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JOURNAL OF THE ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

MARCH, 1927

THE FORTHCOMING ECONOMIC CONFERENCE OF THE LEAGUE OF NATIONS AND ITS POSSIBILITIES

*(Address given by Mr W T Layton on February 8th, 1927,
at the Institute)*

THE CHAIRMAN, Sir Josiah Stamp, in opening the proceedings, said that anyone who had had any experience at all of international conferences upon economic subjects would know that ninety per cent of the difficulties were due to differences in national psychology, and that ninety per cent of the time was devoted to the psychological aspects of the matter. It took an hour to make up one's mind as to what ought to be done, and it certainly took a day or a week to convince everybody else. Very often the greater part of the real work was not done in the conference at all, but in quiet chats before breakfast or after dinner and during the week-ends. It was only by the slow permeation of arguments that almost irreconcilable points of view could be brought together. At any rate, that had been so in his experience of conferences since the War. It remained to be seen whether in the atmosphere at Geneva it would be easier to arrive at definite results. Into such a tangle had the economics of Europe got at the present time that it was essential that something should be done.

MR W. T. LAYTON. Almost exactly five years ago I gave an address to the Institute on the eve of another international conference, the Genoa Conference. That conference was a very different affair from the conference which is to be held in May. It was a sort of hybrid between the Supreme Economic Council and the kind of conference which the League of Nations organises. It consisted of Ministers authorised to conclude agreements, and there was a great predominance given to the big Powers as distinct from the smaller Powers. But there

were other important differences besides those of form. Its chief objectives were to endeavour to arrive at a Peace Pact on the one hand, and to attain some kind of monetary stabilisation on the other. But, unfortunately, the nations went into that conference after having been compelled to delete from the agenda the large problems of reparation and disarmament, which it had been hoped might have been included. That fact in itself made the conference to a very large extent unsuccessful. To-day some of those difficulties have been cleared out of the way. In particular the reparation question has been removed. That very elusive disturber of the peace has been chased and bound and thrust into the deepest dungeon that they could find by Colonel Dawes and his merry men, of whom we have one on the platform here to-night. I am not quite sure whether that bogey will ever escape. It is unfortunate that the Dawes Committee did not quite finish him off. But we cannot discuss that now.

The Locarno Pact has substantially fulfilled one of the other chief objectives of the Genoa Conference, while, as everybody realises, the stabilisation of currencies has also to a large extent been achieved. Any conference, therefore, starts to-day with a very much more favourable prospect in those important respects. Indeed, not only in these but in many other ways there has been enormous progress since Genoa. Whether you look at figures representative of the production of the world or the trade of the world or any other series of indices of economic progress, they undoubtedly show that we have recovered immensely since 1922.

One of the most interesting of the documents prepared for the present conference is a survey of world trade, the figures in it show even as between 1924 and 1925 a very substantial improvement in the general productivity of the world as measured by the output of raw material and food. On the other hand, they show the very striking fact that Europe, as distinct from other parts of the world, has not yet recovered her pre-War position. The world as a whole has gone on. Its output has increased more than its population. European production has hung back. But there is one other significant fact. International exchange—foreign trade as distinct from production—has hung back even more than production. In other words, there has been a general recovery of production, though in Europe it has hung fire; while all over the world, both in Europe and outside, the international exchange of goods has not recovered so much even as the production of commodities.

That stagnation is in sharp distinction to the movement which was going on before the War. Prior to 1913, in spite of tariffs, in spite of the desire of many countries to make themselves self-supporting, the volume of international exchange was unquestionably increasing considerably faster than the world production of commodities. The only figures that I have seen on the point are an elaborate calculation by a Dutchman in regard to the international trade of the world over forty years. It shows, and I think conclusively, that the actual volume of foreign commerce increased threefold in forty years. That is a very much greater rate of increase than the production of the world as a whole, or indeed the production of almost any part of the world taken separately. That was in spite of tariffs, which, incidentally, were tending to become less obstructive, precisely because prices were tending to rise, and when prices are rising a specific tariff tends to become a diminishing *ad valorem* tariff, and is to that extent a less obstructive barrier. Also, of course, the tariffs were being to some extent moderated by a whole series of commercial treaties. However that may be, the fact is that commerce was increasing very rapidly.

Then came the War. That put an abrupt end to this growing commerce. It naturally stopped it for the Central Powers, which were blockaded. It stopped it for the Allies, who had to concentrate their every effort upon war work. It stopped it for the distant countries of the world who could not get ships to carry their goods to market even if they could have found buyers to purchase them. The War thus produced a condition of economic isolation for countries all over the world.

After the War that state of things continued for some time, partly because the goods were not being produced for exchange, and partly because of monetary causes. But it was also largely due to deliberate policy. Psychological, political and economic conditions combined to create a sentiment of economic nationalism which resulted in the imposition of complete prohibitions of trade, prohibitions to dealing in exchange, deliberate barriers in the way of transport and so forth. All that story is familiar, and I need not go over it. These barriers have to some extent gradually been modified. The prohibitions have given place first of all to licence systems. Later on the licence systems have disappeared, and now the international commerce of Europe, and indeed of the world, is restricted broadly, one may say, only by the existing tariff barriers. For some years public opinion did not realise to what extent these prohibitions and

barriers were in fact interfering with trade, because they were overshadowed by the wild currency fluctuations of the time. Now that those great inundations, those great monetary movements, have subsided, we are at last beginning to see exactly what influence tariff barriers are exerting.

Let me briefly describe the tariff situation—primarily in Europe—as it exists at the present time.

First of all, it is perfectly obvious that there are many more tariffs than there were before the War. The introduction of those new tariffs has, of course, produced many economic disturbances. This is particularly the case in Central Europe, where the object has been to create or maintain new industries. Thus, Austria, which has adopted perhaps the most liberal commercial policy of any country in Central Europe, has put a tariff upon flour. She wishes the grain of Hungary to be milled in Austria. There are in Budapest some of the finest mills in the world. They are half employed or a quarter employed because in Vienna they are building mills to do the work which used to be done a hundred miles or so away. Again, there is the case of the textile industry of Austria and Czechoslovakia. In the old days the cotton was spun in Austria, carried across the border, and woven in Czechoslovakia. Now there is a tariff barrier between them, and the Austrians have built weaving sheds and looms to weave their yarn, while the Czechoslovaks are building spinning mills to make yarn for their looms. Thus there has been a duplication of plant and a wasteful use of capital and labour in endeavouring to supply a market which is smaller and not larger than before. One could give innumerable illustrations to the same effect.

Similar effects have followed from the fact that the old customs barriers have been shifted. That, again, has produced economic dislocation of precisely the same kind. I need not give illustrations. Everybody here is familiar with the results which have been produced in Lorraine, Luxembourg, Silesia and Poland.

Thirdly, the tariffs as they exist to-day are unstable and uncertain. The number of tariff changes has been quite excessive in comparison with conditions in pre-War times, and the tariffs are very often uncertain. It is impossible sometimes to find out what a trader has got to pay. When I was in Vienna eighteen months ago Poland put on a very high tariff. No notice was given, and goods which were in transit had to pay on a much higher tariff in certain cases than was in force when

they were despatched, in a number of cases the goods were actually returned because at the new rate of duty the purchaser could not possibly sell them at a profit

Again, the tariffs are increasingly complex. That, indeed, is not a new thing with tariffs, because as trade has become more complicated the tendency in the last forty years has been for tariffs to become more detailed. But the figures are rather striking. The German tariff, for example, forty years ago in 1888 contained 490 items. The 1925 tariff contains 2,300 items. Belgium in 1894 had 235 items, in 1925 it had 3,038. Italy had 736 in 1888, it has now 3,574. As usually happens, the smallest countries go in for this sort of thing in greatest detail. Haiti heads the list with 13,800 items in its tariff.

Closely connected with the question of the variation and uncertainty of tariffs is the fact that the tariffs are imposed ostensibly for negotiation purposes. These have come to be known as *tarifs de combat*. Tariffs very often have been of that character. But the essential difference between the situation to-day and the situation before the War is that before the War, when a country intended to put on a tariff a great deal of time was spent in Parliament discussing it, notification was given to other countries, and attempts were made to negotiate. When the negotiations had taken place, then at leisure the country proceeded to impose the tariff, and there came into effect a general rate and a conventional rate, the conventional rate being on the basis of the treaties which had been carried through in the meantime. So, although a tariff might appear to put up a very high wall, in fact the operative part of it was moderated to a very large extent. Now the *tarif de combat* is imposed upon an entirely different principle. The country puts the tariff on at once, and then says, "We do not mean to charge these duties, and we are ready to negotiate." It is like the Queen in "Looking-glass land," who explained to Alice that in that country they had "the sentence first and the verdict afterwards." In Europe, the result has been that very often negotiations do not take place at all. This is often due to the fact that a country is unwilling to negotiate with country A until she is ready to deal with B and C, for if she fixes up new rates with A, it more or less determines the ratio that will have to be offered to B and C under the most-favoured-nation clause. Thus, Austria is kept waiting until Poland is ready to come to terms with Germany, and must put up for the present with the now high duties.

But in the meantime industries are fostered and grow up on

the basis of the high rates of the *tarif de combat*, and when the time comes for negotiation every possible political influence is used to prevent the duties being moderated by way of negotiation at all. So we tend to get a new high level of tariffs, and the longer these continue in operation the greater is the difficulty in subsequently altering them. Some time ago Switzerland proposed that at all events the nations might agree to return to the plan of negotiating first and putting up the tariffs afterwards, but without success so far.

It is hoped that amongst the papers which the League of Nations will publish in connection with the forthcoming Conference there will be an authentic statement of the level of tariffs. An attempt was made by the Balfour Committee in this country to measure the chief tariffs of the world, and some other calculations have also been made, on the basis of which Sir Clive Morrison Bell has produced a map ¹ which shows roughly the relative level of the tariff walls of Europe. I think there is no doubt that the statement of the level of tariffs when it comes to be made will show clearly that, broadly speaking, the tariffs of Europe are appreciably higher to-day than they were before the War. The Balfour Committee Report does not show this for Western and Maritime Europe, but one or two important changes have taken place since the date of the Balfour Committee's Calculation, and the League's method of calculating the level of tariffs is, in fact, a great deal more detailed than that adopted in the Balfour Report. Moreover, the League method represents the tariff walls not merely as against British trade but as an obstacle to general trade. The figures will most certainly show a tendency towards higher tariffs.

This then is roughly the picture. More tariffs, fluctuating tariffs, tariffs put on nominally for fighting purposes, but in effect becoming protective tariffs, and a general rising of the level of tariffs in Europe.

It is little wonder that that situation is causing anxiety and is, naturally, associated with the fact which I have already commented upon, that the recovery in international commerce, to some extent all over the world but particularly in Europe, is taking place more slowly than the recovery in the production of the world. This situation is thrusting itself on general notice and is responsible for a certain change of opinion on these matters in Europe.

I do not want to exaggerate this change of opinion. Lest

¹ This was exhibited at the meeting.—Ed

what I am going to say on this point should give an impression of undue optimism, I will first quote a Swiss professor—who is hopeful of good results from the League Conference—who declares at the outset that

“ No Power in Europe would care to start out alone on the path of free trade in the belief that the rest would follow Throughout Europe the rural population is protectionist, except in the Netherlands and Denmark Only manufacturers who depend on foreign orders, persons living on fixed incomes and Civil servants attempt to stem the tide of protection The bankers with more effective combination could bring pressure to bear upon the commercial policy of States requiring foreign capital for their economic output ”

Not only is it obvious that a very large part of the population is definitely protectionist, but even at the present moment the tendency of these tariffs is still upwards Nevertheless, in spite of that fact, I think we are justified in believing that a change of view is unquestionably taking place It is perhaps in Germany that the change is most notable Germany has lost territory in Europe, she has lost her colonies, she has lost her overseas capital, she is surrounded by more and higher tariffs, and she has to pay Reparation by exporting commodities It is imperative for Germany to find export markets She is not afraid of meeting any manufacturers in Europe on equal terms—even countries with low-wage labour In those circumstances it is perfectly clear that Germany's interest is much more in removing other people's tariffs than in maintaining her own, except so far as agricultural protection is concerned On this last point there remains a conflict of interest between agriculturists and manufacturers But there is clearly to-day a considerable body of opinion which sees that Germany is more interested in getting other people's tariffs down than in maintaining her own

Again, in Central Europe every one of the old Succession States was at first extremely anxious to safeguard its economic independence, but even here it is being realised that this is a very suicidal policy

France has kept her tariffs comparatively low, and she also is a country which wants to become an exporting country One might give other illustrations among the “ neutral ” countries of Europe and even in some of the British dominions

I cannot say that there is a very great change of opinion on this question in the United States, although some American

names appeared on the Bankers' and Industrialists' Manifesto. At the same time the prosperous condition of the United States has been a very material factor in producing the change of opinion in Europe to which I have referred. In all discussions on the comparative position in Europe and America the point is always raised that the trouble with Europe, which is split up into a great number of economic units, is that it is unable to copy the industrial methods of the United States because the "*morcellement*" makes each of the individual markets too small to enable really large-scale production to take place. The point was put by Mr. Houston to the Preparatory Committee of the Conference thus: "We find Europe with at least twenty-six different States, each with its own national arrangements, with its own customs, and in many cases with other conditions or practices which militate against a free movement of persons and things. Fourteen of the continental European States have an average area less than that of South Carolina (30,000 square miles) and with an average population less than that of Ohio (about six millions). If the section of this country east of the Mississippi River were divided into fourteen States, each presenting barriers similar to those found on the continent of Europe, we would not know how to transact business, or at least we should transact it with great difficulty." Unquestionably, that point of view has weighed immensely in Europe in recent years.

What is it proposed to do about it? Various suggestions—some modest, some very far-reaching—have been made. Some who regard the industrial evolution of America as a menace to Europe's economic life have suggested that all the countries of Europe should adopt the *same* tariff and bargain collectively with the United States to reduce the American tariff. That is, I think, a very Utopian idea.

Secondly, there is the suggestion of a Customs Union. This idea makes a peculiar appeal to people who recall that the German Empire rose to greatness through the *Zollverein* which followed some years after the Napoleonic wars; it is a natural idea that Europe might enjoy a similar economic revival after the Great War by means of a wider Customs Union.

Then there is the suggestion that certain countries quite closely associated could adopt preference arrangements between themselves. Two years ago great efforts were made to introduce a preference arrangement between Austria and Czechoslovakia, and subsequently between Austria and Italy. Those efforts

broke down because this and other countries objected on the ground that if you start preference arrangements it means the abandonment of the most-favoured-nation clause principle. Great Britain regards the most-favoured-nation clause as the key of her commercial policy, and rightly so. If there is a special rate between Czechoslovakia and Austria, then Italy insists that she also should have a special rate, and some other country insists that she should have a special rate, and so forth, while Great Britain would be left on the higher tariff basis. There has been disappointment in Central Europe that this preference idea has not been more successful. But the most-favoured-nation principle is the only one which makes the position of a comparatively free trade country tolerable in a world of high tariffs. The discussions, however, served to bring out the difficult problems we have to face in any adjustment of tariffs and frontiers. At present our official view is that if country A and country B make a preference arrangement between themselves that is contrary to the most-favoured-nation clause, we are opposed to it. But if they adopt a Customs Union, remove the barrier between themselves altogether and adopt a common tariff against the rest of the world, we have no ground of opposition, though it means that the factories of one of the partners have a free market throughout the territory of the other. If the countries partially remove the barriers against one another we do not like it, if they take them down altogether we would assent. This distinction may seem illogical, but it has more justification than appears at first sight. In any case it had the effect of stopping the preference movement in Central Europe.

Finally, there is another suggestion which is now being put forward from Austria, and I think that we may hear more of it at the Conference. It is that certain countries should agree that there should be a certain maximum rate for all commodities in the tariffs of countries adhering to a common convention, who would undertake that their tariffs should not include any rates in excess of, say, twenty to thirty per cent *ad valorem*. It remains to be seen whether there will prove to be any backing for that kind of suggestion.

Naturally, all of these suggestions meet with numerous objections, one of the most serious being that countries have put up these tariffs to foster industries which they consider essential for their national safety. Nations will continue to protect their steel and chemical industries so long as they do not feel secure politically. Therefore, while it is useful to go on

discussing these questions, we must always remember that until and unless there is a sense of political security we shall not move very far. In that respect the forthcoming Conference depends upon the League's activities in regard to security and disarmament.

The economic difficulties are, of course, almost as hard to overcome as the political difficulties. It is obvious that if you swept away all the tariff walls of Europe quickly and at once there would be a great disturbance and migration of industry. Certain industries would disappear from certain countries, and they would move to the particular places where they could most suitably be carried on. The nations of Europe are apparently not prepared to face that situation. Therefore, while recognising the obvious drawbacks of the tariff situation as it exists to-day, attempts have been made to devise plans which will make the transition to a lower tariff system a little easier. Hence the great interest which has been shown on the Continent in proposals for international industrial agreements. Manufacturers in many countries realise that international commerce is too cribbed, cabined and confined and needs a little more "elbow-room", but they do not want these industries suddenly overthrown. An agreement between the industrialists of the various countries to allocate production and possibly markets would for a time at all events prevent too violent changes. There are great practical difficulties in that plan, and although a year ago it might be said that in many countries it was thought that the conception of the industrial trust or cartel was the key to the situation, that hope is to-day not quite so firmly held, owing largely to the difficulties met with in trying to form agreements such as the recent steel pact.

The International Steel Cartel has had to be formed without Great Britain and is making rather heavy weather. Indeed it is not at all certain that it will, in fact, hold together for many more months. But that is one of the simplest cases, and its experiences are not encouraging for other trades. In any case international agreements are not possible in any but a few highly organised industries dealing in primary products, and it is difficult to conceive of the plan being extended to finishing industries on any considerable scale. Moreover, when the agreement is formed, it only applies to a limited number of countries, and though it might make possible a reduction of tariffs between those countries in particular commodities, it is doubtful what effect the agreement would have on the tariffs of the consuming

countries, which might be stimulated to try to foster within their own borders steel industries or textile industries, as the case may be, for fear of exploitation by the cartel

It is for reasons such as these that I think we shall be disappointed if we attach too much importance to the Cartel idea as a means of solving the problem, and we shall be driven back to the issue of whether the small units of Europe can afford to pursue the ideal of economic self-sufficiency

I have no time to speak of other topics on the agenda, or the machinery of the Conference, its personnel, etc. I have preferred to discuss what I think will be the central point of the Conference. In doing so I have shown that it is faced with so many and serious difficulties that my audience may well ask, What can be done about it? What can the Conference achieve? Is it worth while holding a conference at all when the results are so problematical?

I conceive that the Conference will, in the first place, put on record a general declaration with regard to the economic situation as a whole and to international commerce in particular. It may be said that that will not help very much. But it is precisely what the Brussels Conference did in 1920 in regard to currency and public finance, and even the sceptics must admit that the Brussels Conference Report established a code and set a standard in these matters which has had an important influence upon policy in subsequent years. Moreover, the Brussels Conference gave rise to a Financial Committee which later on did invaluable work in the reconstruction of Austria and Hungary, and thereby set an example which was followed to a very large extent in the case of Germany. Nobody who was present at Brussels could have foretold what the outcome of the Brussels Conference would be, either in practical schemes or in guiding public opinion in Europe. But it has had important results in these directions. I am convinced that the Economic Conference will be the beginning of closer understanding and collaboration in economic policy between the nations, and may even help us to foresee a little more clearly the line of the world's future economic evolution.

Secondly, it will present a picture of the economic state of the world. I have given very roughly an idea of the tariffs of Europe and what they are doing to-day. The Conference documents will give an authoritative picture not only of the tariff situation but of other economic features of the world. It will do this, not from the point of view of country A or country B,

but from the point of view of the world as a whole. The picture will include a survey of the state of the chief industries of the world.

Thirdly, it will bring together the world's representative industrialists. One of the reasons why the Brussels Conference was important was that it brought together representative bankers and financiers, among whom there rapidly developed a common view-point on the problems of European finance. Industrialists have not, for the most part, been accustomed hitherto to take so international a view as the bankers have. But the outlook of the industrialist is perforce undergoing a great change, and the Conference is in line with a fairly widespread tendency for manufacturers of different countries to get together. Apart altogether from proposals to form international cartels, there is a tendency to form international associations in certain trades to deal with matters of common interest. I have one in mind which is considering the problem of standardising tariff classification in its particular commodity. If similar organisations existed in other fields, it would help very much the work of the Conference on tariffs in general.

Finally, there is the question whether anything concrete can be done about tariffs. I have given some indication of the difficulties. It is conceivable that the Conference might make one of a number of suggestions. It might, for example, do what the League of Nations did with regard to disarmament. You will remember that the first step that the League took in regard to disarmament was to invite countries to declare that at all events they would not increase their expenditure upon armaments. What might subsequently be done in regard to reduction was another matter; but at all events they would undertake in future years not to increase. We might at all events say that tariffs shall go no higher. Again, it might be agreed that at any rate tariffs once established shall not change again within a period of six months, a year or two years. You might even conceivably get the Austrian plan of a maximum rate adopted. But the actual reduction of tariffs must unquestionably be in the main in the form of commercial agreements. Personally, I anticipate that the chief effect upon the serried ranks of trade barriers will be brought about by the stimulus which the Conference will give to the negotiation of commercial treaties. That is not an ambitious programme, and is very far from meeting all the needs of the case; but a start has to be made by creating public opinion, and particularly by influencing the public opinion of industrialists and others who are interested directly and necessarily in economic affairs.

In conclusion, there is a fascinating and speculative question which arises out of this discussion, which I should have liked to deal with if time had permitted. I can only refer to it briefly. It is this: If Europe does, in fact, move in the direction of a Customs Union, where will Britain stand in regard to it? Should she throw in her lot economically with Europe or with the Empire? Is the world to be divided in the future into three great economic units, Europe, the United States, embracing South America, and Britain and the Empire? The answer is that we could not afford to be in the Empire if it meant cutting adrift from European trade, and we could not afford to be in Europe if it meant cutting ourselves off from the Empire. The moment you look at the figures of trade it is clear that our interest is to have a foot in both worlds. Britain is, in fact, the link between the New World and the Old. She is geographically placed at the gateway of Europe. She must look to a very large extent to Europe for her market and for an increasing market. If you analyse British trade, you will find that the percentage of British trade to the Empire is rising and that the percentage of British trade to Europe is also rising. It is the percentage of British trade which goes elsewhere that is falling. We cannot afford to do without either the one or the other. I suggest that the line that we as a nation must follow in regard to the European tariff issue is that any general removal of tariffs in Europe would be an economic advantage to Britain, because it would increase the economic prosperity of Europe, *provided that the tariff wall which was round Europe was a low one*. British policy should be and must be directed to getting other countries to adopt moderate tariffs, even if it cannot get them to abolish them altogether. There is no other possible policy for Great Britain. It is not possible for Great Britain to conceive of belonging to a self-contained Empire. The Empire does not in any possible time we can foresee offer the appropriate outlets for British industry. It is inconceivable that the political conditions would arise which would make such an agreement possible. We cannot envisage Britain as she is to-day, a great industrial nation, within a wall surrounding a free trade Empire, and it would be equally wrong for us to go inside a European wall. Therefore there is only one policy for this country—the general reduction of tariffs wherever it can be obtained. We ought to use our economic influence—and in our lending power and in many other ways we have a great economic influence—in that direction.

The following is an abridged record of the discussion

MR GILBERT VYLE said that he was in agreement with Mr Layton in thinking that the fact that people of so many different nationalities would be brought together at the Conference would go a long way towards securing a better understanding of the difficulties, economic political and industrial, of the different nations, and would increase that tolerance one towards another which was so necessary if the well-being of the world was to be improved. Beyond that he did not think that the Geneva Conference would achieve very much.

The little countries which had sprung up since the War had discovered that they must depend upon their own efforts, not only for their industries but for their general national life. Therefore they had thought it wise to try to give their people employment by setting up different industries. Rightly or wrongly they had thought that whilst those industries were in the process of being built up they should be protected against imports from people who were at the time, perhaps, more expert in manufacturing.

With regard to the suggestion that a United States of Europe might be a practical thing if it patterned itself upon the United States of America, he had often raised the question whether those people who advocated a United States of Europe were prepared to put a Fordney tariff completely round it. He had had no answer to that question.

It had been said that if there was between the Southern States of America a tariff similar to that which existed at the present time in the case of the new countries of Europe, business would be utterly impossible. If that were so, the people in the old countries of Europe must be a little more clever than were the people in America, because business was possible even in the case of the small countries whose territories had been divested of a great many of their natural resources.

In America they all professed to speak what was popularly called the English language, and the various States had no barriers, but none of them had any nationalism, there was no particular love for Kentucky as against Kansas. In the countries of Europe there was an intense patriotism, an intense nationalism, there was that barrier which no economist was going to get over, the barrier of country, the barrier of language.

SIR ARTHUR SALTER, Director of the Economic and Financial Section of the League of Nations, said that he would like to give one or two figures which Mr Layton had not given. The population of Europe in 1925 as compared with 1913 had increased by 1 per cent. Its production of food-stuffs and raw materials had increased by 4 or 5 per cent. But the trade of Europe had gone down by 10 per cent. That, he thought, at once pointed to what was probably the central problem with which any economic conference to-day would be mostly concerned. Looking back over the last four years, what essentially had happened during and since the War to cause

our present troubles? In his view it was not the destruction of the War That was big enough, but the great bulk of what was destroyed in the War was made during the War The net destruction of capital of the world was not such a very big matter in relation to the productive capacity of the world What was immensely more important was the dislocation that was brought about During the War there was in the submarine the greatest tariff that ever was It forced every country to meet its own needs, which formerly it met from elsewhere The whole of the productive plant was adjusted to that The world had first to adapt its system of production to the new demand of war, then no less suddenly it had to readjust itself to the needs of peace The submarine went with all the effect that the sudden reduction of the tariff barriers would have From this came the natural and, indeed, inevitable tendency of countries suddenly exposed to dislocation of their industries by the removal of that enormous barrier the submarine, to protect themselves by new tariffs That process had been going on and developing, with the consequence that the systems of protection resulted finally in evils which were, perhaps, greater than those they were at first designed to avert

The Economic Conference had been deliberately fixed to take place at a time when the first great disturbing cause, the monetary fluctuations, though it had not quite disappeared, had subsided into a relatively unimportant factor

What could the Conference do in the circumstances? Its task would be immensely wide in range and immensely complicated in character For that reason one could not expect to arrive during the progress of a Conference lasting two or three weeks at positive and concrete results It must be regarded as merely a stage in the work of continuous collaboration

In the first place, there was the education which would result from the publication of the documents to be presented He thought that it was true to say that the documentary preparation in connection with the Conference was probably better than that for any economic conference which the world had ever known

In the second place, the collaboration which had been going on during the period of preparation had been achieving similar results to those which the Conference was designed to achieve in May Through the thirty-five members of the Preparatory Committee, and by the contact through them with all the big private and international organisations with which they were connected, there was being developed real collaboration between the different interests, the different forces, and the different tendencies that were concerned.

In the next place, he contemplated that there would be passed at the Conference some resolutions that would be of use It would not be possible to come to a binding agreement as to tariffs, because the members of the Conference would not be Government representatives They would, however, be people of great influence whose resolutions, particularly if unanimous, might be expected to have great influence with their respective Governments.

He thought that there was a great hope that it might be possible to reach fairly general agreement that, if there were to be tariffs, they ought at least to be tariffs which were certain and stable for a reasonably long time. The Conference might go further and recognise that the existing tariffs as a whole were too high and too unequal.

Further, he thought that the Conference might very well pick out certain particular problems with which it could not itself deal finally, but which it might arrange to have dealt with by subsequent more special Conferences. Take, for example, tariff nomenclature. The Conference might very well say, "This is one of the most important problems which will have to be dealt with," and it might leave behind it a small specialised Conference to deal with it.

Lastly, the Assembly always intended that the Conference should bear in mind not only the relations between possible forms of international collaboration and the prosperity of the world, but also the relations between actual and possible economic policies and economic desires and the peace of the world. That was a point which certainly the League Assembly hoped would be continuously present throughout the deliberations of the Conference, and it in fact formed one special item on the agenda.

MR HENRY BELL was rather surprised at the statement that agriculturists were against the reduction of tariffs. Nothing had been made more clear to him and to those with whom he had been working than that, for instance in Australia and in America, the free trade portion of the population were agriculturists.

There were two directions in addition to those which had been mentioned in which possibly the Conference might do some good. The suggestion had been made that the tariffs of Europe should be reduced to the figure at which they stood before the War. There had also been the suggestion made that certain articles, cotton, wheat, food-stuffs, and some of the other commodities which were necessary in all nations, should be free from tariffs.

There had been a third method proposed for remedying the present state of things. Under it the economists, the politicians, and the rulers were, to put it plainly, to be asked to stand on one side, and the people who were suffering were going to say, "We are not going to have this any longer." It might be thought that that was a strong statement, but it was literally true that hundreds of thousands of people were suffering hunger and were suffering from all sorts of things as the result of the present restrictions. He believed that very quickly all the nonsense involved in the present system of tariffs would be swept away in the general interests of humanity.

MR A V ALEXANDER, M P, said that he was the Parliamentary Secretary of the Co-operative Movement, which was an organisation of consumers in this country five millions strong. In his view the problem before the world to-day was how to relate consumption to

the increasing powers of production. It was because the world in all its economic and financial wisdom had not been able to persuade men to grapple with that question that it was literally true to say that thousands starved to-day who might not starve if there was a little more common-sense exhibited amongst the nations of the world. Those who worked in the Labour Movement knew that there was a very specious appeal being made to the organised workers. It was said that the lower conditions of labour in other countries set up such severe competition that they must protect themselves. Yet what was the fact? Taking even a new and potentially rich country like Australia, with tariffs of an incidence higher in many cases than that of the United States of America, the workers found themselves in relatively the same position as the workers in this country and in Central Europe. They were dealing with the serious problem of wages chasing prices. The Tariff Board of Australia had issued a Report in which it said that unless the workers of Australia could be persuaded not to continue asking for more wages as tariffs went up and as the cost of living went up, thereby making a wider gap between the wage level of Australia and the wage levels of Europe than that which already existed, nothing but economic disaster faced Australia. He thought that that put the case in a nutshell.

The last point made by Sir Arthur Salter, namely, that the Conference must have its effect upon the peace of the world, must not be lost sight of. If a wider agreement on economic matters could not be arrived at, much of the work of the League of Nations on the political side would be almost wasted.

It was necessary to work for an economic understanding on the basis that, after all, in the ultimate the interest of the producer was not diametrically opposed to the interest of the consumer, and that the two were completely interlocked.

MR F J SHAW, Secretary of the Cobden Club, said that in the previous week a Customs Union had been formed between Estonia and Latvia¹. It seemed to him that if some of the larger States were to institute such a Customs Union, that might be the most hopeful form in which progress might begin, provided that one condition was observed, namely, that in the covenant or agreement between the different States forming the Customs Union there was included a clause which definitely offered to any other State a free entry, so that other States had only to say, "We want to come into your Customs Union," to be admitted.

A MEMBER asked whether the time would not come when the present tariff policy would lead to further and further credits being required from outside countries, and whether it would not be possible to mobilise to a certain extent the people who would be asked to

¹ The text of the Treaty (unofficial) is printed on p 130

give those credits and to put pressure upon the countries wanting them to adopt a reasonable tariff policy.

SIR WILLIAM GOODE asked whether Mr Layton regarded the Ter Meulen Bond as one of the successful results of the Brussels Conference, and whether he did not consider that the licence system was more evil than the tariff system

MR W ALLEN YOUNG inquired whether Mr Layton did not consider that tariff walls sometimes arose not from the wish to keep goods out of the country but from the desire to keep money in. He doubted whether the problem could be solved except in connection with a monetary policy raising at home the purchasing power of consumers

SIR JOSIAH STAMP regarded the present situation as being not due entirely to men's foolishness. It had come about by force of circumstances. New political entities had been created, and in consequence areas completely unbalanced in an economic sense had come into existence. Two things had happened. First, there had been a continual currency change in neighbouring countries and, secondly, when inflation had taken place in the country itself, any specific duties as distinct from *ad valorem* duties had failed to have their real protective power or even their customs producing power, and they had had to be altered rapidly. But, with the increasing stability of currency and with the passing away of the necessity for dealing with specific duties by co-efficients, a stage had been reached when the work of the forthcoming Economic Conference could be carried on with great effect and promise

As to what would happen at the Conference, in his judgment there would be considerable immediate results in the way of expressions of opinion as to what could be done. There would be such force in the arguments used that there would be considerable accommodation of different views. Then each individual member would go back to his own country, and when he showed what he had put his name to, his companions would say, "Good heavens, you have never signed that, have you?" or Czechoslovakian to that effect. He apprehended that considerable good would come in the way of abstract doctrine from the Conference to begin with, and that the immediate effect would be revulsion in some countries, but it was to be hoped that that would be followed by patient reasoning and a gradual approximation to a better state of affairs

MR W T LAYTON, in reply to points raised in the discussion, said that a question had been asked whether it would not be possible to get rid of the evils consequent on the present system by selection in regard to the countries to which loans should be made. He personally had always felt that a good deal more might be done in that

direction than had hitherto been done. The City of London ought quite definitely to have taken a strong line with reference to some of the reconstruction loans, particularly in the case of Hungary, but it was very hard to get a sufficient measure of agreement among a miscellaneous body of people to the effect that they would bar loans to this or that country because it was extremely protectionist, particularly as there was great competition between issuing houses. He thought that the Conference might have some effect in that direction. What he would like to see brought out perfectly clearly was the fact that a country which imposed unreasonably high tariffs and thereby checked the flow of trade was going to be in the long run a bad borrower.

Sir William Goode had asked whether he regarded the Ter Meulen Bond as one of the successful products of the Brussels Conference. The Ter Meulen Bond was not, in fact, used, but the Ter Meulen Plan was unquestionably a link in the chain of the evolution of financial co-operation in Europe.

Sir William had also asked him whether he did not think that the licence system was worse than the tariff system. Of course it was, and the prohibitions were worse still.

He had been asked whether tariffs were not used to keep money in a country. That question opened the door to the discussion of a great deal of economic theory. He would only make two very simple propositions on which there would be general agreement. The first was that money in itself was not wealth. It did not matter whether there was an enormous amount of currency in a country or not. Currency was useless as a commodity. The other point was that countries became richer and not poorer by exchange.

Mr Shaw had asked whether it would not be possible to start with a Customs Union between two countries and for the process to grow and grow. He would like to see any movement of that kind, provided always that the tariff outside the countries was a moderate one. But it was extremely hard to believe that it could start within a measurable time. He did not believe that it was possible to grow from a small beginning such as that in the part of Europe referred to.

He was very glad that Mr Alexander had raised the point he had mentioned. In practically all that he (Mr Layton) had said he had been speaking about the tariff problem, but that was not by any means the sole theme of the Conference. There was a vast field outside that. What he was certain about was that the discussions at the Conference would prove sufficiently important to all concerned to make it the first of many general consultations between industrialists and others. He had been very much interested in the last two months to see how in this country the business world, traders and industrialists, were beginning to realise that there was something going on in which they should take an interest. If that was happening in Britain it was happening even more on the Continent.

THE PRESENT POSITION OF BULGARIA

Paper read at the Institute on December 7th, 1926.

By LADY MUIR ¹

I FIRST wish to thank you for the honour you have done me to-night in asking me to say a few words to this distinguished audience on the present position of Bulgaria. It was my privilege to revisit my country only a few months ago, so that I have been able to see a few things for myself and to form a few impressions. I am aware, however, that most of the members of this Institute have an extensive knowledge of Balkan affairs, and I therefore begin by appealing to their indulgence, requesting them to consider this effort of mine as only a small attempt to throw a little more light on some of the many problems for consideration. I should like to begin by examining the elements of the situation, namely the Bulgarian country and people since the War, then consider their controlling factors and glance at the work accomplished during the last few years, and lastly weigh the difficulties that still surround, impede and oppress the entire Bulgarian nation, both at home and abroad.

As in the past, agriculture still constitutes the chief occupation of Bulgaria's inhabitants, and her patient, thrifty, hard-working peasants still represent over seventy per cent of the entire population. Since 1924, after a considerable decrease during the first years after the War, the area of cultivated land has again increased. Wheat remains the most important cereal grown, covering about one-fourth of the land under cultivation, followed by maize and the other cereals. Vegetable growing has much improved since the War, and great scientific progress, with excellent results, has been made in vine-growing, many diseases having been stamped out and new vines grown on the American system. Orchards have been developed and in general great efforts are being made to modernise agriculture in Bulgaria, as indicated by the recent large imports of agricultural implements. During the last two years some progress has been made in industry, flour-milling is the most important branch, sugar-refining comes second, and the textile industry is third, after

¹ Lady Muir is the eldest daughter of Dimitri Stancioff, late Bulgarian Minister in London.—ED

which come pottery, metal-working and cigarette making Bulgarian tobacco has been exported in great quantities since the War With regard to mining, Bulgarian collieries are meeting the local demand, but the mining industry, through lack of capital and railway communications, is still in a very backward state The country is very rich in raw materials, possessing great mineral wealth, but although a large number of concessions have been granted by the State for copper, lead, iron, zinc and silver mines, very few of them have been worked up, owing to the poverty of the nation The innumerable mineral springs, possessing curative properties equal or superior to the best known European waters, have hardly been exploited, and up to the present the value of Bulgaria as a pleasure-ground for tourists, sportsmen and botanists, who would respectively revel in the beauty of her scenery, the excellent sport and remarkably interesting flora, has been completely neglected To the average inhabitant of a Western land, Bulgaria is very little known So much for the country in its natural state to-day

Now what of the people? Seventy per cent of the population, as already indicated, are peasant proprietors, owning their own bit of land, and before the War quite contented and proof against Communist theories The remaining thirty per cent represents the inhabitants of the towns, and the governing class Both groups are equally well educated, and statistics show a steady increase in the number of those who can read and write In 1922 the period of compulsory education was increased by the Government from four to seven years in the lower and higher Primary Schools, above which are the gymnasiums or lycees, classical, semi-classical and modern, with a five-year course Every Bulgarian has a craving for education, and a parent will make the greatest sacrifices for the education of his children The standard of morality is very high, and drunkenness practically unknown in the villages and towns alike To summarise the chief characteristics of the population, one can say that both the men and women are specially strong and robust and are capable of enduring privations and overcoming difficulties in a way that has vastly contributed to the continued existence of their race and nationality I will quote a British authority on Balkan questions, whom I am pleased to see here to-night, and who has described the Bulgarians as follows

“ Hard work, patience and determination are among their outstanding characteristics Silent, stubborn, and proud, they

are resentful rather than complaining, and these traits, together with a sort of feeling of superiority, make the Bulgarians callous as to the attitude of foreigners and indifferent whether or not they and their national problems are understood abroad. On the other hand, the energy and efficiency of all classes account for the fact that Bulgaria became a prosperous country within a few years after her liberation, that she was the first of the Balkan States to organise a modern army and that the administration has always been above the Near Eastern average. The conduct of the population is that of bluff peasants. Simplicity and thrift are exceedingly marked."

Having rapidly surveyed the Bulgarian country and people, as raw material, so to speak, with a view to showing later how they can best be used in the work of consolidating post-War Europe, let us examine the controlling factor of these elements, namely, the responsible Government. Bulgaria, as most of us know, is a constitutional monarchy, the Cabinet is responsible to the King and to the Sobranie or Parliament—one Chamber only—elected by manhood suffrage, and upon the very modern and unpractical principle of proportional representation. One of the strongest factors in Bulgarian politics to-day is the increased popularity throughout the country of young King Boris. The charming disposition of the King, his great tact, his wide knowledge of international politics, his many natural gifts, his fearlessness and the genial simplicity of his manners, combine to make this Sovereign's personality one of the most attractive in Europe. Called upon to rule a Balkan people under the most trying circumstances, King Boris has never failed them or failed Europe. He stands for peace, he knows his people and is loved by them. He has denied himself all pleasures since his accession, and identified himself so closely with the nation that he never even crossed the frontiers of his kingdom till last July. He then left for Switzerland, incognito, hoping to do some climbing and have a little enjoyment, but was recalled to Sofia in August by the untimely interference in the home affairs of Bulgaria of over-considerate neighbours! His return to Bulgaria helped, as a matter of fact, to calm the storm that had arisen in a tea-cup and to which I shall allude again. King Boris, "the lonely King," fully deserves the sympathy of the Powers, and it is to be hoped that he will have the opportunity of visiting some of the Courts of Europe as soon as possible.

As for the present Government, Bulgaria's Prime Minister since January 2nd, 1926, is the capable, energetic and hard-

working M Liaptcheff, one of the Leaders of the Democratic Party, a man of liberal views, pacific ideals, whose sole aim is to set Bulgaria on her feet. He is ably seconded by M Bouroff, Minister of Foreign Affairs, who had friendly interviews at Geneva last September with his colleagues of the other Balkan States, and Monsieur Molloff, Finance Minister, who was in London last week. The Liaptcheff Cabinet is a Conservative Government, enjoying the confidence of the nation and deserving the support of Europe.

We have now come to the stage of examining some of the heavy problems and difficulties that overwhelm the Bulgarian State both outside and inside her frontiers, thus presenting complications of a double character and preventing the development of the nation.

One of the largest stumbling-blocks in the way arises from the fact that Bulgaria has no commercial outlet on the Ægean Sea. In virtue of the Treaty of Neuilly, Article 48, Bulgaria surrendered Western Thrace, namely, the territory between the Maritza, the Mesta and the Ægean Sea, to the Principal Allied and Associated Powers. But the same article formally and categorically guarantees to Bulgaria a free outlet to the Ægean Sea, stipulating "the conditions to be fixed at a later date." At the Lausanne Conference the Bulgarian Delegates pressed for the fulfilment of this Article, and finally obtained from the Allies the offer of a strip of territory of three square kilometres on the Ægean coast, on which to build a port. This offer was conditional and involved the creation of an International Commission to control the port and the railway, which last was to remain Greek territory and to keep its Greek officials. This offer was naturally declined, because a port, the construction of which would be costly, detached from Bulgaria and only accessible across Greek territory by a Greek railway could be of no value to Bulgaria. The League of Nations may yet discover another way of settling this question, of such vital interest to Bulgaria. The free access to the Ægean Sea is one of the principal factors in the development of Bulgaria, for, since the War, the economic strength of a country dominates all others, and Bulgaria cannot increase her trade if she can only depend on her two Black Sea ports. They only offer an indirect route, involving greater expense and delay, and in time of trouble they may be closed to Bulgaria, in spite of the Treaty of Lausanne. At the present moment Bulgaria has no direct means of communication

with British, French and Italian ports, and her trade with the Western Powers cannot but suffer in consequence. It seems almost incredible that from 1919 to 1927 the Allies have not fulfilled their one and only obligation to Bulgaria contained in the Treaty of Neuilly.

Bulgaria has on her side complied with all the conditions of the Treaty, as has been testified by the Diplomatic Representatives of the Allies at Sofia, and the various International Commissions that have been in Bulgaria since the Armistice. As regards destruction of arms, reparations of coal and live-stock, evacuation of territory, upkeep of foreign commissions, Bulgaria has loyally fulfilled her obligations to the letter of the Treaty. As regards reparation payments proper, after long negotiations the Allied Members of the Reparations Commission in Bulgaria, having checked, so to speak, the entire financial system, State expenditure and revenue of Bulgaria, convinced themselves of the complete inability of Bulgaria to pay the sum originally fixed of 2,250,000,000 gold francs or £90,000,000, and the sum was accordingly reduced to £22,000,000 payable over sixty years. I may mention here that the reduction of Bulgaria's Reparation Debt was largely due to the action of the British Government.

May I be allowed, without entering into technical details, to give just a few figures which will indicate what a crushing burden her financial obligations represent to the small and impoverished Bulgarian nation? To begin with, may I remind you that the size of the Bulgarian kingdom, since the Treaty of Neuilly, is 103,146 square kilometres.

Reparation—Under the Protocol of 21st March, 1923, Bulgaria has agreed to pay to the Allied and Associated Powers up to and including 1st October, 1926, the sum of 22 million gold francs—equal to 558,213,571 levas.

Under this Protocol Bulgaria is to pay yearly, on 1st April and 1st October, up to 1st April, 1983, two instalments, which will be increased at each term until 1st October, 1934. (The first instalment fixed by the Protocol for the first year was 5 million gold francs.)

From 1st October, 1934, up to 1st April, 1983, the yearly payment will be 43,395,336 gold francs.

This yearly amount, which equals 1,200,000,000 levas, represents twenty per cent of the Budget income of Bulgaria.

Army of Occupation—Under Article 133 of the Treaty of Neuilly, Bulgaria undertook to pay "the total cost of all armies

of the Allied and Associated Governments occupying territory within her boundaries, from the date of the signature of the Armistice of September 29, 1918, until the coming into force of the present Treaty" Bulgaria has already paid under this head about 65½ million gold francs

In addition, under the Protocol of 28th March, 1924, Bulgaria is to pay by March, 1934, 31½ million gold francs for the same purpose. Of this, up to 30th September, 1926, she has paid 7½ million gold francs, leaving a balance due of about 24 million gold francs

Inter-Allied Commission —Article 130 Neuilly

From the date of arrival in March, 1921, to 1st October, 1926, the upkeep of Inter-Allied Commissions in Bulgaria has cost the country 103,000,830 levas

The Military Commission of Control with liquidation organ (military) cost, from 1922 to 1st October, 1926, 87 million levas

Indemnities —Under Article 128 Neuilly, Bulgaria has, up to 1st October, 1926, made deliveries of coal to the Serb-Croat-Slovene kingdom to the value of 163½ million levas

Further, under Articles 176-177, Bulgaria has paid to the Serb-Croat-Slovene kingdom an indemnity of 300 million levas

A soldier recruited by voluntary enlistment, as stipulated under Article 65 of the Treaty of Neuilly, costs three times as much as one recruited under the compulsory system

League of Nations —From Bulgaria's entry into the League of Nations in December, 1920, up to October, 1926, she has paid to the League the sum of 163,405 dollars

These figures do not include payments on the Pre-War Loans, the Floating Debt, the Share of the Ottoman Debt incumbent on Bulgaria, compensation payable to owners of private property sequestered in England, the upkeep of the refugees—to mention only a few of the items I have not alluded to

I have just said that the system of voluntary enlistment imposes upon Bulgaria an increased financial charge. Before passing on to the refugee question, I must remind you of the fact that Bulgaria is at the present moment deprived of adequate means of defence. Under the Treaty of Neuilly, Bulgaria is entitled to an army of 33,000 men to be recruited by voluntary enlistment. For reasons peculiar to Bulgaria, this system does not work in a country where unemployment is practically unknown and the peasants are reluctant to forsake their farms and land for a period of twelve years. This question is a source of great anxiety to the Bulgarian Government, for Bulgaria remains threatened by the danger of Bolshevism, due to persistent Russian propaganda and post-War discontent

Communism scarcely existed in Bulgaria before 1914, but since the War, the causes of Communism in Bulgaria have been innumerable, greater perhaps than in most countries—the principal being the accumulated miseries of years of fighting, the burdens of the Peace Treaty, the loss of territories peopled by Bulgarians, the presence on Bulgarian soil of destitute refugees, the load of reparation, the lack of outside help, and disillusion after disillusion following conference after conference with regard to the Ægean outlet. One remembers only too well the Communist plots in Bulgaria in September 1923 and April 1924, the attempt upon the King's life and the bomb in the Cathedral. The powers of evil are relentless, such attacks might be repeated in the near future, Bulgaria, too cruelly tried in the past, might not be able for the third time to act as a buffer-State between contaminated Russia and the rest of Europe. The Western Powers should have this danger in view. If Bulgaria were allowed to recruit her 33,000 men by compulsory service instead of voluntary enlistment, it would save her over-burdened Budget almost one million pounds sterling a year.

The question of refugees in Bulgaria goes much further back than the last War, as, to quote Sir Arthur Salter, who has just been making a tour in Bulgaria, with his colleague Major Abraham, on behalf of the League of Nations, "the refugees in Bulgaria reflect in their movements the whole troubled decade which began with the Balkan War." In the course of her short history as an independent State, it is estimated that Bulgaria has had to deal with 700,000 refugees in a total population of about five millions. At the present moment, however, her concern is for the 250,000 who have entered the country in the twelve years between 1913 and 1925. Of these, some have been established, but there remain some 150,000 to be installed who are now living in great misery and on the verge of starvation. Since 1918 the Bulgarian Government have spared no efforts to cope successfully with the problem of settling the refugees, but it quickly outgrew their capacity and their means.

Until August 1924 the task of looking after the immigrants was in the hands of the Home Office. From that date the supervision of the agricultural section of the refugee work was entrusted to a special body created for the purpose, known as the Direction of Landed Property. It was arranged that the incoming refugees should present themselves for registration at certain specified frontier posts, and that after reference to the central depart-

ments they should then be sent direct to the district to which they had been allotted. The system, good in theory, worked badly in practice, congestion and confusion followed. For nearly two years conditions were appalling, they remain very bad. It is a matter of regret that the League of Nations should have delayed so long in giving to Bulgaria the foreign aid which produced such good results in Greece. As a matter of fact, Bulgaria's refugee problem was overshadowed by the greater disaster of Greece, but all the inquirers, whether sent by the Bureau International du Travail, the "Save the Children Fund" or the League, whether official or private envoys, Colonel Procter, Mr Tixier, Mr Vandervelde, to name only a few, agree, in their respective reports, that the wretched plight of the thousands upon thousands of Bulgarian refugees has been understated rather than exaggerated. However, Bulgaria's last formal application to the League, on May 5th, 1926, was followed at once by effective action. Mr René Charron, League Inspector at Budapest, was at once sent to Sofia, and has since been appointed Commissioner for the Bulgarian scheme. May I be allowed here to quote Sir Arthur Salter's report given in *The Times* of November 26th last

"In June the Financial Committee recommended, and the Council approved, a scheme of which the details (involving agreements with the reparation authorities and the neighbour States) were completed at further meetings in July and September. Meantime the work has begun with the aid of an advance of £400,000 made in the form of a loan from the Bank of England to the Bank of Bulgaria, and the main loan, which is to yield for refugee work £2,250,000, will shortly be issued in part upon the London market, in part elsewhere.

"Details of the plan, the system of control, of the securities and safeguards, which have been carefully elaborated by the Financial Committee, are given in a document recently issued by the League in connection with the loan operations (Constable).¹ It is enough to say here that of the above total two-thirds will be spent on providing the refugees with houses, agricultural implements, cattle, seeds, and temporary maintenance, and one-third on draining, irrigation, clearing, and communications, and that in general the work of land settlement will proceed on lines following closely those found successful in Greece."

Mr René Charron found that the refugees of Bulgarian nationality totalled 221,191, and that of these 115,782 were an

¹ *The Settlement of Bulgarian Refugees*. Publication of League of Nations, II, Economic and Financial. 1926 II 34. Geneva, London Constable.

active population capable of work. Deducting those whom the Bulgarian Government had already assisted, or who had settled themselves, 85,360 potential workers remained, subject to a further reduction of 25,000, provided that partial assistance be given to some of these. The balance of 60,360, whom it is proposed to settle permanently in the country districts under the scheme, as now agreed, represent 30,180 families. These are, by calling, tillers of the soil or can easily adapt themselves to such work. There will remain about 8500 Armenians who are not labourers, but nearly all shopkeepers, artisans or agents, and 12,000 Russians who will only work irregularly. These the Bulgarian Government does not contemplate assisting, and the great majority are not expected to remain in the country.

Certain refugee families dealt with jointly by the Bulgarian Government and an English charitable society have cost nearly £200 per family to settle, but this is considered excessive, and in dealing with the problem as a whole the standard sum for full settlement of a family is taken at about £75, this covering the provision of a house, an ox or cow, a half use of a plough and cart, and a fourth use of a harrow, minor implements, seed and subsistence for eight or nine months. This sum compares well with the standard figure of about £100 in the Greek refugee scheme, the disparity resulting from differences in local conditions and standards. Moreover, only thirty-six per cent of the Bulgarian refugees are believed to be entirely destitute, and allowing for this it is estimated that about £1,625,000 will cover the cost of settlement.

The land required for settlement, however, presents a greater difficulty in Bulgaria than in Greece, where the departure of the Turks left recently cultivated land available, and where it was possible to find land for practically all the refugees without work of reclamation. In Bulgaria this will not be possible. It is proposed to deforest a large amount of land at a cost of £125,000. The first objective will be to provide the refugees with sufficient land to obtain a harvest, leaving them on their own initiative to push their ploughs further. It is in this way that the Bulgarian peasant has conquered his land. A drainage plan to cost £225,000 has been drawn up covering all the marshes and lands situated in the neighbourhood of Varna and Burgas and along the Danube, by which means vast fertile districts in the neighbourhood, particularly near the two Black Sea ports, now deserted on account of malaria, will become habitable. The proposed works, which have already commenced at certain points, will be under-

taken as far as possible by the refugees who will be settled on the land when it is reclaimed. The total cost of dealing with the refugee problem is estimated at £2,225,000. This represents an approximate figure only, but it may be taken for certain that Bulgaria will not have a penny to spare for the arming of *Komitadjis*. Before I pass on to a few political considerations, I wish to render a public homage to the energy and devotion of the Societies that have so greatly helped Bulgaria with her refugee problem, long before the intervention of the League, namely, the Quakers' Society and the "Save the Children Fund."

In April 1925 the representatives of the Fund had made arrangements with the Bulgarian Government for the building of a refugee village, and the work of erecting the buildings was begun soon after. A site was chosen in the neighbourhood of Yamboli, the marshes of Straldja had to be drained, and the soil is now sufficiently fertile—as has been proved by agricultural experiments in the present year. The village has been named "Atolovo" after the Duke of Atholl, the President of the "Save the Children Fund," and was inaugurated in the presence of the King on November 21st, last.

Funds from England amounted to 6 million levas, Bulgaria's share is estimated at about $3\frac{1}{2}$ millions, and in addition the free supply and conveyance of building materials, workmen, engineers, etc.

Ninety comfortable houses, each with stables and yard, provide a total accommodation for more than 500 refugees. These are Macedonians and Bulgarians from Thrace, in equal numbers, their native homes being mainly in the territories occupied by Greece, they come under the status of "exchanged populations." Each family obtains 50 decares of arable land and agricultural implements as well as a few head of cattle. Last spring 1700 decares in the region yielded a crop worth 1,500,000 levas.

The Bulgarians have many faults, but they have the redeeming characteristic of being very grateful. I need not recall the tributes paid by the nation to the memory of Gladstone and of James Bourchier. Bulgaria will also never forget the assistance rendered by Great Britain to her refugees.

Confronted within her frontiers by the problems we have just been examining, Bulgaria has also to face difficulties abroad, which may be traced partly to the ethnical errors embodied and sanctioned in the provisions of the last Peace Treaties, and

partly to the spirit of distrust and suspicion which still obscures relations between all the Balkan States. I maintain that Bulgaria cannot be blamed for either of these reasons. Since the Armistice, Bulgaria has not swerved an inch from the programme of her Sovereign, her Government and her people, which is loyally to discharge all the obligations of the Treaty of Neuilly, entertain friendly relations with the neighbouring States, develop her industry, agriculture and trade at home, and contribute to consolidate the peace of Europe by fighting Bolshevik propaganda. It is interesting to note that the Representatives of the Great Powers in Bulgaria have had no fault to find with her attitude since the Armistice, but Bulgaria has often suffered during the last years from the results of a policy of pinpricks inflicted upon her by the smaller States.

Every movement of the disarmed and mutilated Bulgaria seems to provoke great nervousness in neighbouring countries. The last "nervous" attack of the Little Entente was made very apparent last July by their claim to control the expenditure of the Bulgarian Refugee Loan. This was an ill-advised action. In the first place, it was a mark of distrust and disrespect towards both the League of Nations and the Western Powers, would the League be likely to make itself responsible for a loan to Bulgaria without making sure that the money would be properly expended? Secondly, this suspicious attitude threw away an opportunity of furthering Balkan unity. The Bulgarian Government declared that they would not accept the Loan if the neighbouring States were permitted to exercise control. Some curious events followed. The League's decision having proved that the Little Entente was not supreme in the question of the treatment of the conquered peoples of Central and Eastern Europe, the policy of pinpricks to which I have just alluded began to be used against Bulgaria. a Press campaign, and opportune frontier incidents occurred at the same moment. This general outbreak of Balkan friction was followed by a Collective Note handed on August 11th last by the three representatives of Romania, Yugoslavia and Greece to M. Bouroff, Bulgarian Minister of Foreign Affairs. This Note drew the Bulgarian Government's attention to the fact that "the activities of Revolutionary organisations having their headquarters in Bulgaria had shown a serious recrudescence, that Bulgaria did not seem to have accorded sufficient attention to these disturbances," and ended by requesting the Bulgarian Government to take the severest measures to render impossible in future such disturbances. The

Note was one of admonition more than the ultimatum against Bulgaria predicted for a week by the Belgrade Press. The intervention of the Great Powers, due in the first place to Great Britain, had a practical and salutary effect in their counsels of moderation to the Belgrade Cabinet. The Bulgarian Government immediately took a series of measures of the highest importance on the frontiers in question, notably in the district of Petritch, and then sent a dignified reply to the Collective Note. This reply produced an excellent effect in foreign circles at Sofia, for it had the merit of not confining itself to foolish denials, but recognising, on the contrary, the whole extent of the evil, for the treatment of which it calls for the collaboration of all the four Balkan States. It admits that revolutionary activity does certainly exist in the Balkans, but because conditions favourable to the development of such activity abound in the Peninsula. This point of view does not appeal to Yugoslavia, Romania and Greece, as they do not wish to admit that they harbour Bulgarian minorities at all. Besides, Greece and Romania are ready to let the matter drop, fearing to engage in a controversy which, pursued to a finish, would end fatally in a general inquiry into the Balkans in favour of Bulgarian nationality, while Yugoslavia, which has never been willing to admit the existence of Bulgarian nationality in Macedonia (the Serbs hoping rapidly to assimilate the Bulgarian population), is wondering how it can justify itself in refusing the Bulgarian offer of collaboration. This offer in reality provides for an essential modification in the régime in vogue both in Macedonia and in the Dobruja, especially after the very severe measures taken by the Bulgarian Government to assure the strictest and most vigilant supervision of the Bulgarian frontiers, thereby effectively preventing to the best of its power any crossing of bands of *Komitadjis*.

In early September the Central Committee of the Macedonian Revolutionary Organisation sent a declaration to the Council of the League of Nations, which constitutes Macedonia's reply to the Collective Note and runs as follows

"The Central Committee declares that the situation in the Balkans after the wars (since 1913) is less settled than before these wars. There was then in the Balkans at least a certain equilibrium, which is now lacking. There was also more equality, in the territories belonging to Turkey the Macedonian population enjoyed academic and ecclesiastical autonomy, and cultural autonomy. To-day such conditions do not exist, in the regions

annexed by Greece and Yugoslavia a forced assimilation and displacement of entire populations are taking place, such as the world has not witnessed since Assyrian times. A terrible hate is cultivated between the Balkan peoples by the Governments of the conquering countries. There will be true peace, a lasting peace in the Balkans, when no one Balkan people will violate the fragments of another people, when each historic country, Macedonia included, governs itself. It is thus that a path can be cleared for the constitution of a United States of Europe. Now the biggest injustice sanctioned by the Peace Treaties was committed in regard to Macedonia. This country is one and indivisible both by the laws of nature and by the wish of its inhabitants, nevertheless it is divided into three parts. And the constant crisis in the Balkans is due to foreign rule established in Macedonia. This crisis has existed for half a century—ever since the Macedonians engaged in the struggle for their national rights, for their liberty and their political autonomy. That proves that every political combination in the Balkans prepared without Macedonia's inclusion, or against Macedonia, will be unstable and harmful. The Central Committee of the Macedonian Revolutionary Organisation, bearing in mind the interests of Macedonia and the interests, of course, of all the Balkan peoples, therefore declares that it will continue the struggle until it achieves Macedonia's autonomy, which has continued to be the aim of every activity of the Macedonian Organisation from its institution to this day. The means by which this struggle will be pursued, whether legal or subversive, depend on those who govern Macedonia."

This significant document shows that the Macedonian question has remained open. The exchange of Notes between Bulgaria and her neighbours has ended with a new collective communication addressed on September 11th by the other Balkan Legations to the Bulgarian Ministry of Foreign Affairs, it raises no fresh points and carefully refrains from discussing the Bulgarian offer of general collaboration. Meanwhile the whole question has only served to increase the prestige in Bulgaria of the League of Nations, which puts a spoke in the wheels of a country's neighbours when they try to ride rough-shod over her corpse. It would seem that European Ententes and agreements, in order to be of use, should be founded on the guiding principles of the League of Nations, and not constitute deadly weapons in the hands of one or several countries against one or several others. As for future frontier incidents, which cannot fail to occur, they should be referred at once to the League, which dealt so successfully with the Græco-Bulgarian trouble last year.

At present, however, the horizon seems fairly clear. Bulgaria's relations with the Great Powers are most cordial. At the recent opening of Parliament on October 28th, King Boris, in the traditional speech from the Throne, was able to declare that

"Bulgaria is on good terms with all the (Balkan) States, our nation enjoys the sympathies of the world abroad, which appreciates its qualities and its efforts. The consequences of the War are still a burden on the national finances and on the moral of the people, several questions await solution with the collaboration of the civilised world. Thanks to the kindly intervention of the League of Nations, Government has been able to record a valuable success as a start, though it may be but modest in comparison with the needs of the country. The authorisation for the conclusion of a refugee loan is a proof of benevolence and sympathy felt for Bulgaria by the Powers, who have speedily responded to the appeal for the raising of a mortgage on a portion of the State revenues, and who have consented to the formation of an international organisation destined to assure the stability of Bulgaria's exchange."

With regard to the economic situation, Italy is taking the lead just now in the Balkans, Bulgarian goods find their way to her markets, a Bulgaro-Italian Bank (*Banca Commerciale*) is flourishing at Sofia. The influence of France remains more intellectual. As regards the Great Powers in general, Bulgaria is well advised to accept all the help that is offered her for her material development, provided that it does not entail any political or military commitments.

In the case of the smaller States, since the last little storm, Bulgaria is at present on good terms with all her neighbours, the friendly conversations between the Balkan Prime Ministers at Geneva during the last Assembly are beginning to produce good results. Bulgaria's relations with Greece are better than they have been for years, and this friendship rests on an intelligent understanding of the large interests common to the two countries. Business transactions between Greece and Bulgaria are becoming daily more important, and negotiations have actually started between Athens and Sofia for the conclusion of a commercial treaty. This policy manifested itself strongly at the last Salonika Fair, organised by the Greeks, in which Bulgarian industrialists and producers took active part—Bulgarian journalists were asked to extend their journey to Athens, where they received an official welcome. The fact is well worthy of mention and of good augury for the future.

Official relations with Yugoslavia will improve as soon as the Belgrade Government decides to adopt a liberal policy to the minorities in South Serbia, the younger generation of both Serbia and Bulgaria find much in common and are both animated by the sincere desire to forget the past and inaugurate a policy of friendship based on common interests. These same remarks apply to Romania, for there is unfortunately reason to suppose that Romanian policy in the Dobruja is not in strict accordance with the treaties established for the protection of minorities. A practical solution of these thorny questions regarding the rights of minorities would be for the League of Nations to send out Commissioners to the danger spots once a year. As it is, neither the nature of the problem nor the temperament of the different peoples holds out the least prospect of any satisfactory results being obtained without the intervention of the League of Nations.

Bulgaria's economic relations with Turkey are excellent, and a Turkish Minister Plenipotentiary has recently been appointed to the Court of Bulgaria.

As for Great Britain, as I said before in connection with the refugees and the loan, Bulgaria is deeply grateful for all the help she has received, directly or indirectly, from the British nation and Government since the Armistice. It is to Great Britain that Bulgaria owes (1) the reduction of her colossal Reparation Debt, (2) the gradual decrease in numbers of the International Commissions settled in Bulgaria at that impoverished country's expense, (3) the valuable help at Geneva after the Greco-Bulgarian frontier incidents last autumn, following which the British Ambassador, Sir Horace Rumbold, was sent to investigate matters for the League, (4) the assistance granted to the refugees in Bulgaria and the creation of the first refugee village, Atolovo, (5) the opportune diplomatic intervention at Belgrade and Sofia at the time of the Collective Note a few months ago, (6) the fact that the Refugee Loan is coming to Bulgaria via London. This "list," if I may call it thus, represents valuable moral support, and Bulgaria will not forget it.

As the financial centre of the world, Great Britain can promote her own interests in Bulgaria by giving more attention to business openings, enterprises that offer safe and profitable investments and will serve to develop Bulgaria for further business. There are wide possibilities for foreign investors in Bulgaria for instance, the exploitation of the country's mineral resources and the establishment of new branches of industry. The present

loan will help to stabilise the exchange, which should encourage investors

I can only end this address by thanking you for your indulgent attention and by entreating you to trust Bulgaria, who has really learnt the bitter lesson of experience, and has only one wish, one hope, one aim, and that is Peace—Peace within her own frontiers and, outside, to be one of the factors of the Peace of Europe. Bulgaria needs the guidance of the Western Powers, to whom she, in return, will bring the loyal co-operation of her industrious people. At the present moment the situation in Bulgaria can be summarised as follows

The country combines the advantages of a rich and fertile soil, great agricultural and mineral wealth and the qualities of a sober and vigorous race. The King represents an element of stability, sincerity and honour. The people are craving for rest and yearn to be allowed to till their land in peace. The Government sincerely wishes to live on friendly terms with the neighbouring States and to respect the obligations of the Treaty of Neuilly and of the present loan. It seems that Europe can scarcely afford to neglect so many valuable assets, and Bulgaria, the land of plodding workers, will not fail her protectors

N. MUIR

Record of the Discussion following the above address

MR CHARLES WOODS, after endorsing the tribute paid by the lecturer to King Boris, said that while he did not think the danger of actual Bolshevism was great, yet there was a danger of a certain amount of Communism, as a result of the discontent created by the post-War situation. There was, however, a tendency on the part of a party in power to label political opponents as Communists. On the question of voluntary enlistment he felt that while the limitation of the Bulgarian forces in consequence of the side taken by Bulgaria in the War was perhaps inevitable, the condition that the numbers should be supplied by voluntary recruitment was unjust. There was also a risk that a hired army might not prove loyal in an emergency. With regard to the promised outlet to the Ægean, he understood that an offer had been made to Bulgaria, which she had naturally refused owing to the economic and other conditions which accompanied it.

MR LELAND BUXTON considered the present Government of Bulgaria a stable one. Bulgaria was deeply interested in the disarmament of her powerful neighbours, whose favourite sport it was becoming to send threatening Notes to Sofia. In spite of the settlement of refugees, he did not regard the Macedonian question as dead. The minority clauses of the Treaty were not applied to Macedonia—

the Serbs asserting that the Macedonians who remained there were Serbs. He referred to the danger of war from Balkan nationalism, and to the usefulness of the comic relief afforded by the political activities of Raditch.

PROFESSOR P. J. NOEL BAKER asked whether it were not the fact that Venizelos offered to Bulgaria an enclave at Salonika. He explained the delay which had taken place in arranging the League of Nations loan for refugee settlement in Bulgaria. The need of Bulgaria was felt to be overshadowed by that of Greece, and there were also considerable doubts as to the general policy of the Zankoff Government. In the third place, the League undoubtedly failed to realise the urgency of the matter. He felt that the prospects of success for the loan were better than in Greece, since there were in Bulgaria a good government administration and exceptionally good refugee material.

LORD NEWTON, the Chairman, referred to the unanimity which had characterised the discussion, and to the ignorance of Bulgaria which had been displayed by the nations at International conferences. Surprise had, he believed, been expressed by a representative of a Great Power at finding that Lady Muir was not a "black". He felt that Bulgaria had suffered more than enough for the mistakes of her rulers, and condemned in strong terms the ethnical errors of President Wilson and Mr Lloyd George. With reference to the condition that the Bulgarian army should be recruited voluntarily, he pointed out the great expense thereby thrown on an already overburdened country, and emphasised the necessity for an army in such a country as Bulgaria, where it served the purposes of police and collectors of taxes as well as those of national defence.

TURKEY TO-DAY

(Summary of an address given by Mr J A Spender on January 25th, 1927, together with the discussion following)

MR SPENDER said that there was no better way of understanding Turkey as it was to-day than to visit Angora, the new capital. Angora was the centre and symbol of the whole régime. The Turks had deliberately taken themselves from what Constantine thought to be the most eligible site for the capital of the Roman Empire to this desolate, wind-swept, barren plateau, two hundred and fifty miles from anywhere. Angora itself had a certain interest and picturesqueness. It was the ancient Ancyra and still contained a noble temple with a famous inscription in it. The old town ran picturesquely along a high volcanic-looking ridge with the black ruins of the Armenian quarter on its steep face. But the new town—the official town—built on the free space below, was crude, squalid, muddy and malarious. The smell of drainage was pervasive and the only hotel was an eastern *serai*.

Here three or four thousand officials were lodged either in old houses, which must be called hovels, or in hastily-run-up temporary buildings, and one went to see Ministers and officials through stable-yards and up creaking outside wooden staircases into tiny and dilapidated rooms. It was necessary to realise this scene to understand the Turkish effort and the spirit and discipline behind it. The men living in these hovels had left an easy-going, comfortable existence in Constantinople in order to make something new, and they were sticking grimly to their task. They were apologetic, they said it was only a beginning but that it was all-Turkish, and that they were determined to go through with it to make an all-Turkish capital in the Turkish home-lands. When one came to discuss their theory with them, they drew a sharp distinction between the new Turkey and the old Ottoman Empire. They even said that the Turks were the worst victims of the previous Hamidian tyranny, and that they had been sacrificed both to the Turkish Empire in Europe and to the endless costly attempts to maintain rule over Syrians, Albanians, Arabs, etc. In order to be all-Turkish they had repudiated the Caliphate, and by so doing intended to intimate that they would not be mixed up with the quarrels and intrigues

of Moslems beyond their own boundaries. In addition and more strangely they had abolished the fez. The meaning of that was that they meant now to be completely modern. They would neither be Moslem popes nor picturesque Orientals.

But one could not be long in the country without discovering that there was an inherent conflict between the two branches of this policy, the all-Turkish and the completely modern. It seemed evident, for instance, that they could not modernise the old city of Angora and provide it with houses, schools, electric light, water and modern conveniences without the assistance of the foreigner, and though some zealots said that they would rather wait fifty years in order that the effort might be all-Turkish, foreigners, as a fact, were gradually coming in to do a considerable part of this work, and to build railways and in other ways to exploit the Turkish home-lands. Having banished the Greeks and Armenians, the Turks were almost helpless in certain technical matters until they obtained this assistance, and they were still more in need of foreign capital.

The self-contained and self-sufficient idea was therefore already beginning to break down. Still more, there was increasing danger and difficulty in the new attitude to Constantinople. Kemal Pasha regarded abandonment of Constantinople for all official purposes as the pivot of his policy. He declared that there could be no true Turkish policy so long as the Government was exposed to the foreign pressure which could be exercised upon it at Constantinople, and so long as Turkish Ministers and officials were exposed to the corrupting and enervating influence of the numerous races and half-races, vaguely described as Levantine, which were assembled in this *colluvies gentium*. Given the policy this decision was politically sound, but it had dangers which were already beginning to appear. Not only had the capital been removed from Constantinople, but a decided animus had grown up against Constantinople and developed into a policy of vexing and harassing the foreigners who lived there and carried on business there. The Turks could not go far in this direction without bringing down on their heads a new kind of European hostility. Constantinople as a port was so important to so many maritime nations that it would not be left to a permanent decay in the hands of the Turks. If they were unable to administer and develop it, it would almost inevitably pass into other hands and the old conflict about its possession be renewed.

Mr. Spender said he was glad to learn that there was some

reaction in this respect since he was in Turkey the previous year. The decrees of Angora were reported to be less vexatious, there was talk of setting aside an area for a free port, and the Turks claimed to be preparing a new code of law suitable for modern commerce. It was greatly to be hoped that they would proceed on these lines. Their only sound policy was to make good the poverty of Asia Minor by developing trade in Constantinople, whereas recently they had neglected Constantinople for the benefit of other ports, such as the Piræus, which was filled to overflowing with shipping, some of which was deliberately avoiding Constantinople.

As to the Government of the new Turkey, it was a complete despotism. Kemal Pasha was the ultimate master in every situation, and though he might be willing to share his responsibility in unimportant matters not touching his power, he was inexorable and final on any that did touch his power.

Mr Spender said that some pains had been taken to convince him that the Parliament acted freely, and he was introduced to leaders of the Opposition, who were said to be free men and independent critics of the Government. Nevertheless, several of these were hanged in the subsequent twelve months, and the "Committee of Independence," which was the *Cheka* of Turkey, had recently reported that it had sentenced two hundred and twenty-two persons to death for political reasons in the previous year. Real or alleged attempts to assassinate the Ghazi were the cause or pretext for fresh bursts of political terrorism. It was difficult to ascertain how far the Government rested on consent and how far the discontent, of which these drastic measures were evidence, extended. One thing was certain—so long as Kemal Pasha lived, effective resistance would be impossible. He had behind him all the military forces in the country, and while the army stood by him, sporadic rebellions were of little importance.

In regard to their attitude to religion, the Turks explained that the abandonment of the Caliphate was a purely political matter, implying no disrespect to the Moslem religion. They claimed to be religious reformers, not persecutors or enemies of religion. Kemal had dissociated education from the mosques, rationed them with Imams according to the number of people they served, and dispersed the large number of beggars and hangers-on who had attached themselves to the mosques. Most of these things were good, but there had undoubtedly been a certain anti-religious animus which in some cases came near

persecution, and leading Pashas were reported to have spoken scornfully of the Moslem religion. Incidentally, the results to us in India had been entirely good, for in repudiating the Caliphate, Kemal Pasha had cut away the ground from the Hindu-Moslem combination against us for its defence. Indian Moslems said the Turks were bad Moslems, and that Kemal deserved anything he got. He had heard an Indian Moslem interpret the abolition of the fez as a deliberate insult to the Moslem religion, since it was impossible for a Mussulman to touch the ground with his forehead when he prayed if he was compelled to wear a modern hat with a brim to it.

With regard to the capitulations, Mr. Spender said that too much importance should not be attached to the legal questions following on their withdrawal. The trader seldom went to law in any foreign country, and in Turkey what he chiefly required was that there should not be a law which lent itself unduly to *baksheesh*, and that there should be a friendly administration which pursued one policy with a moderate amount of continuity. Traders could carry on under a defective law, but they could not carry on under perpetually changing decrees.

Finally, as regards general policy, he thought the danger of Turkey following Russia in her eastern adventures was not very great, since the main idea of the Kemalist policy was to make an end of foreign adventures and concentrate on the Turkish home-lands, but if she was threatened in these, and especially if she was threatened by Italy, she would undoubtedly be tempted either to fall back on Russia or to join in an anti-Italian combination in the Balkans. The chief danger was that with a population reduced to about nine millions, she was occupying territory which, if developed and exploited, could probably accommodate forty millions. In this situation a liberal policy towards foreign enterprise and the opening of the door to *bona fide* emigrants would be necessary to her safety, but he hoped it would be part of British policy to discourage all adventures at the expense of the Turks, so long as they kept within their home lands and showed themselves reasonably competent and humane in their Government.

LT-COLONEL J H M CORNWALL said that he had left Turkey, after spending six years in that country, about the same time as the lecturer visited it, so that he might claim to have some experience of the varied and difficult conditions prevailing there since the War. He had never heard a more vivid or a more accurate description of those conditions than that which Mr.

Spender had given. He had shown how the Turk of to-day had cast aside those essential features which characterised him and gave him political influence in the past. He had abrogated the Caliphate, and torn off the fez, formerly the head-dress of the Moslem Turk. He had abandoned his old ideas and ideals for new ones, what had he lost or gained on the exchange? He had thrown away his prestige in the eyes of the Moslem world, the possession of the Caliphate, thereby losing a powerful potential lever against the British Empire. He aspired to be regarded as thoroughly Western, and his ambition was to be thought "très civilisé". Though we might admire his efforts at progress we could hardly believe that they would lead him very far. Having discarded one great political advantage, he had been forced to conclude an unnatural alliance with Russia, his old enemy. But there was no fear that he would coalesce politically with Russia, there was no tendency towards Soviet rule in Turkey, the Turk would never become a Bolshevik.

Economically his vaunted "progress" would not help him much. His country lacked communications, and above all, *man power*. Turkey comprised, he believed, some 900,000 square miles, and the population did not exceed $7\frac{1}{2}$ millions, of whom 750,000 (one-tenth) were in Constantinople, which was not really Turkey. Two years ago he had travelled right across Anatolia from near the Gulf of Alexandretta to Samsoun on the Black Sea. The greater part of the interior plateau was nothing but a desert, they had sometimes marched for days, only passing a few wretched villages containing twenty or thirty mud hovels. Only along the seaboard was there a fertile strip. But it was not always so, early in the Christian era Kaisari had a population of 430,000, now it only numbered a few thousands. The forests had nearly all gone, owing to the Turkish habit of chopping down trees and never replanting, and the country had in consequence dried up. But some day economic needs would cry out against this waste of territory. Signor Mussolini was a strong patriot with an eye to his country's advantage, and Italy had a surplus population of 200,000. Italy was looking for colonies in this corner of the Mediterranean.

Now, what was to be Britain's policy towards this Turkey of the present and of the future? What attitude were we to adopt? It was a difficult and an important problem for us, for the power which controlled southern Anatolia flanked our vital sea communications through the Suez Canal to India, and our new airways across the Syrian Desert to Iraq.

CAPTAIN EDWARD WALKER entered a plea for fair play, without being either Turcophobe or Turcophile. The Turks had three chief grievances, the landing of the Greeks at Smyrna, the deportation of a large part of their National Assembly, and the question of Mosul. But in spite of these, the Turk was now coming round to a desire for British friendship. Mussolini's alleged plans forced the Turks to arm against a threatened Græco-Italian combination. They feel that a word from England would avert this danger. They would also like an impartial report by British financiers as to their capacity to pay the debt due, principally to the French, who were out for payment in full, which was beyond Turkish capacity.

SIR VALENTINE CHIROL pointed out that the antipathy to Constantinople was, from the Anatolian point of view, no new thing. When he was in Asia Minor forty years ago the Turks were reviling the influence of Constantinople, but curiously enough the objection then came from the Orthodox Moslems, whereas it now came from a party diametrically opposed—the modern Nationalists. As to the remarks of the last speaker, he submitted that the policy proposed was exactly that followed forty-eight years ago. Subsequent events showed that policy to have been unwise. Now, he thought, it would be insane.

MAJOR BETTELHEIM approached the question from the point of view of one born in Turkey who had fought with them and against them. When working for the British Intelligence Service he had warned the Government as to the danger of the Greek disembarkation at Smyrna. It was this event which had turned Kemal to revolt. Turks always liked the British and do so now. Ever since 1908 the British policy towards Turkey had been wrong. He gave instances of this, and concluded by declaring that Turks were not afraid either of Italy or of Greece.

MR H CHARLES WOODS thought that scarcely enough had been made of the extreme nationalism and anti-clericalism of the present Turkish policy. The feeling at the back of the abolition of the Caliphate was, he thought, largely that the existence of this institution might give opportunities to the anti-Kemalists to strike at, to them, a suitable moment. The maintenance of the capital at Angora was determined, in addition to the motives already assigned, on three things: (1) the fear of detachment of Kemalist supporters in such a city as Constantinople, (2) the fact that if Constantinople became the centre of an anti-nationalist disturbance, even this would not be of vital importance to a Government at Angora, (3) the

administration of Constantinople as a capital was more difficult, and defects of administration would be much more noticeable there than at Angora. In conclusion he paid a tribute to Kemal's wonderful energy in reform.

LIEUT.-COMMANDER E. SCOTT WILLIAMS suggested that Constantinople was not an Anatolian port, or important from the point of view of Anatolia, except in so far as it was politically an outpost of the Turk towards Europe. On the other hand, Constantinople was essential to the trade intercourse with the rest of the world of the ninety million Russians and others whose trade flowed into the Black Sea Basin. He objected to the description of the interior of Anatolia as a desert, and pointed out that it contained an important wheat-growing area, besides possibilities in the way of producing cotton, and the possession of important forests. As long ago as 1871, Austin had particularly recommended the Samsun-Sivas railway line now being developed by the Turks, while the Germans were fully informed of the economic value of the country. He was emphatic that the Turkish policy of building additional railways was wise.

ADMIRAL DRURY-LOWE asked what were the prospects of Turkey joining the League of Nations, and whether membership of the League would not be her best security against the possible aggression referred to.

MR SPENDER, in reply, said that he believed that but for Russian influence Turkey might have applied for admission to the Assembly of the League after the Mosul settlement. He saw, however, considerable difficulties in their admission at the present moment. [CAPTAIN WALKER here rose to point out that overtures were made by Turkey last September, but that they stipulated for a semi-permanent seat, which could not be granted.] Mr Spender said the main problem was how to keep Anatolia in the exclusive possession of from seven and a half to nine million peasants, unless the Turkish Government proved itself hospitable to foreigners and otherwise efficient. He had hopes, but it was difficult lightly to pass over the misgovernment by the Turks in the past. He thought that it was the Laidoner report on their behaviour to the Chaldaean Christians which turned the League so decisively in our favour on the Mosul question.

REVIEWS.

L'Exterritorialité By Le Baron ALPHONSE DE HEYKING 1926
(Paris Rousseau et Cie 8vo 219 pp About 4s 6d)

BARON DE HEYKING, a well-known Russian diplomat, who was Consul-General in London before the Bolshevik Revolution, has compiled a useful treatise on this complicated and contentious question. His book is briefer and more readily comprehensible than that of Sir Francis Piggott, which is still the English text-book, it is more complete and has fuller references than the chapters dedicated to the subject in Hall's and Oppenheim's classics on international law.

There are two main aspects of extritoriality. To the lay mind they appear to be completely separate, and to have become united under one word merely because of that word's inordinate length. Baron de Heyking defines the distinction as one between (a) extritorial persons—such as ambassadors, ministers, and kings (when in a foreign country)—and (b) communities of extritorial persons, such as the communities of Treaty Power nationals in China.

As regards the former, it is clear that a diplomatic mission within the confines of a foreign country must have certain privileges if it is to fulfil its functions satisfactorily. The purely extritorial privileges are largely *negative* ones, and consist of exemption from criminal, civil, police, fiscal and ecclesiastical jurisdiction. As for the privilege of inviolability, *i.e.* of the ambassador's person, of the embassy or legation building, and of diplomatic correspondence and couriers, this is not an *extritorial* privilege, but rather an additional legal protection, allowed by the common consent of nations to the persons and property of ambassadors, etc. "*L'idée de l'inviolabilité de l'ambassadeur ne peut être que celle d'une protection légale plus élevée contre toutes attaques illégales de la part de personnes privées*" (p. 44), says Baron de Heyking. These arguments sometimes topple over into the abysses of scholasticism, but there is a very practical side to questions as to what diplomatic missions may or may not do—questions which often arise and not infrequently cause grave anxiety, for diplomatic intercourse is a very sensitive nerve in international relations. "*L'extritorialité*," writes the author, "*n'est pas une fiction*" (here his thesis differs from our standard authority, Hall's *International Law*)—"mais un principe de droit, qui, sous certaines conditions et dans une certaine mesure soustrait les personnes extritoriales au pouvoir territorial et les subjugue à un pouvoir public extritorial" (p. 35).

The extritorial idea has developed with the practice of international diplomacy, and it has defined itself from the sixteenth century onwards, *i.e.* from the time when permanent missions began to take the place of temporary embassies. Its earliest expression is to be found in Hugo Grotius' work *De jure belli et pacis* (1625) under the chapter "*De legationum jure*." From that date onwards it has been dealt with by a whole series of international jurists, many of whose views are analysed or quoted in the present treatise.

The history of extritorial communities is even more ancient. In the twelfth century, several Italian cities obtained from the Greek Emperors of Constantinople charters for the protection of their commerce and a certain degree of judicial autonomy under specially elected

judges, called Consuls (hence the origin of the Consular Services) When the Mohammedans conquered Constantinople (1453), this system remained unchanged, but the exemption of foreigners from Moslem jurisdiction based itself on the hypothesis of the inferiority of non-Moslems and their incapacity to benefit from the privileges of Mohammedan law, which has an essentially religious character Such was the origin of the "Capitulations" The term has nothing to do with surrender in warfare, but is derived from the Latin *caput, capitulum*—that is to say, a part of a convention The prototype of the Capitulations is to be found in the Treaty of Sultan Suleiman I with Francis I of France (1535), which was confirmed *in perpetuo* in 1740 These Capitulations of the Levant became in turn the model for the extraterritorial system which was afterwards established by Treaty in Morocco, Persia, Muscat, Siam, China, Korea and Japan—and also in Abyssinia, which Baron de Heyking has omitted to mention In Japan, Korea, Turkey (but not in Egypt or Arabia), and in Siam, foreign extraterritoriality has now been wholly or practically abolished

In spite of its formidable title and its mass of references to all manner of European authorities, Baron de Heyking's treatise is readable and interesting, and to students of international law it should prove invaluable It contains a comprehensive bibliography

The United States Oil Policy By JOHN ISE, Ph D, LL B, Professor of Economics, University of Kansas 1926 (New Haven Yale University Press London Humphrey Milford La 8vo x + 547 pp 35s)

THE international importance of the world's principal mineral assets is a subject which has been much to the fore in recent years World politics and world economics are becoming more and more interdependent, and there is perhaps no material substance produced in the world to-day which more vividly illustrates this than petroleum It is the blood, the ichor (some have even claimed it to be the poison!) that flows through the whole arterial system No statesman or publicist can afford to ignore this ubiquitous influence nor to deny himself any reasonably attainable knowledge on the subject To all such this book of Professor Ise can be well recommended

Some two-thirds of the book are historical—with a moral Oil development in the United States goes back to the remote days of the Civil War, and the author has been at pains to consult and quote a multitude of authorities He is unsparing in his denunciation of the deplorable ignorance, waste and chicanery attending the early stages of the exploitation of a great "wasting asset," which continued, relatively unchecked, until recent years, whilst "an energetic and resourceful people stood by as helpless as so many mediæval peasants in the presence of the bubonic plague."

All the early chapters bearing on the growth of the industry in the various States, as well as those relating to the "Teapot Dome" scandal, the Indian lands, and others in the same category, will both interest and instruct

Professor Ise quotes most of the prophets who have ventured, timidly or audaciously, to predict the "end of the world" so far as petroleum is concerned. Certain geologists have been foremost, but it may be noted—with due deference to them and although this aspect

is not dealt with by Professor Ise—that science has only quite recently turned a studious eye to petroleum development, and estimates of the world's hidden oil deposits may be materially modified for the better by geophysical methods of research in which the laws of gravity, electricity, magnetism and seismology will play a large part. There then remains the “second line,” to which the author devotes considerable attention, such as oil shales, synthetic oils, plant-derived alcohol, and last, but most important, coal itself. Oil technicians are already talking of the time when coal and oil will meet as unreservedly as Stanley and Livingstone met in Africa, and the idea is reasonable enough.

There is indeed a “third line,” since the superman to come may learn to harness the elemental forces, and so need none of these things! *A propos* of the power of the future to take care of itself, the author quotes a witty anti-conservationist: “Probably some man a hundred years ago wanted to conserve wax so that his posterity would have candles!”

To understand with reasonable clarity the author's views on policy, a few current figures are necessary, even although oil statistics are as fluid as the subject of which they treat. Certain American authorities of standing have suggested that the world's resources of free petroleum represent about 10,000 million tons, of which the U S A possesses 10 per cent only. Of the present world production the U S A is using about 70 per cent, derived almost entirely from its own resources. Internal expenditure *per capita* is at present eighteen times greater than that of Europe. Hence there are two main problems of policy for the thinking American—regulation of internal production and consumption, and safeguarding of supplies from external sources to a degree commensurate with the decline in home reserves.

Conservation of internal resources is obviously an entirely domestic matter. It is clear that the problem is immensely difficult, since State and Federal interests are often at variance, and financial and commercial interests are on so colossal a scale. The author, whilst strong for Federal control and a policy of conservation, does not indicate any workable system, and the question appears to be one calculated to exercise the best brains of the U S A for a generation to come.

We are on more familiar ground when we come to the author's comments on international policy. Here he has relied far too much on unreliable “authorities.” Too much stress is laid on the data and arguments current during the Harding administration, when much acerbity, a decidedly hectoring tone, and a considerable degree of misunderstanding characterised the notes sent by the States both to Great Britain and Holland on the familiar subject of the “Open Door” policy, and when the high mental integrity and good sense of Mr Hughes seem to have been imposed upon by altogether lesser men in his entourage, particularly Mr Fall.

The author states, without reservation, that “American companies are expressly forbidden from doing business in Burma by a proclamation of Queen Victoria issued in 1884.” The proclamation in question was a forgery, with profuse evidence of forgery throughout. It is amusingly illiterate. It is signed by “Salisbury” as Secretary of State for India, although he had ceased to be so since 1877. It was denounced by Sir Auckland Geddes, and thereupon repudiated by Mr Hughes in March 1923. But a falsehood, given sufficient start, is seldom arrested. It is distressing to find it still running in a book of this character.

Within a few lines of this statement, the author states that the Burma Oil Company is partly owned by the Anglo-Persian Oil Company. The reverse is the case. The error would be insignificant except for the fact that there is a damaging political inference. The statement is one of various inaccuracies in reports made to the Senate in 1923.

Certain other arguments are advanced in support of the American claim to an unrestricted "Open Door" policy which are not particularly impressive. For instance, "For half a century she has been the generous dispenser of oil to all the peoples of the world. She has sold it all for a mere pittance." Link up this statement with the earlier chapters, from which we learn that American producers were until very recently at their wits' ends to know what to do with their surplus stocks and that the Government was powerless to check or control production, and it resolves itself into an amusing case of "special pleading." Emerson once remarked that "the English and the Americans cant beyond all other nations." This seems suspiciously like a case in point.

There are certain passages which might be quoted, if space permitted, to show that the author, in defending the "United States foreign policy" with respect to oil, improperly allows equal weight to very unequal authorities.

It is fair, however, to admit that he seeks to preserve an international perspective, as is evidenced by the following (p. 481)

'It may be noted that in demanding the open door in the eastern hemisphere, the United States has demanded something which is not strictly consonant with the provisions of the Monroe Doctrine, as interpreted at Washington. There is reason to believe that British oil companies have found some obstacles in the way of securing rights in Central America, on at least one occasion. It is true that foreign companies are heavily interested in South America, but they have not been welcome in some Central American fields. Furthermore, Americans have not generally appreciated all that the 'open door' involves. It has cost England a vast amount of treasure and some human life to protect some of the fields to which British interests lay claim. The United States has heretofore refused to participate in any such activity, or to assume any of the responsibility, except in Mexico, yet has demanded an open door to the resources. The United States refused to make war with Turkey, or to make peace with Turkey, or to take up any mandates, yet has claimed equal privileges in exploiting the oil-fields in Turkey. As Ralph Arnold has said

"In all fairness, if America asks for participation in foreign fields, she will have to take up her share in the burden of protecting those fields. We cannot ask England to establish order and then go in and share the profits without assuming our share of the responsibility."

If full weight is given to these latter considerations, which merit sober reflection amongst the author's compatriots, there is good reason to hope there will be more light and less heat in future discussions between the interested nations on the "Open Door" policy.

To conclude, this book, notwithstanding certain inaccuracies, is of real value as a studious contribution to the great mass of literature existing on the infinitely varied phases of the petroleum industry, a literature ranging extensively from the sheer phantasy of *L'Aventurière aux yeux verts* to the sober realities of Sir Boverton Redwood's *Treatise on Petroleum*, and kindred work.

A C HEARN

Richard Cobden and Foreign Policy A critical exposition, with special reference to our day and its problems By WILLIAM HARBUTT DAWSON 1926 (London George Allen & Unwin, Ltd 8vo 349 pp. 12s 6d net)

MR DAWSON, in writing this book, as the sub-title shows, has in mind not merely the exposition and criticism of Cobden's treatment of the controversial questions of his own time, his object is to lay stress on the main and abiding principles which Cobden enunciated and to show "that they give to our statesmen and to public opinion the help and guidance of which they stand so sorely in need to-day" It is an object with which we cordially sympathise, on the other hand, we cannot pretend to be satisfied with the manner in which Mr Dawson has carried out his work While there is much in it which is useful and stimulating, the book as a whole is injured by the passion and prejudice with which the author regards the whole foreign policy of this country during the present century

The intensity of the feeling to which he is aroused by the Treaty of Versailles, and especially by the territorial settlement and the treatment of the German colonies, appears to render him incapable of any discriminating criticism We find, for instance, that he seems to prefer the territorial settlement of Vienna, on the ground that most of the territorial changes were merely a reversion to the old status, to a settlement which included the setting up "in the interests of France of a brand new Polish Republic" But is not the establishment of an independent Poland more in accordance with Cobden's principles than the destruction of an independent Italy? He is curiously unappreciative even of the League of Nations, and apparently condemns the Locarno treaties on the ground that they imply a continental commitment He appeals as support against the British Government on this matter to South African opinion, but when he speaks of the German colonies and the mandate system, he entirely refrains from pointing out how much the action of the British Government was influenced by the desires of the Dominions Nowhere do we find any recognition of the difficulties in which the British Government was involved He reiterates Cobden's attacks on the policy of intervention, but there is no real attempt to discuss, either with reference to Cobden's time or to our own day, how far this absolute doctrine can be applied and what are the conditions under which intervention may become expedient and justifiable

His strange bias against the whole of recent policy in this country is shown by the manner in which he deals with the topic of the continuity of foreign policy He tells us that "those with political memories that go back forty years will recollect the time when there still survived in parliamentary life the healthy tradition which was supposed to exclude the display of party spirit from the discussion of foreign affairs" Surely this is completely misleading Was it in the time of Gladstone and Disraeli that party spirit was excluded from the discussion of foreign affairs? The truth is, of course, precisely the reverse, the idea of continuity came in at the end of the last century, and was solemnly confirmed when Sir Edward Grey succeeded Lord Lansdowne in 1905 In another passage he tells us that the disappearance of a continuity in policy is due to the growing claim of the Foreign Office and its parliamentary heads to independence But is it not rather the case that as party spirit is eliminated more, not less,

importance must come to be attached to the Foreign Office, which necessarily becomes the exponent of a continued policy based on real knowledge and not on party prejudice?

He adopts equally without discrimination the criticisms made by Cobden on the Foreign Office of his day, and applies them direct to the Foreign Office of to-day, without any indication that in fact the whole structure and character of the Office has changed. And what are we to say of the following passage referring to the three weeks before the outbreak of war?

"There they were (the Foreign Ministers and Ambassadors of the Great Powers), a dozen or a score of them, all supposed to be eminent in their special business of politics and diplomacy, hurrying and scurrying to and fro like a flock of bewildered sheep, exchanging all the conventional lisplings and banalities of official intercourse, sticking about words, forms, formulas, precedents, and miserable etiquette, when all the time millions of human lives and the future of civilisation were at stake."

This is not even a caricature.

And if we turn from these matters of detail to the larger question as to the permanent influence and applicability of Cobden's teaching, we notice a strange omission. For nearly two generations the teaching of Cobdenism, enforced by the activities of the Cobden Society, held a prominent place in European thought, and in foreign opinion it appeared that it had been very largely adopted by the British Government. The essence of the whole thing was the doctrine of free trade, and on this was based a new conception of the relations of States to one another, friendly co-operation in commerce was to be the substitute for war and imperialistic rivalry. It is notorious that during the last forty years his teaching has been to a large extent repudiated. Why is this? What is the real cause of the reaction? Surely the turning-point must be found when Bismarck and the newly founded German Empire deliberately gave up the doctrine of free trade and went back to protection, and when they also, again in opposition to Cobden's teaching, embarked on a policy of colonial expansion in rivalry to the existing colonial nations, especially England and France. It was at this time that there began formal and open opposition to British influence in Germany, and the concerted anti-English use of the Press, organised by Bismarck, which grew until it became one of the main causes which brought about the War of 1914. Of all this Mr Dawson, who is, we need not say, better informed about these matters than anyone in this country, has not a word. It is against England and France that his attacks and criticism are solely directed.

"X"

The March of the Seventy Thousand By HENRY BAERLEIN 1926
(London Leonard Parsons 8vo 287 pp 12s 6d net)

ENGLISH readers are given in this book the material for a study of the steps by which Czechoslovakia achieved her independence. It is a romantic story of patriotic zeal, high courage and persistent effort, pursued to the end under the inspiration and guidance of a great leader.

Early in the year 1915 Professor Masaryk had proclaimed in his pamphlet *Independent Bohemia*, published anonymously, the full aims and aspirations of his country, which, besides Bohemia, he hoped would

embrace Moravia, Austrian Silesia and the Slovak districts of North Hungary. By this time a Czech brigade was already fighting on the side of the south-western armies of Russia. Mr Henry Baerlein describes how it grew by successive stages into an autonomous Czechoslovak army on Russian territory, how it rapidly became renowned for its prowess in the field, and how, after the fall of the Russian Empire, it shared in General Kornilov's desperate but unsuccessful efforts to place the shattered Russian forces again in arms against the enemy. It continued in being after the Russian armies had ceased to exist. In May 1917, a Czechoslovak Congress was held at Kiev, attended by delegates from the Army, the prisoners' camps and all the Czech settlements in Russia. They hailed Masaryk as chief of the movement and decreed that a volunteer army should be maintained to fight for the freedom of their country and people. They formed a national Council (Odbočka) which met a few months later at Moscow. In 1918 it was moved to Omsk when that city became the centre of the hard-fought and ultimately successful Czechoslovak advance to Vladivostok.

They had no wish to fight the Bolsheviks, and remained as neutral as circumstances permitted during the civil war in the Ukraine. Later the Bolsheviks, as they grew stronger, became more and more identified with the Germans, so that first friction and then open fighting arose between them and the Czechs. Masaryk did his utmost to prevent his countrymen in Russia from taking part in the internal struggles. He succeeded in getting them recognised as part of the Czechoslovak army in France, and they were directed to aim exclusively at joining the Allies in Western Europe by way of Vladivostok. The Soviet Governments placed many obstacles in their way, fearing, not unreasonably, that on reaching Eastern Siberia they would probably be compelled or persuaded to join the White forces, which were becoming formidable in those regions, instead of being allowed to embark for Europe. This, of course, is what ultimately happened. The "March of the Seventy Thousand" may be said to have begun in April 1918, when this famous modern Anabasis made its way out of European Russia into Siberia. They took some time to reach those numbers, but soon found themselves in control of the 5000 miles of railway leading to Vladivostok. After half their forces had reached their destination, they combined with General Kolchak and allied forces to re-form an anti-Bolshevik front along the Ural Mountains. On November 28th, 1918, Kolchak executed a *coup d'état* against the Siberian Directorate of Five at Omsk, and declared himself Dictator. There is nothing to show that this hasty and ill-conceived stroke of policy had received the previous sanction of the Allies, but it is well known that General Kolchak enjoyed to the end the support of a British regiment, that General Sir Alfred Knox for England and General Janin for France gave their open countenance to the movement, and that arms and ammunition were freely supplied from Japan. Perhaps the most interesting part of the book is Chapter IX, which narrates from various sources Kolchak's advance westwards from Vladivostok to the Urals, his initial success, and subsequent retreat, failure and death. He was murdered on February 7th, 1920, by order of the Russian authorities at Irkutsk, to whom he had been handed over by General Janin, while they were believed to be still free from the Bolshevik infection. By a quick change they became Red and decreed his "execution." The final extinction of the White armies rapidly followed. The unspeakable

atrocities of the Cossack General Samyonov in Manchuria could only hasten the collapse of the cause which tolerated the support of such a monster. Other White Generals are said to have almost equalled his evil exploits. The story should be read in Mr Baerlein's pages. It leaves the impression that Kolchak was "a brave and honest man riding to his ruin". He was broken in health and surrounded by a gang of incompetent Tsarist generals. He confounded all supporters of democracy, sometimes even the Czechoslovaks, with the Bolsheviks. He talked of marching on Moscow and subduing all Russia. He failed entirely to grasp the completeness of the fall of the old régime in Russia. The Czechs, with their liberal leanings, were out of sympathy with him from the first. He disregarded their warnings and advanced blindly to his doom.

Mr Baerlein finds no excuse for the policy pursued by the Allies. Russia, he holds, should have been left to fight out her internal dissensions without foreign interference. Very reluctantly the Czechs gave Kolchak at first some useful support in re-forming a front against the Bolsheviks. Later, when the hopeless enterprise had collapsed, they held steadfastly to their task of controlling the railway, without being drawn into hostilities with Whites or Reds. They were successfully repatriated in 1920.

It would much help the reader of these interesting pages if in a future edition a few maps could be added to illustrate the stages of the historic march. The one map at the end, though useful, is a little confusing from the mass of information which it compresses into a single sheet.

MAURICE DE BUNSEN

International Economic and Political Problems of the Day and some Aspects of Fascism. By H E the Hon TOMMASO TITTONI. Discussed in writings and addresses (1919-1926). Ed Barone B Quaranta di San Severino. 1926. (London Simpkin, Marshall, Hamilton, Kent & Co. 8vo. xi + 290 pp. 10s 6d.)

THIS is a reasonably adequate translation of selected speeches and articles of Tommaso Tittoni, the well-known statesman and diplomat who, in recent years, has held office as President of the Italian Senate. Most of the speeches were delivered on ceremonious occasions in the Senate and are of no interest to the student of international affairs. They are marked by half-hearted and fanciful attempts to apply the traditions of the Senate of Ancient Rome to the Italian Senate which has its origin in the Piedmontese Statuto. The longest speech in the collection was delivered at Civitavecchia on the occasion of the unveiling of a statue to Stendhal, who had been for many years French Consul in that town and, as might be supposed, deals mainly with literature.

Of more interest to us is an article in the *Nuova Antologia* of December 1st, 1921, which sets out very clearly Tittoni's theories in international politics and economics. Tittoni, like all Fascists, regards the League of Nations as an excellent instrument for keeping small weak nations in order, but he holds that, in the case of the Great Powers, success must wholly depend upon obtaining their goodwill. That goodwill can, in his opinion, only be secured if raw materials are not made an object of monopoly or of export duties or of differential prices by the wealthier States owning or having access to them. The English differential prices for coal are, of course, referred to, but on pages 86 and 87 he gives numerous other instances of differential

treatment which he regards as hurtful to international comity. Tittoni insists that the wealthier States, by hindering the recovery and strangling the industries of the weaker States, are largely responsible for the depreciation of their currencies and their economic instability, and he has no doubt that ultimately the wealthier States will themselves suffer through the impoverishment of their potential customers. Unless all States are put in a position to compete and there is complete freedom of industry and commerce the whole of mankind will, in his opinion, suffer from artificially increased prices

There is, of course, a great deal to be said on this subject, but it is sufficient here to point out that Tittoni's arguments would carry more conviction if the nation he represents had itself shown in the past or were now showing more practical sympathy with freedom of trade

A J A BALL

Italy and Fascismo By LUIGI STURZO 1926 (London Faber and Gwyer 8vo xii + 297 pp 15s net)

DON STURZO has divided his book into three parts, in the first of which he relates the history of Italian political development before, during and immediately after the War down to the "March on Rome", in the second he speaks of the Fascist rule for the first three and a half years of its régime, while in the third he sets forth his own conception of the general trend of Europe and the place of Italy in the future. We would wish that every reader should begin with the last part in order that he might test the author's accuracy upon matters of general knowledge before trusting his account of the more particular subject

In reading the last part he will learn that in the author's opinion the "fear of Bolshevism is an illness, like influenza", that "the trend of the modern state is to-day more than ever towards Democracy", that "America had the greatest share in the constitution of the League of Nations", that "South America gravitates more and more towards North America", that the United States are "founded upon the Methods of Liberty," which are contrasted with the "Methods of Coercion,"—such as "economic protection and prohibition of immigration,"—and that "there is great need of her influence in Europe." When he has read these questionable statements, we feel that the well-informed reader will probably have classed our author among those idealists whose faith is apt to colour their conception of facts

If, armed now with this insight into the bias of the author, the reader turns back to the beginning of the book, he will find in the first part from this "Popularist" witness ample evidence of the hopeless failure of the sixty years' experiment of parliamentary government in Italy. Corruption, jobbery, administrative incompetence and astute political party-manipulation make up a dreary tale that is invariably confirmed by every historian of United Italy. But Don Sturzo unexpectedly acquiesces in the perpetuation of this system, "flux and reflux, action and reaction" he seems to regard as the condition of all democracies, and accepts the bad government and good alike with philosophic pessimism

It is when we come to more recent times that the bias of the author becomes most obvious. Many will learn with great surprise that the Popular Party did anything to "keep the public services going" during

the general strikes of 1920, and those who were in Italy at the time will probably refuse to believe this. But when Don Sturzo pretends that "Bolshevism had been overcome two years before the occupation of the factories" and that, therefore, there was no need for the Fascist "violence" to restore order in the country, every Englishman who was in Italy during 1922 will surely be ready to reply that life and property were safe for no one at that time, even in a great town like Florence. For unrestricted bands of brigands sacked every unguarded flat or villa in broad daylight, and the country-side was still infested with gangs of "Communist" ruffians, whom the Fascist government was only able to suppress after some months of rule. The writer of this review speaks feelingly on this matter, having been plundered of every object of value as late as at the end of December 1922, and few were the resident foreigners in Florence who had not a like experience. Non-political British residents in Italy have good reason indeed to be grateful to the Fascists, who removed a real "Reign of Terror," and this sentiment will be echoed by thousands of Italians of all classes, whose work took them out after nightfall into suburbs or country-side. Moreover, Don Sturzo forgets the strike of August 1st, 1922, as well as sundry other shadows, that would sadly darken his idyllic picture of the state of Italy immediately before the Fascists came into power.

But it is naturally in the portion of the book which claims to relate the history of the Fascist rule during the last three years that a British resident in Italy feels most wonder at his statements. For instance, it is most surprising for us "men in the street" to learn from an exile residing in London that if we do not raise our hats at the passing of a Fascist pennant with any ribald motto written on it, we "run the risk of a crack on the head from a Fascist bludgeon!" We have watched so many scores of Fascist processions without dreaming of acting otherwise than we should act in England! Perhaps it is just as well that we never knew our danger until now, when we hear with redoubled relief that processions are to be limited in future! It is curious to be told so often and so emphatically by Don Sturzo that the National Militia is a "Party Force" when we are personally acquainted with members of that patriotic body who are not and who never have been Fascists! Moreover, Don Sturzo's bitter strictures on the conduct of the authorities during the elections of 1924, which, at least as far as Florence was concerned, struck us as particularly orderly, must surely ring a trifle hollow in the ears of all those of us who watched Italian parliamentary elections in the good old days of Giolittian government before the War, and who are inclined to ask if ever there was a parliamentary election in Italy that was not won by trickery, bribery and intimidation? But above all it is strange to find in a book written by an Italian for English readers such serious charges brought against the Italian Magistrature as those that Don Sturzo brings regarding a certain trial at Chieti, when, after reading all the official documents, the accusations and the findings, the verbatim accounts of the proceedings, and the many articles published on the case, including the clandestine sheets and leaflets secretly circulated by Anti-Fascists, we remain convinced, as we think most men are here, that the verdict of the court was quite legally just, as the murder of Giacomo Matteotti was clearly not premeditated, much less "ordered" or prepared, but was due to a brutal attempt to kidnap that led to the unintended killing of the victim. To all reasonable men who have thoroughly thrashed out the evidence, the assumptions of Don Sturzo, and still more those of

Professor Gilbert Murray, must surely appear "temerarious," to say the least!

Did space permit, we could continue almost indefinitely this running comment on Don Sturzo's volume, which contains, besides unproven and unsupported accusations, misleading accounts of many incidents that, told more fully and more truly, take an entirely different aspect. His story throbs with artificial excitement, the situation is always "dramatic" or "tense," when Italy truly seems to those who live here so orderly, so busy and so prosperous, above all, so utterly unconscious of the strange hypothetical bugbears that people in other countries are continually discerning as hovering over our heads.

But the cardinal error, as it seems to us, pervading the whole volume of Don Sturzo, is the refusal to see the present Fascist régime as what it unquestionably is—namely, a revolutionary and transitional vehicle of temporary government pending the establishment of a radically different constitution. The need of this change is surely implied even in Don Sturzo's account of the corruption, the incompetence and misgovernment that preceded it, "the failure of parliament," the venality of the Press, the moral bankruptcy of the old "political class." The faults of the transitional régime are those of all revolutions and, in particular, the windy rhetoric of irresponsible enthusiasts and the arbitrary and often reckless violence of secondary and local leaders. No one wishes to minimise these only too obvious faults and the injustice, the suffering and the misunderstanding that they inevitably occasion. But let us be fair, avoiding calumny and wild exaggeration, since we ourselves have not the excuse of being in "the throes of Revolution."

HAROLD E. GOAD

The Struggle for the Rhine By HERMANN STEGEMANN Translated from the German by Georges Chatterton-Hill 1927 (London George Allen & Unwin, Ltd 8vo 432 pp 12s 6d)

HERR STEGEMANN'S book is disappointing, we had hoped to find in it a general review of the struggle for the Rhine between France and Germany, which has lasted now for over a thousand years, a review in which the great issues at stake were clearly set out and the main turning points brought into strong relief. Instead of that, we have a very pedestrian narrative, which is so crowded with details that the main points are lost sight of. A grave want of proportion is shown by the fact that there is, for instance, a whole page devoted to an account of the battle of Marengo, while the account of the settlement by the Allies in 1814-15, which, chiefly owing to British influence, was most carefully devised to do justice both to France and Germany, is most inadequately treated. The author's contention is that it was, and is, necessary for the security of Germany that the whole of the Rhine basin from Switzerland to the sea should be German, without this, he contends, there can be no security for Germany against France. In the seventeenth and eighteenth centuries, when France was superior to Germany, not only in political and military organisation, but also in wealth and population, it might have been possible to establish a plausible defence for this, never, however, does the author remind his readers that, from the point of view of security, the position essentially changed when a united Germany became actually superior in strength to France, so that it was in fact not Germany but France which required additional and perhaps artificial

safeguards There is no consideration of the dangers arising to France from the fact that Paris is so easily accessible by hostile armies from the east and from the north, and in that way holds in regard to Germany a position similar to that which Berlin holds in regard to Russia Even a German apologist, in writing a book of this kind, should surely attempt to give the French point of view, this is nowhere done Finally, it would appear necessary for the author's argument that he should explain in more detail than he does the extent of the territory on the left bank of the Rhine that should be assigned to Germany This is especially important with regard not only to Alsace, but also to the lower waters of the river, for the position, as the author states it, seems to be inconsistent with the integrity and independence of Holland

Information on the Problem of Security, 1917-1926 By J W WHEELER-BENNETT and F E LANGERMANN With an introduction by the Right Hon H A L FISHER 1927 (London George Allen & Unwin, Ltd 8vo 272 pp 10s net)

WHEN the problem of the limitation of armaments was first envisaged by the Assembly of the League of Nations, a distinguished representative of France stated that "moral disarmament must precede physical disarmament" That has not, I think, been seriously disputed, but a very cursory examination of the question disclosed the fact that moral disarmament was in its turn dependent on a sense of security As Mr Fisher says of France in his introduction

"That country had indeed, emerged victorious from the struggle, but heavily wounded, and retaining, with the nervous psychology of an invaded people a clear and well-grounded apprehension that in a future contest she would go down before her heavier adversary Moreover, from the lips of Marshal Foch her greatest soldier France learnt that there was no security for her so long as an alien Power was in possession of the bridge-heads of the Rhine

In reality, security is a state of mind so is insecurity None the less, these subjective feelings are important political facts "

So for the past nine years the international politics of Europe, and in certain countries also the national, have been dominated by the search for security The authors of this book give us the history of that search It is a careful and scholarly piece of work It traces the story from the breakdown of the Triple guarantee first offered to France at Versailles and of Mr Lloyd George's Cannes Pact to the inevitable return, in default of improved forms of security, to the old system of alliances, the Franco-Belgian, Franco-Polish and Franco-Czechoslovakian treaties Then came the strenuous efforts of those led by Lord Cecil, who sought to bring the problem back to a broader and surer basis, and as the result of these efforts Resolution XIV of the Assembly of 1923, with its demand for a draft treaty of security and disarmament Thenceforward for some years the two were combined, and we had in turn Lord Esher's proposal for a limitation of land armaments on a ratio of numbers similar to the ratio of battle-ships of Washington, the Treaty of Mutual Assistance with its insistence on increasing the sanctions of the League, the Protocol with its insistence on increasing the arbitral functions of the League

The two problems of security and disarmament were each of them found to be so complex, that the method of treating them together promised no solution So they have again been separated, and we had

for the former the principle of separate agreements, separately arrived at, which has produced the series of so-called Locarno pacts, while the Preparatory Commission of the League is working at the problem of disarmament

The Locarno pacts have done much in promoting a sense of security, but, as the authors of this work point out, they are as yet incomplete. There remains in Eastern Europe, on the one side, the system of alliances centring round Poland, on the other the efforts of the Soviet Republics to create a counter-system of agreements. Till this problem of Eastern Europe is resolved there can be no complete sense of security in Europe and no complete scheme of limitation of armaments.

The authors of this book have made a valuable and accurate survey of current European history which should be read by every student of foreign affairs.

F MAURICE

The Origin of the Next War By JOHN BAKELESS 1926 (London Jonathan Cape 8vo 318 pp 9s)

MR. BAKELESS is an American, who looks on a world alleged to be at peace and finds it pregnant with future wars. His analysis is interesting and his conclusions sufficiently fallacious to be a little less disquieting than might otherwise be the case. Briefly the thesis is that practically all the factors that conspired to make the War of 1914 are operative still, that although that particular War was somehow postponed till the second decade of the twentieth century, the ten or twenty years earlier were crowded with the alarms of what the writer calls "wars that missed fire", and that the conditions prevailing in those years are ominously like the conditions prevailing to-day.

In all this there is manifestly a good deal of truth. Where Mr. Bakeless goes wrong is in failing to distinguish between an upward and a downward trend in world politics, particularly European politics, in the years since the War. His chapter headings—on the Tensions of the Modern World—the Mediterranean—Irridentism—the Pacific—Access to the Sea—and his more detailed analysis of special danger-points like Bessarabia or the German-Polish frontier, arrest attention, but even in 1926 (when the book was written) a demonstration of the perils of the Chanak crisis of 1922 is less important than the question of whether Turco-Greek and Turco-British relations have become more stable or less stable than they were then.

A similar reflection is provoked by most of the rest of Mr. Bakeless' concrete cases. There are dangers enough besetting the world of to-day, but on the whole there are fewer than there were five or four or three years ago. Germany was certainly not then a factor making for stability, as she may reasonably be claimed to be to-day. Russia's attempts to upset the established order everywhere were less palpably failures then than they are now. On the other hand, Fascist Italy is probably a greater danger to world peace than Mr. Bakeless suggests. And certain of the conditions making for war, such as the need of countries like Japan and Italy for expansion, do remain as disturbing as ever.

The Origin of the Next War would have been more valuable if the writer, after discussing the forces which still threaten the world with

war, had gone on to estimate the efficiency of the forces arrayed against war. It is true that the Covenant of the League of Nations is still to a large extent a series of paper agreements which have yet to be put to a critical test. But Mr. Bakeless has no real conception of what the League of Nations is, how far it has become, as it were, a habit of thought among the secondary States of Europe at any rate, and how largely the Foreign Ministers of the leading Powers are relying on their periodical contacts at Geneva for the dissipation of misunderstandings and the direction of their national policy. Quite apart from any concrete successes or concrete failures on the League's part, it is manifestly an agent of cohesion, to be measured against various agents of disintegration. And the League is only the most permanent and the most considerable factor in a process in which the Dawes Scheme, Locarno, Thoiry and other lesser events serve as landmarks. Mr. Bakeless performs a useful service in giving warning of the dangers that impend, but there is happily another side to the story, and of it the writer says much too little.

H. WILSON HARRIS

People of the Veil By FRANCIS RENNELL RODD 1926 (London Macmillan & Co. 8vo. xvi + 504 pp. 30s.)

THIS book is full of information, served up in a very interesting and entertaining way, on a country and a people which, in spite of their proximity to Europe, have been curiously neglected by explorers—the Tuareg tribes which inhabit the Air or Asben Mountains in Central Sahara. This neglect has its tragic side, for, after the 1917 rising against the French had been suppressed and a large part of the population evacuated, all the tribal records in the mosques were abandoned to be rained on and gradually destroyed, and irreplaceable historical material, which might have been saved if someone had followed in Barth's footsteps, has been permanently lost. His book, which was written seventy years ago, is still the standard work on the subject. Mr. Rodd's action in breaking this tradition of neglect is therefore very welcome.

He has the great qualification of being in the fullest sympathy with the people whom he is describing. Read his account of the nomads.

"I thought how very happy these nomads were. They have no possessions to speak of—a few mats, the clothes they wear, some water-skins, some camel-trappings, a few weapons, some gourds and bowls, a cooking-pot or two and their camels. They have no routine in life, and no cares except to wonder if a raiding party will or will not happen on them. All the belongings of a rich family could be loaded on one, certainly on two, camels. So they move about looking for pasture."

Prehistoric methods of grinding grain are still in use, also a form of adze which dates back at least to the Neolithic period. They write an ancient non-Arabic script which has not yet been properly studied. They consider it dishonourable to fight with anything but "armes blanches," and fell in ranks under the rifle fire of the French at Tit in 1902. This battle, though small in respect of the number of combatants engaged, broke their resistance to European incursion, and since 1904 they have been under the French.

Mr. Rodd advances certain theories on their ethnology and migrations, and in doing so draws attention to the large untapped field for

research (in the burial-grounds, for example) which still remains to be explored. Let us hope that some one may be found to devote his life's work to it, as Stowe did to the natives of South Africa.

Meanwhile we are left wondering what the future of these people will be. Mr Rodd is not optimistic about it. They cannot, of course, escape the effects of European penetration. Social changes have already been going on for some time. The diversion of trade from the caravan routes by the development of transport in Nigeria deprived the nobles of their principal source of revenue, and encouraged the emancipation of the serfs. Old social distinctions are breaking down. The authority of tribal chiefs is being replaced by village organisations which embrace different tribes living in association under village headmen, who may or may not be tribal chiefs. Then, while these transitions are in process of being gradually effected, arrives a European Power demanding a cut-and-dried devolution of authority. The administrative difficulties arising from such a state of affairs can easily be imagined, but a discussion of them lies outside the scope of Mr Rodd's book. Nevertheless one's interest has been so much awakened that one feels that at the moment this is the most important point of all. What has the future in store for them? It seems that they will afford only another example of the fragility of native institutions when brought into contact with European influences. Mr Rodd's book will then be all the more valuable as an abiding monument to an ancient tradition.

H. A. WYNNDHAM

K A R being an unofficial account of the origin and activities of the King's African Rifles. By W LLOYD-JONES 1926 (London Arrowsmith 8vo 296 pp 18s)

This is a disappointing book, owing to the tone of rather cheap cynicism which pervades it. Mr Lloyd-Jones has few illusions left about those of his fellow-countrymen who have not served in the K A R. The average Englishman, we are told, dislikes brains combined with anything but a pure white skin. The hint is thrown out that native risings have been welcomed as opportunities for securing cheap stock for settlers, many of whom are cavalry officers "of the good old days when most of the work was done by the non-commissioned officers". In the KISU expedition "hope rose high" when 1000 warriors were sighted, "but they disappeared before the machine guns could even get the range," and "the fire-eating staff" were disgusted when no decorations were issued. At the same time Mr Lloyd-Jones declares that such "shows are undoubtedly inevitable". Why then hold this one up to such obloquy? Under-Secretaries-of-State and Governors are exalted beings to whom the Northern frontier is far too remote, and the Government officials at Nairobi, "immersed in the gay social round," give little thought to it. All this sort of thing is very depressing and not at all helpful. I cannot help feeling that Mr Lloyd-Jones's sufferings, which have indeed been very real, have somewhat warped his judgment. Probably everyone who has done duty at advanced isolated posts has felt at times that he is neglected by those living comfortably at the base. The prejudice against the "brass hat" will exist in every army. But reading about it is dull work. More information about the many actions fought by the K A R would have been far more welcome. Their record in the Great War fills only thirty-three pages.

H. A. WYNNDHAM

An African Eldorado The Belgian Congo By T ALEXANDER BARNES.
1926 (London Methuen 8vo xv + 229 pp 15s)

MR BARNES writes with an intimate knowledge of the Congo based on personal experience, and he is an enthusiast about it and its future. He is perhaps too much so. The overuse of superlatives about the possible economic development of any portion of the continent of Africa is to be deprecated, for everything depends on the population problem, about which Mr Barnes has very little to say. What he does say about the natives is not very helpful. Such statements as that—

“although, in these days, natives are becoming more civilized, yet their superstitions are never eradicated, only modified. Their civilization is only a thin veneer and their savage side can only be satisfied by the mystery of a secret society with murder and cannibalism as its objects”

would hardly stand investigation. Nor is much light thrown on the work of missions by writing—

“I hold the utmost contempt for some evangelizing missions in the Belgian Congo that I have come in contact with, and they are doing more harm than good. On the other hand no paean of praise is adequate to record both the past and present work of many others.”

Mr Barnes is at his best when describing the country itself and its fauna.
H A WYNDHAM

Decapitated Russia By F W BAIN, C I E 1927 (London
The Boswell Printing and Publishing Co, Ltd 12 pp 6d)

THE pamphlet makes a sustained and energetic attack on Liberalism, to which all the ills of the Bolshevik government are attributed. It lauds the Tsars of Russia, who “for the last century have all been men genuinely bent on the betterment of Russia,” and after proclaiming that “it is, above all, to the complacent fatuity of well-meaning British Liberals that the present melancholy position in Russia is due,” it proceeds to attack the “comfortable gentlemen and ladies” who “draw large salaries” in Geneva and apparently do not trouble to read Proudhon, and terminates with the statement that “every State in the world at this moment exemplifies a different stage in the disease—a political dry rot.” In a world permeated with political dry-rot, the writer in his rôle of “philosophical spectator” sees only one ray of hope—Fascism. The text for the pamphlet was well chosen, “There is nothing more frightful than energetic stupidity”—Goethe.

J H GORVIN

The Labour Party and the Empire By L HADEN GUEST 1926
(London Labour Publishing Co, Ltd Sm 8vo 95 pp
2s 6d)

DR HADEN GUEST writes with the admirable purpose of applying Labour ideas to Imperial policy and of instructing the rank and file of the Labour Party in the facts of Empire. With his conception of trusteeship, and with much that he has to say on economics and migration, few people will quarrel, though his outline of an “Organisation of Trade on Labour Principles” is regrettably hazy. It is a pity that Dr Guest uses such expressions as “a boss-controlled

Empire," the kind of picturesque exaggeration which is sometimes read as a literal truth, and that he mars what is, on the whole, a very moderate and reasonable little book with a chapter on India which in many respects misrepresents the situation. It gives the impression that, with a little more faith in the public for whom the book is especially intended, he would have written to better purpose.

J G LOCKHART

The League of Nations An Address by Sir AUSTEN CHAMBERLAIN to the Students of Glasgow University, November 2, 1926, on the occasion of his installation as Rector (Glasgow Jackson Wylie 8vo 31 pp 1s net)

THE Foreign Secretary's address should be particularly gratifying to all supporters of the League, and especially to those who recognise the importance of educating the younger generation in its aims and methods. The following conclusions are worth special notice: (1) that whether they stand within or without the League, nations must take account of its existence, and of the obligations of its members to one another, (2) that the preservation of peace cannot be separated from the restoration of economic stability, and (3) since the League can work only by agreement it is above all important that there should exist mutual trust and confidence between the Council and the Assembly. It is to be hoped that the address may be widely read, especially amongst students of all universities.

S R DRURY-LOWE

The League of Nations at Work By P J NOEL BAKER 1926 (London Nisbet & Co, Ltd 8vo xvi + 135 pp 3s 6d)

IF truth is a statement of things as they really are, then Professor Noel Baker has given us a wonderfully true picture of the League of Nations as it really is when its representatives meet, whether annually for the Assembly or quarterly for the Council.

After explaining that the purpose of the League is to effect three distinct things, namely, to carry out the Peace Treaty, to promote international co-operation, and to prevent war, Professor Baker discusses the institutions of the League such as the Assembly, the Council, the Secretariat, the Permanent Court of International Justice, and the International Labour Office *seriatim*, and explains how they work and what they have done. From his own practical experience on the Secretariat of the League, Professor Baker has little difficulty in showing that the League institutions are an organism which is "throbbing with life." "Every year new power is added to it, new tasks are imposed upon it. But the true importance of the institutions of Geneva lies not in what they are to-day but in what they will become." Will the institutions be given a chance before a new world war sweeps them away? asks Professor Baker, and the answer, he says, depends on whether disarmament is accepted. But perhaps it might be truer to say that it depends on whether the institutions of the League such as the Council and the Permanent Court of Justice remain impartial.

C G HANCOCK

Apella, or the Future of the Jews By "A Quarterly Reviewer"
(*To-day and To-morrow Series*) 1926 (London Kegan Paul
16mo 95 pp 2s 6d)

APELLA is a study of the past and present influences affecting the history of the Jews and is an attempt to predict the future of the race. The writer contrasts the movements of Zionism and Liberal (Reform) Judaism, and doubts the power of Zionism in western countries to replace the spiritual stimulus formerly given by the Jewish emigration from Eastern Europe. He inclines to regard Liberal (Reform) Judaism as the predominant moving force of the future. He endeavours to explore the ground fully, but his statements, conclusions and predictions will provoke keen controversy. Many readers can, however, agree with his final prophesy that the future of the Jews will be determined by the forces of Zionism and Liberal (Reform) Judaism acting in harmony.

M SYLVESTER SAMUEL

FURTHER BOOKS RECEIVED FOR REVIEW

- Justice Among Nations* By H G ALEXANDER 1927 (London Hogarth Press 8vo 59 pp 2s)
- The Political Future of South Africa* By EDGAR H BROOKES 1927 (London Simpkin, Marshall, Hamilton, Kent & Co 8vo 99 pp 5s)
- Recent Theories of Citizenship* By CARL BRINKMANN 1927 (New Haven Yale University Press London Humphrey Milford, Oxford University Press 8vo 126 pp 7s)
- Australia—White or Yellow?* By FLEETWOOD CHIDELL 1926 (London William Heinemann 8vo. xix + 235 pp 8s 6d)
- Europa Year Book, 1927* (Editors MICHAEL FARBMAN, RAMSAY MUIR, HUGH F SPENDER) 1927 (London Europa Publishing Co., 8vo xx + 642 pp 15s)
- The Comedy of Poland* By OLIVIER D'ETCHEGOYEN 1927 (London George Allen & Unwin 8vo 243 pp 7s 6d)
- German After-War Problems* By KUNO FRANCKE 1927 (Harvard University Press London Humphrey Milford, Oxford University Press 8vo 134 pp 6s 6d)
- China and Her Political Entity* By SHUHSI HSU 1926 (New York Oxford University Press 8vo xxiv + 438 pp 12s 6d)
- The China of To-Day* By STEPHEN KING-HALL 1927 (London The Hogarth Press 8vo 45 pp 2s 6d)
- The Crisis in China* By H W LEE 1927 (London The Author, 30 Turnpike Lane, Hornsey, N 8 15 pp 2d)
- China Land of Famine* By WALTER H MALLORY 1926 (New York American Geographical Society (Special publication No 6) xvi + 199 pp)
- Imperialism and World Politics* By PARKER T MOON 1926 (New York Macmillan & Co 8vo xiv + 583 pp 15s)
- South America An Economic and Regional Geography with an Historical Chapter* By E W SHANAHAN 1927 (London Methuen & Co 8vo xiv + 318 pp 14s)
- Les Etats-Unis d'aujourd'hui.* By ANDRÉ SIEGFRIED 1927 (Paris Librairie Armand Colin 8vo 362 pp 28 fr)

TREATY REGARDING THE REALISATION OF THE CUSTOMS UNION BETWEEN LATVIA AND ESTONIA ¹

THE Government of the Latvian Republic and the Government of the Estonian Republic, being desirous of extending their economic co-operation beyond the limits indicated in the provisional agreement signed at Tallinn on November 1st, 1923, regarding an economic and customs union between the two countries, have resolved to conclude a treaty aiming at a Customs Union and, for this purpose, have appointed as their Plenipotentiaries, that is to say

The Government of the Republic of Latvia M Felix Cielens, Minister of Foreign Affairs, and

The Government of the Republic of Estonia Dr Frederic Akel, Minister of Foreign Affairs, who after having communicated to each other their respective full powers, found in good and due form, have agreed upon the following Articles

Art 1 The provisional agreement signed at Tallinn on November 1st, 1923, expires on the enforcement of the present treaty

One month after the enforcement of the laws, conventions and agreements as prescribed in subdivisions 1—7 of Article 6, with the exception foreseen in the fourth paragraph of Article 8, the Customs Union between the Republic of Latvia and the Republic of Estonia shall be considered established, and the territories of the two contracting States will be treated as one territory in regard to Customs And no Customs duty will be levied on merchandise sent from the territory of the one country to the territory of the other

Art 2 Each contracting State undertakes to concede to citizens of the other State, on its territory, the same rights as its own citizens in respect of the utilisation possession and management of real estate, trade, industry, shipping, in respect of jurisdiction, the application of administrative regulations and in respect of taxes of all kinds But in regard to the acquiring of real estate, the founding of companies and societies, commercial, industrial, financial or insurance, in regard to fishing, national shipbuilding, coastal and tug service, the Contracting Parties guarantee each other only such treatment as is reserved for the citizens and juridical persons of the most favoured nation

Art 3 The citizens of each contracting State shall, on the basis of reciprocity, be exempted from personal military service, from participation in military organisations and from all military contributions, whether pecuniary or in kind

No obligations of service or of requisition other than those incumbent on native citizens may be imposed on the citizens of the other State for military purposes And, on the basis of reciprocity, the latter are entitled to compensation in equal measure as foreseen for the nationals of the respective State

Similarly, they shall be exempted from all judicial and municipal obligations and functions

Art 4 Certificates of ship measurement issued by the competent authorities of the one contracting Party shall be accepted by the other, provided the measurement is taken after the Morsom system

¹ Reprinted from *The Riga Times* of March 4th, 1927 The official text has not yet been published, nor have ratifications been exchanged

Art 5 Both States will without delay appoint, on the principle of parity, a general mixed commission to execute the preliminaries for the Latvian-Estonian Customs Union in accordance with the stipulations of the present treaty. The commission will determine the organisation of its own internal work, and is authorised to appoint special sub-commissions, so as to facilitate the work.

Art 6 The general commission shall

- (1) draft a joint Latvian-Estonian Customs tariff,
- (2) Co-ordinate the Customs legislation of both States,
- (3) Co-ordinate the legislation of both States in regard to Excise and Monopolies,
- (4) Co-ordinate the transport and communications tariffs of both States, especially those of railways, navigation, aviation, post, telegraph, telephone and wireless service,
- (5) Solve the problem of Customs revenue so as to ensure a just distribution of the same, after establishing the eventual fiscal portage of the two States, either by registering the merchandise passing from the territory of the one to the territory of the other State, or by some other appropriate method,
- (6) Co-ordinate the legislation regarding dues, direct taxes and trade licences, as also the legislation regarding the protection of labour,
- (7) Co-ordinate the emission and discount policy of the central banks of the two States,
- (8) Examine all the treaties of commerce with a view to co-ordinating the system of trade agreements of both countries,
- (9) Examine all questions pertaining to the Customs Union, and submit its views and recommendations to the respective Governments.

Art 7 All the projects of laws co-ordinated and of conventions drafted by the commission on the strength of Article 6 of this treaty shall be submitted to the respective Governments, and shall be enforced only after their adoption by the legislative institutions of the two States, and the exchange of ratification documents.

All other resolutions of the general commission adopted in virtue of Article 6 require for their enforcement only the approval of the two Governments.

Art 8 The work prescribed in subdivision 1 of Article 6 shall be executed within one year from the enforcement of the present treaty.

It is nevertheless understood that in case of need and with the consent of the two Governments, the presenting of the joint Customs tariff to the legislative institutions may be postponed for six months.

All the other tasks indicated in Article 6 shall be executed so speedily as to permit of presenting to the legislative institutions the projects of laws and conventions, so that the latter may be conveniently ratified and the ratification documents duly exchanged in the course of three years after the enforcement of the co-ordinated Customs tariff.

The general commission has the right, in regard to the unification of the laws mentioned in Article 6, with the exception of the joint Customs tariff, to decide which stipulations of the respective laws may remain ununified or resolve on the postponement of their unification. Such resolutions of the general commission shall be enforced on their approval by the two Governments. However, the enforcement of the Customs Union in the time stipulated in Article 1 shall not be affected.

by the non-execution or the postponement of the work affected by such resolutions

The periods indicated in the present Article may be prolonged, but only by common accord of the two Governments

Art 9 The scales of the joint Customs tariff shall be fixed in gold francs, and Estonia shall accept the Estonian kroner on the gold parity of 1 0,72009 in payment of Customs duty

The emission banks in the two States shall exchange the lat for the Estonian kroner on the basis of gold parity, without charging commission

Art 10 Disputes or divergence of opinion between the two Contracting Parties in regard to the application and interpretation of the present treaty shall be settled by a mixed court of arbitration, to be established *ad hoc* and composed of an equal number of representatives of the two Parties In case these representatives fail to come to an agreement, they shall appeal to a neutral arbiter, to be nominated by the President of the Permanent Court of International Justice, in the absence of an agreement between the two Parties

Art 11 Without awaiting the execution of the present treaty, the two Contracting Parties will proceed with the drafting of a provisional economic treaty so as to facilitate the exchange of products of the earth, of agriculture and of industry, of the two countries, even before the realisation of the Customs Union

Art 12 The present treaty shall be ratified, and the ratification documents are to be exchanged in Tallinn It shall come into force on the day of the exchange of ratification documents

The present treaty shall remain in force for ten years, reckoned from the date indicated in Article 1 On the expiry of this term, it shall remain in force for two years from the date on which notice of its termination is given by one of the Contracting Parties

Done in duplicate in French and signed at Riga on February 5th, 1927

(Signed) FR CIELENS FR AKEL

FINAL PROTOCOL

Ad Article 2 (1) It is understood that the national privileges accorded reciprocally to the citizens of either State in regard to the right of establishment shall be applicable only from the date of enforcement of the Customs Union between the two States, pending which the two Governments undertake to grant reciprocally the treatment of the most favoured nation in all matters pertaining to the right of establishment

(2) The stipulations contained in Article 2 of the present Treaty shall not be considered derogatory to the stipulations contained in Article 18 of the Frontier Convention of October 19th, 1920, and in Article 6 of the supplementary Frontier Convention of November 1st, 1923, in regard to the liquidation of real estate divided by the frontier line

Riga, February 5th, 1927

(Signed) FR CILLINS FR AKEL

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Journal*) 29 pp 1s 6d.

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of Discussion by Viscount CECIL , Mr AMERY and others
1924 (*Reprinted from the Journal*) 38 pp 1s

*Belgium and Western Europe since the Peace
Treaty* Translation of an Address by M JASPAR,
formerly Belgian Foreign Minister 1924 (*Reprinted
from the Journal*) 29 pp 1s.

The Geneva Protocol of 1924 By Sir John F
WILLIAMS, K C , C B E 1924 (*Reprinted from the Journal*)
Published by Messrs George Allen & Unwin 18 pp 1s.

The Murder of Sarajevo Translation of an article
written by M Ljuba JOVANOVIĆ 1925 (*Reprinted from
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