The Arms Conference: Its Balance Sheet

WASHINGTON has been a success. Its inestimable value for us depends very little on the treaties and agreements which result from it. It will live in our memories as the occasion which definitely, and we believe finally, consolidates the friendship between the American and English people"—thus Mr. H. N. Brailsford cables from London to the Baltimore Sun and his words were anticipated by Mr. Henry W. Nevinson of the Manchester Guardian. If these two staunch liberals are right, if all danger of war with England has been allayed, then the Conference called by President Harding becomes indeed one of the most memorable in the history of mankind. To that view we are unfortunately not able to assent. It is our deliberate judgment that the Conference has accomplished great good if only because it has ended the naval rivalry between the United States, Japan, and Great Britain. Unfortunately, The Nation's memory reaches too far back in the past to permit it to ignore the fact that under what appears the calm surface of the relations between England and the United States are certain eddies and cross-currents which another Venezuelan message like that of President Cleveland might bring boiling to the surface.

But while we cannot be facile optimists, nor ready to take everything that has happened at its face value, we are only too happy, in assessing the achievements of the Conference for the Limitation of Armaments, to admit that there has been a definite limitation of naval armaments for which we would withhold no just word of praise from President Harding, or from Mr. Hughes, or from Senator Borah, whose pertinacity and wisdom compelled the Conference, or from the Conference itself. It may be that we have achieved only an inch of the ell of disarmament for which the whole world is aching; we may have taken only a first step, made the more easy because of doubts as to whether the battleship has any future value or not; but for every advance in the right direction at a time when the whole world seems bent on suicide we give thanks with full and grateful hearts. That may prove us gullible and foolish, easily imposed upon and ready to assume that good has been achieved where there has been only a cynical going through the motions; but such is our feeling and truth compels us to record it.

Not, of course, that any large part of that has been accomplished for which The Nation year in and year out appeals. This journal believes that there can be no safety for mankind until the sanctity of human life is acknowledged by states as well as by individuals, until the commandment "thou shalt not kill" becomes even for nations more than an empty creed. It is well aware that Washington has laid no ax to the roots of the tree of evil, that it has ignored all causes of the disease of war and dealt merely with one or two symptoms. Yet we would rather have had these symptoms treated and certain evils abated than to have had no effort made to combat the malady. We ourselves, as we have repeatedly said, are not interested in modifying or ameliorating war itself. It is an abomination beyond human defense or excuse, the sum of all evils, the total of all villainies. We stand with the London Economist, organ of that British finance which has so often been blood-stained in its economic imperialism, when it declares that "the friends of peace will be more profitably employed in endeavoring to remove the causes of war than in attempting to render it a humane and gentlemanly pursuit." We are not inclined, therefore, to count Mr. Root's resolutions forbidding submarines to attack merchant ships and outlawing poison gas as achievements of weight on the credit side of the Washington Conference's ledger. Yet in setting forth what the Conference has accomplished we shall endeavor not to be blinded by our own ardent desires so little realized.

So we believe that the limitation of battleship-building for ten years is a long step forward. It does end that naval rivalry which in The Nation's series of articles, No War With England, running from April 20 to June 22, 1921, we characterized as one of the gravest causes of friction between the United States and the British Empire. Nor is it to be waved aside as a mere scrapping of obsolete ships. For besides ending the race in battleship-building, it has done much to stop the concomitant naval competition between Japan, England, and ourselves, which could have had only one conclusion. The future replacement battleships are to be of 35,000 tons only; that ends at once the building of larger and larger dry-docks and of greater yard equipment and, probably, of bigger guns; puts an end to the talk of the necessity of larger locks at Panama to accommodate the sea-monsters of the future. More than that, a definite limit is set to the size and number of aircraft carriers—those monster vessels planned to release a horde of airplanes to bomb cities scores of miles within the enemy coast defenses. And with this there is set a definite number of submarines (they ought rather to have been wiped out) which the naval rivals may possess, the size of cruisers is limited to 10,000 tons, and the guns to 8 inches only—a size to disgust every naval officer who ever set foot on a battleship or studied Mahan.

Who can measure the psychological effect of all this? Will the world gain immensely by ending one country's spying upon another, and by stopping the rivalry in sea-monsters carried on even in our illustrated dailies and weeklies? They will not be able to record the launching of a single dreadnought for years to come. It is a dead blow at the glamour of the naval profession and it puts definite limits to the navy's apparently unlimited power of self-propaganda. For this we not only give thanks to Mr. Hughes who took the lead; we gratefully acknowledge the part played by Great Britain; Punch does not exaggerate when it depicts Britannia as laying the sword of naval supremacy upon the altar of disarmament. Who would two years ago have believed it possible that England would agree not only to a naval holiday, but also to the principle that our fleet should be as large as hers? The mere three of Germany's equaling the British fleet made war inevitable; yet Mr. Brailsford reports that this sudden abdication of the "age-long British claim" to complete naval supremacy has not even excited an outcry "from the fanatics of patriotism." Who shall deny that we have gained the inch or that this should be an inspiration to go further, no that the Irish Free State exists, to help remove other causes of friction and hostility and misunderstanding between the United States and Great Britain?

Similarly it is all to the good that the Anglo-Japanese Alliance seems ended—if a modified Four-Power Treaty...
accepted; and the agreement to build no more fortifications on the Pacific together with the definite limitation of the Japanese navy has undoubtedly decreased the possibility of war between us and the Mikado's people. Some naval authorities privately aver that our promise not to fortify Guam or any other islands we may purchase or steal in the Pacific renders totally impossible the prosecution of war with the Japanese. We hope it is so; yet candor compels us to say that wars depend upon other things than these and that the Japanese and the United States are not nearer but further apart by reason of the Conference. Since it is the truth that makes us not only free but able best to deal with awkward problems, it is on the credit side of the Conference's ledger that we must place a clearer vision of the sinister and often cruelly oppressive character of Japanese imperialism in China and Siberia. It is well, too, that we have had the revelations of French fear, misrepresentation, and unabashed political imperialism, together with their refusal to cooperate in the main objects of the Conference, which darkened the picture at Washington and greatly intensified the growing feeling of bitterness and hostility between English and French. Unhappy as these revelations were, they alone would have made the Conference worth while, for their educational effect was of enormous value. Thoughtful America is now well out of the sentimental war-time idealization of the French. M. Briand and M. Viviani have enabled us to assay and to understand better the powerful political elements which, although we believe them unrepresentative of the French people themselves, yet succeed in retarding the economic recovery of Europe. It is rare that speeches carry so far and so precisely in the opposite direction in which they were intended as those of the French delegates. M. Sarraut’s final apologia is at least proof that there has come to the remainder of the French delegation an appreciation of the fact that it is sometimes dangerous to play home politics at a gathering beyond the seas.

This clearer understanding of what the Japanese military rulers are at in Siberia and in China ought not to be a cause of additional suspicion and hatred, but rather a reason for further pity for the Japanese people who are so badly led. Not in decades does such an opportunity come to a nation to gain the confidence and friendship of another as Japan had in winning America in Washington. True, the Japanese delegates return home with many apparent successes. The Four-Power Treaty is a feather in their cap; the cessation of their naval and fortifications race with us leaves them free to devote themselves to their policy of aggressive imperialism in Asia; they have given up Shantung but kept a string to it; they have been left undisputed in Siberia despite the publication of the Chita documents as to the essential truth of which there can be no doubt; their position in Manchuria and Korea is unshaken if not confirmed, and what they have conceded as to the future freedom of China an only be measured by their performance of their pledges in the years to come. But if they have obtained these successes, the delegates leave for Japan without any apparent successes. The retention of the Mutsu has probably condemned the British tax-payers to expend $90,000,000 unnecessarily. At all points they have shown themselves incapable of a generous gesture. Apparently as unable as the Germans to understand or to make use of the psychology of other peoples, the Japanese delegates have increased the longing for revolution and a new order in Japan so that there may come to the front other men and other morals under which no such violation of Japan’s written word can take place as has occurred in Siberia. It was a grave fault of Mr. Hughes and Mr. Balfour—throughout the English have raised no finger to block Japanese aggression on the mainland—that the Conference was deaf to the pleadings of the Siberians. What restrained them might well have been in part their own uneasy consciences. Japan learned her imperialism, economic and political, from Western teachers. The Japanese have only to remind Americans of their exploitation of Negroes and immigrants at home, of their occupation of Haiti and Santo Domingo, and their refusal to recognize their neighbor Mexico whose government is more stable than the Chinese; they have only to speak to the English of India, of Egypt, and of concessions in China to make Anglo-American statesmen stumble in commending a virtue they do not practise.

But whatever the explanation the Pacific Question is not settled; and it will not be until Japan is checked, until Korea, Siberia, and Manchuria are freed again. It may be that a revived Russia will apply the remedy; for the present it is the duty of honest public opinion the world over to keep up the pressure upon Japan. Why has she yielded as much as Shantung? Because the opinion of the world was so unanimously against her as to make it possible for the Washington Conference to make of the Treaty of Versailles a scrap of paper so far as the Shantung clauses were concerned. That sacrely unalterable treaty which no French politician would permit to be touched where the money end of it is affected is breached and shattered by this new agreement.

China plainly has been only the step-child of the Conference—the Japanese effectually blocked revision of some of the concessions put upon her by force and fraud. But the laying before the world anew of China’s plight is one of the great educational achievements of the gathering. And it is after all precisely in its educational worth that the real contribution of the Conference to world peace and disarmament is to be found. For a few weeks after Mr. Hughes’s memorable opening the attention of the world was concentrated upon Washington and upon the question of a normal peaceful life for nations. The value of that cannot adequately be gauged; in a degree it can, however, be measured by the fact that it has greatly accelerated the movement for disarmament in this country where now few dare seriously to urge that universal military service and complete preparation which it was the pose to advocate only a few years ago. Disarmament is the fashion once more. Disappointed as liberals must be that the Conference has achieved no more, that it has left land armaments wholly untouched, and that it has failed to scrap all naval armaments as it could so easily have done, let it be written down in truth that here in America it has helped to reverse the current of popular feeling, and this in shorter time than anybody had dared to hope. Abroad it has improved some international relationships and injured others; but it has proved that one of the greatest obstacles to a world in peace is the hardness of heart, the stubbornness, and the stupidity of men in high power who neither trust in themselves nor in humanity, nor believe in the teachings of the religions they pretend to serve and uphold.

OSWALD GARRISON VILLARD
Taxes and the Constitution

No matter how many patriotic societies he may belong to we have yet to meet a taxpayer who thought he got his money’s worth out of the Government. Nor has any organization ever suggested a patriotic code to contravene the time-honored principle that it is a duty the taxpayer owes himself to pay as little as possible. Rich men in the United States have been wonderfully aided in carrying out this principle by the fact that all municipal and State as well as some Federal bonds are exempt from Federal taxation. Although these bonds carry a lower rate of interest than industrial securities they are very much more profitable investments to the richest of our fellow-citizens because income from them is not subject to the tax, ranging up to 50 per cent, which they would have to pay upon income from other securities. Secretary Mellon has recently estimated that there were at least $10,600,000,000 of outstanding tax-exempt bonds.

In some quarters these bond issues have been attacked as the chief reason for our industrial depression because they have diverted into government bonds money that might have gone into active productive enterprise. That attack ignores the real reasons for hard times and overlooks the fact that the bonds have financed useful public work and thereby stimulated various industries. Yet it remains true that tax-exemption laws have created an unhealthy artificial market for bonds. Government bonds at a reasonably low rate of interest will always be an attractive investment for cautious investors and investors of small means because of their superior security. They do not need adventurous sides such as tax exemption. Indeed too favorable a bond market may encourage governmental extravagance and still further discourage the pay-as-you-go policy which even now is too little honored by cities and States. But perhaps the worst evil of the tax-exemption policy is that it frustrates to some extent the attempt of Congress to place the heaviest burdens of taxation on the very rich and makes more difficult the adoption of a sound policy of taxation. The recent campaign for the abolition or drastic reduction of surtaxes would have lost half its point if it had not been possible to argue that the chief effect of the surtaxes was to drive capital into non-productive bonds.

Obviously the sound way to remedy this evil is to prevent income derived from government bonds escaping its fair share of the tax burden. Unfortunately, this is a matter which probably cannot be settled by the mere passing of a law. The decisions of the Supreme Court make it clear that neither any State nor the Federal Government has the power to place a tax burden on an instrumentality such as a bond of the other. It is true that the Sixteenth Amendment gave Congress power to tax income “from whatever source derived.” The New York World maintains editorially that Congress can, therefore, tax income from State bonds. But the Supreme Court has said in an obiter dictum that the effect of the amendment was to remove the original constitutional provision requiring Congress to apportion direct taxes (among which are income taxes) among the several States in proportion to population. The implications seem to be that when the question was presented to the court, it would hold that the amendment did not give Congress power to lay a tax burden on such a vital instrumentality of State sovereignty as a bond issue.

To meet this situation Representative McFadden has introduced a resolution proposing the following constitutional amendment:

The United States shall have power to tax incomes derived from securities issued after the ratification of this article by or under the authority of the several States to the same extent that incomes derived from securities issued after the ratification of this article by or under the authority of the United States are taxed by the United States. Any State shall have power to tax incomes derived by residents thereof from securities issued after the ratification of this article by or under the authority of the United States to the same extent that incomes derived by residents of such State from securities issued after the ratification of this article by or under the authority of such State are taxed by such State.

Advocates of the amendment will have a hard row to hoe. State legislatures will not easily give up a privilege which facilitates floating the bond issues they authorize. But public opinion need not be reduced to impotence by this difficulty. Congress can expedite the passage of the amendment by the simple and constitutional device of providing that it shall be submitted not to the State legislatures but to specially chosen constitutional conventions. These would be more likely to consider the proposition on its merits, as citizens rather than as officials interested in marketing a particular sort of bonds. A citizen votes for or against Tom Jones for the legislature for any of a dozen reasons unrelated to constitutional amendments. He will vote for or against him as a delegate to the convention solely because of his attitude on the amendment. Our system of legislation gives all too much opportunity to compact minorities to dictate to timid politicians—witness the American Legion and the bonus. It is still worse when constitutional amendments are passed or defeated according to the strength of a compact group and not according to the sober choice of the great body of citizens. This may be the case when ever an amendment is submitted to the legislatures.

American Biography

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The biographical dictionaries which we already have are without exception antiquated, and no one of them was ever undertaken on a scale commensurate with the task. The chance are remote that any commercial publisher will turn his hand to such a work, in view of the large investment which would be required and the certain delay—and probable total lack of any profit. The obligation consequently rests either upon the Government or upon some establishment designed for profit but for the national good. Though the Government ought to meet this obligation, as a part of the public service, it has never shown much willingness to spend monies for memorials so useful and so inconspicuous to the outw VIDEO ERROR: Missing video.

All the elements in the nation could agree upon the value of the undertaking. The most fervid patriots would find it at once a memorial to the American past and a compliment to the American present. The different sections of ti