If the Supreme Court Objects

By PAUL Y. ANDERSON

Washington, July 8

The most important Washington news of the week comes, as it often does, from New York. I allude to
the address of Donald R. Richberg, chief counsel for
the National Recovery Administration, defining the purposes and
policies of that body. Since so many of the daily papers fumbled the story it may be desirable to sketch some of the more salient points. Richberg, with the official approval of
Administrator Hugh S. Johnson, told American industry it
probably was facing its last chance to demonstrate its ca-
ciety to govern itself successfully. He said that success or
failure would come in sixty days, and that the outcome would
determine whether the future managers of industry will be
chosen by stockholders or the public. He said that slackers
could expect no mercy. It has been a long time since Bab-
britannia listened to such strong language from such an
authoritative source, and I should like to have seen the col-
lective face of the Merchants' Association of New York as
it gave ear to the speaker's beautifully ironic allusion to

... the agony of the hard-headed manager who has stood
on his head successfully all his life, viewing the supreme
achievement of a business enterprise as a reduction in the
pay roll coupled with an increased output; who has not felt
the slightest responsibility for maintaining mass purchasing
power; and who is now suddenly asked to stand on his feet,
and, when no longer looking at the world upside down, to
observe that employees are really customers, and that the
supreme achievement of a business enterprise may be to
pay out as much money as possible in wages without pro-
ducing more goods than the market will absorb.

What I mean, of course, is that I should have enjoyed seeing
the faces of those who understood what the speaker was
saying. It is reliably reported that he managed not to smile
when he told them that their cooperation would be wholly
voluntary. That was quite a feat, but it was hardly a nice
way to treat a good, simple, and expressive world like "vol-
untary." The cotton textile people learned how "voluntary"
their part was to be when the heavy-handed General Johnson
got them behind closed doors. Undoubtedly he acted for
their own good, but some children just will not take castor
oil unless their noses are held.

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It is often and pertinently asked what the United States
Supreme Court will say about the constitutionality of
some of the Roosevelt measures. Certainly there are at
least three reactionary old men on that bench who would
take profound satisfaction in standing by their plutocratic
concepts of society if they knew the mob was battering at
the door, and there may be more than three. That eventu-
ality already has been seriously considered here by persons
interested in the success of the new deal. There are ways of
meeting it. Congress could pass an act requiring members
of the court to retire upon passing the age of retirement.
That would remove two of the worst. It would also remove
the best, Justice Brandeis, but that could be met by a pro-
vision enabling the President by executive order to extend
the tenure of designated Justices who had reached the age
limit. Or the size of the court could be increased by law
to permit the appointment of additional Justices whose ideas
developed subsequent to the year 1880. It has been done.
If this reporter knows anything about the temper of the
present Administration, it will never permit the whole eco-

comic structure of this country to be disrupted and demoral-
ized because less than a half a dozen dyspeptic old men are
determined to uphold precedents established before the inven-
tion of the telephone. As has often been made clear on
these pages, I do not relish these encroachments of the exec-
tive upon the prerogatives of the other branches, but some-
times a condition arises which must be dealt with. The
blame for such bad precedents properly rests on those who
produce the conditions.

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Recognition of Soviet Russia apparently has been hastened
by public reaction to the step taken by the
R. F. C. when, in substance, it lent $4,000,000 to a govern-
ment whose legal existence we refuse to admit. All signs
indicate that the loan was a "feeler," and that failure of
public opinion to manifest any resentment will be followed
by a much larger one, possibly $25,000,000 or even $100,-
000,000. The first loan was to enable Russia to buy our
cotton; the next presumably will enable her to buy other
American products, particularly copper. The old myth
that recognition must wait upon payment of debts contracted
by the imperial and provisional Russian governments looks
pretty sorry in the light of what has happened to the debts
owed us by governments which we do recognize. It is some-
what appalling to think of the mischief which one man, such
as Charles Evans Hughes, can do in the course of a long and
industrious life. It would be interesting to know just how
much in cold dollars we have lost through our failure to
recognize Russia.

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It has not been my custom to hold the majority of my
countrymen in extravagant esteem. Indeed, I have never
forgotten the observation of my venerable contemporary,
H. L. Mencken, that they are probably the greatest aggrega-
tion of poltroons and scoundrels ever assembled under one
flag. Nevertheless, I have been genuinely startled by the
volume of mail I have received from Nation readers expressing
their rank incredulity that anyone would fail to beat the
government out of his fair share of income taxes if he
thought he could stay out of jail. That persons in that
moral state exist in this country in large numbers, I was
well aware, but I simply cannot imagine how they ever hap-
pened to hear of, much less read, The Nation. Do they
pick it up in barber shops and dentists' waiting rooms? In
that connection permit me to plead in passing that I cannot
possibly answer all the letters from persons who were
impressed—one way or another—by my gentle comments on
HAROLD ICKES is rapidly being recognized as one of the strongest characters in the Cabinet. This should surprise nobody in Chicago, but in the East he was, prior to his appointment, curiously unknown. I say curiously, because a man who had spent a substantial part of his life defending Chicago against the piratical raids of Sam Insull should have enjoyed a national reputation. At any rate, the vigor and determination with which he took hold of the public-works program was a lesson to those who did not know him. Some of his appointments—notably those of Slattery, Glavis, and Margold—have been excellent. They induce the reflection that one of the things wrong with this country in recent years was the failure of those governing it to avail themselves of the brains scattered around it. Coolidge assumed that thinking was unnecessary in government, and Hoover thought he could do it all. If the foregoing sounds a trifle lyrical it is because I am happy over finding myself surrounded, after all these years, by swarms of men and women actually possessing character and intelligence. Maybe it's all a dream.

Why Conferences Fail
By HAROLD J. LASKI

London, June 26

I.

In the first fortnight of the Economic Conference, certain general truths about all international conferences have emerged with striking force. (1) It is a mistake to hold such a conference unless the preparation has been complete enough either to lay down the broad lines of agreement or to confront its members with decisive alternatives. In the present case, it is clear that there has been no such preparation. (2) It is a mistake to hold such a conference unless its terms of reference are limited and specific. Otherwise the inevitable result is that all national divergences come forthwith to the surface, and in the effort to secure some kind of agreement which may save the conference's face, broad general resolutions are passed in which the reservations are so many, the vagueness so profound, that these resolutions cease to have definite meaning.

It is already obvious that the character of the present conference involves this outcome of its deliberations. At the most, it will pass pious resolutions of principle which seek to obscure the inherent conflicts now daily expressed; and each state will be asked to implement their general tenor in its own way. To regard the conference as a gateway to recovery is already an attitude impossible to any observer who wishes to be taken seriously.

II.

That fact emerged in the first general debate. No speech contained a specific program. We knew, without a conference, that wholesale prices ought to rise, that currency needs to be stabilized, that tariffs are too high, that international debts are a menace, and economic nationalism a disaster. Often Ramsay MacDonald repeated his well-known plea for cooperation, without any indication of how it was to be obtained; and most other speakers offered the news that the conference met at a grave crisis and urged that something must be done. Commissions were set up on currency and commercial policy, which have given birth to enough sub-commissions to provide all the more important delegates with either a chairmanship or the position of a rapporteur.

The conference has not yet seriously confronted its first great dilemma. Tariff reductions are essential if the wheels of international trade are to be set moving; but tariff reductions cannot be contemplated until currency stability has been achieved. The domestic situation of America renders any early settlement of this latter issue unlikely; and it is apparent to most delegates that until Mr. Roosevelt's policy of inflation has reached some equilibrium, no state is likely to risk the invasion of its market by goods whose power to penetrate is simply a function of depreciated currency. Washington's rejection of the central bankers' settlement has brought into the open a divergency of interest between Europe and America which prevents any decisive outcome of the crisis for a considerable period.

The depth of the economic nationalisms here in conflict is obviously profound. The attitude of the British seems to be that while they will make some concessions for a stable currency, everyone's tariff is open to question except their own. France wants a return to gold, and appears to have no other predominant interest; her plea for a great program of international public works, and for shorter hours, struck a dumb note on the conference piano. The Germans, through Herr Hugenberg, put forward, and then repudiated, a fantastic memorandum demanding colonies in Africa and territory in Russia, seemingly on the basis that Germany, in terms of the Spenglerian philosophy, is a "virile" nation. This apart, the only German contribution appears to be Dr. Schacht's comprehensive effort to avoid German inflation by repudiating, so far as he can, all foreign indebtedness. Russia contributed, through M. Litvinov, an excellent essay on the contradictions of capitalism; and Mr. Soong said simply and truly that an increase in the Chinese standard of life would go far to promote world recovery by the new purchasing power it would create.

America's position has not been wholly clear. Mr. Hull made a speech on the evils of economic nationalism; but his proposal for a 10 per cent cut in tariffs—if it was his—was promptly repudiated by Senator Pittman. The latter has applauded plans for the renegitization of silver; and Senator Couzens has emphasized, what Mr. Hull has denied, the divergence between the President's policy and that of recovery.