

## TOPICS OF THE DAY

WAR AT ANY PRICE—PEACE AT A PROFIT: "BY ANY OTHER NAME": THE HIGH COST OF CRIME: A GENTLEMAN THAT DOESN'T PAY THE RENT.

INTERNATIONAL book-keeping seems to have established the principle that bad debts should be written off by the debtor: and surely no one else is in so good a position to gauge the possibilities for payment. If repudiation could be confined to a harmless interchange of unredeemed pledges, it might be possible for the nations to balance their budgets by a simple process of cancelling out, and to kindle the fires of prosperity by burning one another's mortgages. But while the bankruptcy of Europe presents an aridly monotonous expanse comparable to the dried up bottom of the Dead Sea, the United States are still vainly trying to thresh prosperity for themselves from a somewhat wilted crop of promises to pay. It is of small importance that the crop has proved, by the chances incidental to husbandry, to consist mainly of straw, and that the available grain is less than adequate to provide for continued seeding. Certain professors of Princeton University, and others of Columbia, may have pointed out long since that enlightened self-interest can sometimes mitigate to its profit the strict demands of legal obligation. President Hoover, with a statesmanship not less practical than humane, may have established the foundations of a moratorium. But the popular press and the popular orator continue to harangue the gullible into a conviction that Europe is riding to prosperity on a wave whose crest is raised at the expense of the great American depression.

One is not sure whether England's obloquy is derived from an unwillingness to commit financial suicide and so ruin herself and her creditors, or from her odiously comparative generosity in initiating the remission of debts that cannot be paid; but the burden of reproach, as so often, seems to fall most heavily upon perfidious Albion. Certainly in the more extremely partisan press it is made to appear that her overtures for cancellation are prompted by a pharisaical plea to be forgiven her large debts as she has forgiven her small debtors. It must be admitted freely that some of Great Britain's defenders are going to the opposite extreme, and using exactly the same figures to suggest a sacrifice that is exaggerated

beyond even remote association with the actual financial result of the revised balance sheet. The proposals from Westminster and from Threadneedle Street are not prompted by any more quixotic sentimentality than is usually characteristic of Wall Street or the Bourse; according to the theory of accounting and to the laws of contract, they are quite without defence; but there are still certain principles of abstract justice as well as of practical expediency by which the proposed remissions and cancellations may justify themselves as good business, as good sense, and as good will.

As a matter of business, unadulterated with ethics or sentiment, the United States are in a position precisely analogous to that of many of their own bankers who have extended undue credit to manufacturers. When borrowing was fashionable, it was reactionary and unpatriotic to think of a day of reckoning: bigger loans meant a greater return of interest, a greater number of wheels to gear up the impossibly disproportionate ratio between resources and credit. Then the machinery of credit fell to pieces for want of inherent strength to match the speed to which it had been forced. Bankers were afraid lest they should be obliged to foreclose a mortgage on the fragments, and become possessed of a variety of collapsed enterprises with which the embarrassed owners would have been only too happy to present them. The productive resources of an organized industrial concern are fortunately susceptible to a more accurate analysis than those of a disrupted and impoverished nation. Private lenders, therefore, while eager to save what they could from the wreck, have been content to forgo immediate dues, provided that this voluntary abnegation appeared likely to produce in the long run a larger and more permanent return. Rather than accept a present unprofitable certainty, they preferred to await the future with a hope that possibly owed as much to prudence and experience as to its more frequently advertised concomitants, faith and charity.

With nations, however, the principle of borrowing has become so much taken for granted that a new loan is accepted as the natural method of raising money for all purposes, including the payment of interest on the old loans. To the inexperienced eye it would seem as though this must eventually lead to the perplexities of the lady who wrote a cheque to cover her own overdraft, and that a more reasonable method of meeting obligations would be to go to work and, in default of money, make payment in kind. Unfortunately the great creditor nation has more than enough of everything she needs, so that the debtors are compelled to run in circles, buying and selling among themselves in an effort to pull themselves up

by their own bootstraps. To make the effort really interesting, the market that might have afforded an economically safe landing is not only overcrowded with the unwanted results of local overproduction, but surrounded with a high barrier of tariff "protection". With nothing to sell at a profit, and with interest payments depleting the cash that might have established steady production if there should be an opportunity for selling, the debtors have some reason behind their plea that the States must either remit their legal dues or call in the sheriff. Since a bankrupt nation is a doubtful asset, expediency—if not generosity—might suggest that form of charity which consists in giving a good meal to a man who is about to work off a debt by hard manual labour. Even if it is necessary to kill the goose that has stopped laying the golden eggs, the unfortunate bird may at least repay fattening for the market.

America has every right to press her legal claim to war debts; and there is undoubtedly much specious sophistry in the famous Balfour Note. But the question of money is bound up here, as usual, with questions of human passion and prejudice, and legal and economic principles are of little avail except as a basis for argument and excuse. It is unnecessary to accept the statement of J. M. Keynes that the system responsible for Britain's debt to America is illogical since we owe her money "not because she was able to help us so much, but because at first she was able to help us, so far at least as man power was concerned, so little". Quite rightly it is objected that this does not justly imply that America sets a value upon things over the value of the lives she was willing to contribute. Mr. Keynes's statement, however, does discover the underlying reason for America's difficulty in collecting war debts. Just as America forgot her profits from the time she entered hostilities, so the belligerent nations from the beginning were borrowing and spending freely, so long as the money was required for purposes of destruction. When the war was over, and a little reconstruction was established among the wreckage, parsimony reappeared. Neither in public nor in private can money be extracted for the honourable and equitable functions of peace with the unquestioning prodigality with which it is squandered for the base purposes of war. It is sad to reflect that our chief assurance of peace is the lack of money to pay for the next war, and that when we are able to afford it, the moving cause will probably arise from disputes about paying for the last.

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THE unofficial hostilities that even now are a diminishing blemish on the Irish scene, as they have happily ceased to be a permanent feature of the Balkans, are becoming almost a matter of course

in the Far East. The old gibe that an Irishman is never at peace except when he is at war might be applied, with a somewhat different turn, to the Japanese, who are at present busily engaged in waging an armistice that marks the cessation of hostilities which were never begun. The layman, speculating in abysmal ignorance of international law as to what all the shooting is about, is reminded of one of the senseless riddles of his childhood: "When is a war not a war"? And the answer would appear to be: "When it involves a breach of covenant".

A defence of earlier Japanese fighting in Manchuria, on the ground that it was undertaken for the suppression of bandits, has long since been abandoned by all but partisan observers. Japanese "defensive measures" have consistently proved reminiscent of the wolf and the lamb, whether they involve the accidental shooting of so many Chinese soldiers in Manchuria, or the bombs dropped on Shanghai to protect Japanese aeroplanes taking pleasure-trips over the city. These and similar tactics, to compare small things with great, recall the treatment given to violators of such covenants of good sportsmanship as remain intact in the official rules of professional athletics. The offending members can no more be stopped from playing the game their own way than small boys on a vacant lot can be disciplined by Judge Landis. But they can be outlawed, their contests put outside the pale, and their victories left unrecorded and without sanction. Most important of all, in these days when nothing glitters that is not gold, they are out of the big money.

The League of Nations may seem to have accomplished little in settling a difficulty that seems almost to have been specially devised to test its efficacy. But while there may be much that it has not done, there is no reason to share in either the disappointment of some of its more sanguine well-wishers or the cynicism of those who feel that they can at last say once and for all: "I told you so". Japan's attitude towards the League, as regards both the evacuation of Manchuria and the cessation of hostilities at Shanghai, can hardly be regarded as showing proper deference to a body that she has herself agreed to obey. Nor can much attention be given to her plea that the League was not unanimous, when it is remembered that the only dissenting voice was her own. The attitude of Japanese representatives at Geneva has contributed much to reduce confidence in the League, and temporary reassurance at the news of a parley was not left for long undisturbed by reports of further "protective" entrenchments thrown round Shanghai. But when the worst has been said—and this may include an admission

that the recommendations of the League are receiving support from Soviet Russia—it is profitable to enquire not so much what the League has failed to do, as what Japan might not have failed to do if there had been no League, and no international faith in the principles of the League, to prevent her.

Even the pretence that there is no actual state of war has a certain value—partly in limiting the area of hostilities and the restrictions on economic and personal freedom outside of the actual battle-grounds, partly in the tacit acknowledgment that open warfare has at last become a condition to be ashamed of. The soldier's boast is gone, the glory has departed, and honour has given way to economics. It is idle to conjecture what might have happened without the League, but the probabilities are distinctly in favour of a much worse state of hostilities in the present disagreement, without taking account of actual and potential imbroglios that have been mitigated elsewhere. The League, too, may be given credit for having provided China with a feeling of confidence and security that stiffened her resistance in a way which must have proved as disconcerting to Japanese plans as it was surprising to the rest of the world. So far as the remote origins of the dispute are concerned, China must bear an equal share of the blame, and her uncontrolled mobs have done much to precipitate the immediate conflict. But officially, Chinese plausibility has the advantage over Japanese arrogance that it has taken action with proper deference to official authority. There are already signs that China may be able to reap the rewards of the righteous.

Japanese calculations have gone sadly astray. Driven originally to war by loss of business, and undertaking it in defiance of covenant pact and treaty, the Island Empire was obliged to gain her ends before her treasury was impoverished or the League of Nations should be able to do something. Already there have been signs of financial difficulties and of opposition to war policies that not the most drastic suppression has been able entirely to conceal. Loss of business and the drain of heavy military expenditure will not immediately be covered by a return for neighbourly interest in the newly-formed province that offers so convenient a colonizing area from large portions of what were previously Mongolia and Manchuria. Ankuo—the Land of Peace—is roughly coincident with the region in which the Japanese population called for such stern reprisals upon Chinese bandits, and which was ushered in with the assistance of so curiously large a number of Japanese officials. Its railways and natural resources might have done much to provide gainful employment for an increased number of colonists,

a proportion of whose earnings could be diverted to Tokio. But there is reason for apprehension, which will not be felt by Japan alone, in the report that the activities of the so-called bandits have been taken over by the troops of Soviet Russia.

It is unnecessary, however, to take with immediate seriousness the declaration from Moscow that the Manchurian dispute will result in a war between Japan and the United States for control of the Pacific. Japan has already learned a useful lesson, and suffered severe financial losses. If her aggression is extended, she will find herself with other enemies than Russia and the States, and her unique geographical and economic situation places Japan at a peculiar disadvantage in the event of a blockade. The present hostilities, which arose from a boycott, may find their end in the same cause. Sir Ian Hamilton and Senator Borah may find political or commercial reasons against an official embargo on buying, but there are signs already that Japan can be made to feel the effects of a general public sentiment against using her manufactures. The United States particularly, though she is officially detached from the League, has strong pacifist convictions and a passion for crusades. As one of Japan's greatest customers as well as one of her potential rivals, she can do much to starve her out of aggression. And in the meantime, if the League of Nations has not been able to make an end to war, it has at least been able to induce belligerent nations to find another name for it.

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**T**HE kidnapping of the New World's best-loved baby brings to a crisis the conflict between organized society and organized crime. This branch of the racketeering industry, one has recently learned, is much more highly developed than has generally been supposed. For various reasons, it usually attracts little publicity; the success and safety of this most despicable of crimes is secured by a hostage, and the police are unable to attempt punitive measures until the safety of the criminals is assured. But the recent outrage would seem to have been deliberately planned to abandon association with such clandestine offences as conspiracy and blackmail, and challenge the established decencies of civilization with a spectacular gesture of defiance.

The gauntlet has been thrown down in a way that makes the crime almost less important in itself than as a symbol. The gangster has "muscled in" to a position where he dictates his terms, not merely to corrupt politicians or to his immediate victims, but to the State at large. Quite apart from the organized and highly



protected syndicates that cater, at enormous profits, to the traffic in drink and debauchery, there is now in many large American cities a regular tribute levied on commerce and industry by the "big shot" who controls the monopoly of extortion for a particular district.

Precise figures are not readily available, but some estimate of this illegitimate diversion of wealth may be gained from the arrogant ostentation with which the lords of misrule pay out several fortunes for protection and remain able to use thousand dollar bills as small change for personal use. A widely popular journal, which has recently been engaged in contrasting American righteousness with the crime-stained record of Europe, published concurrently a boringly statistical narrative of the wealth power and brutality that characterize the master-criminals' fighting strength in the present American Civil War.

Under a thin disguise of fiction, the story presents an account of the way in which such prominent citizens as Alphonse Capone are responsible for loss, expense and destruction that would go far towards paying off the indebtedness of Europe. The hero, like his prototype, includes kidnapping among his minor interests, and by a further extension of coincidence is brought into the toils of the law not for sabotage, robbery or murder, but for failing to give proper information as to the profits. Apparently a gentleman may have his fun, provided that he pays the entertainment tax. And while this idealized portrait was being held up as a warning or a model, Capone proclaimed from the headlines of the daily press his impatience with the narrow-minded restrictions that prevented him from using his talents and equipment for the recovery of a child whose enforced disappearance offered unusual opportunities for publicity. There may be other reasons for his anxiety to leave the comfort and safety of his cell, and one is left in doubt whether his sympathetic understanding of Colonel Lindbergh's distress is derived from the experience of a parent or of a kidnapper. But in view of the attention that the newspapers were giving to some of his relatively undistinguished rivals, one of the chief reasons for his irritation would appear to be professional jealousy.

The peculiar nature of kidnapping to some extent justifies the police in giving protection to a thief set to catch a thief; but the publicity offered by the more sensational newspapers is beyond all excuse, and has already drawn severe condemnation from the responsible press. Journalism at large appears to be second only to racketeering in its power to intimidate the police; methods, clues, hopes and difficulties, even the portraits of special investi-

gators, have been published to the world in general, including the kidnappers, and substantial support, while the news value remained, was lent by the news-reel and the radio. But after more than three weeks of effort the press and the criminals have accomplished no more than the police, who may yet be compelled to return one Oweiny Madden to Sing Sing for violating his parole. While there he will be required to justify his defeat by amateurs to the inmates of the institution, who have publicly and officially expressed their severe condemnation of a crime that no professional criminal could have lowered himself to commit. The press has reduced the truculence of its demands for information and explanations, and official and unofficial helpers are allowed to pursue their investigations with a little less advertisement. But at the time of writing the baby has not been found, and public interest appears to be on the wane. Whatever the outcome, it has been proved that in the present state of society there is no crime so flagrant that it precludes the possibility of victory for the criminal.

Meanwhile, to add a note of absurdity that points the ugliness of tragedy, Professor James Shelley of Canterbury College, in the University of New Zealand, has captured the headlines for March 25th by announcing that he "can see good in racketeering". Professor Shelley, who is a professor of Education and should therefore know better, is reported to have informed a gathering of Minnesota schoolmasters that he considered racketeering in the United States to be "a comparatively trifling problem". "He wasn't so sure that it was not a good sign, representing a spirit of adventure as against the efforts of politicians to make tame rabbits of people". Coming from New Zealand, the professor should know that when wild rabbits multiply to such an extent that they are a menace to life and health, the State does not encourage treating them as expensive pets. In the interests of mere selfish self-preservation, rabbits are trapped, poisoned or shot under enforcement of law. There is a large bounty waiting for the man who can eliminate them altogether so that the country, which lives chiefly on the income from mutton and wool, will not be obliged to provide more food for rabbits than it does for sheep.

Professor Shelley is further reported to have added that "it would strengthen society rather than harm it, if some social organization could be built up to embody racketeering's independent spirit and at the same time eliminate its harmful aspects". When this inspired visitor has spent another week or two in the States, he may possibly discover that the social organization which he is seeking has been very adequately provided by capitalistic systems



of industry and commerce. Their organization and management are nearly as efficient as those of the great criminal combines; they are often as adequately protected; and though neither profits nor wages are so large, there is a greater measure of safety and permanence. What keeps the gangster out of commerce is not so much the lack of excitement as the restriction of profits. A body-guard is often as necessary to a politician or a corporation president as to a bootlegger or the generalissimo of a brigade of gangs. Business competition is not fought out with bombs and sub-machine guns, but it still retains elements of keenness if not of ferocity. The attraction of modern professional crime lies simply in the profits. Greater sums of money can be extracted from the public by stealing than by working. Whatever crimes the socialist may impute to the financial or industrial magnate, he still commonly refrains from bloodshed, offers some show of making a return for money received, and enriches the treasury with a fair proportion of his income tax.

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**M**R. De Valera has been so consistently agin the Government that it is interesting to speculate as to what he will do now that the Government is his own. Soberly pointing out that power has often paradoxically clipped the wings of fanaticism, the *Spectator* has deplored any attempt to discredit the actions of the new President before he has shown what he will do. It is admittedly true that there is no way of conjecturing what Mr. De Valera is likely to do next, but his earliest pronouncements, taken in conjunction with the demonstrations of Easter Sunday, give reasons for the gravest apprehension. It is hardly a rash prophecy that his career will be brief and temptestuous, and mark no appreciable progress towards the Irish millennium. It is unnecessary to comment upon Mr. De Valera's actions and policies before Ireland became a Free State and gained an independence that was proclaimed by its champions to ensure the establishment of peace. Many an Irish patriot might have done as much and then settled comfortably to the collar in order to pull his country's affairs out of the ruts of British bureaucracy. But Mr. De Valera's restless appetite merely creates a new lust for rebellion by satisfying the old. Beginning with an insurrection against the Free State Government, his party associates were defeated after a brief but gloriously bloody period of guerilla warfare; emerging from enforced hiding, and addressing a mass-meeting of his followers, the new President was subjected to a spectacular arrest by Free State soldiers, and was for some time held a prisoner by the govern-

ment that he has now the honour to lead. His history sounds rather more consistent with the revolutions of some obscure South American republic than with the stability expected of a self-governing Dominion in the British commonwealth of nations. Nor are his parliamentary efforts more reassuring. When public safety was endangered, following the assassination of the Vice-President of the Free State executive council, he attempted to defeat a bill intended to suppress revolutionary societies. He has repeatedly fought against the principle and the obligation that members of the Dail should take an oath of allegiance to the Free State; he has endeavoured to repeal the Safety Act; and as the extremity of dissidence of dissent—he is a secessionist from Sinn Fein.

When the Republican members failed to defeat the bill requiring an oath of allegiance, they gave their word with an announcement that it was a mere "empty formula" and would not be registered as binding. So it was hardly without warning that we learned how in the course of post-election interviews it was avowed that the new Government would renounce its oath of allegiance to the British Crown, as provided by the Anglo-Irish Treaty, and that it would withhold payment to Great Britain of about three millions sterling of land annuities also provided for under the treaty. Since this intention was first announced, the Free State Commissioner has officially informed Mr. Thomas, as Secretary of State for the Dominions, that the abolition of the oath was a mandatory obligation of the recent elections. So far as Mr. De Valera and his more enthusiastic supporters are concerned, the gesture of repudiating an oath may be regarded—like the swearing of it—as a mere empty formality. At this writing, no official statement has been made regarding the land annuities, but it may be expected that whatever action is taken will result in trouble for Mr. De Valera and for Ireland. Mr. Neville Chamberlain's speech makes it clear that Britain will not consider that the principle of cancellation applies to the withholding of annuity payments. Irish farmers are reported to be relatively prosperous, and these payments appear to represent merely interest on mortgages involved in the conversion of Irish holdings from leasehold to freehold. Mr. Churchill has declared that he has "high technical authority" for stating that the Statute of Westminster has conferred upon the Irish Free State "full legal power to abolish the Irish Treaty at any time the Irish Legislature might think fit". But it is difficult to believe that this will end the discussion. Although Ireland is endowed with greater autonomy than other Dominions, the British Government will quite certainly contend that the treaty cannot be revised without

the concurrence of both contracting parties. Especially in so far as the payment of money is concerned, she will emulate her own creditors and hold out for her dues as nominated in the bond.

Mr. De Valera will shortly find himself confronted by a set of dilemmas that should prove bewildering even to his resilient and mercurial versatility. His disavowal of the oath and the debt must pass a Dail in which he depends for his support not only on Fianna-Fail but on the Labour Party, which has accepted the treaty. If confirmed by the Dail, it would then be faced with an even more precarious journey through the Senate, before coming to Westminster for British consideration. Assuming that Britain will be so anxious to part from Ireland that she will comply with the abolition of the treaty, Mr. De Valera will be obliged to explain to his countrymen why they have lost Dominion status and Dominion preference, and are consequently obliged to compete with Denmark upon terms of equality. He may, of course, be able to persuade them that having evaded the annuities they may take the difference out of the rent. Finally, having exasperated Britain into permitting the establishment of an independent Ireland, he will be obliged, in fulfilment of his visions, to devise methods for cajoling a somewhat reluctant Ulster to become part and parcel of a united Ireland—a policy that suggests applying for a divorce with custody of the stepchildren.

At the time of writing, the "Republican" Army has reasserted itself in triumph and is holding demonstrations throughout the greater part of the country, the official Free State troops being confined to barracks, as a precautionary measure, by order of the Government. Members of the Republican Army and of Fianna-Fail have declared that abolition of the oath is not enough. There must be a complete severance of the bonds that tie Ireland to England, "her only enemy in the world". In the north, Republican meetings are forbidden by proclamation issued by the Ulster Government. Throughout Ireland many people, convinced that wisdom lies in the more moderate policies of Mr. Cosgrave, must at present be exasperated beyond endurance by the irrational ambitions of his successor. It seems reasonable to hope in the interests of Ireland, if not to expect from the teachings of history, that the present impossible situation will result in no worse conflict than an early general election.

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