

THE LIVING AGE

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AROUND THE WORLD

THE transference of Sir William Tyrrell from the Foreign Office to the British Embassy in Paris is an affair of the very first importance, although its results may not make themselves felt at once. As Permanent Undersecretary of State from 1919 until the present time, and as Lord Grey's private secretary and right-hand man from 1908 to 1915, Sir William more than any one individual has been responsible for British policy during a singularly trying period. He has now exchanged an inconspicuous position of genuine importance for a public station that may or may not involve powers commensurate with its external dignities. His post in London has been filled by Sir Roland Lindsay, former Ambassador to Berlin, who is said to have undone much of the good accomplished by Lord D'Abernon, the real originator of Locarno. 'For two years,' writes Pertinax in *Écho de Paris*, 'he has given the measure of himself in appreciably correcting the suspect tradition of Lord D'Abernon.'

British comments on the change

were singularly guarded and colorless, and dwelt chiefly on Sir William's pro-French tendencies. The *New Statesman*, however, pointed out that Prince Lichnowsky 'paid a convincing tribute to the great service which Sir William rendered to the cause of Anglo-German friendship before the war.'

Certain Germans and Russians — notably Paul Scheffer, Moscow correspondent of the *Berliner Tageblatt* — believe that Tyrrell personifies the reactionary policy Britain has pursued since the war. Perhaps because he is a Roman Catholic, Sir William has shown himself more than friendly to Italy, and he must also be given a large measure of credit for the powerful Anglo-French hegemony that has now been built up on the continent. It is believed that he favored the break with Russia and that through him British policy has been endeavoring to encircle the Soviets with an unfriendly ring of Powers. These efforts culminated in the unsuccessful demands for a Franco-Russian break at the time of Rakovskii's activities last fall.

The question now is whether Sir William's departure for Paris marks

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an end of his sway, or whether he will continue to exercise a dominating influence. One thing at least is sure: England will continue along her conservative, conciliatory course, eschewing any 'all in' agreements with as much determination as ever. The French give every evidence of satisfaction, while the German press remains decidedly glum.

Further interest has been attached to the whole affair by the fact that the francs-speculation scandal in the Foreign Office broke just a few days after Tyrrell's removal. Mr. J. D. Gregory, the dismissed Undersecretary of State, is said to have been vitally involved in the famous Zinoviev letter whose publication on the eve of the last general election helped to roll up the Conservative majority in the House of Commons. Sir Eyre Crowe, whom Sir William succeeds in Paris, authorized the publication of the letter, but Ramsay MacDonald has announced that never at any time did he suspect Sir Eyre Crowe of believing that the thing was a fraud. Romantic press correspondents suggest that Labor may be able to make political capital of the whole episode — an interesting point, but one that ignores the proved incapacity of Labor to make an issue of anything and the skill of the Foreign Office in telling the public only what it is good for it to know.

Both Liberal and Tory papers commended the quick disciplinary measures that were taken against the offenders, but the pro-Labor *Daily Herald* wished that the inquiry had been public. Speaking of the report that was finally issued, the same paper remarks: —

'When all is said, the Report does no more than lift a tantalizingly small corner of the veil that has shrouded the "Zinoviev Letter" in mystery. It is silent about the part played by the

Daily Mail in giving it to the world. On the afternoon of October 24, 1924, that newspaper circulated in Fleet Street copies of the document, and it was not until some hours later that the Foreign Office issued it, along with a protest to Mr. Rakovskii, the Soviet Chargé d'Affaires, signed by Mr. Gregory, in the absence of the Foreign Secretary.

'Clearly the part played by Carmelite House is a matter upon which the public is entitled to more information. How, and from what source, did the text of that letter come into the possession of the *Daily Mail*? For what length of time was the document (purported to have been written on September 15) in Carmelite House before publication? By what singular coincidence was the *Daily Mail* able to issue it to the press at a critical moment in the General Election campaign?'

The decision of the Executive Committee of the Communist International at Moscow to run fifty *British Politics* candidates in the next British general election has been greeted by the English press as an absurdly ineffective piece of political strategy. The *New Statesman* sums the matter up in this excellent paragraph: —

'We do not know which will be the greater, the dismay of the British Communists or the pleasure of the Labor Party, at the election orders just issued by Moscow. There is to be a complete change of tactics, we are told. The British Communist Party is to abandon the pretense of the "united front"; it is to put up its own candidates, using the full Red label; it is to fight the "Pinks" as fiercely as the "Whites." In fact, it is Mr. MacDonald, and not Mr. Baldwin, who is to be regarded as the most dangerous enemy of the proletariat.

He and other leaders of the Right Wing have gone over openly to the bourgeoisie; they have betrayed the workers in the matter of the Trade-Unions Act; they have adopted a shameless imperialist attitude in China and India. And so the renegades are to be attacked with horse, foot, and artillery — if such a phrase can be applied to the stage army of the British Communists. Fifty of these brave fellows will enter the lists, it is rumored, at the next general election, which will mean that fifty Labor candidates will be relieved of the necessity of explaining that they are not Bolsheviki and have not invited Communists to come down to help them by vilifying the Labor Party! We can well understand that this edict has created consternation among our Communists, who would prefer to make fools of themselves in their own way rather than in Moscow's way, and who had, in fact, put forward a rather less insane plan of campaign. But there is no appeal against the decision of their Russian masters.'

Major F. Yeats-Brown's account of conditions in the Welsh coal fields that we publish in this issue has been attacked by the *Morning Post*, which claims that only the women are suffering. The correspondent of this highly conservative journal has checked up on no less than three cases in which excessive benefits have been distributed, and goes on to explain that the coal trade is suffering from the fact that during the war 270,000 men did the work of 230,000, that only 176,000 are needed to-day, and that the miners who fought in the war want their jobs back. It is hard to doubt the substantial accuracy of Major Yeats-Brown's painful picture, and it seems likely that the present situation will continue until the idle miners can be persuaded to take up different work elsewhere.

The British Legion has decided to imitate its American comrades-in-arms and pay a visit to Paris next summer, which leads the editor of the *Outlook* to remark: —

'I cannot help regretting that the British Legion should have decided to emulate its opposite number in the United States and pay a visit to Paris this summer. Imitation may be the sincerest form of flattery, but in the present instance it would surely have been more dignified to confine the visit to the battlefields, and not to have provoked comparison by so slavishly following the American lead of last year. In any case, the festivities in the French capital will be strangely out of keeping with the spirit underlying the rest of the pilgrimage.'

The visit of the Simon Commission to India should at least serve to teach England something about *Egypt and India* 'that vast and heterogeneous country of whom' — it is Lord Birkenhead speaking — 'we are the responsible trustees.' Once again it has become abundantly clear that Hindu and Moslem rivalry and local feuds are the only things that really stimulate the Indians into action, and the decision of various communities in regard to coöperating with the Commission have rarely been influenced by national considerations. The *Manchester Guardian's* Madras correspondent, who has been pointing this out, also enlarges upon the incompetence of the Indian legislatures. He mentions two junior ministers in Madras who 'deserted their chief on the question of boycotting the Simon Commission, but instead of voting for the boycott remained neutral. The explanation of such happenings may be obtained from the fact that the most wealthy professional men in India refuse to spend more than five pounds, or, at the outside, ten pounds;

a year on the schooling of a son. Hence there are no schools in India where boys are brought up in an environment calculated to produce a standard of public conduct and public spirit suited to a governing class.'

The *Morning Post* maintains that, both in India and in Egypt, England should remember that every concession is greeted as a surrender and is promptly followed by still more arrogant demands on the part of the natives. This reactionary paper believes that the Simon Commission is not qualified to deal with India, and on the subject of Egypt it never tires of pointing out that all the claims of the local Nationalists are based on a unilateral grant on the part of Britain, which the Egyptians have grossly abused and which should be forgotten as soon as possible. It urges the Foreign Office to 'maintain what is left of our position in Egypt in the negotiations now proceeding.'

Poincaré's masterly speech on financial reform bids fair to become the crux of the coming elections. *French Elections* M. Franklin Bouillon, who has abjured the policy of the Radical Socialists because of their opposition to the National Union, has issued a manifesto setting forth a programme that appeals to the Moderate Republicans of the Left. French politics move fast, and it is quite possible that the scheme may miss fire, but it calls for the stabilization of the franc, economic reorganization, and peace and security based on existing alliances unless a general pledge of European peace can be arranged. There are also provisions for social insurance and public health to stop the mouths of the revolutionists.

Whatever its ultimate importance may be, the manifesto shows what the electorate is thinking about. The Left, meanwhile, claims that Poincaré has

merely stolen its thunder and prospered on its support, but it is significant that many of its views on the capital levy and nationalization schemes have been abandoned or revised in the light of recent experiences.

There is food for cynical reflection in the fact that the two most powerful nations outside the League *At Geneva* have proposed such far-reaching plans for peace that the Geneva statesmen almost find themselves embarrassed. Obviously it costs Mr. Kellogg almost as little to advocate renouncing war as a means of national policy as it does Mr. Litvinov to ask that all the armaments in the world be scrapped. On the latter score, the *Morning Post* introduces the extraordinary objection that the elimination of arms would increase unemployment — suggesting, as it were, that the wastefulness of war is essential to our economic welfare. With a good deal more appropriateness, the same paper also points out the unexampled record of butchery of which the present Moscow authorities are guilty. Their zeal in the cause of peace might, therefore, be open to some suspicion.

The German delegate on the Geneva Security Commission fears that regional pacts on the Locarno model may be imposed upon nations against their will. The *Daily Telegraph's* diplomatic correspondent points out, for instance, that the Little Entente, and perhaps Poland too, might attempt to dragoon Austria and Hungary into an agreement that would forbid either of the two countries from seeking revisions of their present frontiers. Yugoslavia, Rumania, and Greece might take the same line with Bulgaria, and Poland might try to put Germany in an unfavorable light by endeavoring to get her to agree to maintaining the present boundaries forever. The German delegate also fears that France

or Italy may attempt to secure an hegemony on the central or lower Danube by acting as the guarantor of such a pact.

The *Saturday Review's* Geneva correspondent announces that much amusement has been caused by the revival of the rumor that the League of Nations is about to transfer its headquarters to Vienna. The report, it appears, originated with an American newspaper correspondent who had just returned from the Austrian capital thoroughly enamored of its charms. Members of the Austrian Government believed him to be a semiofficial emissary from Geneva, and members of the League Secretariat may even have believed him to be a semiofficial emissary from Vienna. 'The result is,' says the *Saturday Review*, 'that the chancelleries of Europe see in the whims of an American journalist a deep-laid plot to rob Austria of her independence and to prevent all possibility of her eventual union with Germany.'

The *Berliner Tageblatt* has been calling attention to the fact that the

Germany German navy, although well within the prescribed limits of the Versailles Treaty, is costing a fabulous sum. Ordinary merchant vessels cost from fifty to seventy-five dollars a ton, de luxe liners two hundred and fifty dollars a ton, whereas the new German cruisers are costing one thousand dollars a ton. Before the war a five-thousand-ton cruiser could be built for two and one-half million dollars, but for a new cruiser of this type \$3,625,000 is required for armaments alone — a truly inexplicable amount. The Reichsrat has already vetoed a ten-thousand-ton battleship whose armaments, estimated at nearly six million dollars, would have fallen only one million dollars short of the cost of a fully equipped ten-thousand-ton British cruiser. On the basis of

these figures the *Berliner Tageblatt* writer asserts that Germany has the most expensive navy in the world, and supports this contention with the following table:—

GERMAN NAVY: Personnel 15,000; nine battle-ships and cruisers and several torpedo boats in commission, with six small coast defense detachments. Budget, \$54,000,000.

ITALIAN NAVY: Personnel 45,000; more than three times as many ships, besides a powerful aviation service and an elaborate system of coast defense. Budget, \$49,000,000.

FRENCH NAVY: Personnel 57,500; number of ships, etc., equivalent to the Italian. Budget, \$53,000,000.

The recent conversations between Stresemann and Titulescu are said to have dealt with two subjects—the Rumanian-Hungarian dispute, and the possibility of Rumania's raising a loan in Germany. Stresemann is said to have assured Titulescu that neither Rumania nor the Little Entente 'had anything to fear from nationalistic tendencies from Budapest.' The fact that Dr. Reingold, Finance Minister in several Berlin governments, and a close collaborator of Herr Stresemann's, also arrived on the scene encouraged the belief that financial support would be forthcoming.

The unexpected appearance of the former Crown Prince when President Hindenburg welcomed the King and Queen of Afghanistan to Berlin was really more significant than the arrival of the German Republic's first royal guests. *Vossische Zeitung* said: 'It betrays a remarkable lack of taste to push one's self forward upon an occasion in which a foreign ruler is honored. Perhaps, however, the former Crown Prince wished to make known that he has quite reconciled himself to being one of the crowd and not a chief personage on State occasions.' The crowd, more curious than enthusiastic, greeted the young Hohenzollern with mingled applause and hisses.

The failure of Stalin's campaign to amass a grain supply has brought the conflict between workers and peasants to a head. A feature article in *Pravda* discusses the problem with astounding frankness. Admitting the failure of the collections, that journal says: 'In spite of eliminating speculation, wasteful competition and inflated grain prices have helped speculators to defeat the price policy of the Soviet Government. The Communist Party might have remedied the situation had it intervened at the right moment, but the success of its campaign last year and the attention that other problems demanded caused the Party to proceed carelessly.'

Chancellor Seipel's visit to Prague was entirely unofficial, and the alarms raised in some quarters were quickly laid to rest by official statements from both governments. Foreign Minister Beneš assured the Czechoslovakian Senate that the visit merely emphasized the strong bonds between the two states. *Le Temps*, always interested in the affairs of Central Europe, emphasized the friendly note of the visit, saying that it had been made to promote economic solidarity. Austria is chiefly interested in restoring business, and Chancellor Seipel reported that the commercial treaty negotiated between Vienna and Prague last year was working out satisfactorily to both parties.

The diplomatic correspondent of the London *Daily Telegraph*, a Hungarian by birth, says that the St. Gotthard arms episode 'continues to be regarded with complete equanimity and some amusement in most British circles.' The suggestion has been made, however, that the sale of the war material was a farce and that the objects disposed of were not the ones seized at the frontier station.

Recent statements by prominent Rumanians do not bear out the rumors that the bonds between Rumania and the Little Entente are weakening. The new Rumanian Ambassador at Prague emphatically stated that 'the Little Entente is unshakable,' and the Minister of the Interior has declared before Parliament that 'the Little Entente is a vital necessity for Rumania.' Titulescu, whose European tour may have encouraged some of these reports, has announced: 'I recognize the Little Entente as an instrument of peace, and I will remain absolutely loyal to it.'

Sir Horace Rumbold has written an article in *Economia*, a Madrid review, discussing the economic and financial situation of Great Britain. The purpose of this article is to counteract the effects of anti-British propaganda in Spain. The gist of this propaganda is that Britain is fast on the decline, and such recent agreements as the Vickers-Armstrong merger are being described as signs of decadence. The following item, published as a telegram from London to *El Sol*, is also typical. The headline reads: 'England Threatened with Bankruptcy.'

Ex-Finance Minister Reginald McKenna declares that Great Britain is in danger of collapse from financial bankruptcy. British production is at a very low ebb, and capital emigrates to foreign enterprises, where it is safer, while the customs tariffs of nearly all the nations are so high that British goods cannot compete.

Sir Horace shows by statistics that forty million pounds of new capital was subscribed and issued in Great Britain solely for home enterprises during the first eleven months of 1927, and concludes that the confidence of Britons in their own country is not so badly shaken as some Spaniards might be inclined to believe.

With over six hundred thousand Chinese coolies entering Manchuria last year and competing with the Korean farmers there, the Japanese foresee serious trouble, owing largely to the fact that the Chinese are able to subsist on such a low scale of living as to offer Japanese traders a very poor market. Mr. Takeyoshi Miura, head of the Asiatic Bureau of the Ministry of Foreign Affairs in Tokyo, has communicated his fears on this subject to the *Japan Advertiser*. He pointed out that in former years the coolies had returned to their homes when the harvest was over, but that now they are settling down. The Chinese and the Koreans cultivate rice differently, and for that reason the immigrants prefer to enter some other kind of work, preferably railway construction. Labor troubles and persecutions have occurred, and thousands of starving immigrants continue to pour into Manchuria.

Peking presents an even more painful scene. Rodney Gilbert, the leading correspondent and chief editorial writer of the reactionary *North China Daily News*, has been visiting the Chinese capital and finding it in a bad way. He says that everyone is disgusted with the results of the Nationalist movement, and the Diehards are complaining because they can no longer find anyone to argue with. Mr. Gilbert himself felt that intervention is very much in the air, but if he wanted an argument on that score he need not have taken the trouble to leave Shanghai, where the editor of the *China Weekly Review* has already taken up the cudgels by printing a few paragraphs of Mr. Gilbert's mournful observations and characterizing them

as the work of a 'champion, of intervention, Diehardism, and calamity in China, whose editorials in the *North China Daily News* last summer became so obnoxious that the Chinese were forced to bar them from the mails.'

Meanwhile, Mr. Owen Mortimer Green, proprietor of the *North China Daily News*, has returned from his visit in England. His reports of conditions in the mother country indicate that he realizes the change that has overtaken it since the war, and it seems possible that his reactionary paper may modify its Diehard attitude.

Japan's virtually deadlocked election offers little immediate relief, and indicates that even eighty per cent of a country's population cannot by a mere expression of political opinion work any wonders overnight. A native paper, the *Jiji Shimpō*, makes this significant comment: 'The result is comparatively unimportant. We believe the first manhood suffrage election has caused a political awakening that is a most important phenomenon.'

The *Japan Advertiser* takes this comment as a text to preach a sermon in behalf of democracy. It points out that the suffrage was demanded as a right, and not because the voters wanted an immediate upheaval. It is only natural that the old-fashioned and outworn party distinctions should continue to prevail, and an illuminating comparison with the United States might well have been drawn here. The fact that four out of five people who are eligible to vote availed themselves of the opportunity is surely encouraging to the cause of democracy, as is also the fact that the postmen complained about having to work seventeen hours a day delivering political broadsides.

BUSINESS ABROAD

In its half-yearly banking and commercial review, the *Statist* shows exactly how Great Britain's position as a world lender has developed in the course of the last year. The total new permanent capital exported by England in 1927 was 153 million pounds, as compared with 122 million pounds in the previous year, and an average yearly total since 1919 of 112 million. The 1927 total was also the highest since the war, and fell only 45 million pounds short of the 1913 figure, although if we adjust the 1913-price level to the decreased purchasing power of money in 1927 the difference increases to 130 million pounds.

The most striking fact that these figures bring out is the volume of money lent to Europe, which is actually 13 million pounds ahead of the 1913 figure, in spite of the fact that Russia, which used to borrow 66 per cent of the money lent by England to the Continent, did not figure at all last year.

Canada and the Central and South American countries have both fallen off and transferred their attentions to the United States. In a final table of summaries the *Statist* shows that British money still spreads itself over an enormously wide geographic area. 'No other country,' says the *Statist*, 'shows greater diversification.'

Britain consoles herself for lost opportunities in South America with the fact that Australia turned to London for no less than 37½ million pounds last year, as compared with 15½ million in 1913. Of this total 29 million represent government and municipal borrowings for productive undertakings.

The following tables will bring out certain contrasts between British and American foreign investments.

FOREIGN-CAPITAL ISSUES IN NEW YORK, 1927

	1927 £
British Empire.....	98,183,770
Europe.....	27,847,646
Central and South America.....	23,828,170
United States.....	307,500
Miscellaneous.....	2,824,173
Total.....	152,991,259

FOREIGN-CAPITAL ISSUES IN LONDON, 1927

	1927 £
British Empire.....	84,587,708
Europe.....	120,892,774
Central and South America.....	72,955,596
Japan.....	5,276,625
Miscellaneous.....	8,279,565
Total.....	291,992,268

France, meanwhile, only awaits the stabilization of the franc to compete with the Anglo-Saxon Powers as a creditor nation. A few years before the war French foreign investments were estimated at a total of 1600 million pounds, and were increasing at the rate of 100 millions a year, and sixty years ago, according to J. A. Hobson, France was the coequal of Great Britain in the foreign-investment business. Although the war involved heavy losses, there is little doubt that the thrifty habits of the French still persist—French achievements in the devastated areas being a notable evidence of this fact. 'It is legitimate to assume,' says the *Economist*, 'that France will shortly proceed to reestablish her position as a creditor nation, not merely by the pur-