to prevent the process within Turkey itself and had to accept the "solution adopted . . . that of a formal exchange of populations, which is simply the old form of wholesale expulsion surrounded by certain guarantees as regards the right to dispose of movable property and the liquidation of the estate left behind by the emigrants." The system began with a Turco-Bulgarian Convention of 1913, providing for voluntary emigration of the two populations along the Turco-Bulgarian frontier, and resulted in an exchange of about ten



thousand families from each side. An authority on this method of dealing with Balkan population problems says:

"An exchange of populations between Greece and Turkey was first suggested by M. Venizelos in 1914 as a way of solving the difficulties which had arisen at the beginning of that year between the two countries. Relations had become strained owing to the refusal of Turkey to recognize the Greek annexation of the Aegean islands opposite the Anatolian coast. In order to put pressure on the Greek Government, the Turks proceeded to expel the Greek inhabitants of a large number of towns and villages in Eastern Thrace and on the Western Anatolian littoral, installing in their place Moslem emigrants from Macedonia. These Greeks, amounting to 270,000 were forced to take refuge in Greece. It was useless to expect that these refugees would ever be allowed to return, and even if the Turkish Government had given its consent, it is more than doubtful whether they could ever have been reinstalled in their homes, seeing that these had already been occupied by Moslem emigrants. The only solution was therefore to accept the *fait accompli* and to regularize the situation by an agreement which would have enabled the property abandoned on both sides to be properly liquidated, and also isolated communities which had remained behind, and were in danger of annihilation by the surrounding population, to be removed under proper safeguards."<sup>2</sup>

The negotiations were prevented by the Great War. In point of fact, a partial exchange of populations had already taken place. Some 100,000 to 150,000 Moslems had quitted Greece and 250,000 Greeks had come over from Turkey. No attempt was made, however, to settle the property claims on either side. It will be noted that from the outset many more Greeks migrated than Turks, and the result has been a problem of congestion in Greece and a problem of underpopulation in Turkey.

After the Smyrna disaster Greece found herself with most of the Greek population of Asia Minor on her hands, and with an accumulated mass of property questions to settle. Less than 125,000 Greeks were left in Asia Minor, large numbers of them enslaved, "interned" under inhuman conditions, or in hiding; an exchange agreement would save some of them from extermination, and Greece by expelling 375,000 Moslems remaining in Greece would obtain some space in which to place the million or more refugees.

The inducement on the Turkish side was somewhat less, but there was still an advantage for her to be derived from the reintegration of a large number of hard-working Moslems. Pallis says:

"Turkey, what with the enormous drain on her man-power during the war and the expulsion of the Christians, must have lost at least three mil-

<sup>2</sup> Pallis: "Exchange of Populations in the Balkans," p. 3.

lions of her population. Whole districts in Eastern Thrace and Anatolia had become depopulated. The abandoned lands and houses of over a million Greeks and Armenians were available. It was therefore sound economic policy to get those waste regions resettled as soon as possible. This consideration, added to the fact that there was bound to be continuous friction in Greece between the Moslem population and the Greek refugees, many of whom had had to be quartered on the Moslem villages, doubtless determined the Turkish Government to accept the exchange as proposed."

These motives were the basis of clauses in the treaty between Greece and Turkey providing for the "compulsory exchange of Turkish nationals of the Greek orthodox religion established in Turkish territory, and of Greek nationals of the Moslem religion established in Greek territory."

The choice of a "religious" test as the sole basis for determining nationality seems a singular one; yet it is purely a question of expediency, and in the Near East other tests may be suggested — doubtless were — only to be rejected. A test of blood or descent would be useless, for the racial origin of large parts of the population is not traceable more than a few generations back. If such a test could be applied it would produce a false result; the Cretan Moslems are of Hellenic blood, descended from Greek Cretans who adopted Mohammedanism; in the course of generations they have become ardent adherents of Islam, and it was appropriate that they should go to Turkey.

A language test would have been still less satisfactory. In Crete all adherents of Islamism spoke Greek; the same was true of many of the Moslem communities of Macedonia and Western Thrace. Half the people of the town of Adalia in Anatolia were Orthodox Greeks, speaking Turkish because they had lived there for generations; the inhabitants of the other half spoke Greek because they had come there in 1820 from the Peloponnesus, but they were Mohammedan Turks, and as Turkish in allegiance as the most ardent follower of the Crescent. There were in the writer's office recently a group of refugees from Bakos in the neighborhood of Diarbekr who spoke pure Turkish and no syllable of Greek. They are descended, so their tradition runs, from soldiers of Alexander the Great who subsided there in the course of the great adventure into Asia; all of them are members of the Greek Church, and they marry only those belonging to their own faith.

A real Hellene can be ascertained simply from the expression

of his own genuine feelings in the matter of his allegiance. Bérard says:

"A Hellene gives no apparent sign of his nationality, and the only criterion I have yet been able to discover is the answer 'I am a Hellene' which a Hellene will not fail to make to your first question. The Bulgarian and the Serb base their nationality on theories of race or religion: the Hellene appeals only to his free allegiance. The nation has grown, as it were . . . according to the latest philosophical formula, by victory over the spirits of men and by the free consent of individuals. Hellenism deserves the name of the Great Idea, being no other than the resultant of individuals; to be a Hellene it suffices, over and above all material differences, to believe in the Idea, to hope in the Idea, to live in the Idea."

None the less when you make a treaty of exchange it is necessary to have an objective criterion in order to prevent property-owners from forswearing themselves for the sake of keeping a foothold with their property. Among the Greeks, Church has been immemorially interwoven with State and all "Hellenes," even if agnostic, have their children baptized in the Orthodox Church and claim membership in it as the visible sign of their allegiance to the Hellenic Idea. For the Greek exchangeables then the test of formal adhesion to the Orthodox Church was a fair and expedient method of selection. For the Turks, of course, adhesion to Islamism had always been the traditional method of distinguishing between a Turk and an infidel.

The Greeks wherever settled have always exhibited a cultural identity. From the dawn of history to the present time a Greek culture has predominated along the Asiatic shores of the Aegean; ethnically, historically and socially, the Greeks of Asia Minor were an inseparable part of that Aegean Hellenism which was fortified by the conquest of Asia by Alexander the Great.

The Roman conquest brought no interruption to the spread of the Greek spirit; indeed, in the cities and towns of Asia Minor the expansion of Christian doctrine under the philosophical ideas of Greece was more active than anywhere else in the Greek world. The most ancient of the Christian cities of the East was founded at Ephesus, and at Nicaea and in Chalcedon the spiritual heads of the Christian world met in councils to adopt the dogmas of their church and defend them against heresy.

When the Byzantine Empire during the seventh century cast off all Latin characteristics and became entirely Hellenic, the transformation was due in great part to the Hellenized elements in Asia and especially to the Isaurian emperors who came from

the uplands of Cilicia; and during the Macedonian dynasty the Asia Minor provinces were the political and economic centre of that empire. For six centuries they were the military power which held back the Ottoman flood and proclaimed Christianity; they would indeed have continued successfully to do so but for the later Crusaders who, abandoning themselves to cupidity, deliberately destroyed the outposts of the Byzantine Empire.

During the Turkish domination of Greek Anatolia for four centuries, Hellenism in Asia Minor remained underground. The war of independence and the creation of a Greek nation roused it out of its sleep. In the whole of Greek Asia Minor the Hellenic spirit began to grow again. The Stavriots, pretended renegades who had taken Mohammedan names and publicly practiced the Mohammedan ritual, though in secret they continued Christian ceremonies, henceforth enrolled themselves in the lists of Christians and demanded to be stricken from those of Mohammedans. More immigration into Asia Minor took place, education was revived, schools and colleges founded. Doctors, lawyers and men of administrative capacity graduating from the University of Athens went in considerable numbers to the prospering Greek cities and towns in Turkey.

In their background and characteristics, then, the "refugees" driven into Greece proper from the Aegean littoral, the Pontus, and Eastern Thrace were folk whom Greece had always regarded as her own children; there were no profound difficulties of sentiment in the way of their assimilation. But after years of intermittent war and continuous mobilization crowned by a major military disaster, the physical side of the problem — the sheltering, clothing, and feeding of an influx of people equivalent to 26 percent of her own population, of whom about two-thirds were totally destitute — and the gradual absorption of all these wayfarers into the life of the country were tasks of heroic proportions.

The Greeks exhibited a frenetic energy, the sort that they showed when the tiny city-states resisted the weight of the Persian Empire at Marathon and Salamis; they galvanized their philanthropic organizations, created emergency committees, gave freely, received the destitute into their homes, provided barracks and soup-kitchens and all the other forms of emergency relief. American and British philanthropic societies, notably the American Red Cross, Near East Relief, and American Women's Hospitals, and the British "Save the Children Fund" gave in-

valuable help. But the most unsparing efforts and self-sacrifice were not enough, and the Greeks turned to the League of Nations for moral support and financial help. That body at once set its appropriate organs in motion. The first thing in any such undertaking is of course to get at the facts, to find out the extent of the need, the resources available and the agencies with which the work can be done; in this case it was necessary to know the number of the refugees, how many were destitute and the extent of the ability of the remainder to look out for themselves, the methods by which they could be "established" or settled in Greek towns and countryside, what they would need in order to become self-supporting, and how the distribution and settlement of them in Greece could be accomplished with the least possible damage to the economic welfare of the country and with the maximum benefit possible to refugees and natives alike. Such information can of course be obtained only on the spot; the League accordingly sent a specialist in such matters, Colonel Proctor, of New Zealand, to dig out the facts and make a report.

From his account it appeared that there were about 1,200,000 destitute refugees, of whom about half were a farming population, that Greece normally imported about a third of its food-stuffs, that the Greek countryside was underpopulated and that perhaps a million and a quarter acres were available for village-building and cultivation; and an estimate of the amount of money necessary for the vast enterprise ran to approximately £10,000,000.

The next element in the problem was that of raising the money. Greece had no funds and needed to be helped with outside capital if some sound financial plan could be devised; the sum involved was too colossal for provision by the customary philanthropic means. Fortunately Greek foreign credit was good, thanks to its management since 1897 by an International Financial Commission.

At this stage the Financial Committee of the League, composed of leading bankers from the League member-countries, began an investigation into the security that Greece could offer for a loan, the machinery for its service and the appropriate organization to spend the money. The last stage was the drawing up of a program of organization, of financing, and of work, and this came direct from the hands of Sir Arthur Salter, of the Economic Section of the Secretariat, author of the plans under which Austria

and Hungary have been set on their feet, and the guiding spirit in this whole enterprise.

The Protocol creates an autonomous Commission not dependent upon Greek executive or administrative authority. It consists of four members, two appointed by the Greek Government with the approval of the Council of the League, a third member appointed by the Council, and a Chairman, appointed as the Council may provide, who must be an American citizen. The Commission is responsible to the League for the proper discharge of its functions and reports to the League four times a year.

To this work many of the leading political personages and bankers of the world gave their time and energies with no thought except the benefit of the victims and the avoidance of the social and political dangers which suffering on such a scale creates. At this stage the Greek Government with the help of the League was enabled to make through London and New York bankers a bond issue which produced £10,000,000, and these funds were placed at the disposal of the Commission. Philanthropy in the special sense is forbidden to the Commission; its work is an undertaking of social organization and establishment on a colossal scale.

There are about 600,000 city dwellers among the refugees, families unused to the rigors of country life. For them the Commission has built settlements or quarters in the Piraeus, in Athens and in the smaller cities of Greece. Their inhabitants, although thrown almost naked on the shores of Greece, have displayed such an industrious and active spirit that they are nearly all able today to earn their own livelihood without any help from the Greek Government or any other source, while many of them are attaining a considerable degree of comfort.

It is the peasant-cultivators who have most interested the Commission as a productive force for the future of Greece, to counteract the constant tendency of the Greek population to migrate to the cities or abroad, and to bring up Greek agricultural production as a major economic resource. These peasant-cultivators the Commission has been establishing by building villages for them in "old Greece," in the new provinces and in the islands. You must build a village to hold your Greek; if you put him in an isolated farmhouse he would gravitate at once to the nearest community as certainly as water will seep into a well.

"Establishment" of a family in a village consists in supplying it with a cottage of mud bricks or masonry comprising two



rooms, a small storehouse and a stable under one roof, and with the land necessary for the support of the family according to the crop appropriate to the region; and then furnishing to each family a work animal — ox, mule, buffalo — a pony or donkey for transport, the tools and seed necessary for the cultivation selected in each case, and subsistence for man and beast until the first crops can be harvested and sold, and to groups of families, plows, harrows, carts, etc., sufficient for their common use. The Commission have supplied the seed for raising the standard cereals, vegetables, leguminous field plants, vetch, tobacco, cotton, rice, sesame, melons, potatoes, millet, etc., vine roots from California doctored against phylloxera, Pasteurized cocoons and many thousands of mulberry trees for silkworm culture. They furnish the communities with sires of selected stock for animal-breeding; they dig wells; they erect schoolhouses; they have created a sanitary service for Macedonia consisting of local doctors and travelling dispensaries and pharmacists, which supplies services and drugs at moderate prices, and distributes quinine gratis to the indigent.

More than four-fifths of the lands allotted to refugees are in Macedonia, for hundreds of years the scenes of massacre and carnage and the breeding ground of wars, and the Greek population in Macedonia has been raised from 513,000 to 1,277,000; more than 1,500 villages have been built, each containing from 100 to 500 families. It is not risky to prophesy that in the course of time the effect of Hellenizing Macedonia will be to destroy brigandage and pillage which have thriven on disturbed political and economic conditions, to eliminate civil or guerrilla war among villages and comitadji, and to reduce appreciably the chances of war between Greece and her neighbors who so often have had or created an excuse for intervening on behalf of non-Greeks in the table-lands and valley-pockets of Macedonia and Western Thrace.

In the two years since their arrival in Greece the refugees have been living in schoolhouses, theatres, town halls, exposition buildings in the cities, even in the old royal palace at Athens; in the suburbs and in the country districts they have maintained a fox-like existence in tents, wooden barracks, shelters of twigs or of turf, even in caves. As work can be provided they set themselves at it courageously; as soon as mud-brick cottages are ready they move in and begin to cultivate the fields allotted to them; if fishing is to be done, large or small commercial transactions to

be undertaken, relations to be established with London or New York in the exportation of figs, Zanti currants, or rugs and carpets, none are so prompt or so adroit as the refugees to seize the opportunity. Their morale and their scale of living rise visibly month by month, and their asset value to Greece increases in proportion to the decrease of their miseries.

This is a great League achievement in economics and philanthropy. It should bring the same benefit to Greece as came to the countries which received the Jews, Mohammedans and Catholicized Jews, who to Spain's irremediable loss were driven forth between 1492 and 1610; such as arose for the countries — the British Isles, Holland, Germany, Switzerland and America — which opened their doors to the Huguenot émigrés from France in the seventeenth and eighteenth centuries.

The Greeks there were the most advanced element in Turkey, the most active and the most enterprising not only in commerce and financial affairs but even in the management of large agricultural properties. Their nimble-fingered women and girls were far more clever at carpet-weaving than the Turks; they raised the silkworms and wove the silk; they were the expert fig-pickers, the best cultivators of tobacco and raisins; they were the bankers and lawyers, the insurance men and merchants. They made up the whole nexus of business in their part of Turkey; and with voluntary contributions they supported schools and colleges and sent their children to obtain degrees in the universities of western Europe. Wretched as the condition of many of them still is, their morale and ambition are restored; they know that they must save themselves by the gospel of work, and they are practising it. They bring to Greece a fresh endowment of stubbornness, vitality and enterprise.

When the anguish and the years of terrific effort have passed and the refugees have added their productiveness to her wealth and their tenacity to her character, Greece may well comfort herself for her sufferings with the reflection: "The Ionians are mine."

# AERIAL ARMAMENT AND DISARMAMENT

*By Edward P. Warner*

THE conflicts of armies have left their mark across history from the plains of Marathon to the woods of the Argonne. Sea power has guided the course of nations, often dominant over all other factors, from Salamis to Jutland. To war by land and sea we have added combat in a third element, more dreadful in its potentialities than either of the older forms, warfare in the air. The late European war offered but a foretaste of what may come when things that were the imaginings of fictionists a decade and a half ago are realized in grim truth and great forces soar aloft to batter each other in the skies, raining death and destruction on the earth below. The picture is not one to contemplate with calmness, and men react to it according to their various habits of thought. Some seek to develop defense against aircraft, others seek defense against war.

To analyze the activities of the first group would be to risk becoming a partisan in the dispute long and bitterly waged between the believers in the supremacy of the capital ship and those who uphold the merits of its foes below and above the surface of the water.

No one, strong though his belief in the capital ship or in the infantryman may be, denies to aircraft a place of first-rate importance in the warfare of the future, whether conducted primarily on land or at sea. The place may or may not be one of supremacy so clear as to render other factors relatively unimportant; but all are agreed that, as between two armies or navies even approximately of the same class at the surface, clear control of the air would decide the issue. It is in the air that the military rivalries of the Powers are now developing most rapidly and most dangerously.

The airplane is a deadly weapon, but its deadliness is inversely proportional to the distance at which it strikes. We in the continental United States have nothing to fear, for the present, from aerial attack coming directly from another continent; and it is hard for us to visualize air power in the terms in which it appears, for example, to France. The extreme range of flight of any present-day heavier-than-air craft is only a little more than two

thousand miles without pausing to refuel, and there is no prospect that that can be raised to more than four thousand miles, or five at the most, with materials now available and with machines of a form even approximately similar to those now used. The effective military range, the distance to which an airplane can be expected to fly carrying enough projectiles to do any real harm and with a quantity of fuel sufficient for return to the starting-point after the accomplishment of the mission, does not now exceed eight hundred miles and is unlikely to be more than doubled. To us that means safety. But to France it means that Paris lies open to direct assault from within the territories of any of at least three possible enemies, and to Englishmen it indicates that the insularity which has ever been Britain's most cherished bulwark is losing its magic. Sea power alone is no longer competent to hold an island state free from attack.

Air power cannot be met solely from the ground. It must be opposed in the air, and it is the fear of an aggression against which there will be no defense which moves Great Britain and France to undertake more and more expansive preparations. As France, goaded onward by the fear of a sudden renaissance of German aerial strength at the beginning of a war of revenge, has increased her orders for military aircraft and granted to the French aircraft industry subsidies growing progressively more liberal, Government officials in Whitehall and M. P.s at Westminster have observed events on the Continent with grave forebodings and hastened to add new squadrons to the Royal Air Force to meet the growth of French air power. The spirit of the conference at Locarno has tended towards a retardation of the competition, but there is no indication of intent to take backward steps from points already reached.

Without conscious desire in any quarter, simply as a result of the universal wish for security and for a sure weapon of defense, the world is in danger of drifting on into a race of aerial armaments paralleling that naval competition which marked the years immediately preceding the late war. The need for a check is urgent.

## II

The problem of the control of aerial armament is not an easy one. It presents technical puzzles far more difficult to unravel than those which attended on the simple limitation of capital

ship tonnage, and neither at Washington nor at Geneva has a satisfactory basis of procedure as yet been found. Perhaps, indeed, the only ideal solution would be that offered by a contributor to a recent discussion of the law of the air before the Grotius Society, who proposed that the manufacture and operation of aircraft, for any purpose whatever, should be rigorously forbidden, and that "the public should be educated to regard aviators as moral outlaws."

There are several practical difficulties in the way of visiting that cruel and unusual punishment upon the unfortunate men who fly, perhaps the most serious being that no government would agree to it. No government ties its own hands in the study of means of national defense. The Powers which met at Washington set their seals to an undertaking to refrain from the use of gas in war, but they made no promises to refrain from the study of war gases and the best means of producing them in an emergency. The need of readiness for retaliation in kind on a desperate enemy who throws aside the rules of war is fundamental.

Even could suspicion be swept away, however, the abolition of human flight would be impracticable for reasons obvious to everyone who has followed the course of development of air transport since the war. Aircraft have come to fill too large a place in the community to be spared. In the carriage of mails, in the making of photographic surveys, in the detection of forest fires, and in a score of other capacities, some spectacular, some humble, they cannot be dispensed with. In analyzing their place in war and the means to be adopted for controlling their activities, we must accept their existence as one of the basic hypotheses of the problem.

### III

The reduction or limitation of preparations for air warfare is important primarily as a step towards the suppression of friction between nations, and in particular towards the elimination of that mutual fear which, while it exists, makes a steady march towards war almost inevitable. The material saving may be far from negligible, but it is unlikely that budgets can be made to show any such impressive transformation as is possible by the limitation of capital ship construction and maintenance.

The primary gain is moral, not economic. Limitation of naval

armaments is first of all a step away from world bankruptcy. Limitation of aerial armaments is first of all a step toward world peace.

It is none the less true, however, that any scheme of reduction or limitation will be absolutely dependent for its effectiveness on the good faith of all the parties and, furthermore, on a general initial confidence in the good faith of others. Up to a certain point competition in the building of aircraft may be met and checked by international agreement. Beyond that point nothing can be done, for fear will have destroyed confidence and the contest of national forces will go on, until at last the unstable structure of peace topples and the squadrons feverishly recruited and equipped are launched against each other. It is essential that the malady be taken in its earliest stages, or there is little hope that anything can be accomplished.

Good faith and mutual confidence are necessary because of the special difficulties of the problem. Over the construction of capital ships a surveillance of a certain effectiveness can be maintained. Such ships cannot be built over night, and they cannot well be built in secret. The number of yards in which battle cruisers can be laid down is definitely limited and their location is known. Work might conceivably be undertaken in a yard closed to the public as a military area, and the naval attachés of foreign powers might be kept from learning just what was going on, but they could hardly be kept from a clear realization that something was amiss. It would be difficult in the extreme for a party to the Naval Treaty of Washington, to take a concrete example, to go materially beyond the limits set by the treaty for new construction and yet preserve even a superficial appearance of honesty.

The situation with respect to aircraft is very different. Parts of airplanes may be made in modest shops in a score of different cities, and they need not even be brought together for assembly until the time when they are needed in service. After a satisfactory type has been developed, the individual machines are cast almost as much in one pattern as Ford cars, and interchangeable parts may wait five years after manufacture before being put together. A skilful distribution of orders would make it possible to build five thousand machines in a couple of years in a populous and highly-industrialized country without permitting the most observant and energetic of aliens, unless backed by a spy system of considerable magnitude, to detect a ripple on the surface.

A still greater difficulty lies in the speed with which aircraft



can be produced. It is unlikely that a capital ship not already under construction at the beginning of a war will be ready for use before its end, but an airplane can be designed and built, under pressure, in a couple of months and duplicated in hundreds within half a year. A government which determined to throw overboard all treaty restrictions at some designated future time and made its plans accordingly would be able to bring an air fleet into existence almost as if by the waving of a wand.

The close similarity of certain commercial and military aircraft, and the similarity in all cases of certain parts such as the wings, constitutes another problem. The equipment for an air force may be built up under the guise of commercial activity. Even if that were not to be done to the extent of using in commercial operation machines designed especially for military ends, truly commercial airplanes might serve a military purpose, if unopposed by machines of specialized military type, just as the vessels of a merchant marine might form effective units of a naval force unlikely to meet with any enemy fleet of hitting power substantially greater than its own. The late Admiral Mahan took occasion, in his writings on naval strategy, to urge the importance of a reserve, even though made up of ships of little strength and obsolescent type, for even these inferior craft might become the decisive factors in battle after the first-line ships of the two contending forces have eliminated each other. The commercial airplane is but a poor instrument of war, and it should never be built with possible use in war in view, but it would be used and would prove an important factor in a campaign where no up-to-date fighting and bombing craft were engaged.

It is, therefore, hopeless to expect that any state will limit its strength in the air to a very small fraction of the numerical strength in commercial aircraft of any possible adversary. Each government will claim the inalienable right to maintain a standard of air defense such as will insure its ability to keep at least a small group of fighting machines and pilots on every front where operations might take place in case war breaks out. Such a force would serve the purpose of a "fleet in being," presenting a strategic threat which would keep the enemy from attempting the use of commercial types and others inferior from a military point of view. If the war of 1914-1918 had been fought under the conditions of 1925, for example, the commercial airplanes of the Allied nations could have bombed cities and munitions plants far behind

the German lines, unless the Germans had maintained home defense squadrons such as the British kept at home to meet the Zeppelins. Against aerial defense the heavy and unarmed and usually comparatively slow commercial machine would have little chance.

The standards of air power are likely to be more absolute, less relative, than those which govern the scale of navies or even armies, for the scope of aerial operations is wider than that of either sea or land alone and the differences between military and commercial airplanes, although very real, are less evident and important than those between war vessels and the units of the merchant marine.

Given good faith among the nations, much can be accomplished in the reduction by mutual agreement of the burden of preparation for air war; without the confidence created by trust in each other's good intentions, we can do nothing. The limitation of aerial armament could hardly be attempted under physical conditions more favorable, or psychological conditions worse, than those which have attended the enforcement of the conditions imposed on Germany under the Treaty of Versailles. The Allies had all the power. German opinion never had to be consulted in the making of the regulations designed to insure against preparations for a war of revenge. The inspection and supervision of German aircraft factories and flying fields could be carried out with a prying thoroughness which of course could not be paralleled in making inquiry into the enforcement of a treaty amicably entered into by friendly nations. It would be as impracticable for Great Britain and France, for example, to watch each other's aerial operations in the way that they have sought to watch Germany's as it would be for us to adopt Dawes Plan procedure and put an American transfer agent in the Bank of France to administer its policy for the primary benefit of American creditors. Nevertheless, notwithstanding the special advantages which have attended their framing and enforcement, the restrictions laid on Germany accomplished their object in a lame and incomplete manner. Inadequate to their aim in some respects, they were excessively restrictive of German commercial flying in others. They engendered a bitterness which led straight to retaliatory legislation and attempts at evasion. Prohibitions of naval activity could be enforced; regulations applied to aircraft have proven both less effective and more irksome.

The foregoing paragraphs were not written as a counsel of despair. There is reason to hope that a conference on aerial armaments would bring gains justifying its convocation, but if too much should be attempted nothing would be done. Responsible statesmen must keep their feet on the ground, even though they deal with matters aerial. A conference once called must gain some measure of success. Should it fail, the resultant jealousies and nervous tension would make a situation far worse than before. Wherever the lead be taken, the invitation to the Powers must be preceded by a careful consideration of the possible extent to which limitation might be carried and the principles on which limitation should be based. The preliminary meeting at Geneva should be welcome for that purpose. Just as Secretary Hughes presented at the very first session of the Washington conference a complete and detailed program for the scrapping by the great naval Powers of certain specified vessels and for the limitation of further construction, acting before jealousies and suspicions had had time to crystallize and going far to insure success, so here a path of procedure must be marked out in advance. A course must be charted, not left to determination from day to day by the fickle breezes of partisan oratory.

## IV

The definition of a reasonable absolute standard of aerial armament rests on many variables, technical, strategic, economic, and political. The figures must be based exclusively on considerations germane to air power, quite different from those bearing on sea power. No such simple expedient as the extension of the 5-5-3 ratio from naval vessels to naval and military aircraft would suffice.

Whatever agreement might be reached on ratios, it would be of only temporary value, and would have to be subject to easy revision as conditions change and as aircraft develop still further in efficiency and power. Naval construction is far more standardized than that of airplanes and airships, but already the Limitation of Armaments Treaty has encountered an unforeseen pitfall in the construction by the British of two ships which, while counted as battleship tonnage, seem likely from preliminary reports to incorporate many of the features of aircraft carriers and to increase British strength in mobile aircraft bases beyond that foreseen when the limit of 135,000 was set on British and American carrier tonnage. The installation of catapults for projecting

airplanes from ordinary battleships has a similar influence on the potential air strength of a fleet. The same sort of difficulty will be encountered in the administration of any iron-clad rules laid down for the apportionment of aircraft and designed to stand over any very considerable period. If the time is to be fixed arbitrarily, four years would be long enough before thorough revision. A specification of the life of a treaty should in any case be supplemented by provisions that a conference to consider proposals for modifications or abrogation should be called at any time at the request of any two or three parties. It should also be clearly set forth that revision or, failing an agreement on a new form of pact, complete abandonment of limitation should be automatic in case of certain technical contingencies or of serious difficulties between a state which was a party to the treaty and one which was not.

In particular, revision should be undertaken if and when there is produced anywhere in the world an airplane shown to be capable of carrying a bomb or commercial load of 1,500 pounds weight for two thousand miles and returning home without stop. When that development has been achieved the incidence of the menace of aerial attack will be on the point of shifting, and we shall need in America an air force much stronger, relatively to that of other countries, than we require now.

A specification of the number of aircraft to be maintained in service, taken alone, would mean little more than would a bare statement of the number of ships making up a navy. It is necessary to go farther and to apportion the airplanes and airships among the several general types which might be used in war, types of which the relative importance differs in different countries. That brings once more into question the details of the methods of limitation to be adopted. On what basis of measurement of military usefulness, on what definition of a military airplane, is it likely that the nations could be brought to agree? The definition will be a very involved and technical one when it is written, and space need be given here only to the broadest outline of its possible bases and of the most important of the precautionary clauses which would have to be written into the treaty.

# V

Perhaps the most obvious of possible restrictions would be one directed against armament. Nothing could be simpler on paper than to limit the number of airplanes which may be constructed

with provision for the carriage of bombs or the mounting of machine guns. Unfortunately, as the President is rumored once to have remarked of an alluring proposal expounded to him at great length, "'twon't work." The airplane is not yet enough of a flying battleship to require a permanent armament installation, and while it is true that a military airplane is exceedingly inefficient in commerce, military machines could nevertheless be built under the guise of commerce carriers, with the structure so designed as to carry the bomb racks or guns or both and to facilitate their quick attachment. The terms of limitation must apply directly to the aircraft, not to their accessory equipment.

Confronted with this same problem when they undertook to clip the claws of the German war eagle, the Allied Powers placed their chief dependence on specification of performance, of the speed and climb which must not be exceeded by new machines. It was considered necessary that the permissible figures be set very low, so low as to prevent the construction and use of such machines as are used by the Air Mail in this country and by eighty percent of the French and British passenger lines. Neither in method of enforcement nor in specific nature of the technical restrictions imposed do the rules laid down under the Treaty of Versailles serve as a direct basis for an agreement for the limitation of aerial armaments.

Something could, however, be done with performance specifications. No commercial airplane needs to fly at a speed in excess of 140 miles an hour, and there would be no serious hardship in the setting of a figure ten miles lower still. A pursuit, or fighting, machine would, on the other hand, be of little use in aerial combat under modern conditions unless its speed were over 150 miles an hour. Observation airplanes, carrying a crew of two, are also being designed now to approach very closely the 150-mile point. A limitation of the number of machines capable of flying at 140 miles an hour or more to be produced in each year would therefore be, in essence, a limitation on the number of fighting airplanes.

The acceptance of such a limit is at least conceivable, although it would be a blind and foolish optimism which would overlook or brush aside the very grave administrative difficulties, which serve to emphasize once more the imperative necessity of at least an approximation to good faith. It is often easy to design an airplane so that engines of several different types can be installed

interchangeably. Such a machine might be regularly fitted with a power-plant giving a very moderate speed, yet changed into a real combat type within a few hours by the mounting of a much more powerful engine secretly kept in storage for that purpose. Trickery is far easier here than in dealing with battleships, which are set up as complete units incapable of rapid and important changes in form, although perhaps less readily practised than in connection with poison-gas treaties. The possibility of its existence must always be taken into account when the treaty is being drawn, and not simply allowed to rise as a disquieting spectre after the document has taken effect. The need for a degree of mutual confidence such that suspicion of each other's integrity is not too unreasoning and continuous has already been emphasized, but no amount of confidence would justify writing specifications so loose in form or so difficult to enforce that they constitute a positive invitation to chicanery.

There seems to be no way of overcoming completely the possibility of evasion. A force of inspectors would have to be placed in every factory suspected of ability to build airplanes or their engines, and the work would have to be watched at every step, both in the shop and the drafting-room. A single air attaché with two or three assistants would have but little chance of telling in detail what was going on behind the scenes in the nominally friendly country to which he might be assigned. The most that can be done, beyond the point where good faith from the other parties to a treaty can be depended upon, is to make sure that the machines are not actually being mustered into service beyond the numbers agreed upon and in condition for immediate use in war. Even that will be possible only if the treaty, in providing for limitation, provides also for definite rights of surveillance. Failing such provision, there is nothing to prevent the setting aside of a large portion of a nation's territory as a military reservation, into which no foreigners are allowed to enter, an area within which military preparations can be carried on without regard to rules and secure from intrusion. There is some precedent for such action. Carried far enough, it would render nugatory any attempt at limitation, whether of armies, navies, or aircraft.

Performance limitation would not have to rest on maximum speed alone, although that factor is as easy as any other to deal with and is probably more effective than any other in distinguishing between commercial and military types. The very large



military airplanes, however, do not fly very rapidly and must be cared for otherwise. They could be held in check by a direct limitation on size, and apparently in no other way, unless rules can be worked out to prevent the design of commercial airplanes with provision for bomb racks. That, as already remarked, seems more than doubtful. Limits on size would be unfortunate, for the giant airplane may be badly needed in commerce and is already appearing, and they are not likely to be set up by the voluntary act of free states feeling a real interest in aeronautical development. The bombing machine probably must go unrestricted except for a general agreement, of questionable value, not to build more than a specified number of airplanes directly and admittedly destined for bombing use.

Another possibility, one which cannot be argued without going into a mass of technical detail, would be the setting up of specific relations between weight and power, the factors most responsible for governing performance. All such limits are, however, as has already been sufficiently emphasized, unsatisfactory. The final answer does not lie in specifications of performance.

One way out, and perhaps the most promising of all, lies in direct control of the commercial airplane and its use. If air lines are to be run, as some of them have been, with machines having an underlying military purpose and readily capable of such adaptation that they could serve for bombing or observation in a district where the enemy still had fighting craft in the air, they will operate very inefficiently and at a loss, for the "rolling-stock" will be too uncomfortable to attract passengers and too uneconomical to keep the fares and freight rates reasonably low. The government will then have to come to the rescue with a subsidy, and in the control of that subsidy is found a possible solution to the vexed problem of distinction between the commercial and the non-commercial. A limit written either in terms of absolute expenditure for subsidies, direct or indirect, or of grant per mile flown on air lines open to the patronage of the citizens of all nations under like conditions for all would at once serve as a spur to progress towards better machines for air transport and a check on the use of transport as a cloak for preparation for aerial war. In the long run, such a limit should be for the benefit of all.

Aircraft cannot fly without pilots, and military pilots cannot be trained overnight. An absolute limitation on the number trained each year for any purpose, coupled with an undertaking

to keep the activities of private flying schools under government control, would be a natural corollary of any sort of treaty for the control of aerial armaments. In America, for example, there does not now exist and is not likely to exist in the near future an actual need for the training of more than two hundred pilots each year beyond the number, still rather small, of private operators who purchase airplanes and fly them for amusement. The building up of a comparatively inactive reserve force subject to annual call for renewed flying practice is of course desirable, and in fact necessary, if other states are to have such a reserve, but the privilege is one which all countries might well relinquish together. Commercial flying will not in the very near future provide berths for more than a few score new men a year. A definite agreement on the number to be trained under each flag, of course subject to frequent periodic adjustments to meet the developing needs of commerce, would be the most effective of safeguards against competition in aerial armament. It would become increasingly effective with the passage of time during the next decade, for the vast numbers of young men who learned to fly during the war, still available in case of planned aggression or of defensive need, will not long be of an age for military flying. By 1935 at latest an almost wholly new generation will have come upon the aerial scene.

At some time in the future, on the other hand, an attempt to control the teaching of pilots will lose its usefulness because flying will have become a matter of course and it will be as impossible to keep a check on the number of those who practise the art as it would to keep an international roster of all operators of automobiles now. Already it is a simple matter to learn to take an airplane into the air and set it down again, but military flying requires a long and specialized training, likely to be given at only a few stations in each country. The problem of surveillance to insure against deceit is still a troublesome one, but less troublesome than if restrictions were applied solely to the machines.

## VI

If the problem is examined with an unswerving realism, it has to be accepted that the methods of restriction which would be most effective are precisely those which the nations would most hesitate to adopt. It might be easy to get agreement on a certain number of military airplanes for each state, and even to hit upon

an acceptable definition of a military airplane, although the second step would be much less simple than the first, but surveillance would be resented and suspicion would be swift to develop. To secure accession to a subsidy limitation would be far more difficult. Military and economic considerations are inextricably connected in the allocation of transport subsidies, and any promise to confine the subsidy within specified bounds would be subject to parliamentary and press attack as an unwarrantable surrender of the right of free action in respect of a domestic policy. It might be possible to overcome those objections if the difficulty of the problem of control and the importance of finding a generally satisfactory solution were made sufficiently clear to the public at large, but their certain existence must be foreseen.

Almost the same words could be used of the proposed limit on the training of pilots. The permitted figure would of course be set so high that there would be no interference with the rights of the private owners of airplanes desiring to learn to operate their own machines, but any nation would be hesitant about giving up the privilege of maintaining and steadily adding to a substantial reserve. There again the obstacles might not prove insuperable if the relations among the great aerial Powers were such that each could feel reasonably secure against an early conspiracy of its neighbors.

Recapitulation of possible methods and of the barriers in the path of each leads back always to the necessity of that feeling of security. The outlook for effective limitation is far from bright, but a conference called at a favorable season and after due preparation of the path should lead at least to a temporary readjustment and to a partial clearing up of such veiled threats as some states now see in the maintenance by others of air power which may actually be for colonial or other kindred service. Beyond that rather half-hearted prophecy of probable benefit one can hardly go at present unless a hope for success is permitted to dominate an analysis of conditions as they exist.

# THE BLACK CLOUD IN AFRICA

*By Evans Lewin*

DEAN INGE in a more than usually gloomy and brilliant article in the *Quarterly Review* in which he shows, more particularly with reference to Asiatic civilization, the menacing dangers that threaten the survival of European control in the East, and even Europe itself, has pointed out that "the suicidal war which devastated the world of the white man for four years will probably be found to have produced its chief results, not in altering the balance of power in Europe, but in precipitating certain changes which were coming about slowly during the peace." In no part of the world is this more true than in Africa.

The basis of racial supremacy throughout the whole of Africa, tropical and sub-tropical, as in India, rests upon the consent of the governed, and only to a limited extent upon the application of those superior material means of enforcing his will that civilization has placed in the hands of the white man. Without the willing coöperation of native races all attempts to compel obedience must fail inevitably in their ultimate and highest object, which is the uplifting of the great and hitherto inert masses of the African peoples to a higher plane of civilization.

White supremacy in Africa, if it be attacked at all, will not be threatened in those vast intermediate areas, sweltering under the tropical sun, which lie between the two fringes of white colonization in the north and south of the continent, but in those more favored regions where white settlement is possible and where Europeans have erected a substantial civilization — in the north upon the ruins of the ancient Roman and Arab cultures, and in the south in regions where the black man was in a state of semi-savagery when Europeans first set foot in his territories.

Two distinct problems are created through the impact of the white man upon the black. In the tropical portions of the continent, where the black man is in an overwhelming majority and where the white man merely acts as the director and pioneer of civilization, it is possible for the native to retain in a large measure his own cultural environment without being cut off from the ties of the past which bind him to his own people and serve to develop his own methods of thought, and without being

swallowed by a new and alien civilization imposed upon him from abroad. He can adopt, and generally does adopt, just so much of European methods and civilization as are suited to his advance upon the paths of his own culture. He still remains among his own people, able to influence them for good or ill and to be influenced by them in return. Above all, he can rise in the scale of civilization without let or hindrance from the white man. At no point does he come into active conflict with economic or social factors that he is unable to understand; and, although acting frequently under European guidance, he is still master in his own house and suffers under no intolerable racial disadvantages.

In the more temperate portions of the continent, on the other hand, where the white man has established industries and built large cities, the native has come into direct contact with economic and social forces which, while they may help his material development, generally tend to retard his spiritual and cultural advancement. He is a social outcast. If he attain some degree of the higher culture of those who have opened new avenues of educational advance, he is unable to make effective use, in the service of the whole community, of the knowledge he has assimilated by slow and painful processes and in spite of the almost overwhelming prejudices, well founded or otherwise, that are arraigned against him. In a country of white settlement he is faced by the inertia of racial antipathy and is met everywhere by a stubborn and ineradicable opposition, should he attempt to climb into the preserves of the white man. Politically he does not count; socially he cannot mix on terms of anything approaching equality with the white man. He is not permitted to enter a church attended by Europeans, and he is doomed to remain a "hewer of wood and drawer of water" because all avenues of economic advance are closed upon him.

The problems, therefore, in tropical and sub-tropical Africa are entirely different. In the former the black man is free to work out his own destinies. In the latter he is at the beck and call of the European and, under present conditions, cannot, even if he would, evolve his own type of civilization; he is racially but not yet economically segregated. It is this profound difference between the treatment accorded to the black man in tropical Africa and in South Africa that is bringing about the pressing problem of the present age in Africa known generally as the "color question."

Prior to the war there was an uneasy stirring of the black

masses of humanity who were being slowly influenced by the penetrating genius of the European races. Vast and important changes were being brought about by the gradual, but not too rapid, economic development of African countries. Missionaries, traders, and administrators were performing their allotted tasks well or indifferently well, or even badly in some cases, in the midst of primitive peoples who were only slowly awaking to the nature of the new methods being introduced among them.

The war, however, set in operation new and perplexing influences in Africa. Not only did the African races see thousands of white men, professing the Christian religion, engaged in a deadly struggle upon African soil, especially in such regions as the Cameroons, German East Africa, and German South-West Africa — a struggle with its inevitable reactions in other parts of the continent — but they witnessed great numbers of their own race entering upon this fight on one side or the other and also leaving Africa itself to assist their masters in the main theatre of the war. The French native troops who were withdrawn from West Africa and the northern protectorates, and the natives who left South Africa for employment on the lines of communication in Europe itself, must have returned with enlarged ideas of the prowess of the white man but with a changed view of his cultural and spiritual superiority; and the repercussions throughout Africa of the ideas thus engendered have had far-reaching and important results.

It may be stated as a general axiom that Christianity as preached by the missionaries has received a setback wherever native Africans have come into direct contact with Europeans. The black man has come more and more to realize that precept and practice are not the inevitable accompaniments of European civilization. But of one fact he is still generally convinced, more particularly in the tropical portions of the continent. He believes that Europeans, as a whole, are desirous of helping him to rise in the scale of civilization, and that in spite of certain ugly economic factors an outstanding feature of European control is the idea of trusteeship, held by most administering nations, on behalf of the native races that have fallen under their charge.

This conception of "trusteeship" as presented to the African peoples is not a new one. It goes back at least as far as the great movement which ended in the abolition of slavery, though until recently it has been but a still small voice crying in the wilderness



of the somewhat ineffective, and certainly self-interested, administration that was introduced into numerous African territories when the race for African land first assumed considerable proportions in the 'eighties of the last century. It is, however, one of the most satisfactory features of the new administrative policy that has come to the front since the war that this underlying principle has been recognized officially as the guiding force of European effort in tropical Africa. While, on the one hand, economic penetration and development is undoubtedly the factor that causes European governments to shoulder the vast responsibilities of administrative work in Africa, on the other, the recognition of these responsibilities has become an essential feature of government; and African natives in the tropics have not been slow to appreciate all that is involved in this new orientation of European policy.

In all British colonies and protectorates in Africa the doctrine of trusteeship has been firmly laid down as a guiding principle of government. The Kenya White Paper of 1923 stated that the basis of our position in East Africa is the duty of trusteeship for the native population under our charge, and this duty has been emphasized more recently by Mr. Ormsby Gore, Under-Secretary of State for the Colonies, in the remarkable report of the East African Commission. He states that "it is difficult to realize without seeing Africa what a tremendous impact is involved in the juxtaposition of white civilization, with its command over material force, and its comparatively high and diversified social system, on the primitive people of eastern Africa. The African native is confronted with a whole range of facts entirely beyond his present comprehension and he finds himself caught in a maelstrom of economic and cultural progress which in the majority of cases baffles him completely." He then goes on to say that "the status of trusteeship involves an ethical conception; that is to say, it imposes upon the trustee a moral duty and a moral attitude. This derives in part from the influence of Christianity upon western civilization, and in part from what is claimed to be a specifically British conception, namely that of 'fair play for the weaker'." A great African administrator, Sir Frederick Lugard, has pointed out that this trusteeship involves a double duty. "We are not only trustees for the development and advance in civilization of the African, but we are also trustees for the world of very rich territories. This means that we have a duty to

humanity to develop the vast economic resources of a great continent." It is precisely how far these two conceptions can be embodied in a harmonious policy, fair alike to the natives, to white settlers where they exist, and to the outside world, that constitutes to-day the problem of tropical Africa.

British policy in Africa may perhaps be best exemplified by a study of the work being done in the two West African colonies of the Gold Coast and Nigeria and in Uganda and the Kenya Colony. In no part of tropical Africa are the natives generally so far advanced on the paths of civilization as they are in the Gold Coast, Nigeria, and Uganda, and the main reason for this advance is that not only was there a foundation of native civilization upon which to erect the present edifice but the native has been left under suggestive guidance to work out his own salvation. His lands have not been alienated, his tribal system has not been broken up, and no attempt has been made to force upon him alien methods of government or to turn him into a mock Englishman. Compared with German administration in the Cameroons, where a strictly plantation system was followed and where the tribal lands frequently fell into the hands of speculating companies and private individuals, the system has proved a distinct success.

At the basis of all prosperity and contentment in Africa is the land question. Where the native has obtained security of tenure, either on a community basis or as a private owner, there is unlikely to be any serious attempt to question the right of the European to control. It is only where, as is frequently the case in South Africa, the native has been de-tribalized and is a "landless" man, that serious unrest is likely to occur — assuming, of course, that the natives have passed out of the purely savage state. In the Gold Coast, the natives, almost by their unaided efforts, have built up a great cocoa industry, which now supplies half the world with its cocoa, worked entirely by native cultivators and owned by native peasant proprietors. Similarly in Nigeria, the natives own their own land and are encouraged to work out their own salvation. In Uganda also a great cotton-growing industry has been established by the natives, worked and owned entirely by them. It is not in every part of Africa, however, that native peasant proprietorship is possible or, perhaps, desirable; and it is precisely where the natives are too backward in civilization to adopt readily the methods that have been so successful elsewhere that other means, such as European plantations,

must be tried. Here the largest amount of unrest in the near future is to be expected.

British policy in Africa generally is to establish control by means of what is generally termed "indirect rule," that is to say, so far as possible the prestige of the native chiefs is maintained and extended and the people are ruled mainly through their hereditary or chosen leaders. Though some individuals do, perhaps not unsuccessfully, break away from their tribal surroundings and influences and ape the Englishman, especially in the coastal towns, the vast majority still retain all that is best in their native cultures and gradually take from European civilization the things best suited to their own mental and cultural development. In comparison of French and British methods in this respect it need only be said here that while the French are eminently successful as administrators in Africa, their policy is intensely nationalistic and makes for unity of administration rather than for diversity. The Frenchman looks upon his colonies as forming part of France and the native is trained to look upon himself as a Frenchman. In the British colonies, on the other hand, the natives remain to all intents and purposes sons of the soil that gave them birth.

At the back of all progress in tropical Africa is the question of education. Recently an American Commission under Dr. Thomas Jesse Jones, sent out by the Phelps-Stokes Fund, has reported on this subject, and though the conclusions of the Commission are not to be accepted in all cases without demur, it has undoubtedly performed a most useful work in a hitherto almost unexplored field. It is remarkable that both so much and so little has been done in the educational sphere in Africa. In some cases, apart from missionary endeavor, very little has been achieved and that, not infrequently, upon wrong lines. It seems to be admitted universally, however, that the bad old system of a purely literary education only survives in regions where the authorities, and the missionaries themselves, have not been awakened to what should be the true purpose of native education. The Phelps-Stokes Commission has plainly indicated that in its opinion, while a literary education may well form the apex of the system, the main purpose of African training should be to instruct the natives how to use their lands, their hands, and their intelligence. In other words training in agriculture, in craftsmanship, in hygiene, is quite as essential as a knowledge of reading, writing, and arithmetic.

Up to the present agricultural and craft education have been much neglected, although definite steps have been taken in many cases to show the native how essential these subjects are to his well-being. It is almost incredible that in the whole of Africa there is, apparently, but one school that is exclusively engaged in teaching agriculture to natives and it is, perhaps, the more remarkable that this institution, the Tsolo Agricultural School, is situated in South Africa and is supported by funds supplied by the native Bhunga, a council of the native Transkeian Territory of the Cape Province. Such establishments should be everywhere in Africa to supplement the work of the ordinary schools, and the funds used to spread education, and especially to educate native teachers, should be increased at least tenfold in every colony in Africa. Efficient education — not mere book learning — and native tenure of land, will do everything to stabilize the position of the European as the controller of the destinies of tropical Africa.

The status and prospects of the native present a different picture in that portion of the continent where he comes into direct contact with European civilization in, to him, some of its ugliest and most detrimental forms. It is not easy for those who have not lived in the Union of South Africa to visualize the position of the natives in those provinces. The problems are so complex, the danger is so pressing, the outlook is so uncertain, that one may be pardoned for taking a gloomy view both of the future of the white race in the sub-continent and the future of the natives themselves. To state the position frankly and concisely, it must be admitted that the impact of European civilization upon the natives in South Africa in certain respects, though fortunately not in all, has been disastrous, because there the native can only be assimilated into the social system as a helot rather than as a sharer in the full benefits of white civilization.

The problem may be approached from two points of view: the result upon the white population of a preponderating black element in a country otherwise eminently suitable for European settlement, and the effect upon the natives of the conditions by which they have been gradually surrounded and into which they are continuously being drawn. The black man in South Africa is a man entrapped. The white man is tending to become an aristocrat in the center of a civilization that may be compared with the slave-holding states of antiquity and where in the future he may only remain as a master existing on the sufferance

of his servants. Sooner or later his position, unless he take effective steps to alter his present policy, will be comparable with that of Europeans settled in the West Indies, and he will be swamped by an ever-swelling tide of black humanity.

In the Union of South Africa there are at present some 5,404,000 non-Europeans, of whom 4,698,000 are pure Bantus, compared with a white population of 1,522,000. In addition there are 497,000 natives in Basutoland, 150,000 in the Bechuanaland Protectorate, and 112,000 in Swaziland, three native territories under the direct rule of the Colonial Office, the control of which is urgently desired by the Union Government. There is thus a total native and colored population of 6,163,000 who are increasing at a much more rapid ratio than the Europeans. The former Director of the Census, Mr. Cousins, has pointed out that the European race can only hold its own numerically in South Africa by seeking accessions from abroad and that failing a constant immigration it must abandon the prospect of maintaining a white civilization, except as a diminishing minority in face of an overwhelming majority. It may then, he thinks, be forced to give up its domination or even to leave the country.

There seems, however, little possibility of any considerable immigration, owing to the fact that South Africa cannot easily absorb newcomers unprovided with a considerable capital and also owing to the general hostility both of the Nationalist and Labor parties to any active policy of immigration. The immense reservoir of unskilled labor, at cheap rates of pay, which the natives supply, makes it useless to import unskilled white laborers, without capital, expecting to find employment; and, moreover, the threat of widespread unemployment for white unskilled workers already in the Union is very serious. So far little has been done to meet this pressing internal problem of the "poor white" or "bywoner."

The effect in South Africa of the juxtaposition of the white and black races has been that Europeans will not do what is regarded as kaffir's work and reserve to themselves every employment requiring any degree of technical skill and resolutely refuse to perform what are regarded as the inferior kinds of manual labor. Unfortunately in a country circumstanced as South Africa is to-day the result of this selective policy of aristocratic exclusion has been that there has grown up the large class of almost unemployable whites who have no place in the economic

system because they are not trained to take "white men's jobs" and are unable to live on the wages that would be paid to kaffir labor. This class is continuously increasing and Dr. Edgar Brookes, a leading Transvaal educationalist, quoting from the Director of the Census, has pointed out that "only 50 percent of our boys and girls annually leaving school can now be placed in employment," with the ultimate effect that to her other difficulties South Africa is adding year by year a problem that strikes at the root of the economic relations of white and black.

But the most far-reaching effect of the European colonization of South Africa has been the change it has wrought upon the native modes of life. Originally a pastoralist, owning cattle, sheep, goats, and, in some cases, horses, the kaffir has been taken in too many cases from his natural surroundings and thrown into the vortex of a new economic life foreign to all his experiences. To-day more than 12 percent of the natives are town dwellers, living in locations on the outskirts of the cities or in compounds in the mining areas, frequently amidst squalid surroundings and under hygienic conditions unworthy of a great and progressive community. The housing of the native workers in South Africa is a problem that affects the well-being of the black-and-white structure of South African society and is a serious cause of much of the native unrest.

The growth of the mining industry in the Transvaal and elsewhere has been detrimental to the true welfare of the natives in many ways. Moreover, those natives who have not been caught in the industrial machine, or who have returned to their tribal areas, only too frequently with the vices and few of the virtues of white civilization, find that the lands placed at their disposal are in many cases entirely inadequate for their needs, while, speaking generally, they have not been trained to make the best use either of the poorer lands at their disposal or of some of the undoubtedly fertile territories that still remain to them. There is something pathetic in the inexorable way in which the natives have been forced back into the remoter and less fertile parts of the country, although in contradistinction to many native races in like circumstances the kaffirs have not gone to the wall in the fight between the energy and business acumen of the European and the simplicity and lack of forethought of the native. They are, instead, intensely alive and are loudly clamoring for land in a country where the average per head on the



native reserves available for their occupation is in some cases as low as 4.8 acres (Transvaal and Orange Free State) and nowhere more than 12.8 acres (Cape) as compared with the enormous farms held by Europeans. It is estimated that in South Africa only 13 percent of the land is set aside for 4,500,000 natives while 87 percent is reserved for 1,500,000 whites. The question of native reserves, coupled with the policy of racial and industrial segregation, is the immediate problem that faces the Union Government to-day.

The policy of General Hertzog, the Premier, outlined at Smithfield, Orange Free State, on November 13th, is one of segregation for the natives; but the whole question is so complicated by numerous factors that it is difficult to conceive how such a policy can be put into practice, even approximately. In no case is it possible to return the natives to the lands from which they originally came, to withdraw from the economic life of the community the vast numbers that have broken away from their tribal allegiance, to take from the white community the lands it already possesses, or to deprive the black man of his present means of education or to prevent its ultimate extension and improvement. By segregation General Hertzog probably means the extension, if that be possible, of the areas allotted to natives, in accordance with definite promises made in 1913, and the creation of some political means whereby the black man may be enabled to express his opinion and to press his views upon the white community. The political aspect of General Hertzog's plan for the establishment of a Native Council to meet annually is already attracting great attention in the Union, where that part of the native population that has received some measure of education is clamoring for an effective constitutional means of expressing its desires.

His policy also involves what may be termed industrial segregation, or rather industrial reservation, a policy that strikes directly at the economic aspirations of the natives and is intended to prevent them from acquiring positions of trust, as skilled mechanics and workmen, to the detriment of the white workers. This policy is not new in South African politics for a color bar has long existed in the mines of the Witwatersrand by virtue of departmental regulations whereby special occupations, skilled and half skilled, were reserved for Europeans and half-castes. The regulation which provided that "the operation of, or attend-

ance on, machinery shall be in charge of a competent shiftsman, and in the Transvaal and Orange Free State such shiftsman shall be a white man," was unanimously declared to be *ultra vires* by the Transvaal Supreme Court in 1924, in a judgment which created great satisfaction among the black workers and produced a corresponding opposition among the white. This year, however, a Color Bar Bill was introduced, as the beginning of the government's native segregation policy, which extended the industrial disability to the Cape Province and ran counter to Cecil Rhodes's well-known policy of "equal rights to all civilized men south of the Zambesi." This bill was thrown out by the Senate upon its first presentation, after the natives had been refused a hearing before the Select Committee dealing with it; it was reintroduced and again rejected by the Senate on March 17, 1926, and now will be submitted to a joint session of the two Houses of Parliament, under the terms of the South Africa Act of 1909.

Only the extension and radical reform of the present inadequate and, generally, inappropriate educational system is likely to lead to a solution of the racial trouble. The kaffir in South Africa must be trained for agricultural work, not exclusively on the farms of the white community, but in his own settlements. Industrial training must go hand in hand with agricultural education, but in this case it must be made certain that the black man be placed in a position where he can employ his training amongst his own people. Otherwise the economic pressure exerted by thousands of trained workers, competent to perform many jobs now exclusively confined to Europeans, will prove overwhelming in a country where the black flood, unless offered adequate safety-gates, will inevitably sweep away the economic barriers of an aristocratic civilization. At the root of the whole native question in Africa is vocational training for the land and one cannot do better than echo the words of Dr. Thomas Jesse Jones that "it has been a surprise that so few Europeans or Africans have realized that the most fundamental demand vocationally is for training to develop the soil possibilities of the great African continent" — a demand equally applicable to the Union of South Africa and the great tropical territories in the north. Given this fundamental change and a gradual removal of the barriers that shut out the educated black man from employment for which he has fitted himself, the problem of South Africa may be settled eventually by mutual consent.

# INDIA IN CONVALESCENCE

*By G. Findlay Shirras*

**I**N India more than in any other country of the continent of Asia, China not excepted, interesting changes are at work. The viceroyalty of Lord Reading, which ended in March, has been a remarkable one, crowded with events. Its beginning was marked by the spread of the Non-Coöperation movement headed by Mr. Gandhi, and by social unrest and a continual warring among factions in the body politic. Years of bad harvests and epidemics have been followed by good years, and today there are signs everywhere of progress, notwithstanding the accentuation of the Hindu-Moslem conflict.

Misunderstanding appears to be widespread in America and England as to the causes and extent of unrest in India. In all progressive countries there is always a certain amount of unrest. Critics of India abroad are apt to magnify this fact, especially when isolated or sensational events are reported in the press. The construction of large irrigation projects, bringing perennial wealth to the cultivator, and the development of the country by new railroads, are rarely mentioned in the press outside India. A murder or brawl due to a favorite dancing girl of a native prince, or a village intrigue, is cabled throughout the world. There is no real knowledge of what is happening in the day-to-day life of the country.

The population of India at the last (1921) census was nearly 319,000,000. The number of non-Indians was just below 131,000, or .041 percent of the total population. The non-Indian residents included 115,606 British, 5,458 other Europeans, 3,446 Americans, 4,719 Africans, and 1,683 Australasians. The figure for British residents includes British troops and 23,000 women. The question not unnaturally arises: How is it that the keynote of the administration of India is British? Today the higher posts in the civil service in the entire country are under 1,500, and in the next fifteen years, approximately one-half of these will be held by Indians. The new Constitution brought into being by the Government of India Act of 1919, passed by the British Parliament, has as its object the increasing association of Indians in the administration. But the ordinary "man behind the plow" is a great believer in justice, and this he feels he gets from British officials.

Of the 316,000,000 Indians whose religion was returned in the schedules of the last census, the number who recorded themselves under indefinite beliefs, such as agnostic or atheist, was only 850. Hindus and Mohammedans number 90 percent of the population, the Hindus being 217,000,000 or 68 percent, and the Mohammedans 69,000,000 or 22 percent. Buddhists number 12,000,000 and are confined almost entirely to Burma. Christians number 5,000,000, Sikhs 3,000,000, and animists 10,000,000. There are over 1,000,000 Jains, and 100,000 Parsis. Hindus do not proselytize as do Mohammedans, and the last five censuses have shown that the ratio of Hindus (Hindu-Brahmanic) to each 1,000 of the population has been falling consistently, while the ratio of Mohammedans has been increasing.

Even in the modern India of 1926, caste and religion override all other factors. Caste determines the life of the Hindu; it is the status into which he is born, and in comparison with it his age, civil condition, and occupation are of trifling importance. He has to fulfil the law of righteousness, which is Dharma, and this consists in maintaining inviolate the social order of Hinduism. He has to carry out the laws and traditions of his own caste from which in this life he cannot escape, and thus in the next rebirth he will deserve at least no lower caste, if not a higher. The belief in the migration of the soul according to its Karma has a firm grip on Hindu family life. Infant and child marriage is customary among Hindus and Jains. The girl, after the wedding ceremony, returns to her father's house until she reaches puberty, and the consummation of marriage takes place at an early age. "Everybody marries, fit or unfit," says a recent Indian writer, "and becomes a parent at the earliest possible age permitted by nature. A Hindu male must marry and beget children — sons, if you please, — to perform his funeral rites lest his spirit wander uneasily in the waste places of the earth. The very name of son (Putra) means one who saves his father's soul from the hell, called 'Putā.' A Hindu maiden, unmarried at puberty, is a source of social obloquy to her family, and of damnation to her ancestors." Widows do not remarry. This is regarded as a sign of respectability. Among the lower castes aiming at a higher place in the social scale, there is a tendency to follow the example of the upper castes, in which such marriage is forbidden, and it is curious to note how this prejudice spreads even among Mohammedans. The unfortunate Hindu wife who cannot bear a son is liable to

be superseded by another, and is regarded as a failure. Her lot is, however, not so bad as that of a sonless widow. "Her head is shaved; she can no longer wear the jewels which, however paltry, are the most cherished possessions of every Hindu woman; she has to put on the dishonored widow's garb." A father must marry his daughter within his caste, and usually within the province.

In many parts of India, Mohammedans have been infected with the caste system and indeed with other Hindu characteristics. But there remains always the unbridgeable gulf between the religions, for their ideals are fundamentally antagonistic. Since the introduction of the democratic constitution of 1919, this antagonism has, it is to be greatly regretted, even widened. In the Malabar riots some years ago, Hindus were forcibly converted to Mohammedanism and circumcised. The Mohammedans suspect that under the new constitution Hindus will be more powerful than hitherto. The Hindu Mahasabha Conference, which has just concluded its session at Delhi, and the various allied conferences held at the same time, are of interest and importance in this connection. The address of the President of the Mahasabha had unmistakably the mark of a communal partisanship. A leading Indian newspaper, in commenting on the speech, said: "With the general statement that the time is not ripe for the immediate grant of a Legislative Council to the North-West Frontier Province, there will probably be strong agreement, but Raja Narendranath seemed to postpone that consummation indefinitely. . . . The chief obstacle to the immediate extension of the reforms to that Province seems to lie in the acuteness of the feeling between the large Moslem majority and the small Hindu minority. Nor does Raja Narendranath's statement that 'Hindu interests are nowhere adequately protected' carry conviction as a contribution to the nationalist oratory of India. The working of the reformed constitution has been partly responsible for a very deep feeling of uneasiness among Mohammedans who, not without reason, perceive that it has given the Hindus a special point of vantage, and that its extension on the lines which seem to be logically indicated would be even more inimical to Mohammedan interests."

Mr. Gandhi's preaching against untouchability, according to which all men of all castes are equal and the lowest are no longer untouchable outcasts, has resulted in profound disagreement among Hindu intellectuals. Discussion in the Bombay Legislative

Council of a proposal to permit low castes to draw water from the same village wells as others use brought strong protest from some members. In Gujarat, where the program against untouchability was seriously pursued, even the Dublas refused, according to the last Baroda census report, to have anything to do with the Kanbis after the latter decided to let the Dheds into their houses.

The discussions in the Mahasabha Conference on the removal of untouchability, the abolition of early marriage, and the breakdown of the purdah system showed signs of progress in spite of the disorder which attended them in part. As Raja Narendranath rightly said: "The sanction given by Hindu society to untouchability is the negation of democracy and of democratic principles."

Illiteracy is another basic problem. A little more than 8 percent of all persons above the age of five can read and write a letter in their vernacular. Of every 1,000 persons, 139 men and 21 women are literate. This blight of illiteracy spreads over a population of nearly 319,000,000. It is a root problem for the future of India.

In an inquiry into working class family budgets, the expenditure on education was found to be exceedingly low.<sup>1</sup> It was nothing in the lowest class of workers, and negligible in other classes except in the highest. In Bombay City the percentage of illiteracy of all ages is as high as 76. The same percentage is the figure for Ahmedabad, the other large mill centre in the Presidency. This compares unfavorably with the figures for other chief industrial countries.

The Government and Legislatures are alive to the necessity of spreading compulsory primary education. The bulk of the population, especially the farming classes, are apathetic. The vocal classes, on the other hand, realize the great indirect benefits of a good education even to the ordinary workman. It stimulates his mental activity and raises the whole tone of his life, and the effect on the creation of material wealth is tremendous. In India today the question is financial, but it will have to be faced. Ignorant electorates under a democratic form of government are dangerous. A great Indian, Sir Prabashankar Pattani, formerly member of the Bombay Government and also member of the India Council in London, wrote in 1919 that "dissatisfaction and unrest in India have their origin mainly in the ignorance of the masses, and a consequent monopoly of political thought by the

<sup>1</sup> Report on an Inquiry into Working Class Budgets in Bombay — Findlay Shirras. Bombay: Government Central Press, 1923.



few who see a government which is irremovable and in which they have no effective hand."

## II

The armistice year, 1918, was a black year for India. The monsoon was very feeble and there was practically no rain after the beginning of September. Indians are generally vegetarians, and expenditure for food took about 60 percent of the average family budget. The prices of imported necessities, notably salt, oil and cloth, rose to unprecedented heights. Influenza, too, made terrible ravages up and down the countryside as well as in towns. In a few months practically the whole natural increase in the population for the previous seven years was wiped out. The Census Commissioner estimates that the total mortality from influenza in 1918-19 was between 12,000,000 and 13,000,000, more than twice the whole population of New York City and Washington, D. C., taken together. The case mortality has been put at 10 percent, and on this basis it is estimated that 125,000,000 were affected by the disease. The majority of deaths occurred in the space of three or four months; it exceeded by nearly 2,000,000 the deaths from plague extending over the twenty years from 1898 to 1918, and was double the number of deaths directly attributable to the famines of the period from 1897 to 1901. In 1918 and 1919 the birthrate actually dropped below the death-rate, and only in 1920 gave a slight increase.

In the face of these facts, it is remarkable that the last census showed any gain in population. The results of each census since 1872 show decreases in the proportional growth of the population after 1881, when the total of 253,896,330 marked a gain of 23.2 percent for the ten year period, until 1921, when the total of 318,942,480 meant an increase of only 1.2 percent for the preceding ten years.

Four-fifths of the population are dependent on cultivation of the soil, and two-thirds live on one-quarter of the area. Urban areas of over 5,000 people comprise only about one-tenth of the total population. The average standard of agricultural production, however, and the general level of rural welfare, are lower than the standards in other countries. One person is required for the cultivation, for example, of 2.6 acres as against 17.3 acres in England, and the output in England is from two to two-and-a-half times as great. The best Indian outputs vary little from the

English average, while the worst approximate the English yields of the year 1350.

Production data are difficult to arrive at since there has been no detailed census of production. The agricultural statistics of British India, however, as regards area, are excellent owing to a very detailed system of land revenue accounts on the Domesday model. The following estimates of income are the best available:

## TOTAL INCOME OF BRITISH INDIA

	<i>Population</i> (Millions)	<i>Agricultural</i> <i>Income</i> (Rs. crores)*	<i>Non-agricultural</i> <i>Income</i> (Rs. crores)	<i>Income</i> <i>Total</i> (Rs. crores)	<i>Income</i> <i>Per Capita</i> (Rs.)
1781	170	277	63	340	20
1881	196.4	354.5	175	529.5	27
1901	223.5	453.3	217	470.3	30
1911	242.7	1412	530	1942	80
1921	247	1715	883	2598	107
1922	247	1983	883	2866	116

\* 1 Rs. crore = 100 lakhs of rupees = \$33.33.

Owing to the veneration in which the cow is held by the Hindus, who are, as we have seen, the great majority of the population, useless animals are not eliminated: 25,000,000 superfluous cattle are kept alive and consume the food required for useful animals. The loss from this is about \$585,000,000, or more than four times the land revenue.

In British India the area under cultivation is about 225,000,000 acres, of which some 35,000,000 are double cropped. The application of scientific agriculture could increase the value of the produce grown on this area by \$2.50 an acre, which would add \$650,000,000 annually to the agricultural wealth of India.

The value of research has already been great, although it is little more than twenty years since it was introduced. The increased yield from the 1,400,000 acres sown with improved varieties of wheat is estimated at over \$10,000,000. Similarly, improved varieties of cotton and sugar cane have increased greatly the output and value of the produce.

The disastrous process of subdivision of holdings has in some parts reached such a point that the soil can hardly support the tillers. Land tenures are not always satisfactory, and a bad landlord can still impose an extra anna in the rupee on his tenant's rent to cover the cost of his own extravagances without any breach of the law.

Any further political advance, in the opinion of some students, must be preceded by an improvement in the economic condition of the peasantry. There is much truth in this contention. The political education of the peasantry is very unsatisfactory and the cultivator is unable always to defend himself against his superiors in caste. In January last the Viceroy announced in his speech at the opening of the Indian Legislative Assembly that a Royal Commission was to be appointed "generally to examine and report on the present conditions of agriculture and rural economy in British India, and to make recommendations for the improvement of agriculture, and to promote the welfare and prosperity of the rural population." The results of this inquiry should be of the greatest value.

## III

The year 1918 was marked by anti-Moslem riots in Berar and by disturbances in Madras and in Calcutta; and in 1919, following on a passive resistance movement inaugurated by Mr. Gandhi, there were riots in the Punjab and Delhi. At the Peace Conference at Versailles, India was represented by two Indians, H. H. the Maharajah of Bikanir, and Lord Sinha, who earlier in the year had been appointed Under Secretary of State for India in the British Government. A bill was introduced into the British Parliament embodying the Montagu-Chelmsford Joint Report and became law as the Government of India Act of 1919. This had in view the greater Indianization of the administration and the realization of responsible government. Rules were framed by the British Parliament in the following year, setting forth the details of the Constitution of the new Central and Provincial Governments.

The Secretary of State for India, a member of the British Cabinet, is the supreme authority in England of the Indian administration and represents the authority of Parliament to which he is solely responsible. In the Central Government of India there is, in addition to the Viceroy or Governor-General, an Executive Council consisting of several members and the Governor-General. The Indian Legislature consists of the Governor-General and two chambers, the Council of State and the Legislative Assembly. There are fifteen local administrations. Under the Government of India Act, they are given a large degree of independence. Defense, political relations, tariffs, railways and

communications are controlled by the Central Government, while education, public health, local self-government and budgets, land revenue administration, famine relief, justice, etc., are handed over wholly or partly to provincial agencies. In nine major, or Governors' provinces, subjects are further divided into "reserved" and "transferred" subjects. "Reserved" subjects rest with the Governor and his Executive Council, while "transferred" subjects rest with the Governor and the Ministers. Ministers are chosen by the Governor from the elected members who make up the majority of the Legislative Council, and they hold office during his pleasure. The Ministers are directly responsible to the Legislative Council for the administration of the "transferred" subjects, but can be over-ruled by the Governor. Provincial budgets are voted on by the legislative council; but the Governor has power to act in respect of a demand for "reserved" subjects and in cases of emergency he can authorize such expenditure as may be necessary for the safety of his province. Both in the Indian Legislature and in the provincial Councils, there is communal representation. Males over twenty-one years of age (eighteen years in Burma) who have certain qualifications such as residence, possession of property, payment of land revenue, rent, local taxes, income tax, or municipal rates, are eligible for the vote. The franchise is low enough to admit small cultivators and some wage earners.

Unrest, in some measure due to labor disputes consequent on the high cost of living and to unsatisfied aspirations in regard to the new constitution, marked the year 1920. Lord Sinha was appointed first Governor of Bihar and Orissa, and steps were taken to employ Indians in the higher services. The conditions of service both for British and Indian officers were brought under examination. A High Commissioner for India with a separate office in London was appointed to act as agent for the Government of India on lines similar to those of the self-governing Dominions, and he took over some of the work previously done by the India Office.

The Imperial Bank of India was constituted under the Imperial Bank of India Act, 1920, and took over from January 27, 1921, the business of the three Presidency banks — the Banks of Bengal, the Bank of Bombay, and the Bank of Madras. The bank which does the Government's banking business in regard to balances, etc., undertook to establish within five years from the

commencement of the Act not less than one hundred new branches. A London office was opened to do business on behalf of the bank's own constituents and to rediscount bills of exchange.

Early in 1921 the Duke of Connaught performed the inauguration ceremony of the new Indian Legislatures, Provincial Councils, and the Chamber of Princes. Lord Reading arrived some months later and assumed the Viceroyalty in April of the same year. He had no easy task. The three post-armistice years had been full of stress and strain, which continued through the first two of his viceroyalty. The seasons were unpropitious, and political discontent was increasing. Indeed, the five fiscal years from 1918-19 to 1922-23 showed budget deficits. A remarkable change for the better took place in 1923-24 and has since continued.

The year 1921 was, perhaps, the most untoward of the five. The Non-Coöperation movement spread. It was found necessary to imprison the Ali brothers. At Narkana a conflict of Sikhs over a shrine led to many deaths. Mohammedan fanatics of Malabar, Moplahs, broke into violent conflict with Hindus and with the authorities. Frontier troubles also were prevalent and required the most skilful watching. In Bombay, owing to continued strikes, a Labor Office was established to deal especially with labor statistics, labor intelligence, labor legislation, and industrial disputes.

In 1922 the struggle between constitutionalism and the forces of disorder led to the decision to arrest Mr. Gandhi. He was sentenced by a court of law to six years imprisonment, but, as is well known, was released after an illness due to appendicitis. Ruling princes were attacked in the press in British India, and the Viceroy certified a Protection against Disaffection bill under section 67 B of the Government of India Act.

The Fiscal Commission made recommendations of importance. It advocated protection with discrimination and the formation of a tariff board to investigate the claims of particular industries. These recommendations were adopted in 1923.

That year marked a definite return to normal. The harvest, owing to the rainfall of the previous year, was on the whole more satisfactory than those of immediately preceding years. A retrenchment committee, presided over by Lord Inchcape, recommended drastic cuts in military expenditure, railways, posts and telegraphs, and suggested many economies in the administration.

The salt tax was raised, and after five successive deficits, a balanced budget was obtained for 1923-24. An act was passed providing for the removal of existing racial distinctions in the criminal procedure code.

The status of Indians in the Kenya colony in South Africa became an issue of first class importance. The British Government disagreed on some points with the Government of India; and in the Indian legislature, demands were made for retaliation. At the Imperial Conference, where the Secretary of State for India, H. H. the Maharajah of Alwar, and Sir Tej Bahadur Sapru represented India, a resolution was passed recommending that each Dominion of the Empire should set up a commission to consider with a commission of an equal number from India, how far effect had been given to the principle of the 1921 conference that Indians lawfully resident overseas should not be deprived of their rights of citizenship.

In the elections of 1923-24, the Swarajists, or home-rule party, obtained an increased number of seats both in the Legislative Assembly and in the provincial councils. In the Central Provinces, they had actually a majority, and in view of their opposition in the Councils of the Central Provinces and of Bengal, the Governors were compelled to take over all the "transferred" subjects from the Ministers. The Royal Commission on the Superior Civil Services reported in favor of further Indianization and recommended better pay.

In 1925, Mr. Das, the Swarajist leader, repudiated the policy of violence and asked for the abolition of so-called "repressive" measures. Mr. Patel, a Swarajist non-coöperator, was elected President of the Assembly and accepted office. Another non-coöperator, Pandit Motilal Nehru, also accepted a seat on the Sandhurst Committee. These were signs of a better political outlook.

A committee reported on difficulties arising from the working of the Constitution and made many recommendations. Lord Reading conferred in London with the home Government, but on his return to India, announced the decision that the moment for a further inquiry had not arrived.

The repeal of the cotton excise duty, long an article of political faith in India, took place on December 1, 1925. A motion made on September 16, 1925, was debated in the Legislative Assembly. The government spokesman made it clear that suspension of the



duty must inevitably be followed immediately by its abolition, and abolition ought to be considered only in connection with the finances of the year as a whole. The duty had no supporters in India, save on the ground of financial necessity. By December it was found possible to permit of its abolition. Thus a standing grievance was removed. With the abolition of the excise duty the Bombay Millowners Association withdrew their proposals for a reduction in wages, and a long strike came to an end.

The last few months of Lord Reading's Viceroyalty have been crowded with events. The Indian Taxation Committee, appointed to consider the whole scheme of Indian taxation and to report on the suitability of various sources of taxation, issued its report early in the present year. The Committee has made several important recommendations, especially in regard to land revenue which should be based on annual rental values, and in regard to the sharing of income tax between the Central Government and the provinces. The Committee proposes to give the latter a basic rate on personal incomes and also a small share of the corporation profits tax. The Royal Commission on Indian exchange and currency has collected evidence in India, and is shortly to take testimony in London and to write the report. The Government of India is conducting a coördinated survey of the whole banking system of India.

A plan was announced in the Council of State to give effect to a policy of progressively reducing the exports of opium from India, except for strictly medicinal or scientific purposes, so as to extinguish them altogether within a definite period. The necessary resolution was adopted by both legislative chambers. With the stoppage of the auction sales of opium, the Government will lose annually 200 lakhs of rupees of central revenue. It has been decided to make up this loss by reducing expenditure in other directions or tapping new sources of revenue.

In the annals of the Indian Legislature, still in its infant stages, the session just ended will always be memorable. The new opium policy and the announcement by the Viceroy of the foundation of an Indian navy were noteworthy. The most important bill of the session was undoubtedly the Trade Union bill which is on the statute book. The last few years have witnessed very important labor legislation, such as a workmen's compensation act and a comprehensive series of factory acts. The new Trade Union Act permits of a political fund being started by unions, allows one-

fourth of the entire resources of unions to be used to finance labor movements, and gives a considerable degree of immunity from criminal proceedings.

Action concerning South Africa ended the Legislative Assembly on March 24. In response to an appeal from the leader of the House, Mr. Jinnah withdrew his resolution on the Anti-Asiatic bill in South Africa. This showed that the Government of India and all sections of opinion in the House and throughout the country are in agreement regarding the South African legislation. The Government of India are sparing no efforts to stop the Anti-Asiatic bill and to effect an equitable settlement of other points at issue.

Among the many important problems settled in Lord Reading's Viceroyalty, not the least is the gradual pacification of Waziristan and the restoration of order in tribal territory. The first railway to penetrate this region has recently been built through the Khyber Pass to Landi Kotal. Lady Reading has given her name to a new provincial hospital to be established in the Frontier Province where the men from over the border will be able to send their sick, one of the many factors in the preservation of peace in these wild parts.

#### IV

Today, it will be seen, there still are in India disintegrating forces which make the working of democratic institutions exceedingly difficult. Lord Reading, in his farewell speech to the Indian Legislature on March 25, said: "The essential principle underlying English institutions is based on a fundamental unity of sentiment and on a general desire in issues of cardinal importance to waive the claims of individual or sectional advantage for the benefit of a common weal. . . . Peopled by different races with separate historical antecedents and conflicting ideals of culture, India possesses various elements which do not tend towards unity. Sharp inequalities of development in education and civilization divide men. Creeds and castes tend to separative influences. The administrative problems are not less complex."

The Constitution brought into being by the Government of India Act, 1919, requires harmony for its successful operation. Unfortunately, India's social advance has not kept pace with her political advance, and this is the real crux of the Indian problem. Critics might argue (and not without justice) that there has not as

yet been unambiguous evidence of goodwill under the new Constitution. Sympathy, however, is required in view of the enormous difficulties even among the intellectuals. Solid achievement has been realized.

With the return of normal seasons and harvests, the Non-Coöperation movement and social unrest have decreased. Mr. Gandhi has retired to his Ashram on the banks of the Sabarmati River at Ahmedabad. There, surrounded by pupils and visited by admirers from within and without India, he is lecturing on the Pilgrim's Progress. The "National University" at the Ashram is dwindling with the decline of the Non-Coöperation movement. It is not recognized by other universities in the country.

The Indianization of the administration is proceeding. The gradual lowering of the comparatively small number of British officials will mean that the families in Great Britain, which for generation after generation have sent out their sons for service in India, will be forced to find for them other fields of usefulness. India is learning slowly to manage her own affairs.

# THE ACHIEVEMENTS OF FASCISM

By J

## I

TO pass an impartial judgment on the results obtained by two years and a half of Fascist government in Italy is not an easy matter. The difficulties that beset an Italian in such an effort are quite apparent; but even the foreigner is hardly better off. Fascism has awakened great interest beyond the confines of Italy, winning popularity in certain circles, arousing animosity in others. Almost everywhere various political connotations are attached to the word "Fascism" which provoke now admiration and now hostility, now emulation and now mistrust, but which inevitably leave little room for cool appraisal. Perhaps we may best clear the ground of preconceptions, if we avoid regarding Fascism as a new dispensation, as the beginning of a new era in our modern civilization (so it is represented by its best accredited leaders), and take it simply for what it is, as the most recent phase of the struggle to achieve Italian unity — as an Italian and not as an universal movement.

Fascism, as is well known, sprang from a reaction against the threat of Bolshevism, and from an uprising of national sentiment against the humiliation of prolonged policies of weakness in domestic as well as in foreign affairs. It was, in its beginnings, only the impulsive manifestation of a need for strengthening the power of the state in the face of social and political disintegration. The same need was felt in other countries after the war, but in Italy much more strongly than elsewhere. The realization of national unity is a very recent episode in Italian history: it was scarcely more than half a century ago that the House of Savoy gathered the dismembered provinces of Italy under one sceptre. Various forces tending toward disunion still remained strong in the country, all the more since the Italian war, which was declared without enthusiasm and proved fruitful of sacrifices, left many Italians with more reason for disappointment and bitterness than for satisfaction. The demand for "strong" policies, both domestic and foreign, was most articulate in the higher *bourgeoisie* (manufacturers, land owners, and civil servants) and especially among the more conservative portions of the middle classes.

Though these elements were unable to impose their views upon the country, they constituted, through the resources at their disposal, an important factor in politics. They had the money and the leadership; what they lacked was troops. These they found in certain gangs of former socialists or anarchists who had abruptly passed from the extreme left to the extreme right during the war — a development not uncommon during that period in many countries. As the army was demobilized, these gangs were enlarged by numbers of unemployed and by returned soldiers irritated at finding themselves handicapped rather than helped by their service in the war, all of them tingling with patriotic enthusiasms, all ravenous from personal appetites and ambitions.

Fascism was born of the union between the conservative elements mentioned above and these popular revolutionary forces, a partnership to which the former contributed something more than their financial resources: at the critical moment of the "March on Rome," they paralyzed any inclinations toward spasmodic repression that the government may have nourished. It was with the complicity and in the pay of the conservative *bourgeoisie* that the Fascists made their conquest of power at a time when the country at large, weary of communist nagging and eager for peace and a chance to work, was slowly regaining its balance. The Fascists bore the brunt of the struggle and naturally intended to pocket the profits. It is just here that the personality of Mussolini begins to count.

Of humble origin, having lived an adventurous life as emigrant, student, exile, newspaperman, and soldier, a born orator, furthermore, master of the lurid violent language that catches the imagination of a crowd, Mussolini was just the man to understand and lead the Italian masses. An eagerly acquisitive mind, a varied experience derived from his wanderings, the deeply realistic point of view so characteristic of his race, united to make him foremost among Fascist chiefs. His many-sided gifts enabled him to dominate both the movements from which Fascism arose, and to show himself under a double guise — to the populace as a revolutionist, to the conservatives as a guarantor of social order and of private property.

The history of Fascism since the "March on Rome" revolves around the deft maneuvers of the Fascist chieftain to drive with his one whip the two horses hitched to his chariot. Mussolini must be credited with one virtue: a sincere intent, on attaining

power, to apply the strength of Fascism to the reestablishment of the principle of order and authority without doing further violence to constitutional procedure. His policy was to restore the prestige of the state in the name of a party representing the majority of the country. This moderation gained him for some time the benevolent neutrality of a portion of public opinion. As late as May, 1923, the liberal leader, Amendola, declared that he was reserving decision as to Fascism and was willing to judge the latter by its works.

Unfortunately, however, the Fascist troops, whom Mussolini hesitated to dissolve, were not at all disposed to follow their leader. They remained loyal to him but kept calling insistently for a division of the spoils. They had a very plain and simple conception of Fascism: to put the state at the mercy of the party. It was the case of Russian communism over again. Farinacci saw no salvation outside of Fascism, just as Zinoviev could see no salvation outside of Marxian communism.

The evil effects of introducing violence into political life became apparent during the months following the advent of Fascism, when actual power for a time resided — if not in Rome and the large towns, at least in the country districts — less with Mussolini than with the local Fascist chiefs (so picturesquely called “ras” after the tribal leaders of Abyssinia). Unscrupulous individuals hungry for enjoyments, more concerned with their appetites and personal hatreds than with the public interest, ever ready to flatter the worst instincts of the mob, these gang leaders would have thrown Italy into worse anarchy than had prevailed under the preceding régime had it not been for Mussolini’s personal popularity among them that made him a restraining influence, and for the growing resistance of the opposition.

The latter, organized by a hastily formed alliance of the old parties which had been rudely jostled by the brutal advance of Fascism to power, felt encouraged by growing popular disapproval of the excesses of the “ras” and by the internal quarrels of which the Fascists were now making public exhibition. Powerless to agree on a common program, the adversaries of Fascism were still dangerous through their ability at any moment to put the government in the minority in Parliament.

Mussolini’s great resource, in these circumstances, was this same personal popularity which the conservatives hoped would permit him gradually to discipline the Fascist cohorts and re-



establish normal life in the nation. To strengthen the foundations of his popularity, Mussolini, shortly after assuming the premiership, granted the eight hour day to labor — a concession which rallied workingmen in large numbers to his support and helped also to temper the virulence of the social struggle. To capital, on the other hand, he offered a balanced national budget and reforms, feverishly prosecuted, in public administration — excellent measures all, which had long been vainly promised by the preceding régimes and which he was able to put through only with the coöperation of his conservative allies and of certain individuals of great ability among whom di Stefani, his Minister of Finance, should be accorded a distinguished place. Reënforcing his personal prestige by service actually rendered, gradually giving authority to such cooler heads among the Fascists as disapproved of the violence of the “ras,” Mussolini hoped he could finally reduce his troops to order and make of them a great constitutional party which would be the normal and permanent support of his government.

With this in view he drew up an election bill calculated to assure him a majority in Parliament and to enable him to govern the country still keeping within the law. Something may be said for his idea. Political education is a new thing in Italy — universal manhood suffrage dates only from 1913. Down to the World War power usually had been exercised by strong personalities such as Cavour, Depretis, Crispi, Giolitti — all skillful ring-masters, adepts at hiding their real intentions under the votes of subservient parliamentary majorities. The art of creating such majorities by manipulating the electoral machinery, and of controlling deputies in the Chamber by concessions of all kinds was a commonplace attainment with these statesmen.

However, Mussolini may have underestimated the importance of the parallel development, during the years after the war, of the Italian Socialist and the Italian Popular parties, both floating on strong currents in public opinion and less submissive than the pre-war cliques to individual influences. He overestimated, at any rate, his own strength. Careful examination of the elections in 1924 shows that Fascism, despite high-handed measures adopted in the rural districts, had not won the country. Mussolini carried central Italy, but by a small margin. In the north where industrialism is best developed he was beaten. If he held the south he owed his victory there to the timely sup-

port of a few strong politicians with large following at the polls — Salandra, Orlando, de Nicola, and others.

In spite of appearances, in spite of the unquestioned personal prestige of Mussolini, Fascism was far from holding the ascendancy in Italy at the time when the assassination of Matteotti supervened. This murky drama, which recalls the darkest episodes of Italian medieval history, had a prodigious effect on public opinion both at home and abroad. Its immediate effect was to unite the hitherto divided parties of opposition into one bloc. By raising the so-called "moral question," by declining to co-operate in any manner with the government, even by absenting themselves from the Chamber, they sought to put Fascism, so to speak, outside the law. Certain statesmen who thus far had been sitting prudently on the fence (Giolitti, Salandra, Orlando) without taking decisive attitudes, now frankly turned away from Fascism. The conservative middle class itself, the land-owners, the manufacturers, and the business men (weary moreover of the tyranny of the "ras," and suspicious of the labor policies of Fascism), withdrew its support from the government. Italy fell into two camps, the one angrily facing the other under menace of civil war. Abandoned by his allies on the right, forced back step by step upon the more violent elements in his party Mussolini, to conserve what little support he had, found himself obliged to throw in his lot with the latter and to give them a larger share in the direction of affairs.

Such was the process by which, during the last months of 1924 and during the whole of 1925, the dictatorship to which Italy is still subject came into being. Distinguished by a methodical destruction and persecution of an opposition hitherto tolerated, by a gradual muzzling of the press and of all independent thought, by a succession of violences aimed at persons, this régime has been able to survive only through a terror imposed by the "big sticks," the *manganelli*, of the Black Shirts. Farinacci's ideal had been realized: the state was at the service of the party.

However, once the first moment of alarm had passed, Mussolini regained his composure; he saw the danger of abdicating before his own troops. Resolved to keep in power by force and to drop the mask of constitutionality, he determined also to take advantage of the dictatorship thrust by events upon him gradually to assemble around himself the living forces of the country. Things played into his hands: the opposition continued divided;

his popularity, though diminished, had survived the test. Moreover his very enemies quailed at the thought that Mussolini's power might fall into the hands of men like Farinacci. While consolidating the ranks of his own partisans by material favors and by an aggressive policy toward the opposition, the Dictator went looking for ways and means to restore the confidence of his old allies. He fell back once more on the see-saw tactic on which he had depended from the beginning. To wriggle out from under the thumb of Farinacci, he decided to win over the army, the peasantry, and labor to himself.

The army had always been mistrustful of Fascism; professional officers especially had been piqued at the advantages given to the upstart commanders of the Fascist militia. The clique of generals in the Senate had said sharp things of the régime after the murder of Matteotti. Mussolini set out to eradicate all this uneasiness. He raised salaries in the army all along the line. He gave better organization to the militia so as to eliminate all friction between regular officers and Fascist officers. He reformed the army law so as to restore much of the prestige in the state of which the military had been shorn in the period just following the war. And these moves were successful; Mussolini could feel that for the first time he had the army securely under his banner.

As for labor, Mussolini had recourse to the Fascist syndicates (trade unions). By offering governmental support to the Fascist unions and by simple suppression of Catholic and socialist unions, he soon made his own organizations the only ones capable of offering adequate tutelage to labor aspirations. This action he justified by evolving a theory of forced coöperation, under state control, of labor and capital; and the theory was reduced to practice by establishing mixed unions of workers and employers. This enabled him to exert pressure on capital in case of need, by threat of strike, and to leave labor with the feeling that it was being better protected against exploitation by the employer than it had ever been by the old unions. These Fascist corporations are soon to be provided with official recognition through the admission to the Senate of delegates chosen in equal numbers from labor and capital.

The Duce sought support in the peasantry by the most varied maneuvers. In the south, where loss of power had weakened the control of the older political leaders, he promised to extirpate the last traces of brigandage and to import new wealth through ap-

propriations for great public works. To the Catholic peasantry, of all the Italian masses the most deeply and consistently hostile to the Fascist régime, he offered the sop of a conciliatory policy toward the Vatican. Ever since his rise to power, Mussolini has multiplied concession to the Holy See for the most part without success since the Vatican could only react by indignant protest against the violences daily used upon the priests by the more uncompromising Fascists. Gradually, however, tension between the two parties has slackened in proportion as the Duce has been able to consolidate his power and restore order in the rural districts.

The removal of Dom Sturzo in 1924, the progressive wrecking of all the foundations of the Popular party, a careful cultivation of dissensions in Parliament between Catholic conservatives and Catholic socialists, an attentive regard in Italian foreign policy for the interests of the Vatican, persistent and generous flattery of the higher clergy (extending even to increases in emoluments) — everything Mussolini has used to disarm the Catholics. It is interesting to note that the moment when Mussolini felt himself strong enough to dispense with the extreme Fascists who were still determined to bivouac under arms in a conquered country he did so in such fashion as to sooth Catholic sensibilities: he availed himself of an attack by Farinacci upon Cardinal Gasparri to push the former out of the picture.

No surer evidence of the growth of Mussolini's personal power — the most recent phase, this last, in the evolution of Fascism — could be cited than his intention, more and more clearly revealed, to reduce his more turbulent partisans to a strict discipline. He has now set out to rule the Fascist party as he rules the country, with no brook of resistance. It is to control the Fascists rather than the opposition that he has just established the *podestas* in all the little towns. If public opinion was grieved at this new attack upon municipal liberty, it was also consoled by the thought of at last being free from the long detested tyranny of the "ras." This measure of Fascism has increased Mussolini's popularity among all the conservative elements in the country.

From the political point of view the situation in Italy today is this: His Excellency, the Chevalier President Benito Mussolini, Head of the Government, Prime Minister, Secretary of State for Foreign Affairs, for War, for the Navy, and for Aviation — thus his titles were detailed in a royal decree of January 3, 1926 — is absolute master of the kingdom. Commander-in-Chief of the

Army, Commander-in-Chief of the Militia, leader of the only existing political party except the Communist party (diligently supervised and contemptuously tolerated) Mussolini holds, *de facto et de jure*, the powers that Napoleon Bonaparte held under the First-Consulate. The fasces of the Lictors (the emblem of Fascism) openly figure on public monuments with the arms of the House of Savoy. After a first period of effort to bring the Fascist government within the constitutional orbit, and a second period of progressive tendency toward a dictatorship, Fascism has reached its logical term: the fate of Italy hangs on one man!

Such a régime may have its grandeurs, and it may offer certain material advantages. But even admitting that the country likes it — which cannot be guaranteed since all voice from the opposition is silenced — it has at least one defect: that this one man cannot live forever. If Lady Gibson's bullet had gone in another direction by the fraction of an inch, one may well ask what would have become of Italy. In a land stripped of all political liberty, where the hatreds born of continued violence must incubate in secret, we cannot be surprised if assassination becomes the supreme recourse of the more exasperated animosities. The abscess that is not allowed to break is the most infectious. Of this, moreover, the Duce is well aware: "Live dangerously," says he!

## II

Only by bearing in mind the development which we have just sketched, and with due regard to the two currents which have borne Fascism on its course, may we adequately appraise the results achieved by three years of Fascist rule, results which we may roughly classify as internal and external.

Among the former Fascism is wont to boast of three things: the restoration of order, a successful financial policy, and a period of national prosperity.

The boast would seem to have a considerable foundation in fact as regards the mechanics of administration. Under the ferule of the task-master, the ministries of state and particularly the railroads, give an impression of regular functioning and daily application to duty. This new efficiency, of Napoleonic flavor, Italy owes to the skilled technicians whom Fascism has recruited from its own right wing; and Mussolini must share the credit for it with the Ministers he has chosen from the Nationalist party — Rocco, for instance, and Federzoni.

As for the class struggle, a few reserves at least must be made. To bundle employees and employers together in the same corporations would perhaps be the best theoretical solution of the problem of avoiding social conflicts, but only so provided the association were voluntary. As a matter of fact, the workers have been accepting the new unions, not because they like them, but because it is to their advantage for the moment. That they are far from waiving the right to strike is evidenced by the conduct of the Sicilian orange pickers last January at Messina — all full-fledged Fascists. For that matter, it could hardly be otherwise. The Fascist unions have taken into their membership all the turbulent elements of the old syndicates. The employers for their part occasionally grumble though as a class they are more practiced in diplomacy and know how to bow their heads.

Of order in the political field we have said enough already. It is well known how and through whom such order has been obtained. One may still ask whether orderliness is best guaranteed by the suppression of all freedom and under threat of violence, and whether the public peace is really maintained so long as only Fascists break it! But these are matters of opinion.

That Italian finance has been placed on a sound basis cannot be denied, and this happy outcome has been realized by a most fortunate coöperation of the Nationalists with the Duce. The case of France bears witness to the difficulty which a parliamentary system, at the mercy of political cliques and political influences, encounters in balancing a national budget in time of crisis. Mussolini's Parliament, on the other hand, had a healthy respect and a wholesome fear of him, and he found the task much easier. He cannot be refused the credit of having resisted pressure from his lower class partisans who were only too ready to pillage the state; and he has found means, even against his own troops, to support his Ministers in their difficult labors which, to judge by official reports, would seem now to be drawing to a close. In 1925 state income was about 475,000,000 lire greater than state expenditure. Not only has monetary inflation been reduced by 1,000,000,000 lire, but the fiduciary paper now in circulation — 20,700,000,000 lire — does not seem excessive for a country of 42,000,000 people. In these circumstances, the sum of \$850,000,000 that Italy has undertaken to pay toward the settlement of her war debts Italian experts themselves do not regard as overburdensome provided the economic situation continues favorable.



Whether and to what extent Fascism may claim responsibility for the present prosperity in Italy is a question that can be objectively answered only with great difficulty. That the country has been thriving economically for the last few months is beyond dispute. It may be argued that the political and social stability created by the Fascist régime has engendered an atmosphere of confidence and stimulated initiative, and that to these the wave of prosperity is due. Certainly the nation's capacity for internal absorption of goods has notably increased and while emigration has been falling off the figures for unemployment remain exceptionally low. All these considerations speak in favor of the government now in power. But there are plenty of Italians who still lament their low wage level—the lowest in Europe—the high cost of living which reduces the purchasing power of the Italian masses to very little, and the small earnings of manufacturing enterprise which limit capital and permit borrowing only at prohibitive rates of interest.

One fact, especially, is a cause for concern: the Italian trade balance still shows a considerable deficit — 5,000,000,000 lire in 1924, 7,000,000,000 in 1925, both larger than the deficits of 1922 and 1923. In many respects the Italian economic thrust of the moment seems out of proportion, since the increased importation of raw materials incident to increased production and exportation must be accounted for in the end in a correspondingly unfavorable balance of trade. To be sure this deficit is reduced to a greater or lesser extent each year by remissions of money from emigrants and by the expenditures of tourists in Italy; but it nevertheless remains as a constant danger to the country.

Mussolini is conscious of this and he has determined to devote his best energies to removing the deficit this year through a systematic organization of Italy's policies of commercial expansion. Since the merchant marine plays an important part in these policies, the government is doing everything possible to encourage it. At the beginning of this year Italy already ranked second among the nations of the world in ship-building. Subsidies will now be offered to new lines in order not only to free the country from the burden of foreign freight charges but to open new outlets to commerce as well. The Italian flag already is dominant in trade in the eastern Mediterranean.

Mussolini's policies are based on the following objectives: to bring Italian industry to the point of its maximum potential

production in order to reduce purchases of all kinds abroad; to utilize such native raw materials as hitherto have lain neglected or been exported; to reduce imports of raw materials, or at least to increase exports of finished products. To study and to execute these various measures a National Institute of Foreign Commerce is being organized, and the Duce is wisely turning his entire attention to them. If he succeeds in solving the problem of the trade balance, Italy will owe him a debt of gratitude indeed.

Unfortunately a program for commercial expansion on a large scale requires a great outlay of ready money, and money is lamentably scarce in Italy. One may guess that it was in order to find money where money abounds that the Duce forced through his settlements of the war debts, dealing rigorously with any opposition likely to compromise Fascist credit abroad. To American capital he is trying today to offer attractive propositions for participating in Italian industry through investments in the agricultural development of the south and in the new electrical plants of the Alps. Certain Fascists go farther still. They would put Italian labor, so abundant and so cheap, at the service of foreign capital and especially of American capital, which would provide raw materials or half-finished products to be further worked at low cost in Italy, whence they would be transported under the Italian flag to Russia and the Near East.

The results which Fascism claims to have obtained in what may be called the external sphere require much more careful scrutiny.

More than ever since the war, Italian foreign policy has revolved around the necessity of providing a means of livelihood for an overpopulated country. The Treaties of Peace, while giving satisfaction to the more legitimate aspirations of the nation to be possessed of its natural frontiers and of its "unredeemed" territories, offered no solution for this fundamental problem. Italian insistence secured no colonies, no mandates, for Italy. With a territory insufficient to support its population (today in excess of 42,000,000), with limited natural resources in the fuel and raw materials necessary for the development of industry, Italy could still depend on emigration. But the countries that have been receiving Italian immigrants are tending more and more to control and reduce the numbers of these. The absence of outlets for their excess population is today an object of irritation and concern to all Italians; and that is why they speak so

readily of the injustice wrought upon them at Versailles and why they think of themselves as victims of the war.

Such was the situation, such the national state of mind, which Fascism found on arriving in power. As was the case with preceding governments, the principal goal of Fascist foreign policy had to be the discovery of avenues of escape for Italy's surplus population, either directly through new territories or new facilities for emigration, or indirectly through new markets for industry to provide employment for more workers at home.

Fascism also had things of its own to worry about. A superheated patriotism had brought the party into being and still remained its best argument with the masses at large and the one solid bond between the two antithetical factions whose support had given it ascendancy. Even before the "March on Rome," the Fascist leaders had proclaimed a foreign policy aimed at flattering Italian national pride, at exalting the enthusiasms of victory in war, and at asserting before the world that Italy could henceforth be counted on to play the rôle of a Great Power.

The foreign policy of Fascism is, in point of fact, a subtle blend of cold realism and warm sentimentality such as only a genius like Mussolini could concoct. Proceeding practically toward the conquests of the outlets regarded as indispensable, it likes to cover its tracks, both at home and abroad, by demonstrations of a noisy and at times aggressive nationalism. On arriving in Rome, Mussolini had the good fortune to find Signore Contarini, a very shrewd diplomat, installed at the Consulta, and he also had the good sense to place full trust in this man. To the Contarini-Mussolini combination Italy owes a certain number of diplomatic successes which are definite if not actually brilliant.

Unquestionably the most important of these was the Fiume settlement. Through a few concessions which no one thought of checking up against a professedly patriotic régime, Italy managed to annex this Adriatic city so long the object of bitter controversy. Mussolini's great contribution in this connection was his foresight in taking advantage of the agreement to inaugurate a policy of durable understanding with the Yugoslavs. A hostile Yugoslavia is not only a military danger to Italy by virtue of her strong army and her geographical position but she can also bar Italian products from the Balkans. Overlooking past unpleasantness, Mussolini smoothed the path for a commercial treaty which was later to be followed by a political entente. This accord with

Belgrade has a significance of the first order for Rome. It guarantees the maintenance in Central Europe of the results earned in the war, while it allows Italian industry to compete with Austro-German goods in Balkan markets on an equal footing. At the moment Italian public opinion saw in the Fiume settlement the final acquisition of a disputed city the possession of which it had made a point of national honor. But gradually the deeper significance of Mussolini's triumph has been realized, especially abroad, and it surely constitutes so far the chief title of Fascism to Italian gratitude.

Among the durable successes so notably represented by the annexation of Fiume and the agreement with Yugoslavia must be counted also certain developments in Italian colonial policy. Though only recently acquired and despite their scant economic value, the Italian colonies have been an object of serious thought to all Ministries since the war, and especially to the present régime. Vast improvements in irrigation have been undertaken in Eritrea with a view to intensifying the growth of cotton. Cyrenaica and Tripolitania have been pacified and are beginning to receive Italian settlers. In the diplomatic sphere the outstanding success of the Fascist régime has been a favorable solution of the question of Jubaland. England had long since promised to hand this province over to Italy since it was essential to the economic development of the desert shores of Somaliland. In bringing the longstanding negotiations to a successful conclusion Fascism has not only scored a victory helpful to its prestige at home but gained positive and permanent advantages for the country it has been serving. The cession of the Jarabub oasis by the government of Egypt is hardly of the same importance. The oasis has little economic value, though it may tend to give greater security to Cyrenaica and Tripolitania.

The most interesting aspect of all these dealings has been the manner in which the results were obtained. They have been wholly matters of diplomatic exchange without any trace of political conflict, and this fact is a distinct credit to the present Italian Government.

The achievements of Fascist diplomacy have been really more significant in the domain of commerce. Besides the treaty with Yugoslavia, the accord between Italy and Russia merits special notice. Here the object on the Italian side was to drain Russian wheat and Russian oil toward the Black Sea to the profit of the

Italian merchant marine, and to open south Russia to Italian industrial products. So far results have not come up to expectations. Circumstances in Russia, particularly the shortage of capital, have prevented that country from developing enough production to sustain a regular export service. Italy, likewise short of money, has not been able to back her commercial policy with the long term credits essential to the rapid sale of her manufactures in Russia. Nevertheless this realistic Italian policy was soundly conceived and as conditions become more favorable will yet bring Italy great economic profits.

Italy, furthermore, was the first Great Power among the Allies of the war to reestablish commercial relations with Germany. She has also come to satisfactory arrangements with France. But for the most part, she is tending with good reason to seek the outlets she needs in Central and Eastern Europe, where competition is less severe, and where she has an opportunity to be of service to new countries of insufficient technical equipment. Thus she can ground her political influence on firm bases of interest.

To these successes in diplomatic, colonial, or economic policy, should be added the happy outcome of the financial negotiations conducted at London and Washington. The beneficial effects of the debt settlements on Italian economic life we have noted.

Much more debatable seems the policy that Italian diplomacy has been following in the eastern Mediterranean. Fascism, it is true, is not responsible for this policy which it inherited from others and has merely pursued, giving it however a much more hazardous character. To satisfy Italy's territorial aspirations, a sphere of influence in Asia Minor was promised her by the Allies during the war. The Italians looked with favor on this arrangement because Asia Minor seemed to be an ideal region for settlers from Italy and a splendid avenue of approach to eastern markets for Italian commerce. However, Italy was sacrificed to Greece and long harbored keen resentment against that country in consequence. The expulsion of the Greeks from Asia Minor was openly hailed in Italy, though the rise of a strong Turkey under Mustapha Kemal, while consoling Italians for past disappointments, ruined their future prospects in other regards.

Mussolini has nevertheless gone on developing Italian influence in the Near East in most varied guises. Groups of Italian colonists are prosperously located in Egypt, in Palestine, and in Syria. Italy is trying to establish her prestige in these regions at the

expense of France by adroitly seconding the interests of the Holy See. The annexation of the Dodecanese is the most visible evidence of patient Italian pressure in the Mediterranean.

Yet Italian policy can hardly win any substantial success at the eastern end of the Mediterranean basin. Neither England nor France seems disposed to facilitate any expansion of Italy between Egypt and the Gulf of Alexandretta. The suspicions of the Greek and the Turks have been increased, and Turkey is watching every Italian move. A sense of this helplessness may have inspired Mussolini in his recent conversations with Sir Austen Chamberlain, in which, as has plausibly been guessed, the Italian Government may have offered England the support of its army and navy in case a Turko-British conflict occurred over Mosul.

Regardless, however, of the results which Fascism may or may not achieve in the Near East, its policies are understandable and may in some respects be justified. On the other hand, the awkward and brutal manifestations of nationalism which creep into those policies are deeply injurious to Italian influence. In view of the intimate dependence of Fascism on national feeling, what is surprising is not that such manifestations occur but that Mussolini has succeeded in evading their disastrous effects. The most celebrated of all these outbreaks was the affair at Corfu. The bombardment of this undefended town in time of peace by an Italian fleet made almost as bad an impression abroad as the assassination of Matteotti. It isolated Italy in world opinion and discredited the whole foreign policy of Fascism. Untimely expressions of the same nationalistic feeling have been frequent since that time without any appreciable gains. The most recent example was the campaign conducted against Germany on the occasion of certain events in the Upper Adige. This episode provoked enduring resentment between the two countries and Mussolini has had to do his utmost to attenuate them.

This same orgy of nationalism determines the attitude of Italy toward the League of Nations. Everything of an international savor has long since become anathema to the Fascists, who will see nothing good in anything except "sacred selfishness" and national aggressiveness. Peace, in their view, can be guaranteed only by a balance of power. They look not to Geneva but to the Italian army and the Italian navy to preserve their security. This complete return to a state of mind that prevailed in Italy before the war becomes evident in the press through intemperate insist-



ence on Italian national aspirations. Italians think of themselves as a proletarian nation which has come on the scene too late to partake of the riches of the world. Mussolini himself is constantly proclaiming this idea. The result is that the notion of force gradually imposes itself upon the Italian mind much as the notion of revolution comes to appeal to exploited workingmen.

Mussolini was the first to turn his country's gaze upon the glories of an Italian empire, based on an indomitable army, a vigilant navy, and a daring aviation corps. A potential empire, it may be, made up rather of covetousness and imagination than of sound realities, but an empire, nevertheless, by virtue of the grand memories it arouses of the ancient Roman world. Contarini's resignation early in the present year was held abroad to stand in close relationship to this progressive infiltration of nationalistic sentimentalism into Italy's foreign outlook.

Statesmen throughout Europe have come to feel that Mussolini, whether by temperament or by necessity, is tending rather to flatter the patriotic vanities of his people than to seek more deep lying advantages; and disquieting parallels between Italian policies of 1926 and German policies of 1913, and between the two leaders-in-chief, Mussolini and William II, inevitably present themselves to the mind. Italian laments today recall the "iron circle" of which Germany complained before the war. For all of the Duce's protestations that Italy has no designs in conflict with existing treaties, and that she will remain a peaceful power, Italian policies create an atmosphere of restiveness and constraint. And this reputation, deserved or undeserved, does Italy no good.

To cite only one example, we may suspect that present-day Italian attitudes are not strengthening the desire for independence in Austria, that, in fact, they are forcing Austria and Germany closer together.

A war-torn Europe, repentant for past mistakes, is now blindly groping through the haze of uncertain economic formulas to find a way to unity as the solution of her material problems. Germany has been giving most tangible demonstrations of good will. The Franco-German menace has all but vanished. But the imperialistic aims of Italy, and her adventurous policies in the Near East, make her, whatever her statesmen may say to the contrary, exactly what Russia is in the Far East: a source of instability and disquietude.

# RUBBER AND THE PHILIPPINES

*By Harry N. Whitford*

FOR more than twenty years strong arguments have been advanced in favor of planting rubber in the Philippines. Yet of more than 4,000,000 acres of rubber planted during that time, less than 3,000 acres can be credited to the Philippines. Americans, after investigating the Philippines but finding the conditions not sufficiently attractive, invested over \$30,000,000 in this period in rubber plantations in Malaya and Sumatra and now own there nearly 100,000 acres of planted rubber.

The United States consumes 70 percent of the total production of crude rubber. Due to restriction on exports from the British colonies for the past three years, world consumption has exceeded production by 150,000 tons. With full production from the British colonies from now on, the total planted area in the Middle East is estimated to be capable of supplying the full normal physical requirements for the years 1926, 1927 and 1928. From 1929 on, statistics indicate that consumption will outrun production. It takes five years to bring rubber trees into bearing and at least eight years for full production. By 1933, it is estimated that the world could use 150,000 tons more rubber than will be produced.

The prospective investor naturally will seek regions where climatic and soil conditions are favorable, where costs are likely to be sufficiently low to allow successful competition with present planted areas, where capital will be protected, where economic and political conditions will be stable, and where land tenure regulations will allow possession of areas sufficiently large to meet his needs and for a period long enough to make his investment a good one. Other things being equal, the American investor would prefer territory controlled by his own government.

The only two regions under American control that include areas with climatic conditions favorable to the production of Para rubber are the Canal Zone of Panama and the Philippine Islands. The present regulations concerning the use of lands in the Canal Zone would have to be radically changed before planting could be started and the areas are so small that the highest possible yield would fall short of 10,000 tons annually.

A recent impartial investigation into conditions in the Philippines leaves little doubt that climatic and soil conditions in the southern part of the islands offer as favorable opportunities for the growth of rubber as the best regions in other parts of the Middle East. There are at least 1,500,000 acres of good lands suitable for rubber planting in Mindanao and neighboring smaller islands, capable of producing fully 200,000 tons of rubber, which would be sufficient to meet the world's deficiency in planted area.

After rubber trees are in bearing, one laborer to every five acres is required, on an average, mainly in tapping operations. The Philippines have a population of about 12,000,000. Some provinces are very densely inhabited and if laborers could be induced to migrate to other parts, the islands as a whole would be better off. After a careful calculation, it is believed that in time upwards of 85,000 laborers might be recruited for work in the less settled parts of

Mindanao, where there is an admitted scarcity of labor for such large development operations as are proposed. Together with 15,000 local laborers estimated to be available, this would give a force of 100,000 laborers capable of caring for 500,000 acres of rubber.

Certain prospective investors maintain that the difficulties of getting Philippine labor to migrate would make it impossible to plant a large acreage quickly unless they can draw on outside sources. If they are correct, this would mean the admission of labor from China, under well-defined restrictions. With preliminary operations completed, the Chinese laborers could be gradually replaced by Filipinos. Under the Jones Act the Philippine Legislature may, subject to the approval of the President of the United States, allow the importation of Asiatic labor; and Congress also has authority to change this organic law governing the Philippines.

A wage scale of about fifty cents for Filipinos and forty cents for Moros probably could be maintained in the regions where it is proposed to plant rubber, provided that development proceeded slowly. The wage scale on the present rubber plantations of the Malaya, Sumatra and other districts of the Middle East is twenty to twenty-five cents plus an additional fifteen cents for sanitary measures, recruiting, etc., that must be taken into account. This applies to all except Chinese laborers who generally work by contract and receive the equivalent of thirty-five to forty or more cents a day.

The difference between the wage scale of the Middle East and the Philippines means either that Filipino labor will have to receive a higher proportion of the cost of production or that other things being equal, total costs will be higher. But certain economies in costs not practiced at present in the Middle East are believed to be possible and would bring the cost of production in the Philippines down to levels equivalent to those in other parts of the East. Moreover, profiting by the experience of the East, it is believed that capital costs of planting and bringing rubber into bearing in the Philippines can be brought as low as elsewhere in the East.

The present land laws in the Philippines allow a corporation to lease or purchase 2,530 acres of land. The law might be interpreted to allow the lease and purchase of two lots of 2,530 acres, making a total of 5,060 acres. An individual is allowed to lease but not to purchase 2,530 acres. The leases are made for twenty-five years, with provision for renewal for two additional twenty-five-year periods. The limitation in the amount of acreage that can be acquired has been one of the chief obstacles in the way of large investments. The Philippine Legislature has the power to make grants of lands with more favorable terms, subject to the approval of the President of the United States; and again, Congress has power to change the organic act in such a way as to allow the leasing or sale of larger areas.

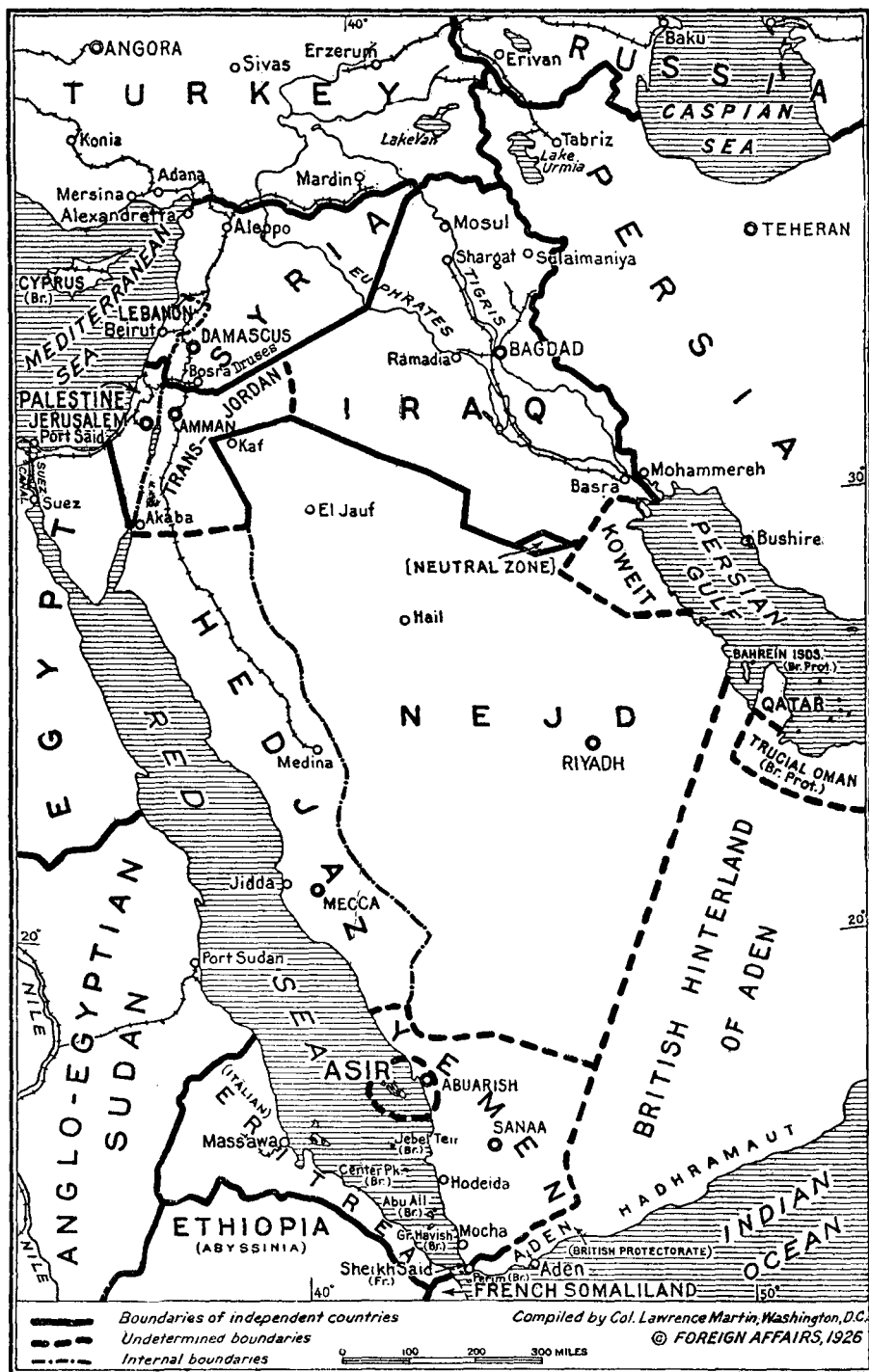
The uncertainty of the future political status of the Philippine Islands discourages capital investments in any large project. Undoubtedly, definite assurance that the sovereignty of the United States would be continued, with laws giving the Governor-General more power, would be the most satisfactory solution as far as the American investor is concerned. Independence, with treaty arrangements similar to those that exist between Cuba and the United States whereby American interests are protected and the maintenance of in-

ternal peace is assured, might be acceptable but would not be so satisfactory.

The Filipino ruling classes are asking full independence for the islands. They profess to be opposed to large-scale capital investment in plantation projects fearing that such influences, once established, will prevent the granting of independence. They have advocated openly that lands in the Philippines should be reserved for small holdings. Attempts to colonize idle lands in Mindanao with Filipinos, by government aid, up to the present time have not proved successful.

A number of proposals to liberalize the present land laws of the Philippines in order to encourage capital investments in rubber plantations have been discussed. Some of these have been introduced as bills for enactment by the Philippine Legislature, but so far no action has been taken.

If some definite assurance of continued American sovereignty could be given and the changes suggested in land and immigration laws could be made, it is believed that the conditions for profitable investment in rubber plantations in the Philippines would be at least as good as those in the regions where the bulk of the world's rubber is produced today. It is too much to expect, however, that either the Philippine Legislature or Congress will adopt these extreme measures. But there seem to be indications that one of the two legislative bodies might take action to relieve the situation to some extent. The investor seeks a reasonable guarantee that his capital will be safe and profits assured. It seems unlikely that large amounts of capital will be risked in the Philippines merely because it is under the American flag.



## FRONTIER CHANGES IN ARABIA

THE Arabian peninsula with an area of ca. 1,000,000 square miles consists of a vast interior region, for the most part desert and inhabited by nomadic tribes, and of a coast line, here and there fertile, with greater resources and a more sedentary population divided up among a number of states. Separated from each other by long stretches of desert territory, these have rarely been under one rule, indeed they have often looked in different directions. Persians, Greeks and Romans in ancient times, Turks, Egyptians and finally the English in modern ones have more or less controlled these fringes, but have rarely ventured far inland. The World War led to the expulsion of the Turks from Syria and Mesopotamia (Iraq), lands of Arab speech on the borders of Arabia, and from the Hedjaz, Asir and Yemen on the Red Sea shore of Arabia itself. In the peninsula there has been a struggle between the various chiefs which has resulted in an extension of the territory of Yemen, the reduction of Asir to a fraction of its former size, and above all the triumph of Ibn Saud, the Wahabi Sultan of Nejd, who now commands the whole of the interior and in recent months has expelled from the Hedjaz England's former protégé Husein and his son Ali and has made himself king in their place, while still maintaining the existence of the Hedjaz as a separate state. There can be little doubt that he would have followed up his successes by attacking Husein's other sons, Faisal the King of Iraq and Abdullah the Amir of Trans-Jordan (as indeed he did in 1924), had not these been protected by the fact that the territory they rule is held by British mandate. The English, who have in turn subsidized all the parties concerned, succeeded in bringing about a boundary treaty between Iraq and Nejd on May 5, 1922 (followed by an additional protocol of December 2, 1922) and an agreement signed November 2, 1925, between the British government and the Sultan of Nejd and its dependencies regarding the Nejd-Iraq and the Nejd-Trans-Jordan boundaries.

The internal frontiers of Arabia are thus becoming stabilized though there is still room for changes, especially in the region of Asir and Yemen. Almost everywhere British influence is dominant at the present time. The French at the north are cut off by the Syrian desert and have too many troubles of their own to follow an aggressive policy. They are rather afraid that the rebels against their rule may be supported by an attack from the interior. As it is, the English hope soon to establish a direct line of communication between Palestine and Iraq without having it pass, as at present, through Syria. On the southern side of the peninsula the hinterland of Aden has been quietly extended till it stretches much further than is recognized on most maps. On the Persian Gulf the little state of Koweit was under the wing of Britain even before the War, and the rulers of Oman, whose sway once extended over Zanzibar and the adjacent African coast, have for the last two generations been practically in the same vassal position as the native princes of India. The chief characteristics of the political situation in Arabia today are the pax Britannica and the dominion of Ibn Saud.



# THE FLOOD PERIL IN HUNGARY

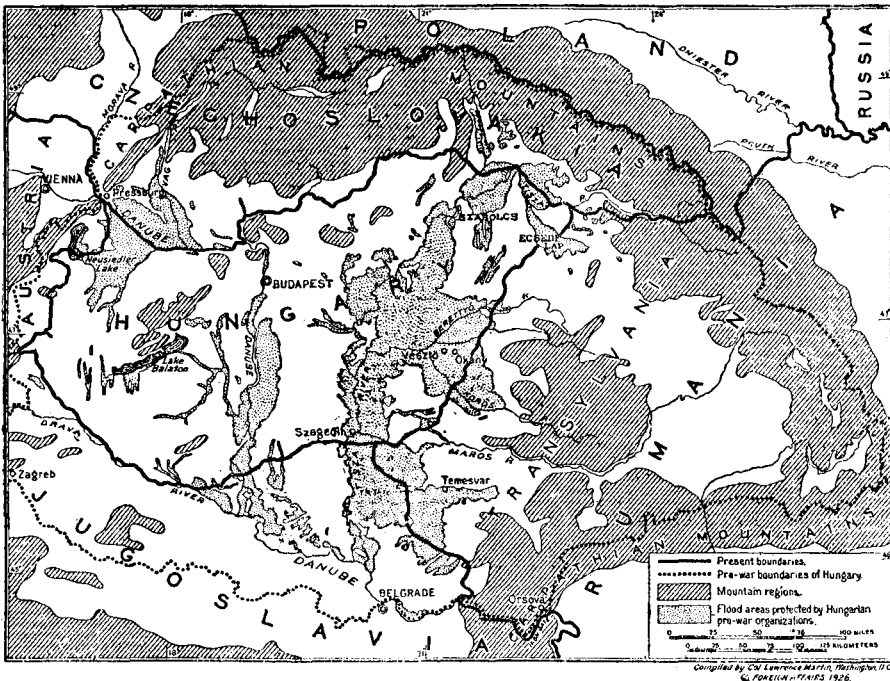
*By Erdmann D. Beynon*

THE Hungary of pre-war days had a shape somewhat resembling a soup-plate, a border of hills and high tablelands and a low, flat center. For hundreds of years that center remained in a primitive condition. From all the surrounding hills the rivers poured their waters down into the level plain, which the floods of centuries had made one vast marsh. Settlements were formed only on the scattered knolls that rose like islands out of the morass. These few tiny villages were in constant danger of floods, for only a few feet increase in the height of the surrounding water would completely ruin every settlement. Communication between them was practically impossible, and the life led by their inhabitants was primitive in the extreme. The surrounding swamps were unhealthy and malarial. The few sickly inhabitants had to eke out a miserable existence through fishing and duck-hunting, and, in the dryer places, through herding cattle, sheep and horses. Such was the picture of Hungary to be gained from the writings of English and American travellers who saw the central plain fifty years or more ago. John Paget in 1838, Arthur Patterson in 1867, and even Ellen Browning in 1896, all described it as a dreary waste where almost no men dwelt. But it is not necessary to quote the works of travellers from foreign lands. Hungary's most popular poet, Petöfi Sándor, was a child of the great plain, and nearly all his works speak of the monotonous, dreary life of the fishermen and shepherds in the isolated settlements.

When I went to Hungary last summer I expected to see something of this life, but I searched for it in vain. I travelled through the center of that great plain, all along the eastern border of Hungary. Where was the life that Petöfi sang about and that early travellers described? It has almost entirely vanished, for the marshes are no more. Last June I saw, south of Szegedin, finer fields of wheat than I had ever seen before in my life. Making inquiry about the section, I found that it used to be the duck-hunting marsh of Count Sziráky. The south of the County of Szabolcs was a very different place from what I had expected. Instead of drifting sand dunes, interspersed with stagnant pools and swamps, I saw a landscape dotted with attractive bits of woodland, the entire region very intensively cultivated and densely settled with a prosperous farming population. Farther on, in the old region of the Ecsedi Lap in the County of Szatmár, I looked in vain for the smallest fragments of the famous marsh, from the blue lights of which the peasantry derived so many tales of the Will o' the Wisp, or Lidercz. The old marsh land gives a humus loam which produces tremendous crops. It was not the country I had read about. Some miracle had changed that barren waste into one of the finest agricultural regions in the world.

The impulse to this work of transformation came in the days before 1848, when an awakened Hungary felt the thrill of self-consciousness and sought to burst the shackles that bound her to the House of Austria. The Iron Gates at Orsova, where the Danube passed out of the territory of former Hungary through a narrow chasm in the Carpathians, were widened and enlarged by the use of dynamite. This engineering feat prepared the way for the straightening of

the smaller rivers which wandered at will over the perfectly level plain. Embankments were built along the sides of the new more direct channels. This was the most stupendous part of the entire undertaking, and required the labor of armies of men for years. Finally success was attained, and the Danube, Tisza, Maros, Berettyó, Körös and other rivers flowed faster through shorter channels, between high protecting walls. The marshy interior waters were then drained off through a network of canals, from which the slow-moving water was forced out by powerful electric pumps. Finally, sluice gates and locks were constructed to prevent the water from flowing back into the areas regained for agriculture.



When the work was finished, millions of acres had been reclaimed in Hungary. Of this area, 4,000,000 acres remain in Hungary since the Treaty of the Trianon; and this portion which she still holds constitutes one quarter of the entire area of the present Hungary.

The entire region originally reclaimed was divided into districts which were geographical units. The inhabitants of each district were responsible for the condition of the embankments, the sluice-gates and the pumping stations within their area. For this purpose the district was thoroughly organized. Trained engineers were employed, guard houses were placed at frequent intervals along the banks, and at flood time the guards patrolled the banks night and day. The expense of this was met by taxes levied on the property holders of the district.

The second main precaution was the organization of a system of water reports. Every village in Hungary was compelled to send a report every morning to the Department of Agriculture in Budapest. This report gave the amount of

rainfall during the preceding twenty-four hours, and the rise or fall of the level of the rivers and streams. From these reports Budapest compiled and sent out charts showing at a glance the sections which might be threatened by floods in the near future. If the reports showed heavy rainfall in the Transylvanian mountains and a swelling of the mountain streams, the people of Szegedin would expect to encounter the effect of this in a certain number of days or hours. From long experience they had come to know almost exactly the length of time required for floods on the headwaters of the Maros to reach its confluence with the Tisza. And to know ahead was to prepare. If the coming flood was likely to be unusually severe, the people of the affected districts would set to work to heighten the embankments, and that there might be no delay at a critical hour vast stores of suitable material were kept ready along the banks.

The third precaution went still farther in eliminating the cause of floods. Though the country might need timber, none was allowed to be removed from the high mountain sides. So long as the hillsides were covered with forests, heavy rainfalls were less likely to cause floods. Meanwhile, many sections of the lowlands were reforested, and an attempt was made to supply the entire needs of the country without removing any timber from those places where the flood prevention program might be interfered with.

This finely planned system of flood prevention was of course completely disrupted by the Treaty of the Trianon. When the new boundaries of Central Europe were arranged, no thought was taken of the matter. The self-determination of nationalities and their military defense were taken as the paramount issues. The wooded mountains came under the rule of Czechoslovakia or Rumania and these nations needed timber and money. Thus, many hillsides have become bare. The rain in many places has already washed down the thin layer of earth, and where once forests stood nothing but rock can now be seen. As a result, the full force of mountain storms is beginning to be felt almost immediately in the plains. (Note: At the Peace Conference the Hungarians proposed that an international commission should be appointed, with regulatory powers over forests and in other matters of mutual concern; and such a commission has lately been constituted.)

It was not to be expected that Czechoslovak, Rumanian and Yugoslav officials would send daily rainfall reports to the Hungarian Department of Agriculture at Budapest. Though the lowlying Hungarian villages still send in their reports, small benefit can be derived from the resulting charts as such a system is practically useless unless it is complete. What is more, the sections where the floods begin are now entirely in Czechoslovak or Rumanian territory. Yet the present Hungary is the region where they will cause their greatest damage. And the people of the plains are no longer able to know in advance what is coming.

The worst feature of the present political arrangement, however, is that practically every one of the local flood defense districts is disrupted. These districts were geographical units, and were divided not according to ethnological, historical or political lines, but solely with a view toward the efficient guarding of the embankments and the prevention of floods. The new borders cut right across these districts. Of course it is useless to protect the embankments on one side of the new boundary unless they are protected on the other side. Even if the Hungarians keep up the embankments on their side of the border, there is the danger

that the nation on the other side will fail to keep its embankments in proper condition. If the river breaks through beyond the border, then the water will spread out all over the plain. That the plains may be safe, it is necessary for the Little Entente states to guard the embankments quite as zealously as Hungary does. But they do not like to spend money and labor on something that will simply protect the citizens of Hungary. To a great extent they are neglecting the banks of the rivers in their newly acquired territories.

Last summer I myself approached the border on many of these embankments. On the Hungarian side at very frequent intervals were large piles of brushwood and other material suitable for strengthening the banks and making them higher. On the Little Entente side there was no sign of any such material. At frequent intervals on the Hungarian side were the huts of the embankment guards. On the Rumanian and Jugoslav sides of the river there were no embankment guards. While Hungary was guarding the embankments, the Jugoslavs and Rumanians were guarding the border. This neglect has seriously harmed the canals, the business of which was to draw off the interior waters. Even though the rivers do not burst their banks, still a great deal of interior water remains in the soil and interferes with agriculture.

It might seem that a solution for these difficulties would be for Hungary to build embankments all along the border, so that the foreign waters could not drain down into Hungarian soil and so that there might be no danger even if embankments should break further up-stream. Apart from the undesirability of building a new Chinese Wall around Hungary to shut her off from her neighbors, there is the further difficulty that this defense has been expressly forbidden by the Treaty of the Trianon (III, 292), for fear that it might be used for military purposes.

Last December the inevitable happened. Heavy rains in the mountains caused torrents to sweep down the denuded hillsides of Transylvania. The waters spread out between the towns of Vésztő and Okány in Eastern Hungary. Thousands of peasant homes were covered by the floods. Many people died of starvation clinging to the tops of trees. It seems futile to send money to relieve the survivors, for under present conditions every year threatens to bring a repetition of the disaster. The only help worth while must remove the cause of the floods, and this, it seems, can only be done by neighborly agreement between Hungary and the Little Entente states. It is to be hoped such agreement, part of a general political and economic understanding, will not long be delayed.

# SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

*By William L. Langer*

## *General International Relations*

SURVEY OF INTERNATIONAL RELATIONS, 1924. BY ARNOLD J. TOYNBEE. New York: Oxford University Press, 1926, 528 pp. \$8.50.

The second annual volume of an indispensable handbook.

THE ORIGIN OF THE NEXT WAR. BY JOHN E. BAKELESS. New York: Viking Press, 1926, 318 pp. \$2.50.

An effective exposition of present-day problems which contain the germs of war.

THE HEALING OF THE NATIONS. BY ARCHIBALD CHISHOLM. London: S. C. M., 1926, 155 pp. 4/.

A dispassionate criticism of some current economic and social policies.

DES RÈGLES DE LA HAYE. BY GEORGES MARAIS. Paris: Rousseau, 1926, 174 pp. Fr. 20.

A scholarly survey, written from the juristic viewpoint.

THE VICTORY OF REASON. BY W. ARNOLD-FORSTER. London: Hogarth, 1926, 88 pp. 2/.

An excellent brief review of the history and problem of arbitration.

DIE VOELKERRECHTLICHE OPTION. Volume I. BY JOSEF L. KUNZ. Breslau: Hirt, 1925, 328 pp. M. 12.

The first volume of a monumental study, dealing with the principle of option as applied in the peace treaty.

LA SOCIEDAD DE LAS NACIONES Y EL DERECHO POLÍTICO. BY ADOLFO POSADA. Madrid: Raggio, 1925, 212 pp. Pes. 5.

A convenient semi-popular approach.

WELTGESCHICHTE DER NEUESTEN ZEIT. EDITED BY PAUL HERRE. Berlin: Ullstein, 1925, 851 pp. M. 35.

The supplementary volume of a well-known world history and the most pretentious treatment of the period from 1890 to 1925.

## *International Relations of the United States*

THE POLITICAL EDUCATION OF WOODROW WILSON. BY JAMES KERNEY. New York: Century, 1926, 524 pp. \$4.00.

A contribution to the history of the war President's formative years.

THE TRAIL OF A TRADITION. BY ARTHUR H. VANDENBERG. New York: Putnam, 1926, 428 pp. \$3.50.

A plea for the continuance of a national policy as against internationalism.

THE UNITED STATES AND MEXICO 1821-1924. BY FRED J. RIPPY. New York: Knopf, 1926, 380 pp. \$5.00.

The first scholarly and satisfactory treatment of the subject.

PORTO RICO. BY KNOWLTON MIXER. New York: Macmillan, 1926, 349 pp. \$4.00.

A useful survey of the history of the islands as well as of social, political and economic conditions.

AMERIKAS INTERNATIONALE KAPITALWANDERUNGEN. BY KURT REIBNITZ. Berlin: De Gruyter, 1926, 123 pp. M. 5.

A brief but scholarly study of the foreign investments of the United States.

AMERIKA-EUROPA. BY ARTHUR FEILER. Frankfurt: Frankfurter Societäts-Druckerei, 1926, 338 pp. M. 8.

An exceptionally keen study of American conditions as compared with European.

### *Europe*

THE INTERNATIONAL ANARCHY 1904-1914. BY G. LOWES DICKINSON. London: Allen and Unwin, 1926, 516 pp. 17/6.

A severe condemnation of the pre-war international system, based upon close study of the documents. An important contribution to the story of the origins of the war.

AU SERVICE DE LA FRANCE. BY RAYMOND POINCARÉ. Paris: Plon-Nourrit, 1926, 2 volumes, Fr. 18 each.

The first two volumes of the recollections of the former Premier and President of France, covering the events of 1912. A fundamental source for the history of war origins.

ISVOLSKY AND THE WORLD WAR. BY FRIEDRICH STIEVE. New York: Knopf, 1926, 254 pp. \$3.50.

A translation of an able German account of war origins, based largely upon Russian documents.

LES VRAIS CRIMINELS. BY FLORENT MATTER. Paris: Berger-Levrault, 1926, 384 pp. Fr. 9.

A valiant, though not very successful attack upon the revisionist view of the origins of the war.

THE LIMITATIONS OF VICTORY. BY ALFRED FABRE-LUCE. New York: Knopf, 1926, \$4.00.

A translation of one of the most brilliant French essays on the origins of the war, written from the revisionist standpoint.

MANUEL HISTORIQUE DE POLITIQUE ÉTRANGÈRE. BY EMILE BOURGEOIS. Paris: Belin, 1926, Fr. 28.

The fourth volume of a standard handbook, covering the period from 1878 to 1919.

DER STELLUNGSKRIEG 1914-1918. BY FRIEDRICH SEESELBERG. Berlin: Mittler, 1926, 488 pp. M. 30.

An exhaustive standard study of the war of position.

VERDENSKRIGEN TILS JOS. BY ADMIRAL C. SPARRE. Oslo: Aschehoug, 1925, Kr. 2.50.

One of the best and most impartial histories of the naval operations of the war.

LA GUERRE SUR LE FRONT ORIENTAL. BY GENERAL WINOGRADSKY. Paris: Charles-Lavauzelle, 1926, 380 pp. Fr. 16.

A detailed military account of the war on the Russian and Rumanian fronts.

LES ÉTATS-UNIS D'EUROPE. BY JACQUES KAYSER, Paul Franck and Camille Le Mercier. Paris: Éditeurs Associés, 1926, Fr. 10.

A valuable contribution to the history of the security problem from Versailles to Locarno.

DER KAMPF UM PANEUROPA. BY RICHARD N. COUDENHOVE-KALERGI. Vienna: Paneuropa Verlag, 1925, 173 pp. M. 4.

A collection of essays by the well-known protagonist of the Paneuropean idea.



EUROPA IM AUFBRUCH. BY HANS SCHWARZ. Berlin: Ringverlag, 1926, 311 pp. M. 9.

An interesting essay on the development of the idea of European solidarity.

THE NEW EUROPE. BY C. F. HEERFORDT. London: Allen and Unwin, 1926, 221 pp. 6/6.

A translation of a Danish plea for reorganization of the League to allow for a European federation.

ISSUES OF EUROPEAN STATESMANSHIP. BY B. G. DE MONTGOMERY. London: Routledge, 1926, 276 pp. 10/6.

A penetrating analysis of some of the outstanding problems confronting the European countries.

BRITO-GERMANIA DIE ERLÖSUNG EUROPAS. BY WILHELM BARON VON RICHTHOFEN. Berlin: Esche-Verlag, 1926, 184 pp. M. 4.50.

An appeal for close British-German friendship as an indispensable preliminary to recovery.

L'INFLATION EN EUROPE ET LE DÉPLACEMENT DE LA RICHESSE. BY RICHARD LEWINSOHN. Paris: Payot, 1926, 448 pp. Fr. 30.

An important contribution to the study of the social effects of the war.

HANDBUCH DER LONDONER VEREINBARUNGEN. BY FRIEDRICH RAAB. Berlin: Deutsche Verlagsgesellschaft für Politik und Geschichte., 1925, 379 pp. M. 10.

A valuable manual.

DER WEG DER REPARATION. BY CARL BERGMANN. Frankfurt: Frankfurter Societäts-Druckerei, 1926, 409 pp. M. 12.50.

The most authoritative German account of the reparations problem and negotiations, by one of the government under-secretaries.

DAS WERK VON LOCARNO. BY KARL STRUPP. Berlin: De Gruyter, 1926, 179 pp. M. 10.

An essay on the origins, content and effects of the Locarno agreements, by an expert in the field of international law.

BIBLIOGRAPHIE MÉTHODIQUE DE L'HISTOIRE ÉCONOMIQUE ET SOCIALE DE LA FRANCE PENDANT LA GUERRE. New Haven: Yale University Press, 1926, 920 pp.

One of the bibliographies in the Carnegie series.

LA VIE ÉCONOMIQUE À BORDEAUX PENDANT LA GUERRE. BY PAUL COURTEAULT. New Haven: Yale University Press, 1926, 100 pp.

An exhaustive monograph in the Carnegie series.

LE CONTRÔLE DU RAVITAILLEMENT DE LA POPULATION CIVILE. BY PIERRE PINOT. New Haven: Yale University Press, 1926, 320 pp.

A pioneer treatise on the subject, part of the Carnegie history of the war.

L'AGRICULTURE PENDANT LA GUERRE. BY MICHEL AUGÉ-LARIBÉ. New Haven: Yale University Press, 1926, 331 pp.

Another fundamental contribution in the Carnegie series.

HISTOIRE CONTEMPORAINE. VOLUME II. LA FRANCE DE LA VICTOIRE. BY ADMIRAL DEGOUY, Henri de Nousanne and Émile Saint-Auban. Paris: Michel, 1926.

The second volume of an excellent history of modern France, covering the period from 1917 to 1919.

LA POLITIQUE POLONAISE DE LA FRANCE. BY CASIMIR SMORGORZEWSKI. Paris: Gebethner and Wolff, 1926, 120 pp. Fr. 9.

A collection of utterances by public men, publicists and scholars.

COMMENT AVOIR UN FRANC STABLE. BY GEORGES BONNET. Paris: Payot, 1926, 128 pp. Fr. 3.50.

An important brochure by a former Minister of the Budget.

L'IMMIGRATION EN FRANCE. BY MARCEL PAON. Paris: Payot, 1926, 224 pp. Fr. 16.

A pioneer investigation of the French problem, advocating restrictive legislation based on the experience of other states.

FRANKREICH UND DAS NEUTRALISIERTE BELGIEN. BY EGON GOTTSCHALK. Stuttgart: Enke, 1926, 149 pp. M. 10.

An excellent reconsideration of the problem of Belgian neutrality as it affects France.

LA STRUCTURE ÉCONOMIQUE DE LA BELGIQUE. BY FERNAND BAUDHUIN. Paris: Giraudon, 1926, 238 pp. Fr. 7.50.

A scholarly survey by a Louvain professor.

DIE MARINE-JUSTIZMORDE VON 1917 UND DIE ADMIRALS-REBELLION VON 1918. BY WILHELM DITTMANN. Berlin: Dietz, 1926, 104 pp. M. 1.60.

A distinctly partisan account, but based upon secret documents laid before the German parliamentary commission.

LA DÉFAITE MILITAIRE DE L'ALLEMAGNE EN 1918. BY LIEUTENANT-COLONEL PAQUET. Paris: Berger-Levrault, 1926, 290 pp. Fr. 22.

A competent military study of German and allied strategy.

DÉPRÉCIATION DE LA MONNAIE ET ÉQUILIBRE BUDGETAIRE. BY JEAN MAXIME-ROBERT. Paris: Presses Universitaires, 1926, 150 pp. Fr. 15.

An excellent analysis of German financial policy in 1922 and 1923.

GERMANY'S INDUSTRIAL REVIVAL. BY SIR PHILIP DAWSON. London: Williams and Norgate, 1926, 276 pp. 10/6.

A splendid technical treatise on inflation and other problems.

DER KAMPF UM UNSERE SCHUTZGEBIETE. BY JOSEPH ABS. Essen: Floeder, 1926, 287 pp. M. 22.50.

Really a history of German colonial enterprise since the seventeenth century, with a survey of present conditions.

DIE DEUTSCH-RUSSISCHEN VERTRÄGE VOM 12 OKTOBER 1925. BY O. MERSMANN-SOEST and Paul Wohl. Berlin: Vahlen, 1926, 372 pp. M. 10.

Perhaps the best of a number of studies on the commercial treaties of 1925, containing the texts of all pertinent laws.

LA TRAGEDIA DEL ESTADO ESPAÑOL. BY ÁLVARO DE ALBORNOZ. Madrid: Raggio, 1925, 256 pp. Pes. 5.

A searching analysis of the situation in Spain.

ITALY, THE CENTRAL PROBLEM OF THE MEDITERRANEAN. BY COUNT ANTONIO CIPPICO. New Haven: Yale University Press, 1926, 121 pp. \$2.00.

Stimulating lectures by a prominent Fascist.

DAL PATTO DI LONDRA ALLA PACE DI ROMA. BY GAETANO SALVEMINI. Turin: Gobetti, 1925, 360 pp. L. 16.

The most important history of Italian foreign policy during the war yet published.

LA RIVOLUZIONE MERIDIONALE. BY GUIDO DORSO. Turin: Gobetti, 1925, 242 pp. L. 10.

A much-needed study of the economic crisis in southern Italy in the post-war period.

IL PIEMONTE. BY GIUSEPPE PRATO. New Haven: Yale University Press, 1925, 241 pp.

The effects of the war on social and economic conditions in Piedmont. A volume of the Carnegie history.

LA SALUTE PUBBLICA IN ITALIA. BY GIORGIO MORTARA. New Haven: Yale University Press, 1925, 577 pp.

Another volume of the Carnegie series, dealing with the problem of public health.

IL SISTEMA ELETTORALE MAGGIORITARIO PROPORZIONALE DEL GOVERNO FASCISTA. BY ETTORE DE POMPEIS. Castello: Unione Arti Grafiche, 1925, 415 pp.

An exhaustive account of the Fascist electoral system.

LA DEMOCRAZIA IN ITALIA. BY GUGLIELMO FERRERO. Milan: Rassegna Internazionale, 1925, 136 pp. L. 8.

Penetrating essays by a well-known historian.

AUTOUR DU FASCISME ITALIEN. BY FRANCESC CAMBÓ. Paris: Plon, 1925, 195 pp. Fr. 5.

A noteworthy discussion of Fascism by a former Spanish minister and convinced democrat.

DIE DAUERENDE NEUTRALITÄT DER SCHWEIZ. BY E. VON WALDKIRCH. Basel: Helbing and Lichtenhahn, 1925, 73 pp. M. 2. 10.

A brief but good history of Swiss neutrality, with chapters on the legal and political aspects of the problem.

GRAF STEPHAN TISZA. BY FRANZ HERCZEG. Vienna: Eligius Verlag, 1926, 55 pp. M. 3. 50.

An interesting interpretation by a Hungarian poet.

LE PARTAGE DES DETTES PUBLIQUES AUTRICHIENNES ET HONGROISES. BY JEAN DECOUDU. Paris: Sagot, 1926, 157 pp. Fr. 15.

A technical legal study.

LE RELÈVEMENT FINANCIER DE LA HONGRIE ET LA SOCIÉTÉ DES NATIONS. BY MICHEL MITZAKIS. Paris: Presses Universitaires, 1926, 420 pp. Fr. 30.

A substantial scholarly treatment.

THE POLISH HANDBOOK. EDITED BY FRANCIS CZARNOMSKI. New York: Poland, 1925, 704 pp. \$3.00.

A complete statistical work, unusually well-done.

DAS POLNISCHE PARTEIWESEN UND SEINE PRESSE. BY ROBERT STYRA. Plauen: Verlag Junges Volk, 1926, 169 pp. M. 6.

A valuable survey of a little-known subject.

DIE MEMELFRAGE ALS RANDSTAATENPROBLEM. BY ROLF SCHIERENBERG. Berlin: Vowinckel, 1925, 197 pp. M. 10.

A discussion of the history and geographical factors in the problem, with inclusion of the pertinent documents.

MEMEL ALS HAFEN UND HANDELSTADT 1913-1922. BY LOUIS JAHN. Jena: Fischer, 1926, 141 pp. M. 6.

A scholarly investigation of the economic life of Memel.

DAS WASSERGEBIET FINNLANDS IN VOELKERRECHTLICHER HINSICHT. BY S. R. BJÖRKSTEN. Helsingfors; 1925, 253 pp.

An exhaustive treatise on the international status of the Gulfs of Finland and Bothnia.

DU SERVAGE AU BOLCHEVISME. BY BARON WRANGEL. Paris: Plon-Nourrit, 1926, 356 pp. Fr. 9.

The recollections of the famous White leader.

AGRARENTWICKLUNG UND AGRARREVOLUTION IN RUSSLAND. BY BORIS BRUTZKUS. Berlin: Sack, 1925, 249 pp. M. 12.

An important scholarly contribution to the history of the agrarian question in Russia, by a former professor at the Petrograd Agricultural College.

DIE WÄHRUNGSPROBLEME SOWJETRUSSLANDS. BY L. JUROWSKY. Berlin: Prager, 1925, 114 pp.

A complete monetary history of Russia since 1917, by a member of the financial commissariat.

LA RUSSIE SOUS LE RÉGIME COMMUNISTE. EDITED BY MICHEL FÉDOROFF. Paris: Nouvelle Librairie Nationale, 1926, 592 pp. Fr. 30.

A reply to the report of the British Trade Union delegation, in the form of articles based on Bolshevik documents and written by twenty-three Russian scholars.

THE NEW RUSSIA. BY L. HADEN GUEST. London: Thornton Butterworth, 1926, 488 pp. 10/6.

A general survey, based in part on personal observation, by an English Laborite.

EDUCATION IN SOVIET RUSSIA. BY SCOTT NEARING. New York: International Publishers, 1926, 159 pp. \$1.50.

A sympathetic account by a well-known radical writer.

LE TRAVAIL SECRET DES AGENTS BOLCHEVISTES. BY COLONEL A. RÉZANOV. Paris: Bossard, 1926, 200 pp. Fr. 9.

A hostile exploitation of Bolshevik documents.

LES FAUSSAIRES CONTRE LES SOVIETS. Anonymous. Paris: Librairie du Travail, 1926, 140 pp. Fr. 4.

An exposé of anti-Bolshevik propaganda, especially in the matter of the Zinoviev letter.

### *The British Commonwealth of Nations*

ENGLAND AND THE WORLD. EDITED BY F. S. MARVIN. New York: Oxford University Press, 1926, 268 pp. \$3.50.

A valuable collection of essays by prominent writers on England's relation to the world through history.

THE EMPIRE IN ECLIPSE. BY RICHARD JEBB. London: Chapman and Hall, 1926, 352 pp. 15/.

An eloquent plea for further coöperation within the Empire, in matters of foreign policy, defense and trade.

CASSANDRA; OR THE FUTURE OF THE BRITISH EMPIRE. BY F. C. S. SCHILLER. London: Kegan Paul, 1926, 92 pp. 2/6.

A pessimistic forecast by a well-known English philosopher.

SOUTH AFRICA. PEOPLE, PLACES AND PROBLEMS. BY WILLIAM H. DAWSON. London: Longmans Green, 1926, 448 pp. 16/.

One of the best recent books on South Africa and its problems.

INDIA. BY SIR VALENTINE CHIROL. New York: Scribners, 1926, 359 pp. \$3.00.

A general treatment by one of the world's foremost authorities.

INDIA. A FEDERATION? BY SIR FREDERICK WHYTE. Delhi: Home Department, 1926, 326 pp. 3/.

A well-balanced study of existing federal constitutions, with reference to their possible introduction in India, by a former president of the Indian Legislative Assembly.

THE PROBLEM OF INDIA. BY B. SHIVA RAS AND D. GRAHAM POLE. London: Labour Publishing Company, 1926, 96 pp. 2/6.

A presentation of the nationalist point of view.

BURMA AS I SAW IT. BY R. GRANT BROWN. New York: Stokes, 1926. \$5.00.

A well-informed account of events from 1889 to 1917, by an English official of long experience.

*The Near East*

MANUEL HISTORIQUE DE LA QUESTION D'ORIENT. BY J. ANCEL. Paris: Delagrave, 1926, 346 pp. Fr. 9.

A useful text, covering the period from 1792 to 1925.

LA GUERRE TURQUE DANS LA GUERRE MONDIALE. BY COMMANDANT M. LARCHER. Paris: Berger-Levrault, 1926, 682 pp. Fr. 48.

An important study, with an interesting introduction by Franchet d'Esperey.

HISTOIRE DIPLOMATIQUE DE LA GRÈCE. VOLUME IV. BY MICHEL LHÉRITIER. Paris: Presses Universitaires, 1926, 580 pp. Fr. 30.

The latest volume of what is practically an official history, covering the period from 1878 to 1908.

LA GRÈCE ET LA CRISE MONDIALE. BY A. F. FRANGULIS. Volume I, Paris: Alcan, 1926, 359 pp. Fr. 30.

An important book, by a Greek diplomat, based largely upon unpublished documents.

LES CAMPAGNES DE SERBIE 1914-1915. LA CAMPAGNE DE MACÉDOINE. 1916-1918. BY COLONEL F. FEYLER. Paris: Budry, 1926, Fr. 40, 60.

Military studies by a recognized French critic.

THE TURKISH KALEIDOSCOPE. BY CLARE SHERIDAN. London: Duckworth, 1926, 223 pp. 15/.

Disillusioning sidelights on conditions in present-day Turkey.

THE BLIGHT OF ASIA. BY HORTON GEORGE. Indianapolis: Bobbs-Merrill, 1926, 292 pp. \$3.50.

A hostile account of the massacres and the burning of Smyrna, by an American consul in the Near East.

SYRIA. BY LEONARD STEIN. London: Benn, 1926, 94 pp. 3/6.

An exceptionally clear account of events since 1918, with an exposition of the racial and religious problems.

THE ECONOMIC POSITION OF PERSIA. BY MOUSTAFA KHAN FATEH. London: King, 1926, 98 pp. 6/.

A good general survey.

*Africa*

LA GUERRE DU RIFF. BY R. BONNET-DEVILLIERS. Paris: Occitania, 1926, 142 pp. Fr. 6.

Observations made with the French troops in Morocco.

*The Far East*

EUROPE AND THE EAST. BY NORMAN D. HARRIS. Boston: Houghton Mifflin, 1926, 619 pp. \$5.00.

A scholarly survey of the foreign relations of Asiatic states in recent times.

CHINA. BY FRANK J. GOODNOW. Baltimore: Johns Hopkins Press, 1926, \$2.00.

An analysis of economic, political and social aspects.

WHAT'S WRONG WITH CHINA? BY RODNEY GILBERT. London: Murray, 1926, 315 pp. 10/6.

A rather unorthodox interpretation of the Chinese problem.

EXTERRITORIALITÉ ET INTÉRÊTS ÉTRANGERS EN CHINE. BY G. SOULIÉ DE MORANT. Paris: Geuthner, 1926, 508 pp. Fr. 50.

A sound study, by a French consul.

IN THE HEART OF ASIA. BY LIEUTENANT-COLONEL P. T. ETHERTON. Boston: Houghton Mifflin, 1926, 305 pp. \$5.00.

A book of unusual merit, particularly valuable for the discussion of Soviet agitation in Turkestan.

THE UNSOLVED PROBLEM OF THE PACIFIC. BY KUJO SUE INUI. Japan Times, 1926, 619 pp.

A competent discussion of the immigration question as seen from the Japanese standpoint.

PAPUA OF TODAY. BY SIR HUBERT MURRAY. London: King, 1926, 308 pp. 21/.

An authoritative account of the administration and conditions, by the British Lieutenant-Governor.

### *Latin America*

LATIN AMERICA AND THE WAR. BY PERCY A. MARTIN. Baltimore: Johns Hopkins Press, 1925, 594 pp. \$3.50.

A series of illuminating lectures, by a competent writer.

LA EVOLUCIÓN POLITICA DE IBEROAMÉRICA. BY RAÚL CARRANCÁ Y TRUJILLO. Madrid: Pérez, 1925, 304 pp. Pes. 6.

An excellent brief exposition.

LA RAZA CÓSMICA. MISIÓN DE LA RAZA IBEROAMÉRICANA. BY JOSÉ VASCONCELOS. Madrid: Helénica, 1926, 296 pp. Pes. 10.

Primarily notes of travels in South America.

THE REPUBLIC OF MEXICO. COMPILED BY HERMANN SCHNITZLER. London: Hutchinson, 1926, 637 pp. 25/.

The first volume of the Library of Latin American Information. An exhaustive statistical handbook.

THE ROSALIE EVANS LETTERS FROM MEXICO. EDITED BY DAISY C. PETTUS. Indianapolis: Bobbs-Merrill, 1926, 472 pp.

Letters which throw much light on present-day conditions, and on the problem of property held by foreigners.

### *Miscellaneous*

STORIA ECCLESIASTICA CONTEMPORANEA. BY ORAZIO M. PREMOLI. Turin: Mariotti, 1925, 496 pp. L. 27.

The best brief survey of the history of the church since 1800.

OIL IMPERIALISM. BY LOUIS FISCHER. New York: International Publishers, 1926, \$2.00.

A radical account of the imperialistic aspects of the oil problem.

THE HISTORY OF POLITICAL SCIENCE FROM PLATO TO THE PRESENT. BY REVEREND R. H. MURRAY. Cambridge: Heffer, 1926, 435 pp. 12/6.

An original and stimulating approach, based upon sound scholarship.

THE DECLINE OF THE WEST. BY OSWALD SPENGLER. New York: Knopf, 1926, 461 pp. \$6.00.

A translation of a much-discussed German philosophy of history.

THE JEWISH NATIONAL HOME. BY ISAAC BREUER. London: Agudas Israel World Organization, 1926, 105 pp.

A reconsideration of the attitude of Orthodoxy towards the Zionist movement.



# SOURCE MATERIAL

*By Denys P. Myers*

## I: PUBLIC DOCUMENTS OFFICIALLY PRINTED

Documents may be procured from the following. United States: Gov't Printing Office, Washington. Great Britain: P. S. King & Son, 2 Great Smith Street, London, or British Library of Information, 44 Whitehall St., New York. France: Terquem, 1 rue Scribe, Paris. League of Nations, Internat'l Labor Office and Perm. Court of Internat'l Justice; World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted.

### ARABIAN PENINSULA

ARABIA. Agreements with the Sultan of Nejd regarding certain questions relating to the Nejd-Trans-Jordan and Nejd-Iraq frontiers. London, 1925. 16 p. 24½ cm. (Cmd. 2566.) 3d.

IRAQ. Treaty with King Feisal signed at Baghdad, 13th January, 1926, with explanatory note. London, 1926. 6 p. 24½ cm. (Parl. Pap., 1926. Cmd. 2587.) 2d.

### ARBITRATION

ARBITRATION AND SECURITY. Systematic Survey of the Arbitration Conventions and Treaties of Mutual Security deposited with the League of Nations. 200 p. 25 cm. (League of Nations, 1926. V. 14.) \$1.20.

### ARMAMENTS

ARMAMENTS YEAR-BOOK 1926. General and statistical information. Geneva, 1926. 1162 p. 24 cm. (Second year 1925-1926.) \$5.00.

DISARMAMENT. H. J. Res. 107, joint resolution to provide for expenses of participation of United States in work of a preparatory commission to consider questions of reduction and limitation of armaments. Approved Feb. 1, 1926. [Washington, 1926.] 1 p. (Public resolution 5.)

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