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THE FOUNDATIONS OF PEACE

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THE ECONOMIC FOUNDATIONS OF PEACE:

OR WORLD-PARTNERSHIP AS THE TRUER BASIS OF THE LEAGUE OF NATIONS

By
J. L. GARVIN
Editor of *The Observer*

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TO THE MEMORY
of
MOTHER AND SON:

GERARD GARVIN,
Captain, South Lancashire Regiment,

Killed in the Battle of the Somme, in the twenty-first year of his age

(who gave life willingly for his country and for causes still greater than her own)

and

MY WIFE,

who died on the first Christmas Eve after war, when more thoughts than ever before were turning

To Peace and Goodwill.

PREFACE

THE League of Nations is conceived by the writer as an edifice with two wings, economic and political. Many main problems of both kinds have had to be passed under review, but the object of this book is to explain and illustrate the practical method of World-Partnership. It is regarded as an indispensable addition to political World-Government, as a system of more constructive and reconciling possibilities, and as essential to any firm prospect of enduring peace. The attempt has been made, with allowance for various contingencies, which may yet work either way, to look forward for such a least interval of a few decades as usually divides one great war from another; and to consider what factors must profoundly alter the situation of to-day. A United Germany, enlarged by the addition of Austria proper, and a United Russia will count again sooner or later. As the combined statesmanship of the English-speaking peoples has created the beginnings of a League of Nations, nothing but the continued leadership and guardianship of the English-speaking peoples together can ensure the development of the League and bring it to maturity. The chief themes of the following pages are thus indicated.

The order of the book puts the twenty-one chapters into five groups. The first group traces the economic antecedents of the war of nations and empires; the second tells how inter-Allied organisation in the struggle created a great working model of economic World-Partnership; the third set of chapters deals with the abnormal problems of the Transition and shows that they can only be adequately handled by a continuance, and even by some enlargement, of the economic machinery now in actual operation under America and the Allies; the fourth, and fullest, series shows the insufficiency of a typically political Constitution, as so far proposed for the League, to maintain and cultivate the general peace, but goes on to explain the more constructive method in its many aspects; while the concluding chapters study key-questions—like the Russian problem, the future of trade-policy, the future of armaments, American and British alternatives—any one of which might decide for good or ill the whole fortunes of the peace-system.

This volume was undertaken only at the repeated and pressing wish of some who were convinced that, if addressed at this time equally to Britain and America—as it is—it would be of some service to that greatest of causes which is not only for to-day and to-morrow, but a continuing cause. Whether the endeavour may be of that service I cannot know, but the task of inquiry has been at least faithfully discharged, and no pains required for it have been spared.

The result appears, as it happens, when the first Covenant of the League of Nations has been declared by President Wilson, and in the momentous interval

between the opening and the final phases of the Paris Congress. There has been opportunity to add to the tenth chapter an analysis of the Covenant. Except in one or two features and omissions, that instrument differs little from the expected scheme. The exceptions, however, are very critical. The reference of graver disputes, not to special tribunals for mediation, but to the political bodies of the League, is a most doubtful expedient; while the requirement of absolute unanimity amongst the adhering States, great and small, before the League's full powers of enforcement can come into action, means the largest loophole for the return of war. Amendments may narrow the gap. Better had the Covenant been more nearly based upon a single Commandment: "There shall be no war."

Economic partnership is but the more necessary. Why it is now tolerably certain to develop—though some things advocated can only come gradually—is, I hope, clearly shown. The need of safeguards in supplying Germany with food and raw material; the economic "boycott" as a future instrument requiring to be prepared; international finance; various questions of communications, as the Air Union, which must be universal, like the Postal Union; the Labour Bureau, and the International Labour Code in connection with the League—these and other considerations all make the same way.

Many political causes of war are removed by recent events. The economic causes of war are aggravated. We must see what this means. From this standpoint, the German problem is in every sense the central problem of lasting peace. It is apt to become insepar-

able from the Russian. One or the other must be surely solved—but both ought to be—before the bases of peace laid down by the Paris Congress can be as broad and steady as those laid down by the Congress of Vienna, when all the Powers of Europe, from the United Kingdom over to Russia, were practically strong guarantors. Hence the question of indemnities, like every other, has been examined from the point of view which looks beyond the day.

Of the making of books on the League of Nations there is no end, and I would not have added another but that the standpoint is different. It is also decided, and steady thought, long acquaintance with the working of politics, and a life-long study of the better as well as the worse kind of German feeling have satisfied me that the standpoint is true.

Any degree of definite firmness, as well as equally clear-minded moderation, is required at the moment and for some time may be, for dealing with the German race; but the writer cannot regard that race as irredeemable. There are too many things to remember which might just have turned events a different way, but for the fateful accident of the ex-Emperor's personality. I and one of mine—exceptionally near friends always while we were together—had a common taste for German studies, and owed much to them, but were under no illusions about the approach of what we regretted. We meant to live for the safety of Britain and her friends in the war and for the cause of peace afterwards. As for that, one must try to live for two. There can be no solution by special dealing with Germany; but only by a practical system of general

peace into which Germany might enter on equal terms consistent with the world's security.

It is almost better to be against the League of Nations than not to think right out what it involves.

Reflection has led me, therefore, to believe that the entire co-operation of peoples is the only likely alternative to the return of that internecine climax of competition which we call war. From what we may fairly term "a new way of working together," in addition to the political institutions of the League, there is everything to expect; but there can be no reasonable hope in one without the other. World-Government as a scheme of law tempered by coercion would be like a whole College of Physicians to treat war as a dangerous disease, often critical, sometimes violent, always latent. World-Partnership for the organisation of common interests would be like a Ministry of Health to alter the environment, change the wrong way of life altogether, and prevent the germs of the war-disease from lodging and breeding as hitherto. Mutual service as a normal and a strong system between nations is the real alternative to recurrent crises of mutual slaughter.

World-Partnership looks to the creation of far more inducements to keep the peace rather than to penalties for breaking it. Compulsory arbitration on one class of acute issues, and delaying procedure on issues of a worse kind, cannot be enough. Unless we set ourselves thoroughly after Armageddon to remove war-motives by organisation expressly designed for that purpose, the war-spirit somewhere will bide its time despite all the international arrangements for arbitra-

"spheres of equal opportunity" under the suzerainty of the League, the writer looks for a solution of that central problem in Europe which also is the central problem of lasting peace. The German race of 80,000,000 is now in a position unprecedented in history—pent up in its home bounds and without a shred of over-seas possessions to give outlet and scope. France could create an immense colonial empire after 1871. The significance of that very great episode is recalled in these pages. The German race has no such resort. There has never been a case like this, and some constructive system must be applied to it; or in the sequel, whether near or far, there cannot be peace. Possession cannot be restored; but a fair and full and safe substitute can be devised as soon as Germany gives satisfactory evidence that she is prepared to accept without mental reservation a new system of economic World-Partnership as well as of political World-Government.

Nothing in sight would make more difference to the future. As matters stand, no great war ever was followed by a more disquieting and limited peace. Everywhere the democratic atmosphere is charged with agitation. There is still war or anarchy, or both, between the Baltic and the Pacific across a sixth part of the whole earth. Without a restored Russia no outlook can be confident. Either a Bolshevist or reactionary or even a patriotic junction between Germany and Russia might disrupt civilisation as violently as before or to even worse effect. The conclusion which comes out of the chapters devoted to these subjects is that Europe is still too much like a town of

wooden houses which was largely occupied in the manufacture of matches, and, after being on fire, is tempted to rebuild with timber as before, instead of with brick and stone.

That honour and interest alike under the new conditions engage the United States to full participation in the League—if American influence is to be as effective as American responsibility is in any case inevitable—I have sought to demonstrate very amply and from quite another point of view than that of Anglo-Americanism, as ordinarily understood. The working friendship of the British Commonwealth and the United States is a splendid sponsorship for the League. But that position is not enough for the English-speaking peoples themselves, much less for others. They want peace, not war. They would have war, sooner or later, and not peace, unless their statesmanship, backed by public opinion, sets itself to realise the wider and firmer hope which only World-Partnership can give.

Then, indeed, the League of Nations may mean as much for the future of mankind as the first rise of parliamentary institutions was to mean for our own history. The League will have the duty of enlarging from the outset of its own life the system provided beforehand, which is made the minimum partly in order to leave freedom to the League itself to do what may be further desired. Development on the side of economic partnership must follow more or less in any case. The broad grasp of that method from the beginning would be both the surest means of remedying the present state of Europe, and of organising that crea-

tive peace of mutual service and common interests which is conceived in this book as the true way to the extinction of war and the incalculable increase of human welfare and happiness.

Hence, for all who believe these things, the League of Nations becomes the greatest of continuing causes. It might easily become—however little the possibility is to be desired for itself—a dividing line between parties in many countries simultaneously.

The charge of idealism one could not hope to escape if one wished. But let us distinguish. It will also be said on the contrary that the staple of the thing is materialism. Neither suggestion touches the spirit of this work. It is constructive but not materialistic. If no one has more faith than the writer in the truth and power of definite idealism, no one has more dread of vague ideology. If there be any, however, to whom Armageddon has made no profound difference of mind and feeling but has left them where they were, it is not so with me.

Let me add that the book has had to be written under severe delaying conditions, and my first thanks are owing to Major Astor who placed valuable material at my disposal and cheered on the task in ceaseless ways. Many others have given me the ablest help. Nor can I conclude without acknowledging my indebtedness in several chapters to Mr. L. S. Woolf's work on "International Government." Its anti-national tone is unnecessary and hurtful, because World-Government and World-Partnership must depend for their progress on consenting activities and not on any supernational domination. In spite of this defect Mr.

Woolf's pages are a mine of facts as well as a model of classification, and indispensable to any student of a subject which it is very safe to say will be much heard of throughout this century. Finally, I must apologise because to avoid further delay the book goes through without an index; but on that account the chapter-headings have been made so full that the place of an index is partly served by the table of contents.

J. L. G.

February 19. 1919.

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CHAPTER I.

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The war was caused on Germany's part by many factors, and some of them even yet have not been adequately examined. A few close observers and long residents who knew German life and politics in the grain tell us that a world-wide convulsion had its narrow origin in the Prussian three-class franchise, now swept away but more reactionary in effect up to 1918 than was ours up to 1832. There is shrewdness in this paradox. The stronger view, none the less, sees an origin of the struggle commensurate with its character as an economic Armageddon no less than an almost universal trial of relative killing-power. The war with many names was in one main aspect a war about food-supply and raw materials. To this extent it was Germany's fight to escape from the economic position of interdependence without security into which she had insensibly fallen—to obtain for herself independent control of an ample share in the world's supplies of primary resources. The war meant much else, but this it meant as well, and this was a vital

factor in its causes. Germany's superstructure before the struggle was a splendid edifice, but its basis was hazardous in a way quite unforeseen in 1871.

After the victory of the Allies and America, one of the fundamental economic problems of the world still remains the same, or, rather, is aggravated. It was not confined to Germany. It might yet become more serious for various countries, including our own. Economic interdependence amongst nations must increase. If their insecurity increases with it there must be more war, whether systems are democratic or not. It would be only a question of time.

The purpose of these pages is to show that the chief problem of a peace-system is to reconcile the security and progress of nations with interdependence between them, and that this can only be done by equipping a League of Nations with a new economic system. In the modern world, no policy attempting to shape and harmonise the related lives of peoples can hope for success if political institutions, in the more conventional sense, are created without an economic counterpart. The latter may be the more important of the two. In effect upon the daily stuff and substance of human interests, upon the growing unity or nourished antagonisms of the various States, upon the smooth or violent play of social movements, the economic factor in the intercourse of nations after the war may be decisive for every prospect of a peaceful and advancing civilisation. Man does not live by bread alone, but as he is made bread is his basis. Without it no exercise of his spirit will sustain him, and political forms will only fill his belly with the east wind. Take bread in this connection as an image for every concrete means of subsistence and well-being. But Mr. Hoover is right in regarding food itself as the foundation of the civilised structure.

The economies of the peace, in my judgment, will prove to be the pith of the matter. For the transition they are obviously bigger than everything else. The

handling of that abnormal period between shortage of vital supplies amongst so many peoples and returning abundance, between devastation and restoration, between the ruin of old forms and the full establishment of new, may make the whole difference in the coming years to the League of Nations. This question will especially determine the future feeling of various races and peoples towards those leading inter-Allied Powers who at first must settle the system and guide the counsels of the League. The phase of transition must last for periods of differing length in different connections. A year must be allowed for the full reconversion of industry in Great Britain to civil purposes, but that will only be the beginning of our reconstruction. The full reconstructive process of the transition will take several years in our own country, and in others more years.

Much sooner the recent stringency of supplies—owing partly to the vast withdrawal of male labour from work to war, partly to the corresponding diversion of shipping from civil commerce—may be turned in several respects into something more like a glut. Then the economic mechanism of mutual aid, admittedly indispensable to the League of Nations at the outset, may easily appear for a time to be of less account. It may seem negligible to the majority almost everywhere. Strong private interests, on both sides of the Atlantic, to whom it must in any case be irksome, may well try to get rid of it altogether. Yet if we think seriously on the cause and cure of modern war—and especially how to avoid new wars which may well be threatened in new ways sooner than is now commonly supposed—we shall foresee the necessity for some great departure from all former policy and towards definite economic means of World-Partnership. The necessity promises to be more critical the further we look forward. I shall hope to show that the new system must be creative if it is to be preventive; that it must be shaped to deal not only with crises, but with

the ordinary conditions from which crises gradually arise; that it must aim not merely at averting war, but at organising the fullest possible benefits of peace; that a better management in common of the world and its resources might be made to give more abundance to all peoples. This might even be made so much to the enhanced advantage of mankind that for the first time peace would be universally recognised as the common and inviolable interest, and the war-motive would die out altogether.

I.

When we are about to determine the character of new institutions, which we hope will mark a turning-point for the whole future of the world, we must have both short views and long views. If we must apply the short views to the transition, we must apply the long views to the further sequel. We must reckon with the wide wave-strokes of history. We must remember that its rhythms swing not by half-decades or decades, but by generations or half-centuries. We must recollect what periods elapsed between Rosbach and Jena, between Napoleon's triumphs and Bismarck's, between the dismemberment of France in 1871 and the débâcle of Germany in 1918. We must think for thirty and fifty years ahead, forecasting alternative contingencies with the best powers of our judgment. We must keep in mind not only the whole map of the new Europe as it exists half-weltering to-day, or as it may be more or less stabilised to-morrow, but the map of a narrowing and more closely interacting world just entering on the new age of human flight with its novel traffic across all nations and continents, deserts and mountains, seas and oceans. This art is about to change all kinds of political and economic conditions and to change many of them radically. Social and class move-

ments, like commercial affairs, are bound in the coming circumstances to be of a more international and intercontinental character. These, at least, are plain certainties.

When we are at the doors of the Peace Congress, trying to huddle into a few months its efforts to remould the destinies of mankind for centuries, it is strange that so little has been done by exponents of the political institutions of a League of Nations to awaken statesmanship and public opinion to the meaning and scope of necessities on the economic side. It may be or not the more difficult part. It will assuredly be the more living part of any peace-system which is to have a chance to endure and succeed.

The League of Nations hitherto was not only politically but physically impracticable. In a weak or an effective form according as we are more or less surely guided, it is now to be achieved, chiefly because it has at last become achievable. But it has only been made possible by the scientific and economic changes. These have reduced distance, quickened transport, and worked every kind of technical magic for putting into instant touch the thoughts of nations the most distant from each other, and expediting all their mutual transactions. Air-power in civil life comes to stimulate all else, by a form of traffic not only the freest and for many purposes the speediest, but which may well be, as good commercial judges think, the busiest. With a couple of days' delay, or less, the British and American peoples will be able to read each other's newspapers and know about each other fully for the first time. This modifies enormously the pre-war state of all civilised societies and the conditions of their intercourse. It makes a closer web of the life and activities of the world. It is inconceivable that the League of Nations, failing in due regard to these facts and their further developments, can hope to operate effectually by courts, delegations, tribunals, and political executives alone—supplemented in emergency by

the armed use of deterrent or repressive force. Its purposes never can be sufficiently forwarded without a far broader alteration in the world's whole way of life. The urgent need is for the steady creative power of a full economic policy to extinguish the motives of war between civilised societies. Otherwise the League would be like an æsthetic amateur planning the architecture of the house of his desire without regard to the foundations, the kitchen, and the services.

II.

Yet with the Armistice came a surprising tendency. There was a risk that the chief designers of the League, still in a state of projection as regards all its political part, might themselves break up real mechanisms which already existed for its service. These were the inter-allied organisations, the Maritime Council, the Food Alliance, the Council for Finance and Purchase, the more separate Committees for raw materials. On the economic side, these were the agents of victory in the war. They could well be adapted for the new purposes of international consultation and service, essential to any serious project of lasting peace. They were created under pressure of war. Nothing else could have given them being. They were like creative things emerging out of all its destruction. They are as much needed, in my view, for reconstruction and resettlement in the world as for the war itself. Later, they would undoubtedly give the likeliest means of solution for the deeper problems which brought on the great war, and in another generation or sooner might threaten a worse Armageddon. Fortunately, several essentials of the system are saved for the time. They are kept in being for measures of relief and succour on the widest scale. Time is gained for thought on issues reaching far beyond those of urgent international help.

The inter-Allied Boards are capable of enlargement into fully representative international Boards under the League. Their character as a linked series, their evolution under pressure of war, their way of working, will be more fully described in later chapters than yet has been done in any published account. Enough to say here that they have managed—and on a scale which no one who knows about it can call less than stupendous—the purchase, supply, and distribution of food, raw materials, munitions, equipment, as well as the allocation of shipping; that they have dealt with finance at its biggest, though chiefly as concerns America; and were in rapid progress towards a still more powerfully unified method when the war ceased. These agencies, then, are in real being and action while everything political in the project for the beginnings of world government is still on paper. These organisations have been saving for belligerent purposes far and wide, and for social purposes as well. These co-operating bodies are the things which did most to make the partners great and small in the fighting League of Liberty feel that they were members of one another. The system dealt with the daily interests of mankind. It adjusted many interests of the sort, hitherto principal causes of suspicion, fear, and conflict. It met anxieties and desires certain to revive in a more aggravated form if competition and insecurity are again to work unchecked right through the commercial intercourse between nations.

In that case, as it is in the nature of all persons and States to seek security in matters of subsistence and welfare, those countries which might feel themselves at a disadvantage, or under exploitation, or at risk of coming short, would as a matter of course seek to contrive an improved position. Rival groups would reappear. Then once more we would have the forces most likely to put the extreme strain upon the political boiler-plates of the League of Nations. To put it another way, we would have the old fatal process of

pressure, counter-pressure and explosion. Yet there seems still to be a possibility that economic co-operation between the Allies, including America, may be dissolved for all chief purposes after the Paris Conference has produced a mainly political Constitution for the new system of perpetual Peace. Or, if not dissolved, the partnership may be reduced to the temporary shape of a Charitable Organisation Society for the relief of distressed peoples. The leading Associates, upon whom the entire responsibility rests—our late enemies being now helpless and many of our friends having to be put on their feet—may try, it seems, to set up a legal superstructure with one hand, while abolishing with the other hand the existing and best means for binding people together by the surest ties of common interest and by strong habits of mutual service. This would be not only a disconcerting but an ominous paradox. Upon its prevention at all costs and upon the decisive adoption of a very different constructive view everything is like to depend in the long run for the better or worse destinies of the world.

III.

Amongst dangers to the League of Nations let us notice three.

One of them is of a familiar kind. At the end of a long and exhausting war peoples are subject by reaction to moral lassitude and fatigue; they are too apt to lack the spiritual and mental energy for carrying through the high purposes to which they were inspired by the clearer vision and purer impulses of the beginnings. When immediate safety is won, thorough attack on the great problems of an enduring peace requires freshness and vigour when they are no longer capable. There is every temptation to huddle through some questions in what seems the easiest way and to shirk others where the solution may seem to

demand more effort or more disinterestedness. Men will do anything for war. They never will do enough for peace until they are roused to peace-effort on a war-scale.

The next danger is that in the hour of success motives of egotism, gain, and passion always tend to muddy and abase the ideals which were kept aloft and bright in the hours of appeal for the last exertion and the last sacrifice. Private interests going back to ordinary business desire, as a matter of course, to be free from all restraint and interference; and inevitably they seek their own account without close regard to any general ideal whatever or to any coherent policy for dealing with the lasting issues which may again mean questions of life and death for another generation.

Owing to such reasons as these, the worst moral tragedy of a great war is often the kind of peace concluded by those who have had their quarrel just.

But in the present emergency the most subtle danger to the future is of another sort altogether and has a much worthier origin. The case for the League of Nations has been too much argued from the beginning in juridical terms ignoring the economic causes of the Great War, the unparalleled conflict of economic organisations into which it resolved itself, and the measureless economic consequences which it leaves behind through its influence on the mind of labour everywhere, as well as on the industry and finances of so many nations as nations. We heard theories of "sovereignty," of "justiciable and non-justiciable" issues, of abstract changes in maritime doctrine. We heard proposals for Executives, representative assemblies, Courts, bureaux; for arbitration, persuasion, for armed force in the last resort—even for the coercive part of economic action.

The political institutions required we shall study in their place. They are one side of the right work. But only one side. I am amongst the furthest from

disrespect towards what is ablest and best in the general literature of this question. But much, even of the best, hardly touches the most formidable problems connected with the cause and cure of modern war. It hardly heeds those ordinary but cumulative tendencies in the daily life of the world—as hitherto arranged—which, if left to resume their former action, would again work up of themselves to warlike crises after paralysing or disrupting the League.

This tendency to a one-sided discussion of the political and legal forms of any effort at World-Government derives no doubt from a false analogy with national constitutions. When these are drawn and established the economic question for every civilised State settles itself on one principle—except in the British Empire, which is different, for it is in itself a League of Nations. Every other civilised State settles the economic question, so far as this can do it, by entire free trade within the national boundaries. Under any political constitution, every part of the country has equal access to the resources of every other part.

The case is quite other with any project of World Government. Free Trade throughout the world is at present impracticable, for reasons which will appear in a later chapter. For those reasons not even President Wilson proposes it. Nor would Free Trade by itself come near to solving all the various economic problems perilous to a League of Nations. Its Constitution—unlike a National Constitution—must have definite economic arrangements and functions as an organic part of it. Otherwise, within the political system of a World League there must arise profound economic antagonism of a kind which cannot occur under the Constitution of a National State based on entire Free Trade within its own frontiers, and working on that basis more or less by national co-operation.

No sanctions, and no repressive authority in reserve, will make any scheme of the kind to which the Paris Congress tends to limit itself sufficient to

give the probability of harmony and permanence to a League of Nations.

IV.

Through this problem in the twentieth century runs a primal thesis. The fight for food-grounds must have been a first cause of tribal war. Space fails to show even by way of summary the constant parallelism and increasing interaction between economic developments and other factors in history. Kant, in his treatise on Perpetual Peace, touched, though casually, on the growth of trade between nations, but he drew an optimistic and illogical conclusion. The closest human intercourse of other kinds, even community of religion, has never of itself prevented quarrels. Why, then, should war be prevented by commercial intercourse between nations unless that field of affairs, in its turn, is positively organised for world-peace? Even of the American Constitution Daniel Webster said, in effect—with all the orator's emphasis of a considerable truth—that "Commerce, Commerce, Commerce" was the beginning and end of it. Karl Marx, in the German way, exaggerates a theory beyond all measure in his materialistic interpretation of history. As long as man is a mortal and fugitive creature and an unfathomable mystery to himself, he will be capable of violence for ideals, emotions, dreams, and fantasies which have nothing to do with any thought of material profit. Economics are not all.

But unless we see the spiritual and material forces continually interacting—mating, as it were, and breeding new movements—we understand nothing in history. Who can separate the political and social consequences of the Renaissance and the Reformation from the results of opening at the same time the Indies and the Americas? Who shall say whether the French Revolution or the parallel industrial revolution was the more potent? Who now can dis-

tinguish after a certain period their converging effects on democracy? Who can separate the spread of freedom in the nineteenth century from the advance of applied science? Or, to take it reversely, who can explain solid, cohesive nationalism without any reference to its impalpable elements—historic imagination and poetry? No man, or at least no wise man, can so dissociate the workings of matter and spirit. There is a moral revulsion against the vast horror and sorrow of the Great War. There is a quickened conscience to condemn and remove the evils of established oppression or outbreaks of trampling tyranny. There is a new feeling that the whole world must pay at last for human wrong perpetuated in any part of it. But more significant in the end than all these may be the economic precedents, lessons and results of the war. It was the climax and synthesis and supreme combination, so far, of all social forces. Its huge object-lesson in that respect will probably leave a more ineffaceable impression on human thought and work than massacre and destruction and grief unspeakable will leave upon the human conscience. The masses of men everywhere were startled and amazed by a vast outpouring of wealth, a revelation of the giant possibilities of organised effort, which first taught them that almost infinitely more might have been done in peace to make both a better and stronger society. That impression, however exaggerated—or partly belated now that so much of the money is gone—is what chiefly stirs Labour and shakes the industrial system.

That is the thought which brings this introduction to a focus. Work and energy in the desire for widening opportunity, for rising and yet more secure prosperity—this is the larger part of the living substance of human things. It must be dealt with by any League of Peace which hopes to bring about a willing harmony of nations as distinguished from the forced and opportunist quiescence of some of them under

the predominance of others. All civilised peoples desire assured supplies of food, raw materials, manufacture, and fair access to markets. Civilised peoples will always strive for these. If a peace-system gives better advantages and more security in these respects it will last; if not, it cannot last. That is the heart of a problem which no new juridical treatment, no legalistic approach to World-Government, can by themselves sufficiently influence.

Never in the world's history were political institutions, whether national or international, so critically subject to economic stresses and strains as will be the case in the coming epoch. The economic relations of peoples will not regulate themselves any more than the economic relations of classes within any one country. How, then, are they to be harmonised? On what principles and by what mechanism?

To answer these questions in the ensuing chapters we must look back a little before we look forward.

First, we must see how unprecedented in the two generations before the war was the increase of interdependence between the various parts of the world; why this tendency failed to prevent the struggle; yet why the interweaving process is not only irreversible in its nature, but is certain to develop further and incalculably.

Secondly, we must study the extraordinary economic machinery called into being to supply and co-ordinate the common war-effort of the Allied and American coalition and to besiege the enemy.

Thirdly, it must be explained why there is an unanswerable case for the continuance of much of this machinery—even for the extension of part of it—during the first years of reconstruction and readjustment, not only in Europe, but also as regards wide regions in Asia and Africa.

Fourthly, we shall see why some corresponding system of economic co-operation must be a permanent and indispensable part of any League of Nations,

which seeks a fundamental reconciliation of peoples and at the same time understands the new connection between world-peace and social peace—which means so to reckon with Labour's efforts, dreams, unrest, as to avert the submersive tumults which would be likely to lead to a renewal of world-war.

Fifthly, we must examine a few special questions like those bearing on the unlikelihood of maintaining any stable equilibrium of civilisation without the full participation of the United States in responsibility as in influence or without the adhesion of a restored Russia.

The conclusion must be that we cannot depend so much on constitutional tradition and analogy on the political side, but rather on the efficiency of fresh contrivance on the economic side. We must think not merely of ways of dealing with possible wars, but even more of the energetic, fruitful encouragement of peace-habits, peace-interests, peace-ideals. We must think mainly not of restraints and deterrents, however necessary these will be, but of new reasons and inducements for all peoples to live at amity with their neighbours.

V.

For along the routes of the coming traffic all will be neighbours, as are houses in streets. In the age of air-ways all nations will be in closer and more active intercourse than ever before. Repressive and punitive action in the name of the League, whether by naval, military, or aerial means, may be required to preserve international order on occasions. It never can be the best course, and if employed too often may not be a successful resort. We must not think in crises like men waiting to cope with effects instead of trying to remove causes. We must apply more imagination to the ordinary. We must strive to give the right shape and direction to the normal

movements of human interests and desires within the new world-system. It must be a positive, not a negative, system of peace.

The "League of Nations" is in itself a vague term which might mean anything or almost nothing. The American term "League to Enforce Peace" is vigorous and definite, but partly inadequate, partly contradictory of its own ideal. What we have really to attempt at last is to *organise peace*. Statesmen who intend not to come short in the greatest task yet laid on statesmanship must construct a League to organise peace, civil and international. They must devise political and economic arrangements conducing alike to that purpose. If they are to succeed they must take their chief instruction, not from previous constitutional or judicial examples, but from the manifold agencies for closer human intercourse and international partnership. These agencies, to a large extent, Armageddon interrupted and seemed to shatter. As a result of the war itself, the nation-linking forces will resume their action with a variety and facility of means, a potency of attraction and compulsion unknown before. All progress some decades hence, or less, might be perverted by war once more, perhaps for the last time, to the greater destruction of mankind. The alternative for the world is either the renewed working up of competitive nationalism and commercialism towards another and more universal disaster, or a concerted enrichment of the values of peace for all concerned. The choice clearly means returning discords, making by degrees for the last catastrophe, or beginning now with the deliberate co-operation of peoples on a new plan for the common good. As regards closeness of communication and powers for inter-penetrating destructiveness, the whole world, even twenty years hence—and so far at the very least must we look—will be both a much smaller and a much more vulnerable place.

CHAPTER II.

THE ECONOMIC WORLD BEFORE THE WAR: FORMER INTERNATIONAL CONDITIONS TRANSFORMED BY THE REVOLUTION IN TRANSPORT AND TELEGRAPHIC INTELLIGENCE: GREAT NATIONS LOSE THEIR FORMER SELF-SUFFICIENT BASIS: GROWTH OF INTERDEPENDENCE BETWEEN PEOPLES AND CONTINENTS: FINANCE, AGRICULTURE, INDUSTRIALISM: GERMANY WITHOUT SEA-POWER FOLLOWS BRITAIN'S ECONOMIC EXAMPLE: INTERDEPENDENCE WITHOUT SECURITY: NATIONAL NECESSITIES AND COSMOPOLITAN SPECULATION: AN ARMAGEDDON UNAVOIDABLE.

Some who are still alive remember when railways and telegraphs were comparatively new. M. Clemenceau was getting on to his teens before the first electric wire was carried over between England and France. President Wilson and Mr. Lloyd George were both born before the Atlantic cable was securely laid.

The war has temporarily dimmed our understanding of many things that happened before it, and when we look back on the nineteenth century our sense of proportion is apt to be askew. If one must think that much was chaotic or purblind in the politics of that century, it was the heroic age of scientific discovery, invention, technical achievement. We are still its rich heirs, though in the last four years and a-half we have also been its victims. It transformed nearly all the communities. It linked up civilisation, and that again

with all non-civilisation. Armageddon itself might disrupt for a time these inter-knitting activities and forces, but cannot reverse them. A catastrophic flood in China may spread devastation, may burst the banks of the Yellow River, and even change the direction of its onward current, but cannot make it flow backwards. So is it with the main set of civilisation. It resumes with added force. Just as aerial flight has progressed like the wind perhaps as much as a hundred years might have advanced it without the war, the general sense of what is possible to organised human capacity has increased in like measure

The present Peace Congress, bound to look back to the Congress of Vienna, has to remember what chief thing happened between Waterloo and the eruption of 1914. The whole life of the world was turning into one network, however stiffly it might seem knotted at some points or might be torn from time to time.

The Vienna Congress meant to make a League of Nations, or, at least, of Powers, for decreeing peace. It set up in its way to be an enlightened and philanthropic agency. But the physical world—so infinitely clearer to us, though so infinitely more complex—seemed to the Vienna Congress a far bigger, more obscure and uncertain place. Great tracts of it were unknown; partly-known tracts were no man's lands. The Dark Continent was unopened, Japan was sealed, the Americas only fringed or sparsely dotted with white settlements. The voyage between Great Britain and the United States took from three to four weeks; and the Emperor of China still believed himself to be the potentate of the earth.

I.

Now, as regards information, the opposite sides of the earth are far nearer than were then the extremes of any large State. Societies in different continents are more dependent on each other's resources than were

province and province of most countries at the time of Waterloo. Every part of the world is under civilised government, or within the reach of civilised influence. Now wires and cables run through the world like the nervous system of one organism. Wireless, like an extra sense, was introduced, as it were, yesterday; its stations are sprinkled across the earth and along the oceans, and its messages come to vessels in mid-sea. Every one in middle life remembers when telephones were hardly known. So much for swift intelligence, the most important of all agencies in transforming politics and business as well as war. Even if present statesmanship meant to be very moral by comparison with that of 1815, it is now quite obsolete to think of international peace only or mainly in terms of diplomatic and judicial arrangements.

Next take the revolution in transport and its consequences. First take it by sea. About the beginning of the present century the Atlantic passage was reduced to six days; the fastest liners could make it before the war almost in as many days as it took weeks at the time of the Congress of Vienna. Just before the Franco-German war of 1870 the opening of the Suez Canal made the straight cut towards India, Australia, and the Far East. On August 15, 1914, the day before the first landing of the British Army in France, the opening of the Panama Canal to commerce made the straight cut to the Pacific. The war was but a temporary interruption in the closer linking of the continents by maritime means. Beggaring Jules Verne, the realities of the submarine have shown afresh on what form of peaceful traffic the mutual service of nations most depends. Inter-continental shipping is the key of it.

Take the land. A revolution of world-communications by railway, and consequently of world-economics and world-politics, has been working well within the lifetime of most of us, and still goes on. Only in 1869 was the first transcontinental railway completed in the

United States. Since then, both in the Republic and Canada, the iron arteries for the flow of traffic have multiplied between ocean and ocean. Only a decade before 1914 France sent mails for the first time across Europe and Asia to the Far East by the trans-Siberian. The first trans-Australian railway was completed little more than a year ago. The Bagdad line, by magnificent engineering, was pushed through its most stubborn difficulties during the war. It will be completed under new auspices and extended onwards. The locomotive already went through the desert from Damascus to Mecca. India is seamed with railways. China is threaded by them. By the Channel Tunnel or steam-ferries railway connections will presently run from Charing Cross to Cairo and Capetown—to Medina and Mecca—to Bagdad and Calcutta—to Pekin and Shanghai. These things may be done before we have a tunnel to Ireland, because the people who make politics have so rarely any practical imagination for constructive economics. But to continue. Motoring is like a thing of yesterday. The youngest birth, aerial flight, is a thing of the morning. Presently for mails, official documents, newspapers, small parcels, and for passengers in emergency, aircraft will span the Atlantic in a day and the British Empire in a week. Airships as big as an Atlantic liner and as comfortable will cross the Atlantic in about two and a-half days.

II.

This civilisation has delivered itself from a force which if it had conquered would have made more wars certain by making the subsequent peace widely unbearable. Now there is a better chance. Lacerated, ravaged, half-dislocated as it is, the world is a renewed world which can make a fresh start. For the first time in history, it can be rationally readjusted as a whole if all the economic means of co-operation

are recognised and used. Nothing less than the war was required, it seems, to show how far conventional politics, domestic and foreign, had lagged behind the means and opportunities given by modern science and economics for the better ordering of human affairs.

After glancing at the agencies which have so recently transformed all civilisation and brought all non-civilisation more or less under tutelage, let us come nearer to the effects upon social sustenance and the related lives of peoples. There can be no attempt here to describe in detail the growth, fullness, intricacy of that exchange of goods and services, those affiliations and combinations, which changed the formerly more independent though cruder lives of peoples and worked them into this knitted scheme of things. To follow the extensive and intensive actions of this process from its beginning to its ascendancy during the last fifty or sixty years alone would take a thick volume or an encyclopædia. Nor even in the short sketch which follows can we take in strict historical order the successive factors as they arose out of each other and then interacted again to make a more and more complex whole. It is enough to look into the main results of this transformed world-system as it throve and flourished or ramped in the first years of the twentieth century just before the Great War.

The national States were still maintained as of old, as separate and sovereign entities in politics. In economics many of these societies no longer existed as detached units, nor were capable of life apart. They had become links in a chain.

To understand either the war or the future, we must face with a fresh eye, instead of taking for granted, this extreme internationalism of the means of human work and life. We must begin with finance and investment. International finance excelled most in the universal range of its web and the subtlety of its meshes. Telegraph and cable kept in the most intimate touch all the banking and large business of the

world. The money of all rich countries went more or less to develop production and transport in other countries, whether near or thousands of miles away. Great Britain had possessed a manufacturing predominance, approaching monopoly at the beginning of the international epoch. Then by the employment of her capital abroad this country more than any other built up competition and power elsewhere, in the course of enlarging her own profit and her own supplies. British capital, for instance, chiefly financed after the Civil War the rapid Western extension of American railways. This led in the United States to an enormous increase of agricultural production and exports. Britain again provided cheap freights for carrying the exports. The result in this country was that British agriculture was overborne for a generation, but that our industrial masses were fed more and more from sources thousands of miles away.

The result in other European countries was a high revival of protection to stem or control or regulate the agricultural invasion from across the Atlantic. The Protectionist revival had in its turn effects and reactions—chiefly radiating from Germany after 1879—exerting the most profound influence upon the politics and psychology of the German and all other peoples in the generation which moved steadily towards Armageddon. These were the mixed consequences of developing American cultivation by European money in the world as it arranged itself before the war.

International finance was as active in the development of both Americas—of Canada and Argentina and Brazil, as well as the United States—of Australia and New Zealand, of tropical Africa newly thrown open after the Franco-Prussian War, as well as of the gold mines of the Rand. Russo-Siberian railways and industries were chiefly financed by France.

One incident of a very few years ago showed how

far matters had gone. At the time of Agadir what had been known to bankers was revealed to the surprise of the multitude—that French capital was supporting German credit. It was assisting to build up the whole German economic organisation ready to be converted into sheer war-power for the destruction of France. There is a strange confusion of beneficent co-operation and moral anarchy in this picture of the workings of international finance in a world of unorganised and conflicting politics. To a large extent, modest as well as wealthy investors in countries like Britain and France drew the income of their investments not from any source in their own countries, but from profits in all parts of the earth overseas.

As other matters stood, the influence of international finance and credit as safeguards of peace was strangely exaggerated by pacifists, who refused to face the more threatening, the decisive, facts and forces of European life in the years before the war. International finance to a large extent was itself genuinely misled and helped to mislead. It was at that time disproportionately favourable towards Imperial Germany—for reasons more natural and less sinister than the anti-Semites of French patriotism believed.

III.

The characteristics of this new inter-connected situation of the world were turned to especially good account for German industry, war-preparation and aggression. Let me recall briefly the operations of the electrical and metallurgical syndicates. Those operations before the war ramified through the British Empire. German war-power was largely nourished by juices sucked from every vein of other people's resources.

Take some typical instances as they come to mind. Mica is essential to the electrical industry, and the

position of the British Empire in regard to mica supplies is by far and away the strongest of any country. India produces 50 per cent. of the world's mica supplies and Canada 15 per cent. Germany within her own possessions obtained 10 per cent. of the world's supply, but this was found in German East Africa. Yet at the outbreak of war the mica market of the world was on the point of being transferred from London to Hamburg. Germany had obtained a large control of the Indian mines, whence the bulk of the material was exported to Germany by direct or indirect shipment. This is a vivid example of the new interdependent world-conditions which develop the industry of one State by the resources of others.

These things can no longer be left to uncontrolled operations of a private or semi-private kind. Germany must have mica, but on other terms. If world-peace is to be preserved, the Associated Powers at the Paris Congress must think of some new ways to regulate the working of world-economics.

Germany in the same way had as effectually acquired the tungsten of the British Empire for high-speed steel and electrical uses. Germany had obtained a predominant control of Australia's unlimited supplies of zinc ore. We were hampered and jeopardised at the beginning of the war partly because the resources of the British Empire had been ingeniously exploited to build up the enemy's electrical and metallic industries. We had become dependent on Germany for a thousand appliances. As is known, we nearly lost the war because we had relied almost entirely and supinely on Germany and Austria for scientific and optical glass. It sounds incredible, but it is true, that the particular gun-sights required for a large part of our own artillery had been almost exclusively manufactured in Germany.

International operations of another kind came in commerce with the era of the Suez Canal, the Panama Canal, of the trans-Continental railways, and with

the expansion of great world-embracing maritime enterprises like the Hamburg-America line and the Nord-Deutscher Lloyd. Shipping alliances and their railway affiliations were arranging through-routes and through-rates round the world. These were methods of girdling the entire globe by international organisation. Nominally under private control, it was more influenced through the late Herr Ballin by the German Government than by any other. Under the League of Nations there will be a great extension of continuous routes. It must encourage them. But it must see that they are so supervised and ordered as to become definite guarantees for the maintenance of the peace-system. For many reasons we are going to find that for surety in peace-politics we shall need the new organisation of peace-economics.

IV.

Next we come to the still more basic question—the absolute interdependence of manufacturing countries in Western Europe upon supplies of raw material from other continents. Amongst the developments of modern history in the international epoch none has been more typical or momentous than this. Great Britain led the way here as in every part of the movement, not in the least measuring or apprehending the meaning of what she did, yet working unceasingly to bring about a kind of economic world in which war will have to be made impossible unless modern civilisation is to perish like ancient.

Lancashire textile industry is based on American cotton, and depends on Eastern markets. Yorkshire textile industry is founded on wool from Australia and New Zealand, from the Cape and Argentina. The metallic and electrical manufactures in all Western and Central Europe depend at every turn, as has been partly seen, upon materials from the Americas, Asia,

Africa. It is the same with a thousand other trades. Shipbuilding, for instance, is our all and the all of the Empire. Yet by its natural resources this island alone could not sustain the position it has held, perhaps not the Empire. Shipbuilding only constructs machines made to float, so that this industry is an extension of the iron and steel trades. But these, for all the increase in home-mining during the war, must look more and more to imported ores, not merely to Spain and Sweden as formerly, but to Newfoundland and Brazil. No country on the whole earth is so much concerned as the United Kingdom in a peaceful organisation of world-economics. Admitted that we must have the concrete guarantees of a tested and proved League of Nations, before our present self-provided securities can be diminished.

Continue a little further down the endless list of familiar and indispensable things, the great and the small—buildings, furniture, clothing, boots, soap and oils, newspapers and books, musical instruments, motor-cars and aeroplanes. They can no longer be made on a national basis. Their materials are supplied from all the zones of the globe. We have become for good one strong limb of a world-organism, and we have no existence but in some adequate connection with the general body of mankind. Even the British Empire, though it could easily be made entirely self-supporting —if no exterior influence were to interfere with it, and if its self-governing communities were of one mind and purpose—could not exist if the rest of the world, or much less, were combined against it.

The case of our own island is only typical of the unprecedented conditions which have arisen during the last half-century, and especially during the last quarter of a century. In Western and Central Europe no society is capable any longer of industrial existence on a national foundation. They all depend on external connections. The only choice is whether these are to remain altogether uncovenanted and haphazard

as in the past, or whether the irrevocable conditions making for increasing interdependence are to be faced, ordered, and secured by associated Governments.

To understand better the vital bearing of this problem on the project of enduring peace we must look at the special position of Germany—though we must remember that similar considerations will henceforth apply more and more to other Central European populations, Teutonic and Slav. In developing to gigantic proportions an industrial system dependent on external supplies of raw material, Germany followed our own example. But without an empire and resources like ours; above all, without a similar sea-power. Already organised for military aggression, which we were not, she then lost her head, went the wrong way to work, and sought the overthrow of our sea-power and our Allies in a way that, if successful, would have combined naval, military, and economic supremacy in the same hands so as to destroy the safety of all the world.

Germany was of an imitative bent and of a temperament at once exaggerated and dogmatic. Her economics were in many ways ultra-modern and as able as hazardous. But her politics, on the contrary, were stubbornly traditional and obsolete. Though she thought herself capable of being the ruthlessly dominating and conquering power in the world—the unchartered libertine of force—hers had become of all societies the most dependent on the goodwill and co-operation of the majority of mankind.

Germany only lost everything in the war because, in preparing for it, she wanted everything and grasped at everything. She would not sacrifice any military ambition to the maritime ambition. She was incapable of seeing that she could never realise both, but must concentrate on one or the other and pay a price for the furtherance of either.

We must yet understand how the economic situation presented itself to the mind and to the fantasy of the

German people, however false were the political deductions they drew. Their instinct was in some ways better than their logic. Their ideal was that of a supremacy achieved by force to an extent enabling it afterwards to be self-maintained. But unawares they had become totally dependent on the new international and inter-Continental conditions of transport and supply. No tariff could alter this. Here no science of substitutes could be a real substitute. Their recent industrial system and its millions of workers were dependent on foreign States even for certain iron-ores (despite their own huge deposits), for copper, zinc, gold, for the rarer metals of industry, for mica as for tungsten; for cotton, wool, silk, flax, jute; for timbers; for skins and hides; for rubber, petroleum, oil-seeds, and other oil-bearing products, for nitrates, and for tobacco. An increasing balance of foodstuffs had to be imported, necessaries and luxuries; wheat, barley, rye, maize, and rice; fish and lard, fruit and vegetables, coffee.

What would happen if these vital imported elements of German industry were swept away? What but unmatched collapse and ruin? German temperament was of the kind to make a nightmare of this situation. For the purposes of the Navy Bills the professors wrote to order and worked up the scare beyond all reason. Nevertheless, the dread caused by these conditions of dependence on foreign nations and the sea was largely natural and largely justified as the world stood. In the methods of attempted remedy were the blunder and the crime.

But the war is over, and Germany is prostrate. The economic problem of Central Europe remains. As we shall see throughout these pages, it is one of the fundamental problems of the world's politics and of the League of Nations. Taking the Germans alone, here is a race which by itself may well number in another couple of decades a hundred millions of people. The whole of that race will be politically active, and

is most likely to become politically one. It will either be as sure of its sufficient share of imported raw materials and food as we are now, or it will not. If not, this race, in conjunction with some others around it, will work again to acquire a wider sphere of power and territory, and to overthrow the peace. Its purpose will then be more permanent by the nature of its necessity than can be the existing overwhelming Alliance against it.

If, on the other hand, full and secure supply of foodstuffs and raw materials can be guaranteed under the League of Nations—by a system of economic co-operation at least equal in importance to the political constitution and juridical functions of that body—the war-motive may die out and armaments disappear. This is at least a promising way. There is no other hopeful way, as will be shown better in the chapters dealing with the prospects of a League of Nations after the transition. There is a permanent deeply-working problem in this increasing industrial dependence of the German race and neighbouring races upon resources controlled by ourselves and other Powers. No safe solution can be reached by leaving a problem of this magnitude to the international chances of private competition. Under a League of Nations, practically framed, there would have to be some new kind of understanding and system with regard to the development and distribution of those world-supplies of raw material on which modern industrialism is founded.

V.

From this we come to a closer view of what may be the greatest issue raised by the interdependence of modern nations. It is the issue of the food-supply for the industrial populations of Europe. It may well become an issue for industrial democracy everywhere. During the troubles of reconstruction following the

war the food problem takes novel and desperate aspects in many parts of Continental Europe. We must look at it here in its more normal form, as created by pre-war conditions and as influenced by similar conditions when there will be no longer a shortage of cultivation and anything but a stringency of shipping. At the German case we have glanced. The classical illustration is afforded by the pre-war position of the United Kingdom.

It has been seen how British capital developed American railways and how the increase of American cultivation then overwhelmed British agriculture. Since then we have had the inflow of food imports from all directions—from Canada, from Australia and New Zealand, from India, from the Argentine, and from Russia, as from nearer countries like Denmark. As a result the life of our dense industrial democracy was based before the war not on the soil of the nation, but on the soil of the world. An ordinary British table at every family meal was supplied by imports from all parts of the compass and from the far places of the earth. The family table became a little epitome of the world's food resources in a way unthinkable by our grandmothers when they were young.

Now both Americas, Asia, and Africa and Australia and New Zealand, with half a dozen European countries in unrationed times might be conceived as our invisible attendants at table. They present us, according to the meal, with bread, beef and mutton, and bacon; butter, cheese, and fruit; tea, coffee, and sugar. Sugar from the West Indies may drop into the tea from near the Himalayas, and butter from the Antipodes may spread the toast which originated far deeper in Canada than "where the Skoodawabskoosis flows into the Skoodawabskook." In economics we are citizens of the world like no other people in it as long as sea-security is there to keep the world open. On the same terms it was thought that the more dependence, the more abundance. But this is conditional, as we shall go on to show.

The natural play of international trade was already complicated before the war by Trusts and by speculation to a larger extent than was generally understood. So far as home agencies are concerned, the possibilities of exploiting necessaries of life were severely restricted by Government action during the war. The dangers of a profiteering manipulation of food-supply and food-prices have none the less become a permanent issue of public life on this side of the Atlantic, as has long been the case on the other.

For a long time to come it will be even less easy than it usually is to separate the question of prices, high or low, from other main questions arising in democratic politics. The Peace Congress is pledged to undertake a great extension of the attempt at an international adjustment of Labour conditions. A League of Nations must necessarily make some endeavour to foresee and avoid the worst perils of social agitation as well as to abolish the arbitrament of blood between one country and another. As has already been remarked, civil tumults and internal revolutions might lead, as after 1789, to the disruption of the general peace. It seems certain, therefore, that as regards the food-supply—always apt to become a primary cause of social unrest in times of high prices—the conditions of interdependence between peoples cannot be left absolutely at the mercy of private competition or exploitation. There must be some new safeguards.

As the submarine has taught us, sea-power might be subject in another world-war to perilous hazards very different from the old risks of naval battle or maritime adventure; and there are also some things which sea-power cannot do. It is powerless against financial manipulation. It cannot influence prices in peace-time. There are conditions of international dependence which require another kind of precaution.

A strong light was thrown on this part of the subject by events as long ago as the 'nineties of the last cen-

tury. They showed what strange things were becoming possible or thinkable as between nation and nation in this new play of world-economics. The statesmanship of Tsarism was perpetually in search of financial expedients and ready to move a world to balance a Budget. But also world-prices for grain in 1894 and after were the lowest in history and grievous for Russian producers. It occurred to some Slav imagination —unrivalled in political fantasy as in that of the ballet —that the Russian and American Governments together could declare at their will a higher price for wheat and enforce that price upon all importing nations.

On November, 4, 1896, M. Kotzebue, then Russian Minister in the United States, and acting under instructions from Petrograd, proposed to Mr. Olney, then Secretary of State, that the Republic and the Tsardom should enter into agreement to raise the price of wheat by 100 per cent. Alarmed by the very lowest prices on record, Russia was quite serious. Washington, it need hardly be said, scouted the plan. But this abortive effort showed that there were new ideas of using the power of international economics as an Archimedean lever.

A little later private speculation boldly adventured where Tsarist statecraft had faintly dreamed. The "Leiter corner" was the attempt of a stripling to levy tribute from the Chicago wheat-pit on the whole world of industrial consumers. For nearly a twelvemonth young Mr. Leiter held the chief part of the world's food supply in the hollow of his hand. At the zenith of his operations in May, 1898, he had done in fact what Mr. Kotzebue had dreamed of doing by the united power of two Governments. A single manipulator had sent up the price of wheat in this country to double—to the highest figure reached upon the Liverpool market for nearly twenty years. He was selling at a profit of thirty shillings a quarter. At the end of the year's gambling he had gained a million

sterling. Then came the break, and within six weeks following he had not only forfeited all his gains, but was finally a million to the bad. This disturbance of world-prices had continued for twelve months. It was only the glaring example of a spirit often more skilfully disguised and successfully practised.

Such things are the Bolshevism of Capital. Mr. Leiter's example did much to deter anyone from following it, but that his attempt could be made at all showed what things were becoming possible. Wheat is by no means the best illustration. Cereals have been found to be an element as unruly to speculation as was the sea to Canute. But other commodities for human consumption may be more ably dealt with by private finance. We will not go at this point into the general question of possible food-trusts, nor prejudge the case of those that exist. We shall have to return to the subject. Enough to take one instance of things that will come to still more formidable growth until they are internationally restrained.

In one sphere of consumption in particular previous to Armageddon there was mighty control, but it was not exercised by Governments. The American Meat Trust had obtained enormous power. Its operations were not merely international but inter-continental. It already controlled more than half of the whole world's exportable supplies of meat. Under any sane system of a League of Nations concerned to keep steady the foundations of social peace as of international peace, all the Bolshevism of speculative finance or exploiting combinations ought to be suppressed with trenchant promptitude like the Bolshevism of the proletariat. Though the power in this case is obviously greater than any power in private hands ought to be, we cannot demonstrate that it has been abused. But the possibilities of abuse in connection with food supplies as with raw materials under the new international conditions are various and far-

reaching. New precautions will have to be taken against them sooner or later.

These, then, were the pre-war conditions of world-economics. Modern transport and through routes putting more girdles and cross-belts round the earth were extending and multiplying the reciprocal activities of all mankind. The inter-connection of nations created the interdependence of nations. On this pacifists rested their hopes; whereas on this Pan-German militarists and professors based their fears; and their projects of creating by arms a far-reaching, many-zoned, self-contained economic sphere extending from the heart of Northern Europe to the Middle East and the African tropics. Meanwhile the international operations of finance and capital were but slowly and feebly paralleled by the international movements of labour. Massed capital obtained a power often more dominating and pervading than that of Governments in its effects on ordinary life. While amassing colossal gains, under the Trust system, it increased efficiency, offered dazzling opportunities to the ablest individuals of an apt type, enhanced the material welfare of industrial workers—which may not mean doing even this sufficiently, much less advancing the best attainable ideal of free human life—and was on the whole too competent and judicious to make the weight of its sway intolerable. The telegraph, telephone, and cable enabled one person or a few persons to direct larger and more numerous concerns, more far-reaching cosmopolitan enterprise, than any man or group could have dreamed of managing a few decades ago. It has been said that the telephone is the little mother of big Trusts.

The political and intellectual results of growing international intimacy—which of itself no more necessarily means international peace than family intimacy means family peace—we must leave aside for the moment, as it will engage us later. What we have to emphasise here for the Peace Congress and for the

League of Nations is the moral of that pre-war movement, especially from about 1870 up to 1914, which created the permanent and ceaselessly increasing interdependence of all civilisation and non-civilisation.

As a final result of the political effects and reactions, the position was one of interdependence without security. That was the cause, added to all other origins, which made Armageddon unavoidable. The League of Nations cannot hope to succeed unless it can organise more economic security in international relations as well as more political safety. The lessons of the war itself have shown the way to a solution just as the tremendous necessities of the struggle have enlarged in every other direction our knowledge of human capacity.

CHAPTER III.

"VESUVIUS AND THE VINEYARDS": THE WAR AS A VOLCANIC ERUPTION IN THE ECONOMIC WORLD: THE TWO BELLIGERENT GROUPS: ALL AGAINST ALL: THE STRUGGLE BECOMES AN ECONOMIC ARMAGEDDON: DISLOCATION AND COMPETITION OF THE ALLIES: LORD KITCHENER AND THE BEGINNINGS OF INTER-ALLIED ACTION: PRIVATE TRADE BREAKS DOWN: BRITISH NATIONAL ORGANISATION GROWS WITH NECESSITY: THE SUGAR MONOPOLY: THE WHEAT MONOPOLY: CRISIS OF THE SUBMARINE STRUGGLE: LORD RHONDDA AS UNIVERSAL MERCHANT: THE ISLAND-CITADEL OF THE ALLIES HELD BY ECONOMIC DISCIPLINE.

Vesuvius broke out amongst the vineyards. In other words, amidst the machinery of this interdependent world, with all the range and delicacy of its system for supply and distribution, Armageddon burst like an explosion, shattering part of the gear, dislocating much, changing the play of all the rest. The full meaning of what had come to pass was hardly realised until the second year of the conflict. It was not to be a struggle of fleets and armies in the traditional sense unaltered in the main since Troy. It was the war of nations in the fullest sense of the term as regards the belligerent countries; for them, the war of all against all; of the whole populations in one group against the whole populations in the other.

I.

Signally, it was a war of economics—of manufacture, equipment, of rival science, of social organisation. It was a food war, a war of machinery, a chemical war, a war of fibres as of metals, a transport war, a war of petrol, a war of spare parts. The armies in the field would have been paralysed and impotent without the continuous night and day labour of swarms of civilian workers marshalled and directed by Governments like troops by Headquarters. For the first time the hostile armies as a whole were counted by millions and tens of millions; but the belligerent populations working to overwhelm each other were numbered by scores of millions, and ultimately by hundreds of millions.

The worst prophecies of pessimists about the coming slaughter and convulsion seemed like mild babble by comparison with the reality. This was the inconceivable grapple which forever revolutionised all human thought upon war and peace, and the possibilities of economic organisation. The right cause at first was at a profound disadvantage. The Central Block, helped by the fact that it was a continuous territorial block, became more and more a unified combination under German despotism, with the other partners as satrapies. The Grand Alliance was a real League of free or else of widely separated peoples. It had all the historic defects which have so often led to the failure of democracies and to the overthrow of widespread coalitions by less numerous but compact forces acting on interior lines. One remembers the infinite delays of Dutch procedure in the older wars, and how difficult it was for the Seven Provinces to agree on prompt action, even for common defence. Russia was from first to last a semi-isolated and peculiarly vulnerable member of the Grand Alliance. She had a wretchedly deficient yet sprawling transport system. Her weakest frontier was bordered by continuous

chains and compact meshes of hostile communications. Thus Russia's economic resources and labour power were never adequately available for the Allies.

The efforts of the Western democracies were for a long time hindered by the peace-mentality of most statesmen and by traditional conceptions of war in the minds of most soldiers. It became gradually clear that without the utmost economic efforts by each great people in the Alliance and without close economic co-operation between them, no political fraternity or fighting comradeship could achieve success or avert disaster. The fullest possible efficiency of combined and co-ordinated effort was never reached at all. Only at the very end of the war did the Allies find themselves coming very rapidly to something near the right machinery.

The world, accustomed more and more for half a century to work in the intermingled way we have recalled, found itself divided into three groups. They were, from our point of view, the Allies, the Enemies, and Neutrals. The dominating achievement of the British Fleet in grasping maritime command from the first day of the war, and even from its first hour, deprived the Enemies of the direct use of the sea. It had been the only real means up to then of that inter-continental intercourse which, when it has free play, rules everything else in world-economics. Germany had always hoped, however, that supplies would continue, indirectly, through neighbouring neutrals like Holland, Denmark, Sweden—in the first phase even through Italy, Greece, and Roumania. Germany also relied on obtaining by land-conquest, westward and eastward, economic resources which would compensate to a large extent, and perhaps entirely, for the effects of the naval blockade.

For the Allies, in these circumstances, the critical question of the blockade was the difficulty and necessity of dealing with the neutrals, especially in North-Eastern Europe. They could not be sealed

up and starved. As little could we allow them to supply Germany with food and raw materials. They were under the strongest possible temptations of profit. Unless restrained from importing grossly above their own needs, on the one hand, and re-selling to Germany on the other, they would pass forward unlimited quantities for the Central League, and the Allies would lose the war. Yet for nearly three years it was impossible to deal adequately with neutrals, except on principles and by methods causing serious friction with the United States.

II.

We must look at the internal conditions of the Allies and at their problem of economic combination, which was long in coming near to an organised solution. Germany had seized all the mining and industrial resources of Belgium. In France she had captured as well the chief coalfields and dense manufacturing districts of the northern departments, with the priceless iron deposits of the Briey area. These losses had to be made good in France by volumes of imports from Britain and overseas if the war effort of the Republic were to be sustained. When Italy came in she had to be supplied with wheat, munitions, various raw materials — above all, with coal, since she has none of her own. Like Britain and Germany, Italy is another special case of national dependence on world-economics. Of the smaller Allies we need not speak at the moment. But the position of Russia was unique and grave. When the narrow bottle-necks of the Baltic and the Black Sea were corked and sealed by Germany and Turkey, Russia could not export her wheat, hides, timber and oil to the Western Allies. It was the worst that she could not enjoy communication with them by the Dardanelles and Bosphorus open

all the year. Partial supplies to Russia through Archangel meant in proportion the utmost dislocation and delay of British shipping.

Millions of fighters were withdrawn from productive work. In peace they had supplied others: now others had to supply them. For several reasons they now consumed more per head than when they were producers. The armies had to be nourished and equipped; the working masses to be fed and provided. British shipping had to render all the bulk of these services. Every Allied soldier in the field mortgaged part of our tonnage for incessant going and coming. The civil populations of our Allies mortgaged more. About two-fifths of our shipping remained over for the import of food and raw materials into the United Kingdom. Throbbing with war factories, Britain was the economic heart of the Great Alliance, and its shipping was the economic blood-current of the whole.

By comparison with these needs and conditions there was a world-shortage of vital supplies and of shipping. Promiscuous competition between the Allies could only mean scrambling, confusion, friction, and driving up prices against each other. We shall now see by what steps the logic of interdependence led to practical partnership, and how this developed until the Allies and America had created what is still to a large extent, in the economic sphere, a unique working system of World Government. However modified by comparison with war-conditions, it is a combined Administration whereon over 200,000,000 of people, whether friends or late foes, are depending for the assurance in 1919 of their means of human existence and for their prospects of political cohesion.

Where there was not enough to go round at first the Allies bargained with each other piecemeal. They met emergencies by hand-to-mouth arrangements. They bid in the world-market regardless of each other or against each other. They scrimmaged for the advantage. For the first months of the struggle the impor-

tation of raw materials and food was left in the hands of private firms. It soon appeared that this could not be continued. The blockade by itself, the necessity of regulating and rationing the supplies of neutrals, compelled the British Government to interfere with trade. This process had to be extended to home organisation until it penetrated the whole sphere of industry and consumption. The economic liberty of the citizen had to be subject to discipline like the personal liberty of the soldier. Individual needs could no longer be met except through the resources of public action.

III.

Let us take first the primary issue, food. We shall see how the increasing pressure of necessity—becoming drastic and overbearing at the height of the submarine struggle—brought about national and international management of the food supply. There is perhaps nothing more fascinating in the economic history of Governments than to see how action, very limited at the outset, led step by step to an organisation of extraordinary complexity and power. We must glance to begin with at some preliminaries.

At the outset, in a very characteristic British way, an immediate difficulty was met by a first experiment. This was the establishment in the first weeks of the war of a Government monopoly for the purchase of sugar. The reasons for this early action in August, 1914, were evident. We had been accustomed to large supplies from Continental Europe, and especially from Germany. There was the certainty of severe shortage and soaring prices if the readjustment of the whole trade were left to private effort and competition. Some old sources of supply had to be brought into fuller flow and new sources tapped. It was a big national matter. To cope with it, the Royal Commission on Sugar Supplies was appointed. It was not the

collection of pragmatical bureaucrats absurdly imagined by people who forget what they owe to the public Control, which has been only another name—not the best—for saving national organisation. The Sugar Commission, like the other bodies of the same kind created afterwards, was manned by experts thoroughly acquainted with the trade. These would be the first to acknowledge the value of the assistance they received from the trained ability which abounds in the British Civil Service more than at any previous time, and probably as much as in any Service existing.

The Commission fixed a selling price for sugar on the plain business principle of covering all expenses and leaving a margin for contingencies. This, then, was our first national war-institution of its kind. It gradually acquired an international character. In the early months of 1916 the Commission arranged to buy for France and later for other Allies. Financial arrangements were different from the methods of most other bodies of the kind. The Commission was the great purchaser and resold to the Allies. After America came into the war a still wider command of the trade was effected. In September, 1917, an International Committee was established in New York to centralise the buying and giving out of Cuban and United States sugars. This body was set up by Mr. Hoover as American Food Administrator. On it was represented our own Sugar Commission, acting also for France and Italy.

No one needs to be reminded how much public convenience, in our country as well as in France and Italy, owes to the Sugar Commission. The degree of restriction at the height of the submarine campaign was very bearable, and it was very temporary. Since August, 1914, this country, on the whole, has enjoyed a sugar supply as nearly normal as could be reasonably expected by any country in any war.

Parallel with this came into existence the earliest institution of an international kind. It also had its

day of small beginnings in August, 1914. It was called the *Commission Internationale de Ravitaillement*, known for short as the C.I.R. On this body France played the leading part. But it acted for Russia also, and in due time for Italy, as well as for Belgium and Serbia and other smaller European Allies, as they joined in the struggle. Its story is curious and characteristic of the slowness with which the Allies awakened to the need of supreme economic effort for victory in a war of nations, pitting the entire organic and inorganic resources of one great group of belligerents against those of another.

The C.I.R. was originally formed at the outset for the purchase not of food but of munitions and equipment for war by land and sea. At first it was connected in an odd way with little episodes in the endless work of Lord Kitchener. At intervals, as War Secretary, he used to receive all the foreign representatives together to see what could be done. If they had their needs he had his. At that time the unmeasured manufacturing capacity of this country for peace-purposes was in the mere infancy of conversion to war-purposes. The interviews at the War Office had often a touch of dry humour, helping to preserve good will in the difficult circumstances of bargaining from hand to mouth. France, under the frightful stress of invasion, was so much quicker to organise for munitions-output that she soon had more steel. We had more explosive. When France got some of the explosive which she wanted Lord Kitchener usually got in return some of the steel which he wanted. Those meetings, in a way little suspected by any who took part in them, were the germ of what was to grow and grow until it became a giant thing and a many-handed giant—an inter-Allied organisation holding in its grasp the economic power of nine-tenths of the world.

The Commission Internationale de Ravitaillement became ultimately a specialised part of the whole

system. It was the first inter-allied body which ever made joint-purchases. Through it in the end the representatives of the smaller nations made all their demands to the four Great Powers—to Britain, France, Italy, and then the United States, whose intervention gave grinding strength to the economic coalition against Germany and the Central League. It is supposed that up to the end of 1918 the C.I.R. alone had made total purchases to the figure of some £1,000,000,000 sterling. This is only one example of the scale on which all similar bodies had to work in the war which dwarfed comparisons. Particularly important, however, as we shall see, was the principle first embodied in this Commission. It was definitely established to prevent the Allies from driving up prices against each other by competition in the same markets. More specifically it co-ordinated purchases from all sources within the British Empire.

IV.

This principle was soon found to be of compulsory effect in the wider, almost universal, sphere of food supplies as a whole. This is a story which must some day have a large volume, or several volumes, to itself, when monographs on the war begin to make a library. The French and Italians resorted to Government action before we did. Except in regard to sugar, Great Britain was longest in relying upon private enterprise. But when private enterprise had been put aside by other nations it was bound to become insufficient and unsafe for our own country. Our strongest firms could not long compete with buyers acting in the name of Great Powers. But for some time Britain, after her own manner, never dreamed of organisation for food-supply as a whole, and went on a very mixed way for the first two years of the struggle.

The War Office had its contracts continuing, though on a scale so far beyond anything that had been known, traditions derived from former centuries. Before the end of 1914 it was buying meat for the Dominions. At the beginning of 1915, however, a change had to be made. All meat purchases for the Army were handed over to the Board of Trade. We shall see how this function waxed larger in its turn. But in this direction, as in every other line of war-economics, surprisingly little progress towards adequate organisation was made in 1915, or throughout the greater part of 1916. The British Government, as then constituted, was disinclined to go in advance of needs that were instant and would take no denial. Emergencies, however, were its master, and policy was forced nearer to the right method. We must now turn our attention to the main question and show by what tentative and intermittent means private dealing in wheat and other cereals was altogether superseded by public action, working in the end on a world-scale.

Grain stocks in this country were diminishing in 1915, partly because of purchase for foreign account in the name of the Allied Powers. This was why the British Government first interfered in that year. Even then its action was meant to be exceptional. It ordered a large tonnage to America, where a surplus of grain waited shipment. As an apt consequence, there was a rapid fall in Atlantic freights. Heavy cargoes of grain were brought over. There was immediate relief of the home situation. Prices were brought down. But severe loss was caused to private traders who had laid in stocks. They could not risk a repetition of that experience nor pursue business under wholly uncertain and hazardous conditions. They shrank, as a matter of course, from forward commitments. The normal process of replenishing the national granaries by private trade was thus severely checked. The stocks built up for a time by the first

effort of Government action soon declined again, and to a lower level than ever. The position was dangerous. Once more the British Government acted. It restored temporary safety by importing a reserve of wheat. Again this reduced buying by private firms. What was done on one hand for increasing the national store was undone on the other. Merchants were naturally still more unwilling than before to hold stocks and buy ahead.

A parallel action of public and private supply could not exist. The public power, once used in the national interest, must squeeze out private effort.

In the autumn of 1916 the decisive choice was made at last. It was two years after the institution of a public monopoly of sugar when there was established something bigger than any vision of corn imagined by Joseph in Egypt—a Government monopoly of the whole British import of wheat. The Royal Commission on Wheat Supplies was created to furnish the country and keep full stocks. Appointed on October 11, 1916, it extended until it became responsible for the purchase outside the United Kingdom not only of all cereals, but of the whole Biblical category—grain, beans, peas, and pulse.

We must understand clearly how practical a body this was. To speak of a "Royal Commission" is apparently to suggest to the popular mind a collection of Parliamentary bores, departmental fogies, and other official relicts. No such collection, so far as I know, has had anything to do with the great work of organisation and action which guaranteed superior endurance to the Allies and ensured their victory by economic means before they achieved it in the field. Including members of the grain trade, with others to give all the experience and knowledge required for the task in hand, the Wheat Commission met daily. It was in touch from the first with the grain market in all such parts of the world as were accessible under the conditions of war-time. At the outset, for instance,

it made large purchases direct from the Australian Government; but soon there was no tonnage available to carry over what had been bought, and nothing further was done in that quarter.

It is worth while to note the method—how the export surpluses of the world's wheat were bought up by whole crops and harvests. In the United States the wide buying necessary was done through a single agency called the Wheat Export Company of America. It was linked up with the directing body in Britain by including members of the grain trade who were also members of the Commission. It need hardly be said that firms worked for the Commission as controlled agents guaranteed by the Treasury a rate of profit fixed in a certain relation to pre-war business. A Wheat Export Company was also formed in Canada to work in connection with the company on the other side of the line. In Argentina also purchases were made through controlled houses. A larger number of firms was employed in India, where operations were necessarily subject to conditions unknown elsewhere. The Indian Government has always to consider wheat cultivation and export in connection with other issues of social policy in a land where the expansion or contraction of the margin of subsistence for the whole people has to be watched season by season as vigilantly as the inches of the Nile flood. Just here we tend to outrun a little the proper order of dates, but must add for the sake of a more complete view that at an early stage it became evidently necessary—for the reason which will immediately appear—that the Wheat Commission should buy not only for the British but for the French and Italian Governments. Eventually, following blockade agreements, it became responsible as well for supplies to certain neutral countries. When competition between the Allies ceased, neutrals were at a severe disadvantage. They had to ask for the services of the Inter-Allied purchasing agencies, and had to give terms in return.

V.

So far Britain had been brought slowly to do what was advisable and efficient for her own people in one main direction, and on one or two subsidiary lines. As her action developed, she tried always to provide for what was just and convenient to her Allies. But from the end of 1916 the whole question of closer economic organisation between the Allies became a part, and the inmost part, of the submarine struggle. It was the pitiless drama of life and death which involved the fate of everything else—of the Allied armies in the field, of the war-workers on the home front, and of whole belligerent populations like our own. Even the Wheat Commission had been no more than an introduction to what was coming.

The advent of Mr. Lloyd George's Government in December, 1916, would, in any case, have meant a strong change. Its policy from the first was by every means to invigorate and unify inter-Allied action. With that, however, came the full peril of the German submarine campaign. Like the imagined land of anxiety where a scorpion might sleep under every stone, the seas became in reality an element where murder and destruction might rise out of any wave. Never had the national existence of any country been attacked by means so sinister as those which sought to doom the island by making it the victim of its economic interdependence on the world and cutting off its maritime connections. Britain was to escape, but the risk of ruin came near enough this time to revolutionise all previous thought and action upon the economics of the war. Upon that followed the intervention of America. These new factors transformed the whole problem. But it will be better to describe it as it stood before the submarine danger reached its worst. When Mr. Lloyd George's Government was formed the threat to the food supplies of the country was grave enough to bring statesmanship down to that bare

bedrock of things always familiar to more primitive societies under the recurrent hazard of famine. Bedrock had been overlaid—and shall we say mosscushioned?—amongst ourselves for generations by a state of abundance taken as a matter of course, though the produce of our own soil did not yield it.

Now there was another situation. Agriculture was declining. The shipping to bring us the produce of agriculture elsewhere, was diminishing by sinkings right and left. Complete national Food Control had to be established. It was long overdue. But with that power over consumption came the corresponding Ministerial responsibility for supplies. To keep the country safe, as we have seen, it had become urgently necessary for the Government to take over the whole business in grain. This was done shortly before unlimited submarine warfare reached its pitch of destructiveness. The closest danger which could attack a country more dependent than any other nation on the supplies of the world forced us to sweeping acts in the management of all our imports and our shipping. It brought finally the whole economic life of the country under the authority and direction of the State.

The Royal Commission on Wheat, once appointed, was compelled to extend its scope by its effect on the Allies. When France and Italy had been bidding as nations in the first phase of the war, while we still relied on private enterprise, our merchants, as we saw, were at once put at a disadvantage. They found themselves in presence of superior purchasing power. But the situation was reversed when the British Government took over the whole business of buying grain for import. This time Britain's superior purse placed France and Italy at the disadvantage. They could no longer secure sufficient supplies, and could not buy at all except at exorbitant prices. Morally and practically this was a situation disastrous for the Alliance. To continue it was impossible. We

could not think of using our money to take, literally, the bread out of the mouths of Allied nations whose soldiers and civilians, like our own, were fighting, working, and dying in the common cause. At first, out of our resources, we had assisted our Allies here and there, from pinch to pinch. But it was soon seen that policy was still lagging behind the logic of facts and behind the dictates of united efficiency in the struggle.

Common measures to secure the food-supply for all had to become a first principle of inter-Allied action. But the compulsion of the situation in the midst of the bitter fight with the submarine went beyond cereals to everything. It extended to wheat as well as meat, to wool as well as coal, to shipping as well as credit. The Allies had now to pool all their resources, everything —munitions of war, necessaries of life, means of transport.

Accordingly, by a very notable advance, a first inter-Allied body for economic organisation was set up in the shape of the Wheat Executive for united management of the purchase and distribution of cereals. Under British chairmanship, as everyone knows, it managed admirably, and became a model of its kind. We must be clear about its functions and must not confuse them with the buying activities of the Wheat Commission. After America entered the war the four principal associated nations were represented on the Wheat Executive. It was not itself in any way a purchasing body. Its business was to consider all demands and needs of our own country, of the Allies, and to some extent of neutrals, and to decide upon the proportions in which supplies should be allocated. The Wheat Commission still did the buying in the way which has been explained.

Events had fully established that principle of inter-Allied co-operation in economics as in arms, first seen in germ in the Commission Internationale de Ravitaillement after August, 1914. On the one hand, the Allies had to be fed and furnished by action in

common; on the other hand, private enterprise was no more capable of doing what was wanted than of winning the war by raising a number of little armies, each trying to carry out its little contributory campaign. The result of organised effort and unified control was, needless to say, an inestimable gain for the Allies. Eliminating competition between themselves, they could the better keep down prices. Through one authorised buyer or group of buyers they could purchase on any scale, look far ahead, and secure whole crops in a producing country. The total masses of supplies thus obtained in the world-market were fairly distributed by agreement.

The system gave further effective means of bringing about quietly the right kind of understandings with the neutrals of North-Western Europe. Unless they consented not to pass the supplies to Germany, they could not get imports at all. They at last undertook not to act as sieves to fill the bins of the enemy. Then we could share with them, though not altogether on the principles of the Allies' dealings with each other. The neutrals, however tightly straitened by the war, had neither to withdraw their males of fighting age from home production nor to sustain combatant armies whose consumption head for head is always far larger than that of an equal number of civilians.

VI.

As man does not live by bread alone, nor even by cereals plus sugar, it will be asked what was happening to other foods. We have seen how the Board of Trade took over the meat-purchases for the Army, and began to arrange to buy for the Dominions, as well as from them. The Board settled with the Governments of the Commonwealth and New Zealand to purchase from the Australasian packing houses at an agreed

price. The French Government continued for some time to provide meat for its armies by contract with private importing firms in Great Britain. But eventually it was arranged that within the British Empire the Board of Trade should buy for all the Allies. Since then it has purchased on behalf of the French and Italian forces, whether in Western Europe or in the more Eastern theatres. Contracts for that purpose have been extended to packers in the Argentine. But the method in this case was like that of the Sugar Commission. There was no co-operative buying. The Board of Trade bought the bulk required and re-sold to the Allies as wanted.

From time to time the Board of Trade released meat for civilian consumption. We shall presently see, however, that this branch of supply became connected with wider developments of the inter-Allied food organisation. It ought to be added here how the Board of Trade dealt at one phase with cheese as well. This was done to make sufficient provision for the Army. In December of 1916 and January of 1917 the Board commandeered all cheese afloat in those two months and destined for British ports. The public mind would be staggered in time of peace by any stroke as big as this, but it is usually regarded as a minor episode in relation to the scale on which the war had compelled the British Government to go into business. At the same time, on request, the Ministries of Australia and New Zealand requisitioned, at an agreed price, on behalf of the Imperial Government, the whole exportable surplus of cheese at the Antipodes. And still the process grew. Though the Ministry of Food had been set up seven months before, action only began to go with a broad sweep after Lord Rhondda became Food Controller in July, 1917. After that the new movements in the economics of a world at war might be likened in their extent to oceanic currents.

It was now the mid-crisis of the submarine cam-

paign. Its effect had penetrated into every home and nook of the Kingdom. Into our system of maritime connections, stretching round the world with easy elasticity in peace, the German submarine attacks struck like knives slashing a network. Our shipping had to shorten range and concentrate as much as possible in the North Atlantic. Our imports had been reduced to the bare need. Ten or eleven million tons of various commodities annually arriving at our ports had to be suppressed, and struck out of the list of permissible cargoes. No one ever dreamed that it could be done until it had to be done, and was. There was elimination wholesale from the list of things allowed to be carried to us by sea. Distant markets to which our vessels had plied for centuries were abandoned for the time. Every other accustomed maritime interest had to be sacrificed to essential imports from the United States and Canada. Economically the war, like Chatham's, had to be "won in North America," though it was the dearest market.

Up to this time, as we have seen, various agencies on behalf of the British Government had purchased wheat, meat, sugar, and cheese. Now the Ministry of Food had to launch out its efforts and responsibilities in every other direction. Its purchases were extended as the months passed to oilseeds, oils, and fats; to meat and bacon; to butter, margarine, and cheese; to dried fruits, to dried milk, condensed milk, tea; nearly all that is represented by the ordinary contents of a grocer's shop. If we had not been supplied by this means we could not have been supplied at all. Co-ordination was now improved by making the Wheat and Sugar Commissions, in effect, supply-departments of Lord Rhondda's Ministry.

Let us notice some salient points in connection with this home-system before returning to the main theme —the final developments of Inter-Allied co-operation in the last year of the war. Soon after Lord Rhondda became Controller, the Ministry of Food purchased

the whole tea export of India and Ceylon—before the war it had been worth annually over £11,000,000. The Government of India then prohibited export on private account to the United Kingdom. The British Government became a sovereign tea-trader, as it was already a manifold monopolist in other capacities—as wheat-merchant, sugar-dealer, meat-factor, cheesemonger, and what not. By the end of August, 1917, the previous liberty of private import was suppressed for bacon and ham and butter. All import of these articles became subject to licence by the Board of Trade.

In September, 1917, owing to another shortage, the Food Controller next became sole butterman to the nation for all importing purposes. He began to buy his butter by tens of thousands and scores of thousands of tons in all parts of the world. But in this, as in so many other of his capacities, no notice whatever was taken of him. The ordinary citizen was no longer to be impressed by any sort of novelty or magnitude in public administration. He did not attend to it. There was a shortage—or threatened shortage—of bacon, too. To cope with it sums equivalent to millions of pounds sterling were soon spent in North America. Ground nuts and palm kernels were bought up in West Africa; cotton-seed in Egypt; the whole castor-crop in India; while dried fruit to the tune of £900,000 was purchased from North America and an additional supply from Greece. Part of the British fight against the submarine was this heroic scale of buying by the State to meet the various needs of the people as they were, in fact, met until the war was over. Lord Rhondda never lived to see either the darkest hours or the best, but in his short tenure of office he had played a master-part in stimulating the whole Food Ministry to keep provisioned and impregnable the island-citadel of the Allies.

This sketch of the national system has been given that the manner of building up the international sys-

tem may be better understood. After the Rapallo Conference the movement towards closer unity between the Allies was not only military, but economic as well. In this sense the chief advances were all made in the last year of the war. Had it continued much longer, there is no doubt that the final means for economic control and concentration would have been as trenchant as the appointment of Marshal Foch, though working through a Supreme Economic Board, not through one man.

CHAPTER IV.

THE FINAL UNION FOR VICTORY: ECONOMIC CONSOLIDATION BETWEEN THE ALLIES AND AMERICA: A WORLD-GOVERNMENT FOR SHIPPING AND INTER-CONTINENTAL RESOURCES: THE FOOD COUNCIL: THE FLESH-POTS: TECHNICAL EXECUTIVES FOR RAW MATERIALS: THE PROGRAMME COMMITTEES AND THEIR MODE OF INTERNATIONAL RATIONING AS BETWEEN BOTH ALLIES AND NEUTRALS: "A TRIPLE SIEVE": SUPREMACY OF THE MARITIME TRANSPORT COUNCIL: THE ATLANTIC CRISIS OF 1918 AND HOW IT WAS MET: "THE WORKING MODEL OF WORLD-PARTNERSHIP": A LASTING MORAL FOR THE PEACE.

It will be better to deal from this point under four heads, with the creation of what may justly be described as several great consolidated institutions, supplemented by a looser group of committees for raw materials. The Inter-Allied Maritime Transport Council was the most important body, but we may leave the account of it to the last in order to bring out better the meaning and method of the crowning service it was able to render to America and the Allies in the closing crises of the war when it was unexpectedly called upon for a purpose never contemplated when it was founded.

Only when the United States entered the lists could the system begin to reach its culmination. It then became at length part of an Economic Union incomparably more powerful than any existing or imagined before. And it was to the same degree more powerful

for good. After America came in the increased effect was felt on every side. The lingering difficulties as to the transfer of supplies by neutrals to the enemy were at an end. That problem was rudely simplified by America's own initiative and action. From the United States as a belligerent the neutrals got nothing except what could be guaranteed as for their own need alone. The American people, in a shining spirit of moral and practical service, voluntarily restrained their own consumption to increase the Allies' food supplies.

It was a twelvemonth or more before the full effect of American influence began to make itself felt for common action. The United States was at first intent upon its own limitless work of internal organisation. In addition to its problems of raising and transporting fighting forces by millions, more strictly economic issues were dealt with by dominant bodies like the Food Administration, the War Trade Board, the War Industries Board. But as this work advanced it became only the more imperative to co-ordinate thoroughly American and European effort. Exchange was an increasing hindrance. Until near the end of the war tonnage was becoming still scarcer in proportion to the need. For the final phases of the struggle the Allies and America together were compelled to consolidate the management of their chief economic resources. They did this by an elaborate and formidable means deserving more space than can be given to it here, when our theme is future organisation for peace rather than past organisation for war.

Practically supreme in the circumstances of the shipping-crisis was the Maritime Transport Council. Side by side with it was the Council on War Purchases and Finance, chiefly concerned with the employment of American wealth for the further support of the general struggle. Subject only to the Transport Council were the Food Council and the Munitions Council, each of them by itself an affair of extensive power. As we shall see, this strong structure was broadly based on

about twenty Inter-Allied Executives of a more technical kind, called Programme Committees, each one dealing with some principal commodity. We must follow out the working of this system, not taking the Transport Council first in order, though it was first in authority. Its function and performance in the final crises of the war will be better understood when other things have been explained.

The main point is that the able representatives of the United States took their places with the representatives of Britain, France, and Italy on these various managing Boards. The great Economic Union thus formed is of searching interest for the study of practical methods in connection with the commercial, financial, and industrial aspects of any plan of World Government which can seriously propose to draw nations into a new way of working together for advantages big enough to make them leave and forget their old way of warring together. The Economic Union was of world-wide effect and of historic meaning.

Neither effect nor meaning was generally understood during the war, and they have been little understood since. Here was something unknown before and considerable indeed—nothing less than an inter-continental administration ruling nearly all the merchant-traffic of the seas, drawing resources from various quarters of the globe, gathering in the products or supplying the primary needs of many hundreds of millions of people belonging to the majority of nations. Why is the magnitude of the thing not appreciated, whether its merits are asserted or disputed? Perhaps because of that odd trait in human kind which prevents them from being easily impressed by anything that they cannot visualise, physically or imaginatively. The endless economic power and universal stretch of the international system employed by the Allies and America in 1918 were never housed and symbolised by a magnificent range of architecture—an array of great Government Offices such as the popular mind associates

with the idea of work on a more than Imperial scale. Instead, these forces were impelled from dispersed places, from unnoticeable buildings, or from those odd rooms here and there, upstairs and downstairs, which accommodated so casually in the neighbourhood of Westminster or St. James's some of the best brains engaged in operating this world-wide machinery of war economics.

I.—The Inter-Allied Food Control.

Upon this organisation, so far as it directed food-supplies, Mr. Hoover left the strongest impress. He consolidated finally the various independent or semi-independent executives which had been at work—the manifold activities of the British Food Ministry and its French, Italian, or other affiliations. In this way the Food Alliance finally took shape in 1918 during Mr. Hoover's visits to England. The Council of Four included the Food Controllers of Great Britain, the United States, France, and Italy. The intention was that it should meet every three months, or more often if necessary. Germany's collapse, however, came within three months of its foundation. In practice the superior powers of the Council of Four were largely delegated to the Committee of Representatives. This body had its headquarters in London, and met frequently. It had a British chairman. It included three representatives of each of the chief Associated States. Delegates attended to represent shipping, finance, and what may be called the science of food-values. Representatives of other Allied countries or even of neutrals might at any time be invited to attend when their interests were involved.

The reference just made to the science of food-values asks for some further explanation. In November, 1917, there was established an Inter-Allied Scientific

Commission to study the food problem of the Allies from the standpoint of men learned in dietary values. As it was framed, the United Kingdom, the United States, France, and Italy sent two experts each and Belgium one. The Commission, we are told, has made investigations and recommendations of marked usefulness concerning the food requirements of the ordinary person in health, and on subjects like the milling of wheat or the allocation of food as between men and animals. These scientists have further proposed to examine the statistics of home production in each of the Allied countries in order to determine to what extent—maximum or minimum, or between, according to given conditions—imports are necessary to make up the supplies. A standing International Scientific Commission of that kind, acting in connection with the Institute of Agriculture at Rome, would give results of high value and interest to a world at peace. The inter-Allied character of the Wheat Executive has been fully explained. We have noted how the Sugar Commission came to have an offshoot in the shape of an Inter-Allied Committee though purchases were made as long ago as the early months of 1916 for France and later for other Allies.

The Flesh-pots.

Next it will be worth while to note the working of a sub-department of exceptional importance. The end of August, 1917, saw the beginning of the Inter-Allied Meats and Fats Executive. Its functions were a large interpretation of its name. Its business was to control the buying and distribution of fresh and preserved meat, of bacon and hams, of lard, butter, cheese, poultry; of canned fruit, canned beans, condensed milk, dried fruit; of oils and fats of all kinds. Here was some overlapping with the functions which the Board of Trade was already discharging. That

Board supplied the British and Allied armies. It occasionally released surplus quantities to ease the situation for civilians. A few months before the Armistice, however, the Inter-Allied Executive was recognised as the superior body, and the programmes of the Board of Trade were submitted to its supervision. We must remind ourselves that the branch of the Food Alliance catering for the flesh-pots also did business upon an inter-Continental scale. The essential purpose once more was to co-ordinate demands, to eliminate competition, and thus to make total purchases on the most advantageous terms. A chief means to that end was, as a rule, to concentrate powers of purchase by having one buying organisation for any one main commodity required from any one country of supply.

We have seen how the Wheat Executive worked in all North America, through a couple of great buying agencies. In the same way the Inter-Allied Meats and Fats Executive purchased in America through the Allied Provisions Export Council, usually known as the A.P.E.C. This body, centred in New York, consisted of British, French, Italian, and Belgian representatives. It was the sole medium through which food supplies of any kind other than cereals and sugar could be bought in America. It acted only as a buying agency within the limits of its instructions from this side of the Atlantic. It necessarily had that sufficient discretion as to price required for dealing promptly with local conditions. Let us by all means add that the operations of the Allied Provisions Export Council were properly subject to approval by the United States Food Administration. This was essential to unity, but the Allies obtained supplies on terms not less favourable than those made on behalf of the American Army and Navy.

We have seen that the work done by the Inter-Allied Food Council and all its co-ordinated departments dealt with products and producers in all the

continents—partly in Europe, mainly in the two Americas, largely in Asia, and in Africa, as in Australia and New Zealand. These agencies provided well for whole populations in war-time, and made co-operation on an inter-Continental scope a conquering economic force. As we proceed we shall see reason to think that this demonstration of practical possibilities not conceived by any mind before the war is not likely to be forgotten by a world which has now to approach from a new point of view the constructive problems of a lasting settlement.

If the peace of nations is indeed to last it cannot be other than a peace of partnership.

II.—Munitions.

Another main body may be mentioned briefly, for it gives its explanation in its name. Long, indeed, in maturing, when the nature of the need is considered, the Inter-Allied Munitions Council only took complete shape in the summer of 1918, several months after the unified command of the armies was established under Marshal Foch. It had eight different international committees dealing respectively with aircraft, nitrates, chemicals, explosives, non-ferrous metals, mechanical transport, steel, tin. The character of the work of allocation involved will appear when we come to deal presently with the Programme Committees and the manner in which resources of all kinds were shared out amongst the Allies. As a war organisation, the British Ministry of Munitions was second to nothing in the world during the closing months of the conflict. It was ahead of all requirements. As in the case of tanks, its ideas had a dominating effect upon all the other Allies and even upon the Germans. During hostilities the Munitions Council had especial need of being able to adjust its action promptly to meet incalculable emergencies.

III.—Raw Materials.

Had the war continued another group of Inter-Allied Committees dealing with raw materials other than those controlled by the Ministry of Munitions would have been more thoroughly co-ordinated by a Raw Materials Council. Of these other Committees there were no less than nine dealing with commodities of signal importance—wool, cotton, hides and leather, tobacco, paper, timber, petroleum, flax and hemp and jute, coal and coke. Some permanent considerations going to the root of any policy for adjusting the interests of industrial peoples will cause us to return to this group at the end of the present chapter. Even these nine Committees were indirectly co-ordinated through the power of the Inter-Allied Maritime Transport Council to review all other questions of allocation with reference to the shipping available. The various geographical sources of these things have only to be remembered for a moment to make us realise how wide a survey of the world the Committees for Raw Materials had to keep in mind. If their range was not quite from China to Peru, it was at least from Singapore to Chili, which is near enough.

IV.—Maritime Transport.

The problem above all the rest was to secure the desperately efficient handling of desperately deficient tonnage. The organisation which won through in that respect was the real mainspring of the Economic Union when working at the height of its power through the crises of utter jeopardy for the Allies in the spring of 1918 and their utter triumph between summer and autumn. The Inter-Allied Maritime Transport Council was formed after the Paris Conference in December, 1917. At that time the French Government were disposed to make it an economic body

altogether paramount and wished to call it the "Council for Importation and Shipping." In any case, by the very nature of its maritime business, when the pinch of the shipping shortage was hardest its influence was bound to penetrate through every fibre of the whole inter-allied organisation and to become omnipotent in the last resort. It was the first body which brought in serious American co-operation.

As in the case of the Food Alliance, its supreme authority was a Council of Four representing Britain, the United States, France, and Italy. For wider reasons it became something more like an Executive organ of World Government than anything else that had been known. For even the northern Neutrals were now under pressure of the submarine peril, on the one hand, and, on the other, of American refusal of supplies except under stricter conditions. Accordingly the northern Neutrals, Scandinavian and Dutch, made agreements by which a large bulk of their tonnage also was chartered by the Maritime Transport Council. There were limitations as regards the Allies. Resources were never entirely pooled. There was no fixed unified command in a personal sense. When a meeting was held in any country the Minister of Shipping in that country took the chair. In the same way the Council's powers were confined to recommending action to the respective Governments. These retained final control over the movements of their own ships. In spite of these reserves the organisation rendered priceless and saving service. Otherwise the swiftness and completeness of the final victory would have been out of all possibility.

The largest purchases in markets overseas would not avail unless the supplies could be conveyed. Sea-freight—handled with ceaseless vigour and yet with miserly care to utilise every hour of ship-time as well as every inch of ship-space—was the dominating thing amongst several issues more or less of life-and-death earnestness for the Allies. Every ounce of carrying-

power had to be economised. The question of victory for eighteen months before the end, and, above all, in the last months, had become, as everyone knows, a sharp question of tonnage. It is true that more than a year before the Armistice we knew we could not be worsted at sea. Up to the autumn of 1917 it had been an open issue whether we could beat the hostile submarine or whether it would beat us. By about November of 1917 the enemy, beginning to be sick at heart, had lost the hope which Tirpitz had inflamed. The last chance was staked on Ludendorff's effort to bring the Allies to disaster on land. Twelve months before the end the English-speaking Powers knew that the maritime situation could be held. It was still another matter to win the general cause right out.

Success was hopeless without concerted management in the common interest. This meant in a hundred ways a more intense use of shipping. The waste of voyages in ballast was cut down to the minimum. Next to keeping tonnage afloat, the most urgent thing, of course, was to get out of tonnage the fullest, most constant use. What was wanted for this was to arrange for freights both ways, to have cargoes ready for shipment whenever and wherever a vessel arrived, to get quicker "turning-about" by better handling in the ports, and to avoid by every means both delayed sailings and empty holds. Invaluable economies were made in these respects by the more unified command of their merchant services which the Allies now wielded. Purchase and shipment were more closely adjusted. Freight or tonnage which had been meant for one Allied country might be diverted to another to save time. A British vessel had no longer to wait in port if while a British cargo did not happen to be ready there was a cargo available for an Ally. If supplies were ready for a French or an Italian port they could be loaded instead. The service of the common cause went right on. Countries for convenience could exchange cargoes, sending, for instance, to

Britain what had originally been meant for France. The direction of a voyage could be altered with the same object of getting the promptest loading and the quickest return of ships. We shall see what this organisation was able to do when the speeding across of American troops was needed to vanquish the last German effort.

V.—The Programme Committees.

Now we can come to the thorough means by which the various needs and claims of the Allies and America were adjusted in detail. It was not done without friction, for it could not be, but it was done with a fairness of procedure and nearness to satisfaction in the settlement such as no other method could have afforded. These results were reached through what were called the Programme Committees. Each of these, as the reader may be reminded, was composed of delegates representing the Allies and America. Again, each of these Inter-Allied Boards was a technical Executive, a body of experts. There was a Programme Committee for every main commodity.

The commodities were such as are drawn from all parts of the globe. Let us, for clearness, simply set out the list of them :—(1) Cereals, (2) oils and seeds, (3) sugar, (4) meats and fats—these four being under the Food Council—(5) nitrates, (6) aircraft, (7) chemicals, (8) explosives, (9) non-ferrous metals, (10) mechanical transport, (11) steel, (12) tin—these eight latter groups being under the Munitions Council—(13) wool, (14) cotton, (15) hides and leather, (16) tobacco, (17) paper, (18) timber, (19) petroleum, (20) flax, hemp, and jute, (21) coal and coke—the last series of nine Committees working separately, because the war ended before another Council could be formed to bring them into a group.

Even before the intervention of the United States

the stringency of shipping and the circumstances of the Blockade had gradually brought about a system of international rationing. After America's entry it was possible to improve the system altogether. Supplies for Allies and neutrals alike could be more easily co-ordinated. Estimates for purchase and tonnage could be made on the basis of common programmes and could be drawn up well ahead. All the various commodities that have been mentioned—for human consumption and manufacture of all kinds—could be passed under more comprehensive review in relation to sources, quantities available, amounts demanded, finance, shipping. Then the distribution of the goods and the tonnage could be decided.

This was the work of the Programme Committees. Like Government Departments, these Inter-Allied Executives estimated for twelve months ahead. The delegates of each country made out their different claims. These would show, with all data necessary to convince, what each would be entitled to—were there only enough resources to go round—for meeting the needs of their armed forces and their civilian population. The wishes of the smaller Allies were usually put forward through the *Commission Internationale de Ravitaillement.* Allowance was made for the agreements with northern neutrals. These, as has been said, had to receive limited supplies under due safeguards against transfer to Germany. After all claims had been sifted and adjusted, the programmes for purchase, shipment, and final allocation would be drawn up.

But this general description of the method gives an idea of the narrowness of the inquest or the rigour of the revisions. Demands made on behalf of any country were necessarily criticised by the delegates of the others. The whole national economy of each country had to be reviewed. The estimated allocations, before being finally authorised, had to pass in most cases through a triple sieve. There was a first sifting by the

Programme Committee itself; a second by the Food Council or the Munitions Council; a third by the Maritime Transport Council.

In the case of any Allied Nation making a claim, what had been its normal pre-war average of import and home production? What was its real war-position in respect of both? What rations were allowed to its armed forces, and what was the numerical strength of those forces? What scale of consumption could be considered reasonable for the respective civil populations, having regard to their ordinary habit of life and national idiosyncrasies? What tonnage and payment of its own could each Ally contribute? What stocks, if any, did a country possess? And what was the relative urgency of its needs?

This closeness and frankness of debate was imperative when everything had to be finally submitted to the Maritime Transport Council. That body would be only too likely or certain to find total demands for supplies to exceed the capacity of the shipping at hand. Then would come the scaling down all round. This was the process through which were passed the authorised estimates for twelve months forward. But these had further to be altered from time to time in accordance with changes in the situation. Month by month there was revision to square with the actual as distinguished from the pre-estimated conditions respecting shipping or supplies, or finance, or any other factor.

VI.—Finance.

As for finance, there is little light, but the known figures of the war-debts are enough to show that it was never subject to ordinary rules. This means, of course, the great difference between the war-working of the system and any modified use of it for peace-organisation. Transport and financing of supplies apportioned to any Government were as far as possible

the business of that Government. The extent to which British credit had to cover the operations in practice is clear enough, in the light of the fact that the total of British loans to Allies amounted to nearly £1,700,000,000. Financial co-ordination never became as complete as other arrangements for mutual aid. The Inter-Allied Council on War Purchases and Finance practically concerned the Allies' requirements in America only. The chairman was a representative of the American Treasury, and the Council sat either in Paris or in London.

VII.—Atlantic Transport in the Final Crises.

Let us now come to the chief reason for asserting that the whole of this economic organisation played a priceless and saving part in the final crises of the war. For six months in 1918 the Inter-Allied Maritime Council had to put the last strain on its ability and resources. After the last German offensive the Council was called upon to provide suddenly for an emergency which had never entered into the Allies' serious calculations until the left-centre of the Allies' line in France was swept back nearly to Amiens. American troops had to be rushed across the Atlantic at the rate of from a quarter of a million to 300,000 a month to build up Marshal Foch's reserves for an iron defence and a crushing counter-stroke. Without the command of shipping by the Inter-Allied authority the greatest feat by far in the records of ocean-transport never could have been achieved. To make it possible the Allies' programmes for food and raw materials had to be reduced with a sudden and hard hand. The systematic cutting down all round never could have been done so promptly but for the existence of the Programme Committees and their established method of working in connection with the Maritime Transport Council.

VIII.—Industrial Interdependence and the Raw Materials.

None the less, before we can begin to inquire how far economic co-operation in war-time suggests a constructive moral for the transition or for normal conditions of the future peace, we must return to the general question of raw materials during the struggle. That matter only emphasised a state of facts which must have a profound effect upon the future predisposition of the world for peace or war, according as international partnership is continued in some properly modified form or, after a while, is practically abolished.

Just because ordinary manufacture was so largely diverted to munitions, raw materials were not dealt with as a combined subject, though it has been shown what a leading part they played in bringing about the interdependence of European industrialism upon other continents, more especially upon the Tropics and the Southern Hemisphere. Under our own system of national control, different departments took charge of different raw materials. The Ministry of Munitions controlled metals and ore; the War Office had the chief say about wool, hemp, flax, jute, hides and skins, tanning materials; the Board of Trade dealt with cotton and a number of miscellaneous stuffs. Several of the chief raw materials were under the predominant influence of one Power or another. The United States controlled the cotton crop in America, the British Government the Egyptian. Acting together for the British Commonwealth, the Mother Country and the Australasian Dominions controlled the bulk of the world's wool. During the war, as a matter of course, textile materials were fairly shared out in accordance with the needs of Allies and neutrals.

But other countries are in crying need of cotton, and in the direst need of wool. Everywhere, but especially on the Continent, civilian clothing has been getting old and threadbare, while it will also be wanted for the

millions of returning troops, who are casting off their uniforms. In ordinary times France, Italy, and Germany import great quantities of raw wool or cotton, coming from the same sources of supply whereon we draw. We must help our Allies to the utmost to provide employment, and if there is to be stability and peace we must help our late enemies to work. For these reasons, as will appear better in the next chapter, some kind of continued understanding for the regulated distribution of raw materials may be the only alternative to a European condition of chaos and social distress such as would make the League of Peace a mockery at the outset for those of its members who have suffered most by the war. The United States and the British Commonwealth alone by their paramount or, indeed, all-swaying command of the world's raw materials, could make their steady friendship and combined action a sure means of imposing general peace and promoting general prosperity.

From whatever side we look at it, we see that the main problem lying before President Wilson, Mr. Lloyd George, M. Clemenceau, and the rest is not diplomatic or juridical, but it is economic. If they are to establish the peace of nations there ought to be no question of sweeping away altogether, as has been so lightly suggested by hasty critics and fretful interests, the system of ordered working between nations. It has been the constructive outcome of the most destructive of wars. It could be made as potent for the settlement as it has been for the conflict.

IX.—A Summary and a Morai.

It is the irony of life when men sigh for the ideal and throw away what they possess—as when they busy themselves with plans and visions of the architecture of a new world-order, but are impatient to destroy existing foundations whereon it might be built. Let

us realise the living action and meaning of the inter-Allied bodies which have come into being during the last couple of years. When Mr. Lloyd George created the Versailles Council at the end of 1917 he did more than set up the military process which led naturally from co-ordinated strategy to unified command. The troops of the Allies became more intermixed and to a considerable extent interchangeable. Resources in munitions became more than ever a common stock. The Associates from that time forward fought less as an Alliance in the traditional way, with all the historic disadvantages of Coalitions, but rather as a solid Confederation of Peoples.

It was the beginning, on a practical basis, of a preliminary League of Free Nations, whose triumph alone could make possible a wider League and the first real approach to World Government. Italians presently fought on the French front like British and French on the Italian front. The principle of the thing was seen in its finest working when American troops, in the crisis of the last German offensive after March 21, were inter-chained with French and British divisions, and when the combined shipping resources were used for months afterwards to bring over American reinforcements in masses that crushed all German hopes.

Every responsible statesman, every competent thinker, knows that although the war is over which by its unprecedented emergencies forced an equally unprecedented extent of common action between peoples, the world which the war has left behind will have the most urgent need for continued and enduring political association between all the Powers and States guaranteeing the Peace Treaty in its final shape. They must set up on their common behalf, by representative means in which all will participate, definite international institutions, with regular and permanent functions. That is the idea of a League of Nations.

But the Versailles War Council would have failed as a matter of course had it not been for the parallel power of the Economic Union of the Allies and America. Fundamental work in the economic sphere, corresponding to that of Mr. Lloyd George in the political, was done by Mr. Hoover when he unified, through the Inter-Allied Food Council, the various independent executives which had been dealing with food supply.

Before turning from the past to the future, let us recapitulate.

In the course of these pages we first saw that modern statesmanship, seeking the organisation of international peace, cannot hope to succeed in its future tasks any more than in those of the war unless it has its distinctive economic machinery as well as its political institutions. We next saw what chief thing to alter the older relations between peoples happened in the world during the period from the American Civil War, the wars for German and Italian unity, the Franco-German War, down to the outbreak of Armageddon. Within that half-century the greatest movement of the world's common history was an increasing and irrevocable interdependence of nations—above all, the dependence of industrialism and industrial democracy in Western and Central Europe upon the products of other continents and of the furthest regions of the earth. We found that this was true, not only for Great Britain, as all men recognised, but for Belgium, France, Italy, Germany, Austria; and that the real or supposed precariousness of this condition was one portentous cause of the frightful struggle through which this generation was fated to pass. We next saw how the life and death character of the conflict between gigantic groups and aggregates of peoples led, as between the Allies and the United States, to a further and complete degree of interdependence. For the achievement of a common victory the United States was as dependent on the arms of the Allies added to

her own, as were the Allies on American materials and money added to theirs. This brought about in its turn—and no situation less compulsory could have done it—an equally unprecedented system, consultative and executive, for common action both in politics and economics.

Without this the Allies would have passed from confusion and dissension to ruin. Cohesion by the despotic method would have conquered. To closer and closer organisation for mutual aid, the causes of freedom and democracy on both sides of the Atlantic owed their ultimate triumph, so long delayed, but sweeping beyond their utmost expectations when it came. It was not easily achieved. No alliance of several peoples is easily worked. An alliance between many democratic peoples is the hardest of all to manage. Each sees most clearly what most nearly concerns itself. Misunderstandings and friction arise. There is a latent irritation on all sides. Human nature being what it is, these disadvantages could never be quite eliminated. But they could be mitigated and reduced to a minimum, and we have learned how that was done.

As we know, the most perfect machinery that human science and human hands construct can do no more than reduce friction to a minimum. That object was attained better and better towards the end by the Inter-Allied Councils. In intimate contact with each other, with joint influence and responsibility, with every means for arriving at sound decisions, and with every security for fair action, the Allies got to know each other as else they never could have done. They learned to comprehend each other's positions. It was a long time, for instance, before less maritime nations could realise fully that the maintenance of the British fleet and merchant service means a constant and enormous tax upon our man-power ashore and upon every kind of industrial energy. The Allies and America got an insight they never before possessed into each other's economic conditions, possi-

bilities, and needs. All this means just the kind of mutual understanding and adjustment which will be even more necessary between peoples for the maintenance and fruitfulness of peace than for the emergencies of war.

The war of nations can only lead to the peace of nations if these lessons are firmly grasped and further applied. The result of Armageddon has given the profound decision between two issues. Instead of the world being divided into three or four huge self-contained empires or federations, as seemed possible a few years ago, the process of interdependence between nations will grow and prevail as the alternative to future wars renewed until civilisation perished by war. Before 1914 the general situation—let us stress that truth once more—was one of interdependence without security. What we have now to do is to recognise and organise interdependence by definite partnership to give security. As we shall now show, some new economic way of international working will be even more indispensable on the economic than on the political side during the troubled time of transition and reconstruction. The means are all at our hand for constructive co-operation between peoples instead of competition in a hostile spirit, cryptic or open. That is what has always prevailed hitherto, and it has been the very root of war.

CHAPTER V.

PEACE WITHOUT PACIFICATION : THE RESPONSIBLE POWERS AND THE TRANSITION : FLUX AND TUMULT FROM HAMBURG TO PEKIN : INTERNATIONAL CO-OPERATION OR CHAOS : PREMATURE REACTIONS OF PUBLIC OPINION IN BRITAIN AND AMERICA : REVOLT AGAINST BOTH WAR-RESTRAINTS AND ESSENTIAL ORGANISATION : CONTINUED DUTIES AND NECESSITIES : THE STATE OF BELGIUM, FRANCE, ITALY : OF CENTRAL EUROPE : OF EASTERN EUROPE : POLITICS NO REMEDY : " NEW SUITS OF CLOTHES FOR MEN IN HIGH FEVER " : ECONOMIC ACTION AND ECONOMIC SURETY.

At least for the transition, it is compulsory to continue some international system of economic management, whatever inconveniences it may involve to the more or less comfortable societies like Britain and America. Everything depends on it. The choice lies strictly between co-operation and such a chaos in large parts of the world as might make chaos of the rest. This has been recognised at Paris by the creation and subsequent strengthening of a Supreme Economic Council. It had to be called into being for the widest emergencies. The air is filled with arguments for the immediate liberation of all economic forces, whether conflicting or not—for the abrupt removal of all the steadying-power of governments—for the instant use or abuse of the self-willed and self-interested freedom of private enterprise in Britain and America. These

pleas, though springing neither from altruism nor reflection but from natural appetites in the business world are plausible on the surface. In some respects they are strong. They cannot be thought strongest unless we ignore the facts of our own democratic politics, leave out of view the state even of our nearest Allies, and forget that all things are in flux or tumult, from Hamburg to Pekin.

Not to understand this would be to make as large a mistake about Continental conditions and their consequences as was made before the war by those who would not believe in the coming of a general catastrophe; that the whole fate of our profoundly peaceful island might be staked on a Balkan issue or in a Belgian issue. To break up at once the present business partnership between the Allied Governments in order to sweep away all safeguards with all restraints—that would be like throwing out the child with the bath-water. If war conditions were abnormal, the period of transition and reconstruction is hardly less strange and disturbed. As yet the duration of the period is entirely uncertain, and so are all its circumstances. Many contingencies big with good or evil are still beyond our calculation tables. In every country the transition will be longer for some interests, shorter for others. In the same way, it will be longer for some countries as a whole, shorter for others. Britain might get back to a normal working basis well within a year—if capital and labour realise that there must either be solid industrial peace between them or a fight to the death. Germany might take several years, though also she may surprise us by managing her internal situation better than we handle our own. Russia might take indefinite years to recover a settled state if the Responsible Powers at Paris could only fumble and blunder on that question. Nothing could be more incompetent than to imagine that the end of hostilities and the signature of a broad, prefatory peace-treaty can mean the hasty restoration of assured conditions more or

less on a pre-war basis of stability. The popular mind too easily imagines a pre-war basis with improvements —the German peril being removed and some additional democracies flourishing in place of some despotisms.

A considerable time must elapse before we come again to any general conditions, at home or abroad, that could be called normal and established. The British people having experienced neither devastation, revolution, nor defeat, can hardly realise the situation of the larger part of Europe and of Nearer Asia. The American people cannot well conceive it. By comparison with ourselves they have been still more fortunately exempt from the worse consequences of war. The pent-up desire of American business is to get back to its own unfettered activities as soon as possible. All the natural instincts and appetites in politics would be the principal danger if they were not corrected by the practical responsibilities which the Peace Congress has to face.

I.

Examine first the confusion of ideas and desires in this outbreak of all the war-repressed impulses of the natural man. The reaction against all that is called control or restraint was certain to come. To withstand it—even for the purposes that are necessary and for no more—firm intelligence and moral courage will be needed. The reaction is undiscriminating. It is quite capable of wanting to get rid of the whole international concert in economics, because it wants to get rid of the coupon. Exceptional difficulties with respect to some foods and raw materials, freights, prices and wages, cannot be altered by refusing to recognise them. In uncertain circumstances you cannot create security by the simple device of abolishing regulations. If you sweep away too soon

and pell-mell all guarantees for fair distribution when the world has either not enough to go round, or has only barely enough, or is in unprecedented need of special arrangements for an equable and steady allocation of world-supplies—if you do this, you will not increase the supplies and lower the prices, but are certain to raise the prices and will probably diminish the supplies. We must not mix up in this matter things that differ widely, nor confound good things with bad things. Above all, we must not shoot the pigeon because we want to kill the crow. We ought not to dissolve new organisations found good in the last few years, and adaptable to further uses of the utmost advantage to the whole world's peace and prosperity, merely because we want to rid ourselves of certain administrative restrictions justified by the war, but undoubtedly intolerable afterwards.

As a matter of course, all mere strait-jackets must go. Free citizens must be released from them as soldiers are released from the army. As to the more oppressive incubus, by all means let us bury D.O.R.A. in the spirit of the epitaph proposed for Vanbrugh:—

> "Lie heavy on him, earth, for he
> Laid many a heavy load on thee."

Nobody wants the coupon for its own sake. Nobody wants for their own sakes anything in the food restrictions, or the coal restrictions or the lighting restrictions. These ought not to continue a moment longer than is required to ensure that there shall be fair distribution and that prices shall not fluctuate in a manner which would disastrously aggravate every difficulty with labour. At the same time, certain public safeguards and precautions with respect to food, raw materials, shipping, finance, must be retained, so long as there is risk of partial shortage, or the margin as to vital supplies is very close, or there exists from any other cause, a situation making it easy for profiteering or even scrambling competition to create serious

scandals and hitches. There is another fact of capital importance. It is absolutely essential to the country after the war—nothing is more essential—that the powers of public organisation must be permanently increased and extended. And this not to restrict private enterprise or weaken it, but to do what it cannot do or what ought not to be in its province.

A permanent increase is necessary in the number of public departments, as in the size and efficiency of their staffs, by comparison with pre-war conditions. No human being wants bureaucrats, for love of that species, to multiply like rabbits. When the hordes of emergency clerks and supervising beadles are largely abated there will still be a sufficient surplus for all national needs over and above pre-war requirements. Agreed that St. James's Park must cease to be a flappers' paradise. On that thumbs are unanimously turned down. But when matters like these are moved off the agenda we have not touched the question of special organisation for the period of transition at home and abroad—for the work of reconstruction, national and international.

It would be in vain to deny that these issues seem to many men of goodwill sharply debatable. Commerical pressure and popular tendency are altogether apt at first to be against the right thing. We must try to analyse this state of mind. America, for instance, is the leading land of individualist opportunity, where the chance of rising to the Presidency of the Republic or the Presidency of a Corporation is the baton in the knapsack. Also, while the United States thoroughly understands the principle of large combination for American purposes, it is not yet accustomed to the thought of subordination to any world-purpose. The impulse is to get loose from entanglements, but also to keep an unquestioned lead on independent lines and to do good to other nations on those terms.

The British temperament is partly similar and partly contrasting. Britain and the whole Empire have been

built up, like America, by individual thought and energy, invention, and enterprise. But amongst all peoples our own nation at home is least accustomed to the idea of any collective action not absolutely compelled by immediate danger. A Democratic President, instantly upon his declaration of war, could carry a hundred millions of people for the tremendous proposal of American conscription for service in Europe. American individualism works with more initiative for American combination than British individualism works for British combination. The temper of our shipping interests is even more incisively individualist than that of any other industry. Owners, with all the maritime world for their ships to ply in outside the national sphere, acquire the spirit of command like captains. On every side there is this inbred and vigorous and largely wholesome tendency to repudiate the bureaucrats and be free. Yet amongst all who feel like this there is not a man but knows, even from his own practical point of view, that competition is insane where profitable combination is possible; and that forced competition is suicidal where facts make combination imperative.

This is a critical issue on both sides of the Atlantic. Neither the British nor the American peoples can find even their commercial account, much less their moral bearings, in a course of conduct which would be ruthlessly to the detriment of their friends and neighbours, who have suffered more in the war. For private interests in the English-speaking communities to exploit during the transition the exceptional needs of societies more crippled by the war, would assuredly keep back the general progress of the world and probably upset every hope for a better order. Over and above this, unchecked capitalistic individualism or egotism are certain in the future to react on the susceptibilities and movements of labour in a manner needing to be watched with a new wisdom. The higher task before the British Commonwealth and the United

States—their special responsibility for the economic conditions of peace as controllers of the big bulk of the world's food exports and raw materials—is dealt with in later chapters. Enough to say now that not only in the light of larger issues as concerning a sound peace-system and the League of Nations, but even in a commercial view, the true interest of Britain and the United States alike lies in promoting the revival of order and progress and reciprocal trade on the Continent of Europe and through all the regions which were lately called the Russian and Turkish Empires.

In the United Kingdom—where everything is still swayed by the backwash of the war—the abrupt removal of all public safeguards with respect to supplies, shipping, and prices could only have injurious consequences. It might have irreparable consequences for the chief internal purpose of maintaining the best relations between Capital and Labour. As for supplies, there must be public security that we shall have the more necessary imports before the less necessary. As for shipping, there must be the same assurance that the essential services shall be rendered before tonnage is diverted to the less essential.

What must first be dealt with here are those larger questions of world-policy and world-economics which dictate international co-operation in the period of transition, and ought then to establish it in suitably modified forms as a continuing method. Were it, in fact, to the very utmost of the material and egotistical advantage of Britain and the United States to work right and left for their own profit, and to exploit, without ruth, the various difficulties and bitter necessities of Allies, late enemies, and neutrals, that course would be as impossible in practice as iniquitous in morals.

II.

We must all make a real effort to visualise the state of Europe and Asia, from Calais to Vladivostok. Now that many millions of fighting men must be disbanded, all depends on the restoration of industrial employment and of agricultural prosperity; on creating a firm framework for the life of the new nations whose existence is still inchoate; on building up order and sane freedom against both anarchy and reaction. In the heart of the old world all former landmarks and frontiers have been swept away. There are thousands of miles of boundaries to be settled by the Congress. In all the debatable lands, since the Armistice, there has been actual fighting between rival claimants or fierce antagonism only temporarily suspended.

The German problem will best be considered by itself when we have looked at surrounding conditions.

No cause has appealed to the world more than that of Poland, but the Poles have been fighting or skirmishing more or less on four fronts against Germans, Bolshevists, Ruthenians, even against Czechs, and are far from being agreed within. Italy and the United Jugo-Slav State have been at daggers drawn about the eastern seaboard of the Adriatic, and even about other questions of their future boundaries. By the northward extension of the Trentino for tempting strategical reasons beyond the Italian language-limit, Italy also thrusts in amongst the German Tyrolese, a tenacious stock. Roumania has to settle three disputed frontiers with Serbs as well as with Magyars and Ukrainians. Greece seethes with feeling both about Southern Albania and the Greek islands in Italian occupation, and is rightly exercised as well about the immemorial Ionian fringe. The German-Austrians and diminished Hungary ask themselves what is to be their destiny. The Bulgars are inwardly obstinate in aspirations outwardly forfeited.

The Czecho-Slovak Republic is like an island of rela-

tive stability amid the agitation and distress which overspread all the rest of Eastern Europe.

Between the Arctic and the Black Sea, from Finland to Ukrainia, all the other new States formerly belonging to the Romanoff or Hapsburg empires are in struggle and ferment. They are menaced by Bolshevism without and partly infected by it within. Their relations with each other and with their larger neighbours have still to be settled. Coherent systems of railway communication and river navigation, of through-transit and trade, of Customs, currency and credit are all to work out.

All Russia proper boils with combat and anarchy, like nothing known in Europe since the terrors of the Thirty Years' War. Russia's endless natural resources are locked up or devastated. For our own industrial reconstruction, our civil consumption and employment, we want our share, as before, of Russia's wheat and other cereals, its butter and eggs, its flax and hemp, its hides and its skins, its oil; above all, just now, for our housing programme, we want wood from its forests. In the primal state of that region, forests are so large that they still supply many times as much fuel as the coal mines.

That we are urgently in need of Russian timber for the British housing programme is another illustration of the modern interdependence of nations. The restoration of formal peace never left the world confronted with anything like this task of creating political order and reviving economic progress.

Let us turn to other and nearer problems. There is the need of Belgium for the rebuilding of towns and villages, factories and farms, for the replacement of machinery, for replenishing stocks of raw textile and other materials, for the reclamation of land. There is a far bigger work of the same kind to be done in the northern departments of France, savagely ravaged during four and a-half years of war. In some aspects no episode of destruction quite like it has ever been

known; for Attila and Jinghiz Khan and Tamerlane lacked the assistance of artillery and high explosives.

The old battlefields of the Somme, once a picture of lively hamlets, diligent homesteads, sleek cultivation, are now scenes of wild solitude more lonely and sinister than the witches' heath in Macbeth. Other tracts are like them. No man who has traversed them can hope to tell what they are like or what he felt there. Still more paralysing of all expression is the unbelievable sight of the smashed towns—of a once thriving and rising town like Chauny, for instance, which had, I think, 40,000 inhabitants, and is now one nightmare-mass of shattered streets, skeleton walls, bristling wreckage, heaped rubbish, sagging timbers, mouldering wall-papers, and stray rags. Where there was a house there is for the most part nothing but a back wall or a side wall, or queer oddments of both. The roof and floors have dropped into the cellars and basements, and so it runs in a zig-zag, jigging fantasy of hideousness that seems to put a spirit of evil into the daylight.

Elsewhere the fruit-trees, hacked down in Hindenburg's first retreat, lie prone in regular lines back from the road, and range away out of sight. Sparse, charred stumps are all there is left of the woods and copses. Wasted lands stretch for league on league. Where a village had been razed quite flat you might easily pass the levelled strewings without knowing that a village ever stood there if you were not informed. Twisted remnants of broken bridges drop into the current on opposite banks of rivers. Canal-locks are down in muddied water. Sprawling girders and rusting boilers may hint that there was a sugar-factory. Country churches are skeletons or fragments. Rheims and Arras make you think of what might have happened to Canterbury or Winchester.* A large and rather handsome iron gate swings casually by the way

* Except that the modern Cathedral at Arras was not one of the architectural treasures of France.

and shows where stood a villa of some pretensions; now there is nothing behind the gate. Masses of industrial machinery have been carried away by the invaders. They have made some of the largest coal mines unworkable for a year or two. Haphazard, come back these memories of the saddest journey man can make.

So France is left. And she numbers a million and a half of dead. For her industries and her agriculture she is trying to retain and recruit masses of foreign workers and coloured labour. What species of Allies or Associates would be Britain and the United States if they did not help France to the utmost of their power to rebuild and restore and restock the industrial districts and countryside of the wasted departments? Without definite international machinery for economic co-operation the work cannot be done as it ought. We must not forget that Italy has similar tasks in the marches of Venetia.

Serbia, in proportion to her former male population, has paid as frightful a price as ever was given for freedom and racial reunion. The new Jugo-Slav State needs everything that is primarily essential—food, clothing, agricultural implements, iron and steel, credit. So with Poland's needs for raw materials for manufacture as well as food supplies; her political independence will be an utter mockery unless she is helped to reorganise a prosperous economic life. The same with the Czecho-Slovak State; in Bohemia it is on a high level of industrial efficiency, and exceptionally capable of making the best use of the assistance that may be given. So with Greece. The widely enlarged realm of Roumania is in a condition of lamentable misery.

In all these directions there will be an increased demand on the world's resources in proportion to the supplies. But as yet we have only glanced at the case of Allies and friends. Neutrals must also have their full chance now that the war is over. They have been,

in some ways, more straitened than some of the belligerents.

Next, again, we come to a far bigger problem—that of Germany, economically inseparable from that of Central Europe as a whole. It is idle to blink the necessity or its magnitude. The first street-battles in Berlin may be followed by fiercer and wider attempts of the Bolshevists to get the mastery. For the Allies to disband the German armies, while vetoing imports, would mean, of course, the organisation of unemployment and Bolshevism. In that case the German and Russian problems might easily become inseparable and insoluble in a manner not good for our present hopes. For our own sake, and for the world's, we have to do our part, whether we like it or not, in preventing both Bolshevism and reaction in Germany. We cannot escape from our share in the task of building up again the industrial life of Germany, as of Austria proper, under new and absolute guarantees for security and justice, both political and economic, in return for good behaviour. The blockade will have to be raised sooner than was at first proposed. Food-stuffs and raw materials, not in unlimited or excessive measure, but in any case on a very large scale, will have to be poured in for the industrial and partly for the agricultural needs of eighty or ninety millions of former enemy peoples in Central Europe. We, our Allies, and America must help to provide employment for them, unless we want all Europe to be Bolshevist, except, perhaps, the westernmost fringe.

We perceive what is the far-reaching character of all these inseparable political and economic tasks and what they mean for the Peace Congress. If its aim is indeed enduring peace and a settled system of nations it would be an idea only worthy of Laputa to rely at the outset merely on any political-juridical scheme for a League of Nations. Equally, it would be insufficient, and by itself might be impotent, to keep Allied forces standing indefinitely on guard. Even armed forces by

themselves cannot fight a Bolshevist atmosphere. To conceive as a panacea, the political, judicial, and coercive rudiments of a World-constitution, and then to apply that and nothing else to a Continent in the state we have studied, would be like trying to cure a man in a high fever by presenting him with a new suit of clothes.

CHAPTER VI.

THE FOOD-BASIS OF EUROPEAN STABILITY: PRESIDENT WILSON'S ARRIVAL AND THE PEACE-CRISIS: AMERICA AND ALLIES MODIFY BUT PROLONG THE ECONOMIC UNION: "THE SUPREME COUNCIL OF SUPPLY AND RELIEF": FOOD, SHIPPING, FINANCE: THE CRUSADE OF SUCCOUR FOR OVER 200,000,000 PEOPLE: "FAMINE THE MOTHER OF ANARCHY": IMPOVERISHMENT OF CONTINENTAL AGRICULTURE AND PERISHING OF THE HERDS: DEMOLISATION AND DESOLATION: WAITING FOR THE HARVESTS: AN ESTIMATE OF GERMAN CONDITIONS: TASKS STILL BEYOND PRIVATE ENTERPRISE: EFFECTS ON BRITISH POLICY: CHECKS ON PEACE-PROFITEERING ARE REQUIRED IN THE INTERESTS OF BOTH CAPITAL AND LABOUR.

Confronted with a situation utterly different from what was expected when the Armistice was signed, the Allies and America already have found themselves compelled to recognise the force of reality. Immediately after the Armistice it appeared for a time as though the entire machinery of Inter-allied co-operation so laboriously constructed during the war would be broken up. The United States seemed likely, indeed, to be the first to quit combination. That tendency was, happily, stayed, and has been reversed, for the present, under the pressure of events.

America and the Allies soon discovered that the abrupt abolition of their great concerted system of control and supply would mean nothing less than the total dissolution of the bases of peace and social order in the

larger part of Europe. Those whom we call the Responsible Powers are constrained by the gravity and urgency of the international problems of the transition to keep partly in active and partly in suspended being the economic organisations created under stress of war. The new, or rather the adapted, system is significant. We shall see reason for thinking that it must be further expanded if the world is to pass safely through the dangers of the transition and to reach as soon as it hopes a settled and tolerable peace-system.

When President Wilson arrived in Europe at the end of 1918, the political and economic situation of all the Continent beyond the Rhine was investigated by the Associates. It was immediately discovered that there was only one objection to any contemplated dissolution of economic partnership. It was an impossible policy. In the first place, it would have weakened the cohesion of the Responsible Powers, whose firm agreement—as circumstances have worked out—is more than ever necessary if any wider League of Nations is to be formed. In the second place, the loss of economic control would have removed the surest check upon serious developments, whether in a Bolshevist or militarist direction, of the indefinite situation in Germany. In the third place, over 200,000,000 of souls, the distressed and disturbed populations of Central and Eastern Europe and beyond—stretching by successive regions from the Rhine into the Middle East—would be abandoned to the certainty of wide starvation and the prospect of universal anarchy.

I.

When the Armistice was signed, Mr. Hoover stated clearly the extent and peril of the problems to be grappled with as a sequel of the war. It was not then seen as clearly that only continued inter-Allied organisation could deal with those problems. Nor did even

the sombre calculations of the American Food Administrator at that time measure the worst of what we now know to be the task. Yet Mr. Hoover made the appalling estimate that in Russia alone ten million lives will have been lost by starvation at the end of the present winter. Russia is not at present within the Allies' orbit, but the duty they have to fulfil elsewhere is prodigious. They have to discharge it towards friend and foe. Postponing for the moment some details, let us view the issues in the large. The Allied or client populations amongst whom there is acute distress, or peril of famine itself, number about 125,000,000. Their territories include, going from west to east, Belgium, Northern France, North-Eastern Italy (part of Venetia and all the Trentino), Jugo-Slavia (including Serbia and Montenegro), Finland, the Baltic States, Poland, Czecho-Slovakia, Roumania, Armenia, and Syria. Unless they are succoured, peace to them is not bread but a stone, and there can be no rest nor order amongst them.

But there are also nearly 100,000,000 of former enemies—Germany proper, German Austria, Magyars, Bulgars—whom the Allies must relieve and help if only upon a principle no higher than that of choosing the lesser of two evils. Amongst these latter peoples employment must be restored and hunger averted, or turning in their extremity to the teachings of Lenin and Trotzky, they will make Bolshevism predominant in Europe. After anarchy, by reaction, militarist predominance might emerge. As Mr. Hoover said months ago, "Famine is the mother of anarchy." Or as President Wilson put a part of the truth in his Message at the beginning of 1919 urging Congress to sanction generous measures:—

> "Food relief is now the key to the whole European situation and to the solution of peace. Bolshevism is steadily advancing westward, poisoning Germany. It cannot be stopped by force, but it can be stopped by food."

Yet, as we shall see, the Allies and America cannot begin to rebuild employment and to re-establish political cohesion in Germany without taking strict precautions against militarist and pan-German reaction, as well as against Bolshevism.

These were the various reasons which at the beginning of 1919 made continued inter-Allied organisation for economic action and control as imperative for the transition as for the war itself.

In the early days of January the Associated Governments decided to establish what has since become officially known as the Supreme Council of Supply and Relief. This body was obviously as important for the transition as was the Maritime Transport Council for the war. As we shall see, it may well develop into one of the most vital organs of the League of Nations, if there is to be a real League of Nations.* Meanwhile, it is composed of two representatives of each of the four Responsible Powers—the United States, Britain, France and Italy. Mr. Hoover is a leading spirit with all the unique experience he has acquired in relief-work since his Belgian mission, and he well deserved the honour of being first Director. That office, perhaps, may be filled in turn by representatives of the other Powers, somewhat as in the case of the Maritime Transport Council, when the chair was taken by the Minister of Shipping in the particular country in which a meeting was held.

The scope of the Supreme Council, as officially defined, is "to deal with the questions of food, finance and shipping-resources, in relation to the re-victualling and supply of liberated and enemy territory; and to co-ordinate such supplies with supplies for Allied and neutral countries." The Council requisitions and commands the whole German trading fleet, though it will not be enough for the tasks in view. There had necessarily to be appointed an expert executive for the

* Since the above words were written the development frequently anticipated has occurred, and the S.C.S.R. has become more simply a Supreme Council for all economic purposes of the resettlement.

management of the German shipping and other tonnage. Wherever this Supreme Council undertakes relief measures, it must have its own commissions and agents.

Here, then, existing and at work, in advance of the League of Nations, is an international authority whose operations will extend from Belgium and Syria, profoundly influencing the life and affairs of more than half the populations of Europe and the adjacent East. It is beyond comparison the most remarkable organ of World Government that has yet functioned. Many millions of tons of foodstuffs will be required for this crusade of economic succour; and the cost, at least during the earlier half of 1919, must be on the scale of war expenses. On President Wilson's urgent recommendation, the American Congress has made a gift of £20,000,000 for pure charity, but much of the further heavy cost must further pile up the loans which are creating a perplexed and complicated problem for the future of Europe.

The origin, constitution, and scope of the Supreme Economic Council thus described, let us inquire more closely into the nature of the problems which it will have to solve before a general League of Peace can rest upon any firm foundation.

II.

When all boundaries are determined and the framework of societies fixed, the problems confronting the Congress or the League itself, in the period of transition and reconstruction will remain under five chief heads: (1) Political stability, (2) food supply, (3) raw materials, (4) shipping and transport, (5) finance. These factors will interact. Their interaction will profoundly affect for good or ill the fate of the whole system which the Peace Congress may propose to set up and maintain.

To begin with, it is essential to realise the necessity for certain precautions and safeguards in connection with the German problem. This alone shows that for any most elementary kind of political security there will have to be prolonged economic control, relaxed and modified in some respects by comparison with war-practice, but in other respects extended and strengthened.

It is thoughtless and unseeing to assume that forcible and financial measures for keeping Germany down could be, in any case, the all-sufficient purpose of joint arrangements between the Allies during the next few years. We shall not succeed in controlling Germany unless we can control certain wider, more general forces. But at the same time there must be special precautions for some period against any misuse by our late enemy of the help or facilities to be extended by the Allies and America. Whether for securing payment of such indemnities as may be imposed at Paris—or for keeping in hand practical safeguards against the return of militarist despotism or the spread of anarchy—or for preventing German syndicates from securing an excessive share of raw materials to the detriment of their neighbours, in the way that was undoubtedly designed before the collapse—no sane person can think of proposing that German industrial power, capable of rapid reconversion into war-power, shall be built up by the Allies themselves without definite and sure economic control exercised for a term, perhaps a couple of years or rather more, by some authority like the Supreme Economic Council.

Without that safeguard, after the present associated armies had dispersed, never to be reassembled by any means in our time, the result of rebuilding Germany by the aid of the Allies and America might mean the earliest death of the whole peace-system to be created at Paris. Other aspects of the German question will have to be examined in the course of the various

sections of this chapter. Particularly we shall have to scrutinise the bearing upon European stability and general peace-prospects of the greater or lesser magnitude of the indemnities which may be imposed on Germany and of the methods of payment which may be determined. We must guard in both respects against measures which might easily end in injuring the Allies more than the enemy. Nevertheless, a basic necessity is to take in any case the kind of precautions which can be most efficiently exercised through economic control.

Until all conditions in the world-market are more certain and settled, at least until a year after formal peace, German purchases ought only to be made in concert with inter-Allied agencies. German claims for food and raw materials should pass through the tests of Programme Committees as described in the former chapter. In the same way and for a similar period all German shipping ought to remain part of the reserved tonnage under management by the Maritime Committee of the Supreme Council. Germany cannot have it both ways. If the Allies and America and other countries are to assist her to reconstruct, she must contribute in all ways she can to the general convenience.

Thus, on the one hand, there must be employment in Germany or there will be Bolshevism spreading beyond Germany. On the other hand, we must not be led on any plausible pretext into playing the game of those financial, industrial and militarist interests which remain at heart what they were, and are powerful behind the scenes. Many of the Majority Socialists themselves are cryptic pan-Germans. All these people still hope for dissensions between America and the Allies; and for some ultimate arrangement with either a Bolshevist or reactionary Russia which would open again the eastward paths for political and commercial enterprise on preferential terms, and even lead to the recovery of German domination. In view of

several different conditions, any of which would be dangerous, there should be for at least a year after the peace—and the term ought to be renewable at need—some definite international control over German imports and shipping. For this alone several organs of international co-operation would be required on the model of the inter-Allied Councils and Committees during the war. The force of the argument is much increased by a scrutiny of other purposes now to be considered.

III.

We have assumed that the Peace Congress would establish in some form a League of Nations. The form must be examined later on. In any case, from some time in 1919 the League will exercise a general oversight. We want in every country free Governments. We want them to be trustworthy and of effective authority. Without that the fortunes of the new States in Europe and of some others might resemble the old record of South American and Central American Republics. Revolutions would be the substitute for General Elections. Everywhere there is a Bolshevist minority. Everywhere there is a stubborn reactionary force. Everywhere there are class divisions. Everywhere the masses of men tend to waver from side to side and to be swayed by resolute personalities and groups. The cause of order at last always comes uppermost. If the choice must be made men end by preferring one master in a nation to petty tyrants in every parish. Even liberal-minded men are apt to feel, amidst such circumstances as now prevail throughout the greater part of Europe, that the paramount need is firm government. What is at first called firm government is apt to become something more.

Yet competent ability to rule is not always available, however much the majority may wish for it. Men may come to office who are incapable of maintaining

it, and may find successors no more stable than themselves. Unless the conditions of Europe are watched and steadied by Powers prepared to act as its guardians, and always equipped with ready means of action, there will be a probability of conspiracies and civil wars, which might overleap frontiers and cause again a general conflagration.

It will be of little use for the Peace Congress to demarcate boundaries if there are to be no practical means of encouraging order with progress within the boundaries. The international system of economic control would enable the League of Nations, without firing a shot, to prevent both Bolshevism and reaction by refusing supplies to either. Governments which it might approve would have the best prospect of stability. Against a League of Nations able to cut off supplies and credit no recalcitrant Government could stand in Central, Eastern, and South-Eastern Europe —not even in Russia if a coherent and representative system were once established there.

Many Governments in difficulties during the years of transition must be able to appeal for aid to the standing executives and administrative departments of the League of Nations if that project is not to become a juridical phantom and a paper sham.

But the negative and intermittent powers of boycott in emergency would not be enough. As has been said, the League of Nations must rather depend upon its positive continuous powers of giving aid to satisfactory Governments in all the countries which are now disturbed and in others which might be. Far and wide on the Continent—owing to war and anarchy, to political and social disintegration—agriculture, the livelihood of perhaps 300,000,000 souls, is depressed, impoverished, embarrassed for want of hands and fertilisers, or of the usual means of sale and marketing or of the ordinary securities for property and life Normal transport is dislocated. The pre-war system of exports and imports has ceased to act. Herds and

droves of cattle and pigs have been severely diminished or nearly swept away. There is a shortage of fats, and fats are a necessity of life. It is almost impossible for the ordinary farmer or other citizen in a country like ours to realise the extent of social disaster which has overtaken the agricultural populations throughout wide regions of Europe.

What a real scarcity of bread means to most other societies it is hard for any English-speaking community to conceive. Here we must return to the connection between bread and politics. It is relatively more important to almost every other European society than to ourselves. We have thought it well, even in our country, where the consumption of meat is so high, to subsidise the loaf at a cost to the State of over £60,000,000 a year. With this in mind, we shall better conceive what a dearth or pinch in cereals means to peoples who are far more exclusively dependent on them. The comparative figures were often published during the war. Britain's consumption of wheat is rather less than a pound a day per head. In France it is one pound and two-fifths. In Germany it is with rye one and a half pounds. Countries like Italy and Greece are still more dependent on bread-stuffs.

Very ancient lessons are recalled by problems like those emergencies far and wide confronting in the twentieth century the Allies and their Supreme Council of Supply and Relief. For thousands of years, under all kinds of political systems, large and small, the primary requisite of stable government has been the ability to provide food for the population. Any deficiency means trouble. Dearth means agitation. "Famine," as Mr. Hoover says, "is the mother of anarchy."

IV.

When we turn from corn to meat we have to face a less serious aspect, but it is severe. Germany's chief

danger is not famine. She is safe from starvation in spite of bitter hardship for many of her masses. When primary food is insufficient, any question of a scarcity of meat is less vital, but for the populations of Germany and German Austria it is far from negligible. Even in pre-war days, high meat-prices encouraged the growth of Socialism amongst them. We must give some attention to this side of the problem before we can take the bearings of the whole question of the food supply upon the political prospects of Europe in the transition. In some ways the situation as regards meat is more difficult than in respect of breadstuffs, and will take longer to remedy, especially in Central Europe. We are told by the experts that there may be for some period yet no sure abundance of meat by comparison with the world's demand, and that meanwhile even in this country we cannot return without risk to unrestricted consumption. The difficulty will not be so great as it was. Shipping is beginning to get back to the old trade-routes. Frozen meat from Australia and the Argentine will come in again as we restore the maritime connections broken in the submarine struggle. In any case, there may be no speedy surplus for the civilian populations amongst the Allies while the British, French and Italian armies continue their high demand.

But now Germany and Austria are petitioners. The home resources of Central Europe in meat are far less than half what they were. Reduced herds have had to exist on the minimum of fodder, and instead of fat cattle there are now lean kine. Worse far is the case with pork, which before the war formed three-fifths of Germany's meat production. It was a favourite and universal minister to Teutonic nourishment and corpulence. The pre-war pig population was teeming, but of all its former millions over three-quarters have disappeared. From 25,000,000 it is down to less than 6,000,000. The similar loss in Austria is thought to be even worse in proportion. All

this means some further call on a part of the world's food supplies which may be at the best no more than just sufficient. That demand may continue for some years after the signing of peace until German and Austrian lean kine are not only fattened again, but the pig population swarms as before.

It is clear that, as regards Central Europe, the Allies cannot admit the meat question to be on the same level as the bread problem. It does not raise humane issues in the same way. Germans before the war indulged in pork up to fullness and luxury. They must do with less pork, no doubt, until they have replenished their own resources. No one wants to pamper the German race. But we are studying the different causes which make more or less for social unrest and political extremism in different countries. It is idle, as has been said, to think that amongst a northern population like the German meat-scarcity can be a negligible factor in politics. A moment's reflection will show the nature of the political reaction. When the comfortable classes get meat and the poor are deprived of it—a contrast probably more glaring in Germany than in any other country—there is a bitterness which makes for Bolshevism. What supplies of meat imports can be afforded to Germany—they must be measured in any case—will be a matter requiring careful consideration by the Supreme Economic Council of the Associated Powers. That body would do well to exact strict guarantees that there shall be fair distribution amongst the common people in Germany. The central question for the stability of Europe is whether or not the mass of the German race is to be encouraged on terms to embrace willingly the new peace-system, to maintain the authority of a firm Government with which other Governments can negotiate, and to support as a whole the forces of order in Europe rather than the forces of anarchy.

Every factor in the relations of world-supply and

world-demand concerns home-politics even in Britain, despite its happier conditions. Neutrals being equally concerned, we must glance at their position. The case of some of them with respect to meat is as bad as that of Germany, and they must be treated on somewhat more liberal lines. Mr. Hoover created some surprise a few months ago when he said that in Denmark, for instance, the number of pigs had been reduced by no less than 75 per cent. His estimate seemed hardly credible to many who have not yet realised what have been the economic consequences of the war all across Europe. Mr. Hoover's figure was exact. For want of feeding-stuffs, after the submarine struggle came to its worst, Denmark had to sweep away three-fourths of the swine which played so large a part in the economy of that country. Its former bacon industry has to be rebuilt. In the first year of the war Denmark had about 2,500,000 pigs. At the end of it only 620,000 remained. The rest had to be killed off. Feeding-stuffs must be imported to begin the restoration of the former flourishing conditions. This is a sidelight upon the problems of supply, especially for agricultural reconstruction, even in those parts of Europe which are favoured by comparison with others.

V.

For the economic anxieties of the Supreme Council, like the political anxieties of the Associated Governments, are turned chiefly to the East. President Wilson showed this when he cabled to America the strong message which broke down opposition in Congress and carried the relief-grant for which he appealed. As Armageddon began in the East of Europe, there, above all, the cause of a permanent peace-system will be won or lost. What form may be taken by the future connection between the German

problem and more Eastern problems will be decisive for good or ill. No close student of European conditions can doubt this, and it is not possible to overstate the importance of organising and using—whether through the Supreme Council as now constituted or through the more extended means it may have to acquire—the whole economic power of the Allies and America to create political stability in Eastern Europe on the basis of peace and freedom.

If the range of new States between Germany and Russia is to be firmly built up, the Associated Powers must provide an economic scaffolding. That effort will be infinitely well worth their while. The cost, whatever it might be, would be repaid over and over again if conditions of confidence and hope can be created in these emancipated regions which might otherwise sink into a welter of weakness and failure. If the New States cannot be securely established, there will be no barrier against thinkable dangers of several sorts. There might be a westward sweep of Pan-Bolshevism, in some wilder phase of the world's renewed disorders. There might be a renewal in a following phase of all the old Pan-German plans for eastward ascendancy and expansion.

There is still the most stubborn antagonism in Germany to the creation of a strong and complete Poland. Many of the Majority Socialists now in power share that antagonism with the Junkers. Distress in Poland is extreme, both in the industrial towns like Warsaw or Lodz, ransacked by the Germans, and throughout the war-wasted rural districts. Without a vigorous and consecutive will on the part of the Allies, this New State may collapse again as a result of difficulties and distractions beyond all that its own means can be expected to cope with. It must be thoroughly understood that Poland is a key of all the rest. To put its independence upon a sure footing is essential to the safety of every other support of a system of peace with freedom in Eastern Europe.

Of Jugo-Slavia as much can be said. The most enlightened leaders of the Serbs, Croats, and Slovenes have come together for the great design of consolidating once for all the unity of these three portions of a single race so long divided by the Machiavellian artifices of Hapsburg policy. One of the most important of the secondary States of Europe would be created by realising the best aspirations of a gifted people, second to none in heroism and suffering. The great design can be accomplished if the Allies help it. But a United Jugo-Slavia cannot be founded on social misery, which aggravates every other element of dissension and might lead to disintegration once more. Serbia proper is in bitter need of clothing as well as food. Political stability cannot be expected unless the barest necessities of a civilised existence are restored as soon as may be by continued economic organisation between the Allies and America working through the Supreme Council.

The Czecho-Slovak Republic has managed its affairs with signal ability, and the more deserves every aid and encouragement. But it is as yet cut off from all normal means of intercourse with the Western Powers. In all these regions railway communications are broken down far and wide, largely for want of locomotives. Of these there are said to be only 250 in all Poland. In Roumania there are less than 100. So great has been its distress that in some villages nearly all the children have died. The first energetic measures of relief undertaken for that country by Britain and America came when the outlook was at its blackest and a winter of hunger and nakedness threatened wide loss of life and popular insurrection. Enlarged Roumania will require upholding, for untoward events there might easily affect the entire line of New States. These are only typical instances of the truth that no merely political and judicial scheme for a League of Nations could enable the Paris Congress, without positive economic action, to lay secure foundations for the future peace.

When the Supreme Council was inaugurated, Mr. Hoover said that Belgium and Northern France alone would require a steady stream of food-imports at the rate of 150,000 tons a month.

Vienna is in dire straits for all the necessaries of life—for bread, potatoes, fuel. The Inter-Allied Commissions are at work. To them the city which was one of the two chief enemy-capitals looks for salvation. One of the strangest turns of the kaleidoscope showed the first contingent of British soldiers entering Vienna with a convoy of food.

For Germany there is required both help and caution. If there is no fear of utter famine, there is wide scarcity of bread, such as it is, want of meat so far as the poor are concerned, lack of clothing. The potato diet ekes out the rest. But, above all, the vitality of the masses is sapped by the deadly shortage of fats. Children and the old succumb. Under-feeding raises the rate of mortality from tuberculosis and other diseases. These things the Germans brought on themselves by the war they made without pity for other peoples on whom they expected to trample. It is also most difficult to keep a balanced view of the national situation of Germany with regard to the food supply. There is unequal distribution and gross class-selfishness. The country districts are better off and keep a hard hold on food for their own use. Half the nation is less distressed than what was said above would suggest. The German Government exaggerates the picture, just as it will exaggerate its demands for raw material. Yet the condition of the poorer masses in the larger towns is deplorable. Economic relief for Germany must be accompanied by strong safeguards; but relief is the only alternative to renewed revolutionary outbreaks, pretty certain to bring about in the end an overturn which would mean the triumph of Bolshevism in nearly the whole of Europe.

Before drawing a general moral from this survey of the state of Continental Europe at the outset of the

transition, it is well to remember how nearly it concerns ourselves. Food-prices are factors which, as they move one way or the other, may mean either a settled prospect for our own reconstruction or the Labour conflicts which would jeopardise it. A note in passing may illustrate the fact that the suggestion of sweeping away all public safeguards and leaving everything to private competition is a proposition much less simple than it looks. The meat-supply, for instance, is peculiarly exposed to Trust operations, which acquired a heavy power even before the war, and if unrestrained would, of course, find more favourable opportunities in present conditions. The Chicago combine, as everyone knows, is a colossal monster stretching its arms over continents and oceans like a universal octopus. It controls the great bulk of the meat supplies overseas, not only in North America, but in South America and Australia, and has even made the first efforts to buy up our home cattle. It has sometimes been able to put world-prices precisely at any level it pleased, and to manipulate supply like well-oiled machinery. It is understood that Mr. Hoover is trying to grapple with the universal octopus like Hercules with the hydra. But his action cannot be a sufficient guarantee for interests on this side of the Atlantic. We need not enter further into the question at this point. The future of Trusts whose scope is more or less world-wide and gives them a strong leverage upon the condition of interdependence amongst nations is a subject which must be dealt with when we come to consider the permanent needs of the League.

VI.

This is a broad survey of what we may call the seamy side of peace. In face of the gravest international problems of their kind that Governments in concert have had to grapple with, we are forced to

two conclusions. The first is negative—that to attempt to leave these things to private competition is out of the argument. The second is positive—that for the transition at least, and that means for a considerable period to come, the most vital part of inter-organisation between Governments seeking to devise means for the present safety and future peace of the world, must be the employment, however novel, of a common economic method. It would be unprecedented; but if we want renewed wars we have only to stick to precedent.

It is as impossible at the present moment to abandon the fate of nations to the old play of supply and demand as to leave them to the planetary influences of Jupiter and Saturn. Private trade is incapable of solving these problems. It can no more cope with them than it could have handled the war. The abandonment of right international action under pressure of a demand for the removal of some limited commercial restraints might mean the ruin of the world's hopes for at least another generation, and violent class-conflict in every country. National policy, both in Britain and America, must be as profoundly influenced by international necessities in this first stern and hazardous phase of peace as it was by international necessities during the war.

To a degree never before approached, there are here all the elements of a situation which, if thrown open to unchecked private competition, could only lead to chaos. Nothing could prevent wild speculation and exploitation on an enormous scale. It would mean orgies of profiteering with soaring prices, yet with unjust and erratic distribution, at home as well as abroad. Nor could the private interests be blamed. They would have been invited by the economic abdication of the Governments to subordinate lasting peace to immediate profit. They could not help trying to make a maximum profit out of the period of maximum need. But what of the reaction? We have only to

consider, for instance, what would happen even in our own country—where our whole future depends upon securing during at least the first years of reconstruction better relations between Capital and Labour instead of class-conflict. If in the next twelve months there were soaring prices and unleashed profiteering, or even suspicion of it, there would be an epidemic of strikes and vehement political agitation. Finally, public control, not only of food-supplies, would be reimposed in a temper disastrous for the very interests which are most clamorous for the indiscriminate removal of all safeguards and steadying checks.

The effect on the international situation would be as disastrous and for some moral purposes irreparable. All Continental Europe would be either exploited or deserted by British and American shipowners, merchants and manufacturers, in a way that could never be forgotten or forgiven. Even Belgium, France, and Italy would have to pay dear for reconstruction. Their recovery would be interrupted and delayed. Germany might outbid them. Germany, with banking and industrial combinations more solidly syndicated than ever, might outbid even ourselves in some ways in the scramble for world-supplies, if she had free power to bid against us after the raising of the blockade. Those who realise how critically the prospects of a League of Peace may depend upon the management of its beginnings know that there is especial need to guard against profiteering by those interests in Germany which have already succeeded in throwing upon the humbler classes an undue share of the harsh burthen of the war. As regards food-supplies at least, the Allies and America must be sure that private importing agencies, usually supplying North-Western and Central Europe, shall not resort to profiteering against their own peoples or against peoples supplied by transit through Germany.

As to the countries from Poland to Roumania,

their ordinary systems of credit, commerce and transport are destroyed, as has been shown. They have either very little means of payment or no means whatever. To a large extent private enterprise could never reach them if it tried. But it would necessarily leave them aside for more profitable markets. To abandon the New States of Eastern Europe to what is called the natural and unrestricted operation of supply and demand would mean letting them perish in starvation and anarchy. Their fate would be the most scathing mockery of peace and freedom that history has written. Nor by comparison with the war-zeal of America and Britain for human brotherhood and emancipation would the repute of the English-speaking peoples recover from the irony.

Happily, these contingencies had only to be understood to be excluded. To inveigh further against them would be like forcing an open door. The preliminary work required to be done before there can be any secure foundation for the stability of a new order in Europe can only be grappled with by Governments in concert able to act on the largest scale with the requisite command of supplies, shipping and finance exerted by the Allies and America, through a system of economic organisation like that which they employed in war. But this means that business interests in Britain and America alike will have to recognise both the practical necessity and the moral obligation. They will have to accept the definite though limited restraints it must impose, and to support them in a spirit worthy of the greatest spiritual and political appeal that could be addressed to the wisdom and humanity of the English-speaking peoples.

When the Responsible Powers, after President Wilson's arrival in Europe, established the Supreme Council of Supply and Relief, they took a crucial decision. Without it there would have been little hope indeed for Europe and for the world in any enlightened declarations which the Peace Congress might put on

paper, or in any political or judicial institutions which it might create. Without economic action of the kind now taken under utmost pressure of circumstance, the principles of universal harmony decreed at Paris would be soon followed by the return of Europe to chaos. But in our consideration of the real conditions of a permanent peace-system we shall now have to look to other issues. The success of Inter-Allied Administration in supplying over 200,000,000 of people with the necessaries of life would be a noble achievement. It would not be enough for the best purposes of a new world-order. It would doubtless avert indiscriminate anarchy amongst many peoples. It would not be enough to establish a new system of co-operation and concord and of willing peace between all peoples. For the sufficient promotion of that larger aim the Supreme Economic Council would have to take over additional functions, and the whole economic organisation working under it would have to be enlarged. Neutral and enemy representatives would have to be associated in some way with its work. As regards finance, the Responsible Powers have a great problem to settle as between themselves. Our own task of reconstruction even in Britain is hardly begun, and we know its dimensions. The transition means, amongst all other things, that the re-making of the older nations has to be assured as well as the making of the new.

CHAPTER VII.

THE GERMAN PROBLEM: ITS ECONOMIC ASPECT IN THE TRANSITION: THE URGENT NEED FOR RAW MATERIALS: EMPLOYMENT OR BOLSHEVISM: IMPORTS AND INTERNAL RESOURCES: GERMANY'S FORMER INDUSTRIAL INFLATION: A HEALTHY COMPRESSION NECESSARY: WHAT GERMANY MUST DO WITHOUT: WHAT SHE MUST DO FOR HERSELF: REORGANISATION OF PRODUCTION AND EMPLOYMENT: PROBABLE RECOVERY OF A STRONG POSITION: IMPORTED SUPPLIES CAN ONLY BE SAFELY FURNISHED UNDER INTERNATIONAL AUTHORITY FOR THE TRANSITION PERIOD: CHEAP IMPORTS AND LABOUR'S INTERNATIONAL CHARTER: THE RIGHT METHOD: A RAW MATERIALS COUNCIL, WITH ITS TECHNICAL "PROGRAMME COMMITTEES."

We shall now see why the Supreme Economic Council had soon to be strengthened for other work to be undertaken. That work must, in any case, be faced soon, however it is to be done. The novel and momentous problems it involves may well tax the wit of assembled statesmanship at Paris, but they must be solved with some mingling of vigour and dexterity, unless the new foundations of a League of Peace are to be upheaved even before the end of the transition. There is not only one international problem of supply —that of food and other necessaries of existence amongst over 200,000,000 of people in the distressed and disturbed regions. There is the other issue of sup-

plies for the restarting of manufacture and employment in industrial centres throughout Europe.

These two problems are not only parallel; they are inseparable. If famine is the mother of anarchy, as President Wilson and Mr. Hoover rightly warn us, wide unemployment amongst the working masses of the towns would be as surely the father of Red revolution. This is the very heart and crux of the difficulty of thoroughly reconciling any real system of German settlement with European security. But that is just what has to be done if we have the full will to peace, and have been bitterly taught that while the moral inducements to peace must all be greatly deepened its guarantees must be tangible. On the one hand, Central Europe, on conditions laid down in return for raising the blockade, must be re-stocked by sea-supplies, which means mainly supplies from the British Empire and the United States. This must be done sooner and more largely than was expected. On the other hand, there must be fair safeguards for the vital economic interests of the Allies themselves and for the maintenance of a higher standard of life amongst their democracies after the war. It is a question both of unexpected urgency and of extraordinary complications. It is easy to see why it must become dominant after first emergency-measures for food-relief on a prodigious scale have been expedited with the utmost energy to save imperilled States and races from the worst dangers of starvation and chaos pending the next harvests.

The problem of work and wages in the manufacturing towns and industrial areas of Europe cannot wait until then. It must at least be mitigated well before the harvest-tide of 1919—whatever that particular yield may be worth amidst all the difficulties still impeding agricultural recovery in the far larger part of Europe during the first hard and troubled year of peace. But when the Supreme Council's crusade of succour has brought food to the hungry far and wide,

and clothing to the naked, the questions of restoring industry and employment, providing work and wages, upon the Continent, will still remain general and acute.

It concerns Belgium, France, Italy in the West and amongst other countries not only Germany, but Poland, Bohemia, German-Austria, Hungary, and Roumania, while the desire for imports moves even Russian Bolshevism under Lenin's leadership to thoughts of genuine or pretended compromise. The question of sea-imports arises in its most formidable shape in Germany proper, simply because on this side of the Atlantic Germany had the most dense and various industrial life next to our own. What, then, is the nature of this issue for the Allies and America on the one side, and on the other for the nation which was so recently their main enemy, and an enemy loaded with all the guilt that sin against humanity can accumulate?

I.

The blockade continues while demobilisation proceeds. The Associated Powers insist necessarily that Germany shall disband the bulk of her armies as far as possible. As the troops are discharged they reappear in civil life as millions of workless men. With the stoppage of the munition-factories there are other millions of workless men and women.

Industry and employment can only be reorganised, even to a tolerable extent and by degrees, if the importation of raw materials into Germany is allowed. It must be allowed, let me repeat, sooner than had been supposed. It is impossible that it can be either unlimited or unregulated. Upon conditions something must be done for Germany, and much must be done. Otherwise in Central Europe the demobilisation of soldiers and the disbanding of munition-workers—

with a continued absolute veto upon the introduction of one of the main means for providing them with civil employment—would mean nothing less than the wide organisation of Bolshevism by the Allies. This is impossible in the financial and political interests of the Allies themselves, apart from morals or the substantial conditions of the world's order and prosperity.

At the same time, it is certain that the German Government, the banking and industrial syndicates, the economic writers of all parties and notably amongst the Socialists of all shades, will endeavour to exploit this situation. Serious as it undoubtedly is, they will exaggerate it to the utmost. To use their own phrase, they will "paint the devil on the wall." They will make higher demands than in any case can be conceded. We must distinguish simply between two different things.

Bolshevism, if possible, must be avoided in Germany. We must use every means to establish a coherent Government with which we can deal safely and wisely. All our measures must be framed with a view to making it thinkable and likely that by the end of the transition the German race, under a genuinely democratised system, will be loyal supporters of the Treaty Settlement creating a new Europe—sincere adherents to the cause of peace and to the system and purposes of the League of Nations.

But, secondly, the German Government and the great financial and industrial interests must not be permitted to confuse or weaken the Allies by using "Bolshevism" as a bogey-word. In the light of the very different principles which will have to be reconciled with each other in any prudent and efficient treatment of this subject, the policy of the Associated Powers on indemnities, as on other matters, must be sane and feasible, but it must also be firm and wary. As regards the importation of raw materials into Germany, the Associates, in view of all the considerations which we shall endeavour to set out, must mingle

measured concessions with apt precautions. These, in the writer's belief, can only be made effective by adding to the Supreme Council for food, finance, and shipping a strong equipment for dealing with raw materials.

The full contrast between these two very different sides of the matter must always be kept in mind.

On the one hand, there must be international guarantees—by definite measures of economic control as well as by political arrangements—that German industrial power shall not be converted again into war-power. There must be equal guarantees against a specific danger of a purely economic kind. The powerful German syndicates and their great banking affiliations—all more extensively federated and solidly combined than ever before—must not be able, as they had intended, to outbid the Allies in respect of vital supplies by unrestricted strategical operations in the world-market. For that purpose the German syndicates had made elaborate plans long before the war, and they have an unsurpassed knowledge of every trick and turn of cosmopolitan business and of every agency engaged in it. If they were left in a position to open a campaign of free buying over and above the exceptional help which we and the United States are now called upon to give, they would pay any price not only for American copper but for special resources of the British Empire like tin, zinc, tungsten, mica, oil-seeds.

Neither we, nor our near friends, France least of all, can afford to run any risk whatever in these respects. The needs not only of Britain but of Belgium, France, and Italy must be considered. Equally we must consider the Polish manufactures which Germany has tried to ruin by the removal of machinery and tools from towns like Warsaw and Lodz. We have to provide, as soon as we can, for those very extensively developed industries of Bohemia which go to make the Czecho-Slovak Republic as yet by far the most highly organised of the New States. Others among

the smaller Allies have limited but pressing industrial requirements. And there are the neutrals.

However difficult may be the simultaneous management and adjustment of all these claims to raw materials, one thing is certain. A settled outlook for the world as a whole is the first commercial interest of every country in it—even though that principle has to be applied to Germany. There it must be applied in true and not in false proportion—not in a manner distorted by a mere obsession of fear on the part of the Allies with regard to Bolshevism. But at the same time if, as a result of unemployment, Bolshevism were to spread over Germany and all through Central and Southern Europe—Italy might not escape, even if France and Britain mastered the menace — the social rabies could only be combated by efforts which might well cause a chronic world-war of another kind to follow the convulsions from which we are hoping to recover. In the best case that could then be expected the Allied and American democracies, instead of being united as they have been, would themselves be shaken and distracted by agitation. In each country political disruption on the subject might be so complete as to paralyse effective action for a long time. If our late enemies are to pay at all, or to form any coherent society harmonising with European peace and confidence, they must work; if they are to work, importation must give them more materials. It is a question not only of their supreme interest, but of our supreme interest. And what is true for Britain is true for all the other Allies and the United States.

II.

For Germany, in especial, then, even if all food-difficulties were thoroughly relieved, to get raw materials would still be a necessity of life and death. So far as all Central Europe is concerned, President Wilson's word to Congress needs to be supplemented. Food is, indeed, required to stop Bolshevism, but food alone

cannot stop it. If its surge westward is to be arrested, the German part of the trenches must be sand-bagged, as it were, with imported raw materials. Otherwise the Allies might not get even moderate indemnities from Germany, but would only get political pestilence from Germany.

If the Supreme Economic Council were merely a Charity Organisation Society on a world-scale, its work, no matter how successfully done for relief-purposes, would not be nearly enough for the stability of Europe. We may surmise that the Council's best efforts would not go very far before political collapse resounded on all sides. But, in any case, in the industrial centres of both Central and Eastern Europe, either employment must be restored or charity can never end. So far as the political interests of Europe are concerned, the most heroic-humane exertions of the crusade of mercy started by Mr. Hoover, unless supplemented, would draw water with a sieve.

Yet if Germany is supplied with raw materials the following conditions, amongst others, must be strictly observed: (1) The claims of Allies must come first whenever any question of their own due supply arises. (2) In no case can Germany be permitted to gain a competitive advantage over France and Belgium because of the very robbery and devastation by the invaders. (3) There must be additional security that if Germany is made better able to pay just, not vengeful, indemnities she shall pay them. (4) The whole process of restoring German industry in the Transition must be made a means of ensuring in that country a Government and a spirit we can trust to strengthen the foundations of peace in Europe as a whole. (5) It is not compatible with the political or economic security of the Allies or America to permit for some period free and unlimited import into Central Europe by private buying agencies or to allow strategical operations by German syndicates in the world-market for raw materials.

To what practical conclusion are we brought by this double necessity for supply and precaution? It implies international rationing and regulation for raw materials. It ought to mean a definite system of international Consultation, Co-operation, and Control, at least until the world has settled down after the war both in politics and business—until the whole prospect is clearer and many conditions safer. Unless the Supreme Council goes beyond its original dealings with food, shipping, and finance, it is thus not easy to see how the unavoidable and early beginning of the general restoration of German employment by the aid of the Allies can be made consistent with the collateral securities which are indispensable.

The industrial problem in every way suggests also the increased need for a stronger Financial Council to deal with larger questions even than those arising out of the crusade of succour among 200,000,000 of people. Further-reaching and more vital for the economic future are the existing questions of war-debts and exchanges—not to speak of the need for continued consultation and common action between Allies and America upon political and commercial problems certain to appear during the next few years in connection with the payment of the German indemnities.

Above all, as it seems to the writer, for international rationing and control of raw materials, there would be needed for some longer or shorter time, not yet to be determined, a Raw Materials Council. At the top of the whole organisation would be as now the Supreme Council, which could not be permanently confined to the representatives of four Responsible Powers. The Associated Governments may well find themselves unable to solve even the problems of the Transition without developing the full economic system which would serve many of the further purposes of a living League of Nations. The more practical institutions of a system of world-government by consent, and for mutual service between peoples, are perhaps arising

before our eyes out of the very difficulty of the circumstances.

The Inter-Allied organisations before the war showed how efficiency and safety alike can be secured during the necessary process of restoring industry and employment in Germany and Central Europe as a whole, as well as elsewhere.

We have seen that at the end of the war a number of Programme Committees, apart from those dealing with food and munitions, were still working independently of each other. They were very imperfectly co-ordinated by the final authority of the Maritime Transport Council. When the Armistice was signed the whole question of unified economic organisation between the Associated Powers, parallel with the unified command in the field, was being re-studied in a scientific spirit. All the tendencies were moving in a way which must have brought about soon a Raw Materials Council. A body of that kind might well be more effective for peace-economics than it could have been for war-economics had it been established. Its field would now be more extensive. Important materials previously controlled for munitions must now come into the civil and commercial category. The Technical Executives of the more independent groups dealt during the war with wool, with cotton, with flax, hemp and jute, with hides and leather, with coal and coke, with petroleum and timber and paper and tobacco. But, further, under the Munitions Council were Committees for nitrates, chemicals, and non-ferrous metals. Under the Food Council there was a body dealing with oils and oil-seeds which, needless to say, are of particular interest from the point of view of modern manufacture.

III.

It will be better next to notice some main factors in supply and demand before considering

what international machinery may have to cope with them.

In raw materials, as in other respects, the United States is in a wholly advantageous position. America has most crude matters in quantity, though tin is a signal exception. Great Britain at home is in the position of next advantage, owing, of course, not to its internal resources, but to its purchases ahead during the war and to the stocks it at present possesses. With regard to the British Dominions as a whole, their developed resources of raw material are countless and their undeveloped possibilities are endless. The international question we are discussing requires to be handled on our side as an Imperial question. It is pre-eminently one for agreement and common action as between the Mother Country, the self-governing States, and India. The British Commonwealth as a whole is in a position quite equal to the United States as a source of world-supplies. We have to learn to regard ourselves as in that respect trustees for the world. Together Britain and America have an overwhelming control of the raw materials required by other manufacturing countries. The English-speaking peoples in concert could make that control, during the Transition and afterwards, a most potent means for doing good and preventing evil within the family of a League of Nations.

At present various other countries are famished for raw materials, and their demand can only be called desperate. They have been either wrecked and ravaged, like Belgium and Northern France, or, like Germany, they are totally depleted of the imported articles on which many of their industries and many millions of their people were dependent before the war. There is a more clamorous call than ever before for clothing materials and housing materials and for every employment-giving substance which enters into the equipment of industrial societies. Whether they were classified as Allies, Neutrals, and Enemies, all want

their shares of the wool, cotton, fibres, of the metals and the timber, of the coal and petroleum, of the rubber, the oils, and oil-seeds, and all the rest.

Glance at some only of these needs outside the British Commonwealth and the United States.

Take textiles as an instance, and begin with wool as primary. Belgium before the war consumed imports to the value of over £16,000,000, as values went in those days. France bought up to a total of £28,000,000. Germany paid £20,000,000 for her annual shipments from Australasia and the Argentine. Take cotton next. Belgium imported for over £8,000,000; France for well over £20,000,000; Italy for about £15,000,000, though some of this was passed on to other countries; and Germany for about £30,000,000. The same quantities of cotton would cost them all several times as much now—what it would cost them makes imagination blink. These figures alone show to what a big extent the claims of our nearest Allies for the restoration of industry and employment must tell inexorably against the full immediate satisfaction of German desires.

But what do these valuations of import mean for employment? In the French clothing trades something like a million hands were busy before the war. In Germany at the same time workers in textile mills were nearly a million and a quarter, while the clothing trades must have engaged nearly a million and three-quarters.* The total number of men, women, and children mainly dependent, directly or indirectly, on imported wool and cotton must have numbered between nine and ten millions of the whole population. This brings out the significance for employment and family-livelihood of these two imported staples alone.

The following list of various national imports before the war is made up from pre-war data, and at least suggests the breadth of the question, though the

* Allowing for increases since 1907, when the last Census gave for the textile industries 1,057,243 persons; for the clothing trades 1,421,695 persons. I take the figures from the "Statistisches Jahrbuch," 1914.

method prevents some of the materials from being ranged in the order of their importance:—

Belgium.	France.	Italy.	Germany.	Former Hapsburg Countries.
Wool	Wool	Wool	Wool	Wool
Cotton	Cotton	Cotton	Cotton	Cotton
Hides, etc.	Hides, etc.	Hides, etc.	Hides, etc.	Hides, etc.
Rubber	Rubber	Rubber	Rubber	Rubber
Oil Seeds	Oil Seeds	Oil Seeds	Oil Seeds	Oil Seeds
Copper	Copper	Copper	Copper	Copper
Flax	Flax	—	Flax	Flax
—	Silk	—	Silk	Silk
—	Coal	Coal	—	Coal
—	—	—	Iron Ore	—

The prices of these materials are three and four and five times what they were before the war, and in the best circumstances the level of prices may not fall much just yet. The financial aspect is another complication which must be considered by those who write as though the raising of the blockade would of itself solve all the graver difficulties of restoring industry and employment in Germany. That country cannot afford to import on the pre-war scale, and for what she gets she must pay. Employment will almost certainly have to change its character and distribution, even if extensive emigration can be avoided. At the re-start the average level of industry must be a lower grade by comparison with the pre-war position. Food may to a large extent be given away in the distressed regions during the first half of 1919, or may be nominally covered by loan without security. Raw materials cannot be supplied on the same principle. But this is a comment in passing. The main point regarding the finance of international co-operation for grappling with the problems of the Transition must be dealt with by itself in the next chapter.

As regards quantities, it must be assumed that no country can have at once all that it wants. There must

he rationing for at least some things and for some period and on some system. Optimists have thought that most countries within six months after a formal Peace Treaty can be sufficiently re-stocked to put civil production into vigorous swing. No country can carry large stocks, least of all those who were the enemy peoples. They must rely on renewal of shipping facilities rapidly improving, of world-supplies answering more and more to demand, and of imports resuming a normal flow.

Meanwhile, both for political and economic reasons alike, the Allies and America ought to keep a firm control of the European situation by a system of international rationing. In the first phase they would do well to apply that system to Germany, even if supplies were more abundant. But rationing is demanded, as we shall now see, for other reasons, if we wish the transition to lead as soon as possible to the most settled peace.

IV.

The positions of the Greater Allies, the Smaller Allies, and the Neutrals must be considered in turn before we can come to closer quarters with all the considerations raised by the necessity for an early beginning with the revival of German industry and employment on a large scale, if not to the former extent or altogether in the former shape.

The Allies' own needs must be in any case secured. They cannot organise unemployment and discontent amongst their peoples to alleviate for the German race the difficulties which that race has brought on itself in bringing immeasurable disaster on the world. France, by comparison, must have preferential treatment. All her industries must have it. Before any other principle becomes morally thinkable, much less advisable in practice, the ravage and pillage in the northern departments of the Republic must be made

good, not merely by money in advance, but by the actual reconstruction which money and material must effect. Germany cannot be allowed to make a competitive profit on her war-crimes by resuming production and export fully and freely while her neighbours are still relatively disabled by the wrongs and injuries she has inflicted on them. France must first be put on a fair competitive footing. The same principle applies signally to Belgium. And no less to Italy, who, in spite of her industrial advance in the last few decades, is by far the poorest of the Western Allies, though second to none of them in technical intelligence and skill.

Equally for several of the New States industrial restoration must be helped as well as food-supply. Employment as a preventive of Bolshevism is at least as much needed in the Polish towns as anywhere else in Europe. The re-starting of the factories is one of the main things in Mr. Paderewski's programme. To shake off traditional notions about Poland and realise how largely it has become industrialised is a main point in the modern study of Continental affairs. For all the best purposes of a new Europe the Czecho-Slovak Republic is the strongest outpost of order, freedom, and progress. In spite of the difficulties created for it by the breakdown of ordinary communication on all sides, there is exceptional need for providing it with the materials for manufacture and industrial employment. For its size Bohemia is one of the chief manufacturing centres of Europe. In that sense it was easily first amongst all the Hapsburg provinces. For its metallurgical and glass-making industries it is fortunate, no doubt, in having rich natural resources of its own. But it was also active before the war in all the textile branches, in the clothing trades, and other pursuits depending on all such imports as Germany demands. No people have a higher claim on the Allies and America than the Czechs. But in the heart of East-Central Europe they are furthest from the sea. They must be provided with their share, and special

measures must be taken to ensure that the supplies shall reach them as soon as communications are restored by the railways passing through other countries.

We must next consider the case of the "Neutrals." Their demand is also extensive. They have been spared the worst human sufferings of war, but for economic purposes they have been more severely straitened than some of the belligerents. It is essential that they should now give advantage for advantage by bringing their ships and their home-resources, like those of Sweden in iron-ore, or their Colonial resources, like those of Holland, into the common system to any reasonable extent that the Supreme Council may desire. In these cases, also, there may have to be continued understandings to prevent disguised purchases of raw material by neutral agencies for German account. There must be a plain oversight of the whole process of replenishing Europe with the materials for manufacture, if there is to be fair distribution.

All other needs considered, we can now see on what measured principles the Allies and America ought to act in taking special steps to provide Germany with the imports required for the revival of industry and employment. It is certain that the Associated Powers cannot do everything that our late enemies will claim. What is to be done, and how, ought to be settled when the question has been thoroughly examined by an expert Commission in consultation with representatives of finance and industry in Central Europe.

Some things are impossible. No means within or without can mean a speedy restoration in Germany of pre-war prosperity, nor anything like it. In manufacture and commerce a position of splendid advantage, even of unmatched privilege, passively or unknowingly tolerated by the rest of the world, has been gambled away. In that sense, also, Germany's worst punishment is her self-punishment. The Allies can-

not be expected to weaken themselves or to depress the standard of life amongst their own masses in order to save Germany from every harsh economic penalty of the frightful struggle which her former rulers forced on mankind, with the support even of her Majority Socialists. There is even yet no full confession and repentance. There is not yet sufficient change of heart. There is not yet any adequate moral and practical security for the future of peace.

These things will not be secured by mere condonation and indulgence on the part of the Allies and America. Britain has to do her duty towards her own industrial democracy, as each of the Associated Powers feels bound in the first place to do its best for its own citizens. In our country we have also to provide our people—our troops as they are demobilised, and our discharged munition-workers—with employment, and the fullest employment. We must create to the utmost, and as soon as we can, civilian occupation for a larger number of industrial workers—men and women—than we ever had before. We must not only keep our key industries going, but must keep them flourishing. Trades newly founded, and former trades largely expanded, we must, in any case, feed with certain raw materials which went to Germany almost wholly or in larger proportion before the war. We cannot surpass the pelican in fabulous philanthropy by feeding our late enemies with life-blood drawn from the veins of our own industrial system.

These are limitations at the outset, and there will have to be some others—partly such as the Labour Party itself in the House of Commons would have to demand if the Associated Powers did not impose them. But these reserves need not and must not prevent the economic situation in Germany from being made bearable in the transition and hopeful afterwards. The first of these conditions is an elementary necessity of political cohesion in the country; the second will be

required for the endurance of European stability and to make Germany a sound element in a peace-system.

V.

The Allies, then, must help their late enemy to restore the primary foundations of industry and employment. The rest she must do for herself. She must cut her coat according to her cloth. In no case can there be as much of the cloth as of old, nor of the same quality. Her internal economic organisation will be determined more than ever, no doubt, by conditions of export. These are in some respects changed once for all.

The analysis which follows will suggest, at first, conclusions which may seem hopelessly discouraging for Germany, but I may venture to ask those tempted to think so to read to the end of this chapter.

Unless the Allies are singularly incompetent and luckless in their whole policy towards Russia, Germany's export trade in manufactured articles and the operations of her syndicates cannot again enjoy in any direction the pre-war opportunities which were bringing so much of the economic world into her hands. They were giving her a practically privileged use of the natural resources and markets of other countries; enabling her to make a more profitable use of some of the best raw materials in the British Empire than we made of them ourselves. Now all Germany's competitors, without exception, will be better equipped than they were and better instructed. Again, her selling agents will not be as welcome in many countries as they were five years ago. She cannot enjoy the same position in the British home-market, which was the most valuable of her outlets. She cannot again have it both ways in the old fashion by combining something rather better than freedom

and equality in this country with Protection in her own. That is what the most extreme Free Trader amongst us might not tamely tolerate. There will have to be serious revisions in that respect whenever any change in present circumstances of feeling makes it worth while to negotiate them. This is an aspect that, of course, concerns Great Britain only. Her Allies are Protectionist, too, and will not cease to be so in any near future. But it would be an odd paradox for ourselves, the country of freest trade—as we shall undoubtedly remain, whatever policy is found necessary to safeguard the key-industries and prevent dumping—if in circumstances like these, and without conditions or control, we supplied raw material for reviving the competitive energy of a nation which still meant to refuse equal treatment to our own manufacture.

There is still another aspect which touches Labour more nearly than any other political party, and deeply concerns its demand for an International Charter. On the one hand, economic opinion in Germany, including some Socialist opinion, looks forward to a protracted period of longer hours and lower wages. The indemnities must be paid, and it is regarded as a life and death necessity to develop cheap exports, in spite of all new difficulties. This school insists that wages must be reduced as a matter of course. It declares that it is impossible to concede an eight hours' day in accordance with the "International Charter" demanded by Labour in America and France, as well as in Great Britain.

In spite of this, some of the ablest Socialist writers in our own country are tempted to argue that, since Germany must necessarily be supplied with raw material, the manufactured result must come back to flood our own and other markets with cheap goods, even if these are produced under conditions irreconcilable with our own democracy's standard of life after the war. No political party could

allow that to happen, the Labour Party least of all. The very object of an "International Charter" is to level up international standards by general legislation against overwork, under-payment, unhealthy circumstances, and sweating. From that point of view the conditions under which German goods may be produced will be a matter for enquiry in this country, and might well cause a new and determined democratic demand for action. On the other hand, the movement for an "International Charter" may mean a stronger demand by German workers for hours and wages in accordance with its spirit. However matters may turn out, the result either way is tolerably certain to diminish the hopes which German industrialists are resting on unlimited cheap production by overwork and under-payment in comparison with conditions like ours. That method will be hindered more or less either by the internal democratic movement, or by safeguards adopted in other countries, or by the new international institutions for labour-problems, or by all these factors.

The question of indemnities will be better discussed in the next chapter, but what has been said is sufficient to show that they cannot be turned so easily as is sometimes thought into a means of forcing cheap German manufactures into our own and some other markets if the cheapness is the result of labour conditions clean contrary to the "International Charter."

However we look at it, we shall see that, though supplying Germany with raw materials may prevent Bolshevism, it cannot create in that country a state of elysium as regards either the prospects of the export trade or the relations of employers and employed. As was pointed out at the beginning of this analysis of a problem which is extraordinary in its nature, whether regarded from a German or from an international standpoint, the early intervention of the Allies and America will go some way to make the political situation safer and the economic situation more bearable,

but can in no case make it altogether exhilarating in the immediate future.

VI.

Yet, in spite of all these adverse reflections, the situation which the action of the Associated Powers must assist to make tolerable and tenable will become strong enough later if Germany keeps her political cohesion. If industry and manufacture cannot be resumed on the old high level, general employment can undoubtedly be restored on a lower average grade.

In one respect before the war there was an artificial distension of the labour position which must now be brought by compression into a more healthy and natural shape. It will be remembered that while British statistics for emigration remained high, German emigration had practically ceased for many prosperous years; and instead there was a large immigration from other countries into the German labour market. No assistance can be given towards restoring that superfluous state of things. The work which gave occupation to so many imported Slavs in agriculture and the mines, as to so many Italians in the building and other trades, must now be done by the Germans themselves. This is one considerable factor which facilitates readjustment.

Many of the demobilised troops and munition-workers employed before the war in a forced over-development of industrialism in Central Europe must go back to agriculture. This is a resort for large numbers. Up to the beginning of the reign of William II., agriculture in Germany still gave not far from as much occupation as all branches of commerce and industry put together—certainly rural labour was not less than 40 per cent. of the whole. When the war broke out the latter proportion had fallen so rapidly that only about a quarter of the population depended on the land. This fact was part of the origin of

Armageddon. It means that the growth of the manufacturing towns was to some extent a forced inflation due to a mania for industrialism and money. The banks and the syndicates, like the Emperor and the professors, were all stimulating the process in a national temper which can only be called one of sanguine speculation. There must be some check on this and some reversal of it. The revival of employment in Germany ought to be effected to a marked extent by a return to agriculture. Germany would in the long run gain by this. The world would gain by it. It would help to restore a normal psychology in Central Europe. The Allies ought not to be led for a moment into doing anything to prevent it.

There are still other spheres where increased labour can be and must be used in ways not dependent on imported substances. More employment than before the war can be found in the output, carriage and export of Germany's own natural resources. She has her exhaustless stores of coal—far and away more than the British Islands possess—and she has still those rich by-products of coal which enter into the chemical trades, especially into the manufacture of dyes and drugs, so that for employment-giving purposes they are of more value than the crude mineral which yields them. Germany has her metallic ores. Even after the restitution to France of the magnificent ironfield of Lorraine, Germany has much better resources in iron-ore than the United Kingdom. She has other metallic ores as well in good quantity. And she has the salts—above all, her unique, as yet measureless, deposits of potash. She has a wealth of timber almost unrivalled for her area. Let us recognise that she owes this largely to that incomparable science of forestry and husbandry of woods which were part of her exemplary care for every kind of conservation and economic improvement of the possibilities of her soil.

But though these causes are to her credit, the facts they have created give still more scope for increased

employment apart from manufacture. Germany must use all these natural resources more largely to pay the indemnities and to pay for what imports she must have. Again, her extensive sugar industry is founded on her own soil. If we wish our late enemies to base themselves upon more natural and wholesome conditions, less speculative and feverish, more likely to contribute to the future stability of Europe and to the soundness of the world's new peace-system, we must, in all sanity, restrain the impulse to squander pity on the economic condition of Germany, severe as for the moment it is.

Now let us turn to her manufacture proper, to the opportunities of her home-market, and the real prospects of export. There also Germany, if she keeps her national cohesion and her own political sanity, cannot fail to recover a position which will be powerful and to be reckoned with, if less splendid relatively than before Armageddon. She has her trained diligence, her many-sided skill, her knowledge, and her intellectual organisation—not the less technically efficient because in a moral sense it has proved to be inferior and specifically perverted, for reasons which, we hope, will pass away, but which gave a false psychology both to industrialism and militarism. She has her science and education. She has her unsurpassed system of transport by railways and internal waterways. These things must tell. She is under the pressure of necessity—"nature's sternest teacher, but the best." If her opportunities for export are less in some directions, as has been shown, she must look on other sides for compensations and will find them.

She has that geographical situation in the centre of Europe which helped as much as any other single factor the expansion of her trade. All round her, wanting the manufactures she can supply, are peoples whom she reaches far more easily than can any possible competitor. If she cannot sell as well in some markets like our own, she must compete more vigorously for all

other markets in the world—and that means most of them—to which she will have equal access. The more hard and fettered become her relations with the Allies in the West during the payment of the indemnities, the more vigorously she must work for trade with Holland and the Scandinavian countries and Switzerland, the more she must concentrate towards the East and the South-East. In due time she will resume her economic penetration of Russia. She would dominate it altogether unless the Allies and America took thoroughly energetic and competent steps to hold their own in that quarter. Germany will have precisely the same equal opportunities as before in the United States and South America and China. There are enormous needs of her own home-market to satisfy—unexampled building-arrears for which she has the chief materials in her own territory, renovation of railways and rolling stock, repairs to execute on every side, ships to construct.

VII.

Thus the problem, however difficult, is manageable. It depends mainly upon the Germans themselves. They ought not to be relieved from the necessity of redistributing employment on somewhat altered principles as part of their whole process of social reorganisation. The Allies and America must recognise how large a part of what is necessary depends upon allowing the early importation of raw materials. But they must remember how much of the problem can be and for every reason ought to be solved without that factor. They ought to allow importation to operate in the first phase of transition only on well-controlled principles. We must not be unduly influenced by merely interested exaggerations of the dangers of Bolshevism in Central Europe; though we must recognise well how far those dangers are real and to what degree

external aid can help to avert them. The Associated Powers, let us insist, cannot do everything for Germany in respect of the restoration of manufacturing industry and general employment. Germany must be content to bring into action what we have seen to be some obvious natural substitutes for former abnormal advantages and for some results of a forced rate of industrial overgrowth which perverted the temper of the German people themselves, kept the psychology of the whole world in a state of disturbance, and led more than anything else to a catastrophe of blood.

The writer, as will be seen later in the proper place, is extremely opposed to the exaction of any such indemnities from Germany as would mean unwisdom, vengefulness, and an abuse of power. If we are not perverted in our turn by victory and demented by triumph, we must set our faces against all proposals to keep the German race for decades under a yoke of tribute and in a state of international serfage. It could not be done. The attempt would be fatal, in all probability, for France; it would be more inevitably fatal to the unity of the English-speaking world. It would be irreconcilable with any conception of permanent peace by a new way of mutual service, as with any moral or practical spirit of a League of Nations.

These higher and paramount aims would be as much injured by promiscuous indulgence towards the German people at the present phase as by the later effects of obstinate vindictiveness. There must be discrimination if the German people are to be weaned from war. Let them not feel that, with relative impunity after all, they have done what they have done, and might attempt it again without fear of irretrievable ruin if they lost the gamble. Firm reservations, as well as the relief dictated by humanity or well-judging statesmanship, are required to ensure a deeper change of heart.

Let us, then, summarise. By diverting more labour to agriculture and to the export of natural resources

yielded by mines, deposits, woods, as well as by those forms of manufacture and constructive industry for which she has all the means at hand within her own frontiers, Germany can do very much for the revival of employment in ways not dependent on the importation of raw materials.

There is a large addition to be made up by the importation of raw materials through the early aid of the Allies and America. That addition must be measured by the results of speedy enquiry into the essential and the necessary. As soon as it has been measured it must be supplied. Meanwhile, all the considerations involved must be kept in view—the industrial needs of the larger Allies in the West and the smaller in the East, the needs of neutrals. There must be safeguards against the strategical operations of German syndicates, and against what is certain to be exorbitant in the demands they will make. Until all Eastern conditions are more settled, and Russian conditions above all, we must not put Germany in a manufacturing position which might easily give her not only renewed but increased economic supremacy in Russia and the New States before these can get into more equal touch with the Allies by restored communications.

This, then, means that for a considerable period to come raw materials should be supplied to Germany in calculated and controlled proportion through a definite international organisation added for the purpose to the departments already under the Supreme Economic Council of the Allies and America.

VIII.

There can be no question of leaving the process to private agencies any more than of leaving to them the work of succour and relief in the distressed regions.

If the international trade in raw materials were thrown open at the present time, commercial speculation would have unparalleled chances to exploit these exigencies of an industrial world in transition after war. The results of the more able or audacious or fortunate finance would beggar the dreams of Monte Cristo. There would be a mushroom crop of new multi-millionaires. By free buying, the German industrial syndicates and banking combinations together might well outwit the Associated Powers. By concentration on particular commodities, they might get an undue leverage on some supplies essential for carrying forward reconstruction and restoring full civil employment even in Britain, and still more required in France, Italy, Belgium, and elsewhere.

If this arena were flung open to private competition, British and American financiers, merchants and shippers would have to do their best to get the better of the scramble, or German business interests would assuredly strive to get the better of it. American and British profit could only be made by creating friction and bitterness between the English-speaking peoples and the other Allies, great and less, whereas it must be our aim, and that of the United States, to keep in intimate friendship and association with them for the speedier restoration of the world's general prosperity and for the assurance of its peace. Neither at home nor abroad can there be any sane thought of allowing these purposes to be prejudiced and dislocated by a general scramble, which could only mean "corners," rampant profiteering, unequal and unfair distribution as between nations, more uncertain and disturbing conditions for all the world's business and for democratic employment everywhere.

The problems of the transition must at any cost be managed so as to lead up, in the best and speediest way, to the settled peace.

The absence of any economic means of control over the industrial side of the European situation during

the next critical year or two—especially after the Associated armies on the Rhine have dispersed to their homes—would deprive the League of Nations of a power in every way advisable for the better establishment of the beginnings of World Government and requisite, both as a safeguard and as a creative influence. Without it economic justice cannot be ensured as between the English-speaking peoples and the Allies less favourably situated. The bonds of mutual service would be loosened more or less, though for some years they will be as necessary for mutual security as for the progress of the new peace-system as a whole. There is Bolshevism to be combated by restoring and nourishing employment in Polish and Bohemian towns and centres, as well as in those of Germany. Over and above the immediate relief of hunger and nakedness, further assistance is required on the industrial side to build up the cohesion and strength of the new free societies. Unless the supply of Germany with raw materials is done by rationing and regulation for some period to come, the Associated Powers will lose the most effective of all guarantees for the democratic, yet orderly, development of the situation in Germany itself.

I have tried to hammer this argument right out in the mood of the man in Tolstoi, who reasoned not so much to convince his neighbour as to clear his own mind. With regard to this particular problem, facile conclusions of opposite kinds, whether urged for condonation or punishment as regards Germany, have filled me with distrust. For me everything in the analysis enforces one conviction. I believe its practical bearing might be made more important than any other factor which can work on the circumstances of the Transition so as best to serve the later interests of peace.

What cannot be left to private agencies must be done by international rationing. This can only be efficiently managed by a Raw Materials Council, with

its full equipment of programme committees for dealing expertly with all main commodities upon the system fully worked out during the war and detailed in a previous chapter. How otherwise can the multiform aspects of the international problem of raw materials be dealt with well and safely? Germany, as has been seen, cannot in any case have all she wants, and ought not to have it. She can and must provide wider employment by her own natural resources, and that readjustment of occupations would give her a sounder social system. Her inevitable demands must be scaled down. They cannot be met by more than large doles until Allied and neutral interests have been fully considered. It is none the less urgently true that over 100,000,000 of people in Central Europe—not only in Germany, contiguous Austria, and lessened Hungary, but in Poland and Bohemia as well—must have large imports of the raw materials of manufacture unless there is to be in the towns and industrial centres an extent of unemployment which would mean anarchy in the first place, but in the next place, by one of the most familiar reactions in history, would probably lead back to Cæsarism and militarism.

The Programme Committees and Superior Councils of the inter-Allied War Organisation were excellently adapted to deal with problems like these. The members of the technical eexcutives knew all there is to be known about the world's raw materials of every origin, mineral, vegetable, and animal—their sources and uses, the pre-war distribution, the quantities likely to be now available, all the conditions of demand throughout the world after the war, all the comparative factors. We have seen how thoroughly all claims were tested and sifted. That method would be the Allies' surest resort in dealing with German estimates and those for Central Europe as a whole, while having due regard to the interests of neutrals and the prior claims of industry and employment in Belgium, France and Italy.

In all circumstances Britain and the British Commonwealth, like the United States, will be well able to look after themselves within this system. Directly and indirectly, the English-speaking communities control the vast bulk of the supplies, and throughout the Transition would have to keep not only a preponderant but decisive influence on allocation. Used in close concert with France and Italy, that influence could be made persuasive in Germany and creative elsewhere. It would be a strong precaution as long as the outcome of the German situation is uncertain and while circumstances remain troubled throughout Eastern Europe or perilous in Russia. The system could be worked so as to put an increasing premium on German good behaviour, while capable of being used as a prompt and severe check on ill-behaviour. It would be an active and potent help to all efforts aiming henceforth at the constant strengthening of peace-interests and peace-habits.

After the Transition the Raw Materials Council and the Programme Committees kept in being for permanent consultative uses, if no longer for executive functions, might serve, as we shall see, invaluable purposes for international adjustment and the development of the world's resources to make strife objectless by providing enough and ample for all. If there is to be any real attempt to remove the economic as well as the political causes of war by a new peace-system which means to be constructive as well as negative, a Raw Materials Council would be an indispensable adjunct to the Supreme Economic Board. We shall see reasons for thinking that it might even be the most effective organism of a living League of Nations. "It is not so sure that there is nothing in it." If the twentieth century after Armageddon means indeed to eliminate human-killing as the only substitute for international General Elections, some efforts will have to be both practical and unprecedented. It depends upon whether "cursed oblivion"—even Shakespeare found

no deeper phrase—is to lull mankind again or not. It depends upon how far we are willing to look beyond the moment, and upon how much we are in earnest about peace.

CHAPTER VIII.

CONCLUDING STUDIES OF MAIN ISSUES IN THE TRANSITION: TONNAGE, FINANCE, LABOUR, AND PRICES: SHIPPING AND ESSENTIAL SERVICES: NECESSITY FOR AN INTERNATIONAL COUNCIL OF FINANCE: MAGNITUDE AND INTRICACY OF THE FINANCIAL PROBLEMS: THE SANE VIEW OF GERMAN INDEMNITIES: WAR-DEBTS AND CROSS-DEBTS: A PLEA FOR MITIGATION: THE UNITED STATES AND THE FUTURE OF INTERNATIONAL CREDIT: BEARING OF THESE QUESTIONS ON THE BRITISH OUTLOOK FOR RECONSTRUCTION: A HIGHER POWER OF PUBLIC ORGANISATION: THREE "SCHOOLS OF EXPECTANCY" ANALYSED: SUMMARY OF REASONS AND METHODS FOR FULL ECONOMIC PARTNERSHIP BETWEEN NATIONS IN THE TRANSITION: HOW MUCH HAVE WE LEARNED FROM THE WAR?

Other questions must be grouped and passed in broader review before we can conclude our survey of those forces and emergencies of the Transition which, as they are handled well or ill, may make or mar the beginnings of a League of Nations and the further prospects of its peace-system. It will be convenient to look first at shipping as a main factor in international affairs; next at the mass and tangle of the financial problems which ought to be the subject of common

action between the Allies and the United States; then as some other contingencies arising out of the general situation or from the action of Governments in connection with it. These latter factors may well determine whether, in countries like our own, there is to be steady social co-operation or a damaging phase of social conflict. Each of these questions would need a volume to itself, and nothing but a summary of main issues can be attempted here.

I.

Shipping is the master-key to most other aspects of the world's reconstruction. It is a key ready to turn locks with unexpected ease in all cases where the locks themselves are not broken or disordered. Even at this early stage, it is evident that tonnage, which became the most critical difficulty of the war, will be the most simplifying factor in peace—"other things permitting," if we may so adapt a formula more familiar to the old sailing days than to the new. So far as the solution of international problems depends on merchant shipping there will be ample facilities. Every competent authority predicts rapid improvement, and the reasons are convincing. The more vigorously does British shipping urge its demand for freedom. There is no doubt that it will receive the widest possible freedom at the earliest possible date. The emancipation has begun. It will obviously be extended as fast and as completely as is consistent with certain national interests of our own and with certain international obligations. Meanwhile there are some reserves in these respects, and it is well to state them frankly if they are to be borne with patience. The more willingly British shipping plays its part in that duty the sooner it will be entirely free. At present some restraints upon a liberty which it desires to be as unrestricted as the sea itself are not the less essential because they are limited and specific.

British merchant shipping has deserved well of the

world. It may claim that it has saved the world. In the vital interests of the Allies and America, during the submarine struggle, it had to leave many of the old trade-routes which in the truer spirit of business as usual it had traversed throughout every previous war for more than two centuries. For concentrating in the North Atlantic every possible ton of carrying-power, British maritime connections in all the more distant seas had to be sacrificed. Commercial contact with British Dominions like Australia and New Zealand had to be abandoned. Many good ships and good men went to the bottom. Millions upon millions of tons of our merchant shipping were sunk in the Allies' cause. Nevertheless, the end of the war sees the rise of a great American mercantile marine confronting the British carrying-trade with the stiffest encounter in the way of legitimate competition that it has ever had to face. To resume all the old routes and all the old connections as soon as might be after the war would have been in any case an urgent interest of the whole nation, as well as of its merchant service. It is only the more urgent because of the new competitive circumstances, which no one could have expected when the war began.

When these are the conditions and when there is admitted to be an immense increase in the total amount of tonnage available for the world's uses, as well as our own, the necessity for continuing partial restraints at the outset of the transition period is apt to be less easy for public opinion to appreciate. We must see why politics and economics alike, in connection with the international resettlement, make it impossible to leave absolutely everything, whether as regards destination, cargoes or freight rates, to the individual competition for immediate and maximum profit, whenever it seems to offer.

Before the Armistice it was not expected that the maritime situation, within a few months after the cessation of hostilities, would be so favourable as the

actual sequel has proved. It was assumed that the pinch of the shipping stringency would be at its worst in the three months or six months following some more abrupt Declaration of Peace. It was thought that the added pressure of supplies for enemies and neutrals, as well as the larger need of our Allies and ourselves for general imports, would come on the top of British and American demands for the maritime means of demobilisation. This estimate has been wholly changed, and largely by one fortunate effect of the unusual interval between the Armistice and the final peace negotiations.

Now, the submarine war has ceased for months. The giant efforts spent on repairs can be turned over more and more to building. Naval work goes full into mercantile output. More skilled men are becoming available for everything in connection with the chief national task, though it must be pushed on harder and faster. War-sinkings having stopped, all the new construction launched on both sides of the Atlantic is clear gain to the world's carrying-power on the seas. Very soon it will be far larger than it has ever been, though the British proportion will be somewhat less than at any time in the last half-century since merchant vessels began to be generally made of iron and not of wood.

No statement could be clearer than that which has been made by Sir Joseph Maclay. His own words cannot be improved, and must be quoted. At the beginning of January, 1919, the British Minister of Shipping described as follows the extent of the improvement:—

> "The termination of hostilities has eased enormously the shipping position. The shipments of munitions have ceased. Our merchant cruisers have been released for the merchant service fleet and the colliers have been demobilised. Numerous craft of all kinds, previously engaged in naval and military work, have been made available for bringing sup-

plies to this country, and the removal of naval restrictions has meant a great speeding up of merchant shipping. The immediate effect of all these things is to increase the tonnage available for the bringing of imports to these islands by something equivalent to 10,000,000 tons of goods a year. The shipping losses having ceased and the output of tonnage continuing to increase, the position grows easier day by day. We are returning liners to their pre-war routes to bring the accumulations of cargo which are badly needed in this country (and which during the war, though in many cases already bought and paid for, had been left behind in order to concentrate shipment on the nearer, but much dearer, market of North America), and to take up the trade connections which were necessarily sacrificed in the interests of the effective prosecution of the war. The time is not far distant when it will be possible to release tonnage from requisition on a substantial scale, and so create a free market in tonnage and freight. Already the amount of space available for commercial cargo in the North Atlantic has been doubled, and instead of cargo competing for space, space is now competing for cargo."

Evidently no one is more anxious than the Shipping Controller to give British shipping the utmost possible freedom by measure after measure of release at the earliest possible dates. But he has also stated the most important reserves made necessary by the national and international circumstances of the transition:—

"With a view to safeguarding the essential imports and exports of the United Kingdom and of the Allies, it will be necessary for some time to come to maintain a system of direction as to employment and a limitation of freight-rates for the carriage of such essential commodities."

What this means is that a proportion of British

tonnage, like a proportion of the tonnage of other countries, has still to play its ordered part in a work that private enterprise by itself can by no means accomplish. Without raising public organisation to a higher power than was known before the war, reconstruction in our own country could not be successfully wrought. Nor, in Europe as a whole, can the political foundations of peace be well and truly laid without further economic co-operation between Britain and the Allies as between the Allies and America. The Supreme Economic Council, as we have seen, requisitioned the entire German trading-fleet for the crusade of succour. The distribution of raw materials as between Allies, neutrals, and our late enemies in Central Europe may be a problem more protracted as well as more complicated. It increases the need, even in our country, for ensuring that the import of vital supplies at reasonable shipping-terms shall not for some time be interrupted by the carriage of non-essential cargoes at fancy freights. The welfare of the nation as a whole must not be endangered by any premature diversion of British shipping to routes other than those on which its services may be still indispensable.

It is only too easy to understand why the British Government, for instance, is compelled to hold in reserve a full power of requisition, while releasing as much tonnage as it can. Certain public and international purposes must be secured, and there must be arrangements for dealing with them. Full demobilisation of the occupying armies on the Rhine may be long delayed. Continental countries can demobilise by railway. Britain, the Dominions, and the United States can only demobilise by sea. We have but to think of the length of the voyages required for sending home the Anzacs. Australia and New Zealand urgently need their men. France and Italy, for a period still to be determined, must have the assured use of some of our ships.

There is one very important point which Lord Inchcape will do well to remember, for it might easily lead in the next few years to results the reverse of what he desires. Many great industries have bitterly complained in evidence during official inquiries that the freedom of British shipping before the war was one of the heaviest of national handicaps. The iron and steel trades, the engineering and electrical, even the textile, assert that the expansion of exports—a primary condition of our financial recovery—has been gravely hindered hitherto by shipping-rates charged by British shipping-companies in a manner which favoured foreign trade at the expense of our own. Individualist freedom to that degree must be voluntarily renounced, or it will certainly be curtailed.

Over and above that, a Government like our own cannot think for a moment of surrendering its supreme responsibility for the direction of reconstruction, and for the due and sure service of shipping in connection with it. Ministers would be blamed in any case for everything that went wrong. If the Government is to have the responsibility it must have sufficient control. Chatham said: "I will be responsible for nothing but what I control." The labour problem, in all its new aspects, must be watched and steadied. Otherwise the whole temper of the country might take suddenly a wrong turn, and the prospects of industrial peace might be darkened. The Government has to see that means of work are ready in advance, as far as possible, for the demobilised men. It has to provide for re-absorbing most of the disbanded munition workers into civil occupations. It has to study national employment as a whole. Private enterprise must be reinforced in these matters for its own sake. It cannot take over these responsibilities.

How do they affect shipping? The import of timber for housing may have to be hastened largely at a given moment. At another moment cotton may have to take preference over other materials for the purpose

of adding most to employment. Attention must be given to some raw materials which do not take up much tonnage but make work for large numbers. All these needs have to be remembered. No Government could take the risk of leaving any of them to chance.

There is going to be enough shipping in the world. International agreement and co-operation in the management of a good part of it will be prudent for some time if steadiness of readjustment is to be assured at home, having regard to the relative needs of different trades and different localities; or if a sense of fairness and goodwill is to continue amongst the Allies, all of whom have still need of each other. If every country and every Government merely tried to go its own way there would be uncertainty, confusion and estrangement. If shipping merely went its own way it would be the most disorganising factor. Freights would fluctuate violently. Tonnage would be unduly diverted hither and thither by sudden inducements, while other needs went short, though more vital even to our own nation as a whole, not to speak of others.

There must be some security for the general interests of the country until it is clear that the success of industrial reconstruction, whether from the standpoint of manufacture or employment, is well forward and well assured. The main things we need must be carried. Primary purposes must be safeguarded before there can be any risk of seeing tonnage diverted simply at will either to less essential uses or to directions which would mean loss of needed service to the Mother Country and the Dominions. Every single social and industrial interest at home and in the Empire is deeply concerned in obtaining this measure of surety. The Dominions, for instance, must have their regular maritime services for ordinary trade and intercourse, as well as for the demobilisation of their troops. The Empire is not a reality unless in peace-time at least it is as thoroughly connected by shipping as are continental systems like the United States by their rail-

ways. During the war Australia and New Zealand were strangely cut off—for all the usual purposes of trade and traffic—from the Empire and from the rest of civilisation.

The Allies—like France, Italy, and others—have dire needs which must be met. This is a moral obligation towards those without whom we could never have gained the victory whereon we hope to thrive. It is also a prime matter of the political interest, and therefore ultimately of the economic interest, both of the nation and the Empire. There would be one most undesirable friction and jealousy if our Allies were left to charter simply as they best could. They would be filled with the suspicion that they were being victimised by profiteering freights heartlessly exacted for British benefit. There is, of course, the other side. British shipping in peace-time cannot be used as a philanthropic agency. Its services, if sufficiently assured, must be sufficiently paid for under peace conditions.

The Associated Powers seem likely to need a special reserve of shipping over and above their command of the German merchant fleet. In that case, the best way, doubtless, would be to secure from neutrals—in return for Allied services to them, by the supply of food and raw materials—as large a contribution as possible to the total block of shipping under international use and management during the first phase of reconstruction. Of course, no such organisation may be required. But if it is found necessary, Norwegian, Danish and Swedish, Dutch and Greek shipping ought to contribute, as well as ourselves, to this reserved maritime service, and so ought the United States and Japan. In any case, British ships on international service in peace-time ought to be paid at the same rates as neutrals, whose freight-earnings in the war have been higher out of all proportion.

The right use of tonnage for ourselves and others is as much the key to victory in reconstruction as it was

the key to victory in the war. There must be as much freedom as possible in shipping; but for a period, which may be short, but has still to be measured, there must be some public surety for the more essential services until demobilisation is complete, civil employment in full swing, and the urgent needs of other countries met. The present large shipping responsibilities of the Supreme Council are plainly conducive to those interests of the world as a whole which the Peace Congress and the League of Nations must try to promote by combined action in the time of transition as to co-ordinate permanently afterwards.

II.

The last considerations now to be dealt with are in some ways the strongest of all, and very careful attention must be given to them. They are complicated, and the reader must be begged to glance, however rapidly, at a dozen aspects. Without some combined action in finance, neither the Peace Congress nor the League of Nations can do safe work. The absence of combined action would especially expose France and Britain, as well as smaller societies, to danger and loss. The circumstances of the transition would seem to urge the creation of a Financial Council, of course under the Supreme Council, but much more than a sub-committee.

What is the general position? The war will leave all other belligerent countries in Europe like ourselves with huge debts, with harsh taxation—though but such as we in Britain have long borne—and with inflated currencies, falsifying all values, and carried to an extreme in Russia, which has made paper-money worthless and brought back dealings to primitive barter. Yet new capital and credit will be wanted for industrial re-equipment and for fresh enterprise in every part of the world. The world's exchanges, especially as between Britain and the United States, must work on a

different basis from hitherto; but no man can yet see how they can work well without some agreement for consolidation and liquidation as between America and the Allies. Our own necessity is apparent. In place of the mass of investments we have had to relinquish—representing the accumulated surplus of a hundred years' gains by manufacture and services in the past—we must export more goods and make the very utmost of our shipping services in friendly, though keen, rivalry with the new American competition. That in itself will be a stern and, no doubt, salutary process. To ease it by other arrangements, in a way that would help us to ease the situation of other countries, debtors to ourselves, is as much in American interests as in British.

At the same time the biggest economic question before the Allies and America is what Germany can pay, and how? This question will react more or less upon every other economic issue in the world, and without a standing International Council for finance it cannot be dealt with.

To show the future necessity for such a Council we have only to take at the outset a present financial question merely minute in the germ. The Peace Congress has created the beginnings of a League of Nations, with certain institutions and their expenses.

(*a*) *The Expenses of a League of Nations.*

What human institution, great or small, can be founded without funds or worked without revenue? The League will in any case require its own buildings, even if at first they are not august edifices. It will want executives and departments, judges, its staffs of other officials, its experts and advisers of all kinds. All this will require its little annual Budget. Each adhering nationality of the League will have to contribute to its expenses in a proportion to be fixed. But—no taxation without representation. For these elemen-

tary purposes alone there ought to be a standing Financial Council. Though first estimates may seem modest or utterly insignificant by comparison with the National Budgets of large States in the present day, the League will undoubtedly want from the outset more money than has been supposed, and its needs will grow. Here, again, the Postal Union is a model. A real League of Nations complete for its purpose, it forms a single territory for that purpose, and its members share expenses just as it has its amicable system for representation, administration, legislation, and arbitration.

(*b*) *What can Germany pay, and how?*

This eminently is a question which arises out of Allied combination, and will make unavoidable continued and enlarged combination. The demands of the Allies can only be imposed by their collective power, while payment can only be guaranteed and facilitated by prolonged and wider association. It is no part of my immediate argument to enter into detail with respect to the total amount, and the annual or quicker instalments which Germany either can be or ought to be made to pay. Whatever size and shape the process may take, it will demand definite supervision by an International Financial Council. This ought to be a body of the highest ability and the strongest representative character, in view of the political issues which may at any time arise from the financial matter.

When that is said, we must face the fundamental question of principle and temper. We have to avoid both culpable leniency and stupid extremism, but it would be better to err even on the former side than on the latter. What is to be the magnitude of the indemnities? Are they to be levied under the belief that a vast annual tribute can be wrung from a modern people for a generation or more, and that it ought to be rendered even by those who are presumably guilt-

less, since they are yet unborn? Are the indemnities to be levied even up to the utmost possibility of immediate force, and without regard to the warning truth that in history, almost as in physics, action and reaction are too apt to be at least equal as well as opposite. Is there to be a genuine new departure by statesmanship cleanly bent on giving a serious chance of long life to the projects of lasting peace, or are we to attempt for the sake of some supposed mountain of money a course for which the blood of another generation would have to pay? No subject so difficult and so grave in its possibilities ever was discussed with more fantastic absurdity and incompetent passion. Without being weakly sentimental towards the enemy, we must have some regard to forethoughted wisdom. We must beware of imitating in our hour of triumph the German temper at Brest-Litovsk. We must beware of that perhaps more than of anything in the world.

Let us distinguish. The wealthy and comfortable classes in Germany have hitherto escaped even such heavy financial burdens as we in this country have shouldered. Those classes must pay. There is no reason in the world why their taxation should not be more severe than our own. Germany must pay a heavy share of the cost of the war she made. The war-debt to the Allies, whatever it may be, must have priority over her national debt. So far there will be no dissent. The question of the amount to be extracted will be determined not by theoretical principles, for none can be applied to it, but by one or the other of two frames of mind. Abstract justice in such a matter is not susceptible of precise arithmetical computation. The desires of vengeance are limitless. We have to estimate not what it might be possible to wring from the enemy—without any regard to after-consequences, or to the mood in which the new purposes of peace ought to be approached—but what it will be wise and practicable to levy.

To impose an amount huge enough to ruin Germany would defeat its purpose by making life intolerable in that country. Any prospect of a future which mere submission would make hopeless would either cause blind anarchy or methodical conspiracy for a desperate national movement against the Allies as soon as possible after the American and British troops were withdrawn from France. Even if a German revolt against financial slavery for decade after decade were at first only a national movement of passive resistance, it would be difficult to cope with. More frantic in folly is the conception of keeping the whole German race under tribute and serfage for thirty or fifty years—even a hundred, I think, has been consistently suggested—so that those now infant, or yet unborn, would have to suffer grinding degradation for the sins of their ancestors. This would be wrong for wrong, bringing its sure Nemesis sooner or later on the perpetrators or their own guiltless children.

The whole imagined system of remorseless extraction from Germany for a generation or two generations would break down in a couple of decades at furthest—probably in the first decade. The German race would gain strength from its necessity. It would be artificially compacted. If a united war of economic liberation were the only means left to it, its opportunity would come. When the memories of Armageddon had become dimmer, German workers might then have the sympathy of their class in other lands to a degree making quite impossible the effective re-mobilisation of the Grand Alliance as a debt-collecting agency. A more likely issue of such a crisis would be the repudiation of war-debts by all democracies, and perhaps the overturn of the capitalist system by all of them. We may dismiss the pure lunacy of the notion that Germany ought to be or can be "made to pay" the whole cost of the war to the tune of £30,000,000,000 at least, a sum to be rigidly discharged at latest by A.D. 2020. Estimates

of what is possible, as framed by those who would spare the masses, but not the classes, in Germany, range between a sixth and a tenth or fifteenth of the total just named.

It may be assumed that responsible statesmen at this Peace Congress will be forced by closer consideration of the facts to take the more moderate view. That would nevertheless mean stern measures enough. Even the financial experts who are coldly free from vengeful fantasies or other economic hallucinations, and believe that the claim against Germany ought to be no more than a bill of damages, do not seem to make the minimum sum less than £2,000,000,000, or ten times what was taken from France after 1871.

Two different things must be kept in mind—Germany's taxable reserves and her natural resources. The financial authorities of Herr Ebert's Government have made in the *Vorwärts* confident statements which mean that from the Socialist point of view Germany could bear a Budget of £1,000,000,000 annually. The classes largely responsible for making the war have so far got off with relative impunity. These at least knew what they were doing. They gambled on wringing indemnities mercilessly from their opponents. The Majority Socialists propose by a retrospective law to seize the larger war-profits made since August, 1914. That would be a big haul, and the Allies ought to impound it. There are other proposals for raising various taxes on the larger incomes and properties, as well as more from sugar and tobacco. Germany can save the cost of her armaments, or most of them. She can postpone payment of interest on her internal war-debt except for small investors. I would draw a sharp distinction. The German masses were largely pawns in the game—suggestionised before the struggle and hoodwinked while it was waging—but it would be well to bring a heavy hand to bear on the classes who positively

profited by the war, who were most responsible for it and are least repentant. By this means alone the Allies—if the United States thoroughly supported them, and not otherwise—could get £2,000,000,000 paid by equal instalments in five years. Then there are the natural resources, which might be heavily indented on to begin with. There are the metallurgical materials for reconstruction in France and Belgium. There are the ships. That indemnities to the total of £3,000,000,000 could be liquidated by Germany in half a decade by means sparing the German masses to the utmost one may be very reasonably convinced.

The Allies would be wise, in my opinion, to confine their demands to as much as can with fair probability be actually obtained in five years at the most. Their scheme ought to be framed to operate without destroying all hope in Germany, or without making a universal spread of Bolshevism the only hope, or without making renewed war at the first chance seem far preferable to peace. The Allies should take payment to a large extent in machinery—which Germany's metallurgical strength renders her well able to furnish—as well as in coal, potash, timber, and so forth. The Allies do not want Germany to pay by dumping cheap manufactures on their markets to the displacement of their own labour. German imports of various kinds to countries which have been neutral must pay a considerable part of her debt by the method of triangular adjustment. As to the ton-for-ton principle, we want it in value, not ships, so far as it will not be covered by what may prove to be our allotted share of German vessels afloat or building. We cannot for a moment desire to exact reparation in a literal way, forcing the growth of the German shipbuilding industry.

There are evident objections to this suggestion of a programme, as there may be inexhaustible objections to any suggestion. All the Allies want to increase largely their own exports to pay their debts. Yet it will be said that any indemnities must mean a forced

export of German goods either to the Allies' markets or those of neutrals. It is not so simple as that. If the conquerors cannot get spoils so colossal and vindictive as the advocates of impossible indemnities imagine, neither are we and our friends impotent for more measured purposes. Machinery might not be a desirable means of payment for Britain. It would be one of the best means for France and Belgium. But most will depend upon the decision of the Allies to take very exceptional steps to obtain as much of Germany's coal, potash, timber and other natural resources as can be removed in a few years. It is almost idle to discuss any details of a question which can only be reduced to practical form by agreement between America and the Allies after close expert dispute. The main thing is to make the period of liquidation as short as possible instead of that longest possible period of financial slavery and tribute which irresponsible fanaticism conceives. The German people should have the hope of being financially free after five years, whatever harsh but just liabilities they may have to discharge in the interval.

But all this means inevitably a further addition to the institutions of World-Government. Through the whole period of repayment there ought to be, in special connection with it, an International Financial Council, including some of the ablest representatives of German finance and industry, as well as neutral experts, so that payment may be carried out more smoothly up to the final liquidation.

Even if the more far-sighted and cooler temper prevails on this question at the Peace Conference—even if conditions that seem the wisest are laid down—international crises and hitches and other factors not now calculable will compel temporary modifications or permanent revisions to be made from time to time by the International Council. In any case this question may easily cause commercial and social troubles of a kind which might have an unpleasant reaction upon

the domestic politics of more than one of the Allies. It cannot be too carefully dealt with. In the future interests of a settled peace, which would be more profitable to ourselves as well as all mankind than any imaginable indemnities without that settled peace, statesmanship cannot be too firm in discouraging any claim other than for wreckage and robbery by land and sea, as well as for flagrant wrong and injury to civilians by German outrages. On that basis even the minimum levy on Germany will be enormous relatively to all former example.

(c) Debts.

First take in round numbers some examples of the masses of domestic debts with which nations are loaded. It is assumed that Germany's liability, including the indemnity-minimum, will be over £10,000,000,000. The safest estimate puts Britain's net burthen at £6,500,000,000. These aggregates beat conception, like astronomical distances. France and Italy have not published their positions. The net charge calculated for America is less than £3,000,000,000, which—by contrast with our situation—is a bagatelle relatively to the wealth and opportunities of the United States. There have been proposals to consolidate all the world's war-debts and to issue international bonds to the figure of over £20,000,000,000. But in the first phase of World-Government we shall not have common action of this kind, nor at all unless the world—as is possible—gets as a result of war-burthens into deeper difficulties of international finance than it at present expects.

We have to consider lesser but more practicable means of mitigation when we come to consider the sums owing by the Associated Powers to each other.

The debts owing by present Allies and by Russia to Britain alone stand at the stupendous sum of £1,700,000,000. The proportion owing by the British Dominions *is* small and safe—something near

£220,000,000. Belgium and the smaller Allies cannot be pressed for the £130,000,000 they owe. France owes £900,000,000 in almost equal shares to Britain and the United States put together. Italy in the same way owes £600,000,000, but rather more to Britain than to America. We ourselves owe to the United States the cheery amount of £1,000,000,000. Now, it is much to our interest to aid the development of France and Italy, whose financial energies for reconstruction are so hardly weighted by these foreign liabilities. Again, Britain could have financed her own part of the fight clean through without loans from any other country. We only borrowed from the United States with one hand to lend to our Allies with the other and to cover purchases made in America itself. In view of cross-accounts on such a scale as this, it might become convenient to all concerned, and even to America, that Britain and the United States should cancel out a large part of these opposite liabilities as suggested below. Our loans to Russia were made in the common cause, and if they proved irrecoverable it would be most unjust that we should be sole losers. It is improbable that victory over Germany ever could have been won without Russia's efforts before the military catastrophe of 1917. All these are related interests extending over years, and a Consultative Council with power to make recommendations ought to exist in connection with them under the League of Nations.

It may be feared that in financial matters international idealism has not reached anywhere, not even in America, the practical heights to which a cause like that of the League of Nations might have been expected to raise it. But to start that project in real life with the moral endowment resulting from an unprecedented financial act of practical idealism would, after all, be a stroke of sagacious and not of romantic statesmanship. We lent to others in the common cause. America lent to us in the common cause. All

these liabilities complicate moral and practical relationships and tend to warp the natural course of trade. It would give more elasticity to all the mainsprings of the world's welfare if it could be agreed that America would cancel the debt we owe to her on condition that we cancelled at least £1,000,000,000 of the debts owing to us by France, Italy, Belgium, and others. This would be the logic of a common cause in such a war as the Allies and the United States have passed through. It may be feared that though this is a small project, by comparison with the dream of consolidating all the world's war-debts, it is yet too much to hope for. Not all who advocate the League of Nations realise the importance of encouraging a more buoyant spirit everywhere by restoring more normal working relations between peoples in finance and trade. Nothing is more important than to do all that can be done—when the foundations of what is meant as a permanent peace system are being laid—to make the practical intercourse of nations in their future commerce easy and cheerful instead of irksome and irritating. In any case, hardly can it be doubted for a moment that, if the first Peace Congress does not adopt any common policy whatever on War-Debts, future International Councils and Commissions will have to return to that question.

(d) International Credit.

For the future, or after a short time from now, all the larger nations will no doubt have to pay as they go for the goods and services received from others. Any other system would be vicious and debilitating. But the case is different with the smaller nations. As yet they have all to be marked out on the map; most of them have to be fed and clothed; their industrial centres, wherever existing, have to be re-equipped The most elementary things have still to be done by the New States and for them. They have to be given some

chance to stand on their own feet. They must be strong little units in themselves and strongly linked with each other if there is to be a more natural equilibrium between the Teutonic and other races in Eastern Europe, with better security in that quarter for the tranquility of the world. All the New States will want financial assistance and loans. For some time Britain cannot easily incur fresh liabilities in these respects, certainly not separate liabilities. Nor on their separate security could the little nations borrow, if at all, except at exorbitant interest.

The United States only has an ample surplus of wealth for these purposes, but is not as experienced as Britain or France in this branch of international finance. It cannot be supposed for a moment that the League of Nations is to begin on the principle of refusing to the smaller nations the financial assistance vitally necessary to some of them at starting, or will decline to discuss their financial concerns with them. There can be no moral or substantial basis for a better order of the world if it is still to be said that organised material aid between nations shall cease when peace begins. There should be a consultative department for these affairs, with America not only participating but taking the chair. Something like this must be done; unless the League of Nations is to be a paralytic hypocrisy despite all sounding preambles in favour of brotherhood and mutual aid. It would be a Swift-like satire on the new system were the responsible Powers, and chiefly the United States, to decide that within the League of Peace organised financial help shall not be given to small countries unless they fall into an approved state of war.

The Financial Council of the League would require, then, several expert departments or branches. It will be at least as indispensable as any other part whatever of the international institutions which must be created if there is to be any honest effort to set the world's progress on a new path.

There have been in America two directly conflicting schools of opinion. They have been profoundly divided not only in their principles, but, what is more serious, in their instincts. We must consider them both, although the issue in dispute between them has been partly decided already in the right sense, so far at least as the temporary purposes of the transition are concerned. In the United States there has been a very strong feeling in favour of breaking away from all European entanglements, and against taking any practical part in international co-operation as between Governments and Governments. If that dissolution of all responsible economic partnership between the two sides of the Atlantic took place, it is certain that the international operations of American trusts, rings, and combines would be pushed to the utmost on private account. This would be an anti-climax to American intervention. It would not be in the highest American spirit. It would be a half-thing, like saving your comrade from being murdered, but then leaving him weltering from his wounds. In a moral sense, it would be the great refusal. It would not be good for the United States, since it could not be good for the general peace and security of mankind, nor hopeful in any way, for the future spirit of the world. America's decision to decline any further responsibility for the consequences of the situation she had helped to create on this side of the Atlantic might make the League a discredited futility from the beginning. All those who take part in it must have duties as well as influence.

The other school is happily prevailing. Mr. Hoover s action when he inaugurated the movement resulting in the Supreme Council of Supply and Relief expressed what is best and freshest—what is youngest, let us venture to say—in the American spirit. Congress, by a speedy majority, has responded to President Wilson's appeal for a national gift to the fund of succour. The question of moral obligation, of practical responsibility for the United States under a new peace-system for the

world, and of the substantial advantages which might be made to match the duties, is fully discussed in a later chapter. Enough to say here that, unless I am much mistaken, the future across the Atlantic belongs to that school of thought which has the biggest ideals just because it has the surest vision of international realities. America is entering upon a new era in shipping and foreign trade. She has henceforth, even from the commercial standpoint, a far more vital interest than ever in the peace and prosperity of the Old World; but she knows that the progress of its three continents, which contain nine-tenths of mankind, depends altogether not only on the economic as well as political restoration of Europe, but on its subsequent stability. To join to the full in working for the success of those present and further purposes is at least as much to America's practical interest as to that of any nation.

III.

Not identical with some American desires to get loose, but leading to some similar results, are certain British tendencies and theories. In this country also, as has been noted, the ruling desire of finance and large business is to be released from exceptional conditions. And this before the public situation has ceased to be exceptional. The increase in available tonnage has been so rapid and large that as an island we have already recovered more facilities in general importation for civil purposes than we had enjoyed since unlimited submarine warfare began, or even since 1915. From this follows an argument which must be stated. It is supposed that the food-supplies of the country will be restored with surprising rapidity to almost normal conditions. It is hoped that by the autumn of 1919 British industry and employment will be in full play, while Allies, Neutrals, and even Germans will be tolerably re-stocked. In every

direction, it is said, we shall need the utmost vigour and keenness of our individual enterprise. "Let us cut all the toils that bind it. Let bureaucracy be throttled at once with its own red-tape. Restrictions must be swept away for all reasons, and especially for financial reasons, private and national." We have on the one hand an enormously inflated paper-currency, with fewer things than before to spend it on. This goes to make a forcing-house for prices. Yet Government interference with business, it is asserted, aggravates this artificial situation still more and in contradictory ways. It keeps some prices lower than they ought to be, but makes other prices still higher than they need be. Manufacturers, traders, and shopkeepers are hindered from producing and selling with the variety required. On this reasoning the sound policy—not as soon as possible in any lingering meaning of the official term, but at once—is to leave supply and demand to their ordinary action.

As this is an acute controversy of the transition, it is also one of the most interesting and delicate issues which has arisen at any time in public life.

There are at least three schools of opinion who take three different estimates of what would happen if the national situation were left almost at once to the unrestricted play of supply and demand. Two of the schools are for freedom of private enterprise at almost any risk, but they differ about the consequences. One view is that there would sooner be brought about a general fall in prices, and that wages would have to fall with them. These results are thought to be almost inevitable for a variety of causes. One is the total change in the shipping situation. Charges for war-risk have disappeared with the hostile submarine. Ample tonnage means that freights must fall. Trenchant rate-cutting between British and American shipping has already begun on some trade-routes. An inflated currency will be gradually compressed until we get back to a true gold standard, and though the pro-

cess can only be carried out by cautious steps, the first check to inflation will have a further, if only slight, effect towards lowering prices. Many things which have been at fancy-prices because the labour required for them had gone so largely into the Army will be cheaper as a matter of course when the workers are out of uniform and return to their trades and handicrafts. After demobilisation the supply of labour—by comparison with the war-stringency—will at least be far more equal to the demand, and may well be in excess of it. The machine-power of the country—meaning labour-saving power in proportion to a given volume of work—is hugely increased. Women are available for industrial production to an extent never known before. The conclusion, therefore, of some amongst the advocates of "freedom at once" is that wages must necessarily fall as soon as demobilisation is nearly completed, and that the fall in wages will be a further factor in sending down prices.

If these forecasts were sound, the effect on public policy would assuredly be very contrary to the wishes of their authors. Wages cannot be reduced without unparalleled conflict. Full employment must be provided, or there will be strange changes, under violent political pressure, in the economic organisation of the country. We must think that those who do not see this are very blind.

For it is fully admitted—as, of course, it has to be—that the profits of traders may be as good on a lower plane of prices as on a higher. If the manufacturer or merchant sells cheap he buys cheap, and the cheapness may even enlarge his turnover. If employers were to go back to the view that profits are to be a relatively incompressible factor, but that wages are to be compressible, there would be no hope of industrial peace in this country. The most progressive and boldest employers want wages to remain high if they can only get in return a high output from labour and a clear prospect in business.

The other view, which urges "freedom at once," is of an altogether more sanguine and intrepid temper. It holds that the removal of restrictions would mean a commercial and industrial outburst of confident and audacious energy. Some prices would fall as a matter of course, but others would rise. Public policy, for instance, restrains food-prices, which would become higher if left to the ordinary operation of supply and demand. British shipping, it is contended, would make more money than it can earn while its liberty is subject to any reservations. The most valuable thing would be the effect on the psychology of the country. The business-classes, given full scope again for the success of the keenest and ablest, would launch out on every side into enterprise, certain, it is admitted, to be accompanied by speculation on a scale unknown for many years. But that would be the best thing—runs the theory—for raising to a maximum the volume of production and employment, therefore the whole national turnover; and if these results were only secured in the first phase of the transition the sequel might well be left to look after itself.

This view, which we may call that of the "free-and-soaring" school, thinks that prices of many things might increase for a time, especially the prices of the necessaries of life, but that wages would have to follow them. Profiteering could not be prevented any more than speculation, but it would no longer cause a serious outcry when all classes of the nation were exhilarated by a feeling of prosperity and progress. In short, apart from the feverish exaggerations incidental to every such swing of business, there would be a high general level of legitimate profits, wages would go upward in many cases, and at least their general level would not fall. The National Exchequer would benefit in a manner particularly desirable in view of public expenses for reconstruction. In short, the whole process of national recovery from the war would be stimulated.

The third school differs from the two former because it looks at the whole question from another angle. It holds industrial peace to be as much the main internal interest as international peace is the main external interest. It is chiefly concerned with social conditions amongst the masses. From this standpoint the third group of thinkers, whom we may call the "steady-and-stabilising school," holds that the premature or excessive weakening of public organisation and the sweeping away of all public safeguards might well be disastrous for industrial peace. Generally, this group believe the "free and soaring" theory to be a delusion and a danger. They maintain that instead of the exciting and feverish conditions which have just been sketched, this country and all concerned need stability of prices and steadiness of conditions. By far the best thing for business and the country will be for all classes and interests to know how they are likely to stand for a considerable time ahead. Excessive stimulus to prices and erratic fluctuations would be certain to lead to an unhealthy reaction.

Above all, we are urged to remember the paramount necessity of industrial peace. Wages always tend to lag behind prices. If prices of food, above all, went kite-flying above war-altitude, and there were suspicion of rampant profiteering exempt from all existing public safeguards in the interest of the consumer, there would be agitations and strikes all over the country. The utmost antagonism would be created between Capital and Labour. Extreme political passions would be unchained. People living on fixed incomes would be placed in an excruciating position by a further rise. The whole work of reconstruction would be dislocated. Its foundations would be upheaved. The brilliant superstructure suggested by the "free and soaring school" either would never come into existence, or would collapse in a few months after the general Peace Treaty.

In this battle of the "Ifs" other unpleasant possi-

bilities are forcibly described by those who dread the effect of removing all such means of public control as are at present some guarantee of stability in prices and supplies as well as for equable distribution. Stocks of raw material might be "cornered," held up for the rise, or even re-exported at the highest price to other countries when they were most needed in our own. Traders, manufacturers, and workers, would be more uncertain about supplies, employment, wages. In this state of commercial uncertainty and social exasperation banks would have to restrict credit. From all these causes, but especially owing to the inevitable effects of higher food prices on the relations of capital and labour, on the suspicions and temper of the mass of the workers, incited by extremists, there might well be in the United Kingdom an economic and social crisis of a very grave character. Our national recovery from the war, instead of being accelerated, as is contended, by the advocates of free play for private interests in abnormal public circumstances, might, according to the opposite view, be disastrously interrupted and thrown back. The effect on France, Belgium, and Italy might well be worse still.

This is the state of the controversy between what has been called, without disrespect, the "free and soaring" school, which looks chiefly to creating a sanguine spirit in finance, and the "steadying or stabilising" school, which is doubtless thinking most of the new power and mentality of labour and the careful handling it will require if the country is to come successfully through the years of reconstruction.

Nothing but the facts of the future can bring these rival opinions to a decisive test. They are all doubtful. All preconceived views held just before the end of the war are profoundly modified by the remarkable effect of the unexpected interval between the cessation of hostilities and formal peace. The interval since the Armistice has enabled the transition to

begin, in the Allied countries at least, and, above all, in our own, under partly-restraining, partly-liberating influences. The change from war-conditions was carried far in our own country without violent and widespread disturbances, whether of a political or industrial character. There was a respite.

One thing is clear. None of the schools whose optimistic or warning forecasts have been examined is going to have the whole of its way in practical policy. On one main point, the parties to the controversy are at cross-purposes; there is no real antagonism. If any of the activities of public organisation are found in effect to be disorganising and retarding influences—if any effects of what are indiscriminately called "restrictions" are shown in fact to restrict or hinder in any way the development of employment and output—they will be quickly abolished by universal consent. That is a matter which will no doubt be brought to an issue during the early debates of the first Parliament of the New Democracy.

But it seems quite equally clear that in some directions, as in connection with shipping itself, the State will have to stick to its safeguards until there is far more certainty about the consequences of removing them. As regards shipping especially the demand for freedom is bound to prevail at an early date, except as may concern a minor proportion of tonnage reserved for completing demobilisation, as well as for the vital requirements of the Allies and those needs of Central Europe analysed in the foregoing chapter. But freedom must not be interpreted, by those who may enjoy it, quite in the old sense. There must be a better understanding between British trades and British shipping. When a great rise in exports is essential to our national interests, shipping-rates must not act again as a "private restriction" more prejudicial to the country than any of the "public restrictions" removed.

With regard to all that touches labour, wages, and

food prices, the stabilising school must have the benefit of the doubt as long as there is any doubt. Either a rise in food-prices or a fall in wages, much less both together—as might occur, unless the State itself keeps the former of these factors well under command for as long as may be necessary—would be the signal for the most general and vehement conflicts between Capital and Labour that have yet been known in this country. To avoid that in the first transitional phases of reconstruction is a national interest outweighing all else.

"The ignorant impatience of taxation" in the nineteenth century must not be followed in the twentieth by an "ignorant impatience of organisation." There can be no national reconstruction in the greater sense that will make the social results of peace worthy of the sacrifice and heroism of the war unless public organisation is raised once and for all to a higher power, in addition to everything that private enterprise can accomplish. That a competent Ministry of Transport, for instance, will be one of the best things yet known for the increased efficiency of private enterprise in this country no one seriously doubts. Until civil employment is in full swing throughout the country, and until the future for food-prices and wages is more certain, any Government like our own, as definitely answerable for success in reconstruction as in war, must have some exceptional powers corresponding to its responsibility. While interfering as little as it can with things that are going well of themselves, it must keep the authority and the mechanism to ensure beyond all question the more vital supplies, the more vital services, and notably, as touching food-prices and wages, the steadiness of some other factors which are vital to social stability.

IV.

As regards the international aspects of the period of transition, whether it lasts only six months for

some purposes or two or three years for others, the considerations we have fully studied make an unanswerable case for a prolonged international system for economic action in common. Everything may depend upon how the fortunes of the new Europe and of the League of Nations are steered through the after-swell of war. In that period, at least, no juridical and political schemes alone can give vital being to the League itself, or enable it to give any better security for peace than would exist without it. Continued and even close association between the Allies and America is the only sure safeguard until Germany shows that she accepts the new system with her whole heart and means to fulfil her obligations until the final peace-treaty. Nor can judicial tribunals or councils for mediation and conciliation be enough in a Europe which will think of its thousand issues of reconstruction chiefly in economic terms as soon as the new political boundaries are settled and guaranteed.

The task of a League of Nations is not only to meet emergencies, but to anticipate and avoid them. It must work, above all, to organise the cohesive force of common interests. There must be practical means for helping the New States to credit, food, clothing, agricultural and industrial equipment. Those States must have a chance to build up the stability of union and freedom. Belgium, France and Italy must have their shares of raw materials in definite and assured quantities, with shipping accordingly, so that they may be able to work with a will, and plan ahead. But neutrals and Central Europe must have more food and raw material—if only in the latter case on a lower ration—for the purposes of the transition. Yet there must be security that neutral supplies shall not be passed on to German interests, and that a recovery of German industrial power shall not tend again to be converted into war-power. Economic measures both of assistance or interdict will be the surest, most

far-reaching means of preventing both Bolshevist anarchy and militarist reaction. All interests will be concerned by the economic effects, direct and indirect, arising from the payment of the indemnities. The various debts demand regular conferences on means of liquidation. An interesting little item, as we have seen, is that the expenses of the League of Nations itself will have to be shared. There will be no living substance in the system unless America comes in with the rest for the sake of the world's greatest ideal, and fully shares not only moral responsibility for the creation of the League of Nations, but practical responsibility for the consequences.

The inter-Allied organisations did inestimable service during the war, as we have seen; without them the unified command would have been useless in the field and there could have been no victory. Let these, at least, or their more fully internationalised equivalents, be maintained during a definite period of the transition. If continued with modified functions, though even only consultative and advisory—if extended into fully representative international councils for dealing with matters of common interest—they could render, as we have seen, invaluable and irreplaceable services. For European stability and revival the common interest comes under six great heads:—

(1) Food-supplies.
(2) International rationing of raw material.
(3) General security for vital shipping services.
(4) More unified financial management as regards German indemnities, war-debts and other matters.
(5) Safeguards against labour unrest, whether really Bolshevist or of a kind totally unconnected with subversive extremism.

If all executive functions were taken away from the economic bodies which formed a working model of

World-Partnership during the war—if everything in connection with them capable of being described as restrictions or controls, regulations or safeguards, were found unnecessary and were abolished—there would still be strong need that this great mechanism, adapted by wider representation to the wider work of a practical peace-system, should be kept going for purposes of consultation and adjustment by consent. This at the least. In the transition this would enable many things to be settled by agreement. Otherwise these things in many cases could not be brought to timely and frank discussion, though causing sullen friction and contention of a kind which no political or judicial institutions of the League could mitigate. If but for the consultative and voluntary purposes only, there is every reason for an international equivalent of the full economic organisation which the Allies and America were about to complete when the war came to an end.

Is the League of Nations to have a vestige of effectiveness for the subjects which ultimately shape human crises by the quietly accumulating force of the thoughts and feelings belonging to the ordinary life of mankind? If so, the League must have its economic institutions, if at first but for consultative and voluntary, though none the less serious and useful, partnership. There is required the Supreme Economic Board, and under it Councils for Food, Finance, Raw Materials, Shipping, with expert Programme Committees, as before, for all main commodities or their closely-related groups. A Labour Commission must, in any case, be added, in view of the extent to which all the more important Governments are now committed to international procedure on that subject. Even a consultative system would soon lead to a better development and a more amicable use of the whole world's resources, as will presently be seen in these pages.

The inter-Allied Councils and Boards from which

could be formed at once these active economic elements of a League, still exist, except in respect of a Labour Commission, which can easily be created. Its almost semi-official model is already in excellent existence at Basle in the shape of the pre-war Bureau for Labour Legislation.

It cannot be assumed, at this writing, that any full economic system required for any living League of Nations, even in its first year or two, is yet assured. Only the possibility of establishing it is well saved, in happy contradiction of all the adverse signs after the Armistice. A central nucleus is created in the shape of the Supreme Economic Council. Its functions cannot be temporary if the New Europe is to last. It takes great international questions of food, shipping and finance more or less under its purview. The Food Department necessarily faces at present a far-going range of activities which cannot all cease after the next harvests. The Shipping Department may or may not become larger, though it controls the whole German trading fleet with additions. As to finance, a far stronger system is required. The world's trade will be confused and clogged for years unless as between the Allies and America there is some common management with respect to war-debts and German indemnities. Imperatively required is an International Financial Council, which would be a Clearing House for Governments and something more. Especially, in my judgment, the problem of raw materials demands a Raw Materials Council, with its tested system of Programme Committees, as in the war, to sift and adjust all the simultaneous demands and to carry out international rationing during the transition. If Germany's alternative is employment or Bolshevism—and the triumph of Bolshevism there would mean its sweep through nearly all Europe or the whole of it—then it is essential for the Allies and America that their additional securities, economic and political, shall go with Ger-

many's supplies. These views have been worked out in detail.

But let me conclude this chapter with a more general and a higher argument. On one main point there can be no reasonable dispute, even if everything else is disputed. If the League of Nations were not as yet to manage some large economic interests in common, it would at least have to discuss them in common if it were not soon to become the shadow of a name.

If the new economic organisations were once wholly swept away it would not be easy to re-establish them when they might be wanted. Too much misunderstanding might have been created and too many opportunities might have been lost. Yet the League of Nations, as President Wilson conceives it, would be committed—when we come to the permanent aspects of a League of Nations we shall see the large meaning of the committal—to the common study of labour conditions throughout the world, in the hope of devising common agreements for beneficent and reconciling action. That work cannot be carried out without thorough and searching investigation of all the characteristic problems of capital and labour on both sides of the Atlantic and on all sides of the Pacific. It cannot be done without such a study of the world's economic conditions in their anatomy as a whole as these pages present in mere outline.

And we saw how those who worked constantly together on frank and equal terms in the inter-Allied organisations learned, in spite of incidental friction and sometimes because of it, to know each other. They learned better to understand and appreciate the character and circumstances of their respective countries. Above all, what is wanted is co-operation for its own sake—that practical co-operation in daily affairs which would do more than anything else thinkable to establish the peace-habit amongst peoples.

If this is not yet to be, we would have to believe

that the words and attitudes of the majority of men were more altered than the depth of their thoughts or the inwardness of their hearts; and that the horror and pity of the Great War—perhaps the last warning before the next and final Armageddon—could not waken mankind to know that for the whole range of civilised societies, mutual service or mutual destruction, being or death, is the immutable alternative of the world in which we live. The problems of the transition, which were commonly exaggerated even up to a few weeks ago, are now as generally underestimated by those who have as little insight into the portents of the new social order as into some of the underlying and still uneradicated causes which made the world's late tragedy unavoidable. Sooner or later those causes would renew the tragedy, and on a wider scale of general war or social anarchy, unless our peace-policy were now of a breadth, energy, and original contrivance corresponding to our war-policy.

We must try to look forward for such a period as divided 1871 from 1914. Our study of the problem of transition has been but a prelude—a peculiar illustration of the manner in which the most utterly rending and disruptive of conflicts ended by making the interdependence of the interests and existence of nations more universal and enmeshed than it was before. We come to the more permanent issues involved in the system of a League of Nations and in the work which will have to be carried on after the present Peace Congress and must be faced from the outset by the new executive and deliberative institutions for World-Government.

CHAPTER IX.

THE COMING OF A LEAGUE OF NATIONS: THE SUPREME ALTERNATIVE: ENGLISH-SPEAKING LEADERSHIP IN CONSTRUCTIVE VISION: NARROWING OF THE ATLANTIC: THE "PROSAIC DELUSION" IN POLITICS AND THE TECHNICAL MIRACLES: LOOKING FORWARD: THE REVIVAL OF THE GERMAN RACE: POSSIBILITIES AGAINST PEACE: EITHER THE "OLD WAY OF WAR" OR "A NEW WAY OF WORKING": PRE-WAR INSTALMENTS OF WORLD-GOVERNMENT: FROM THE UNIVERSAL POSTAL UNION TO THE INSTITUTE OF AGRICULTURE: THE HAGUE SYSTEM AND PAN-AMERICANISM: WHY THE FINAL FAILURE OF THE EUROPEAN PEACE-MOVEMENT WAS COMPLETE: PRECEDENTS MEAN RENEWED WAR: ENDURING PEACE DEMANDS THE GREAT DEPARTURE FROM PRECEDENT: NO DANGER THAT PARIS CONGRESS WILL DO TOO MUCH.

The Paris Congress can no more confine itself to the international politics and economics of the transition than to the immediate issues of the Peace Treaty. It must address itself to the problem of lasting peace. It must look forward for a generation. Aware of the long but sure processes of action and reaction in history, it must try to provide—as no previous European Congress did—that another Armageddon shall not arise in due time from its labours, and that the blood of the unborn shall not have to

pay for the purblind error or jaded inadequacy of the present time. Statesmanship in Paris must face the task of thinking out the permanent objects of a League of Nations, as well as of inaugurating its formal beginnings. It would be far better not to lull and deceive the world by attempting the task at all if it were not to be grappled with in a thorough spirit. Any permanent method hoping to prosper must be, as we have seen, not only preventive on the political side, but creative on the economic. There is no likelihood of success in setting about the League of Nations unless we bring to it the same ardour of effort and thoroughness of mind that the authors of "The Federalist" threw into the making of the American Constitution. But four generations have passed; this is a problem of more magnitude, and yet of more subtlety, more fateful altogether, and we must have even higher and wider conceptions than theirs of what is possible in modern politics. We must get out of all the ruts of preconceived opinions. We must determine to examine every idea afresh in the knowledge that no ideas can serve us but the bolder ones.

August of 1914 and the spring of 1917 were hours of great light for the English-speaking peoples, who have, on the whole, led the modern world in every kind of original and constructive vision—in poetry, in the deeper conceptions of scientific method and truth, in equally transforming efforts of technical invention, in political freedom and social progress. They have combined democracy with nation-building on the highest scale and empire-making on the widest. Or better, rather. The British Commonwealth is no Empire such as those of the Hohenzollerns, Hapsburgs and Romanoffs who have disappeared, but in itself an established League of Nations which may well give patterns to the New in matters of union with autonomy and co-operation by consent. In the world's affairs and their own this is a constructive crisis which might well, and still may, move the English-speaking

peoples to rise again above the imitative commonplaces and prefer, at a turning-point of history like this, the example of so many of their thinkers and men of effort who have looked afresh at ordinary things or accepted ideas and changed them altogether. Yet adversely we have had to remark that now, as always heretofore, in the physical and spiritual reaction from the strain of a long war, insight is apt to be blurred and purpose tired just when their keenness and energy are most required for the tasks which must be taken in hand and disposed of in one way or another, feebly or strongly, well or ill.

Now it is probable that the majority of men everywhere believe themselves to be safe again for as long as needs be thought about. The whole push of egotistical interests, set routine and relapsing habit—clinging to notions of the past as though the war had never been—tends on both sides of the Atlantic to return to the prosaic delusions which in the end are always more dangerous than the romantic.

Many people, one fears, already reason as follows: —"If there is to be peril of worse slaughter and far more intense destruction of towns and women and children, at least the peril is probably a long way off, and if it comes let another generation bear it. If the fathers eat sour grapes at the peace-table let the children's teeth be set on edge. We cannot help it. Let us quote Thucydides, and agree that where all else changes, the human heart and its passions do not change."

One need only answer, that reasoning like this would have prevented the progress and the widening of any civilisation. It would have left mankind in the primal anarchy instead of establishing the normal law and peace which prevail within the domestic bounds of countries like France and Britain, once riddled with little wars and armed quarrels.

None the less, all the reactions and the egotisms, private and public, strive hard to reassert themselves

now that all real peril for most nations seems to be removed for some indefinite time. The European Allies together—even the Western together—feel themselves invulnerable. A strong element of feeling in America is all for the maximum of power on separate lines and the minimum of responsibility for the coming peace-settlement and whatever may result from it. All this is a passing phase of a very familiar kind. Novelists, historians, and moral philosophers have shown that one of the oddest traits in all human psychology is the facility with which a spiritual impulse may pass suddenly into a sensual. "When spirit seeks to master flesh gross flesh invades it." Will much of this happily correct itself as the Peace Congress goes on sitting? Will the moral and practical bearings be more accurately taken before it closes?

I.

To consent to look ahead not even for as much as fifty years, but for twenty or ten, is to perceive the hazardous absurdity of what I have called the prosaic delusion. It is the old assumption after extremely victorious wars that whatever makes temporary security complete makes its foundations permanent. The absurdity comes in the present case from obsolete views about existing facts and from failure to realise the coming certainties of the world's life. Take the case of America. The isolation of its politics is impossible because there can no longer be any isolation of its interests. The breadth of separateness hitherto represented by the Atlantic is about to be abolished. This everyone expects to see proved repeatedly within the next twelve months. The proof has been made manageable by the aerial progress forced on by the war. Americans delight in the prospect of seeing the Atlantic flown in one day from their own side or ours. Whichever way it is it will mean the beginning of

things bringing the United States into closer concern with Europe. Politics and thought cannot remain the same as before the war, because things themselves are nowise the same. The revolution in communications goes on. With closer and quicker intercourse the interdependence between all nations and their fortunes is about to increase again just as throughout the half-century up to 1914, only faster. From this, as will be seen, must follow many other certainties in world-economics and world-politics. The United States itself originated the new inter-knitting influence, which might be also the most destructive. By itself it makes far more necessary an effective peace system unless civilisation, American and European alike, is to run such risks as it never ran of seeing its most marvellous advance turned into an implement for its suicide.

In the flying machine the Americans Orville and Wilbur Wright led the way. The war has meant quicker progress with the new device than fifty years or a hundred might have brought otherwise. We have seen what has resulted from steam transport by land and sea, from the telegraph and the telephone. More original things in politics must result from the aeroplane. We noted that the first electric cable between England and France was put down in 1851 and that the Atlantic cable was not laid until the following 'sixties, when M. Clemenceau was a young man, President Wilson a boy, and Mr. Lloyd George an infant. No such interval will elapse in the corresponding developments of aerial communication.

Let us then at least consent to look forward even for ten years. It is the shortest time than can be provided for, after all, by a Peace Congress deliberating in the hope of settling the world's destinies for ages. By 1930, international intercourse will be in many ways more altered by the new air-traffic than it has ever been by a single invention. The subject claims for itself fuller treatment in a later chapter. Enough

to say that from London, Paris, and Berlin alike, it will only be a week or less to anywhere. No spot of the habitable globe but will be accessible by this means. What need is there to dwell on the political and economic consequences? Statesmen and commercial men of different nationalities will be able to meet with ease and frequency at a chosen centre. The financial and business interests of all the world will be more intimately connected, but especially as between America and Europe. Everyone admits that an International Air Convention will bind all Governments for the convenience of all peoples.

The progress of civilisation might be read as a history of the development of communications and means of transport. While man was but a footfarer he could only remain a primitive with a very local range of action at any given time. But when he found the uses of the horse and the camel, the wheel and the keel, all became possible to him up to the things we see and shall soon see, and the after-things yet unguessed. His City State became possible, his National States, his Kingdoms and his Republics, his changing Empires, his League of Nations, all his industry and his traffic by sea and land.

How idle then, when we are talking of the politics of the future, to ignore the practical conditions of tomorrow—the revolution in all kinds of human relations which must follow from this fresh art of human flight. When the United States will be within a day's reach of Europe where, apart from Russia, dwell 300,000,000 of people well capable of wielding any instrument of civilisation, how can the American Republic think seriously of resuming its former detached attitude towards their doings? How, in these circumstances, can the United States be even a semi-detached tenement? Politically, it must be joined on like the rest to the row or block of the world's habitations. When flight overrides all boundaries of nations, their frontier posts, their sea marks, and

their mountains, nothing can stop the necessity for a standing International Council to regulate the new problems of the air. Otherwise these would create confusion, annoyance, friction, at least as dangerous to the peace of mankind as anything which has been known.

When all sorts of economic power throughout this teeming Old World may turn to air power, and Africa, where it juts westward, will be a jumping-off ground for Brazil, jutting eastward, how can the United States, at a mere day's distance from Europe, act as though the Atlantic, as a politically isolating medium, can again mean what it did—or in another few decades can mean much at all? The consequences throughout Europe itself will be more marked, and yet many persons throughout Europe, as in America, are reasoning as though it would be enough to have some inconsiderable alterations in the pre-war system of semi-detached or dislocated nationalities. Here at least the prosaic delusion would be more credulous than any romantic delusion. The European States will assuredly be able to do more good or more harm to each other than ever yet. The closeness of the two hemispheres will be more important than any domestic contrasts between them. Much sounder for the American Republic to face all the consequences of the new developments which its own technique has pioneered and all its recent action has done so much to promote. Reckoning that the whole world must henceforth be regarded as one, whether for good or ill, much better to take a full hand in its common affairs, now that there are larger practical opportunities for America's influence and advantage than may ever come again.

II.

It will be said, in spite of this, that war on any world-scale will not come again within any time

for which it is needful to provide. It will be argued stoutly that there can be no renewed danger to the world's peace from the German side; that when Hohenzollerns, Hapsburgs, and Romanoffs are overthrown, and three Empires have ceased to exist as militarist systems, no equal danger can threaten from any quarter or source.

How can we be positive on either of these points? The German race is beaten and prostrate, no doubt. Its dreams of world-empire, of triumphant aggression and expansion on all sides, are at a present end. Its firmest ideas about itself are overthrown and shattered. It is at tumult within itself. But it will settle down after all this, and will adopt some new form of definite and powerful organisation. Through a thousand years it has passed through more stupendous vicissitudes of this kind than any other race, and has always emerged. At least, when no man can pretend to forecast the future with certainty, we must provide for what may happen when there has been a decade or two for some recovery. The mere moment is nothing.

Germany is not like Russia. Let us recapitulate a little about the Germans. By comparison they have many-sided advantages, and adversity is like to make them wiser in the use. They have still science, learning, technical training, industrial organisation on the British or American scale; basic raw resources of their own, like coal, potash, and a good deal of iron still; with an agriculture which has made, and again will make, the utmost of what was to a large extent a thankless land. Unlike Russia, they have a close network of modern communications to knit them together on one system or another. They are a laborious stock and a methodical, patient in toil, and exceptionally good at that which is most irksome to civilised men, as to all other men—the drudgery of the common day's tasks. They slaved at music and at every kind of art, craft, or

investigation, as they drilled under arms or machined their Socialism. They have had very great men, and will have them again when freedom and adversity give more scope and stimulus to the ablest and strongest individuals. They have behind them those memories of mighty traditions which in the end always revive the souls of men. Let all concerned in the Peace Congress reckon soberly and well with these truths, which are not removed from the earth because through the vapours of the moment they are hard to see.

Considering all that has happened, it is notable that the framework of German society thus far has held so well together. If this is so even amidst the difficulties of the hour, there is the more reason to think that our late enemies will establish in the end a solid order. It may be a non-Socialist Republic or a Socialist Republic—or something else. There may be a phase of civil war more serious than the Berlin outbreaks or riots elsewhere. We had that in England in Cromwell's time and came stronger out of it. America had it within the recollection of many living, and emerged stronger. France, at the time of the Commune, had something nearer to what Germany is more likely to experience, and we know how France stands to-day, with her Foch and her recovered provinces. The Prussian administrative machine seems to have remained intact through all, like the Napoleonic administrative machine inherited by the Third Republic. The presumption is that some solid kind of authoritative Government will prevail in Germany over the whole country. It may be that nothing can prevent the German-Austrians from joining with the rest of their race, though the junction may be postponed. The Peace Congress ought to postpone it, and should say that it shall only take place, if at all, on terms and after a period.

In twenty years, then, the German race might possibly be again the strongest on this side of the world.

It might have a proportionate air power, for instance. Its chance might come—if there is to be no thoroughly effective League of Nations and no new way of life in international affairs—to get back what it has forfeited, and to acquire much of what it failed to gain in the recent struggle. It might be impossible to mobilise against it anything like the present force of the Allies and America. Other countries might be paralysed by internal disturbances or might be at variance with each other. All these contingencies are at least more thinkable than the situation of to-day could have seemed in 1871. The results of this war by themselves cannot do more than the results of other wars to prevent the return of wars.

III.

It will be urged that the emancipation of Poles, Czechs and Slovaks, Roumanians and South Slavs has created a barrier against the eastward and south-eastward pressure of the German race. Again, that depends. With a coherent and supporting Russia behind it that barrier would be impregnable. Without such a Russia it might prove frail indeed. We have yet to see how the New States prosper within themselves, and what degree of accord there will be between them. Without good assistance and practical sympathy from the League of Nations the prosperity of some of the New States and their cohesion in groups may not be possible.

Finally, we must remember how much may hang upon the event in Russia. That question may well determine whether any safe and natural balance is to exist in the world. It is in some ways the biggest question amongst all the practical problems of peace and security. Since we must reserve it on that account for separate discussion, there needs no attempt to treat it just here in detail. But the main considera-

tions can be plainly stated. If Russia were left to herself, and if Britain or America were to set to other countries the example of each for itself, despotism, even if more or less benevolent, might rise out of anarchy to control Russia and Siberia.

Reaction might then return in Central Europe. Germany and Russia might enter into economic and political alliance. They might agree to bring under their joint influence the belt of New States on their marches, and to dispose together of the Middle East. This might be even in twenty years if Germany and Russia alike were under strong and associated Governments. Their joint economic position would be unassailable. This is quite as likely as not to happen, unless the League of Nations is both a political and an economic reality; and unless the United States, reckoning with all the coming certainties and possibilities described, takes a full hand in managing the common affairs of this interdependent world.

Just the same results would follow from the amalgamation of Russian and German Bolshevism, if the latter seized power. It would still be wielded by some despot in disguise. Lenin is a temporary Tsar in a Socialist coat.

Very far from conducive to the political or commercial interests of America might be its indifference to the effective working of a peace-system or its abstention from closer concern with the affairs of the Old World. That ancient but still stirring and teeming hemisphere is, after all, by far the larger part of the habitable land-masses of the globe, and vastly the more populous. The air-ways are going to bring its matters very near indeed to those of the two Americas.

The general course of history before the war will be resumed so far as concerns for well or ill the increasing process of inter-communication. Traffic will be stronger than Treaties. On the present basis of Power there is no certainty in Europe. There rarely was less. There is far less than at the Congress of

Vienna, when the firm guarantees for a long peace, such as it was, stretched from Britain to Russia. Closer association or harder clash must be the law. There must be either organised international co-operation between Governments and peoples; or political, social and economic forces, left to work blindly, will tend to bring about, sooner or later, worse conflicts and wider convulsions. All serious discussion of the developing League of Nations must keep in mind thoughts like these. In view of them, its vital organisation must be strengthened.

IV.

Before we consider what measures for the world an effective Constitution would imply, we must glance, however briefly, at the extent of international co-operation achieved before the war, and see why it failed to ensure peace. Not one person in ten thousand realises how many common systems of management bound Governments together for special affairs before the war. These systems, many with their Central Offices, were advanced instalments of a League of Nations, and are ready to be taken over by it. The record is so extraordinary, though it has been so much forgotten since Armageddon, that there can be no thought of putting back the clock.

At least the Peace Congress cannot propose to itself to be rather less modern in spirit and less modern in achievement than the Congress of Vienna. The latter did not confine itself, after all, to questions of mere safety. It helped to abolish the slave trade—philanthropic efforts at Paris will be taxed to equal that—and began the significant legislation on international waterways which led afterwards to the Danube Commission, and now must be extended to cover many means of international communica-

tion. The Vienna Congress meant to act as a League of Nations. It was followed, in fact, by a long peace—though on repressive and evil terms—for most nations and races. In due time the neutrality of Belgium was declared. Violated in the twentieth century, it was intended by the earlier part of the nineteenth as an additional international security for peace.

But science and better communications were changing all things—changing the general earth almost as much as any patch of it was altered when green areas were turned into a railway junction. Definite political consequences had to follow along the new lines of transport and intelligence. We had the era of inter-continental cables, trans-continental railways, inter-oceanic canals, through-routes round the world. Accordingly, on the human side, international meetings with fixed means and centres of intercourse began to spring up just like the railway stations. In the last quarter of the nineteenth century the movement for closer partnership between nations was in full swing. It dealt officially with all manner of interests—communication, transport, traffic, currency, health, labour, map-making, statistics. It even dealt with peace. Outside the official and semi-official agencies, standing or periodic, there were, of course, a thousand private congresses for discussing everything under sky.

What most enlightens us now, looking back, is the extent to which Governments themselves were concerned in these proceedings and bound by them to the advantage of so many peoples. It is not too much to say that without the extent to which real World-Government exists, especially for the communications which chiefly created it, the affairs of each different nation in peace-time could no longer be carried on tolerably. The normal conveniences of posts and telegraphs would cease for every external purpose. Nations no more desire to return to unmitigated

nationalism in these respects than the straitest individualist in domestic politics desires to return to the unmitigated individualism which would compel each private household to draw water from the nearest well and to provide for lighting by an independent provision of candles and lanterns.

The official forerunner of common institutions for international service seems to have been the Council of Health formed in Constantinople as early as 1838 to prevent the spread of cholera in the Ottoman Empire. In the "fervent 'Forties" of last century a new spirit of the time was in busy action. A world's Anti-Slavery Convention met in London, and it was followed by the first unauthorised Peace Congress and similar expressions of private optimism and philanthropy. We must rather trace the official growth of international bodies. As if steam machines and electric wires really had become Greater Powers than national Governments—in the manner imagined by Mr. Butler's fantasy in "Erewhon"—the novel modes of communication gave the strong impetus.

After the International Telegraph Convention was signed in 1855, the system of co-operation and agreement extended to posts and railways. The most important model was the Universal Postal Union, which must now, of course, be restored. As it happens, it was on the suggestion of the Postmaster-General of the United States that in 1863 the representatives of fifteen countries met in Paris to consider the chaotic conditions which prevailed. Agreement on principles were reached, but no compulsory system was adopted. The further step was prompted by the Director-General of posts under Bismarck. Dr. von Stephan, after unifying the German posts, published a scheme for the world. The Universal Postal Union came into existence by Treaty in 1875 as a result of an official congress held the year before at Berne. Setting up a permanent Central Office at Berne, and working otherwise by periodical conferences, the system from

that time forward composed all differences or difficulties in its sphere and controlled a whole range of common human interests, much to the advantage of mankind—especially the humble part of mankind in all countries.

In many ways the Universal Postal Union is another model of a League of Nations, and perhaps the most complete. Its constitution cannot be too carefully noted nor its conveniences overestimated. We must often refer to it. Let us remind ourselves again that practically all nations adhere to it. They form a single territory for this single business of posts. For these they guarantee to each other freedom of transit at agreed rates. They share expenses. They have arbitration instead of disputes. They have their capital city. Their Central Office at Berne collects and distributes information, and publishes a journal in three languages. The system of government is very worthy of present remark in Paris. The Congress of Plenipotentiaries—meeting every five years, or at shorter intervals if two-thirds of the adhering nations think there is need—can amend the constitution by a majority vote. The existing constitution was adopted at Rome in July, 1906. Minor questions can be more frequently dealt with by the Conference of Delegates. The problem of giving proportional representation to countries in accordance with their importance was supposed to be an obstacle to a League of Peace, but it has been solved quite smoothly by the League of Posts. The latter has worked successfully for over forty years. It is surely an encouraging model for those who hope for more common action between nations in all their mutual affairs without the sacrifice of any object or feeling that sane patriotism can cherish.

Calling as necessarily for establishment, and earlier in its beginnings, the International Telegraphic Union is similar, though not identical, in its method. Originally founded by the Paris Convention of 1865, its

system was revised at Petrograd in 1875 and again at Lisbon in 1908. In this case also the standing administrative centre is at Berne. The management of international telephone-services is included in the functions of this Union. It has a close association with what may be called the Wireless Union formed in 1912 at a Conference in London after the "Titanic" disaster. This instalment of World-Government by consent provides for sufficient wireless installations afloat and ashore, and for the exchange of ordinary or saving messages between ships of all flags. Under a League of Nations, common action for the electric transmission of thought, information, and decision can be most usefully developed and improved. Linking up telegraphy of both kinds across different countries and all seas became an essential form of internationalism as soon as words could be sped through wires or air.

A most notable development for Continental Europe has been the Railway Traffic Union, dating from 1890. It has been a marked gain to the general convenience. Endless improvements will some day be carried out under the auspices of a League of Nations; while the subject will concern our islands more nearly when the Channel Tunnel is constructed and traffic runs from Charing Cross to Calcutta and Shanghai and Capetown. But we shall have to deal with this more fully.

As regards waterways, apart from the well-known case of the Danube Commission—an Economic Board for the service of civilisation in common, regulated by the Paris Treaty of 1856 and later agreements—there are Treaty-provisions for the common navigation and improvement of other rivers. This subject also will engage us at length in later pages.

Ocean shipping has been hitherto dealt with for the most part in quite another way. International compacts concerning it cover a wide range as from the Suez to the Panama Canals. Now, there must be new guarantees for the Bosphorus and the Dardanelles as

for the entrances to the Baltic. But in the last twenty years great work has been done through the voluntary means of the International Maritime Committee composed of delegates of many countries working for more equality of conditions and better safety at sea. No country is now so deeply interested as our own in securing still more uniformity of legal liabilities and humane principles. Governments adopted the suggestions of this body, so that just before the war it could be said that "more than three-quarters of the tonnage of the world is now regulated by uniform Maritime Law elaborated by the International Maritime Committee." Though nominally a voluntary body, its influence has become like an official power through the innate force of common sea-interests between nations. The modern world is like a very big Venice, with oceans for lagoons and sea-routes for water-streets.

As to submarine cables, their protection has been internationalised since the Paris agreement of 1884. Any authorised ship of any State may arrest any vessel suspected of damaging the cables, no matter under what flag the suspected vessel may sail.

Even motor-cars became subject to international rules, but also acquired corresponding conveniences, by the Automobile Convention of 1909. Any new thing which means much crossing of frontiers compels further arrangements for working partnership between civilised societies.

But after these instances of institutions which have long prefigured the administrative and consultative departments of a League of Nations, I must condense the rest more than it deserves. Let me turn to an interest next to peace and the food supply—the world's health. Sword, famine, and pestilence have been regarded from of old as the threefold scourge of men. All three might be for ever removed by international action if political ideas had not lagged so far behind scientific means. Plague, cholera, and other epidemic

diseases respect no frontiers, neither country nor class. They have to be grappled with by nations in concert. Outbreaks of cholera were followed again and again by diplomatic conferences, but no agreement was reached for more than forty years. Then British views on the whole prevailed. The old quarantine system was a gross misuse of nationalism and meant merely a stupid and squalid mania of localism. Here, again, sane nationalism could only mean more internationalism. Since 1892 there has been a series of international sanitary conventions, chiefly concerning the East and the pilgrim traffic. The efforts of humane science and policy have been largely thwarted by Turkish incompetence, and by deliberate German intrigue, cynical and callous in diplomacy as in war; but now that the former Ottoman régime has been swept away there is a far brighter prospect. The Alexandria Council coping with its proper work of sanitation under British auspices is an extensive administration which has shown what may be done.

A World's Public Health Office—that and no less it practically is so far as information and suggestion go—was set up at Paris in 1907. It issues a monthly publication containing statistics, summaries of laws and regulations, proposals for improvement. It is managed by an expert International Committee. Over thirty States adhere to it and contribute to its expenses. It will grow.

As to international labour legislation, the precedents are significant, and it must take wide scope. It will be better to treat it amply at another point in connection with the functions proper in the future to a League of Nations.

Let us glance in passing at other matters of common importance to the world subject to standing agreements between many countries. They cover, for various groups of countries, weights and measures, the metric system, monetary standards. What a field for extension is here. If the example

of the Postal Union were followed, a wider similarity of practice in respect of currency and weights and measures would be an immeasurable addition to the conveniences of travel and business. This would be far from the least factor in promoting the general prosperity and peace of the world. The International Convention of 1874 founded the Copyright Union, with its central office at Berne. Another convention, this time on "industrial property," in 1883 created another central office at Berne. In 1890 thirty States associated in the Customs Tariffs Union for the purpose of serving a general interest by securing the prompt publishing of tariffs and their modifications.

In present being for administration are other advanced instalments of a League of Nations. We must leave them out so as not to delay too much our main theme. But one existing intelligence department of World-Government demands very particular attention.

One of the best of all these bodies is the International Institute of Agriculture, with its seat at Rome. It was founded by the Convention of 1905, on the initiative of an American citizen, Mr. David Lubin, of California.* Modern science and machinery have found no way of changing the fact that all flesh is grass. Agriculture remains, just as in primitive times, the basic and supporting interest of mankind. It is of all perhaps the most sensitively affected by the new conditions of interdependence. Though the tillers of the soil are apt to be the most stubbornly national of men, they have been most subject from the beginning to external influences. Weather, like disease, knows no frontiers. The originating causes of good or bad weather may be far from where the best or worst effects are felt. Modern farmers, in any part of the world, have a peculiar need to know all they can about conditions everywhere, about prospects

* Since these words were written Mr. Lubin's death is announced. The tributes to his memory have been far below his worth.

and ideas in every land. All agriculturists, irrespective of nationality, have the same interest in knowing about anything which bears on the world's yield, demand, prices, or on the improvement of methods.

Like other men who have promoted these practical movements for international co-operation, Mr. Lubin was only the better American for being a most beneficent citizen of the world. The Institute is essentially the official centre of civilisation for agricultural intelligence. In its official words, it collects and classifies and publishes, as speedily as possible, all "statistical, technical, or economic information regarding the cultivation of the soil, its productions, whether animal or vegetable, the trade in agricultural products and the prices obtained on the various markets." It records the wages of rural labour. It notifies all new diseases of plants in any part of the world, indicating the local origin, tracing the spread, and stating when possible, the means of resistance. It studies agricultural co-operation, insurance and credit. It may suggest to the various Governments identical administrative measures or parallel legislation for the common welfare of all agriculturists. In these respects the work of the Institute already—though having had as yet so short a time for its work—is admitted to have been quite invaluable.

This was before the war. It is significant indeed that in spite of the war this particular body has been allowed, with the approval of all the belligerents, to go on working just as it did before. And now there are more and bigger possibilities. So lately as 1914 the United States urged the extension of the Institute's activities. It was invited, by a resolution passed by the Senate and the House of Representatives, to summon an International Conference with a view to "giving more stability to the prices of agricultural products throughout the world." This was to be done by establishing a standing Commission on shipping transport and maritime freights.

It would be odd, in face of this, if the United States, ignoring other and wider factors making for stability, were to check the whole practical movement of the last fifty years towards better international co-operation by breaking clean away from the movement to develop the inter-Allied boards, as created in war-time, into still more useful organs of an economic system for adjusting and furthering the interests of nations in peace-time. As we have shown, these war-organisations are ready and apt to be turned into international councils for maritime transport, food supply, raw materials, finance. It will be a historic instance indeed of the economic nescience which makes most modern statesmanship so strangely inadequate to modern needs, if the inter-Allied Councils and Committees are not adapted and continued like the Postal Union or the World's Public Health Office at Paris.

By formal resolution passed in Rome on November 30 last the International Institute of Agriculture—originated, remember, and always strongly supported by America, whose economic as well as political co-operation is required to make a success of the new peace-system—has declared itself ready to be taken over as one of the living organs of a League of Nations.

As for the non-official congresses and conferences, unions and associations, which swarmed as facilities for international intercourse multiplied, who shall name or number them? They helped advance in every science. Unified terminology and standards are essential to the intellectual and technical progress of civilisation. They undertook co-operative tasks which the science of no one country could accomplish alone. There are similar bodies for medicine and law. Socialism, by its origin and nature, ran to international conferences. In the years before the war international Trades Unionism had fairly begun to feel its way towards common action for the improvement of industrial conditions, as well as for the exchange of information and even for labour-defence during strikes.

VI.

This is the astonishing pre-war record of progress by instalments towards a full League of Nations. Why, then, was there, in spite of it all, the worst of wars? As for the peace societies of the world, they were legion. Why did they so vainly and for so many years cry "Peace, peace," until there was no peace—until Armageddon came instead to rupture all the countless human bonds which had been newly giving to civilisation so many common agencies, even in official politics, and to so large an extent a common life?

To answer this question we must now come to a brief summary and criticism of the peace-movement itself, and rather as it concerned not individualistic efforts but Governments. For ages the dreams of peace had floated in the musings of men whenever they were searched to the marrow by the extreme bitterness of war. For two thousand years, it never was a vision of universal humanity. It was always restricted to the cause of some one race or faith or region. In Hellas it was an ideal for Greek peoples. The Roman peace only meant compulsory acquiescence under an able and grandiose domination. The mediæval Church contemplated it as an ideal for Christendom only. There have always been Moslems with a similar yearning for Islam only. Christians and Moslems alike wanted peace amongst themselves for better action against their opposite. After the failure of the last Crusades all Europe was filled by dreams and schemes for retrieving the cause. In 1306 these general notions were focussed like rays in a burning-glass by that redoubtable pamphleteer, Pierre Dubois. To Philip the Fair and our Edward Longshanks, he addressed his elaborate plan for a Christian League of Nations to keep peace with each other, carry out internal reforms, and recover the Holy Land. This desire was a strong flame, and though never effectual

to fuse the divided interests of Christian monarchs and peoples, its last sparks did not die out in Europe for more than four centuries. Amidst the alarm of middle Europe after the fall of Constantinople, Marini, the Chancellor of Bohemia, proposed to form Christian Europe into one Federal State with its capital at Basle, which was to be the seat of a permanent Congress.

Catholics and Protestants soon made an end of any hope of that kind in their efforts to make an end of each other. After the Reformation the religious wars seemed as if they would never end. And they did not until after a hundred years. Then the climax of inter-sectarian savagery, mixed all through with rival schemes for political profiteering, came in the Thirty Years' War, which made many men of all the churches sick of human strife and ravage and massacre—sick unto despairing. Before it broke out, and in the hope to avert the European catastrophe plainly drawing on, Henri Quatre and Sully had their "Great Design" for the resettlement of Europe; and that was more than three hundred years ago. Richelieu's emissary, Father Joseph, whom I have ventured to call the Colonel House of his day, believed that there could be no peace while the House of Austria existed. Our William Penn was by far the greatest peace-thinker of them all, and in 1694 his plea for a League of Nations was an effort anticipating, with a force and judgment equally surprising, many of the problems and suggestions of to-day. A couple of decades later the Abbé de St. Pierre pleaded as strongly in France—better in some ways than all before him—for surcease of human slaughter after the wars of Louis the Fourteenth. Even he still longed, like the dying Aeneas Sylvius and like Wallenstein, for more Christian union, the better to kill the Turk. Just a century after Penn, Kant reasoned hard for peace, though with that touch of malevolent misjudgment of England which was already a fixed Prussian

animus gradually infecting the rest of Germany. After the Napoleonic wars we see the passionate revolt against human killing in Shelley and Keats and nearly all of their younger generation in literature. Wordsworth brooded more sternly on the necessity for freedom, whenever threatened, to have the more enduring soul and the prevailing sword.

With Waterloo and the Congress of Vienna the whole world hymned peace in the abstract. But the despots of the Holy Alliance wanted peace on Conservative terms. Liberals in every country preferred war to peace on those terms. Even British Conservatives usually wanted more freedom in every foreign country. The post-Napoleonic peace, as intended to apply to Europe as a whole, and as long preserved between the Great Powers, was untenable because intolerable. Liberty and racialism had to break up its bases.

Accordingly more wars as the only means of European revision—as what we have called the only international substitute for General Elections. In the middle of the nineteenth century an era of national or, more properly, racial wars followed the previous eras of religious, dynastic, and revolutionary or counter-revolutionary wars. These had all become fights mingling imaginative idealisms with desire for substantial gains in power and economics—desire for church property, debatable territory, colonies, shipping, and trade.

The culmination of all that was best in the German struggle for unity and in the German mind, was in 1866. The fatal sequel was the war of 1870-71. It not only dismembered France. It perverted German psychology, sending it back after the chastening of centuries to its old futile, ruinous dream of natural superiority and limitless domination over other races. From the Treaty of Frankfort sprang the portentous Europe which became a continent under arms. Heavily it oppressed the thoughts of the older statesmen,

who had known in their maturity what wars mean—the thoughts of Bismarck most of all. Statesmen of a brooding habit like the late Lord Salisbury felt as Sully felt in advance of the Thirty Years' War. No one attempted any real constructive solution, yet danger was now too huge and affrighting to be mistaken. Europe was full of unsolved national and racial questions. Its conditions were once more untenable. The wonder is that the whole inflammable element of European affairs was so long in coming to its flashpoint, and that an explosion like 1914 was so often averted.

This was because statesmen, with all their defects and mixed motives, laboured in most countries more usefully than the peace apostles and the peace advocates. They laboured to unloose the knotted menaces one by one, or at least bit by bit. Partly these statesmen wanted peace for its own sake, partly they wanted to avoid great wars on little issues, partly they desired to avoid war at a disadvantage. For all these reasons towards the end of the nineteenth century and through the beginning of the twentieth, up to 1914, efforts of unprecedented patience and comprehensiveness were made for the bloodless elimination of causes of difference. The whole of Africa was partitioned in a few years without war between the Powers. Though war was not always easily avoided, the result was very marked by comparison with the interminable conflicts which had arisen from rivalry over the two Americas or from the clash of Asiatic adventure.

For twenty years Britain and France were keenly engaged on the series of intricate colonial compromises which made possible the *entente cordiale* after King Edward came to the throne. Again and again Britain and Russia patched up their differences in Asia. After Bismarck's fall, the ceaseless increase and aggressive ubiquity of the German peril forced Germany's neighbours West and East to compose their contentions. The venerable apparatus of the old Concert of Europe

creaked and groaned under the stresses and strains of the Eastern question, but just held together. Even in 1913 statesmen were congratulating themselves on having "localised" the Balkan struggles, though in reality the outbreak of Armageddon had only been hastened by the clumsy patch-up after the second Balkan war.

It must be noted that towards the very end of the nineteenth century the United States intervened for the integrity of China and the "open door," as an alternative to the break-up of China and attempts at partition leading to world-war. Britain, of course, supported this alternative. For twenty years it has been a peace-method of its passive kind, though but a limited boon in that way for the Chinese themselves. Arbitration became more and more a habit, even a fashion. Britain and the United States led the way. Britain and France showed that they could set in common an equally good example. In the decade before the Great War over a hundred standing arbitration treaties were signed. Parties to them were more than thirty nations, great and small, European and American. In addition, many ancient disputes about boundaries and fisheries, and such like, had been arranged by diplomatic or judicial means.

VII.

The whole peace-movement of the world was even brought at last to an official focus. Or, rather, there was one focus at The Hague and another at Washington. Across the Atlantic there were the pan-American Conferences and Bureau; and in Europe The Hague Conferences and Court. A contrast between these two systems is illuminating.

South America had been a byword for wars and civil wars, sometimes waged with exterminating ferocity, while conspiracies and dictator-

ships sprang up like exotic vegetation. On this side of the Atlantic, reactionary sages, prematurely complacent about the superior state of Europe, were well accustomed to hold up as a shocking example the anarchic sequel of Bolivar's crusade for liberty. Resuming old attempts to bring more order out of this chaos, the United States, in 1888, invited the Latin-American Governments to Conference in Washington. At this time, strange to say, there was still an Emperor in Brazil, though he was soon to cease. The first pan-American Conference met in October, 1889, under Mr. Blaine's chairmanship. The second assembled in the City of Mexico in 1901, and the third met at Rio Janeiro at the end of 1906. Much, indeed, was discussed, and it was often said that nothing resulted. But the sceptics were mistaken. The very first gathering had founded in Washington a permanent institution, the pan-America Bureau, which has continued ever since to enlarge its functions. It spreads knowledge and understanding in a manner which the League of Nations will do well to imitate. It issues a monthly bulletin, publishes handbooks, pamphlets, and maps; and keeps on building up a special library. Largely through the moral effect and intellectual results of this pan-American intercourse, the state of South and Central America, with respect to peace and stability—in spite of occasional and local epidemics of disorder—is improved out of recognition by comparison with what it was before. The movement from the first had regard to the economics of peace, and was bent towards practical co-operation in matters of copyrights, patents, trade-marks; and there were great railway-plans which are not yet realised, but will be. The Americas have succeeded better than Europe in keeping the international peace of their hemisphere, and we shall soon see why.

Let us now turn to The Hague experiment and its very different fortune. Its moral origins were composite—influenced variously by the pan-American pre-

cedent; by the fear of American competition, which Count Goluchowski, for Austria, had recently expressed in a sensational speech; of course, by the difficulties of Russian finances; also by Bloch's book on the horrors and, therefore, impossibility, of future war. The Tsar Nicholas II. issued his famous rescript. To many of us it seems like yesterday since enthusiasts and sceptics were alike astonished by that proclamation of peace and good-will issued by, of all persons, the Autocrat of All the Russias—fated to wage most bloody struggles and to perish in a tragedy of mingled terror and squalor unmatched out of the last act of Marlowe's "Edward the Second."

In 1899 the first International Conference at The Hague met in the names of arbitration, disarmament and humanity. The second and larger assembly was in 1907. The third was to have met in 1917, when war or anarchy were raging all across Europe and Asia from the neighbourhood of The Hague Court to Vladivostok. Upon the detail of the proceedings and results of the Conference it is unnecessary to touch here. The establishment of a permanent international court at The Hague at the close of the nineteenth century was said to realise an idea put forward by Jeremy Bentham a hundred years before. Not quite. The Court no doubt settled a number of cases of what is called "a legal nature," but these were only such minor matters as would assuredly have been adjusted without war if the new machinery at The Hague had never existed.

In connection with it, however, though by a special Commission of Inquiry, the Dogger Bank affair was settled. This, it will be urged, was a more angry issue, and one of more magnitude than the others. But the procedure was to a large extent a screen for realities. I am not for a moment undervaluing the convenience of that procedure as a means for saving the honour of Great Powers, or at least of saving appearances. But war was, in truth, averted because

in the three capitals most concerned—London, Paris, and Petrograd—restraining statesmanship was determined that war should not take place. It is certain that if resort to The Hague had not been a ready and obvious way out, some other means of settlement without bloodshed would have been found.

As regards the three great objects put before the world's imagination twenty years ago, The Hague Conferences and Court could in the end achieve nothing—for peace, nothing; for disarmament, nothing; even for humanity, by the mitigation of the cruelties of war, nothing. Instead of these aims, we have seen the very contraries in their most sombre and appalling shape—a war, involving not only all Europe, but all the Continents, by which, counting direct and indirect effects, twenty million human beings are dead or maimed; armaments huge and terrible beyond the most fantastic conceptions of war when the Tsar's Rescript was issued; pitiless horrors of killing and mutilation, pain and torture, ravage and desolation. In that respect the issues of all the manifold efforts of constructive and sympathetic internationalism in the last fifty years, the results of The Hague Courts and Conferences, the frightful sequels of the whole peace movement of Europe, unlike the parallel pan-American efforts, were the supreme mockery yet known to Time.

VIII.

And so we come to the heart of the analysis and to the moral for the League of Nations and its constructive system. Why was the final failure of the European peace-movement so complete? The answer is: "Because that movement never came near any of the vital problems of Europe; because it was wholly unorganised and impotent to deal with any question of political justice or economic security in Europe; because it ignored or minimised both the moral and

non-moral forces surely making for war, and for unparalleled war, in the world as it was."

Side by side with the whole process we have followed—the development of intercourse, co-operation, even interdependence, between nations and continents—counter-forces were at work which were more powerful, not only in a material sense, but in the imaginative and even in the spiritual sense. They were cumulative and almost fatalistic. Wars are for emancipation or retention, acquisition or security. The reign of Emperor William II. covered the time which he liked to describe as the era of "welt-politik" and "welt-verkehr"—of world-politics and world-activities. Nothing which might affect German interests in any part of the world should henceforth be settled without Germany's consent. It was a buoyant and comprehensive doctrine. The logic of his doctrine was his navy, in addition to his "mighty army." Agitated, startled, or stimulated throughout by his own disturbing personality, the period from 1890 to 1914, from Bismarck's fall to the pan-German eruption, was a strange jumbled time of inflamed aspirations, shadowy fears, exorbitant ambitions, and sheer nightmares. All these went to overpower the pacifist ideals. They all made for armaments of ascendency and for dreams of insurrection—for wars of conquest or wars of revolt.

Beside the concrete force and impetus of these factors, all the new ties of international intercourse were frail. Pigmy by comparison were all the working systems of international co-operation, official or non-official.

We heard in turn, or all at once, of the "Yellow peril," the "American peril," the "Russian peril." The real perils were two.

First, that the new Germany, through motives of Imperialism and commercialism inextricably mixed, was now fatally suggestionised on the subjects of world-politics and world-economics. It was more

and more bent to make the great attempt—to try its fortune in arms and to pull the world to pieces, in the confident hope of holding a far larger or altogether dominating share of it when it was put together again.

The second real peril was that a wide part of the Old World was founded on wrong. It was wrong of a kind which the very progress of education and intercourse made more and more intolerable to those who suffered it. Poles, Czechs and Slovaks, Roumanians, Serbs, Armenians, Arabs, all felt that a blow for freedom at the first likely chance was better far than racial serfage and dismemberment.

And these at least were right. The pacifists were not only misled as to some main facts, but were morally mistaken in arguing more for the peace of profit than for the peace of justice. The logic of The Hague system created by the initiative of the Tsar meant the stereotyped permanence of gross political injustices which yet the whole development of civilised intelligence and human consciousness was bound to make more and more unbearable. Alsace-Lorraine, between the mind of France and the mind of Germany, was a moral barrier defying all technical facilities for intercourse.

The two movements fatal to peace were inseparably connected because Germany in herself, and by her support of Austria-Hungary, was the mainstay of the caste system of racial ascendency and domination; while at the same time Germany was the chief home of the positive war-theory, of war-organisation, and war-purpose for the achievement of expansionist ambitions. Like no other Power surviving in the modern world, Germany believed in war. She intended it, and made it.

IX.

Yet here we come back to our economics as the present touchstone of effective peace-purposes. In spite of all,

war on anything like the scale we have passed through would have been impossible but for the economic issues which The Hague system was impotent to influence. Inspired by the Kaiser and encouraged by all the dynasties, the naval agitation in Central Europe was worked up by that extraordinary output of books, pamphlets and articles which contained—I have a large collection of them—the psychological origins of the economic Armageddon. They depicted to the imagination of the German people the utter dependency of German industrialism on supplies from sources beyond German control. They conjured up visions of the apocalyptic ruin that would come sooner or later upon the nation unless naval power were added to military in order to create by their joint action a new world-empire self-contained, self-sustained, yielding the whole of its food supply, affording the most various sorts of raw materials, comparing in every way—in total resources more than comparing—with the Tsardom, the United States, and with all that might be left of the British Empire. It was a formidable and gigantic fantasy of an intensely German kind—the last exaggeration of all their synthetic systems.

But it was founded to a large extent upon a basis of natural fear.

We may now sum up the contrast between the Pan-American Conferences and Bureau and The Hague Conferences and Court. The Pan-American movement has succeeded on the whole for peace-purposes, partly because it has employed a better method, much more because it had a simpler task. It could more easily promote peace across the Atlantic because, as regards the economics, all the nations of the double-Continent have room to work and spread; while as regards the politics, the United States is a guiding nation, stronger in that hemisphere than all the rest put together.

On the other hand, The Hague system failed because in antagonised, crowded, and unstable Europe, that

system could not touch anything that mattered. Not any policy of premeditated war, though it were the most obvious and aggressive. Not any issue of political injustice. Not any sense of economic insecurity. In these conditions pacifism, to reverse the *mot* at Balaklava, was magnificent, but it was not peace.

An effective League of Nations, on the contrary, must be able to consider and influence all these conditions—so far as they remain after the Great War—and others also. The purely political problem to a very large extent may now be solved. That, too, indeed, may largely depend upon what economic, as well as political, measures are taken in concert to assist the New States. There is yet no sufficient security of any kind for the New States. For Europe as a whole, on the other hand, the economic problem, which is the heart of what we call the social problem, is rather aggravated than in any way solved by the war. This we have seen fully in the previous pages on the economic state and prospects of Germany.

There has been a general liquidation of the conditions of political injustice which founded the former peace to so large an extent on moral wrong. Alsace-Lorraine is restored, Italia Irredenta won back, Poland resurrected, Bohemia and Slovakia free, Roumanians united like the Jugo-Slavs, while Armenians and Arabs are delivered from the Turkish yoke.

After the widening dreams and recurrent catastrophes of over two thousand years, now for the first time in history the League of Nations has become possible. Now and only now perpetual peace itself is thinkable—nay, probable, if the Paris Congress but goes the right way to work, and if, then, the United States is firmly joined with Britain and the rest to uphold and develop the new international policy. For the greatest of human projects, perhaps, for purposes which may yet mean all the difference between life and death to civilisation, the acceptable hour is now.

As we began this chapter let us end it, by urging that what is required is an altogther bolder yet more practical constructive imagination, thinking not only of the emergencies and crises of high politics, but of the things which bear on the ordinary existence and daily livelihood of men. The danger is not in the least that a body like the present Peace Congress will do too much. The only danger is that it will do too little; and come far short in that part of the task where a sense of what moulds the substance of human welfare is even more important than political or juridical contrivance to make the League a vital and progressive organism. Its success is impossible without foresighted provision for dealing with the economic causes of international war and social war. It will not be enough for it to set up its legal system—to create executive, deliberative, judicial, mediating institutions, while providing for repressive or punitive action. To all these an effective peace-system must add other means of organising the cohesive power of common interests. From this standpoint we can now go on to consider the economic measures indispensable to any League of Nations which can hope for a moment to make the whole difference between lasting peace and renewed cataclysms of death.

CHAPTER X.

WORLD-GOVERNMENT AS PROPOSED WITHOUT WORLD-PARTNERSHIP: AN EXAMINATION OF ESSENTIALS IN THE POLITICAL AND JURIDICAL CONSTITUTION OF THE LEAGUE OF NATIONS: THE SUPREME CONGRESS, THE EXECUTIVE CABINET, THE SECRETARIAT, THE GENERAL COUNCIL OF NATIONS, THE HIGH COURT OF ARBITRATION FOR "JUSTICIABLE ISSUES," THE METHODS OF CONCILIATION FOR "NON-JUSTICIABLE ISSUES": THE IMPORTANT USES OF THESE INSTITUTIONS: THEIR ENTIRE INSUFFICIENCY FOR THE PROSPECTS OF A DURABLE PEACE-SYSTEM: NECESSITY FOR EQUAL ORGANISATION ON THE ECONOMIC SIDE TO COMPLETE THE LEAGUE AS A "NEW WAY OF WORKING TOGETHER."

*Notes on the proposed First Covenant of the League.**

When we speak of the League of Nations we must now forget the abstract. We must try to visualise the thing as a working system. The principles of its being will now have to be translated from paper to life and embodied in institutions. We must think of it less in terms of Utopia than in terms of Whitehall, though its edifices at first will be more modest and dispersed. What, then, are the fewest institutions it can do with? What the least powers it must possess if it is to set

* This chapter stands as completed before the Covenant proposed for the League of Nations was read by President Wilson in the historic sitting of the Peace Congress on February the Fourteenth. Analytical notes on the Covenant, as compared with other proposals, are added at the end of the chapter. The draft may be amended in the closing stages of the Congress, and the "minimum constitution" finally adopted there may be developed by the League itself.

itself seriously to promote the greatest purpose indeed, but the most difficult, that statesmanship has yet contemplated? The constructive task, if most difficult, is no longer so to any unmanageable or insuperable degree. It is only measurably more difficult, for instance, than the framing of the American Constitution, not immeasurably more. In every sphere but politics and statesmanship it is assumed as a matter of course that the ceaseless modern increase of means to knowledge and action enables us to solve problems which defied previous generations and to do things both larger and more complex.

There are at the outset some understood limitations. The League of Nations will not have, to begin with, any reserved territory of its own corresponding to a "federal area" like the small district of Columbia round Washington. To present it with Constantinople, as has been proposed, would serve no purpose that could not be better served in other ways. But the League must have a capital. One lively conviction is that its chief seat should be Brussels. This in itself would be a memorial of the facts from which a new epoch opens—that the violation of right by the invasion of Belgium was fatal to the aggressors, and that the inviolable faith of treaties must be the foundation-stone of any peace-system. This historic association would be a moral asset not otherwise to be gained, and would be a real influence on the world's mind and conscience in the future. Nor in other ways is a preference for Brussels sentimental. It is a splendid city, yet not a capital of one of the Great Powers. The Belgians are of two races, with two languages, but united, which is again appropriate to the spirit of the League. But not all its institutions could be in any one city. Berne would doubtless remain as now a chief centre of official international activities, and its situation would be convenient for Eastern Europe and Russia, probably for Italy also. The idea of making another Swiss city, Basle, the capital of a United Europe goes back for five centuries.

If for practical reasons—contrary to the thought which has most prevailed—the territory of any Great Power were chosen to give a centre to the League, Paris or Versailles would be the inevitable choice.

To begin with, the League will not have any armed force of its own. At first it will be incapable of protecting anything by its own means, and instead, its growth will have to be protected by the Powers chiefly responsible for its creation. Unless these are heartily at one for a fair period it will not thrive and wax strong.

Since these opening propositions are indisputable, a main conclusion follows at once. Members of the League will keep national sovereignty intact. There need be no fear on a score which has done more than anything else to raise prejudice, misunderstanding and dislike against all projects of World-Government. Many instalments and prefatory effects of that system have long been universally accepted and approved. No one wants to dissolve the Universal Postal Union. No new theory or principle is now involved, but only a much enlarged practice. Yet there has been dread lest national sovereignty might be encroached upon and patriotism injured. It is a baseless anxiety. In a sense, every Treaty or Convention may be regarded either as limiting national sovereignties or as bringing them to a unison. The League means far wider and closer agreement in this way. It depends at first upon a few Governments. At the present stage there can be no limitation of any part of real national sovereignty. President Wilson did not propose it. The United States Senate would be the first to reject it. No country desires it. No suggestion of it comes from any effective quarter. When a nation enters the League it no more surrenders its national sovereignty than a man forfeits his legal identity when he joins a club or other society and agrees to be bound by its rules. Fine controversy on this issue is as idle as disputing about the thickness of shadows.

Anxiety about the future of patriotism under a League springs from one prevailing confusion of terms. It mistakes internationalism for super-nationalism. There is the widest difference in the meaning of two things so often supposed to be the same. We will not anticipate here the fuller argument towards the end of this book on the deep moral significance of the difference between them. Enough to say that super-national Government, with dominating authority and power, suzerain above other Governments, is a conception which is impossible now, and may well remain so until the twentieth century has passed away. Supernationalism is undoubtedly repugnant to a majority of mankind so large as almost to amount to a consensus. Internationalism is another thing. By its name and practice it signifies the community of nations retaining their corporate personalities. What nations are most sensibly asked to do, is to try whether they cannot organise in common their mutual progress, instead of organising separately or by rival groups for mutual destruction. No doubt if nationalities proved incorrigible, in spite of Armageddon; if it turned out that they were altogether incapable of creating between themselves a more reconciling and competent system of world-management; and if, as a result of their hopelessly jarring antagonisms, wide war and devastation returned at some time in the future—then at last nationalism itself might be put away by mankind. It might be abandoned, abhorred and suppressed like some barbaric cult of human sacrifice. Real super-nationalism might then come in. No one is going to adopt it before inter-nationalism proper has been tried. Through an efficient system of voluntary association between peoples everything can be done. As the new system can only be established by general consent, it could only subsist by the same.

In a word, the League of Nations means that the nations enter upon a new way of working together. If it is but regarded in that simplest light, the neces-

sity for organised economic forms of mutual service will become no less self-evident than the need for new political, diplomatic and judicial institutions. The whole great experiment in its first years will demand, above all, continued interest, good will, and support from public opinion in most countries. It will depend entirely on willing and widening co-operation between peoples, under the special auspices of those Great Powers whose agreement for a long time to come will be the only sure guarantee of any safety.

Into that inner circle of guiding and guaranteeing Powers—associated not for domineering over the smaller nations but for working in more effective concert with them—a regenerated Germany, like a restored Russia, must quite necessarily be admitted. Their ultimate admission is inevitable, and it is desirable that the conditions enabling it to take place shall exist as soon as possible.

I.

But we must now approach the Constitution of the League which is not to supersede national sovereignties, yet at the same time is to be an effective system of working together. Notably for the better use of the inexhaustible means the earth would offer under permanent peace for increasing human prosperity and happiness to a degree, putting an end to the former recurrent crises of destruction and making the idea of war a shadow amongst historic memories of

> "old unhappy far-off things
> And battles long ago."

Despite the limitations pointed out, the League must set itself to be a real and great thing, even in its beginnings. If it is not to be a failure, it must be very living, and must not be too officially dull. Its least possible institutions and departments at the outset can

by no means be so few and rudimentary as some even of its earnest but mild advocates have supposed.

Let us see what are those political and judicial institutions required, whose excellence in themselves, but inadequacy by themselves, it is the purpose of this chapter to demonstrate. Reasonable and careful advocates of a League put forward, in the manner that occurs with all constructive schemes, a maximum and a minimum programme. The differences between them are not altogether vital, though interesting. It will be well, before going further, to discuss the differences and eliminate them. It was always certain that a body like the Peace Congress would not do more than was unavoidable. The assembled statesmen must aim at a scheme of the least elaborate kind, yet enough to make the League real, and not illusory. The motto for this first birth of World-Government will be "Utopia, Limited."

The maximum scheme of what is now practicable on the Constitutional side differed mainly from the minimum by wishing for a strong President of the League and a real representative Assembly. These may well come in our generation, but that either would be created at once could not be amongst the likelier things.

There would be advantages during the first years in having a personal head of the League well-placed to be the moving spirit working for its vitality and development. Sufficient honour and influence would belong to the office to make it acceptable by the ablest and most distinguished man in the world. The right men breathe life into forms. The United States has often discussed what to do with its own ex-Presidents, and here may be one day an opportunity which would sometimes serve for them. Mr. Wilson himself may yet occupy the position. The term might be short enough—two or three years—to enable the office to go round amongst the nations at a reasonable rate. There are some obvious objections on the score of

etiquette—as relating to national rulers—but these in themselves could be no insuperable objection. The real reason hindering the appointment of any personal head of the League is that the office might suggest super-nationalism instead of inter-nationalism working by consent. Leading statesmen will particularly desire to meet on terms of entire equality. If Supreme Congresses, like the present one, were at least triennial, the titular honour of being head of the League might well be given to the ruler of the country where the Congress assembled—to the French President if it meets at Paris, to the King of the Belgians in the year when a meeting is at Brussels, or to our own Sovereign in case of an assembly in London. Washington would have its turn in the era when the United States enters into political community with a world-system.

It has been urged earnestly that the League should be equipped from the outset with an international Parliament, upon however restrained a model. This has been advocated by many who may well live to see their wishes fulfilled. As a useful exercise of visualisation in connection with these problems, let us conceive what a Representative Assembly of the League might be; and then why open debate and the popular interest attaching to it are more likely at first to belong to a body of another kind.

For some reasons it is a pity that the plan for a small International Parliament on a limited basis seems premature. It could not be a Legislature itself, but it might be a moral power signally contributory to the interests of peace. A Representative Assembly of the League need not exceed a hundred and fifty members. To make it less would be difficult in view of the number of smaller nations that now have a title to at least one delegate, and the advisability of giving larger representation to the greater countries on some scale to be determined. Debate would be free and open on all

subjects, and the more valuable for that as revealing the emotions and tendencies at work in the world. Thus "the Speaker's" office would be no sinecure. The sessions would be annual. The use of the several chief languages would have to be allowed, if only for the sake of a due democratic and Labour element in the representation. Expert interpreters would accordingly be required. Committees could be appointed to bring up reports on any subject. Standing Committees would doubtless work out proposals for unifying international law and gradually bringing about more uniformity wherever desirable—as, for instance, on many matters of Labour Legislation—in the domestic law of all countries. There is here a wide field for suggestion. It has been already pointed out that some day a common decimal system of weights and measures and currency would make incalculably for the practical convenience of the world, but we may not see this in our day. The Representative Assembly upon the basis of the work of its Standing Committees would recommend identical legislation in all countries. It would evidently be best that the delegates to the Representative Assembly should be chosen by the various national Parliaments, though not exclusively from amongst their own members. With no independent power of legislation, but able to debate and to recommend with great moral effect, this body would be nearly a real Parliament of Man, such as would serve well the steady promotion of peace by the timely revelation of difficulties as well as sympathies.

Since there is no prospect that a Representative Assembly will be created in the form just conceived, the more essential must it be to have—even under the initial and minimum scheme for a League of Nations—some substitute not purely official. It ought to come in the shape of a body which, though of a less Parliamentary kind, would yet be representative, competent for much of the detailed committee work just described, and able by open and reported debate to

keep alive in all countries popular interest in the League and to exert a real moral influence on international public opinion.

II.

We thus come to those institutions on the political and judicial side which for the most part are held to be indispensable by every genuine advocate of the League who is at the same time a serious thinker on the subject.

The Supreme Authority.

(1) Analogies with national institutions must not too much mislead us in connection with the very different exigencies of World-Government. Its requirements suggest review at stated intervals by the full assembly of chief Ministers of all States, members of the League. As the League is founded by the present Peace Congress, the supreme authority ought to reside in the successors to that Congress. There should be periodical—at least triennial—meetings of plenipotentiaries to deal as now with fundamental questions. Let us see more closely why periodical Congresses with the same power as that now sitting seem to the present writer very advisable for ensuring the life and development of a peace-system, especially during the coming decade.

No coherent and settled Europe is yet in existence. That big lump of it called Russia is still in seething solution, and upon how it may crystallise out will depend the destinies of Siberia, which has become a still bigger extension of Europe. The New States have to be given a plain framework in the shape of determined frontiers. They have then to be encouraged and helped to become definite factors in strengthening the general order of stability and progress which it is the object of the League to create. The future of Germany cannot yet be predicted, though the presumption is that

it will be strong. There is as yet not the firm structure but only the dislocated elements of a New Europe, which in the next generation may be better or worse than the Old according as statesmen are either convinced and earnest about the need of new international methods for promoting a lasting peace, or keep in their inmost hearts the fatalistic belief that wars must recur.

In these circumstances there ought to be from time to time, a full review of the state of Europe and of all matters affecting well or adversely the prospects of world-peace. Unless all responsible statesmanship keeps watch over the main subject in that way, nothing else can have the same authoritative power to strengthen the vitality of the League or to shape it adequately into a fuller system as experience and emergency may advise.

There is one aspect of an importance second to none. It is hard to see how it can be dealt with quite efficiently except by the Supreme Congress, whose periodical meetings ought to be available for the purpose. Only an authority equal to that which made the Fundamental Treaty can sufficiently confirm or revise it. There are reasons why that function ought to be regarded as of an exceptional and solemn character not to be exercised by what we may call the more constant working bodies of the League. Both confirmation and revision will be essential if the working of the peace-system is to accord with the lessons of the war and of all that led up to it. It was fought and won pre-eminently to vindicate the inviolable faith of treaties as the basis of international security; and to give a new range and reality and sanctity to international law. Treaties have failed in the past because there was no means of keeping the spirit in vigour and no means of readapting the letter to changes of circumstances. The future never can be calculated. It never was much less calculable than now. It is desirable that the Supreme Congress itself in its enlarged reassemblies should be prepared always to act as a

revisory body, hearing and deciding appeals—if serious enough to be entertained—for the timely modification of provisions which otherwise might become as obsolete, untenable, and disastrous as were in the long run many articles of the Treaty of Berlin.

It is equally important that a new confirmatory procedure should correspond to the revision. Treaties hitherto have become enfeebled as they became old. With any modifications required, the Fundamental Treaty which is about to become the new basis of international politics should be re-subscribed by all the signatories at stated intervals, not longer than triennial. This, for Governments and peoples, would keep fresh the reality and knowledge of the obligations entailed. It would preserve the validity of the guarantees from decay. For instance, if Britain, Germany, and, above all, the United States, had re-signed shortly before 1914 a treaty-provision confirming Belgian Neutrality it would not have been violated.

To this proposal for reassemblies in full Congress at regular intervals in order to review in the broadest and most authoritative manner the working and requirements of the peace-system, it may be objected that it would put too severe a strain upon the energies of leading statesmen. This cannot be thought a serious hindrance. If Rulers and Premiers could not always attend, then Foreign Secretaries or other principal colleagues—with plenipotentiaries who might be eminent though not members of Governments—could well constitute the Supreme Congress. They could discharge in its periodical re-assemblies the paramount functions of statesmanship in connection with the future of the League.

Let us remember that the Final Treaty and the Constitution of the League will purport to be the chief bases of the life of the world. Matters touching those bases ought not to be confounded with any questions of routine or emergency to be dealt with by the regular working bodies, the executive agency and the delibera-

tive assembly. For the first decade at least the re-signature of the Great Treaty, whether in its original or in an amended form; the hearing of appeals for revision; the alteration of main articles in the Covenant of the League—these, as we have said, ought to be regarded as exceptional and solemn functions of the nations in Supreme Congress. The periodical meetings, if triennial, would do more to refresh thought and focus purpose for the development of World-Government and World-Partnership than could be done by the ordinary political institutions of the League. These will soon be taken too much for granted by public opinion everywhere. Full Congress could be summoned at shorter intervals than three years if desired by a stipulated majority of the Executive or of the Assembly. It is suggestive to note that in the case of the Universal Postal Union, the supreme authority is the Congress of Plenipotentiaries which may meet every five years—the interval is sometimes longer—or on demand by two-thirds of the Governments.

The Executive Council or Cabinet.

(2) The whole normal efficiency and indeed the life of the League would depend, needless to say, upon its Executive. Here it is exceptionally difficult to foresee how in the end structure will have to be adapted to function. There has never, perhaps, been a case in which a governing body had to be created so much in advance of knowledge with respect to the actual duties it will have to do. No former experience nor analogy can enlighten us. How the business of the League will develop, or what will be its emergencies, or how frequent may have to be the meetings of the governing body, cannot yet be closely foreseen by anyone. But it is pretty certain that the chief "Board of Directors" for the world's common concerns will have enough on its hands for some years to come and will

have to be ready to deal with the incalculable. Three things are certain about the Executive Council or Cabinet. It must be authoritative as representing the real power behind the League. It must be small and compact. And whatever it may at the outset propose to itself as to the frequency of its proceedings, it must hold itself ready to assemble at a few hours' notice while Europe remains unsettled. There are many guns at large in Europe and bombs have become familiar; and whatever may be done about disarmament, there will be many places where in the next few years the guns and bombs may "go off of themselves." Apart from exceptional emergencies of a larger or lesser kind, the regular business of the Executive must be of a momentous nature. It must keep an oversight of all questions, movements and tendencies concerning the principal interests of the peace-system. It must try to prevent any disquieting influences from coming to a head. Questions of armaments will often engage it. It must discuss what might have to be done not only in foreseen emergencies which will actually occur, but in view of contingencies which after all may not come. The governing body will have to read many reports. Representations, appeals, entreaties from Eastern Europe are bound to be constant. Central Europe for a considerable time must be standing subject-matter. Membership of the Executive will be a position of the utmost distinction and of equal responsibility. Sooner or later it will have to be what is called a whole-time occupation, no doubt with provision that the Prime Ministers of the Great Powers might attend at any time. Only an Executive Council of this compactness and authority could be relied upon to bring the different Governments to common action with the promptitude required to cope with a crisis before it went too far, or to prevent it from arising.

Each of the Greater States—whom we may prefer to call the Responsible Powers—should be represented in this Executive Cabinet, so as to secure to them the

preponderance, but with added members representing groups of the smaller nations.* How invaluable, for instance, on such a Cabinet would be personalities like M. Venizelos or President Masaryk! The Greater States are far from including all the greater statesmen. Why should not each Government of a Great Power have as one of its own members a Minister to the League of Nations? On the Executive Cabinet he would represent the Government concerned unless the Foreign Offices were so reorganised in several countries as to make that duty the most important function of their Foreign Secretaries. The Prime Ministers of the Responsible Powers, as has been said, should at any time be able to attend. But the problems of peace are not like those of war. Any tendency to make the Executive Cabinet too closely resemble in its methods the Versailles Council of the Allies might well be a little checked. Too much ought not to depend upon the occasional attendance of the highest personages. It is above all things desirable that the Executive Council shall be able to meet frequently and at short notice, and that high authority and efficiency shall belong to its most normal proceedings.

III.

The General Assembly.

(3) This would be the larger and more public body required, as has been shown, in the assumed absence during the earlier years of any Representative Assembly of a Parliamentary kind. This General Council of Nations would be composed of delegates from

* This sentence was written before the writer had knowledge of the similar suggestion published by General Smuts. The Universal Postal Union—a model for World-Government in so many ways—is on the widest basis of international representation, but has always conceded in practice preponderant control to the Great Powers by informal methods.

all the States, great and small, members of the League, every one being directly represented. The Greater States might have larger representation in a proportion to be fixed—a somewhat troublesome detail, but a minor difficulty in practice, however ingeniously it can be exaggerated in theory. Even the Universal Postal Union has solved that problem. The delegates would be nominated by their Governments, but ought not to be exclusively of an official type. The General Council thus formed would be a deliberative body, holding annual sessions at the chief centre of the League, whether it is to be Brussels or elsewhere. It could debate any question, and its debates ought to be public and reported. Careful note of all indications of feeling or desire afforded by its discussions would be taken by the Executive Cabinet, the Sovereign Governments—especially the chief Responsible Powers—and by public opinion in all countries. It would be the best political barometer for all concerned with the welfare of the League.

A large part of this Council's practical work would be done by its Standing Committees for suggesting improvements in international law or projects of identical legislation for the different countries, so as to bring into line their domestic laws wherever uniformity would be a general gain to civilised convenience and progress. That there is a large field for useful procedure of this kind has been shown in discussing the idea of a Representative Assembly. The General Council would not be directly a legislature, but if the delegates were well chosen could hardly fail to be an originating and effective influence on international legislation built up by the identical or similar measures carried through the various national Parliaments on the suggestion of the General Council of the League. It would not be a "Parliament of Man" on an elective basis, but might prepare the way for it, and be a most excellent substitute. The General Council cannot be dispensed with if there is to be a living League.

The Secretariat and Adjuncts.

(4) These would be the necessary expert departments formed on the political side by the permanent official staffs. There would be at least required:—

(a) *The Secretariat.*—This, directly subordinated to the Supreme Congress and Executive Cabinet, would be the Central Office for all the administrative routine of the League. It would conduct all ordinary correspondence and conversations with the Governments of the various countries or their representatives, and with other agencies and persons. It would keep all necessary official records and minutes in connection with the Executive Cabinet and the General Council and with official proceedings of all kinds. Forming in some sort, as well, a Clearing House for Foreign Affairs, it would be altogether a department of infinite importance. Many persons believe, indeed, that this permanent department though nominally subordinate to statesmen would have in its hands the destinies of the League to make or mar; and that whoever might be professional chief at Peace Headquarters would be the principal person in the system. He would have to be of the calibre of a man like Sir Maurice Hankey. But by whatever imposing name he were called, whether Chancellor or other, he would be the Organising Secretary of the League for World-Government, and everyone knows how much that implies.

(b) *The Publication Department.*—Unless the League is to be endowed or otherwise financed on a beggarly scale by contrast with its purposes, the section for publication might well be separate from the Secretariat or at least a specialised branch. The Pan-American Bureau is an admirable model, with its great library and its bulletins and its agencies for keeping an oversight of political, social, and economic movements. The debates of the General Council would be published by this department. Its reports and monographs might make it the most effective propagandist agency of the peace-system.

(c) *Office Co-ordinating the Pre-War International Institutions.*—It has been seen that a score or so of detached institutions which were real organs of World-Government and advance-agencies of a League of Nations existed before the war. We need not recapitulate the list given in a previous chapter. The Postal Union, Telegraphic and Railway Unions, the Institute of Agriculture, and the rest—no less than fourteen of them have already permanent offices at Berne or elsewhere—are ready to be taken over by the League. Many of them would work most closely with the economic side of its system when fully developed, but for the present would best come under the supervising and co-ordinating department suggested in this paragraph.

(d) *The Strategical Branch.*—Since it is agreed that in a last resort armed measures for prevention or repression may have to be undertaken in the name of the League, there would be required a department of military, naval, and aerial experts to discuss all means and possible methods of action in various parts of the world.

(e) *The Treasury.*—Look at it as we will, we perceive that the expenses of the League, however met on a proportional system of contribution to be arranged between the members, would be considerable from the start and would be certain to grow. They would be insignificant by comparison with the Budgets of moderate States, or with even the pre-war cost of any single great fighting service in the world. But the Exchequer ought to be in good hands to enable the League from the outset to do much work on relatively little money. More ample funds than are likely to be provided would be well bestowed.

IV.

The High Court and the Council of Conciliation.

(5) and (6) Finally—so far as concerns the non-economic side—we come to those great judicial and

mediating functions essential to a League of Nations. They have been treated by many or most writers as the head and heart of the entire subject. They are indeed of surpassing importance, and must be taken together. I have postponed them of choice to this point in order to give them fuller treatment. It may show that even these functions by themselves, however necessary in themselves, could not be sufficient for the deepest and most continuous needs of a system contemplating so great a thing as the organisation of enduring peace.

Consider first the *High Court of Arbitration.*

As a means of averting war over one definite class of disputes, this judicial body has been more discussed than any of the offices and institutions already tabulated. We may conceive it as an august tribunal, respected throughout the world as is the Supreme Court in America, and composed of international lawyers of the first rank. Each country in the League would bind itself to submit absolutely to the Court and its decisions all disputes of what are called a "justiciable" kind. This phrase has mystified the popular mind, but its meaning is very simple. "Justiciable" issues are those, for instance, which arise when the meaning of the words of a treaty is disputed; or whether an alleged fact was so or not; or whether an admitted fact in a particular incident was or was not a violation of a Treaty or of an accepted principle of international law. Compulsory provision for recourse to the High Court of Arbitration in such cases is the most certain aspect of the League of Nations. This will clear away many disputes which would otherwise be likely to end in hostilities, especially between the smaller countries. The category of "Justiciable Issues" may be regarded as a compulsory extension of the sphere of assured peace.

Yet the *Council of Conciliation* would be more important still, though working by different means, and composed more of experienced statesmen and diplo-

matists than of eminent lawyers. For this Council might have to deal with all the matters most critical for the peace of the world, and such as have been the cause of all the great wars of the last half-century. These are the high matters of quarrel, as in the case of the assassination of the Archduke Ferdinand, which precipitated Armageddon itself. The allegation then made by Austro-Hungarian policy was that the murder was either the direct work of Pan-Serb conspiracy, encouraged by the Government of Serbia proper, or was the result of the atmosphere of that movement as asserted to be tolerated and nourished by that Government. In reality, as we know, Vienna and Budapest, like Berlin, were only waiting for a pretext. Aggressive Governments rarely avow their real motive in going to war.

These conflicts of feeling and general antagonisms of policy are called the "non-justiciable" issues because they are in no way susceptible of purely legal determination. They cannot come within the judicial purview of the High Court. Yet if there were no new way of dealing with them, nothing else on the political and juridical side of a League of Nations could offer any new guarantee whatever against the recurrence of the greater wars.

When so much is said, the dominating importance of this part of the subject is only too clear. A country which wanted to go to war, if it were only bound to preserve the peace on "justiciable issues," would be certain to escape restraint, even on these. It could raise or allege whenever it liked some issue of another kind. In the fable, if remembered rightly, the Wolf in his final dealings with the Lamb changed the argument from a "justiciable" to a quite "non-justiciable" issue. Had the water been muddied? That was a question of fact. Had the Lamb called ill-names a year ago? Evidence would satisfy a legal tribunal that at the date of defamation alleged the little victim was still unborn. But the Wolf plumped for the non-justiciable

issue when, whatever else might be said, he refused to be "argued out of his supper."

How, then, is it proposed to proceed? In these more critical and difficult cases there would be compulsory provision for conference, mediation, and delay. Recourse to the League's "Council of Conciliation" would be binding. There is yet no agreement as to whether it should have power in the last resort to give a decision equally binding. This is the practical crux of the whole problem of peace. But there is universal agreement about the main conditions of compulsory mediation. The Council of Conciliation would use every means of inquiry and persuasion to bring the parties to a settlement. A period would be allowed for sudden passion to cool and for wisdom to reassert itself. Pending the expiration of that period, any resort to hostilities by either party to the dispute—like the refusal of either to seek the good offices of the Council to begin with—would be regarded as an international crime, to be suppressed and punished by armed power employed in the name of the League, or by economic power, or by both.

Here, however, we must recall attention to a comment which has just been made, and we must stress its importance to the utmost. The doubt whether there shall be any sure power—after delay and persuasion have done their utmost in vain—to enforce the decisions of a tribunal of Conciliation, has been so far the real crux of the whole peace-problem. The difficulty has seldom been thoroughly faced. Whether the Paris Congress will face it remains to be seen. The majority of the advocates of a League of Nations have never been able to make up their minds as to whether war ought to be absolutely forbidden or not. Indecision or ambiguity on that point would be quite certain to lead to very dangerous emergencies—perhaps to the end of the peace-system and the League. Some undoubtedly earnest supporters of World-Government seem at the same time strangely to contemplate allowing an

approved state of hostilities between parties whom all efforts or provisions might fail to reconcile; and this upon issues of the very kind which have hitherto most usually led not only to wars but to the greater wars. A crime committed in a corner of Bosnia involved nearly the whole world in Armageddon. So local hostilities, if permitted at all, might spread again. This is well known to everyone acquainted with the working of international affairs. It is of all truths in connection with the subject the most familiar and the gravest. Any legal gap whatever left open for the return of war would probably be in the end the hole in the dyke, widening until the entire barrier gave way and a deluge of bloodshed swept once more over civilisation. Let us be quite clear that lasting peace never will be secure until two things are made to happen. By economic and political means alike the interests of all the Great Powers in the maintenance of a peace-system, based on the organisation of common advantages, must be thoroughly at one. Then the spirit of any Covenant of the League must be expressed not in fourteen points, nor in any new international decalogue, but in a single Commandment for the world:—"There Shall Be No War."

V.

This, then, is a sketch of the least degree of organisation with which any real League of Peace can begin on the political and judicial side. There is no doubt that it would be in some ways and for some time an almost immeasurable improvement on anything which has yet existed in international policy. It would be a first system of World-Government by consent, and hitherto there has been no system. We cannot doubt

that the mechanism which has been described would avert some wars almost certain to happen without it. But the efficiency of these institutions depends too largely on the less formal but more substantial guarantees. These for the moment are complete owing to the omnipotence of the Allies and America, but the relationship of the present Responsible Powers to all the rest of the world cannot permanently continue to be as overwhelming as it is now. That relationship would be changed by a full restoration, certain years hence, of either German strength or Russian. Any combination of both these would change utterly present comparisons.

As against any criminal offender breaking or menacing the new law and procedure for the preservation of the general peace, everything indeed depends on maintaining in the League the overwhelming majority, willing and able in the last resort to employ coercive action. There is yet no assurance whatever that this vital guarantee will remain operative. The assumed approach to an effective consensus of mankind does not yet exist. Practically America and the leading European Allies are setting up the League. This tutelary combination is for the moment very strong. But, first, its united forces will not be easy to remobilise in any future emergency—it would be wilful blindness to ignore that difficulty. The associated armies now camped along the Rhine, in a way enabling the four Responsible Powers to impose their decisions with respect to a Peace Treaty and to set up a League, will presently disperse to the ends of the earth. There is no moral or practical sanction either by the late enemy peoples in Central Europe—Germans, Magyars, and Bulgars—forming together about 100,000,000 of mankind; or by populations numbering well over another 150,000,000 in the territories formerly belonging to the Russian Tsardom.

If both these latter groups, who are geographically contiguous, were ever brought together, whether by

the progress of social revolution or by a return to reaction, either the effective predominance in every kind of Continental force would belong to them, or at least the balance of authority in the world would be again wavering and disputable. In a word, the concrete guarantees for the prolonged maintenance of peace, however promising they may seem, are obviously much less general and powerful than at the time of the Congress of Vienna, when the associated guarantors included all the Great Powers without exception. There is as yet, then, no approach to what is most required—the fullest collateral security for the effectiveness of the political, judicial and mediating functions of the Leagues.

That security can only be furnished by something nearer to an organised consensus of mankind adhering on substantial and unmistakable bases of common interest to the cause of a willing peace. The means likely to bring about this more living and progressive system of peace, these more natural, wider and stronger bases for its permanence, will not be provided by the political-juridical part of the coming Constitution of the League, or by the present exceptional position which gives America and the chief Western Allies a real dictatorship.

Above all, if the constructive plan were confined to anything like the constitutional and diplomatic system we have examined, the deepest forces actuating and suggestionising the modern masses of mankind would be ignored. In one respect the inadequacy of what we may call the pre-war Hague system, with its Court and all its Conferences, would be repeated. There would be better means of dealing with some political causes of war. There would be no better means whatever for dealing with the economic causes of war. But we have seen what a profound part the economic causes played in German psychology and action before Armageddon.

We see what part the economic factors are playing

now. They work under everything else and through everything. The Russian question in its entirety is one of wild economic revolution creating an absolute need for new economic conditions of political cohesion and social stability. The German question is almost as much engrossed by national economics. In the future, more than ever, it will be profoundly influenced for good or ill by international economics. But in every other country also the issues raised by finance, industry, and the claims of the workers; by war-debts, taxation and wages; by production and employment; export and transport; and, above all, by new efforts for adjustment, or new collisions, between capital and labour—these are the decisive problems.

To ignore them would be to make the League of Nations little more than a precautionary system dependent on transitory safeguards. It would be little more than a negative and limited method, perhaps only a delaying and deprecatory method, of attempting to deal with the war-spirit whenever that spirit threatened to revive. The efficacy of the precautions might obviously be least when the danger was greatest —when the tendency for the Great Powers to split again into two tolerably well-matched groups was most serious. The present preponderance of authority and arms on the side of the present Responsible Powers, cannot by any possibility be permanently maintained to the same relative extent as now exists. If we do not allow ourselves to be hypnotised by exaggerated impressions created by a balance of force which in time must be somewhat lessened and may cease, we shall need no further reasoning to convince us that the coming political and juridical institutions of a League of Nations, however highly necessary and excellent in themselves, are insufficient by themselves for the durable security of any peace-system.

VI.

This brings us, then, to the argument for giving the League of Nations, regarded as a new way of working together, a full economic organisation parallel with the other side of its Constitution.

Just here we come to the turning-point of thought upon the principles and functions of the League regarded as a permanent and developing system.

Mention has been made already of the obvious and necessary means of control other than armed power, or additional to it. We have to consider the alternative or addition of the economic boycott or interdict as a practical instrument. This brings us to the essential working connection between the political and economic sides of a peace-organisation. The "boycott" of offenders is now universally contemplated as a drastic resort. This shows of itself that both sides are necessary. For stopping traffic and intercourse with any country in emergency—for sealing up its frontiers by land and sea—plans would have to be worked out in advance, and for applying them promptly expert bodies would have to be created. But is there any reason why those bodies should be dubiously confined to negative and intermittent action? Is there not every reason to the contrary? Wider than anything yet suggested in these pages must be the economic scope of the League—if seriously bent to organise the peace of the earth and not fribbling or fumbling with its subject. In July, 1918, at the very moment when the tide was turning in favour of the Allies, though he could not yet have known it, Lord Robert Cecil struck the keynote of the future when he said:

> "I hope the time is not far off when we shall meet round the council board to discuss the resources of the civilised world in the joint work of reconstruction and the restoration of prosperity."

Who can doubt that this is the searching vision? We must look more deeply down into the causes of war,

as they lie at the very roots of existence, instead of waiting always to cope with the poisonous outgrowth when rank above the surface. In the twentieth century we must advance largely beyond purely political ideas as old as Sully or William Penn, if indeed the recollection of all the young dead who had more natural right to live than most who still breathe, is to move us to be thorough in trying to make a better hand of the world's affairs. We are prescribing for symptoms only when we talk and devise as though our business were to smooth or repress or limit the effects of resurgent war-temper instead of removing its underlying origins. That is not to be done by a formal, legalistic régime relatively negative in its character unless when galvanised at uncertain intervals into the positive energy of coercive spasms. The hopes now fixed upon the Great Peace can only be realised by continuous, creative, mind-changing, life-changing action. Individuals and nations are learning that the science of sound habitual health is of more importance for the future than the most skilful treatment of diseases which might have been avoided altogether by another environment or by a different manner of living. A Ministry of Health, even in a comparatively sanitary land like ours, could do infinitely more to eliminate disease by positively organising health than the most skilful medicine can do by working against disease after it appears. Are we always to think dully of averting war whenever it threatens to come near? Can we not think at last of firmly organising more substantial motives for concord in peace? Can we not adopt, here and now, plain, concerted measures for the greater happiness of mankind?

Let us see well what part economic force may play both for the more limited purpose and the larger. First, for coping with any threat of war; second, for creating a normal order which will make peace as natural a condition for the world as health ought to be for the individual.

What, then, are the practical dangers to be expected if we look no further ahead than the next ten or twenty years? After trying to visualise the political and judicial part of the working system of the League we must next try to visualise the circumstances with which it will have to cope. A chief danger will be that the Bolshevist virus may continue to work in the new body politic of civilisation. Even the triumph of the Associated Powers is like every former change in history, bringing fresh troubles and perils no less than many advantages. Nearly every contact with a new country has endowed the discoverers and others with a new disease. In other ways penalties dog the footsteps of progress. That lesson of all wider human movements has been familiar in the West since the Crusades. It may be applied more or less to every epoch. In ours, Bolshevism and social violence of every kind have a power to spread they never had before. Thus, another danger, perhaps the chief, may be that class-struggles bursting into flame will overleap national frontiers and spread general conflagration.

But these are things which could not be dealt with at all by the Council of Conciliation, much less by the judicial High Court. These are things which the General Council of Nations in its debates could not touch seriously without peculiar risk of disruption amidst charges and counter-charges of partisan bias either for capital or labour, for the bourgeoisie or the proletariat. Its members would accuse each other of meddling with internal affairs, of tampering with national sovereignties. Even if instead of such disputes there were fairly full agreement it would be difficult for the League to cope by any kind of timely armed intervention with party or social antagonisms breaking out into civil war in any country and exciting similar convulsions amongst its neighbours.

These are not speculations of a sombre fancy, but the plainest possibilities of the next decade in all Central and Southern Europe. Nothing at all in

Eastern Europe is yet certain, but that everything is uncertain there, and will remain so for some years.

The League could not interfere in such cases without acting in the interest of one or the other domestic factions, one or the other social class. This would raise the widest and most acute controversies amongst the democracies. There would be hesitation amongst the Governments, dissensions between them. Any kind of armed action might come too late to avert such a sudden spread of revolution or reaction as might lead to general war. The same horizontal divisions between parties and classes in several or many countries—instead of vertical divisions between nation and nation or their groups and groups as hitherto seen—might paralyse the League. From various causes its Governments might themselves fall into groups again, with no overwhelming or assured predominance on either side. That situation might mean another Armageddon.

Next let us consider the position of races like the Germans, the Magyars, the Bulgars, whom the peace-settlement, in any case, will leave discontented. Neither their memories nor their desires to be quits somehow, at some time near or far, would be changed if the League had no more to offer them than the political and judicial institutions. The chance of these three races to strike might come in such perfectly thinkable circumstances as we have just described. The spirit of powerful classes and influences in Germany is as yet totally unchanged. They are unrepentant, and they make no confession of sin. Their only regret is that German frightfulness did not succeed in doing all it tried. Some of the Majority Socialists themselves are of this mind—that stirring section of them whom I have ventured to call Pan-Germans, without the pikelhaube. For one thing, these are mostly agnostics of the raw school who for what they call the sentimentalism of Christian principles substitute what they imagine to be the realism of

a Darwinian code. The forces which have been the mainstay of Pan-Germanism might get the upper hand. They might inflame the populace for what they would describe as the rightful recovery and enlargement of Germany's position in the world. They might fight again if there were more weakness and confusion around them than now; if public opinion elsewhere were in domestic disarray; or if the Governments of the League were at sixes and sevens; or re-divided with anything like tolerable evenness into opposing groups.

In such circumstances any extent of disarmament that might be carried out would not conjure away the international peril, and might only aggravate it. Effective sea-power, once impaired, is the hardest form of war-power to improvise. Air-power will be the easiest. There will be swarms of aeroplanes for civil uses in all countries, certainly in Germany, and these could be turned into weapons of attack. Apart from that, the late war has taught Britain and America nothing if not the astonishing rapidity with which fighting power of all kinds on land can be improvised by any highly-developed industrial society. The force of these reflections will be supported with more detail later on in the separate chapter on armaments. This is an unpleasant analysis of the contingencies which might wreck peace and the League, in spite of all its political and judicial provisions; but they are possibilities that have to be faced, and it would be madness not to face them.

The juridical rudiments of World-Government will not be enough. Neither the periodical Supreme Congress, under the guiding auspices of the Responsible Powers, nor the Executive Cabinet, under the same, will be enough. The General Council of Nations, with all its sessions, committees, and debates, will not be enough. The High Court of Arbitration and the Council of Conciliation will not be enough. Even disarmament will not be enough. It might only make wars easier to improvise if there were not a total altera-

tion in other arrangements of the world. Without a new kind of world-partnership as well as World-Government; without the firm co-operation of the British Empire and the United States in that system, to maintain amongst nations a creative system of mutual service for enhancing common interests by economic means—nothing whatever would be enough to guarantee the peace and safety of the world against the relapses into massacre and ravage which always hitherto have returned.

NOTES ON THE FIRST COVENANT OF THE LEAGUE OF NATIONS.

As these pages go to the press, the historic event they contemplate has happened—for the most part in the form analysed in the foregoing chapter, but with important differences. Subject to the approval of the American Senate, the League of Nations is founded; or at least the order for its foundation has issued, and the architectural plan is drawn. There is full opportunity for the revision of that plan before the close of the Paris Congress, and early additions are expected from the League itself.

The Covenant, unanimously adopted by fourteen consenting nations, was read by President Wilson in the memorable sitting of February 14, and significantly was read in English. It is admittedly the joint work of English-speaking statesmanship, America having had the largest influence in determining the principles and Britain the chief part in the constructive application. By coincidence, the number of original States adhering corresponds with the number of Mr. Wilson's famous points, and comprises the following fourteen:—The United States, Great Britain, France, Italy, Japan, Belgium, Brazil, China, Czecho-Slovakia, Greece, Poland, Portugal, Roumania, Serbia.

Momentous as is this document, its use of legal phraseology and of repetitions is cumbrous and somewhat exaggerated in a manner that may convey to irreverent minds an irresistible suggestion of the country solicitor. It was intended to gain clearness and definition by these means. The Covenant, nevertheless, is hard to summarise, and in some passages not easy to construe, though on study its meanings are plain enough. We may venture to epitomise it, adding a brief running commentary, and afterwards considering the main effect upon future issues of peace or war.

It must be said at once that the feature differing most

considerably from proposals previous to the Congress is that which entrusts the "non-justiciable issues," the class of disputes hitherto the more usual and the deeper causes of war, not to a standing Council of Conciliation nor to authoritative International Commissions specially appointed from time to time to serve the same purpose, but to the ordinary ruling institutions of the League—the Executive Council and the General Council of Nations. The latter is singularly called in the Covenant the "Body of Delegates."

Next, the conditions make the working of the League depend even more than was expected—which says much—upon the efficiency of the Secretariat.

Thirdly, the principle of unanimity between the adhering nations is emphasised. No majority, however large, according to the Covenant as proposed, can set in motion the repressive powers of the League in the most critical cases. For full action absolute unanimity is required. This provision accentuates the contingencies of danger discussed towards the end of the immediately preceding pages.

If these three points are kept clearly in mind the analysis of the Covenant will be better followed.

Analysis of the Covenant.

There is a preamble and twenty-six articles.

Preamble.—The object of the League of Nations is to promote peace, law, and justice by international co-operation and scrupulous respect for all treaties as for the provisions of the League's Constitution.

I.—There shall be an Executive Council, a Body of Delegates forming a larger deliberative Council, and a permanent Secretariat established at some place to be chosen as the chief seat of the League.

II.—The Body of Delegates shall directly represent every nation in the League; each nation to have one

vote, but may have three representatives. Meetings at stated intervals or as occasion may require.

(*Note.*—This "Body" would be, in fact, a General Council of Nations as contemplated in the foregoing chapter. It might be an assembly of from seventy to a hundred members when the League is enlarged in due course to include over thirty States. Equality of voting-power as between, say, the United States and Siam is intended to compensate the lesser States for the preponderance of the Great Powers on the Executive. This is, nevertheless, a weak provision, and ought not to remain unaltered.)

III.—The Executive Council shall represent the five Great Powers. United States, British Empire, France, Italy and Japan, and representatives of four other States shall be chosen by the Body of Delegates "as they think fit." Meeting as occasion may require and at least once a year.

(*Note.*—General Smuts has been the chief author of this article. In practice, the preponderance of the Great Powers is seen in the working of that admirable model the Universal Postal Union.)

IV.—The two Councils to decide by a majority their own forms of procedure.

The first meetings of both shall be summoned by the President of the United States.

V.—The Secretariat with staff required shall be under a Secretary-General who shall act in that capacity for both the Executive and the General Council. Expenses of the Secretariat to be borne by members according to the example of the Universal Postal Union.

(*Note.*—To support the Bureau of the Postal Union, its members are divided into seven classes. Each member of the first class pays twenty-five units; the other classes contribute by lessening sums.)

VI.—Representatives and officials of the League and its buildings shall enjoy diplomatic and extra-territorial privileges.

VII.—After the first formation of the League by the original fourteen States and others already invited to adhere, new members (Germany for instance) shall only be admitted by the consent of at least two-thirds of the Body of Delegates. Fully self-governing Dominions and Colonies to count as States.

VIII.—Recognition, as a principle, that armaments must be reduced to the lowest point consistent with national safety and international obligations. Evils arising from the private manufacture of armaments are to be further dealt with. The States shall fully and frankly inform each other both as to their armaments, and their industries capable of conversion to war-purposes.

IX.—Creates a permanent technical Commission to advise on the execution of Article VIII. and on military and naval questions generally.

X.—Mutual guarantees for the territorial integrity and existing political independence of each State in the League.

XI.—Any war, or threat of war, in the world, whether immediately affecting any member or not to be a matter of concern to the League. Any member may draw the attention of the Executive or the General Council of Delegates to any matter threatening to disturb the peace.

XII.—Members, as between each other, will in no case resort to war without previously submitting the dispute either to arbitration or to enquiry by the Executive Council; nor for three months after an award or recommendation; nor even then against any member complying with the award of arbitrators or recommendation of the Executive. An award shall be given "within a reasonable time." The Executive shall make its recommendation within six months.

XIII.—The "Court of Arbitration" shall be the Court agreed on by the parties to a dispute or stipulated in any convention between them. In case of any failure to carry out in good faith any award, theExecu-

tive of the League shall propose what steps should be taken.

XIV.—There shall be established a Court of International Justice competent to undertake any arbitration.

(*Note.*—This is the institution discussed in the foregoing chapter as the High Court of Arbitration.)

XV.—Graver disputes not submitted to arbitration shall be referred to the Executive Council or Body of Delegates. The latter Body may be invoked at the request of either party to a dispute. If the final recommendation of the Executive or the Delegates is unanimous it shall be applied and, if necessary, enforced. Resort to war by either party to the dispute shall not be permitted. In the absence of the unanimity requisite for action the majority and minority of the Executive or of the Delegates shall publish their respective opinions.

(*Note.*—This is the critical article of the whole Covenant, and much the most hazardous. It greatly increases the risks and dangers contemplated in those pages of the foregoing chapter which deal with "non-justiciable" disputes and with methods of mediation. Any party to a dispute can refer it to the Body of Delegates. The veto of any single State in the League could apparently paralyse its action in the most dangerous cases, and permit war to be renewed. The possibilities of intrigue and abuse invited by this article are endless. It might enable any country intending war to drive a coach-and-six—or, rather, the chariot of Mars—through the whole Constitution of the League. This is altogether a weaker provision than had ever before been contemplated in connection with a peace-system. In a word, under this provision any Power which wanted to go to war with a neighbour would almost certainly be able to go to war. Amendment before the close of the Paris Congress is greatly required. It would be far better to revert to the familiar proposal, discussed in the preceding pages, for

setting up a permanent Council of Conciliation or constituting special tribunals of a similar character to deal with each dispute as it arose. Political bodies like the Executive or the Delegates are peculiarly unable to command the kind of confidence—in their impartiality and freedom from pre-possession—required for dealing with such matters as would be in dispute. Action would necessarily depend on the two Councils; and it would seem that when they had received the recommendation of the mediating tribunal it ought to be enforceable at least by an overwhelming majority—say, four-fifths or even three-quarters on the Executive Council and in the Body of Delegates.)

XVI.—Provides for punitive action by the League against any member outraging its laws by refusing to submit to an award of arbitration, or to a unanimous recommendation by the Executive or by the Delegates. Against the offender or offenders the economic interdict or boycott shall be applied in its fullest severity and no intercourse shall be allowed. No neutrality, even of non-members of the League, shall be allowed. The members of the League shall severally contribute to any armed forces required; shall support each other to minimise any loss or inconvenience caused by the economic measures; and shall afford passage through their territories to the League's forces.

XVII.—In disputes involving any non-members, the latter shall be invited by the League to accept all the above provisions for arbitration or mediation—except as these may be modified by the League to suit the circumstances—and if the invitation is refused, or the procedure which would follow from it is not respected, the League may take such action as will prevent hostilities or enforce a settlement by all or any of the means provided under Article XVI.

XVIII.—The League shall take over the supervision of the trade in arms and ammunition in regions where such control is required in the common interest.

XIX.—The ex-German colonies and Turkish terri-

torities shall became estates of the League, to be held as a "sacred trust of civilisation" for the welfare of the inhabitants of those territories. Single Powers shall be appointed as mandatories to administer in this spirit on behalf of the League. The character of the Mandate must vary with the circumstances of different territories. South-West Africa and certain of the South Pacific islands shall be administered by the Mandatory State as integral portions of its territory. In every case a Mandatory shall render an annual report to the League, which shall establish a Mandatory Commission to supervise the execution of this article.

(*Note.*—The mandatory system is anticipated and fully discussed in a later chapter of the present volume.)

XX.—Establishes a permanent Bureau of Labour to promote an international labour-code—"fair and humane" conditions for men, women, and children everywhere.

XXI.—Provision for freedom of transit and equitable commercial treatment for all the members of the League.

XXII.—All pre-war international bureaux (like that of the Postal Union) established by treaties to come under the League if the parties consent, and all such bureaux created in the future shall be organs of the League.

XXIII.—All treaties and engagements hereafter entered into by members of the League shall be forthwith registered with the Secretary-General, to be published as soon as possible. No treaty or engagement shall be binding until so registered.

XXIV.—The Body of Delegates is entitled to recommend from time to time the reconsideration of treaties which have become inapplicable, and of international conditions whereof the continuance might endanger the world's peace.

(*Note.*—Reasons have been given for thinking that these matters of confirming or revising treaties and reviewing the world's problems from the point of view

of the interests of peace ought to be dealt with only by periodical assemblies of Supreme Congresses, like that now sitting. No provision is made for future Congresses, but we have seen them to be highly advisable.)

XXV.—The Covenant abrogates for members all previous engagements inconsistent with its terms, nor shall any engagements inconsistent with those terms be contracted in the future.

XXVI.—Amendment of the Covenant requires both the consent of the States represented on the Executive Council and a three-fourths majority of the States represented by the Body of Delegates.

The writer, it will be seen, has nothing to change in the reasons and conclusions of the chapter preceding these Notes. In a democratic age certain names convey their meaning, and others do not. It would be far better to call the "Body of Delegates" what they would be in fact—the General Council of Nations. For every reason there ought to be some change in the arrangements for giving the United States only the same voting-power as Siam on such a Council. The principle of absolute unanimity by which in effect the veto of a single State might paralyse the League in the most dangerous cases seems, above all, a provision to be amended if Powers intending war are not to have one of the largest loopholes that a peace-system could present. In view of this weakness, France has more reason to dread difficulties in bringing together the military forces of the League. The Covenant marks a great date for mankind, but it strengthens in every way the argument of this book that in economic organisation of common interests by real World-Partnership lies by far the best hope of any peace-system which means to endure long after our time.

CHAPTER XI.

THE FULL LEAGUE FOR ECONOMIC PARTNERSHIP AS WELL AS POLITICAL ASSOCIATION: WORK AND WELFARE THE MORE LIVING ELEMENTS OF THE INTERNATIONAL AS OF THE SOCIAL PROBLEM: THE REAL WILL TO PEACE AND THE CONSEQUENCES: FIRST PRINCIPLES IN THE ORGANISATION OF COMMON INTERESTS: THE "ECONOMIC BOYCOTT" AS THE LEAGUE'S SUREST ARM: CENTRAL EUROPE WITHOUT COLONIES MEANS THE CENTRAL QUESTION: CONSTRUCTIVE SOLUTIONS: HOW SUPPLIES MIGHT BE GUARANTEED TO THE GENERAL ADVANTAGE: INTERDEPENDENCE WITHOUT IGNOMINY: EFFECTIVENESS OF CONSULTATIVE COUNCILS AS IN THE BRITISH COMMONWEALTH: DEVELOPMENT CAN ALWAYS COVER DEMAND: SPHERES OF EQUAL COMMERCIAL OPPORTUNITY UNDER THE LEAGUE: A REGENERATED GERMANY'S SUBSTITUTE FOR PAN-GERMANISM: THE ESTATES OF THE LEAGUE: CENTRAL AFRICA: THE UNITED STATES AS WARDEN IN THE MIDDLE EAST: THE WORLD'S BEST HOPE.

In the words of Lord Robert Cecil, we have now in the time of transition to use "the resources of the civilised world in the joint work of reconstruction and the restoration of prosperity." But beyond that, and above all things, we have to seek the organisation of thorough peace by mutual service between nations on the bases of their living interests. That is the New Way.

That work must deal deliberately, though by degrees, with the commercial and industrial conditions of modern interdependence. As evidently must it deal with such causes of social unrest—and they are the chief—as tend more and more to exhibit a similar character amongst the democratic masses in all industrial countries. The economic programme of any League of Nations likely to make the great dream come true may be classified under six chief heads:—

(1) The Commercial Interdict as the surest preventive of war itself.

(2) Economic independence between nations made consistent with security and with a just patriotism.

(3) Equal opportunity and the open door for all nations as regards several of the great regions of the world supplying raw material (partly food also) and requiring development.

(4) Through-traffic by airways, railways, waterways, and ocean routes to be secured and promoted by some common management largely applied to the world's communications as a whole.

(5) Due safeguards against the certain and wide increase of international operations of trusts and combines now tending to place in private hands an arbitrary power inconsistent with free Government and sound economics.

(6) Common and progressive action, both legislative and administrative, under the League, for dealing with those international aspects of the labour movement which will henceforth be a more and more important factor both for social peace and world-peace.

I.—*The Commercial Interdict.*

For the repression of war no influence can compare with the power to cut off the supplies of food or raw material; to stop traffic in goods and personal passage at ports or frontiers; to lay a whole country under a complete decree of interdict and non-intercourse. To this means of action no country likely to disturb the peace could be invulnerable. Take Germany, for example. If there were

sinister signs of reverting to war-plans there might even be a precautionary boycott. If reasonably prevented from laying up excessive stocks until there is more proof of a sufficient change of heart and more surety for good behaviour, the central race would be paralysed by the economic interdict declared in the name of the League of Nations. Germany, in that case, could only succumb as before, but far sooner. The pressure of this method would be such that the Germans would not only be restrained by it. They would be persuaded to join in its application at need for the control of Eastern conditions other than Russian.

The small nations could be most quietly influenced by respect for this method if any passionate impulse arising from an assassination, from a frontier incident, from any real or supposed insult or injury, should threaten to carry them away, or if any madness of insatiable desires should possess them. These are far from improbable cases—especially after there has been some marked recovery from the misery and lassitude immediately following the war. The boycott could bridle militarist reaction. Equally would it curb or quell any kind of anarchy.

Thus the building up of sane, good government, both progressive and orderly, could be steadily assisted. The economic interdict would have several other special advantages. Its bloodlessness would consort better with the spirit of the new time and with that of the League. It would encourage what may be called a peace-mentality. It would be altogether easier to apply it than to use armed force. It would raise less invidious questions as between Governments. No single country or group of a few members will delight in being the armed mandatory of a League with no standing force of its own. No country or group will like to lay up against itself special animosities as a result of armed intervention in which other members of the League did not participate. Yet to organise any cosmopolitan force

representing any large majority of the members would be an interminable task, if at all practicable. The King of Spain on fire would be apt to perish before the chain of water-buckets could be brought to bear upon him in accordance with etiquette. Mixed expeditions of aeroplanes, troops, or ships will raise awkward questions of command and expenses.

The decree of non-intercourse being, in any case, a supplement to forcible intervention, ought to be, wherever possible, a substitute for it. Even before the war, this development was foreshadowed by the use of the commercial boycott for political purposes in China, India, and the Balkans. It must once more be remarked that agreement between the United States and the British Commonwealth would especially be required to give ready and full efficiency to this safeguard against war. To make the method a standing alternative to the employment of armaments—to keep the commercial rod, as it were, hung up in the sight of intending offenders—preparations for prompt action would have to be worked out beforehand. This alone would make it necessary for the League to add to its political and judicial institutions an Economic Commission corresponding to the strategical branch for advising on armed measures. For other reasons next to appear, a Supreme Economic Council ought to become the largest of all the departments. It should be the most powerful in its means, the most penetrating and far-reaching in its influence, the most effective in every kind of constructive action. The Economic Council would have under it sections for food supplies, raw material, traffic, finance, and other matters as will be seen. It ought always to have one of the ablest of men at its head.

II.—*Interdependence with Security.*

Nor is it possible to overestimate the importance of this next part of the subject. It is the heart of the peace-problem. It would be better for the world to

crush Germany for ever by means no longer compatible with the conscience of the twentieth century than to leave a Germany certain to recover sooner or later, yet in a state of relative serfage and humiliation of pent-up subjection. That would concentrate the whole mind and soul of the race upon the desire for revolt and revenge. "Hope springs eternal in the human breast." Without any premature weakness which might be fatal on the part of the Responsible Powers, there must be hope for the future in Germany. It will be either hope in the results of general peace or hope for war.

If it is not to be the latter, let us consider the position. The Germans have forfeited for the present their dream of controlling the resources of their own industrial life. By land, sea and air their attempt has collapsed. The Hohenzollerns and militarism have been overthrown. The foundations of their former life and ideas have been broken up. The ruin of Russia, no doubt, has removed, for the moment, a menace and a check. This prompts already—even amongst Majority Socialists, as well as amongst financial and industrial magnates like many former advocates of pan-Germanism—certain views which will have to be firmly guarded against. But, on the other hand, the German frontiers, both west and east, are reduced. Events on the side of Poland are a far greater blow to German pride and ambition than the loss of Alsace-Lorraine. To those events on the eastern marches no appreciable part of German opinion is yet reconciled.

Above all, the dependence on other countries is now absolute. The Germans are at present suppliants to the Allies and America for the direct or intermediate uses of the world-market. They will be more than ever thrown upon the offices of other countries and continents for essential supplies and services. For foreign shipping; for all the commodities we must remember in detail—for imported iron-ore, now that

the Lorraine deposits are gone, though even before they needed some of the special quality of Swedish ore; for wool from Australasia, and cotton from the United States and Egypt; for oil-bearing products, chiefly from the British Empire; for mica, tungsten, tin, and zinc from the same; and for other materials from the most various quarters—copper, gold, nitrates, timber, flax, jute, vegetable fibres, and what not. They are petitioners for coffee and tobacco, for their pleasures as for their needs.

That is their position, reviving the old rankling feelings. In the eighteenth century, it was a position brilliantly lamented—if one may use such a phrase—by Justus Möser, whom Goethe called that "splendid incomparable man" and a "German Franklin." Envy and animosity, on similar grounds, date from Frederick the Great and Kant himself as against Britain. These feelings turned against the United States also during the 'nineties, and especially after the Cuban War. Up to that event it was confidently believed that the United States was inapt for the use of arms in international affairs, and would be unable to maintain for long the Monroe Doctrine. It was hoped that South America would fall, naturally, into the Teutonic sphere of influence. For it was assumed that the whole world would be divided between three or four super-Powers—when "the twentieth century would belong to the Germans," as General von Liebert put it.

Let us not think for a moment that such thoughts were associated only with Hohenzollernism, Junkerism, and militarism, and must disappear of themselves if Germany becomes an advanced democracy. Patriotic and democratic feeling alike were saturated with such thoughts in the time of Friedrich List and the early days of the Zollverein. They coloured intensely German revolutionary emotions in 1848. Hence a man like Friedrich Naumann, a fervent social reformer and democrat of sorts, has been an equally fervent pan-German apostle. For the same

reasons masses of German Socialists, or those voting Socialist, are still pan-Germans at heart. Any nation whatever in the same position would have similar feelings. They can only be mitigated and reconciled with the world's common interest and with the perpetuation of peace if, under the auspices of the League of Nations, there are some new arrangements making the German people, after the period of transition, and under the ordered peace-system, as sure of imported supplies as other peoples are of theirs.

If British statesmen are wise in this respect they will try to set the foremost example of sane, far-sighted policy. Germany ought to be guaranteed—and ought to be able to feel that she has been firmly guaranteed—her due share of the world's raw products, so long as she remains on good behaviour. It ought to be made her positive interest to be a willing and active associate in the League of Nations. Nothing is more desirable than that character in a New Germany. In that character she ought to have scope, even for the recovery of an honest pride.

Inter-Allied co-operation, as improved in the last year of the war, suggests the true method. We have seen how the representatives of Britain and the United States, of France, and Italy met on the Programme Committees to estimate resources for twelve months ahead and to decide on allocation. Neutral delegates, when necessary, were called in for special discussion.

In the same way, there would be constituted under the League of Nations a Supreme Economic Council with its Departments or Boards for Raw Materials, Food, Shipping. Germany would, of course, be represented fully, and the smaller nations would choose their representatives from panels. There would be common consultation on estimated needs, with recommendations to the respective Governments as regards supply so far as circumstances called for such recommendation. As in the war, Programme Com-

mittees of experts would be set up for each main commodity or related group. These would be, in the least case, amongst the most interesting and suggestive of expert bodies. They would be signally informing and useful for all the Governments concerned. Their international consultations would throw a new light on many commercial problems to the advantage of every country. Their proceedings would be a commercial form of open diplomacy, and more practicable than the other sort. Resources would be calculated, requirements adjusted. For the twelve months ahead, as in the war-settlements between the Allies, or for whatever longer period might be chosen, Germany would be guaranteed her share of the estimated exportable surpluses of the world, subject, of course, to the modifications affecting all concerned that it might be advisable to make at intermediate meetings.

If in respect of any of the raw materials wanted a shortage were shown by comparison with the quantities available, there would follow definite suggestion and action for the further development of the world's resources. Immeasurable things can be done in that sense as will be shown.

This would be a novel method indeed, but our war-experience has shown it to be workable, and, in connection with a League of Nations, its moral effect on Germany would be enormous. It would make the new system of international co-operation and goodwill a reality and a security. It may be objected that the effect would be only moral. Not so, but let us consider moral effect. Is it not the case that everything depends upon the psychic outcome of the substantial factors of life in all countries? The ultimate results of economic conditions on the feeling of peoples will do more than anything else to determine, during the next decades of the twentieth century, whether there is to be enduring peace or renewed war. We shall see better in later pages how the proposal made in this

section would be reinforced by other provisions so as to strengthen all the scheme of practical policy required to solve the problem of the economic future of the German race. It is one of the world's fundamental problems. Any measures must be boldly and broadly devised, if we want them to have a chance of acting with the success demanded for the lasting stability of a new peace-system. Under the system of standing consultation and guaranteed supplies, German industrial organisation would work with confidence. The German industrial masses would feel that their livelihood was safe and their social progress secured to the fullest extent for which any international arrangements can provide.

Simultaneously, there would be more surety against war, because vastly more to encourage the feelings and convictions making the preservation of peace seem as much the natural element of well-being for whole peoples as is the vital air to the individuals who breathe it. The more, in these conditions, the industrial life of Central Europe developed, the more completely would it be subject to the potency of the economic interdict or boycott, and to the dread of it. The stronger would be the means of controlling, by the authority of the League of Nations, any movements threatening reversion to war-instincts and war-plans.

It may be necessary to guard against misrepresentation or even perversion of what is here suggested. The proposal in this section must be taken for what it is, instead of for what it is not. We are not for a moment so insane as to suggest control of international trade and shipping by the Supreme Economic Council of the League of Nations or by any of the subsidiary economic departments. The suggestion is for a consultative organisation—like that on which the British Empire itself has come to depend—and not for a direct executive system. What is contemplated here, as in many political activities of the League of

Nations, is "a new way of working together" by consent, so as to arrive at solutions by means of voluntary adjustment.

The economic life and needs of each of the various nations would be passed in review and compared by their representatives in Council. Each main commodity, or closely-related group of commodities, required by the importing countries would be dealt with separately, as was done during the war. If there were "abundance"—to use a favourite word of the Arab story-tellers—in every respect and for all, there could only be unanimous report that the situation was satisfactory and dispersal in general good humour pending next meetings. If there were disclosed a coming shortage of any raw material, so as to cause unemployment in any country or to cut off its fair expectation of progress, that would be another matter. Report of the difficulty and practical suggestions for remedy would be made by the Programme Committees to the Supreme Economic Council of the League. This latter body would communicate with the Governments of the sovereign nations best able to develop in their territories the supplies required. In most cases organisation would be set to work by these separate Governments and the supplies needed to cover the demand would generally be forthcoming.

The working of the system would probably be improved by altering the war-practice of the Allies and America on the Programme Committees when they estimated their respective requirements for twelve months ahead. In peace-time an estimate of the needs of consuming countries for imports of raw materials and food might well be based on annual averages for three years forward. That would give the fair certainty that, with respect to any commodity where the world-supply seemed likely to come short, the yield with fair certainty could be increased within two or three years in some part or parts of the earth so as to satisfy or overhaul the demand. If it could not be

done, Germany, like every other member of the League, would know the reason. No imputation of selfish mercantilism could lie against the great colonial Powers.

From this system the British Dominions overseas would probably gain as much as any consuming nation. They would gain by continued, definite expert suggestion as to the ways and means by which their natural resources could be increased for the need and use of the peoples who are importers of food and raw materials. No country would benefit more by such a process than Great Britain. The development of South America would be stimulated in the same way by a Pan-American Economic Council, led by the United States, in touch with the Supreme Economic Council of the League of Nations and always furnished with the recommendations of its Programme Committees. Opinion in France would widely favour a plan of this kind. Germany would profit also; but that Germany, as well as other countries, should profit largely and surely under such a system would be one of its main purposes. War is fundamentally a form of international competition. We have to replace that evil more and more—if we have the real will to peace—by the extending practice and more confirmed habit of international co-operation.

Consultation and suggestion between the representatives of different countries must admittedly play the chief part in the political working of the League. It is as necessary, and would be still more effective, on the economic side.

The citizens of a regenerated Germany, throwing in its lot altogether with a new peace-system under the League of Nations, must feel that though without the world-empire they have failed to gain by the utmost effort of the old war-method, they can be associated on equal terms with that economic system of the League which would influence the whole world's work. That the German race shall remain relatively the

pariahs of world-economics, so far as concerns their industrial dependence on supplies of food and raw material from territories under other flags—from the British Dominions, the United States, South America, Russia and Siberia—that is irreconcilable with the spirit or interests of a permanent peace-system.

Objections may be numerous. We can even imagine them to be as thick as locusts. If a separate volume could be devoted to this one section, they all could be answered. But let us take three. First, it will be said that in case of shortage of any commodity there would be a risk of having to reduce British supplies to meet German or other needs. The answer is that it could not happen. The system would be voluntary. There would be the same open market for world-supplies of raw materials as has hitherto for the most part prevailed, except where German or other syndicates, as in the case of several metals, acquired a control amounting to a "corner." The great object would be to consider ways and means of developing resources and yield in the producing countries to meet the fair need of all consuming countries. Next, it will be said that most demands, and especially German, would be exaggerated. The answer is that the Programme Committees, as in the war, would be technically expert bodies, thoroughly acquainted with every ramification of any trade or manufacture concerned. They would have all the data before them. Sifting ably, as in the war, they would get to know to a hair the real requirements of every nation. Thirdly, it will be said that the Germans would use the system for bumptious meddling or for attempts at more sinister mischief-making. That would break up the system. We may be convinced on the contrary, that the Germans, while, of course, seeking their real interest in the system—and that is desirable—would be the last to break up what it would be so much to their advantage to maintain.

The central race in Europe must have normal outlets, or compression must make it a volcanic agency.

To suppose that it can be dealt with permanently by mere compression and repression is like proposing to keep Vesuvius quiet for ever by trying to fill up the crater.

We must learn to regard the earth in these matters as one place. It is a place capable of yielding, under better management, enough for all nations—as for all individuals—without need of resorting again to human-killing as part of a competitive scramble for advantages which can be far better furnished and better secured by "a new way of working together" in peace.

So much for the substantial factors. But those who disparage moral effect do not understand any aspect of true statesmanship or of politics, national or international.

Let us remember Bismarck's *imponderabilia*. Statesmen well know that they are constantly as important as anything concrete and tangible that can weigh in the scales. The inward psychology of peoples by an indefinable process is constantly working out towards practical and formidable expression. Has not the whole astounding apparatus of material civilisation around us been evolved from imponderables in the mind of man? It is on the psychology of the German mind that we have to work to bring about lasting assurance for a more satisfactory world when our present day has passed. A reasonable guarantee by the Economic Council of the League of Nations of Germany's fair estimated share of exportable surpluses of food and raw materials would profoundly influence for the better the whole political mentality of that people. It is worth trying, and it can be done. It would work both ways. It would be part of the world's security for peace, as well as of German security for welfare.

III.—*Equal Opportunity and the Open Door for All Nations as Regards Several of the Great Regions of the World Supplying Raw Material (Partly Food also) and Requiring Development.*

We must still carry our view forward beyond the transition and contemplate such an extended period as elapsed between the previous greater wars. From that standpoint we pass now to a question which, if the Paris Congress cannot settle it, will assuredly have to be faced by the League itself at no distant date. This question, closely connected with the previous one, bristles with immediate difficulties which time and circumstance may remove. But it must be thoughtfully considered now. It ought to be provisionally adjusted if it cannot be finally settled yet.

It has been said already that if Germany becomes a wholly willing and helpful member of the peace-system her people must have every fair chance and hope. On this condition, the present punishment must be accepted by the victorious peoples as a real expiation without any thought of inflicting successive sentences for the same crime, great as it has been. The punishment, too, is very great. There has been downfall, humiliation, sweeping deprivation of territories. The indemnities, if confined to the minimum, will be of unexampled weight. All the more because of these things a regenerated Germany will have to be given scope for the recovery of equal pride as well as of a prosperity real enough not to be likely staked again on war. Sooner or later we must go further than this. There must be a wider field than the narrow European bounds for German energy and brains. This must be provided by methods not only compatible with the peace-system, but giving it further strength and stability. It will be wise for the Peace Congress or the League to give the German people one especial hope. It must be contingent, of course, on good con-

duct, but then realisable with certainty after whatever term of probationary years may be fixed.

The gross fantasies of the German expansionists have revolted civilised intelligence. But the collapse of madly exaggerated ambition only exposes the bare bedrock of the Central European problem. Agreed that we cannot think for a moment of restoring the German colonies to the German flag. But the German race twenty years hence will be a very large stock, whether it numbers by that time eighty millions or a hundred millions—there is a wide margin of doubt, for it may cease to breed as fast as it did, and emigration may be an exodus once more. Still, that race will be very large in Central Europe. Is it to be pent up in its home-limits? Would that not make it explosive again? Or turn its whole energies to political penetration in one direction, and that the Eastward—the least desirable result for the future safe balance of the world? Cannot we think of an alternative? Cannot we provide sufficient exits for personal enterprise, technical ability, constructive co-operation in the undeveloped regions of the earth?

Let us look back again, from yet another point of view, at the origins of the war. The English-speaking peoples ruled a quarter of the globe; the Russians a sixth; the Germans not a fiftieth part. Twice as large as theirs was the colonial sphere of the Third Republic. France after the *débâcle* had an immense resort like nothing open to her present vanquished enemy. The Germans saw with amazement that the French after 1871 had created an overseas dominion covering far over 3,000,000 square miles, and in the main continuous and consolidated, while even Germany's smaller possessions were by comparison fragmentary and dispersed. In these circumstances the German desire to create another world-empire was inevitable. Belated in history as was the enterprise, it would probably have been won in one shape or another but for the matchless political blundering of Bismarck's successors.

The collapse of measureless ambitions has been so complete that we have already almost forgotten how vivid and tangible they seemed to those who were deluded. Up to the last four months of the war, to the very triumph of Marshal Foch's offensive, the German people imagined that in one form or another they would achieve not only Mittel-Europa, with its Asiatic extensions, but Mittel-Afrika as well. They assumed that, with solid territorial expansion in Europe and Near Asia, they would not only get back their tropical colonies, but something bigger. It was taken for granted that by exchanging a few disconnected possessions for other territories belonging to their colonial neighbours they would create in the heart of Africa an interoceanic dominion stretching from the Atlantic to the Pacific.

One need not dwell on the scheme of a Middle Empire or Federation stretching from Hamburg to the Persian Gulf, if not from the North Cape to Aden. Everyone is familiar with it. Herr Naumann's book on "Mittel-Europa," which attracted so much attention a little while ago, contained no new idea of his own. It was only a compact and vigorous re-statement, with extensions, of the old plan of Pan-Germanism familiar twenty years ago to every student of his question. As we know, William II. once dreamed of the partition of China—of a "Yellow India."

Less familiar is the German plan for an "African India"—the phrase of Dr. Delbrück, now a chastened professor. For our present purposes we must shortly recall it. Mr. Edwyn Bevan did a public service during the war by providing the translation of Emil Zimmermann's booklet, with an admirable introduction showing what a whole group of German Imperialists advocated and for what official men like Dr. Solf and Herr Kühlmann were working.* Herr Zimmermann began with an outburst of cynical

* "The German Empire of Central Africa." By Emil Zimmermann, with an introduction by Edwyn Bevan. (Longmans.)

candour which is worth remembering. He admitted fully that not Britain's commercial jealousy, but Britain's unbounded commercial tolerance, was the remarkable and saving aspect of Germany's position before the war.

> "It is no exaggeration to say that our system of protection was only possible because the Anglo-Saxons put at our disposal their fields of cheap production across the sea. But they did more. They gave admission to our merchants, trade agents, commercial establishments everywhere in their broad domains, looked friendly on them as long as they were modest, and thereby they assisted materially to open markets for our industrial products. . . . Our rise depended essentially on the English policy of the open door. . . . The secret of our success lies, apart from our organisation and the training of our working classes, in the fact that England and the countries which are the great producers of raw materials granted us an open door, allowed us to draw on their vast reservoirs of raw materials. If this permission is withdrawn we shall be at one stroke once more the Germany of 1880. Now England will not let us draw on her store again. Since we have grown great she feels us as a troublesome intruder, and means to be rid of us. That is the meaning of the war."

In gratitude to "the Anglo-Saxons" for this unique assistance, Herr Zimmermann showed how Germany's Central African Empire would jeopardise them all. This evil return for good was an unfortunate necessity of political Darwinianism, he admitted; but Germany's economic dependence had to be ended at any cost. Even the Middle Empire, from Hamburg to the Persian Gulf, would not be enough. There would be need of a Middle Africa as well. It would be much needed for cotton, rubber, oil seeds, vegetable fats, and other valuables. The sound thing would be to annex the Azores, Madeira, and Gibraltar to boot. Then both the British Commonwealth and the United States would be finely bridled by Germany's position in the centre of the earth. Her world-empire would be invulnerable because large black legions, counting troops by the million or so, would be added to the Kaiser's other armies. All the strategical keys

of the world would be in Germany's hands. The French colonial dominion in North Africa would be at her mercy. So with Egypt. The entire Mohammedan world in Africa, Asia, and the Balkans would be united under Germany's auspices. Her submarine bases on the Atlantic and Indian Ocean would enable British shipping in both to be destroyed. All this and more might be gained by one simple device—merely by knocking into a whole the Cameroons, French Equatorial Africa, Portuguese West Africa, the Belgian Congo, Uganda, and British and German East Africa. Australia and South Africa would be menaced at need, and perhaps India also; while if the United States ever gave trouble again there would be a staggering rejoinder.

> "Perhaps in German Africa an army of a million men will be ready to march, and the colony will have its own war fleet like Brazil. It will be a valuable ally for South America against North American aggressiveness. The United States, too, will have to reckon with a country so powerful."—(Zimmermann, p. xxxvi.)

And again:—

> "By it we tear North and South America asunder. . . . German Mittel-Afrika, if demanded by us for a great Colonial policy, with far-reaching aims, will force South America to come to a decision. . . . You Germans in America who wish to remain German pour into Africa."—(Zimmermann, p. 55.)

These visions seem, no doubt, like the opium-dreams of a man already mad. But something like them was entertained by men of more responsible position, who believed themselves to be sane and sober. It is the renewal in politics of the old German philosophic weakness—the proneness to believe that when the philosopher had made a synthetic theory of the whole universe he had explained it. Agreed that these immeasurable insanities, and others like them, have revolted all civilised intelligence outside Germany. Yet

the abiding cause from which they sprang we ought not to forget when we are looking ahead. These ambitions—usually accompanied with a touch of contempt for mild British ways of treating the natives—give conclusive reason why no colony whatever should be handed back to Germany's control; they do not absolve us from the duty of thinking out the problem they distorted.

With all its defects, the German stock in Europe probably comprises a fifth part of the scientific knowledge and technical ability of the white races, and a rather higher proportion of their manufacturing and engineering capacity. Though they have lost their colonies, and for every reason deserved to lose them, they cannot be permanently excluded from something like a proportionate part in the organisation and equipment of the regions of low development. These even in the twentieth century still amount to a quarter of the globe. If regular outlets for German vigour and high training can be safely made, it would be wise and right to provide them. If the Germans are unrecognised and shut out as a nation from amongst the peoples who enjoy magnificent opportunities in the new lands or in the old lands to be renewed, certain consequences will follow. To say the least, there will be less likelihood of tranquillity in Europe after another decade has brought its changes, and when all peoples are full of different ideas and emotions than those which possess us now.

Germany will be more effectively a centre of disturbing ideas the more completely she may be restrained from external activities. Her ideas, then, might invade, with subversive effect, where her armies, in the long run, have been impotent. Her technical, professional, and commercial men who want to go abroad will enter the more numerously into some countries and areas the more they are excluded from others. If wherever the British flag flies in the world this race is to be warned off without regard to whether

it has loyally accepted a new peace-system or not, Germans will be particularly anti-British wherever they go. We may say, if you please, that on mature reflection we desire this to happen. Only let us consider alternatives, and remember well that, since the central race, numbering some 80,000,000, cannot be abolished, our late enemy will have his alternative whatever we do. If we decide on balance that German enterprise shall not be so widely and generally diffused as before, we must not complain if we see it concentrating in the only directions left open to it. These may be such as we shall least like. It is the business of these pages to consider faithfully the continuing factors of things, and not merely the immediate situation. Let me repeat that, if the Germans are to be made loyal members of the League of Nations, bringing their efficiency into the common stock, which is desirable, they must have room for the recovery of equal pride as a people and scope for competent energy.

IV.

The Ottoman dominions and the former German colonies have been held at the disposal of the Peace Congress, where the United States has a full voice. It is agreed that, with some exceptions, these territories ought to come under the special auspices of the League of Nations—to form in fact an estate under the sovereignty or suzerainty of the League. The future system of government in these areas will require to be determined, or at least provisionally settled. There are three obvious principles:—

(1) In Central Africa from ocean to ocean—but within limits to be defined north and south—and in all the Middle East, the principle of the open door, or at least of equal treatment of the goods of all nationalities, should be declared to apply permanently no less than to China. This

would sweep away amongst the Germans the contention with which the whole naval agitation began—that there was a risk of practically the whole world being closed against Germany by Protectionist Powers. Equal treatment of trade would be guaranteed by the whole League of Nations in areas far wider than Germany would have possessed if she had realised the most opulent dreams of the apostles of Mittel-Europa and Mittel-Afrika.

(2) Whatever the system of administration adopted in Central Africa or the Middle East, or in any other region to which the suzerainty of the League of Nations will extend, Germany should be assured a fixed and fair proportion of the manufactured supplies of a given character—railway, mining, and other equipment—in connection with public contracts and concessions. This again, could be settled through the Economic Council of the League of Nations, on which Germany would in due time be represented.

(3) As to the administrative Government of the parts of Africa and of the East under the suzerainty of the League of Nations, the question offers more variety. Differing systems must doubtless be adopted for these two widely-separated regions. They resent utterly diverse conditions. The suzerainty of the League by no means implies in any given area the mixed control which is never so good for the progress of the territory and its inhabitants as the single management of one competent nation. Hence the League may be expected to choose one particular nation as its administrative mandatory in any one region or area.*

There is no doubt that Central Africa, considering the character of its waterways, of the through-rail-

* These pages were written some time before the Paris Congress had incorporated the mandatory system into the first covenant of the League. In the writer's opinion South-West Africa and New Guinea ought to have been omitted from that system and annexed to South Africa and Australia.

ways that are needed, and of other conditions in the age of aerial traffic, would gain immensely from the economic point of view by being handled as a whole. General Botha and General Smuts are in every way qualified to take a chief hand in the settlement of this issue. If mid-Africa is to remain divided under half a dozen Governments, they ought at least to join in establishing a Special Conference, with regular meetings, through which their methods of administration, their communications, and their policy of economic development might be co-ordinated.

Germans would hardly have any administrative posts for a definite time. Still less for the first term of years could Germany be an administrative mandatory of the League in any area to which the arrangements of the Paris Congress would apply.

But again the prospect in this direction need not be, and ought not to be, absolutely closed to Germany. The Peace Congress opens a new system. The League itself when a fully-constituted World-Partnership could review the management of its estates at intervals of five or ten years. If Germany, after the necessary testing period, showed a good record and gave promise of being a thoroughly trustworthy member and promoter of the peace-system, the veto on Germans as administrators, and even on Germany as a mandatory, might be removed. There would, of course, be strong objection to the return of the Germans even ten years hence to the sole control of any area they formerly ruled. The natives would misunderstand what had happened, imagining that the Teuton had won mysterious triumphs somewhere, and that other white faces had been abased before him. But solutions might be managed. In any case it would be wise for the Peace Congress to keep open ultimate possibilities of several kinds pending future development of the League of Nations. In a word, a provisional non-German

administration of the enemy's former colonies in mid-Africa ought to be created, for a term of years, but no final distribution should yet be made.

The question of the Middle East is more critical. To call it supremely important for the world as a whole is no exaggeration. It is in several ways proportionately more difficult. Pan-German ambition in this direction has been shattered. The real control of the Turks even in Thrace and Anatolia—even over their own fate as well as over the non-Turkish races—has been irrevocably ended. So far as concerns Ottoman influences, the Young Turks are still the real force behind the change of scene; and they are as deep as ever in political and financial intrigue. On no terms whatever can they be trusted; and yet their fatalistic race, though led to ruin by the Committee of Union and Progress, is wholly incapable at present of anything better. Some new and honest and efficient régime must be substituted. The nature of the régime set up may go very far to determine whether the peace of the world is likely to be preserved until the twentieth century is half through. Various projects suggested have not stood examination, and the choice has been narrowed down to two practical solutions. The decision depends largely, and perhaps wholly, on what the United States intends. America is in face of the coming unimportance of the Atlantic as a separating medium. Is America to undertake henceforth an equal share of work and responsibility for the better management of the Old World and of the world at large? This is one of the vital tests of American policy. What, then, are the two solutions? The momentous answer is that the alternative means:—

> Either—(1) partition of the Middle East into a number of spheres under as many different countries—the United States for one, we must at least hope, as well as Britain, France, Italy, Greece:

or (2) the consolidated protectorate and administration of the Middle East by the United States.

We shall see that in its bearing both on the whole peace-system of the League of Nations and on the welfare of the infinitely significant regions and populations concerned the second plan is far preferable. Surprising, or even startling, as it still seems to the majority of conventional politicians everywhere, some of the best American thinkers are already converted to it, and this for very plain and forcible reasons.

Remember what the Middle East has meant in past history, what it must mean in future, what it must mean for war or peace. It is the cradle of civilisation, and holds strategical keys of three continents. Pan-German ambition, in this direction, linked up with the interests of Magyar, Bulgar, and Young Turkish ascendency, was one of the two chief causes of Armageddon. But the disposal of the sick man's property had been the cause of other wars for two hundred years before. It will be the certain motive of yet other wars to come, unless a quite different kind of solution than what hitherto has been usually contemplated is adopted under the auspices of the League of Nations. This question contributed largely to bring on the war of 1812. As Napoleon said, with reference to Alexander, "After all, the question is: Who shall have Constantinople?" We must remember that the mighty organism which was Russia will not always remain convulsed and impotent, but will surely recover. The Western Allies and America would make a fatal error not to reckon well with that contingency. A mistake would throw a re-united Russia into the arms of a united German race. The consequences would upset, like a house of cards, all the pretty arrangements and fond hopes of the present Peace Congress.

For this grave reason the first suggested solution would be profoundly unsatisfactory and dangerous.

Yet we have, with France and Italy, certain agreements to which, as a matter of course, we shall adhere if France and Italy think well in their own interests to enforce these agreements. Let us see what this might mean. Arabia would come under British auspices. Mesopotamia would come, as a matter of course, under British administration. Palestine also, unless America consented to act there in the way which it would be wise for us to encourage. Syria would go to France, where ardent colonial circles are as deeply moved on the question as if "*Partant pour la Syrie*" were still a national anthem. There is the difficulty about Damascus, which France strongly claims, yet which our Arab Allies, as all men know, believed themselves to have won, and desire for every reason of tradition and situation more than they want any city except Mecca or Medina. Thrace and the Ionian fringe of Asia might well be entrusted to Greece, whose just interests in this respect must, in any event, be very definitely met. The rest of Anatolia proper, and not only its southern coast-provinces, might fall to Italy, whose hundreds of thousands of emigrants could very largely be directed there. It would be delicate indeed to choose even a temporary mandatory for Armenia if the United States declined to act there or anywhere.

A refusal of the United States to act in any administrative capacity whatever can hardly be conceived. That would mean the abandonment by America of any real care for the preservation of a world-peace. There is at least the special case of Constantinople. In view of European jealousies and the ultimate revival of Russia, it would be undesirable in the last degree that any Power but the United States should become responsible—during a provisional though extended period—for Constantinople as for the Dardanelles and Bosphorus opened to free navigation. We cannot doubt that the United States, if strongly urged by the Allies, would take over, as well, the administration of Armenia. Also the associations both of Christians

and Jews with the Holy Land would make an American protectorate of Palestine a prospect appealing strongly to the American mind when vividly presented, despite all the objection to entanglements and dread of irksome commitments in the Old World which are still so strong amongst the older generation in both political parties across the Atlantic. Consent by the United States to administer Constantinople and the Straits, Armenia and Palestine, would be an epoch-marking step in itself, and would mitigate the immediate disadvantages and ultimate dangers of partition. But it would not be enough. Sooner or later Russia will want her place in these regions side by side with other Powers. There is nothing more necessary for the Peace Congress than to keep that contingency in mind, if the old conventional diplomatic ideas of partition and annexation are not to prevail, even after Armageddon.

Far better would be the bolder and more comprehensive plan of making the United States for an extended provisional term—which in the future the League of Nations, with Russia's consent as an effective member, would probably renew—the trustee of civilisation in the Middle East as a whole. All the essentially inter-connected and intermixed problems of development, transport, public order in that region—railways, flying services, motor services, irrigation, mining, the relations of races and creeds—could thus be dealt with under admirable auspices, technical and moral. A notable article in a recent issue of that indispensable political quarterly, "The Round Table," put the case at its highest, and showed, in particular, how the long work of American missionaries in the Middle East has prepared the way and gained for the United States well in advance a fullness of the necessary experience:—

> "Her very detachment renders her an ideal custodian of the Dardanelles. For exactly similar reasons, her task in preserving the autonomy of Armenia, Arabia, and Persia will be easier than if it remained in our hands. Her vast Jewish population pre-

> eminently fits her to protect Palestine. Her position between India and Europe removes all our objections to the railway development which these regions require. The last is one which she understands better than ourselves; and her knowledge of irrigation is second only to our own. Above all, she has the capital for these works, while we, with less than half her population, will be hard put to it to find enough for the vast territories we already control. Nor can America plead that she lacks knowledge. As a matter of fact, Robert College and the American Mission in the Near East have given her a preponderant share of public-spirited men with a first-hand knowledge of these regions."

In the newest phase of all the changing ages—from Constantine to Mahomet the Conqueror, and from him perhaps to President Wilson—Constantinople ought to be still the seat of the wide controlling authority which has always belonged to it. After centuries of dereliction there would enter now an organising power in the modern world corresponding to that of Rome in the ancient. There would be a more humane and beneficent régime than has ever yet existed in the cradle alike of general civilisation and of the religions of Christian, Jew, and Moslem. If America were ready, it would be much to the interest of France and Italy to agree. Their prime interest is that America should become a full guarantor of the general peace system and a full participant in its working. It would be to the interest of Greece. M. Venizelos could make, with America, the best arrangements regarding Thrace and the Ionian fringe, and would have then by far the best security for them.

It would be no less to British interests. It would help to bring about a working fellowship between the English-speaking peoples. It is not a valid objection, from a commercial point of view, that America's position on the Bosphorus might much increase her influence on the world's grain supplies, oil supplies, and even shipping. Anyone who thinks it out must come to the conclusion that the American custody of the Straits, with all its commercial consequences, would be far better for us and other nations than any

more uncertain or challenging custody. With nearly a quarter of the world for the British Commonwealth, as a whole, to administer, the United Kingdom cannot desire to add unavoidably by one inch to the enormous commitments which, in the new circumstances, will tax to the utmost our stock of administrative ability and our financial means. Goodwill and common-sense make us ready to hand over to the United States, and only to the United States, much to which we would otherwise have first claim. We cannot want to be forced into a position which would be only weakened by the enlargement, and yet would be too likely to make us a chief object of the future jealousies of the world.

Above all, when we look to the future there is yet another consideration. America, as trustee for Constantinople and the Middle East, would appear there and act there as the best practical friend and helper of Russia. The United States could work far more effectively for the reconstruction of Russia from the Black Sea than from the side of Vladivostok alone.

In every way this plan opens to America practical and moral opportunities as magnificent as could be offered to a people. It would do as much as any influence conceivable to promote international co-operation for the better political and economic management of the world.

We next come to its bearing on the German question. This plan for the Middle East would conduce, more than any other arrangement—more than any scheme which can be devised for Middle Africa—to give the desirable scope for the recovery of equal pride and full opportunity by a Germany thoroughly reconciled to throwing in its lot with the peace-system. A wider outlet for competent energy would be opened to its people, yet with solid security for the general interest of nations within the League. German railway and mining engineers would find

employment under the American protectorate of the Middle East. Even in the immediate future their knowledge of the region and the work would be useful. As a matter of fact, since the Armistice all who have inspected the sections of the Bagdad line cut and tunnelled through the Taurus Mountains—an achievement which some of our own experts used to declare would always be impossible—have found them splendidly audacious and able feats of construction; and the German engineers are to be retained as a matter of course "for some time at least," which may be taken to signify all the permanency of the provisional. For us to recognise all this would be one means of disarming anti-British feeling amongst large numbers of German-Americans. In this way, again, the vital purpose of promoting in every way closer working relations between the United States and Britain would be facilitated. The broadest and most reconciling ideas for the world at large on our part are also the soundest policy. Nor is it less important that for the United States to become warden of the Middle East would better still further every prospect that good behaviour can open to the German race in Europe.

By these arrangements under the League of Nations that race would have a valuable substitute for its vanished dreams of Empire. At the same time the substitute would be entirely safe for the world. The German race would have interdependence with security; and not only that, but fair scope for trade and enterprise overseas. It would have—(1) a practical guarantee through the Economic Councils of the League for its imported supplies of food and raw material; (2) an open door and equal treatment for its exports in Middle Africa and the Middle East as in China; (3) a guaranteed proportion of the supply of machinery and manufacture required by public contracts both in Middle Africa and the Middle East; (4) continued scope

in the Middle East at least for individual enterprise; and (5) the prospect that a free and peaceful Germany might be admitted by a future Special Congress of the League to a direct part in the management of these matters.

Consistently with the continued peace of the world in the next generation there is no alternative for the administration of the Ottoman territories and for the former German colonies in general but the mandatory system under the suzerainty and supervision of the League. The principle ought not to be so rigidly applied as to admit no exceptions. There can be no dispute that in the special circumstances of South-West Africa and New Guinea the best practical course would have been to allow their annexation to the South African Union and Australian Commonwealth respectively, which have as near an interest in these regions as the United States has in the Panama zone. In any case, for these exceptions, mandates would have to be incorporation under another name—the equivalent of a ninety-nine years' lease. But annexations in the old way throughout the Middle East and Middle Africa, to the exclusion for ever of Russia and of Germany, if the peace were maintained, could only mean in the long run the disruption of the League and the death of the peace.

It is certain that unless we consider well not only what the positions of Germany and of Russia are now, but what those positions may be twenty or thirty years hence, the foundations of a new order will not be safely laid. Politics and economics must be alike regarded in any programme that can be framed. This part of the economic basis of the League is a main condition of the world's political stability. Nothing in the work of the Paris Congress can have more far-reaching consequence for good or evil, and it will not be well for mankind if that work is marred by any blurring passion or myopic interest of the hour.

CHAPTER XII.

AIRWAYS, RAILWAYS, RIVERWAYS AND SEAWAYS : POLITICAL AND TECHNICAL REASONS MEAN A WHOLLY NEW EPOCH IN COMMUNICATIONS : UNAVOIDABLE NECESSITY FOR MORE COMMON MANAGEMENT : TRAFFIC IS STRONGER THAN TREATIES : THE AERIAL REVOLUTION BRINGS PEOPLES AND CONTINENTS FAR CLOSER : "CHANGE AT CAIRO" : A UNIVERSAL AIR-UNION AS INEVITABLE AS THE UNIVERSAL POSTAL UNION : ALL OTHER COMMUNICATIONS LARGELY INFLUENCED : INTERNATIONALISED RIVERS AND WATERWAYS IN THE NEW EUROPE : EXAMPLE OF THE DANUBE COMMISSION : THE COMING RAILWAY-ERA : FROM CHARING CROSS TO CALCUTTA, SHANGHAI OR CAPETOWN : TRANSCONTINENTAL SYSTEMS IN THE "OLD WORLD" AS IN THE UNITED STATES : MARITIME TRADE, EQUAL COMPETITION, AND COASTAL RESTRICTIONS : A TRAFFIC COMMISSION OF THE LEAGUE AS A CHIEF MEANS FOR ORGANISING COMMON INTERESTS AND DEVELOPING THE WORLD'S PROSPERITY UNDER A PEACE-SYSTEM.

General imagination is no doubt often in advance of fact, but sometimes lags behind it, and this is the case now in a way for which there is perhaps no parallel. The new mastery of the air would have won the war had it continued, and had other means failed. It will revolutionise the factors of the peace. Its effects will

work through and through the world's economics and politics alike, altering or transforming every aspect of them. In the air are no frontier-posts, or Customs houses, or breaks of railway gauge; and by the air most men who travel will be able to reach the chief cities of their foreign neighbours, even those at two removes of countries, quicker than any person could journey from London to Edinburgh before 1914.

The League of Nations was regarded as the most impossible system. It has become instead the only possible system. So great is the certainty of practical change in coming conditions of our lives. Had no League been proposed for peace-purposes, the new kind of traffic would compel Governments to negotiate for more administrative unity and to enter into closer and wider international arrangements concerning the world's communications by all elements. In this direction, also, the Congress of Vienna led the way by the declarations in its Final Act upon the freedom of navigation on certain rivers like the Rhine, bordered by different States. From this followed in due course the Danube Commission. We have seen how largely the world's posts and telegraphs, and continental railways, and motor-cars were regulated before the war by international conventions. We have also seen how identical shipping legislation has been promoted by the voluntary conferences of the shipping interests represented on the International Maritime Committee. But now enter the endless innovations of air traffic. It not only demands by itself international regulations more imperatively than any other form of intercourse, but it changes all previous questions connected with cross-Continental or inter-Continental transport. As has already been pointed out, the promiscuous uncovenanted traffic of nations through each other's air would make private existence intolerable and breed discord between peoples. Had no general League of Nations been created, another specific League on the

pre-war model would have had to be formed: a Universal Air-Union would have been as essential as the Universal Postal Union.

I.—*Airways.*

Much as has been written on the progress of human flying, we may say with entire certainty that its significance is not grasped by one person in a thousand. Its war-actualities were either veiled or our attention was distracted from them. Its peace-activities are busily preparing, but not yet obvious. Most people cannot well realise in advance that this agency—physically the first super-national agency—is about to open a wholly new era in human life. Especially in many aspects of international affairs it is by far the most revolutionary means that ever operated.

The extent of our present subject is comparable—most humbly be it said—with that of the "Wealth of Nations." No writer who brings economics and aeronautics into connection can have the impiety to forget one of the most famous and questionable metaphors of Adam Smith. He imagined that if there could be waggon-ways in the air a country might be enabled to convert "a great part of its highways into good pastures and cornfields, and thereby to increase very considerably the annual produce of its land and labour." A very distinguished French commentator adds—if we remember rightly—that if France could cultivate the area now occupied by her roads she would add a million acres to her agriculture. We now know that traffic by one medium only increases traffic by other means instead of displacing it. But in Adam Smith's time human flight was thought to be about as impossible, shall we say, as we of to-day think the notions of those men of science who are experts in the chemistry of the colloids and dream of making some day by artificial means living beings in the laboratory.

Now the recent miracle is already a commonplace,

and its almost measureless significance is obscured by the momentary causes which delay achievement in civil life comparable with the effects in war. Steadily in these pages we have distinguished between the "short views" required for the Transition and the "long views" essential to any useful thought upon lasting peace. Our island has one of the worst climates for aviation. Fog in winter, until science overcomes the drawback, will hinder regular services even between London and Paris. Civil experience in what may be called normal aeronautics has to be gained like war experience. There may be an interval of disappointment—of delay in accomplishing the bigger purposes. So much for the "short views." Two or three years may be required to realise popular expectations of regular flights to America, India, or Australia. But that will pass. Half a decade is nothing when we are thinking about the conditions of a durable peace-system. It is certain that the new agency within a few years will radically alter the previous conditions of intercourse between nations.

The idea of a nation as something with a physical frontier demarcated from its neighbours is so familiar to the minds of men that it seems to them inseparable from the bed-rock of their nature. Rather it is like a framework within which their strongest associations have been formed. Men and women think of historic frontiers as something like the sides of their houses or their garden walls or the boundaries of their estates. Nations have had abrupt seashores like ours, allowing no question about whose sole limits and belongings they were; or else there have been dividing-rivers or mountain-crests, or lines of posts set up more or less like a political form of wooden railings where the land itself showed no distinguishing feature. On either hand of such lines people have lived. This side was theirs; that other was their neighbours'; and it made the profoundest difference to the human mind and soul, even unto the literal issues of life and death.

Nothing up to now had made any physical change in this. Railways had left it unaffected. Now, all life is going to be part of a universal medium which ranges over all of it indifferently without distinction of nations or of land and sea; nor does it permit of annexations, demarcations, nor fixed national enclosures of any sort. It must be used as a universal medium by people of all nationalities, no matter whose land they pass over, or it cannot be used at all. In the "Thousand and One Nights" is the best of all stories of populous realms at the bottom of the sea, with ships and fishes plying above them; and now all nations are to live at the bottom of as deep an element—the aerial sea, full of aeroplanes and airships above.

When the sanguine experts address us on the subject, our ideas are so shot through space that we are too bewildered to listen. When the more sober experts inform us of what is coming we can only listen and be dumb. They tell us of aeroplanes that will carry mails, documents, books and newspapers to Sydney and Melbourne within a week or so at the outset, and ultimately in four days. The same machines, for at least the same initial uses, and for exceptional passenger flights, will presently make wing between London and New York in a day either way.

If the Zeppelins were a failure for fighting purposes, they are a peace-triumph. British and other airships well-nigh as big as first-class Atlantic liners, and as comfortable—offering through plate-glass windows, whenever the view may be worth the survey, views to beat Pike's Peak—will cross from Europe to the United States in about two and a-half days at most. That they will ultimately be big enough to make the circuit of the globe the more sober experts do not doubt. They instance the case of the German Zeppelin which went from Bulgaria to East Africa and back in four days altogether, without descending. Yet it was by no means a latest model of the flying liners. Experiment with

them is only in its beginnings. Already it has been found that they can stand weather, are as safe against fire as a railway train or a passenger steamer, and can be moored without sheds. As to another kind of craft, we are bidden to expect in a few years flying boats big enough to stand any sea.

Turn to the aeroplane. Service between London and Paris is already an ordinary thing in spite of weather. But for fog it would already seem as natural as the parcels-post. Improvements are made every day for the larger purposes of our present theme. There are already aeroplanes which carry thirty passengers and a crew of seven, climb to a height of ten thousand feet, travel at the rate of a hundred miles an hour, and fly twelve hundred miles without a stop. Throughout the air over all the world there will be trunk-routes—on settled lines because they will depend so much on facilities organised at intervals on the ground below—with ramifications in all directions. For purposes of ready intercourse the whole British Empire will become a practicable and even limited proposition. It will have far more rapid communication between its most distant parts than the British Islands possessed between theirs in Chatham's day. So will the world.

For air-purposes Cairo will be the Clapham Junction of a hemisphere. You will "Change at Cairo" for either India or Cape Town, as you please. Now, when the United States and Great Britain can read each other's newspapers with a mere day's delay; when men in South America, South Africa, Australia, India and China can get the full European news no more than a week old and send their own as fast; there needs no more saying that a wholly new era is opening not only in international life in the narrower sense, but in cross-Continental and inter-Continental connections; and that this must have an effect on politics as great as followed from the discovery of America or the French Revolution, or the introduction of machine-industry, or from steam and electricity. But

that is a moderate statement. None of these had the influence in creating the sense of a common life between nations that aerial traffic must bring about.

Carried on anyhow merely by private agencies and persons, the thing would be intolerable. Its progress would be checked by its own confusion. It must of necessity be organised in accordance with settled international law and in connection with the most elaborate system of common international administration that has ever yet been devised or found necessary. There will be needed at intervals along the ground under the chief airways, aerodromes, landing places, repairing shops and wireless installations. An International Meteorological Office, long demanded by scientists, will become an institution as useful to mankind as Greenwich Observatory to the British part of it, and the sooner it is established the better. But that is only one important detail of the common arrangements necessary for largely unified and wholly co-ordinated air-management. The future organisation and expansion of flying services will necessarily be backed by Governments. As between the Western European Allies official traffic is already international. But it is not yet freely opened to private citizens, and cannot be so opened until the different countries agree upon uniform conditions and a common law.

Here, then, for the first time in history, understanding between nations must come even before domestic liberty in each of them. The British Government has taken the initiative in bringing about an Aircraft Convention. The articles are drafted. They will be submitted to other countries. An International Air Conference will be held. It is expected that in the first half of 1919 a Convention will be settled between the principal countries of the world. Eventually, thereafter, German civil traffic will pass through British air as much as French and British through German air.

It cannot be otherwise. This alone would compel

a Board of Traffic or Council of Communications to be added to the other departments of the full economic system essential to any League of Nations which means to be more than a simulacrum or a shadow. Personal intercourse between the citizens of groups of nations neighbours of each other will become more quick and busy and various than ever before. War-memories will not be able to prevent this. Men from the furthest extremes of all continents will be able to reach a common meeting-place within a week, or within ten days at most.

This must have a profound effect upon the thoughts of people as on their habits. It has been said that the riding of bicycles by women was the beginning of feminist emancipation and equality in so many affairs of practical life. If the bicycle meant so much for one movement, what will not aeroplanes and airships mean for other social and political movements that we cannot now guess?

But it does not end there. All over the world, air-services will be linked up with railway, motor, and shipping services. An International Council must result, with the requisite branches for airways, railways, riverways, and seaways. Full consultation and supervising powers in these matters would be essential; and delegation of large executive authority may come to this department of the League sooner than to any other. Clearly, in the provision of air-bases, landing-places, and means of guidance, the flying interests of the various nations will depend on the conveniences they furnish for each other more than any other form of national activity has yet depended on close working with other countries. International co-operation from this cause alone would have had to become closer and wider, whether there were to be an effective League or none. The new form of World Government, whatever the extent of its development, may be, in the next few years will make the new intercourse second to nothing as a

means for promoting peace by the deliberate organisation of common interests. Flying in turn will, of itself, compel the League to become not only a political but an economic system. Long before the middle of this century traffic in the air for all but the heavier purposes may well become larger than the traffic of railways or shipping—or both together.

II.—*Railways.*

Yet when we turn to the railways, it is to remark at the outset that their absolute importance for the general life of the world is sure to increase very largely for as long as there is need to think. From the point of view of a practical League of Nations, there is ample room both for extension and improvement in handling. We shall see how the Final Treaty which must issue from the Peace Congress will of itself necessitate some most significant changes. First let us emphasise the principle in view and the meaning of a pre-war precedent. For the common convenience and benefit of all nations, there is needed something corresponding to that more complete unification of purposes and interchangeability of means which we expect the new Ministry of Transport to give us at home. Before the war the Railway Conference of 1890 had resulted abroad in a working agreement between nine States—France and Italy, Belgium, Holland and Luxemburg, Switzerland, Germany, Austria-Hungary, and Russia. The results were found so satisfactory by all concerned, especially for goods traffic, that larger arrangements were about to be made when the war broke out. An obvious common interest for all peace purposes was to secure as much uniformity as possible in gauge and rolling-stock.

The Convention of 1890 established an international Central Office at Berne, under the Swiss Federal Council, for all purposes relating to goods traffic. But

hitherto there has been no power able to bring about in connection with the European railway system, the unity and the improvements which have followed from the more effective authority conceded by practically all States to the central organs for posts and telegraphs. Progress has, of course, been more blocked as regards railways owing to precautions in connection with militarism and mobilisation. We may well hope that this hindrance to combination between countries for the better use of railways is about to be removed.

This subject is now to concern our own country very closely. With the new train-ferries, if not presently with the Channel tunnel as well, Britain becomes linked up with the Continent and acquires an altogether new interest in the question. Under the new conditions—to be contemplated by a peace-system looking forward for even a couple of decades—the Baghdad line will be completed and extended to India. Europe, Asia, and Africa will be seamed with great trunk lines all inter-connected. There is bound to come a Railway Convention applying to all three continents and with a permanent international office in connection with it. The results would promote everywhere the general prosperity and convenience, and would be yet another comprehensive means of organising peace upon a basis of common interests.

Conceive a Railway Office of the League of Nations having at its head a personality like the late J. J. Hill or like Lord Shaughnessy, not with executive authority, but with an effective power of supervision and suggestion. Who can doubt that the resulting extensions, connections, and conveniences, carried out by the co-ordinated action of different Governments, would be vastly to the gain of civilisation?

It is a theme second to nothing in the new problems and opportunities concerning firm earth. The Americas, though a double-continent, are in a geographical sense a unit. What is called the "Old World" is only a triple-continent quite as much a unit. In a

sense it is absurdly called the "Old World." Every baby born in it is as young and fresh as any equally healthy baby born at the same time in the Americas. This original world of Europe, Asia, and Africa contains nine-tenths of mankind and at least three-quarters of all the natural resources of the earth. It has never been handled as a whole. There is no less reason why inter-continental lines should go from London to Shanghai and Calcutta in one direction, Cape Town in the other, than why cross-continental lines in the United States run from ocean to ocean without regard to mere State boundaries. There is a great future for this view and a solid future.

The results of the war give a new aspect to the railway question in Europe and make some treaty-settlements vital to future tranquillity. Austria-Hungary, as was said earlier, was a bad political conglomerate, but an excellent railway-area. Its destruction and the disintegration of the western part of the Russian Empire like the passing of the Ottoman Empire, create a shoal of new questions. They cannot be treated consistently with the interests of peace unless Congress or League deals with international railways as the Vienna Congress dealt with international rivers, regarding them just in the same way as the continuous arteries which, indeed, they are.

For what are railways but iron rivers? In the New Europe two more States at least, the Czecho-Slovak Republic and Hungary, like Switzerland, will be in the heart of continental Europe cut off from the sea. Without Treaty-protection their economic life might be stifled by hostile railway-policies. Even now the Germans of Vienna are gravely embarrassing the Czechs by refusing to give the latter their fair share of the rolling-stock belonging to the Hapsburg Monarchy as a whole before its dissolution. It is life and death for these inland communities to be sure of their railway-future. Next let us notice two less extreme but still acute cases. Whether Poles or Germans own Danzig,

the other race must have with that port a connection secure from all fear of discriminating rates.

Italy will in any case have Trieste, the outlet for a great non-Italian *hinterland* of former Hapsburg territories; and Italy claims Fiume also, though, if she gets it, that will be a cause of everlasting feud with the South Slavs. The Italians claim a majority in Fiume without the suburbs; the Croats a majority including the suburbs. The bulk of the shipping belonging to the port is owned and manned by Croats, who consider the place historically as the apple of their eye. In any case, the only ordinary-gauge railways connecting various large populations in Central and South-Eastern Europe with the Adriatic run from Trieste to Vienna and Prague, and from Fiume to Agram and Belgrade, to Budapest and Bucharest. These are formidable and dangerous problems. There are others.

Switzerland may well desire to improve her facilities on three sides. If the Baltic States are to be permanently separate, it would be utterly vital for Russia that she should enjoy free railway-transit for her goods across their territories, with a free port in each State. The Baltic States are prepared, in any case, to concede this—though whether a restored Russia will ever be content without at least a full federal connection with the territories so long her littoral on the Middle Baltic is more than doubtful. Serbia finds no difficulty in making favourable arrangements with Greece for traffic with Salonika. Bulgaria may not find it so easy to get through-rights to Kavala. The Czecho-Slovaks and Hungary will need railway-guarantees all round. Nor can we avoid glancing at the fact that Germany's future running-arrangements to and from Antwerp as well as Rotterdam are a question plain enough economically which her moral record in the war has made very difficult.

It is clear that there can be no real settlement in Europe, whatever the Final Treaty may otherwise proclaim, unless the subsidiary instruments of that Treaty

regulate these questions by international guarantees. What are wanted are free ports and "free transit"—that is, freedom from discriminating rates levied against the goods of the inland States by those owning the sections of line connecting with the sea. Places like Riga, Danzig, Trieste, and Fiume should be free ports. The more inland nations, so largely dependent on fair use of the facilities of those ports, should have quays and warehouses which would be their own for all commercial purposes, though not territorially. All goods carried over these railways should pay fair rates under an agreed tariff, without exceptional charges because of being consigned to the more inland nation. These arrangements must necessarily be guaranteed by the Treaty Law of the League of Nations, and must be supervised by its administration.

One well-known model for procedure is the agreement of April, 1909, between the Transvaal and Portugal, by which the former enjoys the equal use of the Delagoa Bay railway on condition of guaranteeing that line in return a high proportion of traffic.

That example is but of partial and rudimentary application to the more difficult European problems which must now be solved or mitigated by Treaty-guarantees. There is no reason why in one direction full internationalisation should not be tried on a large scale. The Baghdad Railway, now to be completed, is the fit subject for the experiment. It must give equal treatment to the goods of all nations as a matter of course.

A Railway Department of a Council of Communications, or Traffic Board of the League, should have power to supervise the proper execution of the treaty-agreements, and should be empowered to settle disputes. Under the pre-war International Railway Convention in Europe, disputes, on the demand of the parties concerned, were settled by the Central Office at Berne.

It may almost be said that in the coming years the various economic organs of a League of Nations

must spring into existence by themselves. But if the creative capacity and courage of statesmen should now lag behind too much in this main matter the results, sooner than they are now apt to think, might be fatal to peace, despite all else that could be done. Railway connection between North and South America has long been desired by the Pan-American Conference, and as long delayed; but completion must come, despite all engineering and political difficulties. It will doubtless be accelerated by the new prospects of interlinking by railway the whole of the Old World.

III.—*Riverways and Canals.*

Coming to waterways, we have seen how the Congress of Vienna led the movement. The Rhine indeed was first regulated as a free river by the Treaty of Paris in 1814—on a principle proclaimed by the French Revolution in its early years. In the century since then freedom of navigation has been applied to many rivers in Europe and America. The model case of rational action for the advancement of the common economic interest of nations is the improvement of the Danube by the International Commission founded under the Treaty of Paris in 1856. Its first engineer, we may remark, was a British subject, Sir Charles Hartley, and British Commissioners have often played an exceptionally vigorous part. The Commission gave equal treatment to all flags. It has not only paid its way by the dues it levied, but has been able to carry out splendid work for the deepening and straightening of the channel and for the provision of every kind of equipment for modern commerce. No one needs to be told how every interest on the river or near it or connected with it in any way has benefited —and not only British shipping eminently, but the British wheat consumer or user of petroleum at home.

The Danube Commission may now much enlarge its range. There is much similar work to do in the world with equal advantage not only to all the maritime part of it, but to the industrial masses who may be far distant from the scene of action, as well as to the local populations.

Even more might be done for the world's increased prosperity by the development of inland waterways—wherewith several continents can be seamed almost through and through—than by the handling of through railways. There are fewer political impediments.

The International Commission of the Congo could do far more with that many-armed basin if its functions were extended and strengthened under such a co-ordinated administration of Middle Africa as will some day come into existence. On the other side of the Atlantic there awaits a task far more important for world-economics than the linking up of North and South America by a trunk railway. In mere infancy is the utilisation of the wonderful system of the Amazon, with its vast tributaries and the possibilities of cross connections—an inland network offering altogether many thousands of miles of navigation. A British light cruiser has steamed up the main river to a distance of 2,000 miles from the Atlantic.

Now take a rather nearer case, and in its way as remarkable, or more so. The Volga and its tributaries or connected canals are the great arteries of Russia. A main canal joins the river to Petrograd, giving through navigation to the Caspian. Smaller canals lead northward and westward to link by various currents with Archangel in the one direction and Riga in the other. The whole system makes a network already giving over twenty thousand miles of more or less navigable waterways, and it could be endlessly improved. There can be no doubt that some day by one means or another the Baltic, the White Sea, the Caspian, the Black Sea, round to the Mediterranean by the free Dardanelles and Bosphorus

will all be connected by the Volga and its ramifications to the equal advantage of Russian production and consumption elsewhere. There would be no more beneficial network of waterways in the world. If it could be carried far towards completion it would do as much for the civilised progress of Russia as any conceivable agency. The possibilities of river-connections in Siberia have also some extraordinary features.

These are only some chief instances of what might be done on the lines dimly conceived even by the Congress of Vienna. The Kiel Canal instead of being regarded as a war menace ought to be a commercial facility like the Panama or the Suez Canals, or the open Dardanelles and the Bosphorus. No one contemplates for our time the setting up all over the world by a League of Nations of International Commissions for the improvement and extension of waterways. Yet even a full Consultative Council for the thorough study of the subject and for definite suggestions in the common interest of the world would stimulate State action or private enterprise in each country or the concerted action of several.

We have somewhat outrun the connection of the subject with the more immediate problems of the League of Nations. New and pressing issues are raised in regard to rivers and canals as well as railways. France, now that she has recovered the Lorraine iron-deposits—and will the more need German coal as well as British—and has returned to the Alsatian bank of the Rhine, will have a new interest in the navigation of that river and its connections. The same change will doubtless prompt Switzerland as well to claim new treaty facilities of international navigation along the Rhine to its Dutch mouths. The question of the Elbe is vitally important to the Czecho-Slovak Republic, whose national life and industry are intimately concerned with the head-streams of that river—as anyone will well understand who in travelling has been hung up for even a day, like the writer,

at the smoky little river-port of Aussig. Equally important to Poland—desperately so to Germany if Danzig becomes Polish—is the question of the Vistula. More than any railway it is the main artery of the country right through to Cracow in the open season. Poland is a land of waterways, and its economic future is largely bound up with their improvement. Its canals join up with German rivers on the left, with Russian on the right. As everyone knows, the Memel—through the Oginsky Canal in Russia—connects the Baltic with the Black Sea. The Vienna Congress specially stipulated for fair transit by Polish and neighbouring waterways.

If ideas of international co-operation for general progress in communications and free through-routes were more advanced, there would be in this sphere also endless scope for constructive action. Each distinctively international river might be managed by a Commission of delegates of the riverine States, with a representative or two added on behalf of the League. Decision of disputes as well as supervision might well belong to its Traffic Council. The essential thing is that free navigation of all important riverways passing through more than one State shall be definitely guaranteed by that Final Treaty which will only be completed by hard expert labours long after the present Peace Congress has arrived at a provisional settlement.

Nor can we omit mentioning in this connection the great Central European canal system projected by Germany. It would connect effectively the Rhine, Elbe, and Oder with the Danube—the North Sea system with that of the Black Sea. It would cost £50,000,000, and would take the work of a generation. It would be a great scheme for Europe and the world. We are bound to desire that it shall be favoured by the League of Nations under international guarantees of fair terms of transit for the goods of all countries. As in the case of the Danube Commission, the dues raised from trade under all flags would pay for

these facilities, while cheapening every product conveyed by them. Free navigation through the heart of Europe, through nation after nation between the North Sea and the Black Sea, would be another chief factor in a new organisation of common interests strong enough to make the thought of war forgotten. The Final Treaty may only lay down new rules for a number of rivers like the Rhine, Scheldt, Elbe, Vistula, Memel and Danube. But a great part of the wider work just contemplated will be done in the coming generation if the world feels sure of settled peace.

Though the airways will become the quickest means of transport for light traffic, the waterways will remain for all traffic the cheapest means. They are also the oldest. Yet even in our country how much is yet to be done for their use and extension. Then how much more in all the undeveloped regions of the world. If the task of international co-operation were regarded positively as for the strong promotion of mutual welfare, not negatively as for the prevention of war, one thing would, in my judgment, be certain. In a world better managed in peace, with a fraction of the organising ability and energy that were devoted to the conflict of nations between the summer of 1914 and the autumn of 1918, there would be room, scope, and plenty for all nations.

IV.—*Seaways.*

Seaways and ocean routes come last here because the conditions are broadest and simplest in themselves, and at present make the least call for international action. Yet we in Britain cannot forget for a moment that shipping, in spite of changes or revolutions in other kinds of communication must still mean far more to us than to any other society; while as we emerge from our long fight and have time to breathe and con-

sider, we realise that former conditions are profoundly modified. And not to our advantage, though not a whit to our jeopardy, as is sometimes too gloomily assumed on this side of the Atlantic and too lightly on the other. That we shall hold our own there is no faintest doubt; but no people whatever has more reason than ourselves to work with and through the League of Nations for equality of maritime liabilities and navigation-rights throughout the world. The reappearance of the United States merchant-marine as a strong, and perhaps a fierce, competitive force, will be more properly examined in the closing chapters of this book. Enough to say here that the German submarines and the American shipyards between them have altered out of recognition the maritime situation as it existed before the outbreak of war. Several factors make it certain that shipping interests will demand a larger extent of common action between Governments than has been the case in the past.

We have already seen that in the last twenty years the International Maritime Committee has been a voluntary body more influential than have been many of the official agencies attempting to bring more order into the common business of different countries. Composed of British and Continental delegates of the highest standing in the shipping world, the Committee has devoted itself methodically to the greater unification of maritime law, and has especially addressed itself to the questions of safety at sea. Its recommendations, backed by authority recognised as of unrivalled weight in its way, have been accepted largely by Governments and Legislatures. Now, these and other matters could be still more thoroughly dealt with by a Maritime Department in connection with the League's Council of Communications or Board of Traffic. The present voluntary Committee would doubtless continue, but the new Department would assuredly work in touch with it, though having its own Central Office just as the Postal Union has at Berne.

We have also noted that the United States Congress just before the war requested the Institute of Agriculture at Rome to take steps for bringing about an International Conference on freights for agricultural produce. If that request of 1914 were repeated in the name of America in 1919 the Conference would assemble as a matter of course, but it could not be confined by any means to shipping questions affecting agriculture alone.

America's new merchant marine will alter the aspect of several questions hitherto dealt with by the International Maritime Committee, and will raise more. Issues of relative pay and treatment of crews will become more important for the United States, and cannot be shirked by us. We have not yet done enough for the merchant-sailors whose workaday heroism saved us in the war. We cannot do too much for them. We must lift wages and conditions altogether if there is not to be wholesale desertion to the American service. But in these circumstances it will be more important for us than for any nation to urge that all our competitors shall ply under equal statutory liabilities and limitations such as legislation may impose for increased safety or for any other humane purpose. There Britain, to her credit, has often led the way, but British owners have rightly insisted that international equalisation in these respects is more necessary to shipping than to any other business. These purposes cannot be carried out and well adjusted —as America wishes, for some reasons, and we for others—without a permanent International Council or Department of Shipping, on which the United States would be represented. Such a Council might be especially valuable for assisting towards a good understanding between the two English-speaking peoples. They will be also the two greatest maritime Powers in the phase of keen competition and rate-cutting which must be passed through.

But if Britain accepts equal liabilities it is essential

that she should stand for equal facilities in the spirit of President Wilson's own points urging the utmost liberality of navigation laws and rights under a permanent peace-system. There we are wholly with him, but there we have long set an example. It is much to be hoped that America will follow it under the new conditions. At present the United States, for reasons both intelligible and defensible up to now, maintains a law of privilege at once more stringent and far-reaching than anything else existing in the whole sphere of the world's communications. Suppose that voyages from London or Liverpool to Calcutta or Australia were called coasting trade and were strictly reserved to British vessels. The whole world would cry out, and justly. But that would be the same principle as now shapes American practice. By the Navigation Laws of the United States, all trade between American ports, whether mainland or "colonial," no matter how far they are separated, is a close maritime monopoly of ships under the Stars and Stripes. This applies to the voyage of some 5,000 miles from New York to San Francisco, of some 6,000 miles from New York to Honolulu, of some 10,000 or 11,000 miles from New York to Manila. This latter case is as though trade from London to New Zealand were declared to be British coasting trade strictly reserved. Since none but United States vessels are allowed on these routes, no wonder that the American tonnage which enjoys this unique privilege has been very largely increased. The whole question is altered now that American shipping is coming full-swing into foreign trade and desires equality in commerce with all other maritime countries throughout the world. Britain alone has given up to now the fullest "freedom of the seas" in peace-time, and she would much prefer that it should be reciprocated. In this respect the interest of all sea-going nations in the Old World is the same as her own. It would be infinitely better that the American practice should now

be broadened rather than that the practice of Britain should be narrowed and that of some other countries still more.

The Suez Canal Commission would naturally come under any economic department of the League dealing with seaways. There will doubtless have to be a Bosphorus and Dardanelles Commission. There should be another for the Kiel Canal. All the entrances to the Baltic should be the subject of new international guarantees.

Trade will be influenced more than ever by the connection between shipping freights and railway rates at both ends. For these and yet other motives, which will presently appear in a different connection, Britain and the United States ought to be at one in setting up an International Council to consider these questions in their entirety. It could not have executive powers—apart from certain duties of supervision—but in other respects it would be the legitimate and enlarged successor of that model body during the war, the Inter-Allied Maritime Transport Council.

V.—*Some Mixed Problems.*

This examination cannot conclude without a postscript. We have seen the need for international cooperation in respect of airways, railways, inland waterways, and seaways. Let us at least glance at two special aspects with which the Peace Congress is bound to deal. First there are the small States which have arisen in Eastern Europe. There, political freedom would mean sheer economic retrogression, if the creation of so many more new frontiers meant that through-communication of every kind would be correspondingly dislocated or impeded. In the economic sense there must be some unitary substitute for large systems which have been broken up like the Hapsburg monarchy or like the western territories

formerly Russian. We have mentioned specific questions, but must emphasise the subject as a whole. The prosperity of Eastern Europe and the peace-interests of all Europe depend very largely indeed on bringing about the most comprehensive, uniform, and liberal agreements between the New States and between them and their neighbours in the interests of through-traffic by rail, river, and air.

The other special question is that of Russia, but it must be reserved for fuller treatment by itself. Enough to say that, in regard to hopes for a better management of international communications in the new age, no plans for the promotion of that part of the common interests under the economic auspices of the League of Nations can be of much worth until civilised order and cohesion are definitely restored by some means across Russia and Siberia from the Baltic to the Pacific. At present, for all purposes of the world's through-traffic by land and air, there is a gap many thousands of miles wide.

If that end were secured there would be much indeed to expect from the creation of an International Council for the systematic discussion and suggestion of means towards the continued improvement by air, land, and water of international through-ways. Every facility for trade and every convenience of travel would be immensely increased in a single generation by this method. As a man is as old as his arteries, civilisation is as advanced as its communications. In that sphere the reality and vigour of World-Partnership could do at least as much as in any other connection to clinch the assurance of lasting peace under the political auspices of World-Government.

CHAPTER XIII.

REMARKABLE INCREASE OF TRUSTS AND CONSOLIDATIONS AFTER THE WAR: NECESSITY FOR PUBLIC SAFEGUARDS: THE LEAGUE AND THE SOCIAL BASES OF PEACE: INTERNATIONAL OPERATIONS OF TRUSTS: THE MEAT-TRUST, ITS PREDOMINANT CONTROL OF WORLD-SUPPLIES AND TRIBUTE-LEVYING EFFECT ON ALL INDUSTRIAL CONSUMERS: HIGH ECONOMIC EFFICIENCY OF TRUSTS: THEIR EXCESSIVE POWER A GROWING CAUSE OF DEMOCRATIC UNREST AND A DANGER TO POLITICAL STABILITY: RECOGNISED NEED OF STRONGER COMBINATIONS THROUGHOUT BRITISH INDUSTRY: THE PUBLIC QUESTION RESULTING: SUGGESTIONS OF LORD BALFOUR OF BURLEIGH'S COMMITTEE: SUFFICIENT REMEDY IMPROBABLE WITHOUT INTERNATIONAL ACTION: WAR-PRECEDENTS AND PEACE-POLICY.

We have recognised when we looked into the matter that the distinctive modern revolution in means of communication is not only ceaseless but cumulative. We have found that in the same way this force revolutionises everything else in the world's politics and economics. The means of transmitting intelligence or carrying man and material at the time of the present Peace Congress are enchanted by comparison with what was known to the Congress of Vienna.

It was often thought before the war that we had almost reached the height of the resulting social and cosmopolitan changes. Undoubtedly, we are only at

the beginning of these changes. Many significant forms of the process cannot be mentioned here. No one could touch in any one volume, however sizeable, upon all the subjects which might well be treated in connection with the "Economic Foundations of Peace." They would touch so many aspects of life that the mere list would be as thick as a dictionary. There is a question not usually regarded as a main theme which cannot be excluded from any effort to discuss the organisation of peace.

Amidst the throng of after-war questions, nothing seems to have attracted less attention, and nothing of its kind is more worthy of remark, than a recent change in United States legislation on Trusts. Their domestic operations are still attacked, as will be seen, but by a most notable departure their foreign operations are to be facilitated. For that purpose they are even encouraged to co-operate and combine. Wielding capital on a relative scale such as even they have never commanded before, scores of great Corporations in the United States, representing most industries, are organising and joining forces to make the best of that increased freedom for action abroad which may somewhat compensate for restrictions at home. But this raises a very large question for all other communities at a moment when the great meat-monopoly in America is threatened with prosecution as the result of investigations by a Committee of the Senate and otherwise.

Certain aspects of the growing system of world-wide Trusts—whether single or compound—and of the corresponding traffic-combinations, are of common concern to many nations and can only be dealt with by their common action. It will be agreed that open and formal "control" by public administration is often irksome, and not to be extended on theory and principle without regard to the practical object. But there is one thing far worse. That thing is the invisible control of the interests of millions of citizens, even of different countries, by what approaches to vast and irresponsible

monopoly. Private persons, it will be agreed, ought not to be able in effect to levy tribute on whole nations. But that is now the possibility and to a certain extent the practice. International action ought to exclude the possibility and repress the practice. Otherwise it would be as though Rhine-barons of a Pantagruelian size might create such enormous economic strongholds and domains as to command strategical keys of the world's supplies or routes and so take toll of those countless but tame folk called consumers.

The question may be momentous in the decades to which we are looking forward or perhaps at an early date. The present treatment is backed by the strongest conviction on the part of the writer that social peace may well become one of the main issues for world-peace and perhaps its chief issue. Labour is inflamed by the existence of giant trusts, now becoming able to act on a world scale. The interests of private capital in general are endangered by them. There must be some means of adjusting Trust interests to public interests.

Owing to the ever-increasing mobility of ideas, persons and goods, both capital and labour tend—unavoidably, as I must think—not only to organise their opposite combinations and operations on a larger scale in every country, but to extend themselves on international lines. So that now they find themselves just beginning to confront each other in a way that neither quite intended.

They passed frontiers, for very different reasons. The respective movements were so largely independent in their origin and were so long out of any close or conscious touch that the new situation was created almost unawares. It has only been clearly revealed in the last few years. The war, for the first time, brought it into strong prominence. Before that, Labour Internationalism, on the whole, was weak, uncertain, tentative. So far as British workers were

concerned, it interpreted emotions, instincts of general sympathy between the industrial masses of one land with those of others, rather than expressed any combatant theory. It has now become more definitely influenced by class-purpose in the Continental manner. We need not be prematurely alarmed by this fact, though it is time to remark it.

Cosmopolitan finance and industrial capitalism, on the other hand, went more into affairs on an international scale from purely business motives and with no class-sense at all. The new facilities for intelligence and transport meant new facilities for making profit. These were used as a matter of course. When able men are accustomed to make money over the whole range of one continent it cannot be expected that their thoughts should stop at the sea. The lines of business corresponded automatically to the lines and cross-lines of railways, shipping routes, telegraph wires, telephone wires, which knitted up more and more the world's communications into one mesh. Though like the ant or the bee in many respects, and no mere insect of prey as the crude Socialists represent, capital was like the spider in this, that it ran naturally down every filament to the furthest reach of a web largely, though not wholly, spun by its own action.

The consequences are not the less of magnitude. The prices of the necessaries of life, conditions of manufacture and trade in one country, may be potently influenced, even manipulated, by private operations in another country or in another continent. The reaction of this on labour is felt in several ways. It does much to nourish dislike of capital as a whole. It sharpens antagonism even to that part of domestic capital which is innocent of these practices or, rather, injured by them. It irritates still more the angry suspicion of "profiteering." It strengthens the demand for international action to advance all the interests of labour, and to level up conditions of

employment as far as possible in all the industrial countries. That is why social unrest, as has been so often noted before in these pages, might be as formidable a disturbance of the peace-system as national quarrels. Not only for the latter danger, but for the other as well, there must be remedies, or there will be no safety. The problem of international trusts and combines would have to be handled by any adequate League of Nations as well as the question of an "International Charter" for labour.

I.

No one who thinks seriously about the world after the war can ignore these new facts and contingencies or underestimate them. Social unrest, in the more passionate and violent forms, which a minority of extremists who know their own minds can incite at favouring moments, may spread more rapidly than in the past, from one country to another. It may upset all the calculations of conventional statesmen who suppose that the tranquil relations of societies can be now ensured merely by new judicial courts or improved methods of mediation, or even continued political alliances; and who would turn the Paris Congress into an imperfectly modernised edition of the Congress of Vienna. By comparison with the work before that latter body or before any general Conference of Governments held up to now, the economic questions are new and fundamental. Their social reactions might become portentous, if statesmen in their present international counsels were incapable of original creativeness prompted by a more living comprehension of the democracies about which they speak and by more vital insight into the future.

To prevent man from vegetating it seems to be provided that he shall never enjoy a condition of static felicity, but that whenever he removes one kind of danger another shall appear. The moral is that more must be done to remove or diminish not only the

grievances of labour, but its suspicions also. What chiefly stings it is the suspicion of exploitation. If we are thinking about future crises to be averted, we must think as it were in terms of democratic earthquake as well as of belligerency as fire. It would be insufficient for the Peace Congress to conceive war as fire which must be prevented from raging among the national edifices of the earth, and at the same time to take no heed of the labour-forces, underlying so much of it all, which might work like an earthquake to break up the foundations of all peace.

To get the practical bearing of this obvious truth we must first take the problem raised by the international operations of massed capital. An ounce of concrete illustration to begin with will be worth a ton of abstract theory. Let us then take the Meat Trust which, as we shall see, has a name far from suggesting either its scope or its versatility. What follows, let us be careful to remark, is not an indictment but a description. We are not in possession of the evidence brought out by investigations recently undertaken and still going on upon the other side of the Atlantic. Two of the ablest defenders* of the American system of massed production—with what they call "nation-wide, even world-wide" influence on supply, on marketing and on prices—point out that the Trusts are inexhaustible in finding means of doing what is lawful unto them in spite of legislation.

The chief meat packers in the United States were the firms, originally separate, known as the "Big Five." They were Armour and Co., Swift and Co., Morris and Co., Wilson and Co. (formerly known as Sulzberger, Sons and Co.) and the Cudahy Packing Co. Each of these by itself one must conceive as having been a giant concern before it entered into a group of giants. These five Great Powers in their sphere of

* "The Trust Problem." By Jeremiah Whipple Jenks, Ph.D., LL.D., and Walter E. Clark, Ph.D. (Putnam.) Fourth Edition. This work has been called "The Bible on Industrial Combinations."

business came together and formed something more solid than a Coalition. They joined in a combination of overwhelming strength able to buy up the herds and droves of whole continents. All things which were lawful unto them in America and elsewhere became possible unto them. In the United States they began with the control of meat and of trade in associated products like hides, bones and slaughter-house residues. To eliminate waste, to utilise meticulously everything up to the pigs' bristles, is the well-known and excellent principle. From all such affairs, the operations of the Trust naturally extended to other rural activities—to milk, butter, cheese and poultry. With this must go an increasing interest in the grain trade and in feeding-stuffs for live-stock.

The area of the United States, which is only about three million square miles, was not large enough for what had become so much more than a Meat Trust. It extended its powers of buying-up to Argentina, Australia, New Zealand, and other regions. The combination is estimated to control already from one half to three quarters of the world's exportable supplies of meat. Even this approach to monopoly on an international scale was not enough. Economic powers of this kind, expanding by wider conquest and occupation of new territories, are like Powers of another kind in this—that they never cease to spread until they are stopped. From time to time there have been reports of attempts to buy live-stock in this country, and even to gain influence on the retail trade. A few years ago the Meat Trust made no secret of its purpose to crush Argentine competition, in the first instance so as better to control Argentine supplies afterwards, by selling beef on the London market at a few pence a pound.

This is evidently a far bigger international question than many territorial disputes which have brought nations to war or to its verge. High prices for meat may burden the household budgets of industrial

democracy in meat-eating countries like Britain or Germany as well as in America. Democracy is then exasperated. There are demands for higher wages to cover the increased cost of living. The humour of the workers is distempered. The effects, especially in Europe, are apt to be more general than the causes. You have all the conditions which lead to strikes. These again help those whose aim is revolution through strikes.

II.

Let us look at the tremendous economic efficiency in many respects of the Trust-System, and how that real factor in its favour has made so much anti-trust legislation futile. The Trust can create the hugest and best-designed factories and provide them with the latest machinery—plant and equipment on a scale only possible to colossal finance. The elimination of overlapping expenses, of every kind of waste, the turning of every atom to account, mean immense savings in the cost of production. Wages become higher—or, at least, nominal wages taken at their face value, not at their purchasing power. Individuals have opportunities to rise from the ranks and become magnates or sub-magnates in their turn.

But though this must be fairly stated it does not remove the disadvantages and the dangers. This is a system which it is quite impossible that civilisation can allow to remain unregulated if civilisation cares for the social peace now essential to the health and even to the existence of peace between the nations.

We need not try to prove what the Meat Trust does. We need only say what it can do. By suppressing competition it can secure such a leverage on world prices as to be able to raise or lower them. It has sometimes been quite able to put them at any level it pleased. Production may be diminished by reducing the prices received by stock raisers and farmers. These are helpless when it is no longer easy or possible to find an alternative purchaser. In a particular situa-

tion, in order to increase profit, supplies may be decreased, by prohibiting cattle from being turned into meat. But there is no need to pursue the demonstration. The thing is too obvious. It is not possible, apart from agricultural welfare, that so large a part of the food-supply and food-costs of democracy can be left at the discretion of private interests of this magnitude and reach. Public control, with all its admitted disadvantages and defects, is better than the approach to private monopoly on an inter-continental scale.

A fierce controversy on this question is at present raging in the United States. It is asserted that during the first three years of the war the profits of the Meat Trust were three or four times as great as in the three years before the war. It is even said that the "Big Five" made £20,000,000 of profit in 1917 as compared with £4,500,000 in 1914. A detail throwing light on the way in which the Trust system strengthens itself by raising individuals to be magnates or sub-magnates —as Napoleon raised privates to Marshals—is that the salaries of officials range, it is declared, from £10,000 to £25,000 a year. Legislators are denounced as being too lenient towards the system, but this is of course a party-charge. A Government prosecutor, addressing a large audience in New York, assured his hearers the other day that the Meat Trust is "one of the most powerful, menacing monopolies that ever existed in this or any other country." On the other hand, the packers say that the charges are sensational rhetoric and defend themselves trenchantly. They protest that to destroy their organisation would relieve them from the great mental anxiety they at present undergo in their work for society. They add that their profits when sifted will be found to be almost unreasonably small, and that the benefits they confer on democracy are immeasurable.

During the pinch of shortage in the war, however, the practical situation had to be grappled with. It is understood that on Mr. Hoover's initiative the

American Government is now considering measures for taking over the stockyards and refrigerated cars, and breaking to this extent the power of the Trust to manipulate supply so far as the resources of the United States are concerned. But in peace-time such limitations might not be of much, if, indeed, of any service to consumers on this side of the Atlantic. As the internal American demand has increased, the meat surplus for export has become a diminishing quantity, tending to disappear. The Trust might only be stimulated to get a stronger and more profitable hold on the South American and Australasian supplies.

America is, of course, by no means the only basis of international syndicates. In condensed milk, for instance, operations beginning in Europe extend to the United States and might get into working relations with such a "milk-combine" as has been projected for Britain.

But we have been looking at only one side of the problem. What we have to consider is a general movement more and more influencing all the trade and transport of the world, and applying alike to food, raw materials, and manufacture. The modern tendency for turning competition into combination will go forward by an irresistible impulse of self-interest as long as the facilities exist. Tariffs may stimulate this tendency, but it is a delusion to imagine that Free Trade prevents or much restrains it. It would go on—all other factors remaining the same—if the whole world were on a Free Trade basis.*

III.

To analyse the subject thoroughly would be an encyclopædic task. We can only glance in these pages

* The ablest of French contemporary economists, Professor Charles Gide, remarks:—"Universal Free Trade would probably have the effect not of suppressing trusts but of transforming them from national into international phenomena—which would make them by no means less formidable" ("Political Economy," authorised translation, by Constance H. M. Archibald, p. 195). They tend in any case to become international, as Professor Gide will doubtless remark in his next edition. When his well-known *Cours* was

at a few of the more salient facts. By now the names of the Standard Oil Company and of the wedded Tobacco Trusts carry their own meaning. The Steel Corporation is a legend for size and power. We learned to our amazement and our cost during the war how a few German metal syndicates and electrical syndicates had stretched their control over the non-ferrous ores and mica of the world. They had stretched that control from Russia to Australia and India. An elaborate or classic instance is the "Convention"—to use a word familiar to Governments but very apt for these other kinds of agreements—to prevent steel rails from being sold below a minimum price and to divide the export trade in definite proportions between different countries. British, French, German, Belgian, and American manufacturers belonged to it. From rails the process extends in varying degrees to nails, screws, tubes. The expansive spirit of Pan-Germanism is not unmatched in very different spheres. There have been ambitions daring enough to dream of syndicating the whole steel industry of the world. Chemicals, soap, and sewing thread, amongst other things, have been more or less touched or embraced by this particular movement towards "international co-operation."

Says Professor Gide: "They are like some monstrous fauna suddenly engendered by the capitalist age, which Socialists and economists of the Liberal school contemplate with equal curiosity but opposite feelings; the first saluting in them the last stage of capitalist concentration, after which there remains only collectivism; the second, troubled by the paradoxical results of free competition, but faithful to the hope that, in spite of everything, the liberty which gave birth to Trusts will be sufficient to kill them or render them harmless."

The development of Trusts has been astonishing since, in America nearly twenty years ago, the Sherman Law first tried to restrain them. But probably what has yet been seen hardly suggests the coming extent of

the problem. Conditions after the war are such that a further huge growth of syndicates and close business affiliations of all kinds seems practically certain in every industrial country. The process gets new stimulus from several converging factors. The scale of organisation and production in the war made all vigorous minds conceive bigger possibilities than before. The load of taxation to be carried compels business interests to broaden their shoulders and strengthen their sinews. High wages urge on the effort for more efficiency; and therefore for more economy in every matter except the wages-bill.

Take the national aspect as it especially concerns ourselves. We have found that by comparison with the war this country could double its production while conceding to labour—though only in return for a willing and full output during its working time—higher wages, shorter hours, more security for employment and old age, better conditions, and a brighter prospect in every way. We must have far larger production; we must get it by more efficient organisation. On that condition we can pay off our war debt as far as we choose and yet find ourselves within a few years—within five years, as experts think—flourishing more than ever. We must have increased exports to pay for our imports and our debt-charges towards the United States, now that our former Transatlantic investments have been transferred to American hands. But the new United States law giving Trusts freedom and encouragement to consolidate for operations in foreign markets, is only one of the things which warn us that unless we make drastic amendments of our pre-war ways we may find ourselves selling less abroad instead of far more.

For this greater production and increased export we find that we must follow the American and German example, and work in bigger combinations. We cannot help ourselves except in this manner. It must be done. The larger the output and the more complete the standardising arrangements, the cheaper the cost.

Before the war, Britain, by comparison with the two other greatest industrial nations, exhibited the ridiculous and obsolete spectacle of numbers of small and jealous firms in one trade fighting each other for petty shares of it. They were each convinced that they had a special trade-secret. When confession had to be elicited from them for public purposes during the war it was discovered that usually their secret was the same. They were straining their lives to conceal from each other what they all knew. In foreign markets our small firms were seeking orders separately, and trying to prejudice each other to get them. British travellers on behalf of different houses might have been found crowding some foreign hotel and trying to get the former business away from each other instead of securing yet more business for the whole of the British industry concerned. Germans, in the same lines of manufacture, pooled their knowledge and resources to get wider openings abroad for the whole of a given industry, and then divided the resulting larger haul of orders and profits amongst the firms who had combined to get them. The growth of larger combinations on the national basis is therefore certain and necessary.

But the larger become the domestic Trusts and Federations, the simpler is it for them—and the more tempting—to enter into working understandings and arrangements with similar systems in other countries.

IV.

There is thus every prospect of a general increase in international combinations. Aerial flight will greatly promote it, as does every improvement in means of intercourse. Abundance of shipping will also promote it. But shipping itself, as we have seen by glimpses now and then in previous chapters, presents its own problems of the same kind. Shipping interests must tend to amalgamate, like banks, and

quite possibly still more. Long before the war there was international organisation on extensive lines to prevent freights from falling below a minimum level. Where there have been rings there are more likely to be world-wide chains of rings in the shipping circumstances of the future when the expected glut of cargoes in the period of transition—if there should prove to be anything like a glut even then—is followed in due course by lessened demand for larger tonnage. As the Germans showed—for they were past-masters in this branch—shipping combinations can be made to work in peculiar intimacy with railways so as to secure preferential rates for the exports of a particular country, or for those of a given trade, or for those of an exceptionally powerful syndicate.

The present writer has not the least desire to overstate the case. The facts in a few years will in all likelihood be a much more pressing matter than they are now. Since prevention is better than cure, especially in view of social agitation, it would be wise for international statesmanship to anticipate developments, or at least to begin getting ready for them.

The object must be to get the fullest use of some unquestionable advantages of national trusts, even of international combinations by land and sea—perhaps by air also, since its traffic will be so largely worked by private companies federated with those of other countries—and at the same time to guard the public interest against abuses.

Every thinker on the subject has found it much easier to show the abuses and dangers than to indicate an effective remedy. None the less, efforts to find the right kind of precautionary or compensatory or controlling legislation will increase. It is quite certain that every free democracy which begins to feel itself sensibly affected by the expansion of national and international syndicates of all kinds will endeavour either to break them up or limit them, or to get an especial advantage from them. The long effort to

break or limit the Trusts in America has not been successful, whether we look at the State legislation or Federal legislation, which together make a large bulk.

Public policy is now beginning to feel its way towards another method. Trying to confine or disintegrate Trusts by action from without has proved a course little more effective than facing the Atlantic with Mrs. Partington's broomstick. It is now asked whether it would not be better to accept the existence, efficiency, and expansiveness of Trusts, while making them amenable to the public will and contributory to the public interest by acting on them from within. Lord Balfour of Burleigh's Committee on "Commercial and Industrial Policy After the War" made a very significant recommendation. The Report pointed out that since our former methods of piecemeal individualism were hopeless and the system of syndicated organisation must be adopted instead, corresponding principles for safeguarding public interests must be introduced. The Committee decided:—

(1) That as a statutory requirement, "all international combinations or agreements (or combinations or agreements which are made directly or indirectly on behalf of foreign interests) to which British firms are parties, made for the regulation of prices or for the delimitation of markets, should be registered at the Board of Trade"; and

(2) "That in order that the Board of Trade may keep itself fully informed as to the nature and extent of industrial combinations in the United Kingdom, or of international combinations of which British firms, companies, or associations form part, that Department should have power to call upon individual consolidations or combines from time to time to furnish for its confidential use such information as it may require."

* "Trust Laws and Unfair Competition." By Joseph E. Davies, Commissioner of Corporations, Department of Commerce.

V.

In cumbrous phraseology these seem very mild stipulations. They are nevertheless little seeds which will germinate and come to big growth. First there is registration; then investigation; then will come direct representation of public interests on the boards; and, after that, all domestic branches of trusts with an international character will doubtless be subject to searching though reasonable regulations for ensuring fair prices, and equally subject to special taxation of profits above a certain figure. From the provisions for registration and for the beginning of inside investigation recommended by so moderate a body as Lord Balfour of Burleigh and his colleagues, the rest must follow. It is only a matter of time. Identical or equivalent laws dealing with an international trust or combine would be adopted in every country where part of its operations were carried on.

More difficult to deal with would be organisations like the Meat Trust, whose manœuvres are international and strategy world-wide, but whose great base and seat is within one country, though the public interest of others may be disturbed by its far-reaching influence. In such a case the resources of public finance might have to be used simultaneously by agreement in the various consuming countries whose food prices were adversely affected. Their buying resources, as employed in the war, might have to be used to paralyse the utmost powers of private finance. These may appear crushing by comparison with any other private agency in the same sphere of business. They are insignificant in face of strong financial action by a single Government in any of the larger countries, not to speak of concerted action between several such Governments.

The war has furnished precedents which will not be forgotten, though naturally disparaged under the first impulses of reaction from a long constraint. The

reaction sets impetuously against every new form of administrative intervention, even when representing an undoubted improvement on former practice. This does not at all change the view that some war-precedents in economic organisation are pretty certain to be remembered and applied in the future. In connection with the Inter-Allied Food Council—and therefore with the United States through Mr. Hoover—the expert committee, called the Meat and Fats Executive, has been the sole medium of supplies for the Allies and the greatest purchasing agency of its kind in the world. This committee ought to have international heirs of its body for consultative purposes, if not for executive. The permanence of such an organ, even in a vigilantly advisory and reporting capacity, would be a standing and wholesome warning to manipulators and profiteers. It would be a source of valuable public information. Equally would it be a means for facilitating prompt action in an emergency by the Associated Governments, or at least by the Governments of those consuming countries who will have similar domestic problems to face.

We urgently require thorough study of the whole question of the world-wide influence of trusts upon the modern conditions of interdependence as between the resources of some countries and the needs of others. That thorough study ought to be systematically made by experts attached to the various sub-departments of the Supreme Economic Council of a League of Nations. It ought by all means to have a branch for constant observation and research regarding all international activities of Trusts, Rings, and "Combines." To say that in the economic no less than in the political sphere, international problems can only be solved by the international co-operation of Governments is a platitude that one would apologise for repeating were it not so usually ignored. If we grasp the truth that political peace as between nations can have no sure basis without tolerable social peace

within them, the reflections of this chapter will be seen, one may venture to think, to have more force than might be thought at first sight in this hour of the indiscriminate reaction against everything that can be called or miscalled restriction or control. That reaction, or a large part of it, we have ventured to call an "ignorant impatience of organisation," corresponding to what was once known as the "ignorant impatience of taxation." Let me quote another of M. Gide's remarks about Trusts—and his compact study of the subject is as balanced as vivid—"These giants may put the whole of the springs of Government out of order, particularly in democratic societies." The case will appear stronger indeed when we pass forthwith from the international problems raised by capital to the international counter-problems raised by labour.

CHAPTER XIV.

LABOUR AND THE LEAGUE: 1789 AND 1918: ESSENCE OF DEMOCRATIC FEELING: PROMISES TO ALL THE DEMOCRACIES DURING THE WAR: DEMAND FOR AN "INTERNATIONAL CHARTER" RECOGNISED BY THE PEACE CONGRESS: LONG HISTORY OF THE MOVEMENT FOR LEVELLING-UP LABOUR STANDARDS AMONGST COMPETING COUNTRIES: WORK OF THE "INTERNATIONAL ASSOCIATION FOR LABOUR LEGISLATION": THE BERNE PROGRAMME AND THE PEACE CONGRESS: UNPRECEDENTED CONDITIONS OF LABOUR AND MIGRATION TO BE FACED BOTH BY EUROPE AND AMERICA: BRITAIN SHOULD LEAD PROGRESS: LESSONS OF THE FACTORY ACTS AND WAGES BOARDS: A "CHARTER" IS A DEAD-LETTER UNLESS ENFORCED: PRACTICAL SUPERVISION BY THE LEAGUE: ITS "INTERNATIONAL LABOUR COMMISSION."

It is often said of proposals that they bristle with difficulties. There are some proposals which bristle with necessities. That has to become true of most novel and extensive reforms before they are likely to be carried. It is true of most constructive objects of the League of Nations that though they bristle with objections they bristle still more with necessities. We find ourselves met by a compelling case when we come to the far-reaching suggestions for dealing with labour problems of the widest character by new international means. Different aspects of the situation everywhere after the war have forced us to stress often one con-

clusion of these pages. As we get nearer to the middle of the twentieth century, and probably before we are very far towards it, the issue of social peace will be almost universally inseparable from that of world peace. One aspect of that presumption has been scrutinised as it concerns the future organisation of capital. We must now examine the arrangements which must exist between Labour and the League of Nations—the urgent reasons for them, the extreme complexity of the subject and the shape which an efficient policy must take.

In some ways this is half the whole subject when we are considering measures for the fundamental stability of the League. There is needed perhaps no apology for entering somewhat thoroughly both into origins and programmes. Both the Governments and the Labour leaders thus far have been to blame—the first class for an optimistic tendency to believe that some kind of perfunctory fumbling would serve in this matter; whilst the second class have been led away by the name of an "International Charter." Conjuring up reminiscences both of Runnymede and Fergus O'Connor, it is an eloquent name, full of picturesque association both with democracy and law. The statesmen in the flush of triumph after the Armistice appear as felicitous figures in a great romance—chief characters like those long-thwarted lovers who used to reach the matrimonial altar at the end of three volumes and lived happy. There will be a rude jarring of these dreams unless strong purpose and original constructive ability are brought to bear on the future of social peace as on that of world-peace. The late Sir Charles Dilke, standing alone amongst statesmen of his time in his equal knowledge of foreign policy and labour affairs, was long before his time in realising the interdependent fate of the two:—

> "He warned those who advocated the settlement of international difficulties by arbitration that this result could only

> be obtained when the workers of the different countries were in a position to arrive at settlement by this means. Till then we could not neglect any precaution for Imperial Defence." *

Hence his work for the International Association for Labour centring at Basle. We shall see the beginnings and work of that body to have been as significant in their voluntary way as the official Postal Union.

It is a pity that there could not have been held at Paris two parallel Congresses; one as now for the present and future of world-peace; the other—largely composed of Labour leaders but of representative employers as well—to consider international action, legislative and administrative, for the better assurance of social peace. It is perhaps regrettable that President Wilson, Mr. Lloyd George, M. Clemenceau and their colleagues, after settling the broad conditions of a provisional peace—since all the subsidiary instruments required for a Final Treaty can hardly be completed for a year or more—could not have given more consecutive months to the enterprise of founding a League of Nations. It can be nothing unless designed boldly enough to influence the whole future of democratic life and thought as well as the management of high policy by Governments. For various reasons, however, the destiny-shapers are all men in a hurry. It is none the less to be desired that the Temple of Peace shall not be a jerry-built structure—that there shall not be too much scamping of a part of the work as necessary as anything else to give the edifice sound bases and supports.

The League itself after the Congress will have to carry on the question.

From this point of view let us consider, as far as it can be done in one chapter, the history of the movement for an international statesmanship on labour questions; the reasons which make action equally desirable for employers and employed; the extra-

* "Life of Sir Charles Dilke." Vol. II., p. 348. Murray.

ordinary character in this respect of the new problems which have arisen in many countries out of the war; the meaning of the demand for an "International Charter" to be incorporated in the fundamental Peace Treaty; and the only real means of fulfilling the spirit of that demand while preventing it from being killed by the letter.

Again, as in the case of so many issues examined in these pages, we must go back to the progress of thought and action before the cataclysm of 1914. The war did not reverse the movements making for a more united civilisation and a higher order of democratic life. The war was the defeat of the German attempt to reverse them. The German governing classes whose minds were interpreted by men like von Sybel or Treitschke saw in the Bismarckian method and the whole Hohenzollern system of national strength—based on subordination, on the gradation of classes, on discipline and obedience—the triumph of the counter-revolution over the ideals of 1789. The German record in the improvement of social conditions was the best next to our own, but at bottom all was based upon the Frederican policy of organising human material for the more efficient economic as well as military service of the State instead of on the principle of developing in increasing freedom and harmony the best possibilities of living and being.

The counter-revolution, as even Germans who were most devoted to the Hohenzollern service now know to their cost, was far from triumphing in 1871 over the ideals of 1789. Those ideals resume because they answer to the eternal dreams of man's heart for something better than he knows. It is the same instinct on the political side as on the æsthetic side he has projected with far more success into art. "And what is Beauty saith my sufferings then?" We know what immortal passage follows that question. To suppress the aspiration for more harmony, more elevation, in outward life itself; for something which will mean less

killing and less hate, less disease and squalor, less vulgarity of rich and poor, less degradation and subjection; to extinguish the more active instinct of man as he becomes more free to express those desires in terms of constructive and creative politics—to do this you would have to abolish first his poetry, his painting and his sculpture, his music, and all his religions. And still more than this you would have to abolish his love of Nature, even the love of man and woman, even the everlasting craving of each generation of humankind, that the lives of their children, if it may be, shall be happier than their own. The latter motive, for all its pathos, will continue to be the main energising impulse of progress. Nay, to put back the movement now—unless civilisation is fashioning the means of its suicide, and a worse catastrophe of mutually-destroying war is to end it all—you would have to stop even that newer form of the shaping and constructive sense which is expressed in the technique of modern invention; in its machinery, whether fixed, or running, or winged; in all the subtle or gigantic contrivances which led Paul Bourget in a moment of inspiration to compare the American mastery of steel with the Greek mastery of marble.

The bid of German militarism for world-dominion was no doubt the mightiest effort ever made against the spirit of a time. The backwash of its failure has jeopardised even some of the interests which fought well to bring it down. That is illogical, but history often works by these exaggerated swings from side to side. The movements of pre-war idealism not only resume. They resume with a force that two generations of ordinary political progress might not have given them without the war. For this result there are several reasons.

I.

Democracy by comparison with its opposite was more generally hymned after August, 1914, than ever before. The war of nations could only be won for the

freer States by awakening the enthusiasm and sustaining the endurance of the common people, by kindling them to sacrifice. Many amongst ourselves feared that democracy would not hold, as did the obstinate Britain under a close franchise against Napoleon. Baseless was that doubt here and elsewhere about the masses. In their millions of fighters and workers they triumphed, but in heaps they fell. There is no street in the industrial towns of belligerent Europe, no smallest, remotest village, but has its sadder homes. The democracies were called upon to surrender for the needs of war-organisation the customs and codes which they had elaborated for the protection of their class against the old industrial despotism of capital. They made this surrender on the whole in a high spirit. It was the more to their credit because in their heart of hearts they dreaded lest their concessions to patriotism in war might be exploited to their disadvantage when peace returned. All through there was, of course, rank mutiny amongst a minority of the workers. This merely corresponded to the proportion of rank profiteering amongst the capitalists.

The workers in the mass had to be promised, and they were, not only that they would not be exploited after the war—they had to be assured a thousand times that in the event of the victory of their freely-accepted discipline over the more forced and serf-like drill of the German system, unprecedented efforts would be made to raise the common people to an altogether higher level of intelligent, responsible, and well-conditioned citizenship. Those pledges must be kept not grudgingly, but amply and to epoch-making effect. Otherwise there will be revolutionary trouble of a kind—remember we are still looking twenty and thirty years ahead—which will destroy the existing basis of most of the Governments now too apt to regard the League as a collective name for themselves. The democracies have the power to enforce the pledges. They will do not only that, but much more than that,

unless steps are early taken to raise the status of labour, to bring the working classes into partnership, to better altogether their prospect in life. Other influences have helped to make this question of social peace equal in urgency to peace between nations. Bolshevism is a murderous insanity, but it has stimulated every extremist force in the world. It has caused every advanced force capable of a saner method to be still more advanced.

Nothing can be as it was before the war. The whole *tempo* of the democratic movement must be quickened if nations are to avoid internal tumult and dislocation as unmatched in their magnitude as the war itself. Finally, when President Wilson made Democracy the keyword of the later phases of the struggle, when all the strongholds and citadels of the older order disappeared with the fall of Romanoffs, Hapsburgs, and Hohenzollerns, a new, immeasurable impulse was everywhere given to democratic self-consciousness and aspiration. No one living can gauge the scope of this consequence. It is bound to mean profound, wide-working changes.

That this is the atmosphere will be easily agreed. But it will be asked in what way the issue has become definitely international, and how international action can be applied to it. The answers are sufficient. President Wilson was first amongst the statesmen to recognise that the Paris Congress must consider the claims of labour as the Congress of Vienna considered the slave trade. From the first moment of the Russian revolution, labour in all the chief Allied countries demanded that extensive reform by international arrangement shall be like the League of Nations itself, an organic part of the peace-settlement. The demand was that the question should either be dealt with by a Special Committee of the Peace Congress, with labour representatives from every country, or that a Labour Congress should sit concurrently to frame resolutions. These would neces-

sarily be taken into account by all the Governments meeting at Paris, and in any case would be a landmark in the working-class movement.

The British Labour Party has made the following declaration:—

> "The British Labour movement urges the need for an international agreement for the enforcement in all countries of the legislation on factory conditions, hours of labour, and the prevention of 'sweating' and unhealthy trades, necessary to protect the workers against exploitation and oppression."

In the same way the French Confédération Generale du Travail has insisted on the urgent need for international labour legislation. Its report, in this sense, was presented to the Conference of the Trades Unions of the Allied countries, held at Leeds in July, 1916, and was endorsed by the Conference.

Mr. Sam Gompers and his American Federation of Labour were, as everyone knows, unflinching supporters of war for decisive victory, but they have definite views about certain principles in the interests of labour after the victory. The Conference of the Federation at Buffalo in November, 1917, made its declaration in this sense. At the Inter-Allied Labour Conference in September, 1918, Mr. Gompers proposed:—

> "That the seamen of the merchant marine shall be guaranteed the right of leaving their vessels when the same are in safe harbour.
>
> "No article or commodity shall be shipped or delivered in international commerce in the production of which children under the age of sixteen years have been employed or permitted to work.
>
> "It shall be declared that the basic work-day in industry and commerce shall not exceed eight hours per day."

These and similar detached expressions were by degrees consolidated into the remarkable demand that, as the agreement for a League of Nations is to be an integral part of the Final Treaty, an equally integral part of it shall be an "International Charter" for labour.

To appreciate the force and necessity of this claim we must remind ourselves what had been happening before the war and what is going to be the state of the labour market after the war. In all countries the conditions will be abnormal. In Germany they may be distressing and alarming. In France they will be strange indeed owing to the employment in mines and manufacture not only of Southern European labour, but of coloured labour, dark and yellow, whose standard of life is not that of Western civilisation. Italy has a labour-market overstocked by the suspension of emigration and by the return from the war of large numbers of her subjects who were working abroad. The troubles in Eastern Europe may cause a vast Slav exodus.

II.

We must content ourselves with a bare outline of the pre-war movements, making slowly and feebly, yet distinctly, for regular intercourse and elementary combination between the workers of different lands.

There was, of course, nothing original about the attempt of Socialism in the middle of the nineteenth century to inspire the masses by a new economic religion, and to spread itself, regardless of frontiers, like other religions. Already the Catholic Church and Jewry were world-wide institutions. Novel was the Socialist theory of a horizontal struggle between classes everywhere instead of the vertical divisions between nations. Between 1864 and 1873 the Old International was born in London and expired in Geneva, struggling meanwhile to little practical effect through the overpowering era of Bismarck's wars. It served chiefly as a scarecrow, draped in red, to frighten more farmers than birds—that is, to keep off many of the comfortable and possessing classes from the field of social reform.

Next there were three movements more or less prefatory to the situation of to-day.

(1) When the centenary of the French Revolution was celebrated in 1889 a very different Europe was coming into being. The Europe we know was about to be born. The New International was founded. The Paris Congress of 1900 created the International Socialist Bureau, with its seat at Brussels. Its business was to act as a standing Secretariat between Congresses, but it never had a perceptible effect on any aspect of practical life. By comparison with the more purposeful movements of all kinds which surrounded it, it was a crusade of words. A little more effective were two later movements. They owed their origin to that peculiar sense of definite means for immediate results which belongs to the British labour-mind.

(2) The second movement came when, after intermittent Congresses, the International Federation of Trades Unions took permanent shape in 1901. Its Conferences are connected by a Secretariat whose business it is to embody in an annual report information and statistics giving a comparative view of the movement in all the countries affiliated. When the war broke out the total of nominal members claimed as belonging to the Federation must have been about ten millions; and this was but a small fraction of the general populations of workers. The Federation was in its infancy in 1914; it gave no cohesive power or strong bent to the trades union forces of the world; "international" was a term which served it as a blessed name; and the majority of mankind was unaware of its existence or indifferent to it. Yet the trend towards closer connection between the industrial workers in different countries was clear enough, however long in coming to an effective result.

(3) The third movement was of a different and very interesting kind. It might in time have acquired a much more direct and powerful leverage on international life than the other two had not the war created altogether new tracks, new mechanism, and new motor-power for industrial progress. This was the

tendency to organise the international workers by separate businesses, just as many of the trusts organised international capital in the same sense. These occupational federations acted independently of each other. There were about thirty of them. The headquarters of most of them were in Germany. Some of them in the cheerful pre-war time prompted leading-articles in the Gilbertian vein. The list ranged from the International Barbers, Hatters, and Waiters, with a modest membership, to the four great combinations of miners, metal-workers, textile workers and transport workers, numbering each of them from nearly a million members to more. The two oldest and strongest—so far as any of these experimental organisations could be called strong—had, as it happened, their headquarters in Great Britain. These were the International Miners' Federation, dating from a conference at Jolimont in 1890, and numbering nearly 1,400,000 members before the war, and the International Textile Workers' Federation, dating from a Manchester Congress in 1894. The latter by its nature was particularly interested in the comparative study of factory conditions in the different nations. In this way it foreshadowed the processes of systematic inquiry and report which would have to be provided for under any institutions for applying whatever International Charter the Peace Congress or the League may adopt.

Let us glance at some other ways in which these special federations work. (1) "The Secretariat of the International Metal Workers' Federation is continually preventing the undercutting of conditions in one country by firms in another, and also the employment of foreign workers by firms which do not conform to the trade union requirements. Thus in 1911 the British Section was asked by the silver workers of Birmingham whether a certain firm in Brussels was a 'fair firm,' as they were seeking workmen in England. The information was immediately obtained from the Belgian Section and forwarded

to Birmingham." (2) "In 1913 the men of Kugellagerfabrik, Rheinland, in Germany, complained that Hoffman Manufacturing Company, Chelmsford, England, were selling solid ball-bearings 10 per cent. cheaper than they could produce, and that the cause was one of wages. The list of wages in the two firms was obtained by the Federation and interchanged, and the result was a successful strike in Chelmsford." (3) "In 1913 the engineers on a certain vessel in Newcastle struck. The employers then sent on the vessel to Rotterdam to be completed there. The secretary of the British Section of the International Metal Workers' Federation was informed, and he immediately communicated the facts to the Federal office at Stuttgart. The Federal office informed the union at Rotterdam, and the union officers sought out the vessel and called out the men at work on her."* These were instances of a method which might have become very potent had not the international labour movement devoted itself mainly to general discussion.

On the whole, it was undeniably insignificant by comparison with the ability and imagination shown by capital in grasping and utilising modern means of communication for the furtherance of international activities.

III.

As usual, the best kind of progress has been achieved rather for labour than by labour. The foundations of what is required for a real International Charter were in part actually laid by the united efforts of social reformers of all parties and classes in many countries. Here we come to the real line of development. Yet what has been written will help to show how the labour movement had been unconsciously preparing during the last thirty years for the unanimity and force with which full action along that line of development is now demanded. There is

* Quoted from "International Government." by L. S. Woolf, pp. 213, 214 (Fabian Society).

nothing new in the idea, as we shall now see. Application is the thing in all this field, not general ideas. We have noted how the Congress of Vienna expressed some concern for the interests of humanity by approving the abolition of the Slave Trade. The machine-age in Europe was already leading to gross abuses which amounted to white slavery in everything but name. The cheap and overworked labour of men, women, and children herded in insanitary conditions, turned human life into squalid mill-fodder. While these horrors of sweating and exploitation went on before the Factory Acts, it was illegal for workers to combine for their own protection.

As early as 1818 that great spirit Robert Owen, in the course of his well-known European tour, urged the Congress of the Holy Alliance at its meeting in Aix la Chapelle to take international steps for the improvement of labour conditions. It was more concerned for the repression of liberal agitations and national revolts. Needless to say, his voice cried to the wilderness. England presently led the way, as in this sphere to her eternal moral glory, let it be said, she has always led it. But progress has ever since been impeded by the contention that a higher humane standard in Britain alone would mean the sacrifice of our trade to foreign competition. The other nations followed by degrees. They came on more slowly because the same prophecies of injury from the absence of equal measures in this or that country was expressed in all.

And it is idle to deny the force of the argument. It is not true, as is often complacently contended, that high wages and shorter hours wherever won are their own security. It is still sometimes argued that this must be so, because the better conditions for labour mean superior efficiency in output owing to the energising of the workers and the improved methods forced on capital. Cheap labour in large supply in backward countries, wherever it can act competitively, does tend to bring down the standard of life in more ad-

vanced countries or to keep it from rising. To a certain extent it is like Gresham's law of the bad money driving out the good. All industrial nations act together on the world-market. Insanitary conditions, longer hours, and lower wages, the exploitation of women and boys, in the nations on a lower level, all tend to drag down or keep back the more highly organised societies. Every employer and every worker in a country like ours is essentially concerned in the state of labour legislation in other countries. Levelling-up as far as may be—differing circumstances being reasonably allowed for—is a prime interest of capital as well as labour.

Here at least was a sphere in which nothing whatever but international regulation could be satisfactory. There was infinite difficulty in obtaining it. The fear of the poorer countries was that the enforcement of a high standard of Labour protection might prevent them altogether from competing with the wealthier. The fear of the best countries was that they might be fettered still more by the backward, if any international arrangements were attempted, and even that they might be handicapped by design. Statesmen feared a new kind of international disputes—recrimination over charges that obligations accepted in theory by all nations had in practice been evaded by some. The ideas of that time were jealous of even the shadow of interference with national sovereignty or national freedom. It was not realised that without the least impairment of either much might be done by voluntary co-operation and agreement for parallel action.

Despite all this the forward forces of thought and feeling made head. In 1876 the Swiss Federal Council took up the idea of international regulation, and subsequently proposed a European Conference. This was rejected by Prince Bismarck, but it is fair to say that he interpreted the general attitude of Governments, including our own, about 1880. Ten years more

passed, and then, on the initiative of William II., new to the Throne and full of the most incompatible impulses, Bismarck was overruled.

The first International Conference on Labour Protection was summoned at last, and in 1890 met at Berlin. As often happens in new departures of this kind, inadequately considered and prepared, it was a failure, for immediate purposes. None the less, it was a precedent ensuring continued endeavour and more successful attempts. It discussed much with little result. Bismarck's scepticism seemed to be justified by the reluctance of Britain and France, amongst other Governments, to go beyond consultation and suggestion. The Berlin Conference considered at what lowest age children should be allowed to work, and for how many hours at the most; for what time before and after childbirth women should be excluded from employment, and what should be in normal circumstances the maximum working day for women; the desirability of relieving women and children alike from night labour was debated; the general question of hours of labour for all classes of workers was of course examined; other items on the agenda related to unhealthy or poisonous employments; safety in factories; Sunday rest, holidays; and whether workpeople, though liable to arbitrary dismissal, ought to have generally a longer notice.

The programme of pious opinions shows that on all these matters European thought as a whole in 1890 was mediæval by comparison with what it is to-day. After the Berlin Conference, however, the thoughts of many constructive economists and social reformers were busy and not unhopeful. There were already proposals for a permanent International Commission under official auspices to publish information and statistics on all matters relating to the comparative position and progress of Labour Protection in all countries. For some years nothing came of this excellent project. At the end of the nineteenth century

voluntary action went ahead of Governments. As the result of a meeting at Zurich in 1897, a practical and permanent thing was done, with results of the greatest significance for the coming duty and work of the Peace Congress on the social question.

In 1900 was formed as a non-party body the International Association for Labour Legislation, with the object of creating gradually recognised standards and more uniform procedure. The permanent Central Office was and is established at Basle, in Switzerland. The Association is organised in self-governing national sections, of which there are now thirteen. These sections are federated. They each elect from six to ten delegates to form the International Committee, which meets in Switzerland every two years. But for the war, it was to have met in 1914, just as the Hague Conference was to have met in 1917. The Association includes that indefinite class of people who are called social reformers, with representatives of organised labour and a few progressive employers, but, in addition, official support has been secured. The Governments of all the principal industrial countries are represented at the International Conferences, and the British Government joined in 1910. Before the war the yearly revenue of the Association amounted to less than £5,000—why did not some multi-millionaire see in this cause an ideal object for endowment?—and of this amount the Governments contributed two-thirds.

On this little Budget a surprising amount of good work has been done. The Central Office at Basle publishes a Bulletin giving the latest information on the progress of labour-law in all countries, and of labour-improvements by private effort. It keeps in close touch with the different national Committees. Every one ought to know that the British section has done sterling work.

The Association first set its hand to two causes which had been agitated for many years—the prohibition of

white phosphorus in the manufacture of matches and the abolition of night work for women. It has been successful in both these objects. We may suppose when the twentieth century began the world made and used not less than 1,000,000,000,000 matches annually. Much commercial profit was made out of "phossy jaw" —that is, the decay of the jaw-bone amongst workers. These were hideous and avoidable casualties of peace. When more than one harmless substitute had been discovered for white phosphorus, there was no longer the shadow of an excuse for its employment in manufacturing matches.

The Special Conferences of 1905 and 1906 resulted in a convention prohibiting the manufacture, import, or sale of matches made with white phosphorus. At first only seven States signed the instrument, because neither Sweden nor Japan adhered, while Norway, Spain, and Portugal also demurred. Even Britain hesitated, but subsequently joined, as have many other states. As a result of the International Association's work, the Phosphorus Convention, prohibiting commercial profit out of human disease, is now enforced by forty-four different countries, dominions, colonies, and protectorates. Sweden and Japan are the only two manufacturing countries which still stand out.

The Night-Work Convention, so far, is not of so wide a range, but nevertheless applies in twenty-five communities. It provides that for women there shall be a minimum of eleven consecutive hours between the end of one day's work and the beginning of the next; and that in any case labour must cease by ten at night, and must not start before five o'clock in the morning. These are honourable triumphs in two fields where the need for reform was grievous.

The sequel of further efforts was disappointing. The reasons are easy to understand, and only means of action under the League of Nations can remove them.

When the war broke out the International Association had a wider programme. The more closely the

question was considered by the delegates of different countries—the ideals of social reformers and the administrative experience of Government experts being admirably fitted to give the right shape to progressive policy—the more promising at first seemed to be the possibilities of agreement for further advance by international co-operation. But the practical attempt, unfortunately, soon brought into view all the weaknesses bound to beset one of the best movements in the world as long as there is no international authority for co-ordinating its purposes.

There was another Conference in 1913, some twelve months before the war. Amongst the projects in hand or in mind were (a) the introduction of a ten hours' day for women; (b) the same for boys under eighteen, with the prohibition of nightwork for boys; (c) the reduction of hours in industries continuously running, eight-hour shifts in the iron and steel trades to be adopted as a beginning; (d) the stamping out of all avoidable industrial diseases, and especially in the paint-making and pottery trades, by prohibiting processes involving danger of the lead-poisoning which may mean blindness, paralysis, and death. Henceforth, all these are to be regarded as objects upon which early agreement for uniform legislation must be reached.

But at first only the first two of these subjects were to be tackled by the Conference of 1913, and the effort was a fiasco. The purpose was to get a new step forward by the adoption of a Convention enacting a ten-hours' day for women or immature workers of both sexes, and also prohibiting nightwork for boys. The International Association had given competent devotion to its aims and drafted careful suggestions. The officials of our Home Office and of Continental Ministries had been in touch. But when the Conference met the official delegates knocked the bottom out of the plan. There was the usual laudation of the objects. In practice so many exemptions and qualifications were made that the resulting proposals were on

the basis of the lowest common measure. If adopted they would have checked the whole movement for levelling up, and, in the opinion of the British section, would have done "incalculable harm." For instance, a ten-hours' day for women was approved as a matter of course—in principle. "But the Conference recommended that this should be extended to 10½ if the Saturday half-holiday were given, and that two hours' overtime a day should be allowed up to a maximum of 140 hours a year (a) in cases of *force majeure*, (b) where perishable materials are used, (c) in all 'seasonal' undertakings, and (d) 'in exceptional circumstances for all undertakings.' In addition to this, the recommendations provided that in a whole series of specified trades the overtime might extend to 180 hours a year. This very low standard was solemnly proposed by the assembled Government officials."* There could be no agreement. Nor did any one much regret the abrupt interruption caused by the war. (In passing, the painful fact must be recorded that Britain, in the course of the struggle, withdrew our petty financial support to the Association, while Germany continued hers, as did France, Italy, and America.)

There was clearly required not only a marked pause for reflection, but a new procedure. Voluntary action had succeeded in suppressing poisoning for commercial profit in such a matter as the manufacture of matches. This was relatively easy, because, on the one hand, the improvement of social health in this particular was unquestionably a common interest of nations; while, on the other hand, the discovery of harmless substitutes for white phosphorus would enable humane progress to be combined with undiminished profit. When the question of international agreements about working hours was seriously raised, it was a very different matter. It involved many complications and conflicts

* "Labour Questions in the Peace Settlement," by Miss Sophy Sanger (Secretary to the British Committee of the International Association for Labour Legislation). ("Contemporary Review," October, 1918.)

of interests, great and small, owing to the variety of circumstances and opinions in different countries.

In short, when questions of hours and wages were reached, it was found that the procedure which had seemed so hopeful nearly a decade before, offered little further prospect. First, the private effort of social reformers in each country had to urge their own Governments to move. Secondly, some Government had to take the initiative by inviting others to a Conference. Next, the official representatives of these Governments could only work their different ideas into a general scheme resembling a "crazy quilt" made of contrasting patches. Fourthly, when that was done, domestic legislation in each separate State would be required before any general scheme could be adopted. And, fifthly, administration in every country would vary—in some application and supervision would be strict, in others lax. Clearly the British Committee had been right in suggesting long before the war that a permanent International Commission was required to make further progress expeditious and efficient.

IV.

In the spirit of the time, the International Association for Labour Legislation took a strong social initiative in July, 1918, when Marshal Foch was opening his military offensive. The Central Office at Basle presented a memorial urging the Swiss Government to propose at the Peace Conference, a full set of resolutions bearing on the future of international action. This programme may be regarded as the practical basis of an "International Charter" on the side of legislation. The question of efficient administration is, as we shall see, quite another matter, and is the real test for the social side of the economic system of a League of Peace. The resolutions which the Swiss Government was asked to urge include the following, and the list deserves careful attention:

1. "To put into force again the Berne International Labour Protection Convention of 1906.
2. "To put into force the proposed law of 1913 regarding the protection of youthful workers.
3. "To supplement the above proposed law by fixing the minimum age at fourteen, under which no children are to be employed in any industry where more than five workers are engaged (according to Swiss law), with the reservation that this age limit be raised in accordance with the development of the Continuation Schools.
4. "To put into force the proposed law of 1913 regarding the ten hours working day for women workers.
5. "To put into force the eight hours shift in mines (according to the English example) and in factories where work is conducted night and day.
6. "The object of a special agreement should be to regulate the subject of Sunday's rest.
7. "International prohibition of the use of poisonous substances in industries, and of the employment of youthful workers in such occupations, and of the employment of women in work injurious to their health.
8. "To introduce accident insurance for employees engaged in international traffic by land and water on the lines adopted by the U.S.A.
9. "To internationalise Labour insurance so as to safeguard emigrant workers for their compensation in all branches of social insurance.
10. "Minimum wages for underpaid industries to be fixed as is done in England, France, Norway, and other countries.
11. "Duration of colonial labour contracts to be restricted in the case of mining work to six months and agricultural labour to a maximum of three years.
12. "International agreement by means of which:
    (i.) The reports of the superintendent officials of labour protection would be co-ordinated; and
    (ii.) The "International Union for Legal Protection of Labour would receive recognition."

These twelve commandments of social policy are nearly as many as President Wilson's points. They are for the most part mild indeed by comparison with the spiritual and practical crises created in the world of labour by the effects of the war. The twelve points hardly need annotating. Sweden and Japan have still to be brought into the Phosphorus Convention. Legislation for reducing working hours for immature labour, whether of boys or girls, has still to be adopted

in many countries. With regard to some points like eight-hours shifts and Wages Boards, our own country is in advance, as the memorandum states. France was the first country to follow us in adopting "Wages Boards," but does not enforce its anti-sweating principles with anything near the same administrative determination. Everything has yet to be done towards working the twelve points and other principles into a real "International Charter," not only generally accepted on paper, but with guarantees that it shall be as generally observed.

As we have seen, the demands of American and British Labour when the Congress or League comes to grips with the subject are likely to be more drastic. Mr. Gompers demands, for instance, that the industrial employment of boys and girls under sixteen shall not be permitted, and that the eight-hours day shall be a universal basic standard. The British plan for the organisation of employers and employed in self-governing industrial councils for each trade, as suggested by the Whitley Report, is likely to have a profound influence on the world.

Even if circumstances were more normal there would be everything to say in favour of progress and co-ordination on the lines of such international union, as has centred in Switzerland. But first is needed the more powerful agency of an International Commission to investigate, report, publish, and recommend. It would summon Conferences at regular intervals for the purposes of adopting new conventions, steadily extending the process of creating a more uniform body of labour-law for all industrial civilisation, and raising the average level. Britain has the strongest reason to take a leading part in this movement. It goes without saying that the use of immature and female labour abroad for long hours or low wages and in unhealthy conditions must make competition more difficult for a country like ours, with an advanced code of factory laws. In coming circumstances we

shall need all we can obtain in the way of social security against imports, produced under conditions worse than those of our standard of life. We shall need that security just as much as equal competitive opportunity for our own exports. Proposals for further progress at home will never have a full chance on their humane and scientific merits while it can be urged that by one-sided action we are only promoting the interests of lower economic organisations at the expense of employment in our own island. Again, capital and management are mobile, and will be always under the temptation to remove if possible to countries where labour is cheaper and restrictions fewer, so long as such countries remain.

V.

These are normal arguments urged during the last fifty years in favour of international regulation. They are decisively reinforced by the new and portentous changes which the war has brought about. In our own country, as we know, we must either have hardy innovations—all tending to raise labour from the mere wage-basis to partnership in knowledge, responsibility, and profits—or we shall have industrial conflicts to the extent of national disaster just when what we need above all things is industrial peace.

In other countries the changes have been of a more concrete and extraordinary kind. In Germany the former basis of prosperity and employment is destroyed. Without steady international action the consequences of German unrest, incitement, and example may shake the public order of all Western Europe. It has been noted how German industrialists are looking forward to longer hours, lower wages, and cheaper production for export by comparison even with Britain, not to speak of the United States. In the countries formerly under the Hapsburg crown conditions are only less chaotic than in Russia.

Swarms of disbanded men will try to get livelihood and employment on any terms, however low. In Italy the armies returning to civil life have become accustomed to a better standard of living than they ever had before. What is more, they have become acquainted with the British and the French standards. They have realised that in other countries meat-eating is no festival rarity but a daily practice amongst ordinary folk. Apart from this, nearly half a million Italian emigrants returned to their native land in 1914, and have been working on munitions, though there was not sufficient home employment for them in peace. With the shutting down of munition works and the deficiency of food and fuel there may be severe social distress.

Elsewhere during the war labour of a lower or semi-civilised grade has been introduced for munition-making. We do not know whether it may not be employed for cheap manufacturing production. In France over 15 per cent. of the labour employed in the munition works has been foreign labour recruited abroad during the war. The Ministry of Agriculture has recruited from Italy and Africa over a quarter of a million of workers for agriculture. France has to replace her million and a half of dead. There are demands across the Channel for further foreign recruitment. This means in part the utilisation of coloured workers under conditions which to a certain extent may be those of industrial subjection.

No labour conditions like these which are possible in various parts of Europe have been known since the machine revolution began. For years humanity over large areas may be cheapened and depressed. We may have something little better than serfdom or semi-slavery. We may have migration in masses. Britain planning a still higher standard of labour conditions, and bound to increase her export of goods like her total production to an extent beyond all her records, may find the whole basis of her calculations attacked by foreign competition working with underpaid, sweated,

exploited, degraded labour to a relative degree never before known. In these circumstances a League of Nations which hoped to preserve international peace without providing seriously for common action on the social question might be like Sindbad and his companions, who thought they had landed safely when they mistook a whale for an island.

Three issues in particular show the urgency of the whole argument.

We have to face new conditions in the shipping trade. American ships pay higher wages, and under the law of the United States sailors of any flag may leave their vessels on entering an American port. Desertion from British ships has been common, but nothing yet to what it might be as the new American merchant marine expands. On our side the wages of British seamen have been raised. They will have to be further raised and their whole treatment bettered. But there is all the more reason why pay and conditions should be regulated as far as possible by international action. British shipowners on the International Maritime Committee have themselves urged this principle again and again. It was advisable in view of European conditions, for the most part lower. The higher American conditions make it imperative.

A connected subject is that of the control of emigration overseas. But for preventive legislation, it would probably reach proportions unknown for many years. In 1914 there were 1,218,000 immigrants in the United States. In 1917 there were only 295,000, and these of a lower average type. Towards America alone the coming exodus seemed quite likely to surpass all records. Germans might contribute to it as they have not done in this generation, as well as Italy and all the Slav countries.

In face of this prospect American labour has taken alarm and its apprehensions are shared by part of American capital, though for very different reasons. Hence the drastic Bill for prohibiting for four years the immigration of manual workers into the United

States. The House of Representatives has reported favourably upon this measure, and though President Wilson's Government is said not to favour so extreme a proposal, it is solidly backed by organised labour. The opposition to the Bill urges that the United States, even if all her troops in Europe were repatriated, would need at least a million new hands for the available employment and to carry on the development of the Republic at the normal rate. Before this question is decided an odd pull of different feelings may come into play. Anything like promiscuous foreign immigration is widely dreaded, and with reason. In most of the larger American cities there are said to be organised Soviets amongst the alien-born, and much anarchist propaganda. It is asked by some thinkers whether it would not be better to restrict immigration into the United States to the English-speaking race until there is an abatement of political rabies in Continental Europe. If the general exodus from this side of the Atlantic is not allowed, American shipping, like our own, will lose one of the expected assets.

Yet to prevent Europe from finding an outlet by migration might be for several Continental countries like sitting on the safety-valve. President Wilson and his Government probably see that new methods of discrimination and of international consultation may be required. In any case, masses of Europeans, if restrained from going to the United States, will try to go somewhere, and British policy would only have the more strenuous task. British shipowners in this matter especially, and quite naturally, object to regulations not applying to their foreign competitors. International agreement was always wanted. It is now a pressing need. There must be further safeguards in view of the new use of indentured labour. Crowds of other migrants may arrive at the ports in a state of destitution. After the war there is special need to guard against the introduction of epidemic disease from Russia and the East.

Emigration by its very nature is marked out as a common interest which can never be adequately dealt with from the standpoint of health and decency until, in these respects at least, it is the subject of international management.

The other special question which compels international arrangements is the ninth point in the memorandum to the Swiss Government—"To internationalise Labour Insurance so as to safeguard emigrant workers for their compensation in all branches of social insurance." That point is not the less desirable in the common interests of the world, but especially of Europe, because it affects Britain less than measures for shipping or emigration. It concerns foreign nations much more. It calls for action to make labour insurance more general and uniform. It provides with respect to unemployment, sickness, and accident that the legislation of different countries shall be linked up—that workers shall not lose their benefits nor be excluded from acquiring a full right to benefits because of changing their national domicile. Before the war many Italians, for instance, went annually to Germany—chiefly masons and builders' labourers. They went to that country mainly because it offered the strongest demand for them owing to the rate at which new building was being carried on in all directions. But the Italians also preferred to go to Germany rather than to France because the former country gave insurance to foreigners. France no doubt will have to adopt the same system if the new need in the Republic for industrial and agricultural workers from other lands is to mean the importation of labour which will not degrade the level of her civilisation.

If we do not want Germany to become a centre of social trouble, certain to infect other countries, and if we do not want Germans to become the agents of Bolshevism everywhere, the labour-measures ultimately issuing from this Peace Congress or from

early work of the League, must have some regard to the solvency of the insurance systems in that country itself. International measures should further provide that workers who may be compelled in large numbers to leave Germany for ever shall not forfeit all their hope for some security in life, and even the contributions which these toilers—so largely mere humble, diligent pawns in the Imperial game—have paid out of their wages.

To work out the details of these proposals will, of course, be a task of complicated difficulty; nor can countries like our own spend more and more money on training up, physically and mentally, boys and girls for efficient citizenship without some reasonable precaution that the advantage shall not be carried too lightly to other flags. At present foreigners do not receive the same benefits as British subjects under our own Insurance Act, and this it is advisable to alter if only for the sake of good example. The changes in our practice regarding naturalisation can be made to give full security against undesirable settlement.

Generally, it must be said that the vital interest of democracy in every country is that foreign workers shall not be employed on worse conditions than native workers. This economic provision would solve on both sides of the Atlantic those bitter and complicated problems of immigration which diplomacy has failed to solve by political means. On the whole subject, international arrangements are most evidently required if we are to steady the social readjustment of Europe after the war and avoid or minimise disturbances which might otherwise upheave the foundations of peace.

VI.

To take the lead in all these matters ought to be the ambition and resolve of British statesmanship. Great Britain is before most countries in the scope of her legislative action for labour protection, and especially in the thoroughness of her administration.

This latter point must presently be emphasised. The country means not to pause in its course, but to carry it further under the new Education Act and the projected Ministry of Health. After all allowance is made for the increased efficiency and output of labour in any given hour, where there is a shorter working day and better wages, there is yet no doubt that our progress in social reform handicaps much of our manufacture as against foreign competition. Some of those who are best acquainted with the subject suggest that the British Government ought to concentrate on securing in direct sequel to the Peace Congress the following main points of an "International Charter" for labour:—

1. An eight-hours day as the standard for all adult labour, a standard which some countries must work up to by steps and stages.
2. General adoption of Wages Boards as the best remedy for sweating and exploitation.
3. Agreement upon the hours of labour for women, and lowest age at which immature labour may be engaged and the longest hours for which it may be employed.
4. Eight-hour shifts in mines and other continuous industries.
5. Prohibition of the use of lead compounds.
6. Regulation of the indentures for coloured labour.
7. Establishment in connection with the League of Nations of a permanent International Council of Labour, with fully organised branches for Labour Statistics and Information.
8. The appointment in connection with such an Office of agents competent to examine conditions in different countries, and to report on the extent to which international agreements are being faithfully observed in practice.

For British statesmanship to work earnestly for such a programme, at the Peace Congress and after, would evidently strengthen British credit and influence in the eyes of all industrial democracies. It would continue our best traditions—our leadership at the Congress of Vienna towards the abolition of the Slave Trade and of Slavery, and our subsequent example in Factory Legislation. A programme of that kind would gratify labour at home in a way making distinctly for

the better relations of capital and the employed—that is for our own internal peace as for the safer, yet more progressive, order of other societies.

But just here is where the unrivalled character of British experience in administration as well as legislation must be employed to make British leadership practical. As was hinted at the beginning of this chapter, an "International Charter," if it represented only an agreed proclamation of abstract principles or even paper-propositions of a more detailed kind, might only be an international fiasco. Historical critics belonging to the remorseless modern school of research have often suggested that, on the one hand, few forces have done more to inspire British progress than the strength of our dear delusions about what Magna Charta was and did in itself, while on the other hand baseless traditions regarding it are an element of real weakness in the national mind. The great legend no doubt had its origin in a great thing. But principles as reasonable and enlightened for the thirteenth century as those of Runnymede were asserted about the same time in other countries. The vital thing for English freedom and political method came afterwards, when the nation found that no matter how solemn and sacred the declaration of principles was made, they would not be applied unless efficient guarantees for their practical observance were contrived. England contrived the Parliamentary system in consequence. The lesson applies in connection with the "International Charter" for Labour under the League of Nations.

VII.

Let us, then, take separately legislation and administration.

In legislation there can be no cast-iron code such as labour in Britain and the United States alike has been too apt to imagine. The thing cannot be done by decreeing uniform conditions in the name of uni-

versal democracy. It is not so simple as that. "Levelling up" is entirely the right idea. But we must think of it not in terms of one plane, rather as a series of broad stages differing as between each other somewhat —but not too much—in level, yet all tending gradually to more equality of surface. In a word, proportionate levelling up is the great principle to be kept in view at first, if we are to work with the elasticity which will bring the average rate of progress to a maximum. It is in vain to ignore differences in climate, racial habits, education, immediate economic circumstances; or to think of regulating all these summarily according to the best Anglo-Saxon models. We have only to conceive the social contrast between Scotland and Andalusia, or Westphalia and Sicily. Conditions of working and sleeping in the South vary from those of the North like the heat of their midday. Nor is time the same measure of the intensity of labour. Languid is the native worker in an Indian textile mill by comparison with a Lancashire girl. The small agricultural proprietor, as in France, will not be prevented from toiling and bending from daylight to darkness as long as strength remains. By comparison with the English-speaking democracies, the poorer nations of Europe feel that they must work rather longer hours if their industries are not to go under. But because of the very fact that there cannot be uniformity, there is more reason than ever for at least what may be called definite relativity. This can be secured by a Labour Commission to be appointed forthwith and to work under the permanent Council for Labour which must be one of the principal institutions on the economic side of any real League of Nations. The Commission ought to negotiate agreements with every member of the League. These agreements ought to be among the subsidiary instruments to be incorporated in that Final Treaty which will only be completed long after the present Peace Congress has concluded its Provisional Treaty and dispersed. In every

separate country some measure of progress might be gained in the matter of working-hours.

So again with wages. As between different climates and races, the actual needs of human consumption differ as well as the habits. The purchasing power of wages varies widely. A minimum wage implying an unprecedented gain for most Italian workers would be meaningless in Britain, while even a rate excellent for this country would be useless to cope with the cost of living in the United States. But much can be done with respect to wages and hours by the international action which would enable organised insistence to be brought to bear for securing the utmost practicable extent of proportionate levelling-up.

If we conceive an international code as being framed in this way, providing everywhere for higher standards than those which have existed, settling relative hours, introducing wages boards, suppressing admitted abuses, and capable of development and amendment by the League's permanent Council of Labour, yet the most important thing would be still to do.

There we come to administration.

When these standards were adopted on paper there would be required the means of enforcing them in practice. British experience has taught us that inspection and penalties are the surest instruments of progress. In that respect better guarantees would be needed abroad to give efficiency and stimulus to the complex and elastic code which a real International Charter must represent. Let me illustrate the present variation in the manner of applying the same principles. France was the first country to follow Britain in setting up Wages Boards. But in France the worker is authorised to claim the minimum rate; in Britain the employer is compelled to pay it. In this country the employer who might try to evade would find himself severely subject to inspection, prosecution, and penalty. Amongst our neighbours there is nothing like the same stringency of enforcement.

In all cases where such a choice must be made it is clearly better to have a somewhat lower code of conditions which are really applied than to have principles which on paper are more advanced but remain a dead letter.

That is why in the suggested British programme for labour in connection with the League of Nations so much emphasis is rightly laid by all those most expert in the subject on the eighth recommendation:—"The appointment of agents competent to examine conditions in different countries and to report on the extent to which international agreements are being faithfully observed." Some have proposed to call these agents "inspectors"; another suggestion is that they should be called Labour Consuls. It would be better to avoid the former name, since the stricter sense of the function it implies will be forbidden by the retention of national sovereignty on the part of the members of the League. But, however these accredited representatives of the permanent Council of Labour are named, they will have every opportunity to gain the requisite information. If they are competent persons their reports will be of the utmost value in forwarding the whole movement of social progress. Apart from this, each country must be bound by its agreement to set up its own efficient system of inspection.

At the present day no one needs to be reminded of the importance of stipulating for a proportion of women inspectors.

There must evidently be penalties in reserve for a serious breach of the provisions for social peace, no less than for offences against the new rules for the maintenance of world-peace. A defaulting nation, evading the real application of the Code of Labour-Conditions to which it had agreed, and reported for an unsatisfactory system of inspection, could be brought to reason by the economic boycott, stopping its exports and all its traffic and intercourse at the frontiers.

The Publication Department of the Council of

Labour would be for all countries a branch of much interest and use.

VIII.

But the life and vigour of the system would depend upon the permanent Council itself. Employers would be represented on it as well as Labour and Governments. It would be a body of high status. Men of the highest standing and qualifications in their spheres ought to be chosen for it, so that to belong to it would be recognised as an international distinction. With the aid of its department for statistics and information, served by competent "Consuls" in every country, the Council would carry on not only supervision of agreements, but research into all conditions and the possibilities of improving them. It would hear complaints and settle disputes. It would seek to amend the initial codes as experience suggested; but would keep in view the main object of raising standards all round by degrees, so that, if any country took a forward step, the others might be urged to imitate it. The Council would negotiate and frame conventions and treaties, to be signed by all countries. Its proposals would have pre-eminent authority to persuade the various Governments and bring them into line. General ratification would be secured more speedily than by any means which can exist under the present conditions.

It is urged that when basic principles were thus agreed to by the countries signatory to a new Treaty or Convention another and more direct power should come into play. In pursuance of the principles of the Factory Acts, the Home Office in our own country has power to issue detailed Regulations. Many social reformers in various countries are particularly anxious that the permanent Labour Council of the League shall have wide discretion to issue Regulations practically applying in the same manner the Treaty-principles to various trades in various countries. This

could hardly be done in the direct and summary way suggested—in view of the fundamental reservation of national sovereignty by each member of the League. But the prompt exercise of an equivalent authority would be of the utmost use for the better working of the whole system, especially so in the backward nations. It would seem that the Council for the first years of its operation would do better to apply Regulations for every country through a small expert Committee representing that country, but whose own recommendations would be carried out as a matter of course by the Home Office of the Government concerned.

To understand, then, the full usefulness of a permanent Labour Council as one of the chief institutions of the League of Nations, we must visualise its committee work. Like the different Programme Committees we have seen in action for every main commodity in connection with raw materials and food-supply, the Council would have its expert branch for every chief industry in the world or for groups of smaller industries. Let us add that any money spent on giving it a thorough equipment of departments and staffs would be one of the best investments that the League of Nations could make. The first condition of prosperous recovery after the war by every one of its members is to have industrial peace. New international influences are indispensable for dealing well in the future with the problems that nothing can prevent from becoming more and more international in their scope. The permanent Labour Council of the League would be an inestimable gain both for knowledge and action. Recourse to it might become in many cases a real alternative to general strikes, or even international strikes—to domestic, and even wider, revolution rising from industrial causes, just as we expect that resort to the High Court of the League and to its political provisions for conciliation or decision will be the judicial and diplomatic substitutes for war between peoples.

If a Labour Commission is, in the first place, appointed by the Governments meeting in Paris, it must work out for adoption a plan for setting up these indispensable institutions to create a living connection between the League and the democracies daily concerned with questions of work and wages and hours; with the conditions of health and safety in their employment; with the security for their old age. What the least Bolshevist democracies of to-day are striving towards, one and all, is their fullest attainable development as civilised beings and intelligent citizens amidst all the exhaustless natural resources and technical powers that the modern world possesses to make ordinary human existence happier.

As this analysis has been somewhat full, it may be convenient to sum it up in two paragraphs.

(1) For furthering the greater purposes of the League of Nations special organs and principles would be necessary to its Labour section. There would have to be definite powers of persuasion to secure, by efficient systems of inspectorship and penalties, the genuine application of international agreements. This would correspond with the political processes of compelling recourse to the High Court of Justice and various methods of arbitration instead of the abrupt and wilful resort to armed hostilities. In the purely economic sphere the economic weapon would of course be still more effective. Upon approved recommendation from the Labour Council to the higher authorities of the League, the interdict or embargo might be applied to any country persisting in employing workers and producing goods under conditions below the civilised standard. The present writer would like to see the British Government urging the general association everywhere of labour with capital in the self-governing councils of industry on the lines of the Whitley Report.

(2) But there would be equally necessary a strong official body to supersede the present voluntary Inter-

national Association for Labour Legislation, and to carry on its work on more comprehensive lines and with more potent influence. The organ required is an International Labour Council representing Governments—who would nominate not only their own officials, but other recognised authorities on social reform—organised labour and employers. It would have its permanent office and standing committees, and smaller technical committees for the various main trades or groups of trades. It would have its Labour Consuls in every country. It ought to be thoroughly equipped with departments for publication, information and statistics, which would serve as the intelligence-centre for the world's labour movement. The Council would be charged with the consideration of all desirable measures for further labour protection as of all likely means for the promotion of industrial peace. It would be in definite relationship and correspondence with the Ministries of Labour and Commerce in all the different countries. It would summon periodical conferences, not merely for debates on novel principles and projects, but to frame further conventions, binding on all the signatory States. In concert with a small expert National Committee it would issue for any country Regulations like those of our Home Office, to apply promptly in detail the principles which had been ratified.

IX.

Let no one think that supporters of proposals like these believe them likely to create either a new heaven and a new earth for industrial democracy or ideal harmony between capital and labour. The hope is much more modest and more useful. It is to prevent the evolutionary processes of social progress, with all their inevitable jars and stresses and crises, from taking a violent revolutionary form. Our civilisation, by the procedure advocated in this chapter, would be cleansed of blots like lead-poisoning. The employment

of immature youths and women would be safeguarded from abuses detrimental to the human breed—infecting the social atmosphere not only of the countries where the abuses exist, but of others also, with the sense of wrong and the desire for retaliation. Sweating and exploitation would be methodically eliminated like disease. The general life of labour would be humanised.

The great problem of the future relations of capital and labour will not be solved by the first Peace Congress; nor in our time by the League. Nothing but experience, experiment, and the march of invention will solve it ultimately—perhaps in ways differing from any theory of to-day. It may be solved far hence by adjusting rival and apparently irreconcilable theories, in ways, illogical but convenient, which may long remain accepted as an alternative to the mutual injury and impoverishment of strife. The way out in every country may be found in real and increasing partnership between labour and capital, with participation in knowledge, responsibility, profits; with a corresponding share of leisure and pleasure for the workers; with more and more equal opportunity for the children of the workers to rise to the top by ability and vigour. No one but a tyro little acquainted with the actions, reactions, and unexpected compromises of history could hope to devise now a final and complete solution.

The bold development of labour welfare and labour opportunities is the antidote to agitation, threatening more and more by industrial action to dislocate the economic mechanism of the modern world. We must add the international measures to all other means towards the healing treatment and abatement and more orderly management of troubles which otherwise, under the conditions of the future, would take the certain form of class-conflict on a scale imperilling every ideal of stability and safety that a Peace Congress can entertain.

CHAPTER XV.

"ECONOMIC JUSTICE": IN THE TWENTIETH CENTURY THE DOMINANT IDEA, LIKE "POLITICAL JUSTICE" IN THE NINETEENTH: GENERAL VIEW OF THE PRINCIPLES AND OPERATION OF ECONOMIC PARTNERSHIP IN WORLD-GOVERNMENT: WHAT IS REQUIRED FOR LASTING PEACE IS THE CREATIVE METHOD, WHICH COULD DO MORE FOR EVERY NATION THAN WAR COULD DO FOR ANY NATION: THIS PART OF THE LEAGUE OF NATIONS THE LESS DIFFICULT TO ESTABLISH: INTER-ALLIED ORGANISATIONS READY TO BE ADAPTED: THE "CHEQUE-BOOK PHILOSOPHY" OF FORMER PACIFICISM: OBJECTION THAT PRESENT PROPOSALS REPEAT IT: THE OBJECTION ANSWERED: AN OLD CONFLICT OF MECHANISM AND IDEALISM: THE ECONOMIC BASIS OF PEACE IS PRACTICAL BUT NOT MATERIALISTIC.

It may be well to resume here the general argument, practical and moral, before going on to the special questions of another kind. Suppose again for a moment that there were no proposal for a formal League of Nations. In that case the present degree of political disconnection between nations could by no possibility continue. We have realised fully enough that before the war the disconnection was by no means so complete as is imagined. For one purpose, the Universal Postal Union even formed a single territory under a single Government. Now there are at least four new factors which would in any case compel the various peoples to make a far more ex-

tended use of common organisation. First, there must be an Universal Air Convention and the air as a single element will have to come under agreed government. Secondly, this would mean an increase in agreed management of other communications. Thirdly, as was said, the world from Hamburg to Pekin is thoroughly out of joint, and nothing but prolonged common action can hope to put it right or keep it right. Fourthly, labour-unrest would become more and more a common international problem even if Bolshevism disappeared. For the tolerable security of the world against civil tumults, as bad or worse than international war, while almost certainly leading to that as well, there would have to be official action between Governments on the labour question. So much for the mere minimum of that partnership between nations which would in any event be unavoidable.

But all this in the long run would not give a sufficient chance to save the lasting peace. For that as the greatest good we are either concerned or not. If our eyes are indeed opened and our hearts truly changed since August, 1914; if we have learned enough from the bloody and destructive years we have passed through; if we mean that a League of Nations shall exist for the organisation of concord by every means—the peace of classes no less than the peace between whole peoples—we shall have to go beyond the mere minimum of closer association now required by all countries if their world is to work at all even for its everyday purposes, or if it is to take any heed whatever of the barest needs of its social and international safety under the new conditions.

Let us then not only recapitulate in this short chapter what is required for any reorganised system of civilisation, making peace the paramount aim and mutual service the means; but let us see how deep is the moral reason for the practical methods

advocated. They are practical, but they are not materialistic.

We have seen that even if we take the narrowest view of the chief function of the League of Nations as that of preventing war, the most formidable deterrent and the surest means of strict localisation and swift suppression would be found in the thorough organisation in advance of a mechanism by which the commercial interdict, embargo, or boycott might be applied to mutinous challengers or breakers of the peace.

It is desirable that pacification by armed force should not be regarded as the normal method of dealing with emergency. The use of flying squadrons would no doubt enable the League to wield prompter and more far-reaching measures of police than could have been used at any previous time. But nothing can be more obvious than that while States remain sovereign and control separate armaments—which will be the case for a long while—the employment of fighting force by any country or countries in the name of the League will seldom be unanimously approved and will always be liable to lead to disputes and complications. It will keep alive, though latent, the feeling that if armaments and bloodshed may be used for the alleged common interest, in practice never more than a strong majority interest, the same methods might be needed to defend a group-interest. The world would be apt to find itself caught again in the vicious circle.

I.

The thing is to shake off the immemorial clutch of war on the mind, the traditional thinking in terms of war, and to regard it as a machinery which even for purposes of power and compulsion is obsolete by comparison with stopping intercourse and sealing frontiers. There can be no neutrals once the mandate of the League of Nations issues. If there were no neutrals, no single society in the world would face the

economic interdict. No group would face it if only Britain and the United States, with their combined command of food, raw material and the sea-ways, held together for the cause of compulsory peace. But armed intervention for that cause would admittedly have to be prepared beforehand. So then would the far preferable means of economic intervention. Thus much for the best conception of a compulsory peace.

We saw next that there can be no safe prospect in any idea of compulsory peace; not even if the system were riveted by economic action in emergency. The only conception likely to be workable and lasting is that of the willing peace. That is, a peace secured by the cohesive power of common interests, by the increasing efficiency and advantages of mutual service. We found that this could only be brought about by creating under the League a definite series of institutions for making international co-operation a potent and beneficent reality. From that method every country, great and small, could only gain in prosperity and security. It would make the daily operation and preservation of the peace an asset for every people which no imaginable result of successful war could exceed.

We saw as plainly that for such a positive system of peace-promotion there would be required at the head a Supreme Economic Council. It would be the most important organ of the League next to the Supreme Congress itself, the Executive Cabinet, and the General Council of Nations. It would be a more hopeful medium than the secretariat, dear to the formalists—the necessary, the invaluable secretariat, a great reinforcement to the Foreign Offices, but no more able than they have been to prevent war or extirpate any cause of it. Under the chief economic authority would be a series of departments. There would be a primary group for—(*a*) food supply and raw materials; (*b*) shipping; (*c*) finance. By these, as we saw, the imports required by other countries

could be estimated and guaranteed to the fullest measure of fairness, relatively to the estimated state of the world's resources; and any deficiency then revealed would nearly always bring a development of the yield. One of the deepest causes of modern war would be removed by making the economic interdependence of nations consistent with their security. Incidentally, through this group of departments, and one or two others to be named, the Economic Council, on decision and instruction of the ruling bodies of the League of Nations, could apply the economic interdict in case of acute danger or of actual outbreak.

But we found equally that another group of departments would be required to complete a system adequate to the League of Nations. Shipping cannot be treated alone. It is but part of the international and intercontinental web. Although it remains vital, the other parts of the whole have been continually growing in relative importance and will not cease to grow. In the age of flying—facilitating international meetings and movements of all sorts—the world's communications must necessarily be treated more as an entirety. Had the Russian railway system been better developed, had the Black Sea and the Baltic and their entrances been kept open in the way for which only a League of Nations eliminating neutrality can provide, the late war could not have occurred. We have noted how continual international study and partnership for the deliberate extension or more perfect interknitting of railways, motor-ways, inland waterways, seaways, and airways would do more than anything else to penetrate civilisation with influences making for a rich increase of prosperity and convenience under a peace-system.

From this we passed to another conclusion. Measures are required for the better and wider scope of the industrial societies which do not possess colonies, dependencies, or spheres of influence. Without injury to those who do possess them this can be contrived. An Intercontinental Department should

supervise matters touching the guarantee to all nations of the open door, or equal opportunity for trade and contracts, in Mid-Africa and the Middle East as in China.

We next examined and verified the necessity for agreement and understanding with regard to the extending operations both of capital and labour. There should be a special department charged to watch the international operations of Trusts and "Combines" of all kinds. That department could suggest to Governments, when there seemed need, parallel legislation and united action in emergency for subordinating these widespread corporations, whether financial or trading, to the public interest of the general mass of nations. This notably with a view to that social tranquillity which will be more and more essential to peace-safety of any kind.

Particularly we analysed the demand of Labour for an "International Charter." The considerations we followed established the argument for a permanent International Council to codify and develop the laws for labour protection, to see to their execution, and having in connection with it a Central Intelligence Office for publication, information, and statistics. Nothing in connection with the League is more essential.

We noted that the existing Institute of Agriculture at Rome is already prepared to make itself an organ of the League. Its scope ought to be extended to Forestry and the Conservation of Natural Resources. Few objects are more important for mankind as a whole or more suitable for common international action. The age of science and machinery which opened fully the accumulated riches of all continents made man a careless prodigal. The nineteenth century was in some ways an unexampled epoch of waste as well of production. In some cases the conservation of forests, for instance, is impossible without joint action between neighbouring States. The same may

be said of the industrial use of water-power. Conservation has begun to receive attention in the United States, Canada, India, and elsewhere. There are few spheres in which scientific knowledge and human welfare alike could gain more from the regular exchange of international ideas and the working out of international plans.

Finally, it has been shown that a still more important field for prevention and conservation is that which concerns human health. In this sphere international action against cholera and plague was long ago found to be imperative. Even before the war, the nucleus of a real Head Office of Public Health for the world was established in Paris. It has been thought that if made an adequate institution it might even eliminate influenza—a thought which moves Western mankind more than any prospect of the total suppression of plague in the East, so true is the reflection that our own toothache is always more distressing to us than the Messina earthquake.

Every one of these suggested boards and departments, once set up, would be a prized asset—as, for instance, the Postal Union, the Institute of Agriculture, the voluntary International Association for Labour Legislation, and all the rest, are admitted to be. They would be of inestimable usefulness even if they existed only for research and consultative purposes and for co-ordination of policy, whilst to each sovereign State was left its executive part under agreements and conventions.

II.

This would be an imperfect system, no doubt. It would be far from achieving all that might be done by the more thorough executive co-operation of States and peoples for the betterment of their common interests and human happiness in general. But imperfect as would be the system we have sketched, it

would be a striding improvement on anything the world has yet possessed.

And though setting up this series of institutions is a task which may seem at first sight altogether novel and very complicated, that impression has been proved by our analysis to be wholly mistaken. The elements of the whole mechanism are already here under our hand. We have all the experience required for the rapid and efficient completion of the design.

The Inter-Allied Boards, the Maritime Council, the Food Council, with all their expert sub-departments, the technical committees for Raw Materials, are ready to be converted into the chief institutions required. The men who have worked them have acquired an incomparable knowledge of what we may call the practical economics of the world in the age of inter-dependence. They know how best and soonest to bring together all the other expert forces for dealing internationally not only with food supply, raw material, and finance, but with every kind of international traffic, and with every field for practical extension and development.

The whole system could be organised in six months. In relation to the objects it would be neither very troublesome nor very expensive. It would be dirt cheap by comparison with armaments, even those of small nations. The economic side would be easier to establish and easier to work than the political and judicial organs of a League of Nations. It would give an entirely new tone and habit to international affairs. It would do more than anything there has yet been to change those ways of thinking and acting which bring about great wars—to overcome the whole tendency which has seemed hitherto almost like an automatic tradition, both obsolete and invincible. Mankind as a whole would be brought for the first time to see that combination for the constructive purposes of peace would do far more for every nation than the destructive attempts of war could possibly do for any nation. It

can be done and simply done. If it is done the world will never regret it, but will marvel perpetually that the right way was not found out before. If it is not done, the judicial and political institutions of the League of Nations will have no influence over those ordinary movements of life from which all its crises result. It will have to meet quarrels, emergencies, war-dangers of the old kind which sooner or later a merely political-juridical League would fail to solve.

It has been proposed on both sides of the Atlantic to abolish the working models of international service created during the war, instead of making them at once part of the economic mechanism of the League of Nations and linking them with other tried and accepted institutions existing from before the war. To destroy the only substantial and tested organisations which are already available for a League would be as strange an error as statesmanship could commit at the present crisis of international affairs.

We cannot have a real League of Nations if it only exists to deal with disputes after they arise. We might not have it very long if it ignored the plainest necessity for new measures to effect the economic reconciliation as well as political association of great peoples. Equally if for the assertion of its own authority in the last issue it contemplated resort to arms and nothing else, it would itself keep alive the war-tradition, which might die out for want of any ailment if the full resources of economic pressure were first used whenever coercion were necessary. This, at least, is recognised, and much follows. We can only have a growing and promising League of Nations if it can promote conspicuously better than any previous policy the general interests of peoples in their everyday lives. In a word, the economic line is the hopeful line of advance.

III.

Yet it may be said that while we have censured pre-war pacifists for the futility of what we have called

their cheque-book philosophy—for their insistence on the peace of profit instead of the peace of justice—we are now adopting and ourselves emphasising the very system of argument we have condemned. But not so. There is not even a superficial resemblance if the thing is but examined. The difference could not be deeper. The system advocated in these pages is the only one which can hope to serve the purpose, because it is a system of justice, political and economic. It is a system not merely of static justice, but, as it were, of progressive justice. Material advantage would be superadded. It has been very ably argued that the Calvinist creed in Europe, though not framed for any economic purpose, worked out by its nature towards commercial efficiency.

The most humane and the sternest moralists have been driven to the conclusion that not peace by itself, but justice, is the paramount interest of mankind. Comfortable peoples who had achieved their freedom in the past by force could not reasonably expect others to remain for the sake of peace in a state of subjection or dismemberment. Armageddon had to come for this first of two main reasons. Racial bonds had to be cut, and only the sword could do it. Boundaries had to be redrawn in Europe, and only the sword could do it. To this cause the arguments for the peace of profit were merely irrelevant; they were wide of any mark.

But political justice being now so largely done—if it be not undone by the greed of various Allies, great and small, for extreme territorial gains making new racial bondages—the next dominating question in the domestic affairs of nations as in their relations with each other will be that of economic justice. That is a kind of problem not necessarily solved at any time, and certainly not solved in Europe or the world to-day, by the removal of despotisms and castes and racial ascendencies and of dismembering frontiers.

Welfare and security—or, at least, a nearer approach to equality of opportunity for their attainment—these are the prime object of all human endeavour. These are more and more the objects of every country in its attitude towards world-policy as within a country of every individual atom composing the mass that is called Labour.

When the results of modern communications are making societies more and more interdependent, there must be interdependence with security and without ignominy if there is to be the only kind of peace that can be lasting—the willing peace and the peace of mutual service. All nations must have fair and guaranteed use of those treasures of the earth contained in the immeasurable territories now covered by three or four flags only. That fair access and use, which the British Commonwealth should be foremost in granting—in the opinion of one who is amongst the firmest believers in it, its mission and its destiny—is the meaning of economic justice. Without that part of the solution, powerful races, certain to find confederates sooner or later, must resume their efforts to pull the world to pieces. They must try in the long run either to secure full economic scope by their own domination, or by a group system, or else to make others as insecure as themselves.

In a word, when so much political justice has been accomplished as a result of the war, economic justice will be an indispensable condition of the peace of the future. But also this economic factor touches, as nearly as does the political, the moral factors in men, their desire above all for equality of self-respect. No more need be said to show that this is very different from the argument that under pre-war conditions peace at any price was better than war for any cause.

So we have considered what range of deliberative, judicial, and diplomatic institutions—even what provisions for the ultimate use of armed authority—are desirable and essential for the beginnings of a League

of Nations. We have seen that side by side with these the economic institutions of the League will have to be at least equal in number and importance. Few men looking ahead for the twenty or fifty years which must be contemplated, and capable of serious reflection upon the probable working of social and racial forces, will believe that any superstructure of a League of Nations will stand as the result of this first attempting, unless statesmanship at the Paris Congress, or immediately afterwards, succeeds in laying well and truly the economic, no less than the political, foundations of the entire peace of justice.

CHAPTER XVI.

NO SECURITY FOR WORLD-PEACE OR SOCIAL PEACE WITHOUT A RECONSTITUTED RUSSIA : CHAOS OF ONE-SIXTH OF THE GLOBE : BOLSHEVIKS NOT PACIFISTS : THEY ADVOCATE THE UNIVERSAL OR "HORIZONTAL" WAR OF CLASSES INSTEAD OF THE "VERTICAL" WARS OF NATIONS : THE QUINTESSENCE OF LENINISM : "DEMOCRACY MUST CONTROL ALL THE CASH-BOXES AS WELL AS ALL THE BALLOT-BOXES" : BOLSHEVIK ENERGY AND ESTIMATE OF THE ANTI-BOLSHEVIK FORCES : COURSES BEFORE THE ALLIES AND AMERICA : DRIFT IMPOSSIBLE : IS COMPROMISE POSSIBLE? : FREEDOM OF ELECTION TO A RUSSIAN CONSTITUENT ASSEMBLY ESSENTIAL : DECISIVE INTERVENTION FOR THIS, OR ELSE NO GENERAL DISARMAMENT AND NO SAFETY FOR ANY RESULT OF THE WAR : THE LEAGUE OF NATIONS FACED AT THE OUTSET AND ON THE LARGEST SCALE BY ONE OF THE TYPICAL PROBLEMS WITH WHICH IT IS MEANT TO DEAL : RUSSIA WILL HOLD THE CASTING VOTE FOR THE WORLD'S FUTURE.

Throughout these pages the general argument has been worked out subject, as we have repeatedly reminded ourselves, to reservations on some special questions. All of them are still clouded with doubt. The manner in which some of them may be solved, one way or the other, will be of turning importance for the whole problem and the world's fate.

The unknown quantities in the great equation are five:—(1) Russia, (2) American world-policy, (3) tariffs and peace, (4) armaments, (5) English-speaking

relations. How any one of these factors may work must go far to keep or upset the balance of a peace-system. It is quite idle to suppose that there can be settled peace and security for the greater part of mankind unless peace and security are restored on some basis in Russia. It is useless to think that there can be any effective League of Nations unless the United States is prepared to take a full share of the practical responsibilities. It is questionable whether a new habit of co-operation will overcome the old habit of competition—and war is apt to be the swordpoint of competition—unless trade policy is more generally adjusted to peace policy. It is unlikely that war can be permanently avoided unless armaments in the main are put down. Yet it is as difficult as ever to abate armaments largely without positively increasing the risks of war—unless we all enter on the wholly new economic way of working together. It is futile for the two English-speaking Powers to hymn the harmony of mankind unless they can find means to preserve their own; nor can they expect the prosperity of the new order unless by political and economic means alike they unite to guarantee it. We must submit these questions to as searching and honest an examination as we can before framing a conclusion to these pages.

I.

The problem of Russia is by far the gravest, and unless some sound solution were found for it, the destiny of the twentieth century would become a sinister enigma. In that direction the policy of America and the Allies is running the closest risk of marring all, or even undoing all. The issue of lasting peace or war certain to return, however long delayed, must ultimately be decided between the Baltic and the Urals. In the nature of things there must either be a

great Russian Federation within the League of Nations and completing the conditions of its success; or there must be an All-Russia in a group-alliance with the German race to control the European and Asiatic continents. The first solution is imperative in the interests of peace, and is in itself entirely practicable. We shall best see this by realising what alternatives must be eliminated. No doubt the situation under Lenin the Terrible may well suggest the "hundred questions" for the salvation of Russia proposed to the Bishops by Ivan the Terrible. The greatest practical question, that of the policy of the Allies and America towards Russia, is seldom approached from the right angle. Some would have us wash our hands of that matter, because they think it too far away, whatever happens, to have any vital effect on our own affairs. Others would have us abstain from intervention on the theory that the Bolsheviks are insuppressible and that it would be unwise to make them more hostile to us than they are. Others, again, would have us interfere on the argument that Bolshevism is unspeakable, and that this fearful faction cannot be more hostile to us than it is. None of these views can guide us. The subject must be dealt with here solely as it concerns the League of Nations and the prospects of a peace-system.

It must be stated, however, at the outset that for both these interests and all interests the Allies and America must come to a decided policy, whatever it may be. No policy means no safety. Merely as placed on parchment, the œcumenical decisions of the Paris Congress will have no influence upon the largest people originally engaged in the war. The question is not merely, as seems to be commonly assumed, whether the League will allow peace with the Bolshevists. The question may be much more whether the Bolshevists will allow peace with the League. Instead they may set to work, and, not ineffectively, to destroy its basis from the beginning. They may succeed if the Asso-

ciates are as flaccid and wavering as Leninism is direct and concentrated.

Again we must remember the economic side and the resources it suggests. It would seem that the statesmen of the Associated Powers are still thinking too exclusively in terms of fleets and air-squadrons and military expeditions. By the use of economic means alone they can hold the fate of the Lenin-Trotzky régime absolutely in their hands. They can compel the creation of some orderly system compatible with the League of Nations and infinitely advantageous to it. To probe the issues in Russia may be well. It may be useful—if the attempt proves not absurd—that the case for the Communist Terror should be put forward by its delegates directly to the representatives of the Responsible Powers. It is necessary not to underestimate the force of the Leninite system or the genius of extremism which has established it in the heart of Russia. To confront its leaders with a choice so plain as to give them pause might be advisable. The Allies and America cannot be too careful so to proceed in all they do as to carry Russian national feeling with them and the feeling of the English-speaking democracies. Action is always stronger when evidently there is no alternative. Is it possible that a compromise might be arranged with Lenin? It would have to be on a basis of freedom in Russia—of effective self-determination in Russia through the real liberty of all its people to vote upon its future.

That liberty of "self-determination" through genuine elective forms is now as effectually suppressed as it ever was by Tsarism in its darkest days. To establish their domination the Bolsheviks have suppressed all liberty, civil and religious, public and private; all freedom of speech and the press, of the person, of opinion. They dispersed the Constituent Assembly. They are such censors of the press as Tsarism never knew. They preached the unlimited rights of man, and are destroyers of all opposition

They denounced capital punishment before attaining power, and spread death to maintain it. They cursed militarism and have created professional armies, paid and scourged to be ruthless. Yet they are a redoubtable and may be an ominous sect. They are for the time succeeding in Russia, if the triumph of desolation can be called success. That we should try thoroughly to understand them is important for purposes far wider than Russian. Whether the freedom now indispensable to cohesion and peace can be restored by any pact with Lenin and Trotzky is an issue to be examined.

II.

We must first remember accurately what Bolshevist principles are and what is their relation to the spirit of a peace-system. They hold that peace is wrongful and stupid until the universal communistic revolution has prevailed. Then let the golden age of brotherhood, beauty, harmony begin; and let the revolution in sex-relations complete the conditions of human felicity. But until then, no peace. That is their creed. Practical pressure might bring the Bolshevists, in the end, to any extent of unwilling inconsistency. Before we count on that, let us study them.

In the first place, the Bolshevists are not in the faintest sense "pacifists" as that word is ordinarily used. They are fanatics prepared to wade through depths of blood, so long as there seems any chance of making a passage by that means towards their aims. They despise compromise based on a desire to avoid human bloodshed. It is the most extraordinary error to misunderstand them on this point. They severed their country from the Allies, took Russia out of the kind of hostilities in which they found her engaged, not for general peace, but only to organise another kind of conflict—the crusade of the proletariat. They believe as intensely in class war as the militarists of Imperial Germany believed in national war. The

Bolshevists would regard general peace amidst the present average circumstances of civilisation as a mawkish and immoral concession to capital and property.

To them political liberty for the masses is ludicrous or tragi-farcical, without the seizure of complete economic power. The vote is a shadow. Possession of all the means of production and exchange is the only democratic substance. This concrete aim is for them the one Right Thing. To go the straightest way to get it is the essence of their creed of action. They were for the most direct means of seizing the whole social machine. Since in their dogma—and according to them in all logic and reason—this was the only Right Thing, all means were lawful for its accomplishment. On the assumption that they alone were competently in the Right, it did not matter whether they were in a minority or not. That was an irrelevant consideration for these newer Jacobins of the economic revolution. They left all worrying and concern about the sacredness of majorities to the Mensheviks. These they regarded as weaker Girondins, whose methods of bringing about Socialism by evolution, by gradual steps, by patient and peaceful methods—seeking to maintain the cohesion of the Russian peoples, and even respecting the historic character of Russian nationalism—would take an eternity. If even eternity itself could be long enough to achieve the objects of complete Socialism by moderate means.

To the writer of these pages the Bolshevists are anything we please that is abhorrent—insane fanatics, cruel dogmatists, blood-smeared despots, merciless persecutors, perhaps the most fatal persons that have appeared on earth. Also, whatever intensity of feeling and conviction may have inspired their original action, they have become largely corrupted, as in the case of every other unchecked tyranny, by license and indulgence in its exercise. Many of their leaders are

now gross, sensual exploiters in their own personal interests of the power they wield.

That it is not so with Lenin even opinion hostile to him agrees. He is neither corrupt nor a German tool. He has been the brain and will of his movement. By brain and will he has done prodigious things. He has created out of nothing a power which is huge, however vulnerable it may be and temporary. In Russian history, he can only be compared with Ivan the Terrible and Peter. Some who hate Lenin and know affairs think him the most formidable single person thrown up anywhere by the war.

The Bolshevists began with the arguments always employed in history to justify the beginning of tyranny of every kind, and they have come in the old way to something far worse than the usual evils. But it is none the less absolutely necessary to enter into the inwardness of their ideas, the impelling vehemence of their imagination, the distinctness and force of their whole conception of life, if we are to comprehend that for these very reasons Lenin and Bolshevism might possibly become the same sudden, swift, earth-sweeping forces in the world of politics and economics that Mohammed and Islam were in the world of religion.

We must, above all, realise that they reject and despise the accepted notions on which Liberalism in Western Europe and America is founded. They regard President Wilson's idea of political democracy as a mask and a fraud—a purely bourgeois conception, deluding the masses with empty forms while providing the most convenient facilities for the economic domination and paramount social reign of Trusts and money-magnates of all species. To the Bolshevists a "nation" in the old sense is an obsolete conception. For them, again, "democracy" is an illusion, unless it has control, not merely of all the ballot-boxes, but of all the cash-boxes.

Lenin and his school as little accept "liberty" for

its own sake, regarding it as another illusion under present conditions. Nor under the same conditions do they attach importance to the sovereignty of "majorities." They put above this, as was said, the right of the minority to capture power by any means, and to keep it at any cost, if possible, in order to establish the sway of the complete Socialist dogma, and to root out everything inimical either to their purpose or their method. They have therefore no more mercy on dissident revolutionaries or on antagonistic schools of Socialism than on capitalists or property-holders, or on the bourgeoisie, or on Liberal individualists or progressive Conservatives, or Tsarist reactionaries. Opposition of any kind is a thing to be indiscriminately eliminated. When we understand so far that this is what we are dealing with, we can the better consider its bearing on the present projects for a durable peace-system.

While we in the West are contemplating a League of "Nations," the Bolshevists stand for the general overturn of "nations" in the old sense.

While we are considering peace, the Bolshevists would rather be crusaders for another and wider kind of war. They desire the abolition of the vertical line between nation and nation; they want instead the horizontal international cleavage between classes; they contemplate a World-Federation when the international League of the Have-Nots has conquered all the Haves; they seek to overturn once and for ever the entire present basis of Western civilisation; they think universal social war well worth while for the sake of this ideal; and they would prefer anarchy as in Russia to spread everywhere, they would be enraptured to see it extended to the Western societies, if only capitalism might be extinguished and the final triumph of the Economic Revolution might emerge in our time.

Nor, to take a higher test, do the Bolshevists recognise in regard to women any Liberal principle which

would have appealed to John Stuart Mill. It is difficult to write frankly on the sex-side of the Soviet régime, but it is quite impossible to grasp the meaning of this movement unless we realise its positive agnosticism and the Corinthian side of its cult. Decrees of several Soviets, formally published in the official organ, contained the following articles, amongst others:—

"A girl having reached her eighteenth year, is to be announced as the property of the State.

"Men between the ages of 19 and 50 have the right to choose from among the registered women, even without the consent of the latter, in the interests of the State.

"Children who are the issue of these unions are to become the property of the State."

We can imagine, but had better leave unimagined, what degree and what kind of power is given by provisions like these to a dominant sect, to its political and military agents; above all, to the officials specially charged with the administration of the Sex-Laws. The resistance of women seems to have made a failure for the most part of the attempt of this new Orientalism to nationalise them. Many women of the better class have suffered unspeakable brutalities at the hands of the worst amongst these masters. That to some extent would have happened in the circumstances without any doctrinaire facilities. But we cannot understand the psychology of Leninism unless we realise simply that it is as convinced about the rightness of its sex-system for human felicity as upon its other tenets.

This is far from saying that the Bolshevists, in spite of all their uncompromising extremism in theory and in action, so long as they possess the power of action, might not be amenable to strong pressure, if it were thought worth while or safe to arrange any compromise with them. But that is what we have now to see. We must aim at either of two things, but we must have one of them. Either we must aim at a definite compromise with the Bolshevists with guarantees for its observance,

or we must provide by quite other means for the restoration of a free and coherent Russia in normal relations with the rest of the world. Otherwise the Paris Congress could by no means establish a general peace, nor contrive real security for any peace, nor lay down any steady foundation for the League of Nations or for the new order of Europe, or, rather, of the non-Bolshevist world.

III.

Let me venture to recall a few primary facts about Russia. Daniel Defoe tried through his novels to teach the British people the elements of world-economics and world-geography. When Robinson Crusoe enters the Muscovite Empire, as it existed two hundred years ago, he writes: "We were now launched into the greatest piece of solid earth, if I understand anything of the surface of the globe, that is to be found in any part of the world." Before the disruption of 1917 and 1918 the Russian dominions did indeed form one-sixth of the land-masses of the globe. They were uninterrupted territory stretching all the way from Germany to Japan. This vast continental block was two and a-half times as large as the United States, and had nearly twice the population of that Republic. The economic resources of the Tsardom were, as compared with the United States, not perhaps quite in proportion to its size, but they were huge. They already played a large part, and were certain to play a much larger, in the ordinary economic working of the world. But it will be said that this "greatest piece of solid earth" has been sprung to fragments which must remain fragmentary. Nothing of the kind. They will be concreted again into a mass or a block nearly as big as before. That part of Russia and Siberia which will in any case hold together when the present troubles are overcome in some way, will still amount to very nearly one-sixth of the whole globe, even allow-

ing for some permanent shearing away of the former western fringes. For economic purposes at least, but probably for political as well, all will reunite except Poland and perhaps Finland. The nature of the land and its river-systems, with the necessities of railway-working, make this certain. It is only a question of time. Remember still that when we are thinking of the permanent issues of a lasting peace we have to look ahead for at least twenty years.

In Russia and the Caucasus, Siberia and Central Asia, are prime means for supplying the needs of industrialism and democracy in Western and Central Europe—wheat and other cereals, butter and other produce, timber and hemp and flax, petroleum, hides and skins, the more precious metals and the less precious. Everyone knows that nineteen-twentieths of the world's supply of platinum comes from Russia. Its resources in timber are immeasurable. They are inexhaustible if there is any sane care for conservation. Timber is used not only for domestic purposes, but for steamships, railways, and factories. The annual weight of Russian consumption of wood is said to be nearly ten times as much as its coal output.

Internal exchange is at present almost paralysed by the Bolshevist system, by a measureless inflation of currency which makes notes merely waste-paper, by dislocation of transport. Illimitable symbols of money are turned out by the Bolshevist stamping-machines. There has been nothing like it since the *assignats* of the French Revolution, when the famous pair of boots sold for 4,700 francs. The inflow and outflow of foreign trade are dried up. While the cities of Russia proper want butter, Siberia, for want of transport, has to turn butter into soap. Exchange has been reduced again to the economic barbarism of barter, since the paper money has become meaningless. Unless ships arriving bring cargoes and swop goods for goods, they cannot get loaded by any offers of monetary purchase.

The food of democracy in Britain, for instance, is dearer, house-building will be dearer and slower, opportunities for our shipping will be less, because of economic conditions in Russia under the Bolshevist terror, now too methodised to be any longer called mere anarchy. The horrors of stark famine rage widely. The state of Petrograd is worst. The Bolshevists, with a good eye to the strategical centre, have been careful to see that Moscow, as far as possible, shall be better off. But in Petrograd through the winter men and women have been dying from hunger in the streets every day. Passers-by do not stay, because they cannot help. They have become as accustomed to deaths on the pavement as were soldiers to casualties in the trenches. We are leaving out whether promiscuous murder and imprisonment, the systematic starving of political opponents into submission, and things less speakable, place other countries under any moral obligation to act. It is true that, from the point of view of humanity, the call of Armenia under Abdul Hamid was very weak by comparison.

IV.

The power of Bolshevism nevertheless remains, and since the autumn of 1918 has been an increasing power. That must be well-realised before possible means of a solution are discussed. We must first consider the international contingencies as they may concern all Eastern and Central Europe and elsewhere, and as they bear on the work of the Peace Congress or the conditions for a League of Nations. The Bolshevists strive to spread their domination and their chaos through the new States on their borders into Poland, Germany, Switzerland, Scandinavia, Italy, Roumania. They make it far more difficult for the new free States to build up a sound national life, or for any coherent order to be re-established in Germany except on a militarist basis.

These circumstances delay the demobilisation of the Allies and will compel them, perhaps for an indefinite period, to keep forces on the Rhine or further forward when the troops would otherwise have returned to their homes. For Great Britain this means again not only a question for families in every part of the country who want to have their men-folk back. It means a more prolonged and exceptional charge on shipping which might otherwise be released for civil needs. This again reacts on all prices amongst ourselves. So far from the state of things in Russia being a matter so remote in effect that we in Britain could safely wash our hands of it whatever happens, its influence penetrates more or less into our nearest and most ordinary concerns. Mr. Hoover's Inter-Allied Economic Commission for feeding and otherwise supplying smaller States and former enemy countries would have a shorter, easier, less expensive, and altogether surer task if during 1918 a normal régime in Russia had made its supplies available for transit by sea and land.

Yet all this is only the smallest beginning of the problem as it affects the question of European stability and lasting peace. The future of the whole German problem will be bound up inseparably with the Russian, unless order is taken with the latter by the League of Nations, under the leadership of America and the Allies. We have already glanced at an alternative which may arise, but must restate it. If in consequence of unemployment Bolshevism spread over Germany, the social effect on nearly all Europe might be, as was said—using no extravagant comparison—like the early sweep of Islam. The westernmost fringe of Europe would be fortunate if it remained exempt. There would be nothing left of the League of Nations. The new foundations of the peace-system established apart from Russia would disappear. There could be no guarantee that the indemnities imposed on Germany could ever be collected or

would ever be paid. Not unless the Allies, renewing military action on a great scale, had to occupy all Germany—if they then could—because they had remained helpless in face of the Russian situation.

Take the other side of the alternative. Suppose some strong dictatorship emerged in Russia and triumphed over Bolshevism without any effective assistance from the Allies or America. The dictatorship might well not be friendly in that case to America and the Allies. That it would not be friendly, in such circumstances, is indeed certain. Reaction in some form would then be far more likely to triumph in Germany also. Now it must be clearly realised that if strong Governments both in Germany and Russia ever enter into thorough alliance and combination with each other, all the new States between them would either have to succumb or submit. Each of them, in the famous phrase of the Ameer Abdurrahman, would be "like a pipkin between two stones." Germany could carry through the economic reconstruction of Russia to the immense benefit of her own industry and trade, but to the equal gain of her eastern neighbour in power and prosperity. Germany and Russia together could control not only all the Near East and Middle East, but all Asia. Germany, learning her lesson from the late war, would limit her ambitions to make them thoroughly compatible with the national interest and sentiment of her chief Slav neighbour. Together the two would be invulnerable, whether from the economic or the belligerent standpoint. Even the United States, by itself, would be by comparison a secondary factor in the world. Every guarantee of safety, every security for peace, every vestige of a basis for the League of Nations as now contemplated, everything that the Allies and America were supposed to have won by their victory in Armageddon of 1914-1918, might be gone.

Remember once more that we are looking, as we

must, past the mere moment which is nothing when permanent issues of peace and war are being considered. We are enquiring into the further contingencies of the next few decades. In each of the great peace-years of the last two centuries nothing could have seemed less likely than the character of the next great war, thirty or fifty or sixty years afterwards—nothing less likely in 1712 than the events of the Seven Years' War; nothing less likely in 1763 than 1789 and its long sequel; nothing less likely in 1815 than the German triumphs from 1866 to 1871; and nothing less likely in the latter year than the unparalleled conflict which broke out in 1914 and all its incredible vicissitudes down to the German débâcle of 1918.

When statesmen look forward now they must make more allowance for prodigious and disagreeable possibilities than statesmen unfortunately have ever yet done. They must consider, above all, the certain interaction of the German and Russian problems and the shape which they prefer that interaction to take. It will be in the hands of the Paris Congress to choose. The controlling Powers will do well indeed to be moderate in the use of victory for themselves; but to be altogether decided and bold in their use of victory for the interests of a lasting and universally accepted peace—what we have called in these pages the "willing peace" founded on political and economic justice.

V.

The next thing is not to face the magnitude attained by the Bolshevist power, at least for the moment, but to consider as carefully the different forces opposed to it, both in their actual strength and their further prospects. Those who best know Russian facts and seem least blinded by prepossession state the situation in a way that at first sight looks like paradox. They tell us that, on the one hand, the present Bolshevist power is a vast bubble which could be pricked by

any vigorous external thrust; but that for internal purposes it has become omnipotent in the heart of Russia, and there is no force which can hope to make present head against it without help from outside. This would seem to offer as solid a basis for practical calculation as the Associates are likely to get. When the Second Revolution took place in Russia, all the conditions made for another social overturn. There were many millions of deserters and disbanded troops. In the towns the mobs were loose. In the country the peasants thought only of one thing—the land. The Kerensky régime had promised that they should have it. Lenin was, as always, more direct. He told them to take it and they did. What they want now is to keep it and enjoy it and to have a secure title to it, whatever else may happen. As we shall see, that is where the communists do not satisfy the peasant. The Bolshevists had their first triumph, though in themselves a small minority. Taine has shown that the Jacobins who mastered Revolutionary France were not more than one in ten of the population, perhaps much less. So far history repeated itself.

In the spring of 1918, after the Treaty of Brest-Litovsk, Bolshevism was at its weakest. Any time during some following months the Allies and America could have destroyed it by sending to the aid of the Czecho-Slovaks and their Russian helpers a compact, highly-equipped force of 50,000 men. But Lenin and colleagues like Trotzky and Peters had time to recover. They faced their situation and retrieved it with an audacity that stopped at nothing. With Lettish troops, Magyar ex-prisoners, released convicts, and Chinese mercenaries they created a Red Army under iron discipline and highly paid. It was drilled on the German model and partly by German officers. This Pretorian machine is estimated to number not less than 300,000 men—it may be nearer half-a-million—and it soon held most of Russia in its grasp. We shall see how it has since marched to victory in

most directions. The Lower Volga was reconquered. The great river and its canalised connections were then held from Petrograd to Astrakhan. It was a gain of the most vital importance. Lenin the Terrible and Ivan the Terrible are again alike in their strategical grasp of what the Lower Volga means.

The next purposes were twins. Opposition had to be annihilated within Lenin's sphere, while by the same means the Red Army had to be fed and supplied. Both objects were perfectly accomplished by the means adopted. The farmers had outwitted inspection and requisition by townsmen. Lenin's trenchant stroke was to form his rural Committees of the Poor, an unmatched organisation of parish-inquisitors, masters of all local property and life. The poorer sort had the knowledge for exposing all the stores and unearthing all the hoards of the richer peasants. Lenin was able to pile up enormous quantities of foodstuffs in his central depôts. Tyrannical espionage became universal. Proletariat Committees were placed in command of all property in the towns, of the furniture in tenements and other private dwellings, as well as of the goods and merchandise in warehouses and shops. The bourgeoisie were beggared and enslaved, set to forced tasks, doomed to the most loathsome labour. "Intellectuals" and middle classes alike, all who did not conform to Bolshevist politics, were systematically starved by reducing their scale under the ration system. The prisons were bursting with suspects and the Chinese mercenaries were ready executioners.

It must be said of this system that it worked. Opposition was destroyed and the Red Army built up. It was not only fed, but clothed and equipped. There was general submission to Leninism. Intellectuals entered its public services. Many competent Russian officers of the old army joined the new. These classes had to serve or starve. Largely they conform to save their families. The officers especially know that their families are hostages.

Another point is important. French Jacobinism became identified with French nationalism. The Bolshevist system, in spite of its own anti-national principles, has been strengthened of late by a feeling that may be called patriotic. In the last few months Bolshevism, as seen from the centre of Russia, has seemed, in spite of some hard checks, to be conquering and advancing north, south, east and west. This means an appeal to many whom nothing else could reconcile. Russians of all parties resent the disintegration of the former Empire and the apparent ratification of that dismemberment by the Peace Congress without consultation with them. Bolshevism has lately had its attraction for some who otherwise abhor it, because it has seemed to be the only expansionist force likely to restore the Russia of the future to something like the old boundaries. There is more than Bolshevist sympathy for the westward and southward campaigns of the Red Armies—for the invasion of the Baltic provinces as of the fringes of Finland and Poland, or the depth of the Ukraine.

VI.

On the other hand, the forces against Bolshevism are large, able, resolved. The Siberian uprising is not reactionary—except in the sense that it would rather have dictatorship without Bolshevism than Bolshevism and dictatorship as well. If the sturdy Siberian peasants are conservative relatively to the town-people, they are also thoroughly constructive in temper. The movement in that great region derives its chief strength from the co-operative organisations of the settlers, the most vigorous fibre of the whole Russian stock. It is perverse to denounce the Siberian leader, Admiral Koltchak, as a reactionary, because he is appointed as a dictator to combat the Cæsar of Communism. For all purposes of action the efficiency of the Bolshevist dictatorship can

only be fought by a counter-dictatorship. It is precisely the moral which compelled the Allies to create a Unified Command under Marshal Foch. The energy of the Siberian forces was shown, a little while ago, by the crushing defeat of the Bolshevists at Perm, when the Reds lost 30,000 prisoners and the rest were driven back in rout. This, however, though a signal feat, was an isolated success against the Soviet armies, and could not be followed up as at first was ardently expected.

General Denikin's centre of resistance to Leninism is north of the Caucasus and along that side of the Black Sea to the Crimea. It has an important port at Novo-Rossyisk. This movement, originally under General Alexeieff, began with a few volunteers who now number some scores of thousands. To these must be added still larger levies of the Kuban Cossacks making a total army of some 200,000 men who, like all the anti-Bolshevists, believe themselves to be fighting for everything that free men can hold sacred or thinking men sane. General Denikin is admitted to have full supplies of grain. His forces are well disciplined and are increasing. He seems to hold a supreme command over the anti-Bolshevist organisation next to be noticed. In contact with General Denikin is General Krasnoff. His Cossack army based on the Lower Don is said to number about 250,000 men who have so far proved good fighters. Undoubtedly General Krasnoff is not pro-German, though he conformed, just as the Bolshevists did, when the late enemy was in the ascendant. He is simply pro-Russian. So far these three main anti-Bolshevist movements acting from Siberia, from north of the Caucasus, from the Lower Don, have held their own, on the balance.

The Esthonians have done still more, though at any time they may be hard pressed. They can only fight their own racial corner; but though a very small they are a very tough people, and with the assistance of their Finnish kinsmen they have routed and flung back the Reds in most of the country north-west of the Gulf

of Riga. The Bolshevists hold Riga itself, but Esthonian success came close. In the south the anti-Bolshevism of the Ukraine has been full of dissensions, in spite of the efforts of its own leading adventurer, Petlyura, and its forces seemed to be dissolving into a rabble before Trotzky's sweeping advance. But this does not alter the fact that the majority of the dense population of the Ukraine hates the invaders.

At the other geographical extreme, the Russian and Allied defenders of the Archangel front are still to be reckoned with, though they have been hard pressed. In this quarter the Northern Government is under M. Nicholas Tchaykovsky, a figure to be remarked. Though an inflexible anti-Bolshevist and a patriot, he is at the opposite pole from reaction. Like so many others among those pioneers of Russian freedom who would now fight Lenin and Trotzky to the death and would rather perish than submit, M. Tchaykovsky is a life-long Socialist and revolutionary whose imprisonment under Tsarism caused a wide movement of civilised sympathy which will be well remembered.

To complete this rapid sketch of the different non-Bolshevist forces round the circumference of Russia proper, two detached Allied movements should be mentioned. General Franchet d'Esperey landed French contingents at Odessa and Sebastopol to protect those cities at the request of the inhabitants. The British hold the railway from Batoum to Baku in order to supply our troops on the other side of the Caspian who watch over the approaches to Persia and Afghanistan. There are already a couple of British vessels on the Caspian.

VII.

This survey must not be allowed to mislead us, for we have now to sketch shortly the expansive power of Bolshevism acting on the interior lines and with all its armies under a unified command wielded with concentrated energy.

If Generals Denikin and Krasnoff could once succeed in joining hands with Admiral Koltchak's Siberian forces, the resulting combination would be formidable indeed in numbers, position, and various resources. It would have more than an even chance of conquering Bolshevism. To effect this junction, however, is just what these leaders have been as yet unable to do, and the Bolshevists have worked most competently to prevent it. The plan of General Denikin and General Krasnoff was to march north-eastward and link up on the Lower Volga with the Siberian armies. The course of that river could then be swept clear up to Moscow. In the summer of 1919 that city would be entered. If these events took place the doom of Bolshevism would be sealed.

But from the beginning of his Cæsarism, Lenin the Terrible has had as keen a sense for the political and strategical meaning of Moscow and the Lower Volga as had Ivan the Terrible himself. It was he who made a junction which planted him more effectually than before between the two main bodies of his opponents. In the latter weeks of January, part of his central forces linked up with the Transcaspian Bolshevists at Orenburg on the Ural River. Severing Denikin, Krasnoff, and their Cossacks more widely from Admiral Koltchak's Siberians, this was a trenchant stroke. It came when other bulletins of victory were speeding to Lenin. They have not ceased. By the end of January he was proclaiming triumphs for Bolshevism and its armies north, south, east and west. North, on the Archangel front, Russians and Allies had been driven back. West, in spite of the Esthonian reverses, the Reds still held Riga and a large part of the former Baltic provinces. Eastward, the Siberians were not only held in check, but Lenin's forces conquered along the Urals, holding Perm, taking Ufa, marching on Ekaterinburg. South-eastwards, at Orenburg, the grand plan of anti-Bolshevist strategy had been broken up for the time. South, above all, the Bolshevists were

driving through the Ukraine towards the Black Sea, capturing the cities of the region, Kharkoff, Poltava, Kieff itself. They were masters of the Donetz mining-basin, in some ways the chief industrial centre of all Russia. Sure in any case of many sympathisers in the Southern cities, the Bolshevists have regarded this front as the decisive theatre. The sweeping advance was led by Trotzky in person. His railway train was hung with red streamers. Portraits of Lenin and Trotzky himself were borne forward like *ikons* or pictures of the Tsars. But the Reds have again lost Kieff as this is written.

Lenin probably controls two-thirds of the population of the former Russian Empire which numbered about 180,000,000 inhabitants when the war broke out. He has gained military advantages so large that in the ordinary course of war they would lead to greater. The Associated Powers may have to decide whether they wish to see him ruling on the shores of the Black Sea. But for one difference he might confidently look to become omnipotent in Revolutionary Russia, as Napoleon became in Revolutionary France. In spite of the dictator's wonderful efforts of action his frightful system is upon an artificial foundation. Napoleon's régime as regards the internal management of France was a creative and productive Cæsarism. So far Lenin has been an economic destroyer. The settled part of Siberia is a paradise by comparison with Central Russia. The peasants have been given the land but are refused the title-deeds. Socialisation is the last thing they want. The one thing they want most is legal security for individual possession. Lacking that they refuse to cultivate. Far and wide the soil lies waste. All evidence points to an increase of famine. The Committees of the Poor, though they seized all the farmers' hoards last year, are unlikely to find much to seize a second time. In the Ukraine, Trotzky has doubtless swept up fresh supplies for the Red Armies, but that is a kind of process

which cannot continue indefinitely. The persecution and murder of priests, the profanation of monasteries and churches, revolt not only the orthodox but even the stern dissenting sects.

The whole Bolshevist system is a minority despotism over a passive or sullen mass. It has no solid basis of positive popular support. It exhausts the economic sources required to keep it nourished. Triumphant for the present by ruthless ability and force, no one believes that it can last. If it endures nothing can be much less likely than that it will easily be brought to allow the rest of the world to be at peace. If it is overthrown in the long run without assistance from America and the Allies, but in spite of their practical recognition of Bolshevism, the régime which might succeed it in Russia would be utterly hostile to the Associated Powers and to many arrangements of the Paris Congress. All Russia would probably make common cause with Germany. Either way the whole settlement contemplated for Central and Eastern Europe and the Middle East might be roughly set aside in a few years. In Russia, then, more than anywhere, the real issues of future peace or war are likely to be decided. The Associated Powers are evidently in extreme danger of falling between two stools.

VIII.

Statesmen in conference to settle a world could hardly have a worse problem. Their views of facts, prospects, inferences, are either helpless or divergent, and even conflicting. There is no political Unified Command. Yet to find and face some definite solution is vital to all the purposes of the Associates—to their arrangements for practical safety just as much as to their ideals for lasting peace. However hard they find it to agree on anything deserving to be called a common policy, it is impossible for them to have no

policy unless they are to run a near risk of making a fatal fiasco of all their work.

How, then can the Allies and America act?

Their steps ought to be such in any case as could be taken creditably in the name and for the essential causes of a League of Nations. The Responsible Powers have before them four courses, equally practicable, though not equally effective. Absolute non-intervention is out of the question, because the Russian issue is entangled with too many others which must be loosed or cut unless the last state is to be worse than the first. The nullity of statesmanship could only mean for Europe as a whole sheer drift towards certain disaster. It might make untenable the existence of the New States bordering on aggressive Bolshevism. It might make the whole German problem unmanageable —like the social problem in several neighbouring countries. Sheer drift being excluded, the practical courses are four: (a) localisation; (b) limited intervention; (c) a plan of compromise with Bolshevism on condition of free elections for an All-Russian Constituent Assembly, with guarantees for the real freedom of the elections; and (d) decisive intervention to secure the same fundamental object by at least the full use of economic means.

(a) "*Localisation*" would mean the drawing of territorial lines beyond which the Bolshevists must not attempt to pass, or which must at any cost be held against them. This would mean armed aid—or readiness to furnish it—for the smaller States, older and newer, from Finland to Roumania, especially Poland.

"Localisation" would involve, still more directly, helping these States with credit and supplies to organise their own defensive resources. It could hardly fail to raise a very critical choice as between final or provisional independence for the Ukraine. And, after all, "localisation" might not localise. This method must be admitted by those who have suggested it to be very doubtful and burthensome. It would be

like drawing up a sanitary cordon against germs of pestilence in the atmosphere. Let us see why it would be unlikely to be effective in the end for any hope of the Allies and might be ruinous. It would mean not interfering with the Bolshevists in Russia beyond the line of the continuous frontiers demarcated for the smaller States—perhaps not in the Ukraine nor even in the Caucasus and Siberia. This might enable Lenin to become indeed like a new Tsar of all the Russias. What then would be the outlook for his neighbours in Eastern and Central Europe. If the Bolshevists succeeded, they would presumably neither be grateful to the Allies and America nor acquiescent in the system of the Paris Congress. If, on the other hand, the anti-Bolshevists perchance won out at last in Russia and Siberia, they would have still less reason for gratitude and acquiescence towards the Associates who had abandoned them. "Localisation" could only complicate the paper peace and jeopardise the real peace.

(b) *Limited Intervention.*—This appears to mean some extension of the ineffectual policy attempted in the north of Russia. Military action of the Associated Powers in Siberia seems also to have been reduced to a more negative character. Since these latter efforts were begun the Black Sea has been opened, and the Baltic will be as fully open—when it ceases to be ice-locked—for any action of the Associates. These western and southern approaches are the main gates of Russia. It has been proposed to send in more driblets of mixed troops by way of Odessa and other Black Sea ports like Novo-Rossiysk, as well as across the land-frontiers from Poland to Roumania, and through Riga, Reval, and Archangel, when the season allows. The object would be to furnish cores and kernels round which the forces of Russian patriotism, true freedom and order would grow. All these latter would be provided with help and supplies on condition of pledging themselves, if successful, to summon a freely-elected Constituent Assembly to decide on the future of Russia. This

policy again means a lengthy and troublesome process. In face of forces such as Bolshevism has organised, feeble and scattered intervention would be irritating to all concerned. It could not be cheap. Bolshevism is only confirmed in its self-confidence by efforts of external interference which fail to make any real impression on it. This method is too much like proposing to subject a hippopotamus to a converging fire of popguns.

(c) *Proposals to Compromise with the Bolshevists.* —The suggestions of parley and possible compromise with Lenin and Trotzky must be coolly analysed, even by those to whom they are odious. Parley, we are told, may be the best preliminary to any chance of effective action if ideas of an arrangement with the Bolshevists should prove illusory. This course was owing not only to the immediate facts of the Russian situation itself, but far more to all the circumstances existing amongst the Responsible Powers. The Bolshevists are the party in the ascendant over much more than half European Russia. It would be a vast gain if between them and the other Russian parties any agreement could be brought about, with guarantees for its fulfilment. If no such agreement could be brought about, the Allies and America would be strengthened in every way for any action they might then be compelled to undertake in the interests of the League of Nations. Direct conference between the representatives of the Peace Congress and Lenin's delegates might clear the air. The moral difficulty of meeting the Bolshevists is not much different in kind from the repugnance overcome when, in spite of all the German atrocities in war, Marshal Foch met the German emissaries to discuss the Armistice. These were the unsure reasonings. "Prinkipo" is a label for a policy. The place is nothing.

We must assume that President Wilson and Mr. Lloyd George were guided by these considerations in their odd plan of inviting the Bolshevists to a conference on an island in the Sea of Marmora. This

idea is objectionable in the extreme to general opinion in France, though ardently welcomed by the majority of French Socialists. The Prinkipo policy is passionately repudiated by those Russians who have never betrayed the Allies' cause, and are fundamentally in agreement with the main purposes of the Peace Congress and with the project of a League of Nations. These Russians lament the policy and spurn it with a mingling of amazement, anger, and grief. It is abhorrent to statesmen as different as are M. Sazonoff and Prince Lvoff from M. Milukoff and M. Maklakoff, or those from men like M. Tchaykovsy of Archangel, or M. Kerensky and M. Savinkoff, or a still more typical revolutionary like M. Vladimir Burtseff. To all these Bolshevism is bestial and the Bolshevists unforgivable and untouchable. The plan of conference seems like proposing a calm meeting between flame and sulphur. On the other hand the Bolshevists received the news of the Prinkipo policy with delight. Whether parley takes place or not, the gain is theirs.

To understand these opposite and seemingly most unpromising effects we must remember that the course adopted by the Paris Congress, though neutral in principle, was anything but neutral in its first consequences. It came when Lenin and Trotzky were in a full career of fortune on several fronts. Any suggestion of compromise coming from the Paris Congress at that particular moment was bound to be regarded and proclaimed by them as a recognition of Bolshevist victories and as a moral surrender of what they call the "Entente." A chill of discouragement, on the contrary, struck to the very heart of the anti-Bolshevist forces, waging with heroism their heavy fight. Let us recognise clearly that the move of the Associated Powers—though necessitated by their own embarrassments—was, to begin with, not a neutral act in either moral or practical effect, but was a blow at their friends.

But since the anti-Bolshevist parties are largely

responsible for the present situation by their own stubborn dissensions, let us see what is to be said for parley at Prinkipo or elsewhere. No new light can be thrown upon the principles of the Bolshevists. They are for the complete overturn of economic civilisation as it exists, and they regard all means to that end as excellent. To make a paper-agreement that the Red Army should not pass beyond certain boundaries would be useless, if it could be done. Bolshevist invasion and subversion would be continued on all sides by other than military means. Nor could it be contemplated that Lenin and Trotzky, relieved from all anxiety on their western frontiers and content to suspend their military action on that side—though not their propaganda—should become free by agreement with the Associated Powers to overwhelm, if they could, the forces led by General Denikin, General Krasnoff, and Admiral Koltchak in Southern Russia and Siberia. The effect of this could only be to identify permanently all anti-Bolshevist forces in Russia with the firm régime which seems most likely to emerge from the civil struggle in Germany.

Lenin, after all his feats in stripping his own country, is in dire need of imported supplies of food and raw material. In return for these he would promise something, and perhaps much. There have been continual rumours that he was moving towards ideas of national reconciliation in a manner straining his relations with men like Trotzky and Peters; and especially that, in return for supplies from the Allies and America, he would be willing to take over responsibility for Russia's foreign debts before her Second Revolution. The Associated Powers could not make such a bargain. Nor could the personal signatures of Lenin and Trotzky be a sufficient security in any connection. They would be certain of their supplies. There would be no certainty for any other sequel desired by the Allies and America.

Lenin's position is strictly more despotic and less

constitutional than was that of William II. Political opposition, even that of dissident Socialists, he destroys more relentlessly than the Tsardom ever did. Under him the right of self-determination and free election for the Russian people as a whole are annihilated. The statesmen at Paris, and President Wilson, above all, are bound to secure the restoration of those rights. The only possible bases of compromise which could be accepted by the Associated Powers, without shame and weakness and far-reaching folly, would be an agreement on the part of Lenin and Trotzky to restore by free election the Constituent Assembly of all Russia, and to leave to its free decision the subsequent form of Government and the entire political system. The Allies and America have insisted that nothing should be allowed in Germany to thwart this principle. They know that it is the elementary condition of democracy and of any freedom. Why not in Russia?

To make this concession genuine in practice—supposing it to be thinkable that Lenin and Trotzky could be brought to put it on paper, or that the Soviets would support them if they did—it would be necessary that the Red Armies, as well as the armies opposed, should be largely disarmed and disbanded under the supervision of the officers of the Associated Powers. This would have to be done before the Bolshevists could be allowed to receive any imported supplies, food, raw material or other. If the disbanding of the Red Armies could by any hap be secured, with other practical guarantees for the free election of an All-Russian Constituent Assembly, there would doubtless be a chance that a "Prinkipo policy" would result in temporary compromise between the various Russian parties.

But Bolshevism, by its whole conception of things, means the unlimited tyranny of one dogma for purposes assumed to be ultimately right for the mass, but without the least respect for the formal elective test of what is a majority. Thus President Wilson and Dic-

tator Lenin really talk different languages when they use the same words—"democracy," "representation," "majorities." Accordingly, it would seem almost as easy to square the circle as to devise any compromise which would not mean the abdication of Bolshevism, as it has hitherto ruled in Russia with a pitilessly exclusive sway. If there could be agreement for the restoration of political freedom in Russia, the Prinkipo plan would be a victory of moral force only to be likened to the suddenness of Marshal Foch's triumphs in the field. If it failed, Lenin and Trotzky, for their own purposes, would assuredly have the better of the resultant manifestoes. None the less, the Associated Powers would be fully strengthened for any subsequent purpose if they could say that, after having consented to take a most difficult step for the sake of the last chance of reaching a tolerable Russian solution by peaceful means, they had been met by a Bolshevist refusal to restore political liberty and true representative institutions by free election to a Constituent Assembly.

IX.

(d) *Decisive Intervention.*—Unless political freedom can be restored in Russia by other means, thorough action would be the only course remaining to the Allies if there is to be any general security for a peace-system or for the League of Nations. There seems small doubt that decisive intervention could be made to achieve its purpose with more rapidity and at less cost than has usually been thought. Confusion and prejudice have been created by the lingering and ineffective character of intervention by the Associates before the Armistice. Since then the situation has changed so utterly that the Responsible Powers can hold Bolshevism in the hollow of their hands whenever they please.

Before the Armistice the difficulties of action were extreme. The Baltic and the Black Seas—the main gates of Russia—were closed. The submarine struggle was a menace to shipping. Archangel was the worst resort as a base. The effective use of the Trans-Siberian Railway from Vladivostok was embarrassed both by physical and political difficulties. Now there is ample shipping which can ply anywhere without risk of being torpedoed. When the Middle Baltic is free from ice in the spring of 1919, Petrograd can easily be occupied with Esthonian and Finnish assistance. The Bolshevists have been fully prepared for the loss of Petrograd. No spot in Eastern Europe is in more bitter need of Mr. Hoover's best personal efforts for the humane succour which the Supreme Council of Supply and Relief was organised to provide. Above all, since the Armistice the Black Sea is opened, and with it the main line of action from the South. The Associated Powers have only got to use their economic strength to the full. They can refuse resources to Lenin and can supply them to his opponents.

The chief purpose would be to organise the Russians themselves, in view of the apparently insuperable political difficulties of intervening with 300,000 or 500,000 inter-allied troops. These America refuses. But the Responsible Powers can supply officers, at least, and technical experts of all kinds. After the end of western hostilities the Associates are left with an immense equipment on their hands. They could use it to give crushing strength to the anti-Bolshevist forces. These latter would be doubled in numbers, and could act from all sides. If the armies under General Denikin and General Krasnoff—the Kuban and the Don Cossacks—were vigorously supplied with the unlimited military equipment and technical assistance which are available they could break across the Lower Volga and join hands with the Siberian troops.

That would be the beginning of the end for Bolshevist domination as surely as was the loss of the

Mississippi for the Southern Confederacy in America. It has been understood for some time that the better management of the Siberian railways is to be insured by an Inter-Allied Commission. That would be of marked service to efficiency of action from the Siberian side. The troops of the Omsk Government after recent fluctuations, are again on the central river-system of Russia proper and only about six hundred miles from Moscow itself—a moderate distance for Russia. With Petrograd and Moscow both occupied, rivercraft in the open season could traverse the Volga and its connections throughout the heart of Russia. A few young officers of the British and American Navies, tolerably supported by their Governments, could by that means alone break up all the connections of Bolshevism. Their railway-system would be totally dislocated if they lost the great river-system. Add the effect of armoured cars and flying squadrons.

Without Petrograd and Moscow, without the use of any sea or of any trunk-railway, Bolshevism in Russia as a system of force would cease to have any vertebral existence. Lenin could neither feed nor clothe his Pretorians. No ponderous infantry operations by Inter-Allied armies would be required. In addition to supplying amply the Russian forces of anti-Bolshevism, the Associated Powers would only have to apply the final lessons of the war and to make a concentrated use of their technical means. When any real effort against Bolshevism is suggested, the false analogy is brought up again, and the failure of Napoleon's campaign is instanced. The conditions allow no parallel. Napoleon failed utterly because of two well-known reasons. Instead of wintering at a safe base, he tried to do in one operation what required two seasons for sure procedure. Also, lacking modern means, he was beaten by Space. He had neither shipping, railways, motor-cars, nor aircraft.

The chief weapon of the Associated Powers would be their means of furnishing supplies to one side and

withholding them from the other. Cut off from the natural resources of Siberia, equally deprived of the industrial resources of the Donetz basin, which would be soon commanded by decisive action from the South, denied imported food and raw material, while the forces against him were better and better equipped and compacted, Lenin's régime would be extinguished.

X.

It would have to be understood always in connection with decisive intervention of this kind that three things were certain. The peasants would have to be thoroughly assured by all anti-Bolshevist parties that the soil which has been so largely transferred, as in the case of the French Revolution or Ireland, would in no case be given back to the larger landowners, whatever fair claims to compensation might have to be considered. At the earliest possible moment after the recapture of Moscow a freely elected and fully representative Constituent Assembly would meet to decide upon the future government of Russia. All those Russian leaders and forces who might be supported against Bolshevism would have to adhere in advance to the general system proposed by the Peace Congress, and would agree to bring Russia into a League of Nations. The Russian statesmen and leaders of various parties, now available at any time for the consultations of the Responsible Powers, could give their pledges on the three vital points.

Until there is some settled pacification of Russia, the Allies and America must delay their full demobilisation, and general disarmament cannot possibly begin. The whole condition of Eastern and Central Europe will remain till then disturbed and hazardous. The Associated Powers have to deal in this connection not with any distant matter concerning Europe alone, but with a situation which touches their nearest interests, singly and severally, while at the same time

capable of making the whole difference for the world's general purposes between a paper peace and a real peace. On the lowest ground of choosing the course, meaning on the whole and in the long run least expense and trouble as well as most safety, decisive intervention would be better than helpless passivity towards chaos in Russia.

It is equally to be remembered that without the enormous sacrifices of the Russian people in their struggle against the Central League during the first three years of the war there might have been no chance whatever of victory for the Allies and America. It is certain indeed that if the Allies had never had Russia as an Ally, and Germany had been fully supplied by Russia as a neutral, Germany would have won. Again, nothing in the long anarchy which broke loose in the summer of 1917 changes the certainty that the mass of the Russian people—to whom the co-operative idea so profoundly appeals—are especially adapted to play a main part in any new international system of mutual service. The adhesion of a free Russian Federation is vital for the political security and adequate economic working of any peace-system.

This seems to be the only likely way of making the League of Nations sufficiently wide and stable and thoroughly interlinked, both for the political and economic purposes which have been examined in this study. It is in my judgment an indispensable means for completing the real pacification of the world. Otherwise the Paris Congress at the best can only declare a doubtful peace, so far as Europe is concerned, for half that Continent, and cannot guarantee the permanent security of anything whatever. The Congress will be attempting to build the edifice of the League on a crumbling incline unless it takes definite measures for restoring in Russia order, cohesion, and freedom under a strong Government, as that of the United States or of Britain or France has to be strong, however democratic?

Here, then, at the very start of the League of Nations—or in advance of it, waiting at the threshold of its natal chamber—is as great and crucial a test of its functions and usefulness as it can ever have to confront. There is in Russia anarchy and war acutely menacing the actual boundaries of all neighbouring States, as well as the social stability of these, and not only these. If the League of Nations cannot act in such a case, in what conceivable circumstances of any critical importance for the world can it be expected to act at all? The problem is no matter for judicial interpretation. It is the big thing. It is "the non-justiciable issue" of the kind that cannot be left to the chances of chaos throughout one sixth of the globe. Above all, it is not a question of averting the danger of war, but of putting an end to it. Intervention in the decisive sense, which we have seen to be the only likely means of restoring Russia in the manner necessary for the world's peace and security, would be the best way in which the League of Nations could begin, and would do more than anything to confirm belief in its real efficacy and prospects of successful development.

Nor does even that suggest the full height and breadth of the issue involved in the alternative which now lies before the Associated Powers. As regards the economics, the world's supplies of food and raw materials, the future of its through-communications, are all profoundly affected. If the Allies do not take Russia in hand for reconstruction, Germany, sooner or later, must do it. The Near East and the Middle East alike would have to conform to the consequences. If Germany and Russia—by short-sighted blunders of the Allies in regard to either or both—were needlessly driven into each other's arms, their combination would become as much the dominant fact in the world as is to-day the joint-supremacy of the Allies and America.

Those who think this a sombre exaggeration or a suggestion of perils that can only be remote, know nothing of Europe and have learned nothing either

from Armageddon itself or from the history of the years that led up to it. This vast Russian issue is the Sphinx-riddle for the Paris Congress and the League of Nations. The answer will do more than anything else to decide the problem of future war or peace, and with that the whole world's fate. It will probably be admitted that in this chapter facts themselves have been impartially set out. The Prinkipo policy would be fatal if it meant only that weakness and dissension amongst the Associates which on the surface it suggests. It has played straight into the hands of Lenin and Trotsky at the moment of their other victories, and they will further exploit it. If it is a cause of grief and wrath to all those in Russia who have been and still are faithful to the Allies and have most ideals in common with them, the Prinkipo policy is equally regarded with dismay by the whole line of new States from Poland to Roumania. These were not consulted, though an authority like President Masaryk at Prague knows twice as much about Russia as do all the Western statesmen put together. Lenin and Trotsky may demand freedom to establish their sway from Petrograd to the Pacific and from the Arctic to Ararat. They may do it. They would then support and encourage the Bolshevist elements in the new States, the Spartacists in Germany, men like their friend Fritz Platten in Switzerland, and similar influences not only in Italy and France and amongst ourselves, but in Argentina and even the United States. In a few years, Bolshevist triumph in All-Russia might mean a considerable change in the present general appearance of all civilisation. If the best chance is given on seeming Prinkipo principles for Slav and Teutonic Bolshevism to work together, that is one danger.

It is perhaps not the worst. Amongst Russians, regardless of party, there is inexpressible bitterness towards America and the Allies on account of the manner in which all these questions have been handled. The more patriotic are Russians, the more deeply the

iron enters their souls. Territories intimately connected with the national life of Russia for centuries, and other matters greatly concerning it, have been dealt with by the Allies and America without effective consultation with any representatives of more than 150,000,000 of people. Statesmen like M. Sazonoff, Prince Lvoff, and the rest, have not been consulted. Revolutionary pioneers of Russian freedom like MM. Tchaykovsky, Savinkoff, Burtseff, have not been consulted. Russia's immeasurable sacrifices for the Allies during three long years seem to be forgotten or repaid by betrayal. Were that all, the policy of the Associates could only succeed in forcing all patriotic elements in Russia into Germany's arms. Broken and prostrate as Russian nationalism appears to-day, it may yet hold the casting-vote in the world's affairs, and may throw that vote against America and the Western Allies unless the Prinkipo policy turns out indeed to have been ably planned in view of a very different sequel. There must be a pacified and reconstituted Russia if there is to be a restored and safe world. There must be free election to a Russian Constituent Assembly, and that purpose must be secured by decisive intervention at need, if there is to be any prospect of freedom with order for civilisation in general. At present the proceedings of the Paris Congress are without the sanction of the Russian and German races representing together 250,000,000 of white mankind. In addition, the smaller European nations, old and new, representing nearly another 140,000,000, have been insufficiently considered. The decrees of the Allies and America are essentially, as regards the white race, the decrees of a strong minority possessing momentary omnipotence—outside Russia. Until the full adhesion of Russia to a League of Nations is secured the basis of the plan for lasting peace never can be broad enough for its height.

CHAPTER XVII.

AMERICA AND THE LEAGUE: THE CRUCIAL DECISION: HONOUR AND ADVANTAGE NOW MEAN PARTICIPATION: THIS IS DISPUTED: RALLY FOR ISOLATION: TENDENCY AFTER THE ARMISTICE TO BREAK AWAY FROM ECONOMIC WORKING WITH THE ALLIES: THIS REACTION CHECKED BY EVENTS: PRESIDENT AND SENATE: A GREAT MORAL STRUGGLE: SIGNATURE OF PEACE TREATY IMPLIES GUARANTEE: WITHDRAWAL WOULD EXTINGUISH THE LEAGUE: REAL CHOICE BETWEEN HALF-COURSES AND FULL INFLUENCE WITH FULL RESPONSIBILITY: THE BIG THING BEST: SURETY AND SCOPE IN WORLD-PARTNERSHIP: MEANING OF MANIFEST DESTINY.

The real choice for mankind on this side of the Atlantic is going to lie between a world-system, with America a full partner in it on terms well worth her while, or the political and economic organisation at any cost of an inter-continental unity of the Old World. The former would be far preferable. Alternatives have to be faced. The view is assuredly mistaken which thinks Europe so shattered and riven that in no circumstances for a very long time can it come together again. That home of the white race is a continent which never for long lacks boldness of thought or greatness of men, and it has been always fertile in surprises. For reasons far bigger and better than its own interests, which it is sometimes thought to be seeking, it would prefer the best solution of working-partnership with America rather than any second-best solution, though on the largest scale.

We sometimes hear of the "isolation" of the United

States, as though the word were now any more than a name or a figure belonging to physical and moral conditions which are passing utterly away. The real question for the Republic now is that of the most advantageous and in every way greatest connection with the other side.

Even Columbus when he discovered America made a considerable connection. Steam shipping and the Atlantic cable made another. Now come the aircraft to work between the two hemispheres like shuttles. Whether Orville and Wilbur Wright or President Wilson—invention or intervention—will have been of the greater significance for history has yet to be determined. For four hundred years Europe in all manner of ways has been throwing out grappling-hooks towards America and drawing it nearer. America in turn has been working as busily to pull Europe nearer. It will be seen well, when alternatives spiritual and practical are soberly considered, that United States intervention in the war was amongst those epoch-making acts of which the consequences are better guided than ignored.

For several centuries European and American affairs and destinies were inseparable in peace and war. For only a single century or so have their politics been relatively separated. The dissociation has been short, as history counts. The nature of modern scientific progress was bound to make it temporary. Distance must keep narrowing and narrowing if civilisation itself continues. No man can doubt it. Magnetic action between politics on different sides of the Atlantic must increase as time-distance lessens. The real results of American intervention in the war and of President Wilson's action in the peace-settlement and for a League of Nations will be determined in the sequel by America's partnership or withdrawal. Next to the Russian problem, this is the most crucial question for the world's future.

The foregoing study of Russian affairs extends widely our broad view of the state of nations and of

the whole plastic mass of affairs to be worked upon. The positive moulding of all that substance into a good shape or a mis-shape depends far more on the policy of the United States than on any other agency now operating. Conceivable combinations in the twentieth century, as we have very clearly perceived, might make even the United States, if it tried to stand off and stand alone, a secondary factor in the world's control. But at present America is the chief single force. What is more, she has every opportunity to keep leadership by entering now into the "new way of working" with others. None the less, as the Republic is far less burthened and bled in proportion than any other of the white communities engaged in the war, and as coming developments certain to knit the fate of all the continents more closely together have not yet actually occurred, America has, or seems to have, an exceptional freedom of will by comparison with all other nations—what the theologians might call a perilous free-will. The Republic may participate in a common system for improving altogether the general management of the earth's resources and of human relations, or may reject that system; and may especially prefer dissolution of partnership as regards the great method of economic association created during the struggle.

The United States never can be in a more favourable position for choice, perhaps can never be again in a relative position nearly so favourable. This way of putting it purposely leaves aside for the moment any question of political idealism, moral obligation, or far-reaching scrutiny into the future. Very presently we shall realise well enough how seriously these imponderables are to be reckoned with. What we must first emphasise quite frankly is that the United States alone is in the fortunate position of entire freedom to accept or reject real working partnership with the rest of civilisation. America may take either course with a large measure of immediate advantage to itself. The most detached policy, the most brusquely self-deter-

mined, might offer strong advantage for immediate purposes. At the same time it might not be without moral additions of a high order in their way, and this gives grace to temptation.

To analyse this part of the world's problem, we must first try, in our turn, to "isolate" it, forgetting our European feelings. We must look at it from an American standpoint, study it in an American light. Above all, for this special purpose we must put aside any question of English-speaking Union or Anglo-American friendship. That is a subject which must engage us later. No one on this side can treat it with an effect for good equal to the intention, unless the American standpoint itself is made the basis of approach.

None the less, so far as the argument bears on both the honour and interest of the United States, we may be sure of one thing at the beginning. Keen and able as are typical Americans in business, and desirous in any negotiation, just as in sporting competition, to have the better of it—in these ways, whatever we profess, much resembling ourselves and all the rest of human nature—they are always more moved by the moral and ideal appeal when fairly brought home to their feeling and conviction than by any material account whatever. They will do their duty if they see it. The question of what is duty turns in this case—and that is the difficulty—upon contingencies which at the moment may not seem real to many, seemingly so far removed from them. They may only show plain and close when it is too late for the duty to be done. Evidently, for a large part of the United States the problem is that of doubting Thomas. Just there is where President Wilson's more positive apostleship is coming to the test of its greatness. Let us see whether from the American standpoint itself we cannot make clear even now the full meaning of the choice between one way and another.

I.

Without full American co-operation in influence and responsibility there can be no living and growing League of Nations at all, on the terms now contemplated; no new reality can be introduced into the new forms of a peace-system. Behind those forms, or apart from them, the world's diplomacy and commercial intercourse would continue to be worked on different and older principles. Without the moral authority, the economic command, and in the last resort the compulsive power, added by the full practical adhesion of the United States, the League in itself could not be a tangible security for anyone or anything. No one could rely upon it. The European Powers most concerned to preserve peace upon the basis of the Paris settlement would have—in the first instance—to seek their own security, as a group, in narrower arrangements than those of the League and in more binding principles of mutual insurance.

Together the British Commonwealth, France, Italy and Belgium can do much by themselves. They can form in Europe alone a continuous block of nearly 140,000,000 of people far more closely connected in every way than in the past; kept in far more intimate intercourse by flying services than they ever were by the telegraph alone; strengthened by a deliberate improvement of all their communications both for commerce and defence. The sole purpose of such a *bloc* would be the maintenance of peace on the Paris basis. That West European union, better linked up with some of its self-governing partners and all its colonial dependencies in other continents, could not have any purpose above that of the absolute maintenance of the new peace. For some years this big Alliance might be effective, though burthensome. But though this system could do much it could not do everything. It would have to rely more on the efficiency of its armaments, however remodelled

by the countries in concert, than on any other kind of safeguard or persuasion. Without the United States it could not use either the preventive or creative economic agencies for peace with half the force belonging to those means if America joined fully in exerting them.

The Allied *bloc* could not apply sufficiently the economic interdict as a deterrent from war. Nor even as a means of localising and suppressing outbreaks of war. Nor could it carry out the work which is the main hope of the future—the positive organisation of peace throughout the world by widest international partnership for the development of common interests to the utmost, as the universal inducement to enhance the peace and forget war. Britain, France, Italy, and Belgium alone could not solve the Russian problem. They could not undertake its solution. They could not be quite sure in that case of managing the German problem for as much as a decade without renewed war—unless for the sake of sure order and stability in the Old World they made in a few years a bold re-settlement with Germany, which they would probably have to do. For nothing whatever, as we have seen, is likely to prevent the revival on a great scale, if not quite on the old relative scale, of German industry. It could always be rapidly converted into war-power as before, if the world pushed and jostled on in the old way. The necessity is for the whole civilised body to get itself into a new way of thought and service.

Above all, the revival of Alliances—however essential in these circumstances for the preservation of the peace as long as possible—would mean the creation of counter-alliances in the manner continually repeating itself in modern history. Germany and Russia and some others might combine. If no larger constructive system could be devised for the triple-continent of the Old World, rival group-alliances would mean another Armageddon.

Without full American partnership, the League of Nations might continue in some nominal form. It would do some good in any case. It would be useful for dealing with minor issues which statesmen in private had determined not to fight about, but to submit them to the new bodies now to be created for bringing about judicial or diplomatic settlements. Yet for all the deeper issues from which wars are apt to arise at last, the actual working machinery of the world's politics would be much as it was before. The High Court of Arbitration would be only a somewhat more august successor of The Hague Court, with no more means to prevent a great war than has our own Court of Chancery to stop a general strike. The Executive Council or Assembly of Delegates no doubt would be ready to sit on the "non-justiciable issues," that is on the graver political disputes. Though ensuring most valuable processes of mediation and delay, this means could bind no one and enforce nothing, unless the American guarantee is to be solid.

Britain, France, Italy, and Belgium, united in a *bloc* for their own security and defence, could not be expected to commit themselves as a general principle to forbidding war amongst all other peoples at the risk of having to make war themselves. By themselves, they would not engage in any armed hostilities whatever without some most compelling necessity. They neither could nor would act as the special constables of all the world. For that even their combined armed and economic power, though great, would not be great enough.

Nothing will be enough for the League of Nations in the long run but an actual economic strength—both preventive and creative—and a potential force of arms, so overwhelming as to amount to an automatic deterrent of any attempt at the old method of international arbitrament by human slaughter. Without the fullest participation of the United States in the responsibility of forbidding or penalising war, there

will be great chances again to change the map by means of war. Above all, without the energising partnership of the United States in the everyday work of organising a better order for mankind by international services on a basis of common interests, there cannot be behind the League that political and economic strength overwhelming enough to provide the practically automatic guarantee of peace. But this is what we require. Without that the League of Nations would only camouflage the guns. Gradually all would come to depend, as before, on the relative strength of Alliances and armaments. Sooner or later, ambition or passion or delusion would risk it and let go.

II.

The United States, on the whole, has taken the chief part in bringing the project of a League of Nations to the front of international affairs, though it could not have been carried without full British support. Before it was advocated by President Wilson of the Democratic Party it was urged by Mr. Taft of the Republican Party, though on different lines. America's intervention has compelled the founding of the League. The sequel, according as it is supporting or nullifying, will be America's glory or her anti-climax.

If, then, the United States, of all countries, its citizens, of all peoples, were to shrink from this crowning effort for human unity and brotherhood on realising what it really involved—as soon as they saw that for them, as for others, the achievement of this inevitable purpose of civilised thought and vision must mean some of the trouble, irksomeness, and expense of all real devotion to any high cause—if for these reasons America were to make the great refusal which would prevent the League of Nations from coming into effective being, the anti-climax would be

a feast for cynics. It would be one of the most discouraging blows ever dealt at the best thing in the modern world's politics—the spirit of constructive idealism which strives to lift internal politics and the world's politics above party manœuvres in the domestic field and national egotisms in the wider sphere.

If America refused aid and service in the practical work, economic as political, required to open a brighter epoch for mankind, what then would be the evil effect on mankind?

It would alter for the worse the whole atmosphere of international affairs; envenom the social question everywhere by convincing all the brooding minds amongst the masses that no highest good can ever come out of a world under the capitalist and individualist system; throw back all the reconciling hopes of our time; thwart the dreams of all those countless dead who died smiling because they meant to die for humanity as well as patriotism. The great negation on the Republic's part would mean a more serious and a more unenviable responsibility than the great affirmative could bring with it, no matter to what extent that affirmative implied the acceptance, as an obligation, a duty, and a task, of full working partnership in the only cause that can lift civilisation clean out of the social squalor and the hatreds of the old peace, as out of the mud and blood of the old wars.

America's own soul is more concerned in this than the soul of any land. To avoid moral responsibility, and, indeed, a paramount responsibility for good or evil, it is too late. America in arms has intervened to alter the earth. It was the greatest act in her history. The consequences are there. They will keep breeding further consequences for a century, for all centuries. You cannot stop the consequences now. You can only try to stop them from being bad. American intervention gave the conquering swing at last to the long work of the Allies. But it also threw Europe into a more

complete state of disintegration. That had to come before there could be any re-integration in a sounder form. The re-integration, the reconstruction, has all to be done. It must be well done if the general prospects of the world are not to be worse instead of better.

No decisions which the Peace Congress may put on paper will avail unless they are guaranteed and worked out. The United States, after intervention, cannot creditably withdraw in the hour of mid-difficulty and leave other nations to cope, as they may, with the consequences of her acts as well as of their own. These, then, are the considerations knitted up with the question of honour as regards America. They are overmastering on the side of her decision for permanent partnership in world-management to an extent as effectual as her intervention in the world-war. No American is likely to deny that the writer of these lines takes indeed the American standpoint and enters indeed into the American spirit when he does not shrink from putting the question of honour first.

But we can now take the argument further. What, after all, is the least thing that is certain?

It is certain that the United States, when the nature of the impending choice is clear, will not knock the bottom out of the entire project of the League of Nations by refusing to take any definite part at all in its working. America will accept the new system in one form or another, whether vague or substantial. America will do something. The practical issue, then, after all, is how much America will do.

If so, another truth next makes itself clear. The real alternative for America lies between two kinds and measures of partnership in the working of the League of Nations and the organising of lasting peace. The No Thing being impossible as incompatible with honour or with any interest, the actual choice lies between the Half Thing and the Whole Thing. Let us examine them in turn.

There are many obvious temptations on the part of

Americans—if any practical duties whatever are undertaken with and towards the rest of the world—to prefer limited liability by comparison with the Allies. Limited liability is apt to seem less fettering and safer. We shall find reasons for thinking that a more searching inquiry, penetrating mere temporary appearances, will see good reasons for coming firmly to another conclusion. Where there must be at least some permanent association with the peace-system and at least some responsibility for its effects and purposes, equal liability with the other Powers would be better for honour than limited liability, and it would be better for interest too. The No Thing—that is, total withdrawal from all concern with the consequences of the situation which America has so largely helped to create—might be wiser than the Half Thing, however far from illustrious on the moral side. The Half Thing, limited liability as compared with other nations, cannot make a new system sure for the bare maintenance of peace on any terms. Much less can it work for creative purposes of everlasting advantage to the general interests of mankind, the United States included. The Whole Thing can achieve both these objects. It is much more worth while. And it is more in the American spirit when touching any undertaking to prefer the larger scale and the bolder spirit rather than the lesser object and the more hesitating attempt.

III.

In the United States there are important advocates even of the No Thing, and they belong to both political parties. There are influences making for the Half Thing, just as there are in Britain and France. We must not only recognise all these forces, but must try to understand and even to appreciate them. There is the desire, stronger in America even than anywhere else, that nothing shall be done to fetter national sovereignty, nor to impair that part of it

which operates through the control of the treaty-making power by the Senate. There is some extent of passionate attachment to the tradition of disentanglement, even if it has become already a "creed outworn," and certain with time to go to tatters. There is a wide desire to cut loose again to the utmost degree possible from European complications and commitments in politics. There is an equal wish to be quit of what remains of the war system of economic consultation and adjustment, which checks America's accustomed initiative, as it does our own. It irks the American temperament even more. There is a feeling that the United States, by accepting under the League of Nations liabilities and functions equal to those of the European Powers, might be drawn into more than it knows.

These are natural preoccupations in face of an uncertain future. Every Power engaged in the Great Settlement feels more or less the same cares, worries, anxieties about the inscrutable sequel. Britain feels them, and France still more.

From our standpoint on this side of the Atlantic we watch with interest another kind of influence working on the other. The purely party system of Government has been maintained in America alone, despite the war. All differences between President Wilson and his Republican opponents—believing since the late elections that they represent the majority of the people—tend more or less to crystallise into divergent policies and even into antithetical principles. Yet we see ex-President Taft rallying for the League broad forces on the Republican side, and these are apparently resolved that what may determine the future of mankind or the fate of civilisation shall not become a party issue. But President Wilson, as the apostle who is no doubting Thomas, has to meet yet plenty of dissidence and opposition on his own side.

Another strong factor is the desire of big business —just like its counterpart in Britain—to be free at any price from everything regarded as in the nature

of restrictions and constraints national or international. Big business, in its first reaction from war-control, does not ask whether the economic mechanisms invented for war-organisation may not be in some respects improvements of method which could be modified and adapted so as to work with more benefit than anything known before for the greater prosperity of all the world at peace. The whole feeling of big business undoubtedly tended immediately after the Armistice—though the process has happily been at least a little checked since—to break up the Inter-Allied Councils, Boards and Committees, which ought to become the economic agencies and most vital organs of any living League of Peace. President Wilson's own policy seemed for a short time, after the Armistice, to move in the same direction. It seemed to make straight for an economic dissolution of partnership with the Allies, in order to mark more plainly the special standing of the Republic as an Associate, and to give America a more detached and arbitrating position as between the Allies and the rest of the world.

On the whole, the prevailing influences towards the end of 1918 seemed to be converging rapidly indeed towards very limited liability on the part of the United States. And the issue, as we shall see at the end of this chapter, has yet to be fought clean out on President Wilson's return for an interval to America, when, equipped with a first-hand knowledge of the world's problems such as he could not possess before, he consults with his country upon the great alternative.

What, then, would the Half Thing mean? It would, of course, mean American participation on the political side of the League—in its periodical Congresses and on its Executive; in the composition of its High Court and Tribunals of Conciliation; in its permanent bureaux on the political side; in the open debates and committee-work of the General Council of Delegates. So far America would have to go if there were

to be any League of Nations whatever, even in form; and if the abstention of the United States were not to extinguish every spark of the project. But the Executive Council itself would be of little avail. There would be no power behind the system without America's full guarantee and equal responsibility.

In circumstances of association only on the formal side, the United States would share any moral influence of the Executive, deliberative, judicial, and mediating bodies. But it would enjoy this influence while giving no binding guarantee of support in any definite emergency, and keeping in effect an entirely free hand both for political and economic action.

This conception has only to be stated to show how ineffective yet disturbing it would be; how apt to cause uncertainty rather than confidence; how inadequate to a system of durable and creative peace; how much behind the physical facts of an age when flying services will knit both sides of the Atlantic into more close and busy intercourse; how little consonant with the greatness of America.

Redoubtable then as seemed a little while ago the various factors making for the very limited liability of America in the League of Nations, even the Half Thing will prove on scrutiny to be inadvisable whether for the honour or the interest of the United States. America's entire abstention from real responsibility for the peace-system would devitalise the League as now proposed, and would inevitably lead to wide changes in the Treaty-Settlement. Never will Americans let it be said that after intervention in the war, the people of the United States of all peoples killed the soul of the League of Nations. That is why, at least, the "No Thing" is impossible.

IV.

So it must be at least the Half Thing for America. And yet any attempt at limited liability, leaving on

the strained Allies and their late enemies all the chief risks and burdens of a supposed common system, would involve America, whether liking it or not, in far-reaching responsibilities without giving the best means of carrying them out.

For we must now come to the point on which everything else will pivot—the question of a Peace Treaty fully guaranteed by all its signatories and, above all, by America. Any other kind of instrument would become waste-paper. America cannot take a leading part in framing the settlement without providing that the document bearing her signature, unlike the violated treaty of Belgian neutrality, shall never be torn up as a "scrap of paper." This principle of the inviolable faith of Treaties, guaranteed by the effective faith of the signatories themselves, means the foundation-stone of any possible system of peace and security, under the auspices of a League.

But this principle is recognised. It is already recognised by America's entry into the Peace Congress—an entry as conspicuous, as impressive, as was ever made on the stage of the world's affairs. That—though all the United States did not realise it at first—is a Second Intervention. It is even more directly and widely fateful than the First Intervention by arms. Then it follows that equal liability with the other Powers—the Whole Thing—full partnership in the economic as well as the political working of an efficient League of Nations—is in every way the best policy as well as the biggest. It is the safest, because most fully ensuring the peaceful management of the world. It is the most entirely conducive to the power, dignity, and advantage of the United States.

The concrete question here is what method is, in fact, most adapted to preserve and enrich the future peace. What is most likely to induce the various societies to settle down with acceptance—if not unalloyed satisfaction and contentment in every case—within the new and more just frontiers appointed for them?

What solutions of the problems of the Middle East and Africa—problems of protectorates and dependencies—will best strengthen a general support of the new order. The latter problem and America's connection with it have been studied fully in a previous chapter.

Enough to say that a plain, thorough guarantee of the whole Fundamental Treaty by the United States, as by all the signatory Powers—in accordance with the first Covenant proposed for the League of Nations—would do more than anything else to fortify the stability of the settlement and to remove to the utmost distance the possibility of having to reassert law by arms. If Belgium's integrity is guaranteed by the United States, in addition to the other signatories, it will never be assailed again. So with the frontiers of France and Italy as with the boundaries of the smaller nations, newer and older—always providing that Bolshevism respects a "thus far and no farther." Regarding any frontiers which may be fixed to march with those of Russia, as the United States is responsible with the Allies for calling these arrangements into existence, then for the United States to join in guaranteeing them would be obviously the simplest means of making the collective signatures sufficient for their purpose—that is, of reducing to a minimum the contingency of ever having to make good the guarantee by forcible means. If America's position on that head were known and certain, the provisions of the Fundamental Treaty would be held in sufficient awe. All such claims for revision and readjustment as are certain to be made when feelings and circumstances alter with the lapse of time, instead of being asserted in arms, would be brought before the paramount authority, whatever body or bodies may be charged with the vital function of treaty-revision under the constitution of the League as actually adopted after discussion on the basis of the draft.

But we must realise how strict an obligation a guarantee of the Fundamental Treaty will mean in this case.

Treaties in the past have been allowed to become obsolete, neglected, or almost forgotten. All sense of binding reality in connection with them was lost, as in the instance of Germany and Belgium. The Treaty of Berlin became more and more untenable, despite ceaseless patching up. Two Balkan Wars and Armageddon itself were required to correct it. But now we want the new order of the world to rest solidly on the fundamental justice of the settlement and on the inviolable faith of signed engagements. For that purpose the solemn contract between nations which is to be concluded by the Peace Congress ought to be reviewed from year to year and revised at regular intervals. This would best be done by special Congresses of a still more representative character.

The validity of the Great Treaty, as a previous chapter has demonstrated, ought to be kept fresh and strong by regular resignature. To no condition whatever is more importance to be attached. Henceforth, let all of us, America included, know that our obligations of this kind, once incurred, are binding and sacred. Let all peoples know that we are determined to discharge them. About that let there be no doubt on the part of friend or foe, should it prove that this latter word may have to remain in use. After this, there must be no forgetfulness by any nation of the liabilities it has once undertaken, and no room for mistake in this respect on the part of any other nation. Signature affixed in the name of any people to a Treaty must be as good as any honourable or solvent man's hand set to a legal contract. The word, in international engagements, must mean the bond. In short, America's signature to the coming Treaty of world-settlement is in itself America's guarantee. And that involves considerable consequences.

Thus would be removed an element of political danger, hitherto too familiar, corresponding to unscrupulous financial speculation—the tendency to gamble on the chance that a Treaty might be broken with impunity, and that some signatures might not be made good.

Yet, when every precaution is thus taken against one kind of disturbance, it cannot be a world without danger. It will be still subject to the effects of passion, crime, misunderstanding, and accident. Within guaranteed frontiers, there will be domestic revolutions apt to overleap them. Social broils may spread a general discord. It has often happened. When human wit has done its utmost in the coming settlement the future will show as before that human wit never can provide fully against the unexpected.

V.

This would mean a very broad margin of doubt and risk, if the League relied for the preservation of peace only on its judicial bodies and its diplomatic proceedings. Then, what additional policy ought to commend itself to the Powers, and more to the United States than any other?

Clearly the economic policy, preventive and creative, as it has been developed in the previous chapters. Arms alone are inadequate for asserting the stability of a general peace-system, and in certain critical cases would even be useless. Arms are impotent for dealing with the international bearings of the social question. They cannot cope with the wide democratic movements of discontent and aspiration which Bolshevism only exaggerates and distorts. They cannot prevent frontiers from giving way under the pressure of subversive impulses within sympathetic with external forces. Arms can neither check nor guide that continuing revolution in communications which profoundly affects all the conditions

of civilised thought as well as intercourse. Arms can do nothing to turn those changes into an increasing means for preserving peace and advancing human welfare. Arms cannot deal with the central problem of the German race nor give it the guarantees of industrial and commercial security, in spite of an economic interdependence more complete than before. Arms cannot do these vital things. If arms could do them, America is the last nation which desires to employ again on distant missions the forces of bloodshed, except in extreme necessity.

In a word, from the standpoint of the United States, even more than from any other standpoint, there is no substitute for economic partnership in the League of Nations as a means of world-control. There is nothing to compare with that method in its ability to apply penalties and give rewards—in its preventive and creative efficacy for the cause of a peace then identified in all men's minds with the incomparably enhanced progress of the world in rational polity no less than in material well-being.

To this conclusion have come many of the ablest minds of all parties in America and those best acquainted with Europe and other parts of the Old World. They believe that in combined economic action, through machinery like that of the Inter-Allied Boards and Committees during the war, the League of Nations would find a method opening up a future of new promise for the world, while well adapted to supersede armaments as a rod of authority.

It is hard to see how this view can be contested. The United States and the British Empire together, acting as the economic mandatories of the League of Nations, could paralyse the nerve-centres of a reviving war-power anywhere, and could do it without firing a shot or launching a bomb. Secure ingress to the Baltic and the Black Sea would, of course, be essential for the furthest-reaching effect of the commercial boycott. Taking for granted that the open entrance

to these seas will be secured for the future, Central and Eastern Europe can be brought as easily within the scope of economic action as the western part of that Continent.

Let us repeat once more that the United States and the British Commonwealth together control the larger part of the world's exportable food supplies, the vast bulk of its raw material, two-thirds or three-quarters of its shipping. Every other member of the League would be pledged to take corresponding steps by stopping land traffic with any contumacious country. As has been emphasised, there would be no neutrals. In all the circumstances, the League of Nations, on this system, would be reasonably assured of its mandate for economic action being carried out at need as an inexorable yet bloodless form of pressure against which no offender could stand.

But to make action prompt at call, the power of "boycott" would have to be studied and prepared beforehand by competent economic departments just as the Strategical Branch must think out the last resort of armed hostilities. It is still more important to avert hostilities, economic or armed, and to promote union by the normal effect of real World-Partnership.

For these objects, however, it would be necessary to keep in being the economic machinery which the war has put under the hands of America and the Allies. Adaptation would change that machinery from an inter-Allied to an international character.

This presents the crucial point of decision to the people of the United States. Are we all to throw to the scrap-heap the existing means of action, which could make the League a working reality and an all-pervading influence from the outset? Or are these means to be continued—modified in many respects, improved in others, adapted without any pedantry or bureaucratic formalism whatever to the common-sense of the peace purposes? Are these real operative assets, created with so much effort, used with so much

effect, to be broken up or to be perpetuated? That is what depends entirely on the American people. It is the most searching issue by far that they have especially to decide.

The other principal countries are ready to carry on with the economic apparatus they have found so powerful and elastic in its proved uses for mutual service, and so well designed for greater things in peace. They are prepared to meet in any reasonable way America's wishes with regard to changes in the form and functions of the Councils and Committees. Britain is ready. She is ready, in spite of being asked to subject, to the common good, part of her separate initiative and freedom, which she does subordinate in ways often a little trying to her own independent temper. France, Italy, Belgium, and others are eager to continue systematic co-operation in some shape. They want this because it would give them in the best way that help from all their friends for which they have every right to look during their especial difficulties in the transition. For different reasons neutrals and former enemy countries would undoubtedly fall in with the plan. If order were once restored in Russia that country would have as big an inducement as any other whatever to join forces as well on the economic as on the political side of the world's partnership for peace.

The League would then be an Economic Union of omnipotent possibilities for maintaining the safety of nations, and amity between them, and for forwarding their wealth and welfare. It would wield by far the smoothest and most irresistible means of suasion that has existed in the world.

Whether so much is to be or not to be, turns entirely on the choice of the United States. If her President and people throw in their lot with it and give the word for carrying on, the thing will be done. If they decide that the present working system of international co-operation may as well be broken up, their withdrawal would break it up.

The future dangerous contingencies of international affairs would be, then, beyond any real control except by the threat or fact, in the name of the League, of armed hostilities. These it would be difficult, as has been repeatedly shown in these pages, to formulate and apply with anything like the requisite agreement, briskness, and efficiency. In any case, to use war-methods in the name of the League, even for its best purposes, would simply keep alive war-thoughts and war-habits, so as partly to pervert the moral influence of a peace-system and perhaps in the end to defeat its own objects by its own example. If America dissolved working partnership with Europe, the present chief Allies in that Continent would be driven back for some years upon the pre-war method of alliances as their only real security; pending some great development by which the Old World as a whole would be compelled to try to provide for its tranquillity and progress by more concerted management without the United States. Meanwhile, the present European Allies would have to establish some more intimate form of economic co-operation amongst themselves. But that would be only a further development of the old group-system. It could not in itself apply economic action as a general means of preserving the world's peace.

VI.

Thus whether real World-Partnership is to operate hinges entirely on the active concurrence of America. It is not easy to think that she will stand out and stand off, if she goes on to regard it further from the purely American standpoint. The United States knows well that the full use of the economic method may possibly be required. Yet if the present machinery were broken up and scrapped—instead of being kept in being

for purposes that, in any case, would be continuously useful—it might be hard or impossible to restore that organisation when it was wanted. With the best will on all sides, America and the European Powers might not be able to put it together again in time to deal with an emergency. If the United States cannot wash its hands of all responsibility for a peace-system, how can it think of abolishing the surest and most bloodless means of working the new partnership of nations as a system of order with freedom and stimulating it as a system of production and development?

Further, Americans are pre-eminent as a fresh-minded and practical people. The co-operative way of the world as a practical, fresh-minded method—by comparison with stereotyped habits of thinking in terms of armaments, or even of boycott—ought to appeal to them more than to any other country.

Happily the signs at this point of 1919 are at least strongly improved by comparison with the late autumn of 1918; though the tug of opinions may still be stubborn, and it remains to be seen how President Wilson will put in his strength. There is, at any rate, a chance, a much better chance, that America's decision in favour of a definite economic policy of world-partnership may be, after all, a saving act for the future of human history. After the Armistice, as we noted, all the indications to close watchers of events seemed disquieting and even alarming. The United States Government seemed on one hand to be breaking up the substantial foundation of the very cause which President Wilson on the other hand was advocating in terms of lofty idealism. Immediately after the Armistice, America began to dismantle rapidly her own remarkable economic organisations for victory—her War Trade Board and her War Industries Board—and to make or foreshadow a corresponding withdrawal of her representatives from the Inter-Allied bodies like the Food Council, the Transport Council, and the Programme Committees on this side.

The first troubles of the Transition proved very quickly to be as wide and pressing as those of war, and they had to be grappled with similarly by common management. Time was thus won for further reconsideration of more enduring and momentous issues. We have seen that when President Wilson arrived in Paris the results of the investigations of American and Allied officials into the food-situation in enemy countries and in Eastern Europe generally, were laid before him. It became clear that the choice lay between large assistance and the further spread of Bolshevism and anarchy. The question was continuously discussed between the Associates. It was agreed that the work must be done by continued co-operation under more unified command. The Supreme Council was set up with its responsibilities for food, finance, shipping. The United States was requested to take the lead in as humane a duty as Governments in concert have ever discharged. Afterwards the question of supplying Germany with raw materials under conditions safe for the Associates opened a still broader vista.

Mr. Hoover confirmed in a published statement at the beginning of the New Year the sombre picture of facts and possibilities in connection with food and politics which had been drawn beforehand in an earlier chapter of this volume. The statement by the United States Food Administrator, issued in Paris on January 3, 1919, has been analysed in our examination of food-supply as the primary basis of political stability. But it was so clear and complete that, for the purpose of this chapter, it may best be quoted here in full:—

> The determination of the conditions and the measures necessary for relief in liberated territories must be our first concern. These territories comprise Belgium, Northern France, the Trentino, Serbia, Montenegro, Rumania, Czecho-Slovakia, Yugo-Slavia, Poland and Finland and the Baltic States of Russia, and Armenia and Syria, comprising altogether populations aggregating probably 125,000,000 people. Under enemy occupation and devastation, their native pro-

duction has greatly diminished, and stocks of food that they have managed to retain from the last harvest will soon be exhausted, more particularly in the case of town populations. We have despatched up to date approximately 150,000 tons of food to various ports in Europe. Some of this food is now being issued, and, in addition, a steady stream of 150,000 tons per month is being maintained into Belgium and Northern France. The transportation problem is one of extreme difficulty. Rumania, for instance, has under 100 locomotives; Poland has probably not over 250 locomotives; so that, even after landing foodstuffs at the seaports, we are in further difficulties as to inland distribution.

One of the most difficult problems involved in the whole matter is that of finance. Belgium, Serbia, and Rumania have been given from time to time loans by the United States Government, with which to purchase our food, and it is necessary that the populations should be continuously fed in order to save the necessity of further military action by the United States.

On the other hand, large areas exist, such as the liberated populations in Poland, some of the former States of Austria, portions of Turkey, Balkan States, and other places where our Government is unable under present legislation to make any loans. These people are looking with hope to the United States for salvation from starvation. It is a matter beyond private charity, yet, if they are to be saved, and if there is any hope of their building up for themselves freedom and stability of government, it becomes either a matter of practical charity or long-time credits from the United States.

The economic problem includes some of the Allied Governments as well as the liberated territories. It is impossible to conceive that, considering the destruction they have undergone, they can again return to the production of commodities which they can exchange for our foodstuffs in time to prevent starvation, nor have they gold or American securities. They must have credit. Our merchants simply cannot furnish credits nor give away food in these volumes. It is a Government function.

Allied Governments have expressed their willingness to join in provision of foodstuffs and financial help for these areas, but their situation to-day, as every day, depends to a large degree upon finance and support from the United States.

The oversea transportation problem is less difficult. It appears to the Allies and ourselves only just that, inasmuch as a large part of the difficulties of the liberated territories are due to the ruthless action of the German Armies, the Germans should be called upon to provide ships to transport

> food supplies to these areas, and it will certainly be made a condition of the allowance of any food supplies to Germany that their ships shall be ultimately turned over to carry food for all liberated territories.
>
> If its interest is awakened in time, the United States can finish its job, and banish the spectre of Bolshevism.*

No one supposes that these emergency-operations, ranging from Belgium to Armenia and Syria, can be finished in less than twelve months.

For that period at least full economic machinery for international co-operation may have to be maintained. And we have all learned that, though food is much, Bolshevism cannot be stopped by food alone. Employment in Central Europe is needed as well, and the supply of raw materials for the revival of German industry amongst other industries must be kept under control—unless the Associates are going to gamble on peace almost as blindly as their late enemies gambled on war—until the probabilities both in Germany and Russia can be better estimated. This is another reason for a more complete and longer economic partnership between America and the Allies than was contemplated for food-supply to the distressed regions until their own agriculture has recovered.

Mr. Hoover has wielded, and still exercises, a bigger part on the humane side of civilisation in the large, than has been played before by any American citizen. He is a masterful person—and Europe also, for several thousand years, has been prolific in masterful persons. Its Cæsars, Cromwells, and Bismarcks are only prominent types of a great deal of the character common to the Western stock, whether in its old homes on this side of the seas or its new homes on the other. When persons of strong wills and strong views meet for common aims but differ about the methods, that means rubs and hitches in the attempt at adjustment, and it means risk of a breakdown. It has not always been,

**The Times*, January 4, 1919.

nor can it ever be easy—nor ought it—to bring American and European temperament to an understanding. If that fact were not recognised with good sense, the merit of what has been accomplished by getting to an understanding upon successive problems of war and peace would not be appreciated.

It is to the moral lustre of the United States that Mr. Hoover's Belgian Relief Mission, noble as that was, has proved to be the "short model"—as the Bible says—for the huger undertaking of bringing succour to between 200,000,000 and 300,000,000 of people in dire need of the necessaries of life. Even before the Armistice, the Food Administrator of the United States had that work in mind. He foresaw not only its administrative extent but its political bearing.

But other things were involved as well as food. Shipping was involved and seaport-facilities, European and other railways, like finance and diplomacy. This demanded—just as had the exigencies of the war, and as will the further requirements of peace. —an international organisation. In the way already described, the Supreme Council of Supply and Relief was established by the four Responsible Powers, and Mr. Hoover well merited indeed the honour of being its first director. Great depots will have to be established in certain cities chosen out of a number which might serve as distributing centres. The chain includes Danzig, Warsaw, Prague, Vienna, Budapest, Trieste, Salonika, Constantinople. The whole German trading-fleet, it will also be remembered, is at the disposal of the Supreme Council. The cost between now and the next harvests in Eastern Europe will be from £15,000,000 to £17,000,000 a month. So far as Mr. Hoover's part is concerned, we can only call him the sublimation of the Good Samaritan. America has reason to be proud of his work.

Congress soon responded to the President's cabled appeal for £20,000,000 to be appropriated for the supply of food and other necessaries to Poland,

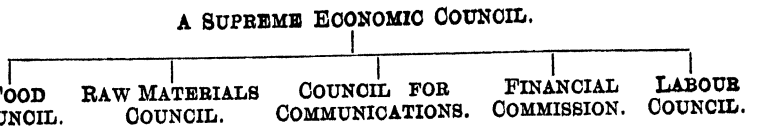
Western Russia, the States formerly belonging to the Hapsburg system and Turkish territories—all regions where the primary conditions of political stability do not yet exist. Mr. Wilson stated that the United States is likely to be called upon during about seven months to send £300,000,000 worth of food-stuffs to Europe for this work of charity and statesmanship. Representatives of the Associated Powers are already at work all over the distressed areas.

This remarkable creation of the Supreme Council for Supply and Relief is not only excellent in itself. It is a means of carrying on the machinery for an international Economic Union. The total break-up of that machinery is at least postponed for a period long enough to suggest good hope that the far-reaching mistake which seemed likely just after the Armistice will be altogether avoided. But we must not be under any illusions. Nothing is permanently ensured. The economic system required to give a common, continuous life to a League of Nations—the "new way of working together"—has yet to be created. On a big scale, the new Supreme Council so far is only a temporary Charity Organisation Society under Mr. Hoover's admirable direction, equipped with all the experience gained during his relief work in Belgium. It is not enough. It is far from being adequate in any way, for the needs of a lasting peace-system to be ensured and developed mainly by economic means.

VII.

To that end, there is required that full machinery of Economic Union we have studied in its detail. Whether to keep in hand ready means of applying the economic interdict against war, or to organise peace throughout the world by the development of common

interests in every way, there ought to be at least the following:—



It has been shown that other departments would be required as a matter of course. They would be wanted for co-ordinating the existing pre-war institutions which were real organs of World Government, and would in some cases not come under the main departments just set out. But it is better to simplify the table in order to show what is indispensable to the great economic partnership, which ought to be the most active power in the whole life of a League of Nations.

If President Wilson and the United States support this or some similar plan, the policy will undoubtedly go through. It will make the League of Nations a living, progressive, creative union of civilised societies. It will be bound to become of supreme importance and beneficence in the world if a pacified Russia adheres to it and America continues to take a part second to none in all the influences as well as responsibilities belonging to it. The United States never had so great an opportunity as this, and no nation ever had a better. If this is not what Fourth of July orators call the "manifest destiny," there is no meaning in the phrase. This work would be the fulfilment of all the dreams for America's moral and practical influence in the world that have been cherished for nearly a century and a half by those who believed truly that the foundation and progress of the American Republic were of great purpose for the free future of mankind—that the fathers built even better than they knew.

There would still remain the two other parallel questions fully discussed in previous chapters—the questions of what part the United States is to play in the reconstruction of Russia and in the administra-

tion of the semi-civilised or uncivilised regions which must be held in trust under the League of Nations.

These problems we have found may be decisive for the future of the whole peace-system, because decisive for two vast and almost contiguous problems—that of Russia and that of the German race. One may venture to beg American readers to turn again to the considerations especially concerning them which have been set forth in the foregoing chapter, and in the earlier chapter dealing with future "spheres of equal opportunity." The most efficient principle with regard to the regions to be held in trust is the Mandatory method adopted. The League, instead of acting by mixed authorities in the way that rarely works well in political administration anywhere, and works worst in the East—as all experience in connection with Turkey and Egypt has shown—will appoint a given Power to be its single mandatory in a given area.

Reason has been amply stated for the hope that America, in any case, will lead in the end all the work for pacification and technical reconstruction in Russia. The writer is amongst those who have a strong hope that the United States will also undertake the guardianship of Constantinople and the direct administration of large areas in the Middle East—preferably the whole of it, but Armenia and Palestine at least. That position in the Middle East would immensely facilitate the solution of the Russian problem. It might at the same time be made to play, by means which have been indicated in these pages, an important part in bringing the German race wholly into the cause of a willing peace.

The suggestion of this double task—temporary in relation to Russia, longer in the ancient seats of civilisation wasted by Turkish misrule—may seem novel and large charges to lay upon the United States. But America's whole position, her corresponding responsibility as a world-power in action, are novel; and the charges would not be so heavy as the concrete advan-

tages would be great. The tasks are only such as are borne by the smaller populations of Britain and France. The United States by its shipping policy contemplates a world-wide extension of the transport system under its own flag. This implies a far more intimate connection in any case with distant regions and peoples. But more than all that we have to remember for the thousandth time that flying services in the period opening with this very year of the Peace Congress will much reduce and in the end cancel the Atlantic as a factor which made possible the political isolation of America from the affairs of what is called the "old-world," though its threefold continent is, in fact, an ever-new world. It will only be a day's jump presently from New York to London and Paris, as from Brazil to West Africa.

Large questions of armaments, tariffs, merchant-shipping, as concerning the United States, are left over as better to be considered in succeeding chapters.

Well may we say that it is a fateful moment for America, and, through America, for mankind. That there are lions in the path, we see or rather we hear. The cable is an imperfect and muffling medium in these days, yet we are aware of strong sounds. We are told that President Wilson's supposed inclination to take up on behalf of the United States—the Republic approving—mandates or trusteeships for the better government, under the League of Nations, of some famous regions of the earth, is denounced by his ablest opponents in the Senate, and is regarded with apprehension and perplexity by some of his most faithful supporters. To one Senator, according to the cable, these suggestions of equal responsibility in world-partnership are "absolutely unbelievable," to another "stupendous and preposterous," while a third declares that if his Creator were to appear and urge him into such a policy he would refuse to be convinced; and a fourth urges the United States to concentrate on the leadership of the New World and to refuse to meddle

with the "multitudinous peoples" of the Old. Yet by trade and shipping it is proposed, and legitimately, to meddle more largely than hitherto with all these peoples. Hoarser voices advise roundly that Europe should be left from end to end "to stew in its own juice." Even some, not disinclined to see the United States embrace for good the largest destiny, and recognising that the old distinction between the hemispheres is wearing very thin, nevertheless seem to countenance the idea that Britain and France are only trying to draw the United States into European responsibilities in order to help themselves out.

America's own attitude must be declared by America. The suggestion as to the attitude of Europe is somewhat deeply misapprehended. Europe wishes for the participation of America because it truly desires a safer, better, greater system of management for the world which includes them both. Europe has had more terrible reason to search the issues of life and death which concern the future of civilisation, and knows that the war has raised almost as many dangers as it has laid, and does not believe that America's tradition of political separateness, derived from a time when the Atlantic in effect was many times broader, corresponds any longer to geographical reality. Constantinople, Jerusalem, and Mount Ararat, amongst the furthest points to which any American mandate could extend under the League of Nations, are all nearer to Washington than is Manila; and to lead the regeneration of regions which gave birth to all the civilised and spiritual progress we pursue further even now, might be not much more difficult, though so much more wonderful, than the training of the Filipinos. It would be a greater dream amongst the dreams we live for, and undoubtedly would be bigger business, too. Now that America is launching out into foreign trade, no investment she might make for creating and developing markets abroad could compare for certainty of value returned and increased with the effect of lending a

strong hand to aid the recovery of prosperity and enterprise on this teeming side of the Atlantic. The United States contains a sixth or seventh of the white race. The rest will by no means always remain at the same relative disadvantage as they are under now. The population of the American double-continent may now be one-ninth or one-eighth, but no more, of the population of the triple-continent. If the Old World were fairly thrown back upon itself, it would have to try to make the best of that situation, and its efforts would be at least larger and more remarkable than have yet been seen.

But for all the good that might yet be amongst mankind, infinitely to be preferred, as was said at starting, is America's entry once for all, under President Wilson's leadership, into full world-partnership, political and economic.

The case has been stated without special pleading for English-speaking union, or for any advantage to Britain, France, Italy, Belgium, and other Allies which the whole world would not share. This plan for lasting peace contemplates from beginning to end a full chance for the German race, as willing and encouraged members of a League of Nations, to recover not only prosperity but sound pride of character and safe scope for wide enterprise. The system here set out, mainly from the American standpoint itself, would mean more freight for American ships as for all ships; wider outlets for American manufacture, financial enterprise, and technical power; as well as that almost indefinable broadening and suppling of a nation's mind which comes from responsibility for moral leadership and creative tasks in other regions and amongst other races of men. Most of the greater peoples of history have at one time or another undertaken like missions. They give in some sort that added quality to the mind of a whole nation that foreign travel gives to an individual.

And, after all, America, at Paris, is taking a chief

hand in framing the most extensive and momentous of all Treaties. It will ultimately have to be signed in the name of the United States. The signature in itself will involve the guarantee.

Political isolation was tried by both China and Japan. It became untenable when former geographical separateness was annulled by such new facilities for human intercourse or action as can make themselves equally felt for commercial or destructive purposes. A very similar thing happened in the case of the United States and the German submarines. Now mechanical flight is going to throw a still faster shuttle to make one web of the world's affairs. America has again to come into the family of the nations whence she is sprung. Her full share in common action for controlling the new conditions and turning them to advantage would make her risk of being drawn into war not more, but less. Even before the war, the United States and Europe were by comparison dwellers in different parishes, but are now neighbours over the way. Until the people of the United States join energies in peace, as they have done in war, with those other countries who are the Trans-Atlantic kin of one or the other racial element in America, there can be no peaceful synthesis of civilisation. Again it is "manifest destiny" to be accepted sooner or later. For entering upon it not with doubt or reluctance, but with virility and gladness, there never can be a better hour than now, when there are unmatched opportunities to work greatly in our own time while it is with us, and save future generations from a more irreparable fate than has come upon our own.

CHAPTER XVIII.

TRADE-POLICY AND PEACE-POLICY: WHY NOT UNIVERSAL FREE TRADE?: NOT IN THE FOURTEEN POINTS: THE REASONS: PRESIDENT WILSON'S TWO PRINCIPLES: OPPOSITE POWER OF AMERICAN PROTECTION: ITS LEAD FOLLOWED BY ALL DEVELOPING NATIONS: THE BRITISH COMMONWEALTH AND THE "MOST OPEN DOOR": THE LEAGUE OF NATIONS AND FREER TRADE: SYSTEMATIC EXTENSION OF MUTUAL CONCESSIONS: AN INTERNATIONAL CUSTOMS COMMISSION: AMERICAN EXAMPLE DECISIVE EITHER WAY.

To take a familiar illustration, we know that when a very large piece of furniture is introduced into a room and becomes clearly the principal feature, it usually compels an unexpected degree of change in the positions of nearly all the other articles, big and little. When so great a thing as the design of world-partnership and the final cessation of wars comes out of the sphere of dreams into the middle of present politics, it modifies the relations of other things almost throughout. It alters nearly all former proportions and values. Not to recognise this and not to re-think accordingly means either being not sincere in support of a real League of Nations or not being competently sincere; and more wholesome than this would be honest opposition to the whole scheme by sturdy reaction sticking to its older notions in the lump. Apart from that frank minority which has seen chaos come again during the last few years, but would conserve it—and is consistent

in fatalism—the duty of re-thinking is not only for some men, but more or less for all men, whatever their previous views.

When not only is lasting peace accepted by Governments and peoples on the whole as being henceforward the supreme practical good of nations, but when statesmen are setting their hands to the constructive labour for that object, one of the main things to be freshly considered is the future of Free Trade and Tariffs. For generations the ideals of universal peace and universal free trade were regarded as inseparable by the advocates of both. The best way to the former seemed through the latter. Meanwhile the world became more and more stocked up both with tariffs and armaments. We now know that those who want universal peace must seek it by itself through some system which will have to be framed at present and worked for at least a considerable time without universal free trade. Yet no seriously reflecting mind can suppose that there can be any good prospect for the political harmony of mankind unless definite means are sought and found to mitigate the Protectionist competition which is the economic counterpart of rival armaments.

It is impossible, then, to avoid this issue, and yet very difficult to treat it in any manner likely to be accepted as temperate and just by both parties to a long controversy. The fire is still hot, though at the moment not blazing. No wise man will try to poke the coals. At the same time new enquiry must be attempted. The task is likely to be thankless for one like the present writer who, during the last quarter of a century, has never been in favour either of unconditional free imports or of indiscriminate protection. A word of personal explanation may be pardoned. Ruskin first led many of us social reformers to doubt the human merits of free trade as it was practised. Its political merits seemed more and more questionable amidst the actual movements and dangers

of the world. Its economic merits varied widely according to the conditions of different societies and their relative degrees of development. On the other hand, protectionism as a dogma was repellent in itself and liable to gross abuse. At different times I have at least made a real effort to understand the state of mind and imagination behind both the free trade ideal of international intercourse, which so many men have held as a religion, and the protectionist doctrine of national development which so many other men have held as a religion with equal vehemence.

More and more I have come to think that for practical purposes there must be trade equality on either plane—either free trade for free trade, which in time must become preferable, or tariffs for tariffs. When closely associated with Mr. Chamberlain in an effort prejudiced at every turn by challenging phraseology and cross-purposes, my own object was entirely that of efficient economic defence as a necessary part of all other preparation in view of the clear approach of war.

Any man convinced of the almost certain outbreak of unparalleled war in the first decades of the twentieth century was bound to subordinate all his politics to that conviction. For economic defence that view was bound to desire a safer command of what are now called the key industries, the revival of agriculture at home, and, above all, closer Imperial partnership. But this writer, for one, always said that if low tariff-reform were ever carried, he would assuredly have to die fighting against a high tariff, and rejected by his former friends. It has not been my fortune ever to be satisfied that the teachings of either school could be universally applied to the world in our time.

Everyone knows that when the struggle broke out, Germany's manufacturing monopoly of certain articles vital to our Army and Navy nearly lost us the war. We cannot be too much swayed even by that fact when we are considering a new way to peace with security by means of a definite economic system of

world-partnership. In spite of the present lull in the argument, it does not seem that the inward psychology of either school of political economy is much changed by events since the summer of 1914. I have felt it my own duty, after the war, to examine facts and re-examine principles with as unprejudiced a mind as may be commanded.

I.

It will be said by Free Traders that if their principles had been more widely applied in both hemispheres the Great War either would never have occurred or never could have been the same engulfing catastrophe of bloodshed. They are right. It is but to say that Egypt would be different without the Pyramids. The historic work of Alexander Hamilton, Friedrich List, and Bismarck was actually done. The protectionist structures raised by them or their disciples were facts as conspicuous as pyramids. In their own countries their reasons for erecting great protectionist systems prevailed. But Free Traders will next go on to put a more searching question. They will ask whether all the methods of partnership between nations advocated in these pages are not a complicated and unnecessary machinery—whether the economic interests of all nations under universal peace might not be much more simply secured by universal Free Trade if it were practicable, and whether, after all, it may not be practicable. This question demands a real answer. The answer is fourfold:—

(1) That while the world must progress gradually towards attaining the ideal of universal Free Trade the process is certain to be long;

(2) That the desire and the will of the vast majority of mankind make anything like complete Free Trade at present impossible, and not even President Wilson proposes it;

(3) That meanwhile the British Empire as a whole by the future necessity of its existence must offer to the rest of

the world freer trade than the system of any other country offers;

(4) But that even if universal Free Trade could be introduced at this moment, the economic institutions of a League of Nations as proposed in these pages would still be as essential to peace and welfare as the League's political institutions.

Let us work out these propositions in their order.

We must first see shortly just why the facts came to be as they are. Adam Smith contemplated as between nations a state of natural co-operation restricted only by special necessities of defence. Each country was to find its own best economy and also the world's in producing the commodities to which it was most adapted, and exchanging them for those which other countries could produce more cheaply. This conception was rejected by the national policy— except our own—of one great society after another amongst the older nations; and by every new society as it waxed in growth.

Each wanted as far as possible a complete national economic organisation. Each wished as far as it could to develop the manufacturing capacity which Britain already possessed. This was not done merely for money, however large the part played by the desire for new ways of making money or new means of increasing profits. Nor, beyond that, were national tariffs adopted only for the sake of attracting capital, stimulating enterprise and transmuting natural resources into the things that can be made out of them. There was a deeper origin. Manufacturing and technical progress was regarded as necessary to a higher civilisation. Several countries proved to be almost equally suited to the production of the same commodities. Some nations who were newcomers to industry proved better adapted to certain manufactures than the country which had led the way in them. Every people, in addition to what productiveness in respect of agriculture and raw material it might have, wanted as far as seemed in anywise practicable not

only an economic development broader in degree, but the additional kind of creativeness and employment which technical industry brought with it.

As a consequence, there was set up the process which advanced and spread irresistibly for three or four generations and has not yet stopped. Not the centralisation of manufacture in one or two nations like our own became the law as many had expected. Instead of that was seen the extension of manufacture in country after country. The United States itself set the determining example. France adhered to the main line of her own national policy since Colbert. After the Civil War America intensified her Protectionist practice. United Germany, a few years after it was founded, followed suit and rejected Free Trade. We need not recite the catalogue in detail. Russia and Italy, on one hand, Canada, Australia, Argentina on the other, all went the same way. India ardently desires to take that way as soon as increasing self-government gives her the power.

These are the facts and forces confronting us. There are no immediate means of changing or reversing them to a decisive extent. This is what everyone who knows the problem admits fully, as does President Wilson. Nothing could be more destructive of peace and cohesion in the world than any attempt to veto the industrial growth which other societies desire. That would be like the attempt of the England of the eighteenth century to hinder competitive manufacture both in Ireland and America. In the end there will be so wide a range of countries on a tolerably equal plane of industrial development that anything but Free Trade between them will appear a purposeless absurdity. The example in that respect must come from the more highly developed manufacturing countries and not from the less developed. There ought to be entirely new means of discussing and adjusting tariff issues in their international bearing. There ought to be a better way of mitigating by a steady

process of reduction and concession the injury, fear, or competitive friction arising from them. Such means will be proposed at the end of the chapter. It is for the United States and the United Kingdom to lead the way. Unless they move together in this direction nothing can be done.

At present the Republican Party in the United States is about to come into charge of Congress, and Protectionist sentiment on that side seems to be stronger than for some years past, however much it may conflict with the new shipping-policy and with America's new position as a great creditor-nation which must take payment more and more in goods as well as services unless the trade and finance of the world after war are to be gravely deranged.

II.

To get some better adjustment of trade-policy to peace-policy, President Wilson has laid down two articles of doctrine. To determine their practical meaning, as other things stand, is a task of some niceness. They could only be applied by actual give and take in Conference or in other methods of negotiation. The two articles are as follows :—

> (*a*) "The removal so far as possible of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance." (No. III. of the Fourteen Points.)
>
> (*b*) "More especially there can be no special, selfish, economic combinations within the League, and no employment of any form of economic boycott or exclusion, except as the power of economic penalty, by exclusion from the markets of the world, may be vested in the League of Nations itself as a means of discipline and control." (No. IV. of the Five Points in the Speech of September 27.)

These declarations when scrutinised are evidently less sweeping than they seemed at first sight. Let us take, to begin with, "the removal of economic barriers

—so far as possible." It does not mean that any country shall abdicate national sovereignty in its fiscal affairs. President Wilson does not propose—this has been made clear since the Armistice—that the United States shall throw down its own tariff walls. It is more than doubtful whether any proposition in that sense would have the slightest chance of being listened to by the American people. Whether there is any chance of the tariff-walls, strictly enclosing half a continent, being lowered at all in the next few years, has yet to be seen. Not only has increased control of legislation in Congress been secured by the Republican Party. It is, of course, the more Protectionist of the two. But on this head it is not fundamentally challenged by the Democratic Party, whose principles nominally differ. Under a Democratic Government America is still the most efficiently protected society in the world. This is because the tariff-wall, though not the highest known, is, as it were, for all practical purposes the thickest and strongest. It surrounds 3,000,000 square miles of territory almost incomparably rich in natural resources. It reserves as far as possible to home-production the consuming power of a hundred millions of people. That people is far wealthier head for head than any other, while wielding a manufacturing energy so great in itself that with the addition of their tariff at the present height their industry becomes almost wholly invulnerable to foreign competition. The "exclusion" which President Wilson deprecates could hardly be more complete consistently with any economic intercourse with the exterior world. Sooner or later the question of a real change in America must arise.

Meanwhile no British tariffist, so far as I know, has ever dreamed of proposing for the United Kingdom a tariff anything like so tall and bristling as the United States even under the Democratic Party has retained. Neither in the United States, nor in Germany, nor in

France, to name only a few countries, is there any near prospect of a fundamental alteration of system. Australia, again, has declared that nothing will induce it to surrender any part of its fiscal liberty. "Progressive self-government for India within the Empire" means undoubtedly more freedom for India to adjust her tariff to her own interests. Great Britain, whatever special provision she is now compelled to adopt for stopping "dumping" and securing her key industries, must in all circumstances have by far the most liberal system amongst the industrial nations. But Britain will have to negotiate more actively than in the past to get concession for concession. "Equality of trade conditions," as mentioned in the third of the Fourteen Points, is a principle that the whole United Kingdom would be delighted to accept. Neither President Wilson nor anyone else has yet offered it or anything like it. To come nearer to it, as we shall if we are well guided, will require time and method.

Take next the declaration that "there can be no special, selfish, economic combinations within the League." The formula is instantly acceptable to everyone. Its interpretation presents precisely such endless difficulties as American Courts have encountered in trying to interpret anti-Trust laws and to define what corresponds to "special, selfish economic combinations." Neighbouring countries cannot and ought not to be prevented on principle from making special concessions to each other in return for concessions. These they may be able to do with convenience and with the best intent. It may be a prime means of promoting President Wilson's object of freer trade. A self-governing Dominion like Australia, while the general circumstances of the world stay as they are in this matter, will certainly retain the right of giving a preference to the Mother Country, if only to attract more British emigrants. Canada in a very different situation might decide in

the future to be governed by another principle. Her party-controversy of decades is still chronic. Her closer economic connection with the United States on one side as well as with the Mother Country on the other is always possible. Canada may yet have much to do with giving a new turn to the world's practice.

President Wilson was said to be inclined to think for a time that the problem might be got over in another way—by each country with a tariff extending its "most-favoured nation clause" to all other countries indifferently. But every Government expert who has been engaged in tariff negotiations, every student of tariffs, knows that "a most-favoured nation clause" may, in fact, be easily constructed—as these matters are at present managed—so as to benefit one country more than another. They may both enjoy theoretical equality under the clause. But the particular commodities and rate-abatements it covers—being in any case a selection—may be chosen to cover goods in which certain countries are most interested, but in which Britain, for example, is not most interested. While enjoying theoretical equality, she may not enjoy in fact a fair measure of relative advantage.

The fact is that this question cannot be dealt with by any formula, but only by the studies and procedure of such an International Commission for Trade Relations as this chapter will suggest and explain. If such a body began to sit, President Wilson's two declarations would undoubtedly have an influence in restraining, modifying, and adjusting tariffs. His principles and the Commission together would make definitely, though gradually, for freer trade.

III.

What the Peace Congress itself can do—and what must be done to the utmost in connection with the beginning of the League of Nations—is to create those

"free trade spheres" or "spheres of equal opportunity" already advocated in these pages in connection with the German problem. These spheres should include Middle Africa and the Middle East. The maintenance of the "open door" in China would, of course, be especially reasserted by the League. These provisions would of themselves go far to remove the fear of industrial nations, not possessing colonies or sea-power, that the world might be closed against them. This real dread has been a strong contributory cause of war.

Furthermore, there is our third proposition: "That the British Empire by the future necessity of its existence must offer to the rest of the world freer trade than any other system offers." On this principle one need not dilate. Its meaning and force are very plain. The British Empire covers nearly a quarter of the globe. It has particularly an immense preponderance in many tropical products. Without exciting the hostility of mankind against it, in a way certain sooner or later to bring about its overthrow, we could not think, and we have never thought, of reserving it exclusively for the sixty millions of white people who form the inhabitants of the Mother Country and the self-governing Dominions. We must hold it as trustees for civilisation, though with sane safeguards against abuse and exploitation of its privileges such as the Germans practised before the war.

It is for the Mother Country and the Dominions to come to an agreement on that basis. For on that basis the British Commonwealth must maintain its right to negotiate as a whole on trade relations. The Empire is itself a League of Nations. It is in all ways a great progressive system, as is notably illustrated by the new departure in Indian policy. But the Empire, just like the larger League of Nations, cannot have a unified fiscal policy. Its self-governing Dominions, one and all, follow the fiscal example of the United States rather than that of the island. But we can do two things.

Within wide areas of our tropical dependencies we can guarantee equal commercial opportunity to all peoples. And in concert with the League of Nations the British Commonwealth—through the Imperial Cabinets and Committees, which will more and more represent it as a whole—can guarantee a fair distribution of its exportable surpluses of food and raw material, and reasonable treatment of the manufactures of all other countries relatively to their reasonable treatment of British manufactures.

IV.

These are important steps towards freer dealing and the better adjustment throughout the world of trade-policy to peace-policy. But nothing in this—and nothing in universal Free Trade itself were it possible—could weaken the arguments for a system of international partnership working through the economic machinery of a League of Peace.

If Free Trade prevailed to the extent that it cannot in our time, it would have to be reinforced by these other methods to serve the constructive purposes of world-peace. There are so many things that Free Trade cannot do. The existence of complete Free Trade within the United States from ocean to ocean could not prevent the Civil War. Germany's enjoyment of free exports to the United Kingdom—and all her unparalleled facilities for enterprise, and even for some monopolies, throughout the British Empire—did not prevent Armageddon.

Free Trade, in a word, can increase inter-dependence, but by itself cannot give security. It could not provide the machinery for enabling the League to apply economic suasion and control instead of prevention and compulsion by arms and bloodshed. Above all, as general Free Trade is not now available in fact, and is not presently attainable, there is no other means for organising peace on a basis of

common interests and mutual aid between nations except by new and adequate methods of working partnership between the members of the League.

To this end there is needed another practical institution in addition to the rest. And, again, a precedent and a help exist in the shape of another pre-war organ of international agreement. We have followed out the plan with its General Economic Council; its departments for food, raw materials, transport, for communications of all kinds, for finance; its Institute for Agriculture and Conservation ready now to be used and extended; its Labour Council, which might very well become an influence for advancing Freer Trade. These and other connected services we have explained, and we need not recapitulate them all. They would be an apparatus infinitely cheaper than armaments when coercion was needed. Their existence would be justified for consultative and intelligence purposes alone. This even if they were not capable, as we may believe them to be, of lifting the world out of the ruts of war-thinking or anti-war thinking, and setting it in a new way with unguessed gain to the common welfare.

What is wanted to turn President Wilson's two formulas on trade to concrete account for the League is to create a permanent and official International Commission on Trade Relations. It would be welcomed, for instance, by Chambers of Commerce in every country.

What is more, it would be the simple development of an institution, and one of an official character, established long before the war. This is the Customs Tariffs Union. Let us see what it is and how it came into being.

If Governments and peoples, in the nineteenth century, could by no means unify their fiscal practices, they had all the more a common and increasing need for information on their diverse systems. Government experts, like bankers, manufacturers, and ship-

pers in every country wished to know where they stood in respect of conditions of export to other countries. They wanted early knowledge of details, and wanted it in the most intelligible form. From the middle of the nineteenth century efforts were made to secure a more uniform classification of the Customs schedules and administrative routine of different countries.

Nothing effective was done until 1890. In that year a Convention signed by thirty States—including Great Britain and most of the self-governing Dominions—created the Customs Tariffs Union and set up a Central Office. The purpose of these States was to associate themselves to bring about prompt and clear publication of Customs Tariffs and their changes. Since then there has been much improvement, but there is much more to make. Right up to the war bodies like the Chambers of Commerce in different countries wanted more uniformity in classification and valuation, so as to enable the rates of various countries and their methods of valuing goods to be easily compared and the position of intending exporters ascertained. The degree of progress demanded was far from having been secured when the war broke out. An International Conference on the subject was held in 1910. It appointed a special body for the continued study of the work—especially to elaborate proposals for further uniformity in Customs schedules and in the rules for valuing exports and imports. The war interrupted these efforts towards further identical legislation. Commercial opinion was strongly in favour of establishing an enlarged, fully-equipped International Bureau to furnish more complete statistics or other details, and bring administrative usages as nearly as possible to a common system. For my present suggestion the importance of these precedents is high.

The permanent International Commission on Trade Relations in connection with the League of Peace would be of a far more authoritative character than

the Bureau proposed before the war, and of an equally more extended scope. It would have to deal with a very large and complex subject. It would need to have its fully-equipped Central Office for Statistics, Information, and Publication. The example of the pan-American Bureau would again be useful. The complete uniformity in schedules and methods, so long fought for, would be secured. But that would be a subsidiary service, however invaluable in providing exact material for discussion.

The Commission, with its regular Conferences and Standing Committees, would seek by consultative and conciliatory means to improve systematically the trade-relations of all the members of the League. It would do for all of them what Germany did for herself when carrying out at intervals of years the most thorough investigation into every problem involved—every special difficulty experienced, every new advantage that might be gained—before making or renewing her great system of commercial treaties with surrounding Continental countries. The working of the "most favoured nation" clauses could be improved by the Commission in the way President Wilson and the British Government alike desire. It could examine complaints from any quarter that practical unfairness was prevailing, in spite of theoretical equality. With an oversight of the whole subject it could suggest concession for concession. It could show how a good example set in this respect by any two countries might well be followed by others.

The nations by this means would know much more about each other's reasons and method in this sphere than they ever knew before. General increase of understanding would be followed by general improvement of practice. The International Commission could not raze existing tariffs nor prevent the coming of new, as in the certain case of India. But it would temper the whole spirit of national one-sidedness in this field. It would promote many satisfactory arrange-

ments that might not otherwise be made. As regards tariffs, it would form the best means for adjusting trade-policy to peace-policy that can at present be devised. I have no doubt that the League of Nations will mean the steady extension of freer trade as between the more developed countries, and will be a restraint on the inevitable tariffs of the less developed.

In any case, we must pursue the ideal of Universal Peace, and by all means ensure and encourage the practice, even if nations as a whole seem likely to be longer in coming to Universal Free Trade. But if a large approach is desired to the latter ideal also during the next decade or two or in any time which need much concern us, there is no doubt as to the only means by which that advance can be gained. Either way, it depends on the United States. Before the American Civil War it was a somewhat frequent assumption amongst Liberal thinkers in Britain and amongst a large school of European revolutionaries that all the giant-systems would break up, and that this would help free trade to rule. Russia would split into seven or eight States, the British Empire would naturally disintegrate, the American Republic with its vast continental area would divide into several communities corresponding to its widely diverse regions. Railways and steamships and the telegraph wire, the whole revolution in communications, did as much to belie those views as was done by arms and statesmanship. The American Union was consolidated in the Civil War and after. German unification immediately followed. In both cases stronger Protectionism resulted from the increase in national power and confidence. The spirit of international competition swayed the world in the manner that led steadily, and by clearly-marked stages, to Armageddon.

On the Protectionist side of it the United States has been the great leader throughout, and its example has been all-powerful on the world at large by com-

parison with the opposite British practice maintained with increasing difficulty. Alexander Hamilton was the decisive practical antagonist of Adam Smith. The prevailing American policy became the mother of tariffs. The question for most other countries from the closing decades of the nineteenth century onwards became that of raising their tariffs if America preferred not to lower hers. In addition, there are the coasting-laws reserving to American ships even between New York and Manila voyages that are as long as from London to Australia. It is not yet sufficiently understood across the Atlantic that the British tariff-movement aiming at arrangements mild indeed by comparison with American protection was in no wise dictated by Imperial ambitions, but was designed for Imperial defence amidst a world that into the twentieth century refused to reciprocate free trade. The position had become such that when the war broke out a considerable part of our artillery was equipped with gun-sights made only in Germany. We found ourselves in risk of disaster because all the glasses for miners' safety-lamps came from Germany. In short, our dependence on the enemy for scientific and optical glass of every kind seriously threatened us with the loss of the war.

As the United States led the way towards tariffs she can lead the way from them. The new example, did she give it, would be as potent for freer trade as has been the former for general protection. But that issue depends entirely on herself, and other nations will be wise to refrain from addressing to her any wishes or advice regarding it. That trade-policy is still a peculiarly irritant element in international relations is shown by a present controversy. The British Government places a temporary embargo on certain imports until our industries and employments can be re-established after war. This is denounced by some protectionist Senators and others who are in favour of keeping the American tariff stiff enough to

be a permanent embargo. The League of Nations will be well guided if it refrains from the slightest attempt in these circumstances to issue decrees of principle. Far more will be done for freer trade by the League's International Commission on commercial relations and by the whole spirit of an economic system of world-partnership working by consent.

CHAPTER XIX.

THE FUTURE OF ARMAMENTS AND THEIR REPLACEMENT BY THE PREVENTIVE AND CREATIVE USE OF ECONOMIC POWER: WAR ONLY TO BE ENDED BY REMOVING THE MOTIVES, NOT BY ABOLISHING THE READY MEANS: THE POWER OF MODERN INDUSTRY AND SCIENCE TO IMPROVISE APPALLING ARMAMENTS IS A CHIEF LESSON OF THE WAR: FUTURE DOMINANCE OF THE FLYING ARM FOR ALL ELEMENTS: CONTROVERSY ON THE "FREEDOM OF THE SEAS" NOW IRRELEVANT TO THE CHANGED CONDITIONS: THE PASSING OF DREADNOUGHTS: AN ANGLO-AMERICAN NAVAL ADJUSTMENT: MILITIA BALLOTS AS A BASIS OF SERVICE IN CONTINENTAL NATIONS: CO-OPERATIVE SECURITIES FOR SAFETY AND ORDER AMONGST NATIONS ESSENTIAL TO THE DRASTIC ABATEMENT OF ARMAMENTS.

Reduction of armaments to the lowest point consistent with national safety and international duties is a first principle of the League of Nations, but as yet an abstract principle. Our arguments for a new way of working have been pursued to little effect unless they have frequently suggested that we have to beware of the beaten paths of thought about peace and war. Those paths may offer here and there a good road, but some of them have led by the smoothest way to the deepest pitfalls. We are setting out to cure a propensity which is as old as the brute origin of man, and the scientists have told us that it took millions of years to train him in an erect posture. We shall hardly come nearer the

assurance of perpetual peace until we consent to think both more originally and more practically about it, and try to apply imagination to the ordinary, as has been already said.

Popular assumptions have not more tamely followed any common track than in considering the relation between disarmament and peace. Misleading analogies are drawn from the discontinuance of the wearing of swords or from the putting down of highwaymen, piracy, and duelling. The repressive means at the disposal of society were in these cases annihilating as against the offending power of any individual or of a few individuals. If the League of Nations relied too much on being able, if defied, to act by arms against arms, it could not at the most have the same absolute power over any considerable people or group that a society has over any one person or any lawless gang.

The subject of international disarmament and peace has never been so simple as at first sight might seem, and it has never been more difficult than now. Russian Bolshevism, its Red Army, the civil wars it excites, and the whole nature of its operations, might give birth to a whole new progeny of armaments, as did "liberty, equality, and fraternity" after 1789. Some definite measures should be taken by the Paris Congress. They can only be initial and partial, pending later action by the League. It is often assumed as a matter of course that a general reduction of standing armaments would mean of itself something like a proportionate reduction in the number or severity of wars. It does not follow that President Wilson shares that impression. In the circumstances of the assembly of statesmen for the founding of a League of Nations we must necessarily take as our basis of discussion two of the Fourteen Points:—

> (I.) Absolute freedom of navigation outside territorial waters alike in peace and in war, except as the seas may be closed in whole or in part by international action for the

enforcement of international covenants. (No. 2 of the points.)

(II.) Adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety. (No. 4 of the points.)

The first of these articles touches the use of armaments; the second their size. As to the first, it is still sometimes supposed that on the "freedom of the seas" the divergence of theoretical opinion between the American President and the British Government is in its own nature serious. The second—"national armaments reduced to the lowest point consistent with national safety"—when carefully re-read, might seem to be profoundly modified or even abandoned by the new naval programme for the United States.

In reality, any thoughtful consideration of the future of armaments, and especially of their maritime uses, will show that the old controversy between the two English-speaking Powers has become entirely obsolete. Why have so much breath and ink been expended on it? It belongs to the fossil cabinet of antiquarian politics. If there are to be wars after the next decade or so they will not be like any wars that have been fought before. There will be no neutrals if the League succeeds; perhaps none of it is ever disrupted. Flying must change the traditional relations of all the Services. Maritime operations or communications must play a part, but it cannot be the same part nor as decisive by itself as in past centuries and these last few years. Up to now the sea was the more universal medium of movement. Henceforth the air is. It is crudely obvious that a gigantic emulation in Dreadnoughts of all things as between Britain and the United States would be an egregious anachronism without relevancy to any close issue of peace, justice, or safety in the future. America's desire for increased influence and power in determining how the world's communications shall be ordered and maintained is natural. It is more. It is essential to the common interest. Competition in Dreadnoughts would probably be the least likely

means for the purpose. This is one of the things which compel us to consider carefully the future forms of armaments as well as their bulk.

If discrimination is demanded by the naval problem it applies equally to the military. There again things may not be what they seem. In view of the actual after-war conditions in three-fourths of Europe, it may be doubted whether the British Government's idea of proposing the abolition of conscription can by itself cut to the root of the matter. One might doubt its wisdom indeed if the militia principle were included with conscription as a thing to be extirpated regardless of what would be invited to spring up instead. The spectacle of Lenin's killing-machine is not engaging. Formed of highly-paid, iron-drilled mercenaries, it revives professional slaughter instead of conscript service, and we shall have to return to this for reasons particularly interesting in the history of Russia but not devoid of lessons for other European lands. Continental conditions must be considered. Even in the air-age they are profoundly different from the insular, and their military circumstances are as unlike ours as our maritime needs are unlike theirs.

A few years before the war Sir Thomas Barclay, writing as a devoted apostle of peace, made the following comment:—

> "Democratic progress on the Continent has absorbed conscription as a feature in the equalisation of the citizen's rights and liabilities. . . . Thus universal conscription and universal suffrage tend to become, in Continental political development, complementary conditions of the citizen's political being. . . .
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> "As implied above, military training under conscription does not by any means necessarily tend to the promotion of the military spirit. In France, so far from taking this direction, it has resulted, under democratic government and universal suffrage, in a widespread abhorrence of war, and, in fact, has converted the French people from being the most militant into being the most pacific nation in Europe. The fact that every family throughout the land is contributory to the military forces of the country has made peace a family, and hence a national, ideal."

It is easy to say after the event that these observations were too sanguine, but they are not entirely invalidated by what has happened. They are a warning against hasty beliefs that any solution of the problem of lasting peace is likely to be found by thinking on accustomed lines. Ready and formidable armaments under the control of professional war-makers, as was the case in Germany, are evidently an acute aggravation of every other element in a war-peril. At last the sight of means to do ill-deeds makes ill-deeds done. But it is certain that the cause of lasting peace will not succeed unless we think even more of eradicating the motives of war than of abolishing the more ready means.

The Great War ended just when its military, like its economic, lessons were being thoroughly learned and coming to their full application. But the struggle continued long enough to show, in the conviction of the foremost professional experts in Europe, that the question of the future of armaments, like all manner of other questions, has been revolutionised by the technical development of flying squadrons and by their appearance in swarms.

First let us look at other considerations, older and newer, before we assume that the reduction of armaments by itself would be calculated to serve surely for the preservation of peace.

That reduction would undoubtedly have its great uses. By itself it never could suffice, nor could we trust to it as the main safeguard. Before the age of vast national armies, wars were more frequent and lasted longer. They were on the whole less terrible for combatants as regards death and injury in fighting, leaving aside such after-effects as modern surgery and nursing can repair or mitigate, and not reckoning disease. From more backward surgery and medicine in other ages human life suffered, whether in peace or war. Civilian populations in former centuries, as during the Thirty Years' War, sometimes went

through more horrors than, since August, 1914, they have endured anywhere except in Armenia under the Turks and in Russia under the Bolsheviks.

But, secondly, Armageddon has taught civilisation no lesson at all, if not the frightful one that all modern manufacturing and scientific power may be converted into war-power of colossal magnitude and appalling destructiveness.

Relative disarmament already existed in this country as regards its land-forces, and still more in America. Neither Great Britain nor the United States were prepared militarist Powers before the struggle. Neither had armies by the million raised and trained on the basis of conscription. The condition of British and American society alike was profoundly pacific. Yet each of them covered the land with munition factories. Each turned all manner of manufacturing concerns into arsenals and their civil workers into war workers. Each raised enormous armies by conscription in emergency—Britain even enrolled millions of voluntary troops without it. Both Britain and America proved that in the course of a continued struggle, though beginning with improvised means, they could match or surpass Germany's war-efforts, founded for nearly two hundred years on military preparedness as the first principle of social organisation.

I am, of course, allowing for the effect of British sea-power and French conscription in giving time for the English-speaking Powers to pull up. But that is far from annulling the argument that war-power can be improvised to an extent and with a rapidity corresponding to the civic scale and efficiency of economic and scientific power. Even Germany's successive efforts of improvisation were more remarkable in my judgment than any part of her preparation.

Whether reduced armaments of high efficiency and capable of the swiftest mobilisation might not make wars easier and more frequent and peace less stable is a question that must be seriously examined by respon-

sible statesmen. They must decide that reduction, and to the utmost degree consistent with internal and external safety, is the line of least risk. For financial reasons alone they are compelled to take that line. But they must sift the issues. When they make up their minds about what is to be abolished they must be careful indeed about what they allow instead. They must not only abate the magnitude of armaments, but regulate their technical character. The basic systems of individual service and training for fighting-purposes must be considered. Statesmen confronted with these close questions are unlikely to conclude that the bearing of disarmament on peace is as simple as it looks; or that reduction in the more ready means of hostilities can mean in any respect by itself a sufficient presumption that great wars will not recur.

I.

Let us look at the unexpected predicament in which the conquering nations find themselves with regard to armaments, and at the difficulties of procedure. When the reconstruction of the world after victory was imagined in the earlier phases of the war, and down to a late stage, it was supposed that the vanquished countries would lie prone indeed, but in some coherent and convenient posture. They would at least be a barrier against Bolshevism. They would give guarantees and enter into reciprocal agreements as at the end of other wars. They would be in some solid state of submissiveness. It was thought that a stable Europe would be restored, as it were, by a single operation of concerted statesmanship—that a new order in the world could be speedily decreed by one grand diplomatic instrument. In connection with this, some great proportionate reduction of armaments all round might be effected, it was conceived, with tolerable facility.

The event has fallen out quite otherwise. Allies,

America, and the New States have to face a state of things the most awkward with which victors on a similar scale were ever confronted. Terror and civil war rage in that sixth part of the globe which was the Russian Empire; and anarchy tries to spread westward. All the New States are as yet inchoate. All are in dispute more or less with their neighbours, and some are carrying on armed dispute on two fronts at once. A belt of ravaged and distressed or famine-threatened regions stretches from the Baltic to the Levant. "If Austria did not exist it would have to be invented." Austria-Hungary has totally disappeared. For economic reasons—especially for reasons touching customs and communications—some Federal or Confederate substitute for it will have to be invented if there is to be more stability and not less.

Above all, the plight of Germany itself is what had never been contemplated. It was expected to be a hard mass from which pieces could be broken off, leaving the rest firm and taxable. Instead we have to be careful that it does not go into solution. It is still united more or less, but only as the contents of a melting-pot are all in the same receptacle. If Germany turned Bolshevist like Russia every condition of peace and security might vanish from the Rhine to the Pacific Ocean or even more widely. Social wars might replace national wars on every hand. From the social wars might emerge by reaction something still more threatening to all the arrangements that the Allies and America had desired. The Associates have to choose mitigation of the utmost terms of indemnity and penalty which they have the power to impose; or the sheer organisation through unemployment of German Bolshevism to the advantage of Russian Bolshevism.

Throughout most of Europe the maintenance of unusually large forces under arms will be required for the security of internal order during the first phase of partial peace which waits for a clearer outlook in

Russia. The maintenance of considerable armed forces for domestic safety will be especially required in Germany—unless the Associates want to raise Bolshevism to a premium. Similar measures are necessary, both for order and defence, in all the smaller States, without exception, bordering on Russia. These conditions seriously delay the full demobilisation of the Allies. What is far worse, as has been more fully shown in previous chapters, they open before Europe a prospect that is clouded with uncertainty. It is full of dangers which may not be removed for years. On the contrary, those dangers may break out in wide violence and calamity unless the Allies and America secure by some means both the pacification of Russia and the cohesion of Germany on a basis neither Bolshevist nor reactionary. No long war for the last two hundred years has ever ended with a situation less favourable to the immediate reduction of armaments. It is impossible for the time to make that reduction all round to any fundamental degree; or to incorporate into a provisional Peace Treaty, in the course of the next few months, any general and drastic engagements, or at least any such engagements intended to come into early effect. We must first be able to judge within what period Russia is likely to be freed from its civil wars and brought into a peace-system. Equally we must be able to gauge more closely the further evolution of Germany. It would seem that any thorough international attempt to deal with armaments all round must be postponed until the League can take it in hand perhaps a year hence or later.

It has been competently suggested that even now a start might be made at Paris by at least prohibiting submarines and changing the basis of military service in Germany.

The prospect, then, for such a reduction of armaments as has been a primary object of all movements against war is not what for some years after August, 1914, was so ardently expected to follow the next

Declaration of Peace. These temporary embarrassments, though formidable, do not relieve us for that reason from the duty of considering on what lines the question of disarmament in its big shape must be faced sooner or later if there is to be any hope for a League of Nations. It will appear that while standing armaments must be reduced and regulated at a subsequent phase, that method cannot be the main hope for a peace system.

II.

We come back to the truth that the introduction of the flying arm has revolutionised every other fighting factor by land and sea. This is by no means the amateur opinion of the present writer, but it is the conclusion of some of the keenest minds, some of the most distinguished soldiers and sailors, as well as airmen, who have been engaged in the war. The possibilities of the submarine have been revealed simultaneously with the developments of flying. The German Admiral who brought in the battleships and battle cruisers for surrender said that England might as well have taken all the rest of Germany's High Sea Fleet since for any serious war-purpose of the future the whole of it could be of no use either to Germany or England. A high military authority amongst the Allies has said, more in earnest than jest, that every sensible country which has henceforth to maintain armaments will make its army and navy the appendages of its flying service.

The speeches of Mr. Daniels upon the future of the American Navy raise visions of that service—which British sailors regard with brotherly admiration—cresting the ocean with an array of super-Dreadnoughts of unparalleled size and splendour, electrically-driven and enormously gunned. These anticipations make a singular impression on those of us who, like the writer, not only welcome but desire an increase of American power in proportion to the equal responsibilities in world-partnership we want

America to undertake. We seem to hear strange far echoes of the past—like ancient exultations over galleys of many banks of oars, or like the fine pride of Nelson's time in the noblest ships of the line. Mr. Daniels may be right. He must be assumed to have taken advice on construction after a war, as the British Admiralty does, from some at least of the sailors actually engaged in the war. It might, on the other hand, be a little surprising to find that all the foremost naval opinion of America did, in fact, agree with his conceptions of the naval future.

There is no jealousy nor misgiving in England with regard to any extent of naval progress that the United States may contemplate. The United States has long possessed surer means of leverage on the British Empire, and she has not misused them. They have been found perfectly compatible with peaceful relations and with that increasing friendship of which we can say with Galileo, "it moves" in spite of all. We in Britain have faith in the inherent power of the Right Thing. We have the firmest belief that every interest, every ideal, of the two countries in the future is bound to bring them closer and closer together. But owing to our appreciation of American technical genius in all its forms and our desire to learn from it, we have always been more interested in the progress of American naval thought than in that of any other country abroad. We would accordingly give much to know what conclusions with respect to the future of Dreadnoughts would be arrived at by an American Naval Commission, including the foremost of her naval leaders in the war and not forgetting the ablest amongst her young destroyer-commanders.

Lord Fisher, with all the elemental simplicity and vigour of his genius, in his work of years ago, built Dreadnoughts on a rising scale of power not as eternally superior types of ship, but to knock out German designs one after another as they came out. He

purposed to shatter or paralyse the German High Sea Fleet in the particular war which was coming and has come. The enemy preferred the fate of creeping paralysis rather than a more violent end.

The German mind concentrating on the submarine eventually arrived at other and more formidable ideas than had guided it up to the middle of the war. But in some respects the enemy arrived at those ideas when it was just too late; while otherwise he either did not employ his redoubtable devices with adequate originality in the handling, or he thwarted the naval object by incredible political blunders. That phase of naval history is now closed. A new maritime epoch begins. In the view of many on this side super-Dreadnoughts in sea warfare will be as obsolete as elephants in land battle, and must become as extinct as prehistoric monsters. We shall see in due course how naval opinion on both sides of the Atlantic settles these matters.

Mr. Daniels may urge, however, that the use of submarines by any country may be forbidden altogether by international law. This is very thinkable, as will be seen when we endeavour to sum up conclusions. But such a provision, though it might be useful and would be in entire consonance with British ideas, would be of no avail in case of another long war in which the world's forces might once more be seriously divided. Germany's unlimited submarine campaign was not the result of naval preparedness. It was the result chiefly of high civil capacity for manufacture. It was a sheer improvisation in the midst of war. If there is to be naval war at all, there could be no security that submarine and submersible craft of the most sinister capacity would not resume. Everyone knows this. It seems, in short, certain that whether naval forces of the future be small or large, they must, in any case, be of a very different design and aspect from the fleets possessed by the chief naval Powers when war broke out.

III.

Next consider the effects of the flying machine on all the related problems of armaments and on all the international questions arising from them. For commercial and civil purposes there will be an unlimited development of flying services in every country. The countries that do not excel in making aircraft will try to buy them. Here, then, is the latest means of attack —the all-penetrating, universal means, which might be employed a few years hence in swarms unknown even in the closing phase of the recent struggle. Here, if the world were mad enough not to leave now and for ever the way of war, is that technical masterpiece of civilisation which might well spell its *hara-kiri*.

In the course of peace-traffic, airmen of one country would become thoroughly acquainted with other countries—with the aspect of their towns, their rivers, their diverse regions, the whole lay of their land. It would all be mapped out. It would all become as familiar as are the changes of scene which a railway passenger sees out of the carriage windows along a line by which he travels frequently. If there were war, every most vulnerable spot of each belligerent would be known to its enemy. Every country would have to try to strike its adversary in the vitals the nearest and swiftest way. If the situation were tense and ominous, as towards the end of July, 1914, the temptation to swoop, before a formal declaration, would urge itself with unprecedented insistency on the more rash, more unscrupulous, or more apprehensive Government. In this mode of hostilities there would be no mercy nor mitigation. The mutual bombing of towns without regard to the fate of women or children would be a matter of course. It would go on, smashing and flattening, on both sides. When one nation obtained an air mastery it would be used to worse and worse effect until the overmatched adversary submitted.

Armies and trench war, as in the second decade of this century, would be things of the primitive past.

Every detail which had caused and prolonged for three years that unintended episode, the great military deadlock in Western Europe, would have been studied. Every means of avoiding its repetition would have been thought out. What destroying missiles might be scattered from above—what means of stifling, poisoning, or infecting whole streets at once, or whole quarters—may be what the chemists and bacteriologists of the future will know better than those of today. It would be better not to live in such an age. Not to realise its probabilities, if war were renewed, or to think these suggestions overdrawn, is not to know what has happened already. Or it is to forget that millions of men between July, 1914, and the armistice of November, 1918, and not a few women and children, met a fate of rending cruelty unimagined by any mind till then. There can be no presumption that with higher science and technique there will not be an ascending scale of evil unless the spirit of competition is abandoned now by nations and thoroughly replaced by the spirit of co-operation.

We have only to project anticipation a little further than experience. There is fair certainty that we cannot depict to ourselves, strive as we may now, anything like the full truth of what the next Armageddon would mean—if there were to be any next—when all the possibilities of destruction suggested by the last war had been developed and improved by the black arts of preparatory science in the next decades. There could be no mincing, no limit, in the means employed by hostile populations to kill and break each other quickly. Whether it meant or not the last throes of white civilisation, it would be a strife of inconceivable horror.

Turn to the consequences in the maritime aspect. We need not ask what method will protect merchant ships from the aeroplane squadrons and flying boats of the future. But we are bound to ask whether controversy on the "freedom of the seas" as carried on

between nations before the age of aerial action is not now as definitely of the past as Egypt's Book of the Dead. Blockade and search at sea will be as cumbrous and slow and obsolete as trench war on land. If there is war at the height of the flying age it will mean the far swifter, more direct, more complete economic paralysis of the opponent by attacks on his cities, his whole transport system, his distributing centres and means of supply, his ports, railways, his harvests.

IV.

If to this extent, as I believe, any next Great War at an interval of even a few years would differ from the last, then there seems little body in any argument between Britain and America on the "freedom of the seas." It must seem in a few years an ancient and irrelevant controversy belonging to conditions which the technical results—if not the political and economic sequel—of the Great War will sweep for ever away. The whole debate arises from circumstances in which ships were the medium of an attempted carriage of goods between neutrals and an enemy. It is proposed for the League that when it is unanimous there shall be no neutrals. But what if it were not unanimous and again there were neutrals? Either aerial superiority will enable a country like ours—or a combination like the present Associates—to attack directly at the enemy's end, at his seaports or inside his frontier-line, all supplies meant for the enemy; or the country or combination not possessing such a flying superiority could not hope to win a war by other means. Its own imported supplies and its whole economic organism would be too vitally endangered from the air. In short, the air must supersede the sea as the decisive medium of fighting if we are to have future wars. Everything will be altered. The maritime factor will have its place, but not the same.

But, it will be asked, why, then, does not Britain yield what is requested with regard to the "freedom

of the seas"? Why does she not swallow the formula? Why not swear to the abstract declaration forming the second of the Fourteen Points, if there is likely to be so very little in it in the future—if it is so probable that new forces for good or ill will reduce the practical effect to irrelevancy?

There is more than one answer. The point of real honour, concerning not a question of etiquette or deportment or spurious prestige, but touching character and honesty and conscience, cannot be an empty thing for any nation. It is impossible for Britain to admit that she has done wrong in the Great War, or to accept any formula which implies it. She has not done wrong. She has done altogether excellently for her own clear fame and the better causes of mankind. "The actions of the just smell sweet and blossom in their dust," and such were the actions of her dead; and worthy of them is the record of her living. In the case of her maritime means she did nothing more in the late war than was required for the world's safety and to redeem that good cause of hers and her friends, with which America's own was afterwards identified. We cannot agree to suggest, however indirectly, that there is a slur upon our record where there is none.

After the reply on the question of honour, the answers on the practical issue are as plain. As concerns the "freedom of the seas," in its relation to the conditions of future emergencies touching the freedom of nations, it is indeed most likely that there will henceforth be nothing in it. But we cannot be sure. Who can be sure? Statesmanship cannot go too far in advance of certainty. To bind ourselves beforehand not to do like things in like circumstances might give impunity to international crime and thwart the aim of a peace-system. But if, as we think, like circumstances will not recur, like things will not be called for and they will not be done, and there will be no friction nor controversy concerning them. In

due time, the novel conditions of the future can be more closely estimated in view of contingencies of international danger, which will undoubtedly have to be provided against, whether they materialise or not—or, rather, to prevent them from materialising. Then it will be the duty of American and British statesmanship to take counsel together. Meanwhile, let us not be asked to pin ourselves down to a generalised principle far in advance of any practical issue to which it could apply, and when it is impossible for either side to determine precisely, or even within wide limits, what it might involve. Far better, if the alternative follows, that America should develop as she chooses her naval power or any other part of her armaments which she may hold to be her right and her need. She must and will have an increased share of power fully in proportion to that largely increased share of the world's responsibilities which her honour and interest compel her to undertake.

V.

The situation which then arises is extremely awkward, and it is imperative that the best temper and wisest contrivance of British and American statesmanship should be exerted as soon as possible for a frank and plain adjustment. Otherwise friendly emulation of the keenest kind between the two great English-speaking peoples might warp the policy of the whole world and put everything wrong. Their motives would not be regarded. Their conspicuous example would be followed.

On the one hand, the United States desires to lead the movement through the League of Nations for lasting peace and general disarmament. On the other hand, the United States announces a programme of unlimited expansion in its own naval armaments. The Republic, nevertheless, by its position, even

amidst the changes of the aerial-age bringing America so much closer to the Old World, will remain the strongest and safest of all single societies. What is the best explanation of this apparently most disconcerting paradox, contrasting so strangely with President Wilson's principle of reducing armaments to "the lowest point consistent with domestic safety." One reason is very evident. The process of relative increase is, up to a point, quite unavoidable. If the Republic is to take its part in guaranteeing the observance of the Fundamental Agreement henceforth to form the basis of a new world-order, America must have all the means required for the due discharge of that obligation, and proper to her status amongst the Great Powers. Again, if armaments are largely maintained in the world from any cause whatever, America must necessarily wield an increased proportion of them by comparison with her pre-war position.

These are indisputable principles. None the less, the concrete example will be there—that the United States, the safest of societies and the leader of the peace-movement, is not reducing armaments but is powerfully increasing them. Unless there is the most careful handling of a seeming contradiction so apt to be misunderstood, the armaments policy as proclaimed by Secretary Daniels might easily do more harm throughout the world than all the rest of President Wilson's peace-policy would do good. All the countries which are less safe than the United States, and some which may be less pacific in their ultimate aim, would point to America's procedure either to emphasise their own real necessities or to serve their own purposes by the most specious arguments. No maritime nation, great or small, more vitally dependent on the sea than is America's almost impregnable Continental system, could be expected to pause in its naval efforts, no matter how these might be re-modelled, while the United States was increasing its fighting fleets to a mighty extent. The more wholly land-Powers would

argue by analogy that strong military arrangements were also required by their Continental position. The nations would run an extreme risk of finding themselves committed to the old fatal system of universal competition in armaments.

It is again very obvious that Britain, though a democracy, is of a tough breed and a high spirit, and its Governments could not make, under the appearance of pressure, such reductions of armaments as might be entirely feasible to unconstrained free-will.

Frank conference on this question between the United States and the British Commonwealth, and definite adjustment between them, would thus appear to be indispensable for all the world's better purposes. Statesmen in the two countries might most scrupulously avoid anything like invidious comparisons in the course of carrying out respective programmes soberly framed.

There is no need for friction. Britain's insular life, like the existence of the oceanic Commonwealth forming in itself a League of Nations, will continue, even in the flying age, to depend more on the sea than does any other society whatever. But the Old Country will know, as it has always done, how to adapt with an original mind its measures to the real circumstances. It is quite unlikely to worry much about arrays of mammoth ships to compare with the list of America's super-Dreadnoughts. Whatever establishments it may find necessary are likely to be more specialised and suited to its own unique needs. British economic supplies can be better secured than was the case before the war by other than naval means. A Channel Tunnel could be made the means of largely improving British connections with the whole of the Old World.

The United States, for its part, will in the long run adapt its naval arrangements, like every other part of its policy, to real requirements. Its programme will be less and less tinged by any psychological colour

derived from circumstances in connection with the Great War which are not only past, but for ever obsolete.

With regard to naval armaments, the British and American Governments, to avoid setting the worst example to the world and defeating purposes vital to a peace system, must explain to each other their respective circumstances and what is the least they can mutually do with. By clear agreement as to the degree and kind of responsibility which each must undertake within a League of Nations for ensuring the general safety, they can do much. They can reduce the total armaments required by the English-speaking races, and they can diminish the expense of the common charge. They can set to the rest of the world an example of co-operation for security. On that method the intermediate solution of the whole problem may depend until a total change in the present state of the world, and in the whole ordinary working of international relations, has superseded the use and existence of armaments in their present form.

VI.

In any case, as has been shown, immediate difficulties as regards Central and Eastern Europe must prevent the coming Peace Congress from laying down anything like final principles, and must compel it to leave that task to its successor or successors. None the less, there must be searching discussion even now.

Progress towards disarmament can only be ensured by simultaneous progress on two parallel lines, the financial and the technical.

Every thinker on the subject has pointed out that the quantitative measure of relative armaments may be meaningless, since the smaller with the latest and most scientific equipment might be far the more powerful. Any qualitative measure, on the other

hand, would be hopeless to attempt. No one could estimate in any sure way the value of one kind of weapon as against another kind. No matter what order is taken by the League of Nations, invention and contrivance will reserve their surprises as long as armaments remain. Limitation will be a strong stimulus to ingenuity.

It is therefore practically agreed that some money-measure must be tried, and the world must take some risk as to the application of the sums allowed.

Financial relief for all European countries in respect of the cost of armaments will be urgent, and indeed compulsory. If there is to be limitation and relative fixation of forces, it will thus be most necessary to limit and fix the total amount which national Budgets may provide for military, naval, and flying services, taken together; or for purposes directly favouring the improvisation of such services. On these bases, the League of Nations should be allowed to send into any country Mixed Commissions to report upon actual armaments and potential resources for creating them. Knowledge and publication, in this respect, would be more useful than any other form of what is called open diplomacy.

So long as the whole allowed amount was not exceeded, each country ought to be able to allocate its total to military, maritime, or flying purposes in any proportion it pleased. Germany might have to be an exception for a time. In this way, a Continental country like France with predominant military needs, and an insular nation like ourselves, forming part of an Ocean-Commonwealth, could each provide for its special circumstances. But the proportions in which the different kinds of armaments were maintained would have to be registered and known.

Next to this there is the question of prohibiting certain kinds of armaments. Some French experts have asserted that means might be devised to make it difficult for air-craft employed for peace purposes to

mount weapons or launch bombs; and that this might be done without injury to the commercial efficiency of the machines. Technical knowledge must be left to decide upon the merits of this opinion.

Again, many British and American naval officers are convinced that the use and construction of submarines in time of peace ought to be rigidly prohibited. This would not prevent their improvisation in war, if a great war recurred. But it would distinctly help to embarrass conspiracies against the peace and existence of the more maritime nations. It would give more time for countries against whom a new submarine menace might be directed to provide against it. Trained officers and crews for submarines would not exist beforehand, supposing a long interval between now and any next war. To start under modern conditions effective naval wars would be then less easy and less likely. If the troubled conditions of the Continent prevent the Peace Congress from taking general and effective steps with regard to agreement for the definite reduction of land-armaments and of flying services, at least the pacification of the seas is complete. The Paris Congress, therefore, might well signalise itself even in the sphere of disarmament, where progress is otherwise so unexpectedly impeded, by declaring for the total abolition, or at least the severe restriction of submarines in all navies. Let me say again that this interprets some competent professional opinion and is not mere lay judgment.

The financial method involves two other points.

First, if the troubled state of the world compels armaments to be maintained during the next few years on a larger scale than is desired or now intended, neighbouring nations to reduce costs might be forced to co-operate for their defence. This might give them the same security with joint forces rather smaller than would have been the aggregate of their separate forces.

Secondly, it is agreed that all arsenals should be nationalised and their capacity known and published. Direct manufacture of war-power should in no case be allowed as trade. Armaments are even more unsuited than the liquor traffic to be the means of private profit.

VII.

If the submarine as a particular kind of fighting-weapon presents a special case, another is presented by one particular nation. Lord Grey of Falloden has very justly suggested that as Germany led the competition in armaments and gambled on their murderous abuse, Germany should lead the way in disarmament. It was expected before the armistice that with whatever extent of democratisation in the Fatherland, there would remain something like the old system, but that it would be compelled to bow to the Allies' will. In other words, militarism demilitarised would lead the way well ahead of the rest of the procession moving to pile arms before the Temple of Peace. This conspicuous example would not only have been edifying. It would have been a real key to a large and immediate reduction all round.

Now there is a very different situation. Any Government which is to maintain a coherent and free Germany instead of a disrupted and anarchist Germany, must have strong forces at its disposal. These may also be required for the security against Russian Bolshevism of any Eastern frontier which the Congress may appoint to Germany and must necessarily guarantee. How is this problem to be tackled? The land which has been the chosen home of war organisation and of war-worship, and because of that fact has plunged a world in blood and agony, must be conspicuously first among the nations to disarm to

a sweeping extent. But while ceasing to be a dominating peril for all her neighbours, Germany must have serious forces for the needs of her own order and security.

This initial adjustment pending reconsideration of the whole subject by the League may be arrived at on one of two principles.

(a) Conscription might be abolished altogether. Germany might be bound to voluntary enlistment only —recruiting armed forces to an extent not above a fixed maximum for the whole country and including all armed forces maintained by the several States.

(b) Or quite another principle might be laid down. To furnish that maximum, or any less figure, the annual contingent under nominal conscription might be so much reduced, and the terms of service so much shortened, that the system would really work out as a ballot for a militia.

Between these principles, the Paris Congress—one presumes after hearing some German witnesses—will doubtless have to choose, and the choice will be of some moment.

The obvious temptations when we are considering the question of peace is to say: "Abolish Conscription and everything that might be the germ of it; even the militia-ballot; permit only a voluntary system." But stay a little. That issue from the point of view of peace-interests is not so easily disposed of. In the circumstances of Germany, a voluntary army, though small, might be a real militarist machine capable of acting as a Prætorian Guard at the disposal of dictatorship or reaction.

A militia-ballot on the old English model—which was adopted as a safeguard against possible militarist danger to constitutional freedom—might be a much better system to institute for Europe. In Germany every district throughout the country would be required then to contribute the same quota in proportion to population. Few people seem to appreciate

the significance of the fact that the old professional long-service army in Russia was a far surer support for autocracy and for any extent of tyranny than the conscriptionist hordes which succeeded it.* Lenin has grasped that lesson. With his Lettish and other professionals, his Chinese mercenaries and released convicts, he has constructed a real Prætorian machine to crush all political opposition. As regards Germany, the principle involved will have to be decided by the Peace Congress with the utmost care; and if it be decided to summon that country to maintain voluntary forces only, the danger of a professional long-service system arising out of that method will have to be especially guarded against.

Given a fixed total amount to be spent—or not to be exceeded—by Central Government and Federal States together in regard to all forces, military, naval, aerial, and given a maximum number of troops allowable, it seems to the writer very preferable that the number should be raised by the militia-ballot distributing its effect equally throughout the country.

There are two other important matters to note in connection with this vital question. The number of machine guns to be allowed is obviously more important than the number of men. Fixity of that number with registration, and verification by the inspecting Commission of the League of Nations, would be imperative in the matter of machine guns. Likewise the number and kind of aeroplanes maintained as part of reduced armament, as well as the proportion of the total Budget for all fighting services permitted to be devoted to aircraft, might have to be strictly determined in the same way to begin with.

But the Allies and America, looking forward to a permanent system of peace in Europe and establishing its beginnings—however inadequate at the outset as respects general disarmament—would have to

* See a notable passage in "The Eclipse of Russia," by Dr. E. J. Dillon, p. 440.

remember well one thing. They would have to recognise clearly that in legislating for Germany first, they will be inevitably legislating, at a second remove, for themselves. The lasting peace of the world never can rest on any basis but that of equal justice. The German race of some 80,000,000 of people in the heart of Europe, with their intellectual equipment and their compact communications, cannot be kept relatively enslaved for a generation or anything like it. They cannot be held down for decades as tributary serfs. They cannot even be subjected indefinitely as regards armaments to exceptional laws not applying to other peoples. The kind of medicine in this respect which the Allies and America prescribe they themselves must swallow in a given time, or there will be no peace. At some reasonable date, after limitation of armaments, and of total expenditure on them, has been applied to Germany, all the other States will have to follow suit.

How much the state of Russia under Bolshevism complicates the question and postpones the possibility of so general and so large and so safe a process of disarmament, as was confidently expected up to last autumn, I need not again insist. Not until a restored Russia is a full member of the League of Nations can the world as a whole begin to approach any real solution of this problem.

VIII.

In face of facts as they now are between the Rhine and the Pacific Ocean or from the Baltic to the Persian Gulf, and in view of the contingencies which may have to be reckoned with for years to come, nothing can well be clearer than that no international legislation for reduction of armaments and no system of supervision can be the sufficient or main guarantee for permanent peace. Even when the con-

ditions of the world as a whole are more safe and settled, extensive general disarmament by itself could only diminish the instruments of war readily available. It could not prevent immense and swift improvisations of fighting force in case of war. This is the very heart of the problem for the modern world. Between societies the differences in power, inherent though latent, will remain. Nothing could prevent that power—moral, physical, technical—from working out to its full value if wars are to recur and the start is on equal terms.

Disarmament, then, by itself is no solution. Even when added to the political and judicial organs of a League, to all the provisions for arbitration, mediation, and delay, it would still not be a fundamental security. Disarmament to the utmost extent possible on sound relative terms is of the highest importance. It would probably dull and diminish the war-habit. As probably would it hinder smaller wars, though the contrary opinion is often held. The financial relief would be a peace-advantage, though not in itself a peace-safeguard. Above all, the constant sense of competition in prompt means of destruction would be abolished. But if the other causes of war remained what they have been, nations might continue thinking how best to fling themselves on each other, and new plans of improvisation might be as formidable as old plans of mobilisation.

The main truth, then, is that disarmament could by no means cure the deeper causes of war. As was insisted at the beginning of this chapter, to think of how to eradicate war-motives is infinitely more important than to think of how to suppress the more immediate and obvious war-weapons.

There can be no attempt at thorough curative treatment without the economic method, as it has been explained in these pages. Only the "new way of working" by taking deliberate means to organise the greater prosperity, contentment and happiness of

peoples, but especially of the labouring masses belonging to each of them; only mutual service between nations for this end can create by full international partnership a means for superseding international conflict. In this uncertain and sombre phase which may be much prolonged, old securities for national defence and orderly freedom can only be abandoned step by step as new, but equally real, securities are established.

We have seen in detail how the power of the economic interdict and of economic penalties applied in the name of a League of Nations might be made without the use of armed hostilities an unmatched deterrent from war, if supported by America and the British Commonwealth in thorough concert. This, added to disarmament, would more than double the strength of all the negative guarantees. A reorganised Russia, if outside a League of Nations, could withstand longer than any other country even a boycott on all sides, but could not permanently resist it. With an orderly Russia included in the League and concurring in the application of the economic interdict, there is no other country in the world which could not be made completely amenable to the general world's decree of "non-intercourse" against any unlawful disturber of the international peace.

I have shown very frankly that the situation would be different if Russia and the German stock came thoroughly together under either Bolshevism or reaction. That, in effect, would divide the white race into two portions sufficiently near an equality of resources to make it impossible for one to constrain the other by any means short of victory in colossal war. That war, as involving the fate of all Asia, as well as all Europe and Africa, would necessarily embrace the entire world. But nothing could bring about the realisation of that monstrous supposition except some incredible mixture at the Paris Congress of vindictive blindness on the Central problem and something worse

than futility on the Eastern. It has sometimes seemed as though even that irreparable combination of errors were not impossible. How a better result may be reached has been shown. If a demilitarised Germany were given a fair chance to recover and thrive as a promoter of the willing peace; and if Russia were once brought into full membership of the League, the powers of suasion and control by economic action would be paramount. No large employment of arms by the League could be so well agreed upon and exercised as the decree and execution of the boycott stopping all the trade and traffic of an offending country at its frontiers.

If we think of the effects upon banks, industry and employment, on the exports of an agricultural land or the imports of a manufacturing country, we shall not doubt that the method of bloodless pressure in almost every case would be remorselessly effective. Few indeed would be the occasions when any people would care to challenge it; fewer still the cases where resistance to it would be long.

IX.

This economic agency of prevention, repression, or punishment would require during a long phase of the evolution of a peace-system to be backed by the sterner and ultimate Power—that of inflicting death—as sound currency is backed by a gold-reserve. The boycott would involve at least the passive superintendence of armed forces. The maritime method would be that of blockade. Naval squadrons would have to ensure that there was no intercourse by sea with the country internationally outlawed. Military cordons, in the same way, would have to ensure the stoppage of land-traffic at the sealed frontiers. It would be essential to the method, let us repeat, that no neutrals would be allowed. All would have to join in enforcing the interdict. The organisation of a strong force of air-police would equally

be required in these emergencies to supervise and report. No one who ever thought seriously about a League of Nations has denied that, beyond all these measures, it would have to be prepared in the last resort to invade and crush an internationally outlawed country attempting aggression or resistance by arms. That this ought to be a very last resort is equally agreed, and the boycott, in my judgment, would be an effective substitute in nearly every case.

Thus the preventive or repressive use of the economic method would at least make armaments less prominent in international relations, and would relegate them to a passive part in many cases where they have been hitherto actively employed. By so much further the war-habit would be weakened and lose its hold.

But that tendency to bring the war-habit into desuetude altogether, and to make armaments obsolete, could only be completed by the creative part of the economic method. If the spirit of competition for non-national territories, and for a self-aggrandising use of the commercial advantages they may give, is to persist amongst nations, that spirit must again come to its logical and practical expression in war-effort. Fullest co-operation, instead of fellest competition, is essential to the practice as to the logic of any genuine peace-system, and without it the League of Nations can have no inward moral meaning. Lacking that, the new League would only be the old Concert writ large——a Concert of the world, perhaps, and not of Europe, but with all the former jars, jealousies, suspicions, and rifts, with all the covert contests in pulling-power between the leading nations; with all the mental reservations and biding of time while sounding professions of universal devotion to peace were elaborately exchanged, as in the forty years before 1914. If we look ahead for another generation, and are warned by all historic teaching and all the knowledge of human nature that even common observation may impart, we shall be satisfied that no procedure on The Hague

model of Courts, Conferences, and Councils—however glorified in form by comparison—could prevent the old processes of competition between nations from working up gradually to the old crises. Then, if armaments were not at hand, they would be improvised in the manner for which the Great War has furnished all the data. Nothing will serve us but the full and thorough establishment of the new system of co-operation between peoples for the advancement of their common welfare by the willing and the glad employment of their utmost combined efforts.

This only, by its daily, universal, all-pervading influence, can eradicate the war-tradition, substitute the peace-habit, and bring the world for good into the new way of life. Under the League economic justice and progress for all must be as certainly assured as political justice and progress. Armaments, like other instruments of man, the "tool-using animal," are only fashioned and employed for an object. The object of armaments is either the defence of present possessions, moral and material, or the acquisition of new. The nations must not only be induced to go in a new fear of what they would lose by attempting war under a League of Nations. They must be made to live in a new hope and certainty that they have more to gain morally and materially from the preservation of the creative peace of the League, acting through its economic system of mutual service, than they could ever dream of winning by returning to that arbitrament of human slaughter which is not merely a survival of savagery but the climax of barbarism as modern means are used.

CHAPTER XX.

BRITAIN AND AMERICA: THEIR WORKING AGREEMENT THE FIRST NECESSITY FOR WORLD-GOVERNMENT AND WORLD-PARTNERSHIP: NO "ANGLO-AMERICAN SYNDICATE FOUNDED ON SHAKESPEARE AND RAW MATERIALS": ENGLISH-SPEAKING SENTIMENT AND THE WIDER PURPOSE: THE ONLY SOLID SECURITY FOR ANY PEACE-PROSPECT: A THREE-FOLD COMMUNITY OF WILL, WAY, AND POWER: REMOVAL OF MISUNDERSTANDINGS: MUTUAL SUSPICIONS OF SELFISHNESS: BRITAIN POORER SO PROUDER: DEBT AND SHIPPING: IRELAND AND A MORAL: TOGETHER FOR "THE OTHER HALF OF VICTORY" AND AFTER.

We will by no means turn this theme into the hymn of English-speaking union, which it might justly be made as every thought and impulse prompt. To be of that creed is to be honourably extreme. But a creed which invites the congregation's worship does not mean worshipping the congregation. After what has happened to plain mankind—when a million of our language have passed away, yet the words of more than nine-tenths of all the dying were in other tongues than ours if they had time to speak—and seeing how hazardously the destinies of the future may be still balanced between good and ill, we cannot be worthy of either of our countries unless we are worthy of something greater than both together. In that larger and higher view—and for it—English-speaking union, if ever, must find, fulfilment and consecration should

there come anything more than friendship and comradeship whether in our day or after our day is done. Before the war, German writers used to protest in effect that co-operation between Britain and the United States could mean nothing but an Anglo-American Syndicate founded on Shakespeare and raw materials. After-dinner oratory on both sides of the Atlantic sometimes lent colour to that theory, but we have passed beyond any conditions which could have made it true.

On whether the English-speaking democracies, in spite of incidental differences or real difficulties bound to arise now and then, can on the whole work steadily together, for purposes including their own but wider than their own, depends every chance of a better sequel for civilisation. If America refused to take a full part in the working system of a League of Nations its forms or formalisms might survive, but its spirit would be extinguished. Next, as will be seen presently, if the decision of the United States saved at the outset the spirit of the League, without the active aid of Britain and the British Commonwealth its life and potency could not be ensured and developed. The strong working majority—if we may use Parliamentary terms—required amongst the members never could sufficiently exist. If sound friendship and substantial community of method and purpose could not be shown by two countries who have so much that ought to draw them together, how could we expect other countries to set a better example and achieve closer agreement unless indeed it were closer for evil? No equal and no similar responsibility for the fortunes of the rest of mankind has been borne before by two nations. In their hearts they both know well what is the best thing to live for, and they know that they have the means to make it sure.

Modern forces have brought the world into so handy a compass that the hindrances to a successful League of Nations can be removed, if only there are

the three elements of all great human effort—the right will, determined to find the right way and equipped with the right power. The Will, the Way and the Power are equally requisite. We have to see by what means all three can be called into operation.

It is not even enough to say that nothing can be a substitute for strong and persevering partnership between America and Britain. Without that nothing else can be adequate. But by virtue of its object that partnership cannot imply any exclusive understanding between the two countries. It cannot embody a selfish purpose on either side, nor even an equal service of mutual egotism. It means more. It means the pivotal combination whereby the largest number of other peace-willing peoples can be grouped and moved. Whether there is to be created now, and sustained afterwards, a living and growing League of Nations, is going to depend alike upon how earnestly America and the British Commonwealth desire the purpose, how firmly they resolve it, and how staunchly they are prepared to work for it together.

The two English-speaking stocks have in common a profound belief in the advance of human freedom under an increasing reign of law. To the support of that belief they can bring measureless material resources. If they have the Right Will in common, if they take the Right Way together, and if they join at need to use the Right Power, the great thing can be done, and otherwise it never can be done. Neither of our countries apart can hope to do it. Their present action will determine whether there shall be peace or war in the world long after most of the men and women at present controlling politics on both sides of the Atlantic have passed away.

I.

Let us define clearly the first means to the end. In that first place, nothing but the co-operation of the

British and American peoples can secure and maintain a sufficient union of the rest. Not for a moment can we think of underestimating and subordinating the part of other races and peoples in the world-wide Alliance of the League. In circumstances as they stand after the war, it is quite as impossible for us to seek exclusive connection with America as for America to concede it. France, because of her direct exposure to Continental danger, has been slower to realise that President Wilson's policy is the true complement of 1789, and that a League of Nations would be her own best safeguard. But American opinion is not less understanding towards France than ours, and will easily perceive why the island must remain bound to its nearest neighbour by the most intimate ties. French and Flemish soil together are for one thing the most solemn God's-acre of the British democracies, and can never cease to be the goal of their pilgrimages. Apart from that, the affairs and destinies of two nations who were rivals for six hundred years have been left inseparable by the war.

Up to a few years ago the English Channel seemed politically wider than the Atlantic. The British Islands felt almost physically nearer to America than to Europe. Now new and vital connections must knit Britain to the European Continent generally, and these cannot fail to increase. The causes and interests which have become interwoven are far beyond any language-limit. Great Britain must work, in far nearer familiarity of every kind, with France. If flying has narrowed or abolished the Atlantic as a politically isolating medium, what has flying done with the Straits of Dover? By the airways we are de-insulated. By the Channel Tunnel as well as by the new railway-ferries we must link on to the European mainland and further mainlands. We are bound to have much closer ties with delivered Belgium also. As between Western Europe and the East, Italy's geographical position takes fresh importance in the new age of

communications. The groundwork for our flying-routes to Cairo—that Grand Junction of the Old World's air-communications—must lead by linked stages through France and Italy. And reflections like these not only concern our Allies. Looking beyond the next few years, every clear-sighted witness perceives that no peace-system whatever can be safe unless means have been found to make the German race itself a stabilising factor in the whole equipoise. Moreover, without Russian adhesion to the League it never could be made an assured peace-system by any political or economic effort on the part of the two English-speaking Powers.

This wider partnership of many nations, which, to fulfil its vision of the Great Peace must include Associates, neutrals, and late enemies together, cannot be effectually formed at all unless America and Britain are in agreement, and it cannot be consolidated unless they remain agreed. They will have to be chief guardians of the League at its birth, sponsors at its baptism, and guarantors of its being and welfare until it comes to maturity.

We thus discriminate between an older idea which was great and a newer which is both greater and likely to prove more operative. Association of the two English-speaking systems for their own special good and glory was often proposed in the past. The newer conception sees their partnership not as an aggrandising or "entangling" alliance, but as the surest organising force, moral and practical, for the world's welfare. Some people might consider it unnecessary to dwell upon this distinction. In reality the moral contrast cannot be made too clear. Nor can we show too plainly that what appeals to us on this side of the Atlantic, just as much as it does to opinion on the other, is the second conception of world-service and not the former idea of a race-syndicate.

For, in spite of the language-bond, we must rid our minds thoroughly of ordinary notions of race-

unity in this matter if we are to make better progress with the Anglo-American affair itself. We must always remember that many in the United States not of British descent are apt to believe quite genuinely that we on this side advocate friendship between Britain and America for the sake of something that we expect to get out of it. Deeply, no doubt, do they mistake.

It is true, indeed, that for us in Great Britain every influence of historic imagination and sentiment, every suggestion of the common tongue, every sense of pride in the strongest off-shoot that ever came from any parent-tree, are apt to move us in this question. Our thoughts and musings on the sea-destinies which have given the energies spreading from this little land so wide a range and the cumulative power which settled Armageddon itself—all these combine to make us feel and hold the cause of Anglo-American concord as a quiet religion rather than as a demonstrative policy. It is a feeling like the twin of patriotism. It is innate and primary. We are not thinking of what we can get out of it, any more than our love of nature or the poetry of the common tongue is touched by reckonings of material profit and loss.

Millions of Americans of British descent feel and reciprocate in precisely the same way. It belongs to their blood and spirit as to ours. It strengthens with every effect of modern education and intercourse.

But the majority in the United States represents either mainly non-British elements or is mingled with them. The Republic is an English-speaking system. It is not, and cannot be, to anything like the same extent an English-thinking system. This ought to be taken as the basic commonplace of practical discussion on our side about the improvement and future of the relations between Britain and America. It becomes somewhat surprising to find that the basic commonplace is usually ignored. We are prone to argue as though community of language, as a matter of course, corrected difference of race, although the

flagrant case of Ireland is there to beacon the contrary.

Large numbers of Americans of non-British descent, and some others, are still apt to believe, as was just stated, that we in Great Britain do advocate and even exploit the idea of Anglo-American friendship and partnership for the sake of what we can gain from it by comparison with other European countries. However crude and jarring this impression may be, it seems as natural to those still subject to it as it seems unnatural to us. We must address ourselves to removing it, not by anger, but by rational showing that it has not a leg to stand on. That is why the cause of a League of Nations is now more vitally important for the English-speaking world than is any sentiment formerly confined to the two peoples.

Plainly the ideal of English-speaking union as usually pressed is not enough for its own sake. The American population of to-day represents elements drawn from every nation in Europe and from other regions adjacent to Europe. Each element has a feeling for the cradle of its own race. Of many elements already melted or now being fused into the astounding American amalgam, the island was not the cradle. England may be the original home of the Washingtons, but there are tens of millions of United States citizens who would no more think of a pilgrimage to Sulgrave on that account than of journeying to Mecca. To them England, even when they are not in the least unfriendly to it, is a foreign country like any other foreign country. That is why to Americans as a whole the League of Nations is bound to make what one may venture to call a synthetic appeal wider than any appeal for English-speaking union in English-speaking purposes concerning only the United States and the British Commonwealth.

The more effectually we in this country support the greater ideal of the world's better ordering and its lasting peace the more surely shall we strengthen

Anglo-American friendship itself as the core of greater things. The two motives of English-speaking union and world-partnership are not only compatible; we ought to think of them henceforth as inseparable. The League of Nations, then, is the only cause likely to bring the two English-speaking peoples thoroughly and finally together. But that cause can do it.

It may be best to say here in passing—though we shall have to return to the point—a word about the business-backing of this idealism. What solidity of contribution can be brought to it from the British side? The Republic's capacity for partnership is taken for granted. What is Britain's? As to that, let us take the island alone. Many Americans agree that people in the United States who do not know Great Britain well—or who know only London but not the British provinces—do not realise the amount of ability and vitality of every kind pulsing in the old country with its nearly 50,000,000 of inhabitants. It is called old in the historic sense, but socially it is as young as any nation—almost rashly young, with its new democracy and countless other things changing almost everything in it except the fibre of its breed. America, less strained by relative loss of blood and wealth in the war, stands on her own feet more strongly than any other society existing. Britain, in spite of what the struggle has cost her in blood and wealth, is still well able to stand on her own feet. Man for man and woman for woman, her people have proved themselves second to no nation and still of the same sort that was the prime stuff of America's own making. And there is still, as one has said, nearly 50,000,000 of it at home. If there could have been no triumph for the Allies without America, there never could have been any victory over Germany without Britain. Her folk have lost none of their fresh-mindedness. The same spirit that invented the steam-engine and the locomotive, produced the tank to grapple with new conditions of battle. When the struggle broke out

she was about as backward as she could be in the rudiments of the practice of human flight, but she created air-power just as she had created the permanent navy under Cromwell. For the vital requirements of war she found herself without many scientific and technical things which had been made in Germany, but she made them for herself, in all the quality and quantity she wanted. So much for Britain in her original character as an island. Her sea-power and her merchant-shipping flourish yet. She wants no monopoly for either, but without them the whole world's outlook would have been darkened. Above all, the British Commonwealth is itself a League of Nations whose elastic but living system has been in many ways a mighty agency in the war, and is going to become more and more progressive in every single part. As the great conflict never could have been won without Britain as well as America, the Great Peace never could be brought to the fulness of its promise without Britain as well as America. If the best purposes of both are to be achieved, and if they have not fought together in the name of ending war only to bring another catastrophe on another generation, they must still feel that they have need of each other. The utmost of their combined efforts will be wanted yet for steady progress from the bare safety of a present settlement to the assurance of a greater civilisation. For Britain and America that is the soul of it, and the soul of everything that is saving for the world.

II.

This brings us straight to the more concrete meanings of what we have distinguished as the three elements required for the success of the League of Nations and of a full-peace system. The essentials depend at every point of practice upon America's joining with Britain in the Right Will, the Right Way, and the Right Power.

Let us see first if they have inward reason and capacity for a common will, and, if so, how deep it is, and then whether there is anything that should obstruct its exercise.

There is no conceivable doubt that the two peoples have an equal will to peace. There is as little doubt that this moral force and intention are going to be the profoundest thing in the minds of all the English-speaking democracies. The full horrors of the late struggle are not yet known. They will be known when the censorship has been long enough removed. They will leave an ineffaceable scar upon human conscience and memory. They will revive the determination, only blurred and distracted by the circumstances of the hour, that these massacres of manhood and agonies of womanhood shall never be again. At the same time all the English-speaking democracies intend, if I read their spirit aright, that there shall be a curb upon injustice, tyranny, and wrong; that another threatening despotism shall not be allowed to raise its head with impunity; that it shall not be any more in the arbitrary power of a clique or a camarilla, of dynastic or militarist conspiracy, or of a few men of any kind, to declare the world's peace at an end and to send to doom and woe millions, not only of their own land, but of other lands.

That this was possible in the fourteenth year of the twentieth century was the enormous anachronism. There is at least unanimity about making an end of that. So much is a strong step forward. That purpose alone demands that peoples shall join together to put international affairs under a new kind of control, so that any Government or policy taking a form sinister for the general interest, or menacing for the general peace, can be dealt with in time. But democracies also have their wars and civil wars. It is another reason for a new system of safeguards and inducements. No society of its own design and pur-

pose is to be able at a venture to convulse and jeopardise other societies. But just as war must be made not worth while for anyone, but a gamble too probably ruinous to risk, so peace must be made worth while for everyone.

Any mind on either side of the Atlantic seriously and purposefully holding these views must be beyond ordinary palliatives, or intermittent negatives, and even beyond occasional high-minded bloodshed as a deterrent from its insane abuse. The great alternative to war means the constructive system of world-partnership, and it can mean nothing else.

If amongst the British and American peoples equally these considerations we have recalled implant the same real will to peace, they must consolidate the same real will to a League of Nations. On the least estimate of its utility, it is the only conceivable means of keeping sufficient grip on international affairs in those long intervals of nominal peace in which nearly all great wars of the past have had their gradual birth. Not to have any League of Nations would mean the absence of all control over the causes of wars and lack of all means of timely treatment. International relations would be in the same vicious circle as before. The old drift would set in again from small wars to great wars. It is in the power of Britain and America to put an end to it, if their equal will to peace is made a joint will, energised and concentrated for its purpose.

The fundamental community of mind and of moral force are there. What is to prevent them from being exercised in common? The only answer, if it is one, is that there have been misunderstandings. They are a matter of course. They always arise between the closest allies. They occur every day between Britain and the self-governing Dominions. They have happened between President Wilson and a large part of France. They have been known to exist between citizens of the United States. No two nations, the closest, ever were or ever can be without misunder-

standings. When the poor have ceased to be always with us, misunderstandings will still abound. In this case we have only to look at them to see that no bush is a bear. After the Armistice there were undeniable difficulties about each other in the minds of the United States and of Britain. Controversy on the "freedom of the seas" led to nothing but cross-purposes. The way out had not been found in the manner that will make America what she was bound to become after intervention in a European war, a joint-guardian with ourselves of every use and right of the seas for the freedom of nations and the world's safety. As to the project of the League, difference of temperament, of expression and approach, between statesmen on opposite sides of the Atlantic, were sometimes taken to mean an equal difference of intention, and even an antagonism of objects.

Large numbers in each country came near yielding to the suspicion that the other, in spite of all its professions of idealism, was out for itself. We in Britain found it imputed to us by some Transatlantic censors that we were the junkers and militarists of the sea; that we were cunning weavers of protectionist nets; that we were bent to grab all the trade and territory we could bag. Critics of the same temper amongst ourselves said that the truth was just the other way. The United States was going to exploit remorselessly the unprecedented British difficulties created by vast sacrifices in the common cause of the Allies and America—and above all in the common cause of fighting down the German submarine campaign. Our losses and embarrassments were to be nimbly utilised to oust us from our shipping position and from many of our old trade-connections. Britain alone, it was said, was being left to bear all the bad debts of the Allies, while herself was known to be the safest of debtors for American loans. Jumping to large conclusions on partial evidence, a section on this side suspected that America was for a peace of im-

punity for Germany. A section on the other side suspected, with as little discrimination, that Britain was for a peace of vengeance. If the English-speaking peoples had lost their sense of proportion altogether, and had been prevented by things like these from working together and with all their strength for causes of the magnitude of enduring peace and world-partnership, they would have been like Rosamond—whose mind was "not large enough for little things to look small in."

III.

Fuller counsels and better consideration since the definite responsibilities of the Peace Congress came to bear have cleared away much indeed of this evil stuff. Every responsible American knows by this time that Britain, in spite of some new and necessary precautions and safeguards, means still to keep the freest market in the world. It is equally known that Britain has no desire to add a single avoidable inch to her territories. She will have to use her keenest enterprise to get back all the old trade-connections that were broken in distant seas when the war and the submarine crisis forced her to concentrate her shipping in the North Atlantic waters for services taxing every ton of her carrying-power, but of life-and-death necessity to her Allies as well as herself. What known episode of mutual service at sea between nations is more stirring and honourable than the participation of British shipping in rushing over American troops for Marshal Foch's conquering campaign?

While the Old Country is well able to stand on her own feet, as was said, and does not need to be crutched even by American support, it is sternly true that Britain must put her best foot foremost in resuming civil life. For paying our debts, maintaining higher rates of wages for democracy at home, providing fuller employment for the women who have come into industry, as well as for millions of fighters demobilised,

we have no artificial or exclusive advantages whatever to depend on as a result of the war. We can depend upon nothing but enlarging our production by every kind of increased efficiency. That is a situation which every American in England who personally knows it appreciates and respects.

Next as regards disposal of loose territory. Australia, New Zealand, and South Africa are free self-governing communities. They can no more allow renewed German possessions in their neighbourhood than the United States could allow foreign occupation of the Panama zone. Whether by fee-simple or mandate of a kind almost equivalent, they must be safe. As for Britain at home, she had enough territory on her hands before the war. If there are to be any new trusteeships to which she would otherwise have first claim under the League of Nations, she will be rejoiced to hand them over to America if America will undertake the office.

There has been a similar dissipation of misunderstandings this side. In quarters that were honestly disquieted after the Armistice, there has been time and opportunity for a sounder appreciation of several things concerning the United States. Her maritime development, whether on the merchant or the naval side, causes neither rancour nor misgiving. It arose inevitably out of the circumstances of intervention amidst the submarine struggle. We and all the Allies urged America to build and launch. She did build and launch by an effort of industrial adaptation prodigious of its kind.

Most people in the United Kingdom had forgotten what their fathers well knew: that in ocean-trade and deep-sea fisheries ships under the Stars and Stripes had a magnificent position up to the Civil War and the change from wooden hulls to metal. In 1860 Britain had about 4,600,000 tons of shipping and America 2,500,000 in the foreign trade alone. Fifty years after, in 1910, Britain had 11,500,000 tons, and the United

States had only 900,000 tons in world-commerce. This kind of comparison could not have continued. When, after 1917, a great ocean-going marine was recovered by the Stars and Stripes, for the first time since the Civil War and since the opening of the era of iron and steel shipping, it was certain to be permanent. It will put us on our mettle, no doubt, both in building ships and freighting them. But it is quite unlikely that we shall lose anything absolutely. If we lose anything relatively by having a somewhat smaller percentage of the world's increased tonnage than before, we shall gain as a nation in various other ways. The result is bound in the long run to favour reduction of the United States tariff. Our total exports to the Republic would then grow, even if some of them were carried in American bottoms. We can always ensure more cargoes for British ships, if we have to do it, by developing new sources of natural products.

Again, as in the famous days of her swift-winged "clippers"—and in spite of her own rather pessimistic reaction from excessive estimates of the maritime prospect—America will have her fine merchant-marine, and she will have the right to be proud of it. We shall know how to appreciate it in a big spirit as British sailors and writers up to the Civil War and from long before, used to pay their frank tributes to the old merchant-marine of the United States—to the intelligence of its captains, the better treatment of its crews. On our side, as our part of the matter happens to be our life, we know what we have to do, and we shall know how to do it. Competition is no new thing. The Germans were pretty good at it. We shall have to build ships even better, man them better, run them better, and think better how to provide them with freights. Sir Robert Giffen was an ably orthodox economist, a strong individualist, and a freetrader; but when there were premature fears about the "Morganisation" of British vessels, he said that it would be

sounder for Britain to nationalise her entire shipping and reduce freight-rates to nothing rather than to lose the bulk of the building and owning.

No doubt this island just for the moment is handicapped as it never thought to be by the colossal diversion of money and labour in the war to tasks of a non-maritime kind. We shall get over that. No legitimate competition in the world can run British shipping off the waves to any grave extent. It might be another matter if the incomparable wealth of the American Treasury for consecutive years were artificially employed to break our natural position. That would mean three things. It would throw heaps of American money almost literally into the sea. It would compel the whole island to effect a constructive revolution of a great deal of its national economy. And it would be horribly out of keeping with that new spirit which both the American and the British Governments at the Peace Congress want to prevail in the world. We may be confident that even if there is a period of rate-cutting, with friction and rubs, the force of practical circumstances will bring British and American interests to a tolerable adjustment in merchant-shipping no less than in naval policy.

As for finance, let it be granted that in spite of the war the United States is absolutely richer than before it, and that Britain, on the contrary, is positively poorer than she was and relatively much poorer still. That is the result of creditable conduct in a way not always fully understood. In the war we alone amongst nations on this side of the Atlantic paid every single penny of our own charges, huge as they were. But for the big sums we had to lend to our Allies, and lent willingly, we would not be a farthing or a cent in debt to the United States or any country. We do not regret these things. If we had to do them all over again with full knowledge of what they would involve, we would do them again. It never can be said that when we sacrificed our children we spared our pelf. No one in

the United States who bears a name of British derivation has any reason to be ashamed of it. If we were repaid what stands owing to us on the books, as we shall meet our own obligations, we would still be on balance a creditor-nation. But though we are interested in plans for pooling war-debts, and are convinced that they would relieve the springs of the world's trade in a way from which all countries would gain largely and the United States necessarily, we prefer not to urge those plans. Should no arrangements be made even for sharing the bad or doubtful debts resulting from our own loans to Allies in the common cause, if Britain alone has to stand that loss or risk, she will not grumble about having to bear so unexpected and unusual a proportion of the total price of victory. She will try to be proud of it. She will write off calmly, if need be, the debts that present or former Allies may not be able to pay her. She will strictly pay her own. She expects to remain solvent and in a large way of business. All these are practical matters to be settled in a temper of good sense.

When so straight an account can be given of the facts, we may well hope that honest error about them is over. But these were things which by their effect on testy minorities on both sides threatened to sow renewed mutual misunderstandings. They cannot be suffered to mar any memory of the brotherhood of the whole English-speaking race in arms. That was shining without tinsel. All thoughts of history and space considered, it was by far the most glorious happening yet known in the record of free peoples. It was, and it is still, capable of being made infinitely significant for all time to come. But even its immediate reality and object—are they over and achieved? Who can think so? We have only done part of it yet. It would be much to know for certain that we have done half. We have won a victory together, and so far. The question is what kind and measure of victory have we won? It is a question that we still have to answer together, as

we raised it together, and it is one that in no case could have been answered on the battlefield. Human virtue and the average of human motive are, one may suppose, much of a muchness on both sides of the Atlantic. The motives of the British people in August, 1914, had no doubt their admixture, inevitable in mortal clay, but they were not less idealistic than those of America in April, 1917. It was with a horror of war that we went in to win it, prepared to be blotted out—nation, empire, and the rest—rather than not win it. America and Britain both have fought for one thing. They fought not merely to settle Germany as it was, which is done, but to re-settle the world—to advance largely, here and now, towards the world as it will be, unless in blind presumption that another and even a worse Armageddon cannot come, white civilisation perishes by the way. In that sense—and what the mere Armistice signified was illusory by comparison—we have not yet won. The common task we undertook is not yet nearly accomplished. No destructive victory in arms could be more than the prelude to it. We can only begin in earnest to fulfil it by constructive victory at the Peace Congress. Whatever may be created there, at that first Peace Congress of the new order, the complete fulfilment of the victory that all the best in Britain and America intended, can only be gained by our fast purpose for many a year to go together in a comradeship of peace not less great than that of arms, and to watch over the work of world-union that must come from our hands and to see that it endures and prospers.

Either one or other of our countries never had the Right Will in this affair, and allowed their sons to die for a lower thing than they were told, or else both our countries have that same Right Will now—so far as in us and our utmost it lies to establish once for all the great peace by taking upon ourselves together the common responsibility which alone can ensure a living League of Nations. When the two peoples remember

what they meant and awaken to the danger of a sordid and discordant sequel, they know in the depths of their being that the new order of the world is what they desire and that they have the community of heart and fibre which can attain it.

It is certain that they have the Right Will, certain that they are one in it. But only their Governments can be its true executants. If there were failure to achieve what is more than the other half of victory it would be the failure not of the two peoples but of the Governments in not having had faith enough in their peoples and in not giving them the strong lead.

The Peace Congress finds itself committed in form to the attempt at ending war and making a world-union. It is thus in reality—dull and dragging as the process looks—the most momentous business that ever brought statesmen together. There is a particular reason, not always remarked, for saying that if the statesmen at Paris left the management of the world's common affairs no wiser nor safer than they found it, they would be much discredited. If Armageddon itself could not rouse them in their politics to the more than ordinary courage and soul which they expected and got from the average man in the trenches—nor even to the meaning of the fact that the life or death of human millions in the future is even now in their hands—they would incur the heaviest reproach that can be laid on invertebrate intellect and moral mediocrity. The Congress of Vienna, according to the light of its time, would appear far more respectable. History in these circumstances would not crown the repute even of statesmen like President Wilson and Mr. Lloyd George; nor would their nations gain lasting greatness through them. No doubt they added their high parts in winning the Great War to the parts played by military, naval, and aerial leaders, by countless civilian organisers, by the devotion of fighting and working millions. But the point is that the statesmen are come at last to their own proper task of constructive policy.

That is their own campaign. Nothing could redeem their loss of it, if no health were found in them for the cause of averting future war and opening a reconciling and creative epoch in history, after the most murderous of its crises.

Statesmen at the Paris Congress cannot afford to fail tamely. British representatives cannot afford it any more than American. Mr. Lloyd George, as Prime Minister, cannot think of failing tamely any more than can Mr. Wilson as President. They are bound to make the greater attempt. When the Right Will is inherent in the American and British peoples alike, it is only quiet in expression because, after all that has been said and pledged, it confidently expects to be interpreted by statesmen resolved to find the Right Way.

IV.

The question of method, which we come at now, is not quite everything—since even the most excellent machine in this kind will for a long time require external energy, in the shape of moral driving-power, to keep it going until it acquires a full momentum of its own; and also it will need at first a good constabulary to guard it. But method is nearly everything. If we need not dwell largely upon it here that is only because the whole of this volume has been given to explain and enforce it. We have taken the case every way, and we have seen that any merely legalistic view of a League of Nations framed with an eye to shunning war, rather than to make men forget it—by organising what has not yet been known, the full advantages of peace as attainable under a real world-partnership—would incur the danger it thought too much of preventing. It would be like undertaking a modern education without regard to general science and notably ignoring physiology. We have found that any attempt to ignore the economics would be hope-

less, and that if they must be recognised at all, they had better be faced and utilised to the full.

The conception of limited and virtuous bloodshed to enforce obedience to a legalistic scheme is obsolete, though some pacifists otherwise opposed to violence have been tempted to regard it almost with that sense of righteous luxury which has been thought the most perilous of all emotions. Due means for unavoidable killing—corresponding as near as may be to capital punishment in international relations—must be seen to, but they must be the very last resort. To think otherwise would be to throw up the cause by perpetuating war-thoughts and war-examples in the way most likely to disrupt the League. The economic method, applied through a standing organisation, is required to make the boycott the more normal means of bloodless coercion. Economics are the essence of any procedure for the international labour code, which is imperative if social peace is to be any steady basis for world-peace. Under the new order if it is to have the slightest chance to endure, wider economic arrangement and co-operation between many peoples must deal with intercourse and traffic by air, railway, river and ocean. Even if we propose to leave war-debts and the future of finance for nations to settle as they may, there are other compulsions. The common interest in regard to posts, telegraphs, health, agriculture, and many other matters recognised in like manner by more or less international action before the war, depend fundamentally on economic factors. We might say nearly as much of World Union as Daniel Webster said of American Union that "Commerce, commerce," was the beginning and end of it. There would be in a similar exaggeration as large and useful a suggestion of truth. All this has been set out.

What we must realise here in addition is the very extraordinary manner in which world-partnership for bettering production and distribution depends on the co-operation of America with the British Com-

monwealth, and how remarkable are the reasons which ought to induce the English-speaking peoples to prefer the system of economic combination, and to promote it in every way in the interests of the world's safety and progress just as much as in their own. In no other way could their influence on the working of a peace system correspond to their responsibility for its maintenance.

On the diplomatic and judicial side those two peoples can only take a part amongst a number of others. That part by itself would, of course, be a minority rôle. In shaping what one may again venture to call for short the "political and judicial" institutions of the League, British and American statesmen have been amongst the foremost. Their delegates and nominees afterwards will participate in those institutions. They could not be numerically preponderant even amongst the present Allies, great and small, no matter what bases of representation and nomination might be adopted. Afterwards, as more neutral and ex-enemy countries were admitted, the proportion of English-speaking members to the total would be still less. This is right and necessary for the adjustment of all the claims. But it means that neither American nor British responsibility, nor both together, could tell most on the political and juridical side of the League.

It would be quite otherwise on the side of its economic institutions. There American and British statesmanship, wherever it worked in concert, would have a paramount power to shape the course and exert the constant authority of the League. The nature of the power as will be perceived further on would give all nations an automatic guarantee against its abuse. The Governments of the English-speaking peoples would be able to organise the common interests of peace so as to make dominant everywhere the desire to preserve them. Apart from the British Commonwealth and the United States, no other country what-

ever has the means of employing a world-wide economic influence. The extent of their combined resources, both for suasion and encouragement, has been shown throughout these pages and fully examined from different standpoints in turn. Together they command what we have called a life-sparing yet irresistible power. It would be intolerable to the rest of mankind if used for mere Anglo-Americanism, for any race-syndicate even if Shakespeare were combined with raw materials, or for asserting any sort of English-speaking primacy or suzerainty in the world. But it can be made acceptable and invaluable to mankind if exercised in conjunction with the League of Nations. It can be made a saving agency. It can exert a new and over-ruling yet shaping force. It is the shaping part that is needed. The world has not only to establish and enforce the peace, but has much rather, as it were, to cultivate the peace.

Not only the security and progress of Allies like France and Italy, Belgium, and all the smaller States, newer and older, would be best reinforced by this method. It could be used to give the German race itself, in ways thoroughly reconciled with the world's safety, an equal chance to thrive and adventure not only in its narrow European bounds, but abroad and overseas.

Until the war called into being the inter-Allied machinery of supply and distribution, few people, if any, realised what a tremendous means of pressure and assistance alike might be the combined economic resources of the British Commonwealth and the United States. The two English-speaking Powers together command all the vital substances of inter-continental trade and the chief mechanism of inter-continental transport.

They can cut off any nation offending against the peace-system and threatening to become a nuisance or a peril to its neighbours. They can do it just as a defaulting subscriber is cut off from the London tele-

phone system. They control the overseas supplies of wheat and other cereals, of meats and fats. They control the bases of the textile manufactures. They control elements absolutely indispensable to the metallurgical and electrical industries. They control all enterprise working on oil-bearing products. They control what feeds the most advanced races of civilised men, clothes them, washes them; gives them lighting, nourishes their machine-industries, provides them with means for generating electricity and transmitting that cheapest, cleanest form of power; what equips them, in a word, with the means of wielding the sovereignty of mind over material.

All this Britain and America can supply to any loyal member of the League of Nations, not only in the same measure as in peace before the war, but in more ample abundance if only a common system of developing the world's resources for the general use is now taken in hand. All this Britain and America can cut off from any country troubling or breaking the peace, threatening or committing international crimes of violence. As has been demonstrated in detail, this power in the hands of economic mandatories of the League like the United States and Great Britain could be more easily and effectively employed than armed coercion. Its bloodless method would be far more in the spirit of the League of Nations. Except in the last extremity, the League never ought to resort to human killing for asserting its laws.

It will be asked whether there is not a risk that, in the hands of the English-speaking Powers, this sort of economic pressure might be abused. The risk is not only minimised, it is eliminated. This by reason of two facts. In the first case, the desire for peace with justice will be, as has been said, the profoundest feeling in the minds of all the English-speaking democracies. In the next case, America and Britain would be a check upon each other. Under future conditions they

will have to agree, or the economic method cannot be applied as a world-force either for the restraint of evil-doers or the encouragement of well-doers.

The cause of this self-correcting situation is simple.

The United States, for instance, whether by direct or indirect means, dominates in food-exports, cotton, copper, very much in finance and credit. In view of the new maritime position of America, it will also be essential upon matters touching the "freedom of the seas" for the two Powers to concert future procedure if the most deadly friction is not to arise between them.

But the British Commonwealth, on the other hand, leads in many raw materials more irreplaceable by European industrial societies than food itself. Food is more expansible in supply and compressible in consumption. This the war has proved in a country like Germany. Also, as long as there is need to reckon Britain will be required for keeping unbroken and efficient the world's transport system for any purpose of a League of Nations. It is no less certain that her separate financial strength will again become an important factor before very many years have passed, if there is any settled compromise between Capital and Labour.

Thus the employment of the Right Way for ensuring the success of a League of Nations puts aside any question of exclusive or entangling alliances between America and Britain. But it does make imperative that the two nations shall work in the closest friendship and partnership, seeking wherever possible under the League of Nations to find not only the world's more general advantage, but their own account as well, in combination rather than in contest. They have to set in all things the foremost example in the new way of world-partnership to supersede the old way of jealous anxiety, plotting, grasping, and strife, which is not only devastating in war, but wasteful and perverting in peace. War pushes the logic of competitive profit to its homicidal conclusion. To temper and tame that spirit

and to bring it under law, both in the social policy of every country and in international affairs, is the whole bent of modern civilisation.

V.

After the Right Will and the Right Way, jointly exerted and pursued by Britain and America, we must face the third condition. All surety for a system of practical idealism in the service of peace and for a League of Nations will depend for some years, it may be for a long period, on their reserved ability to employ in common a Right Power over and above the economic. It ought not to be used except in the last extremity. It is a safeguard that cannot be dispensed with, in view of the incalculable possibilities for good or evil in the world which lies before us. The knowledge that the Right Power existed would go far indeed to render its use unnecessary and to cause the peace-policy of a League of Nations to be automatically obeyed.

With Russia fully in the peace-system and in the League's economic-system, the latter would be so sufficient that armaments would be very seldom needed except for police-purposes in the less civilised regions. They would drop out of use as men ceased habitually to think and plan for the resort to human killing in emergency, and began to forget it.

But as these pages are written, no man knows what is going to happen anywhere between Poland and the Pacific Ocean within an area of nearly 8,000,000 square miles and amongst a population of 150,000,000 of souls. Until we know that, we cannot guess what may happen amongst the German race, making 100,000,000 with its familiar Magyar and Bulgar adjuncts. Since that is so, we cannot be at all certain of what will be the future in the Middle East or in Asia as a whole, or anywhere else in the world. That proposition being unfortunately indisputable, it follows that

until what is obscure in the international prospect is cleared up, the ultimate means of coercion will have to be kept in reserve—the power of inflicting death—the international resort corresponding to capital punishment. Armaments will be necessary as collateral security for all the purposes of a League of Nations. From Congress to Congress after the present gathering, and between those assemblies, the present Allies and America ought to remain on guard, while never ceasing to work to bring both the German and the Russian peoples into full membership of a peace-system giving scope to the idealism as well as the interests of both those races.

Meanwhile the defensive and constructive association between America and all the Allies must continue if they mean to be sure of a steady basis for any political superstructure they may hope to build. They must stick together, if they are resolved to keep "the world safe for democracy," and in all circumstances to uphold the Great Peace. They must be in unison for main objects if they want to keep the League of Nations in working order both on the political and economic side until it is accepted as a matter of course by the vast majority of mankind. For the success of that endeavour Britain and America together must be its prime guarantors. Without that there can be no solid ground for anything in the new system.

As with other things, so with armaments. We are treating here not of all means of armed power for the ultimate surety of the League, but of particular means suited to the spirit and circumstances of the English-speaking peoples, and so evidently decisive that they might never be challenged. What especial kind of force, then, do we mean by this Right Power reserved for use in the last resort? We mean that new combination of sea-power and flying-power which in the coming age will almost certainly dominate, as has been shown, all former means of hostilities. Here again the two countries must act together. Neither

by itself can have sufficient means of action for a purpose so large as that of world-control to stop war and make it as disused as thumb-screws.

We have seen it to be exceedingly improbable that military operations resembling those of 1914-1918 will ever be waged again. The waste of life, wealth, time, not to speak of the accumulation of horrors, was too gross a monstrosity. We had hostile armies of millions of troops stretching uninterruptedly along lines five hundred miles long, a thousand miles long, with dense systems of supply and transport working behind them. The various means by which the Western deadlock was ended in the last phase already showed that it would not recur even if all nations had remained within their old boundaries and under their old forms of Government.

But to Britain and America notably the whole clogging, ponderous, rutted method was abhorrent. It was alien to everything in that particular kind of direct genius for action and technique they have in common. Into anything like that military bog they will never consent to be dragged again.

They have every aptitude, every manufacturing means, to make air-power the most revolutionary agency since the invention of gunpowder. If for some indefinite time the warring-down of peace-breakers must be contemplated and ensured as a last resort, aircraft will be as potent for transforming all previous modes of war as cannon were in their time. The United States, as we found, cannot again isolate its ideas of defence from close and continuous concern about what may happen in this hemisphere. The Monroe Doctrine and the conditions of preserving it take an altogether different aspect in the flying age, when the waist of the Atlantic between West Africa and Brazil is only 1,600 miles wide, and ere a few years are passed will probably be flown in half a day.

At the same time air-power, for all inter-continental purposes, will still have to be supported by sea-power and every kind of maritime facilities.

Heavy transport must move across the seas. Naval force must act and dominate whether Dreadnought are to be its chief instruments or something as different from them as is the sword-fish from the whale. For world-control by arms in the last emergency—without resort to millions of foot-soldiers and their endless artillery—only America and Britain together can supply the requisite combination of air-power and sea-power. There is no need to insist on this. Anyone who doubts it has but to study a large map of the North and South Atlantic and to consider the meaning of full maritime facilities in connection with airways and air-bases.

VI.

When Columbus set out it was not America that he meant to discover. It met him on the way. Something like this happens in the course of most great quests and of nearly all true work. Both the English-speaking peoples have been led through the war towards quite other results and tasks, as towards even greater opportunities, than they imagined when they entered it. Their choice is either to accept the mission they have found—or rather which has found them—or to turn back and make all civilisation turn back with them. Those who still think of doing that must confess what it means. They have supposed it to mean resigning ourselves to a world no better than before 1914. That is not the alternative. Destiny does not allow men so easily to regain a former situation when they shrink from the very presence of a new. If the world is not made resolutely better than it was before the war it must become worse in many main respects both social and international.

Nothing can be the same as it was before the summer of the catastrophe. Better or worse is the choice. When that is simply grasped by the English-speaking peoples it must mean their going not backward but onward.

There is no doubt about their responsibility for the fate or fortunes of a world which may go either way because there is no doubt whatever about their means for making it go the better. It is as certain that no other peoples have those means. Working together, though neither by themselves nor for themselves, the United States and the British Commonwealth can always keep a sure because saving leadership of at least three-fourths of mankind, and they can always command a yet larger proportion of the earth's resources. They hold in their hands, as we have just seen, the three conditions required for success in the League of Nations as in other things. They have the Will; and with that the Way and the Power for them to use or leave. As to the first requirement we have shown that no will to peace can be so deep and effective as their community in that purpose. Either other peoples cannot yet possess it to the same degree or are less freely placed to exercise it. The English-speaking peoples alone can enable the Right Way to be taken because they alone can provide the practical economic means for giving full efficiency, whether preventive or creative, to a World-Partnership for peace. They alone can wield a sufficiency of the Right Power because their economics enable them to have it. Their maritime, technical and industrial facilities can equip them to an incomparable extent with the particular force, the combined air-power and sea-power, so evidently decisive for a last emergency, that if America and Britain together were fully prepared to use it—as long as the possibilities of danger remain what they are now—it most likely never would be challenged.

They have still to win the kind and measure of victory they set out to fight for. They can only gain it by joining for the solid establishment of lasting peace upon the economic foundations required to make any basis broad enough and strong enough.

If issues like these had arisen in connection with

different names, circumstances and forms, the closer association of the English-speaking peoples would still have been the most natural and necessary of all steps for the beginnings of a World-Union.

It may be said that the argument has so far conspicuously left out the real difficulty, and that to discuss Anglo-American relations without referring to the Irish question is as though a man should consult his doctor fully about everything but the fact that he had a needle in his stomach. That looks too like the truth, and yet it is fortunately not the truth. Here again as in other international matters, the United States with much influence has a corresponding responsibility. If America asks Britain why she does not settle the Irish question, Britain must ask why America does not help her to settle it. The United States experiences moral pain on this subject, for some reasons with which the majority of Great Britain is now in profound sympathy, but the real discomfort is on this side. No man who has a needle in his body puts it there or keeps it there for his own pleasure. To have it out he would do anything in reason—anything short of committing suicide to forget it. The Irish question can be settled and soon if the United States definitely encourages the sane Home Rule, which is the only thing that can give any unity or peace to Ireland and if the United States also firmly refuses countenance to the separatism which would mean civil war in Ireland itself, and its partition for ever between two irreconcilable breeds; and if American feeling can no longer be mobilised in support of any extremist and ruinous demand.

Let America help us morally in this way, as she has not yet done, to settle the Irish question, and even that will be settled. Let her help us by distinguishing. On the one hand Irish unity can never exist upon a Sinn Fein and separatist basis. Equally, it cannot exist while Unionist Ulster refuses to enter into even a

more moderate system of Home Rule. If America's full moral support is given to the sane reconciling policy and not the extremist, Ulster would have to make the right concession to the paramount interests of English-speaking partnership, and the Nationalists would have to make the right concessions to Ulster by thoroughly eliminating what is separatist in the Sinn Fein demands. Upon these terms, with the United States morally participating, Britain can solve the Irish question and not otherwise. Meanwhile, the deadlock is in Ireland itself. There is no longer any effective objection in Great Britain to Home Rule proper. There is only a refusal such as the United States would be the first to make in our place, to extinguish by bloodshed in Ireland that political minority which has been entirely faithful to the common cause in the war, and to do this in order that separatism and not Home Rule might triumph. Incidentally, the co-operation of the English-speaking peoples for World-Partnership would do more than anything else to bring about an Irish settlement on a sane Home Rule basis, and we may be confident that it will be secured. Even from the standpoint of economics proper, Ireland is by no means irrelevant to the theme of these pages. In the coming years of air-traffic, railway-ferries, tunnels, canals, and more unified management and development of all transport and communications, that country will be the busy and prosperous outpost of Europe, and there are better things before it than it has known. In the long run no part of the United Kingdom will gain more from British plans for reconstruction.

Meanwhile the Irish question would be no better, bad as it is, and everything else would be worse, if the deadlock between the majority and minority in Ireland were allowed to hang up the whole world's progress by causing dislocation instead of co-operation between Britain and America. Even Ireland is another reason for working together and going forward like Colum-

bus—and towards a New World in another and larger sense—instead of shrinking like his crew.

The co-operation whereon everything depends will be aided by every fresh practical influence of the years now opening. The Atlantic cable has hitherto been too limited a medium. It is apt to favour nothing so much as quotation torn from the context. It has often transmitted misunderstanding instead of intelligence. Flying, as has been shown, will change that. When each country can read the newspapers of the other with no more than two or three days' delay, and when personal visits are multiplied, as the late American Ambassador, Mr. Page, never ceased to recommend in his great-minded and great-hearted way, it will be impossible to prevent the two countries from knowing each other more familiarly and more of the truth about each other. From that, the cause of their closer community of friendship and action can only gain. This, too, follows from the economics of peace, because it is another consequence of that traffic-revolution which we have been studying throughout as the agency making ceaselessly for a point where world-partnership would become not only possible but inevitable.

VII.

When Armageddon came on Europe the English-speaking peoples were about to celebrate the peace which they had kept together for a hundred years. The author of this book—acting at the request of one amongst many American friends, the late Price Collier—had made the first public suggestion for the statue of Abraham Lincoln which is to be put up in Parliament Square, and was advocating a memorial to George Washington in Westminster Abbey. If the joint-statesmanship of America and Britain is now equal to its opportunities and to the spirit and capacity of the two peoples they can assure for more than another hundred years, not only their own peace but the universal peace of the League of Nations.

It seems at this writing as though decisions of infinite consequence for that issue would have to be taken by America within certain weeks. President Wilson's return to the United States and his expected second visit to Europe are more charged with fate or fortune than anything since the Armistice. For what we have called the other half of victory—that part which could not be won on the battlefield but only at the Council-table—this next interval means for the political situation what the eve of the offensive in July, 1918, meant for the military situation. It is no playing with comparisons to say that if President Wilson is strong enough in himself, as the evidence suggests that he is, America's support can make him as decisive in the political field as was Marshal Foch in the war-field; and what we may call the constructive offensive would decide larger issues than the destructive. It would complete that only right and sure victory for which the best manhood of Britain and America met death or were prepared to face it. For that the best minds of both countries must carry on and more than ever hold fast.

The League of Nations is ready to be founded. Without the co-operation of the British and American Governments in the main work, despite any differences in detail, the plans could not have been agreed on nor the ground laid. It is for the United States to say whether the architecture of the Great Peace shall be raised or whether the preparations shall be thrown down. Britain's part in that question is in effect answered. She will go as far as America goes. There is more at stake than whether the United States will authorise that signature of the Treaty-settlement which means the clinching guarantee that it shall be no "scrap of paper." There is more at stake than whether America will take responsibilities and mandates under the League corresponding to her influence and strength. Constantinople and Armenia, the Holy Land and Ararat, are nearer to Washington than are

Manila and the Philippines, and yet not only are incomparably greater in all the association and scope that can stir men, but would mean for America even the lead in that restoration of Russia without which no better hope whatever for the world can be sure.

What is at issue beyond all these is whether the United States and the British Commonwealth shall diminish all the embarrassments of any peace-system to which they will be otherwise committed and shall immeasurably enhance all its effect and promise by using the resources possessed by the English-speaking peoples alone to establish World-Partnership as a system of economic progress. Nothing less can be sufficient for the enduring peace, because nothing else can have a chance in the long run to make it reconciling and creative for all nations, including the German race. "Amerika du hast es besser," said Goethe, when the political aloofness of the United States corresponded to the breadth of a physical separation which for all vital purposes of intercourse between the continents has been already narrowed almost to nothing, and must disappear. If America had the best of a good thing in the old phase of isolation she can have the best of a far greater thing in a new phase of participation. On her choice depends the result of the whole civilised effort to rise now and for ever out of a past which in the second decade of the twentieth century could offer the manhood of millions and the grief of women as the barbaric sacrifice to the idol of international competition.

It is not to be said that America with Britain could have made an end of war and did not do it. The other half of victory cannot be won by the English-speaking peoples unless words of a poet whom President Wilson is said to know and love well are understood and applied as they never were:—

> "We'll show that we can help to frame
> A world of better stuff."

CHAPTER XXI.

FOUNDING OF THE LEAGUE: INCREDULITY AND ACHIEVEMENT IN HUMAN AFFAIRS: WHY THE LEAGUE WAS IMPOSSIBLE: HOW IT HAS BECOME PRACTICABLE AND NECESSARY: THE ALTERNATIVES ELIMINATED: ECONOMIC PARTNERSHIP THE MORE VITAL IMPULSE TO WORLD-UNION: INTERNATIONALISM PROFOUNDLY DISTINGUISHED FROM SUPER-NATIONALISM: MANY PATRIOTISMS AND STRONGER HARMONY: THE PEACE CONGRESS AND THE TRUE FOUNDATIONS: DANGERS AND REMEDIES: NO WORLD-PEACE WILL LAST WITHOUT WORLD-PARTNERSHIP: THE STATESMEN AND THE ISSUE: A TURNING-POINT OF TIME.

We are at the beginnings of World-Union, and they are already ceasing to excite wonder. This is only to say that all laying of foundations is dull for those to whom the design is unknown. The work will not stay where this Peace Congress will leave it. Its progress and vicissitudes may well resemble those of many cathedrals of the Middle Ages and the Renaissance, built up through successive generations. Each generation worked in its own details. Building went on steadily, or with slowness and pauses according to veering circumstances. Funds flowed in scantily or fast, as the faith of a period was warm or cold. Sometimes fire brought down part of the structure or the vault collapsed. Bearing traces of all the changing minds and hands which

had laboured on it, the work, though seldom perfected, was often completed substantially on the original plan. This is an analogy helping us to conceive what we are about when even the first stones of the foundations are only assembled but not laid; while yet the dream of a League of Nations is in some shape coming true.

The history of signal invention and achievement is likewise, as we know, a history of human incredulity before the great things were done. That the record is littered with premature and seemingly hopeless attempts at purposes which in the end proved quite sane is equally true. But it is far from being equally important. The adventurous and constructive spirit of white civilisation is in its nature indomitable. Interrupted by breakdowns and catastrophes, it is always heightening the moral aim and enlarging the practical endeavour. The significance of its false starts, misses, and failures by the way is as nothing at all beside the endless instances of its persevering imagination and final creating.

It requires little or no ability to see the difficulties in the path of any epoch-making attempt. By many the obstacles are always thought to be insuperable up to the very moment when they are overcome. Every curious student of progress, both in science and politics, is familiar with the lively arts of caricature showing how absurd, impossible, were the coming triumphs of discovery and design. It sounded insane at first for men to be told that the world was round when it was evidently flat; that it moved round the sun when the contrary was plainly the case; that people in different countries might exchange thoughts and even voices through miles of wire; that ships of iron could be made to swim like Elisha's axe; that heavier-than-air machines could be made to fly like birds. All these propositions in turn were as the tale told by an idiot. In the moods and the tenses—with all the inexhaustible ingenuity of sharp wiseacres in

barren and negative remarks—it was said that these things could not and would not be done; but they could be and they were.

I.

It is so with the League of Nations. It was a vision and it is going to be substance, even though a series of Peace Congresses following the foundation-assembly at Paris will be wanted to bring it to anything like a full development. If the statesmen now meeting failed by any chance, at the last moment, to give it an effective being, it would be taken up and established at no such distant date by other statesmen. For the widest and deepest of human movements and the world's necessity are behind it.

By all means, when once honest and sound beginnings have been made, let us be patient in progress so that we may be steady in improvement. Let us test the solidity of the work at every stage. Let us add to it to meet definite needs, neither doing the least we can nor being led—whether by fancy for grandiose externals, or by a mania for unnecessary organisation—to forget the thorough adjustment of means to purpose. This cause by its nature is not only of to-day and to-morrow, but a continuing cause. If need be, it might well come to mark the dividing-line between political parties in many countries simultaneously. I do not doubt at all that it will be built up steadily, like St. Peter's, with the boldness of the ultimate design kept well in mind; even though, in the same way, several generations may be required to complete any structure of World Government which would correspond to Bramante's famous symbol for Church Government over many nations—hoisting the dome of the Pantheon on Constantine's basilica.

The League of Nations is going to be a rising reality in some shape, for three reasons. They are new. They are so urgently practical as entirely to supersede the former vague idealism of pacifists, who would not recognise that the old state of the world was untenable—that war had to pull down rotten State-structures, and the fortresses of militarist ascendencies, and to clear sites in all directions before the building of any better international order could be attempted.

What are the three reasons which make feasible and compulsory after the war what was impossible before it?

First.—Many racial and national boundaries are to be redrawn—thousands of miles of them, from Belgium and Alsace-Lorraine to Armenia and Arabia. They are to be redrawn and guaranteed in tolerable accordance with political justice. The greatest interest of mankind now is peace, even where it was not so before—in the well-known danger-areas of former international problems. But the new circumstances none the less are such that without some wider system than yet tried of common responsibility and management amongst nations, chaos might easily return. "When *laissez-faire* becomes impossible," said our noted engineer, "organisation becomes necessary." In the sphere where the external interests or policies of peoples cross each other—hitherto with friction, jostling, or collision—*laissez-faire* or drift has become impossible, and organisation has become necessary. Either we set up a wholly new system for the common management of what is of common concern to different peoples; or else the existing order of civilisation, wherever it remains stable after Armageddon, is like to crumble into international and social ruin.

Second.—The Great War has destroyed every real alternative to a League of Nations as a means to preserve the peace of the future. The only other resource suggested is that we shall confine our minds

in the twentieth century to the ideas of the Congress of Vienna; that we shall construct a new Holy Alliance, with democracies instead of despots as its supports; and that we shall then trust to the dominating effect of such a group-system. In any case, all such diplomatic structures, however solidly castellated they may seem at first, prove to be built on sand after a few decades. Statesmen this time must look further and remember always the risk after a long interval that the fortune of a next great war might reverse the last, as has so often happened. But in this case, as facts are, the suggestion of a Holy Alliance of democracies is unusually worthless, since America would not join it for a group-purpose. Yet her marked abstention would quite deprive it of group domination, and of all security and certainty. On the other hand, the security and certainty desired can be obtained, and only so, inside the League itself. The United States, as a joint guarantor of its purposes, would then hold firmly with Britain and the other Allies, and with all well-warranted friends of the Great Peace, even if they had been neutrals or enemies in the Great War. This would be an asset more precious than any which the utmost indemnities from Germany could be big enough to buy.

Third.—The League of Nations has become a world's necessity in politics just when for the very first time in history other conditions have made the proposed new system entirely practicable and workable in itself. Before the war and before America's intervention, the sufficient conditions did not exist. As was shown in the second chapter, the whole movement of the world in politics and economics was rapidly bringing nearer the possibility of the League. Few indeed realised how rapidly; or knew what was being done. Before the war many special instalments of world-government had been found essential or advisable, and agreements between Governments had set them in operation. They existed for posts,

telegraphs, cables, railways, motor traffic; for rivers like the Danube, sea-links like the Suez Canal; for agricultural intelligence; for health and epidemics; for the knowledge and classification of customs tariffs; for copyright and coinage; for dealing with slavery and liquor amongst native races; even for prohibiting the night work of white women and gain from white phosphorus. There were well over a score of official institutions and conventions to co-ordinate the common interests and work of nations. Pessimism with regard to the League is usually ignorant of the astonishing amount of work that was done, even before the war, to prepare the ground for it—even to put up hutments for it in advance of its permanent structure. All these official arrangements, and others, still semi-voluntary, like the Labour Legislation Office at Basle or the International Maritime Committee, can be straightaway incorporated or associated.

But all these latter arrangements, like the hundred treaties for arbitration before the war, and like the machinery of The Hague, were not enough for quietness amongst nations until the Great War happened and gave certain results:—

(a) Many conditions incompatible with a lasting peace were removed by the overthrow of three militarist despotisms and the emancipation of oppressed or dismembered nations for whom under former conditions liberty, not peace, was the first object.

(b) Human flight developed during the Great War so fast that it brought the world at last into a manageable compass. For all the requirements of the League there are now ready facilities which nothing before flying provided. There are, for the first time, easy means for personal consultation between statesmen at international centres; for the swift despatch of representatives to any spot in the world where trouble may threaten; for supervision, vigilance, intelligence. At the same time, for enforc-

ing the authority of the League in the last resort, air power can provide what was vitally wanted, and had been lacking—a mobile arm, indifferent to mountains and seas, able to pass above national frontiers, to go anywhere and do anything. Human flight has done as much as any single factor to make the League of Nations both workable and inevitable.

(c) The completing things were America's adhesion to the project and leadership of it. This reinforcement brought not only within possibility, but into the middle of concrete politics, the ability of a body like the Paris Congress to create the overwhelming international authority and resources required, both to prevent war and to organise a progressive modern peace-system by the development of common interests. With American action added to British, economic repression by the League, let us repeat, can be irresistible, though bloodless. Economic co-operation within the League can be made to offer more advantage to every nation under the Peace than any nation could dream of gaining by war.

In brief, before 1914 all conditions needed for creating world-government were advancing; but until now it was still a political, economic and physical impossibility. Germany, by fatal exception, still stood for the war-system. America had not yet taken her stand for a general peace-system. Means of human movement were inadequate whether for intercourse or control. To-day, in 1919, after so many factors in the world's affairs and the relations of peoples have been revolutionised, and after another technical miracle has made the whole globe as rapidly traversable as was any large country at the time of the Congress of Vienna, a universal peace-system is entirely attainable, contrivable, and strictly compulsory. A League of Nations is our sole alternative to the certainty without it of a future catastrophe of nations.

II.

At the same time the name of a League is nothing. It might be applied to a shadow or a solid; to the palest and most transitory or to the strongest and most organic combination; to internationalism by consent fully reserving the several sovereignties of the adhering States, or to real supernationalism over-ruling them. Thus we have to ask if there must be now some definite beginnings of world-government, what shape is it to take to be effectual? That is the real question. Not whether there shall be a League, but what League? To answer that question has been the theme of these pages. They have endeavoured to answer it by arguments drawn from a study, however imperfect, of the actual conditions and forces of the real life of mankind, their interests and anxieties, their hopes and their fears, their needs and their desires, their prides and their smarts.

The issue is no longer whether there shall be some central authority and means to safeguard the common life of civilisation, but whether with World-Government there shall be its indispensable complement World-Partnership.

We began by showing that it is impossible to separate the politics of the peace from its economics. All modern history enforces that truth. It is enforced by everything now happening in the world from the United States to Russia. We then saw how in the half-century before the war, electric intelligence and steam transport had transformed all former conditions of human life and intercourse, even before human flight appeared. Several great nations had lost their former self-sufficient basis. Insensibly and by degrees European industrialism by the end of the nineteenth century had become dependent on the products of other continents—on the Americas, the African tropics, India and China, the Antipodes.

The sources of life for the industrial democracies of Europe were no longer under their home control

Germany's fear that she might one day be cut off from those sources was one main psychological cause of the Great War, reinforcing other factors—an Emperor full of delusion and persistency, militarist arrogance, a long tradition of war always made to pay, the consciousness of a mighty fighting organisation. All these converged to meet in the desire not only for national security, but for limitless expansion and predominance. Germany struck to create a world-empire, sovereign in force of arms and independent as an economic sphere. This world-shattering and self-shattering attempt was only made possible by an explosive mixture of fear and of lust for acquisition and ascendency amongst the German people. The fear and lust fed each other. They were both stimulated by the conditions of industrialism without basic security which had been brought to an extreme in the generation before the war. Had it not been for that actual situation the ideas of world-policy and world-economics as they were visualised in Germany could not have been conceived. Armageddon as a world-wide struggle never could have happened.

We saw next and accordingly how the war when it came was not only an unparalleled struggle of massed armies, of naval devices, and aircraft. Corresponding to the economic causes it was an all-embracing economic conflict. It was a war of exhaustion—a struggle of total resources—involving food itself, every article of human consumption, every material of manufacture, straining to the limit civil working power, financial capacity, and every means of supply.

For these very reasons, out of the midst of war there arose the working model of the League of Nations. It was an economic model, well-framed and well-tested, under the stress of circumstance, to suggest the true method of the future.

It was the foreshadowing of World-Partnership.

When America joined the Allies the economic balance was decisively turned by a wholly new system of international operations.

This system included the Maritime Transport Council with its various sections; the Food Council, the Munitions Council, the Council on War Purchases and Finance; the score of Programme Committees each dealing with a main commodity or closely-related group of commodities. We have studied with some fullness the running of this machinery. It was of world-wide range for purchase, transport, supply, and distribution. Without it the war could not have been won. There could have been no fighting victory without the economic victory. Had the struggle continued this organisation would almost certainly have been perfected by the creation of a General Economic Board at the top. A Raw Materials Council would have been added on the middle-level parallel with the Transport Council, Food Council, Munitions Council, and a remodelled Financial Council. Below, again, the many Programme Committees, a full score of them, would have formed the wide base of this pyramid-like structure.

When the Armistice was signed this working model of a League of Nations was in full swing. The system had just played its part in extreme emergency by subordinating all other requirements to the business of rushing American troops across the Atlantic for Marshal Foch's defensive and offensive. This had been done by swift readaptation without endangering the subsistence of the Allied civilian masses. All these results threw a flood of new light upon the practicable possibilities of solving the economic part of the problem of lasting peace. They were as fertile in suggestion for permanent World-Union as their operation had been invaluable and saving for war.

After the Armistice came the next matter with which this volume has dealt in consecutive chapters—that troubled phase of Transition which is still with us and may prolong itself in some aspects for a long time before we reach any general state of peace that can be called normal. As yet this phase is as abnormal as the war itself and requires efforts as excep-

tional. Its mass of social, industrial, racial problems cannot be too carefully studied. If the seeds of new wars are not to be sown now and what we call a peace-system is not to be marked at birth for fatality, we must do two things. We must break away from commonplace in our ideas of what must be done to give a rational chance of creating a less dislocated and bloodstained order amongst human societies. Strictly must we put from us every blind tendency to abuse victory by an impure mixture of fear and lust like that which brought Germany to her fall.

The economic problems of the transition cannot be safely grappled with except by continued international partnership in supply, transport, distribution, and finance for some period hard to determine, but which seems unlikely to be less than twelve months. For the transition, America and the Allies are still an inner League of Nations and nothing else. The new Supreme Economic Council in Paris, which at first had Mr. Hoover at its head, with men like Lord Reading and Sir John Beale as the British representatives, is directing the relief of over two hundred millions of people in the distressed and disturbed belt —including enemy countries as well as many liberated regions—from Flanders to the Levant. This unified administration for Supply and Relief is, again, an organ of an inner League of Nations, and it is nothing else. In enemy countries, just as in the rest, we have to choose with unexpected abruptness between Bolshevism and succour. It is an obligation of honour to assist in rebuilding the ruined or dislocated industries of Belgium, France and Italy, of Poland, Bohemia, and the rest. These are the causes making compulsory a large continuance of economic co-operation in the transition after war.

III.

But from this high point of history, as from a watch-tower, if we care for peace after our day, far indeed

must we look past the transition. The statesmen at Paris have to look to the end of this generation and beyond it. They have to remember that every previous treaty of settlement has made more wars inevitable, either by sowing dragons' teeth anew or leaving them in the soil. This time something better has to be attempted. Temporary security and dominance—supposed to be guaranteed for a few years at least by a Holy Alliance of democracies without America—would not be a solution.

The original Holy Alliance, at the Congress of Vienna and after, was a far stronger thing relatively than is the victorious Coalition of to-day. Whether the proceedings of the Paris Congress are good or bad they are so far without the sanction of 250,000,000 of white people in Central Europe and in Russia. Let us reflect well how much room this leaves for displacements. They will occur unless we are well guided. No system of penalties can preserve the Great Peace. Nothing but inducements can maintain it in the long run.

We must all shake off the tendency to be hypnotised and engrossed by the overpowering impressions of recent events or by the welter of the present spectacle. We must get back to proportion in our reflections on the further past and the further future. We must keep the historic sense, remembering how large are the changes made in international affairs even by every twenty years. When we address ourselves in earnest to working out a peace-system we have to take it as almost a mathematical certainty that great factors, now either eliminated for the time from the list of responsible Powers or abnormally depressed, will recover to an extent profoundly modifying those momentary conditions, which give almost absolute political supremacy to the Coalition victorious in the war.

The Russians will again be a coherent people. The Germans will still more certainly be again a great people, for there are as many lessons in their history,

as in any history, to tell them how to rise from political and social disaster. Let the indemnities be stern and competently estimated as to what amount can be levied with the presumption of its being payable and without defeating a larger object; but let the indemnities be compatible with the "willing peace" of some years hence and not incompatible with it. These are the contingencies which statesmen planning a lasting peace-system must bear well in mind.

They have equally to recollect that whatever else happens Labour movements will grow everywhere, and their future will be largely international. As to this, we must not allow ourselves to be deceived by what we may call intensely temporary circumstances like the Unionist majority in the recent British General Elections or the strength of M. Clemenceau's personal régime in France. Strong eddies and swirls must not induce us to mistake the main trend of the time, whether we like it or like it not.

Let us, then, go over the sketch and ink in more strongly, as it were, the reasons which are bringing about the introduction of World-Government with relative ease, but dictate also the more novel and potent departure in the direction of economic partnership between nations.

The old diplomacy was little altered in spirit and method from the days of Louis XIV. up to the Treaty of Berlin—or perhaps not much even up to the conferences on the Balkan wars of 1912 and 1913. Its foundations have now disappeared. A system more coherent, consecutive, and broader far must be adapted to international affairs in the new age. There can be no escape from the spirit of the League of Nations; none from the necessity of creating a real organism to which must belong all considerable civilised peoples, represented in some proportion to their size, none otherwise being superior or inferior amongst them. That is the only way if we are not botching the Europe of the moment—dealing with

it on the principle of patching up one part of its old garments with cloth taken from some other part left more tattered. The real League of Nations offers the sole method which can give a reasonable chance of success, if we wish a peace-system to last even for one generation. Otherwise, it is certain that wars will return—wars of a very different character from those of the past, but more swiftly and hideously destructive of the centres of civilisation. For as our own and America's example has shown, fighting-power can be improvised, no matter how much standing armaments may be reduced. To abolish the ready apparatus of war altogether would be insufficient. It might be nought without a deeper attempt to eradicate war-motives and to substitute full peace-inducements.

The League then must not only be created in form. It would be a snare as well as a delusion unless some vital principle of power and creativeness were breathed into it from its beginnings. It will not be nearly enough for it to be capable of some considerable provision for a safer future. It must be constituted and equipped to create by its own action a far better future. Nothing is more feasible with the economic means for transport and development existing to-day. It must be not a conglomerate of nations but a community of nations.

What must be done for that purpose we saw in a series of chapters. A living League, capable of organising the constructive peace of mutual service, cannot be that one-sided system which jurists and politicians have as a rule imagined—somewhat artificially fraternal, highly legal, elaborately persuasive, occasionally coercive. It must be two-sided. For the diplomatic and judicial purposes which are essential let it be as effective as it can be made. But as much or more must it be economic. It must have not only those constitutional forms and functions to which so much thought has been devoted, but those quite different institutions to which little public heed has been given

—the more original and energising bodies for common management and improvement of practical interests.

These have not to be invented. In the Inter-Allied Boards they are there and have been proved. Like all the strongest faculties of human government, they grew out of necessity. With an unprecedented kind of experience in purchase, transport and allocation; with an unrivalled knowledge of the resources of all the continents, and thus of the inter-play of national demands and needs in proportion to world-supplies —they are there. They are as ready to be taken over by the League of Nations as is the Postal Union or the Institute of Agriculture, or the Danube Commission which can now be enlarged with as much gain to other reaches of that river as there has been on the lowermost section. This Inter-Allied organisation was formed to combine the resources and adjust the needs of what is now and as yet the Inner League of Nations. It was created in crisis. So were representative institutions themselves and so have they developed. Parliamentary Government rose out of entirely practical emergencies just as its executive and legislative machines have been altered and extended to meet the immediate pressure of new needs or to prevent recurrence of dangers which had been quelled. Between a number of nations under extreme difficulty full mutual service was proved possible in war. Upon a larger, and yet, as it were, more moderate, scale the same means can be adapted to harmonise for all nations the very interests which have caused the most rankling and corroding animosities. The Working Model has forwarded ideas on the possibilities of international partnership in world-trade, world-traffic and world-development as much as a hundred years might not have done without the education gained under pressure of the German submarine campaign

IV.

As between the political and economic sides of a League of Nations, let me stress the radical distinction. The political part is designed more or less to adjust differences of interest. Nothing but the economic system can promote all round a community of interest. That is why World-Partnership is the hope of a permanent solution because the only means of bringing nations into a true system of mutual service. Wars arise by degrees out of antagonisms of feeling and of striving in daily affairs. A good peace-system must act on those daily affairs with a reconciling and prospering effect.

In the greater business of mankind, as in private enterprise, co-operation is the proper substitute for conflict. There would be marked limits to what could be done by the political-juridical side of the League, with its periodical Congresses, its Executive and permanent Secretariat, its General Council, High Court, its distinguished tribunals of Conciliation for the graver issues. These—except when discussing at large—could only deal with divergencies, with minor and major disputes, with irritant differences, or with more alarming dangers threatening to come to a head. The economic institutions—though, as has been remarked, they would no more work with perfect smoothness than science can conceive a frictionless machine—would be acting always and every day with an inter-knitting and profit-sharing effect for the common advantage. The political-juridical side of the League could only deal with the intermittent things, with disagreements and crises. The economic system could act on the normal and continuous things. It could work on the ordinary life of the world. It could mould its substantial matters into a more harmonious whole in a way that would do more than anything else to eliminate the disagreements and avert the crises.

The political and juridical purposes conceived as safeguards against renewed outbreaks of human

killing are in a sense negative. The economic institutions by comparison would be positive. They would be working always to draw nations closer together for the common handling of the largest matters concerning the livelihood of peoples, their progress in means and enterprise, their desire for scope in the world. The political-juridical apparatus of the League would do much to dissipate or repress the old tendencies of the war-habit. The full partnership of the economic system can organise thoroughly the peace-habit and nothing else can do it. Practical world-partnership would supersede war altogether by new means of promoting the wealth and welfare of nations—especially of industrial democracies—to their plain and universal advantage.

Nations are composed of men and women, not statistical abstractions, but creatures of flesh and blood. Their habitual conceptions in international as in domestic politics are all bent towards security and betterment. The League of Nations would be futile if it were a league of anti-war ideas only. It must rather be devised to make peace better worth having for the mass of mankind than peace was ever yet. It must be a real league of interests, for helping on the common life of the world. Without economic help, for instance, Russia cannot be restored in the manner required to make any peace-system certain or safe. Nothing but this practical idealism can hope to solve the German peace-problem on peaceable terms. For years the economic system will be required to steady the existence of the New States and to assure their progress so as to make each of them in time an effective unit within the League of Nations and a solid additional asset for the maintenance of peace.

Again, the political-juridical institutions—as more narrowly conceived for anti-war purposes—could do nothing to keep the growing international labour movement within legal courses by the advancement of beneficial legislation. Accordingly those institu-

tions could do nothing to counteract that Bolshevist flame of revolt which for aught we know may be the greatest danger of the future, both to social-peace and world-peace.

The economic institutions, then, can give inmost meaning to the idea of world-union. They can make it an organic instead of a mechanical system. They can give it a cohesive and progressive force which it could never possess without them. They can vitalise it through and through. But also, in emergency arising, economic action by the boycott can be, as a rule, more penetrating in coerciveness than arms. Its machinery could provide at need a repressive force, not murderous, yet more searching than armaments, and sooner set in motion. The alternative of economic pressure would promote the reduction of armaments and ultimately might quite supersede them. Tariff abatements and all reciprocal concessions in commerce would be forwarded by means incorporated into the same system so as to secure what we have called a better adjustment of trade policy to peace policy.

Finally, it has been shown that the British Commonwealth and the United States together have it wholly in their power to establish this new way of world-policy, and the creative system of lasting peace. With the joint leadership of the two English-speaking Powers, working in concert and friendship to use their immense predominance in inter-continental trade and transport as a restraining and organising influence, everything can be done. Without that nothing can be done. Every consideration bearing on safeguards against war, on inducements to cherish peace, on the future development of the world's resources and communications, invites American and British statesmanship to inaugurate the new way of working at this dawning of a new age. When storm-clouds are still broad across the light there is infinite virtue in the vigour of hope, but none in its indolence.

V.

There are some objections and misapprehensions to be answered both as to the spirit and the organism of world-partnership. It is said that the project of a League of Nations is visionary and vain. On the contrary, as conceived in these pages, it is a concrete and operative plan for dealing with real national difficulties which men have hitherto endeavoured to solve or mitigate by armed attack. To those who think of war traditionally in terms of brave scene-painting rather than of death and mutilation, and blood and filth, and the woe of women and desolation of those who have no tears, there can be no reply. After Armageddon these vicarious stoics can only be regarded as a strange or fortunate species. For the rest of mankind it is enough to say of world-union that there is no vestige of an alternative offering the likelihood that a peace-system will endure.

But it is said again that the organisation of peace by these means will be the same thing as the promotion of Socialism. On the same argument, you ought to dissolve the Postal Union, and abrogate the international convention prohibiting commercial profit from the use of white phosphorus in the manufacture of matches. Socialism has nothing to do with the constructive system for enduring peace urged in these pages. But it is certain that there would be more Socialism without it. If the Socialists were allowed to be the sole advocates of a new system of international sanity and of a living League of Nations, they could desire nothing better for their parties in all countries whatever might become of the world.

There is another objection, however, and of a very different kind. It is concerned with one of the greatest issues of principle and feeling that can be raised.

This misconception about what might be involved in a League of Nations—but is not—has had wide

influence on many minds whose motives are entirely to be respected. We must sympathise profoundly with their solicitude, and must show that their fears are baseless. They have been jarred and repelled to the inmost fibre by writings advocating World-Government in a spirit of perverse hostility to nationalism and patriotism. Anti-nationalism is devoid of true vision and of the real constructive sense. It does not understand that marked character is as interesting in a nation as in an individual, and that national variations enrich the human texture.

Some cosmopolitans have made themselves the acrid apostles of a fixed idea. They have been led during the war into explaining away all plain differences between right and wrong.

They do not conceive how the roots of a people are nourished in its soil. We shall eliminate no doubt a great deal of wrong patriotism. We have no more need to get rid of right patriotism than of poetry, for instance, which, when "overheard," expresses all the inwardness of a people and its language. Poetry is one of the things difficult to imagine as a standardised world-product. Nations must still have their own larger traits as well as their own little intimacies. In politics each folk must have some things, and a great many, peculiar to themselves. To want to abolish the various personalities of nations is like itching to cut down all the trees in countries to make their landscapes look more alike. But you will as soon alter the landscape and the climate as the difference of human types they breed. You can no more have standardised politics under cosmopolitanism than you can have standardised vegetation.

No League of Peace in itself will make the least impression on that indefinable and wonderful thing, the corporate personality of a nation or of a race. A people will still have tendencies of assertion or resistance which have to be adjusted to similar tendencies of its neighbours. This will always make the sphere

of common policy liable to become one of cross-policy; and will prevent international relations from ever becoming a tame and easy medium. It would not be that if there were a universal reign of international Socialism. Assemblies for World-Government, then, would be no more unanimous and unruffled than are present polyglot conferences.

There is yet more than this to say about the deepest misunderstanding, which must be removed if the League of Nations is to flourish. Great nations will continue not only in their idiosyncrasies but in their strengths. Patriotism and nationalism never were more vital than they are in the world to-day. They have been re-consecrated by the war. They have been chastened and purified by it, despite all that vulgarising effervescence of the moment which amongst the Allies leads many who supported the war to doubt whether any innate moral good has come out of it. Nowhere are nationalism and patriotism stronger than in the United States. Nowhere has the general ideal of the League of Nations been more ardently advocated. Nowhere is there a more stubborn refusal to be too much fettered by it or to hand over self-determination to it.

To advocate in any anti-national or anti-patriotic spirit the project of World-Government is the only way of keeping it back. The cosmopolitans who take this line make a capital error in reason as in method. In face of contrasted types of families of men, in plain view of differences which to a large extent are as wholesome as vivid and ineradicable, the cosmopolitans uselessly urge an exaggerated uniformity. There is wide scope for increased uniformity in matters like scientific terminology and measurements. To extend the principle too much would be like urging that all good statues ought to have the similarity of bricks. No argument can be drawn from things of definition and measurement in favour of more monotony as regards human types and manners

and the corresponding varieties of political institutions. A time might come when all men would bless the convenience of a universal railway guide, the same in all countries. But that would be no argument for persuading the English-speaking race to discard the authorised version in favour of a translation into Volapük or Esperanto, equally intelligible to all peoples, under a World-Government given over to a mania for standardisation.

What is wanted for a League of Nations is not political uniformity but more unity, which is another thing; and not monotony but harmony, which is the opposite thing.

It is not possible for those who desire the progress of the right cause to lay too much stress on this distinction. Internationalism and super-nationalism are usually confused. They are totally different. Super-nationalism aims at the creation of a super-sovereignty wielding powers of Central Government, as the executive agency of a Federation of the World, and reducing nations gradually to a provincial status by comparison with their present degree of free-will for good and evil. In this sense super-nationalism is almost infinitely premature in relation to any practical task which the present Peace Congress can attempt. It is irrelevant to any likely means for many years to come of enlarging and improving the new method through the working of the League.

True internationalism is another thing. It aims not at superseding the sovereignty of States, but at combining them for willing action in ways which none the less for being voluntary would become habitual and established. International partnership is regarded in these pages as the one real alternative to international pogroms with an increasing range of slaughter. Let us keep what has been best in the past to which even Armageddon and our part in it now belong. Much in it was found good enough to die for. The methods of freedom born and nourished from

strength to strength in England, long before they were known or could live elsewhere, are now far more than ever widely extended throughout the world. So much has been worth while.

But unless we are the more resolute to break clean away from what was worst in the immediate past of civilisation as a whole, and to make the great departure from all former examples of peace-politics between nations, it is as sure as gravitation that those nations within the usual term—probably in rather less than the relatively long periods which since 1815 we have come to think of as the normal intervals between wars—will be again ready to tear each other limb from limb. No abstract principles will restrain it. No moral sentiments will prevent it. In vain for this purpose has Christianity been urging those sentiments for a thousand years. No compulsory methods of a League could in the long run avoid the return of a world's tragedy, though those methods might well postpone it. If within the League there is in effect, however well disguised, forced conformity to arrangements hated more and more by any large part of it, the repressed group will bide its time and find its occasion. On such terms the control of a dominant group would only invite the peril sooner or later. Nothing can remove it away for ever from us but wholly new means—other than the familiar devices of Cabinets and Conferences and Courts—for bringing about free association and creative service between peoples and races keeping all their character and virility.

That is why world-partnership, both economic and political, as we here conceive it, aims, above all, at means for normal working agreement rather than at means for intermittent compulsion. Just as the beginning of World-Government can only be created by consent of the chief Powers at present responsible, so it can only be developed by the increasing consent of other nations and their participation by choice.

This is just what makes the economic method by far the most likely mode of progress—and probably the only one—towards the extinction of war by an incomparably more vigorous and productive use of peace in the general interest of nations than has ever yet been made or approached. It is not super-nationalism that is needed, but the sane, energetic combination of national energies, in spite of national differences, for the increasing and endless purposes which are common and not opposed. This synthesis for production and not destruction can make the progress of peoples, under World-Government by consent, somewhat like the development of music—turning even reasonable discords more and more to account—and can strengthen every people in its own character to give more depth and colour to an orchestral harmony of mankind. The more each instrument is perfected in its own quality the better they are all blended.

VI.

We come now to the Peace Congress itself and to the concrete factors making as yet partly for enduring peace, partly for enduring war. By its manner of handling those factors the Congress may determine all. It will shape our ends rough-hew them as we will whether it does this in the spirit of divinity or of something too far below. The nations represented at Paris are assembled but not yet combined. They are in their separate characters, and it may be doubted whether variety of types and traits was ever marked with a sharper significance. The gathering, for the founding of the League, is itself the living evidence that if internationalism proper is essential and compulsory after Armageddon, super-nationalism never was less possible. Between two phases of the work there is a pause or interval for the thought and conclusions which will settle the final result after weeks of close discussion.

We must consider what is the nature of the Paris Congress, how far it is likely to go in the intention to secure the peace, and to what extent it may miss the real means to attain its greatest end. This gathering represents more or less effectively about four-fifths of mankind. Though its titles are not complete it has more right than any Congress preceding to set its hand to the reshaping more or less of civilised and other destinies. To the popular mind everywhere it seems disappointingly dull in external effect. This is because its work is infinitely intricate and must seem obscure when an almost unprecedented amount of private negotiation has to be done before open diplomacy can be inaugurated. But at this stage it is not without its moral splendour, to which a later time will do justice, if the sequel does not turn to irony.

There are things in it to warm the faith of men who usually guard themselves from believing too much. Poland enters European diplomacy again as a nation risen from the grave, though not from the dead. The Czecho-Slovak Republic and the South Slavs are resurrected from a longer burial. Japan and China appear for the Far East. India has a voice. The Emir Feisul appeared to recall the shining Arabic era of Islam. The countries of both the Americas are represented. France is triumphant as she had not been for over a hundred years, and her frontier is back to the Rhine. Italian unity is wholly and entirely achieved for the first time since what remained of the Roman Empire in the West disappeared in the Dark Ages. Britain, of all her fights, has fought by far the greatest, and her self-governing Dominions are with her at the Council Table as in war—another fact which would hardly have been credited a decade ago by the boldest of dreamers if prophecy had foretold. A President of the United States holds in these scenes the power of a Richelieu, but in another temper. His spirit, communicating itself to America, and British sea-power and statesmanship together,

have made the League of Nations possible; and the Governments of the two English-speaking peoples have joined to create it in some form. All this is more astonishing no doubt than the Congress of Vienna.

Thus far the work has been not unworthy of the purpose and the time. Some main conditions of a League of Nations are established, subject always to the approval of the American Senate, which is itself likely to be subject to the sense of the American people. If the latter condition is favourable, the decorous Hotel Crillon will have been one of the most remarkable birthplaces since the Garden of Eden.

There is proclaimed a League of Nations more or less corresponding in its political constitution to the system outlined in the chapter we have devoted to that aspect. There are, no doubt, broad differences in detail. But the League is designed to have its permanent departments for political affairs, its executive, judicial and mediating functions, and its larger deliberative authority. These will have the equivalent of legislative weight as well as direct administrative influence. It is not our purpose to discuss these institutions or to go over the ground we have already covered. From the nature of the case we may expect further provisions in principle for the reduction of national armaments as circumstances permit, and arrangements for the timely organisation, and use in emergency, of international armaments. On secondary issues of the definite kind we examined in their place, resort to the High Court of Arbitration—as we know—will be compulsory and its verdict final. Refusal to conform either to the procedure or the verdict would mean international outlawry denounced against the offender. On the larger and more general issues which have hitherto been the cause of the greater wars, it is also declared that resort to the Executive or deliberative Councils of the League will also be an obligation on pain of international outlawry. Though the recommendations of these latter tribunals may not

always carry peremptory effect or even absolutely forbid hostilities—and the broad opening left for renewed war is a chief blot on the scheme—at least the inquiries will be very long, and meanwhile there can be no war without criminal breach of the laws of the League of Nations. Thus, obstacles, embarrassments, delaying devices are arrayed against any future outbreak of the more limited kinds of war. Worse wars could only occur if disruption of the League of Nations led to Armageddon again.

It cannot be denied that this scheme would have its high uses. But it would not be equal to the greatness of the purpose in hand or commensurate with the practical circumstances surrounding that purpose. It does not base itself on the single commandment "There shall be no War."

Next, the inadequacies of this, as of any political-juridical scheme, are two. First, it depends too much upon deterrents from war, whereas we have seen throughout that nothing can be sufficient to strengthen World-Union and reasonably ensure it in the long run but the organisation of full inducements to peace. Secondly, the scheme provides no means to bring about and maintain the inherently safer condition of a world, at least as full as it has ever been of doubts and dangers which no purely political and judicial treatment can ever remove. It would be blind or uncomprehending not to perceive this or not to reckon with it gravely.

To have the water-supply, the trained brigade and the fire-engines is well. Not to have the fire is better. It was the commonplace of international affairs before the war that a spark might start a conflagration amidst conditions which feed it, if once it breaks out. That is why towns of wooden houses are apt to be burned down, though their municipal government may be excellent. The League of Nations in what may be called its Constitutional aspect may be likened to an admirable bettering of municipal government, in such

circumstances, with stricter bye-laws against criminal or careless incendiaries, and with a police reorganised to be more vigilant in this connection. These re-arrangements have been dictated by a fire of unprecedented extent which laid waste whole quarters. But too much rebuilding with the old material is designed. Europe for its reconstruction needs change of methods as marked as change from dwellings and streets of timber to those of brick and stone. Otherwise it would be left too like a town of wooden houses, largely occupied at the same time in the manufacture of matches. There are still many combustible possibilities and whole vistas of inflammable stuff. Every effort must be made to remove these by means which the political, the mediating, and the judicial institutions of the League cannot apply.

Few will think that we have pressed this metaphor too far, if they look abroad on the international situation as a whole, and their outlook does not pause at the Rhine. Russia, one-sixth of the earth, is even yet in a flame of strife, and more than the Prinkipo policy will be required if there is to be pacification, or if perhaps worse consequences than we have seen are not to come. The German race, and two small but tough races not far removed, are outside the discussions for re-shaping their own future as well as the world's. The New States in Eastern Europe have yet to create the elementary conditions of internal and external stability. Their primary communications by rail and water have yet to be restored on all sides. They will need to be supported for some years to come if they are to be made to stand firmly on their own basis. To give the support will be well worth while for establishing the natural equipoise of peace. Otherwise, in spite of all the deliberations, tribunals and forces of the League, collapses might ensue in Eastern Europe, or confusion might return of itself or chaos come again. All these alone are conditions of wide hazard and uncertainty.

To these add that the social atmosphere of all industrial civilisation is full of electric disturbance. There is more or less Bolshevism, or the potentiality of it, not only throughout Europe but as far as New York and Chicago, Buenos Ayres, Johannesburg. All incitement and uncertainty such as exist in connection with the Russian and the German situations send an impulse through the universal air; and increase unrest amongst distant men who hardly know why they are moved. Add to this that the European belligerents, one and all, Allies and late enemies, are left, loaded with war-debts, domestic and foreign. Germany has yet no foreign debt, but even the lowest indemnity will impose a large one on her in her turn. These war-debts are not only clogging to all trade and industry, but are hindering to all the reforms or undertakings everywhere demanded by democracies.

VII.

With as much clearness and measured truth as we can get into it, we must now sum up the issues which civilisation has to decide either in those concluding transactions of the Paris Congress which are now impending or in the stage which must immediately succeed—the first deliberations of the League of Nations itself. Those issues still leave wavering in the balance the alternatives of settled peace and probable war—and war perhaps at a date not so remote as is commonly supposed. Nor has reasonable contrivance yet done, nor even foreshadowed, what might turn those momentous scales on the saving hand. We must try to show this in such a way that those who may not be won over to the explicit contention of these pages will yet recognise the reasons for thinking out some further policy of their own if international cohesion and its inseparable condition of social progress are henceforward to be their aim. Thus we have to define the specific dangers so far permitted to survive or even

encouraged to arise. And by contrast with these we have to show with equal definition what are the moral and constructive needs still unfulfilled and unmet.

The Paris Congress has done or projected in some ways more than had been looked for. To do so much, manifold and trying difficulties had to be surmounted. The credit is not mean which belongs already to the statesmen and their advisers. Yet no false eulogies can veil what is conspicuously inadequate. By one kind of comparison with what had been feared, and after the Armistice seemed not unlikely, that which has been now gained is marked and considerable indeed. Instead there might have been a few vague forms amounting to nothing as respects tangible and assured betterment of what has been hapless and fatal in the world's conditions. But by the right comparison with the magnitude of the calamities we have passed through and with the greatest task and duty that could bring the statesmanship of many nations into counsel, the work undoubtedly comes short at the present point and falls below. There are opportunities to amend it in the final proceedings of the Paris Congress itself. Every moral of the diplomatic past should induce this assembled statesmanship, and especially that of America and Britain, to extend and strengthen what has been wrought. In all circumstances, as has been said, there never was any danger that the Paris Congress would do too much for its object of lasting peace but only that it would do too little. All previous Congresses, as we know well, did too little towards extirpating obvious war-causes in their day. Yet even at Vienna, over a century ago, diplomacy addressed itself to the cause of settled peace not only with more sincerity than it is the custom to acknowledge, but with more freshness of mind both in political and economic measures, relatively to the ideas of that epoch. Since then the advance in thought and in corresponding means of action has been immeasurable. Infinitely more do we know the need of

lacerated humanity and its wasted earth; infinitely increased since 1815 are our powers of movement and association.

Judged by these standards the work of the Paris Congress is not yet either firm or comprehensive enough and does not bear the stamp of constructive greatness. Simplicity and lucidity of design are eminent merits. They are in themselves no sufficient substitute for the largeness and decision which a conception like perpetual peace suggests and its working requirements advise. Progress on lines of least resistance has accommodated many preliminary differences, but this again is not sufficient if plain hazards remain untouched while neither the moral nor material forces which would dispel them are aroused.

In the era of democracies and publication, popular support must be interested and sustained if World-Government is to have behind it an influence evidently more important than any form or function whatever which the system itself may embody. In the besetting dread of doing too much, and in the apparent desire for institutions of an official type with names ponderous yet dowdy, there is a real risk of making the League dull. On the whole, that is about the worst error that could well be committed. Reaction would appear as so often in other connections more intelligible, picturesque and stirring.

It is yet more urgent to realise that the tap-roots of future war are left alive in the ground.

(1) That is obviously the case with Russia regarded separately, where, on the one hand, Bolshevism—believing in the uttermost use of force within and without for the purposes of the class-conflict—exists to encourage a universal sequence of sympathetic revolts and overturns; while, on the other hand, the anti-Bolshevists, devoted as one man to the ideal of a united and mighty Russia, whatever else may divide them, are filled with bitterness against America and the Allies.

(2) At the same time, and what is more serious, the German problem, under the League of Nations as so far proposed, would be left in a worse shape than was the French problem after 1871. It is idle to nurse delusions in this respect. We have only to remember what began to happen within ten short years after the evacuation of the soil of the Third Republic on full payment of the five milliards. France, in a way not now open to Germany, could at least find compensation of a remarkable kind—benevolently or cynically encouraged by Bismarck himself—which helped to postpone Armageddon. If Alsace-Lorraine was lost, not to be regained for nearly fifty years, France could at least build up the largest colonial dominion on the African Continent. Tunis was annexed in 1882, the first trenchant act of national revival since the *débâcle*. In the twenty years after that, France annexed additional African territory to the extent of nearly 3,000,000 square miles; and, in accordance with a steady tradition, the system of preferential trade-connections followed the tricolor. It is true that a large part of this spacious area was Saharan desert—"light soil," as Lord Salisbury said. But the whole achievement was consoling and inspiring to a degree easily understood by all who remember M. Hanotaux's brilliant little book, "*L'Energie Française*." The fact remains that between 1882 and the early part of the twentieth century it was in the power of the Third Republic to build up a colonial empire to the extent of about 3,800,000 square miles for a nation of under 40,000,000 of people. The German race, numbering nearly 80,000,000, is rather more closely straitened in Central Europe itself than before the war; and, unlike France after 1871, has neither one shred of overseas possessions nor the possibility of attaining expansion in this or any other respect except by war. This position, as matters stand, is inevitable, owing partly to Germany's bad record in dealing with natives and partly to the impossibility of putting her back in

any position for organising dark armies in the manner of which she had dreamed up to within a few months of her downfall. But, however inevitable the fact, it is far in itself from conducing to the interests of lasting peace or from nourishing in Central Europe the feelings and motives favourable to that ideal.

(3) Next, and above all, we must put the German and the Russian problems together. In both cases, amongst all political schools and sections without exception, there will be universal and abiding discontent with the peace-settlement as proposed—that is, with the fundamental arrangements which the League of Nations is established to preserve. We have therefore strong influences—left wholly uncorrected by the Paris Congress as far as it has gone—making for a Russo-German combination to change the *status quo*; and this is a contingency more menacing to the best hopes of mankind than anything else is reassuring. It leaves in doubt the destinies of all Asia as well as of all Europe, and therefore all the world's.

(4) Not enough is done to enlist in connection with the League of Nations the hearty zeal and pride of the lesser States, including in that category all outside the Five Great Powers, at present supreme, and apart from Germany and Russia capable of becoming again Great Powers. The lesser States in Europe alone probably number not far short of 120,000,000 of people —even excluding the Ukraine, destined to be re-united to Russia by some tie, federal or other—while in South and Central America there may be about 70,000,000 more. All wise framers of Constitutions seek to give minorities rather more than their due weight; and though the desire of the Five Great Powers to keep control for the sake of executive success and simplicity is comprehensible and justified, it would have been well to give the lesser States, by the method of choosing representatives from a panel, a distinctly larger share of authority than they have enjoyed in the Paris proceedings. To devise in connec-

tion with the League methods for building up and strengthening the lesser States, and for forming them as far as possible into coherent groups, is an object hardly second to anything that good care for the future can contemplate.

(5) The appearance of Anglo-American emulation in naval armaments is perfectly compatible with the best relations between Britain and the United States themselves; but, however they may explain it, the example will unavoidably tend to make all other peoples keener about their fighting equipment.

A situation left to this extent, full of war-dangers and of the suggestion of war-means, cannot be regarded as answering even nearly to the world's anticipations of the Paris Congress or to the objects of its collective statesmanship. There is no encouragement yet for that new outburst of human hope and enthusiasm which ought to have accompanied the founding of the League of Nations. These feelings may yet attend it if the statesmen can shake off their tendency to follow the example of former Congresses not without merit in their day, which nevertheless did too little. If the destiny-shapers at Paris go in dread of doing too much in view of problems of this size and gravity the problems are likely to be too much for them. It would be far wiser to return to the greater inspirations of August, 1914, of April, 1917, and to the stronger ideals of the best amongst the countless dead; and to make the effort for lasting peace more worthy of the scope and reality of Armageddon itself.

This would be wise for the most obvious of all practical reasons even if the moral appeal did not in itself persuade. We have only to look at the state of the social question amongst even the western democracies including our own. It is no mere matter of bargaining about wages, hours and conditions, about the future of profits and the status of labour. Over and above this there is in the hearts of the masses of many countries simultaneously, a deeper

desire than they can articulate or even themselves know for some great ideal to renew their hope in life and the world. Apart from any particular question of creed and dogma the war has left behind it, this feeling of spiritual vacancy, amongst the ordinary millions, and this loss of direction. There is no room to analyse the causes here; the enquiry would lead us aside from our present purpose. Enough to say that to the democratic masses everywhere all that is now happening seems below what they aspired to and imagined when they were called to arms. Some disillusionment could not be escaped. That is the invariable tale of human things. But disappointment and moral reaction to the extent that are threatened were avoidable and even now ought at any cost to be met by measures which would revivify popular vision and ardour again. Restore faith in the possibility of human brotherhood. Nothing less will serve. If the statesmen at the Paris Congress answered democracy's inextinguishable craving for belief by making their plan for a League of Nations broader, bolder, more evidently thorough and convincing every way—if they grappled with the issue of World-Partnership which the instinct of all mankind feels to be the real matter behind every other aspect of World-Government—they would find that they had eased their domestic difficulties and their social questions by occupying the mind of democracy with a new faith, and one that would confirm everything sound in nationality and not weaken it.

VIII.

Let us, however, pass from that to what is the biggest part of the proper business before the Paris Congress. That chief task and duty is not only to found a League of Nations, but to create even its beginnings in a way that will do most to remove war-causes instead of allowing some of their strongest roots to remain not only alive, but stimulated in the cases of

both Germany and Russia. World-Government cannot attempt to eliminate these war-causes without World-Partnership for drawing nations closer from now onward in order to enhance both their general and their respective interests by common action.

As regards the German problem nothing else hitherto suggested offers the shadow of a promise of solution. But the definite system of mutual service and security would open up a clear line of hope. It would give the strong presumption of results more likely than anything else to ensure the lasting peace. This for reasons not vague but categorical. If for this central race of 80,000,000 industrial interdependence were irrevocably accentuated as it must be, the situation can never the less be made one of interdependence without ignominy. All vital imported supplies would be practically guaranteed by the working of World-Partnership, for it would make total supplies more abundant by the various means of development we have so fully set forth. In the transitional period this system would provide a strict safeguard against the re-conversion of German industrial capacity to war-power as soon as the Associated armies were disbanded. Afterwards, German representatives would sit on all the consultative and advisory bodies, the economic Councils and Commissions. If Germany after the débâcle of 1919 could not find compensation as France found it after 1871 in creating the largest African empire, and if German representatives could not be direct mandatories or administrative agents in overseas territories for at least a considerable time to come, they would nevertheless have guaranteed an equal access to the economic resources and opportunities of the immense colonial estates of the League of Nations both in the Middle East and Middle Africa. This system would remove alike the dread of being cut off from tropical supplies and from every sphere of enterprise overseas. Further it would be the means —and the only means yet proposed—of removing an

everlasting feeling of humiliation and inferiority by comparison with all other great races and peoples. That feeling unless mitigated would be an inevitable and potent incentive to the ultimate renewal of war. World-Partnership, as we have seen, would develop on every side the freest transit for goods by international through-routes whether by rail or water or both; and from this the central race, by reason of its geographical position, would have more to gain than any other race whatever, though all would benefit. That result would not be to the detriment of anyone, but on the contrary to the general interest. Let Germany prosper in all ways not only consistent with peace but dependent on it. That country would have much to gain by peace and everything to lose by war. That is just the situation which every sane thinker on the future must desire to create.

There is yet another matter and it is of very critical bearing from the point of view of practical statesmanship. The Germans under extreme compression, with nothing to redeem the sense of national imprisonment and degradation, would be united to change that position at the first opportunity. They would be artificially compacted. Constraints and disadvantages felt to be common to all would give them a cohesion, and from that a strength, which they would not otherwise possess. It is certain that at the very least a system of World-Partnership, in addition to World-Government, would work so directly upon the ideals and interests of at least a large proportion of the German race as to divide it and create a strong party —or a strong school in each of several parties—definitely standing for maintaining and utilising to the utmost the economic advantages offered under the League of Nations. Even a division to that extent would be enough in a free and democratic Germany to frustrate movements for war and to make the peace assured. If World-Partnership could solve the German problem in this way, or in any case so mitigate

it as to take away its explosive properties, the additional reinforcement of the stability and vigour of a League of Nations would be nothing less than a decisive asset.

So much for the central problem in itself. But the gain to all the European Allies without exception would be equally great. For practical purposes they are all Germany's neighbours—either immediate or at one remove. Their chief interest is to have a settlement to which Germany is likely to be reconciled rather than one which all Germans must work to undermine and upset by means with which the League's Executive, Secretariat, and General Council could not cope, much less its High Court for the justiciable issues or its various methods of mediation for the graver. France has more to gain than any country from a settlement depending on mutual advantage and consent, rather than on a system of military precaution or latent coercion. The latter is a system bound to seem attractive at the moment to the more superficial men of action who mean to be realists and never are. It could not be permanent but sooner or later in a democratic age would be bound to loosen and crumble. There is no realism in dreams of a heavy combination to sit indefinitely on Germany's head. France has a perfectly sound distrust of World-Government by itself as a means for asserting the international legality of a *status quo* which Germany never will accept unless the political lines of the new map are supplemented by wholly new economic arrangements; but the attitude of our nearest Ally would change at once if the co-operative economics of the League of Nations were such as to make Germany a willing member of the whole system—accepting its territorial basis in consideration of its commercial and industrial advantages. No nation would be more relieved than Italy by the prospect of a firm equilibrium which it would be the interest even of the central race to maintain. In short, no country would be injured and all

would gain directly and indirectly by the method of common counsel and management for developing total resources to meet respective needs.

The New States would, of course, find their particular advantage in the improvement of all communications by international action, but in other ways their commerce would thrive better if they could state their difficulties and requirements to the Economic Councils and Committees of the League. Studying from various standpoints the conditions of the belt of liberated or enlarged nations between the Baltic and the Ægean, we have repeatedly seen it to be unlikely that they can be firmly consolidated on a free basis without systematic aid on the part of the Great Powers chiefly directing the League.

It will be said, however, that we have still to show how World-Partnership could help to solve the Russian problem. We have emphasised it as one of the two gravest war-dangers left unaffected by the Paris Congress and rather aggravated. Where is the remedy? Russia is in the Bolshevist grip, on the one hand. On the other, she is in ordinary times a chief exporter of food and raw material. Her position is not like that of Germany wholly dependent for basic supplies on the goodwill of other countries—practically on the United States, the British Commonwealth, and the South American Republics. The answer is again clear but it demands a little more discrimination. Wise policy of another kind, we have learned, is also required for an object strictly indispensable to general peace and confidence—that of bringing a free and pacified Russia into full membership of the system of the League of Nations.

If economic action here is not everything, it is vital. Just because Russia is a great exporting country in normal circumstances no internal *régime* whatever can restore welfare and progress until there is again not only a revival of production but a free flow of trade through the Baltic and the Black Sea. These waters

the Associates control. Leninism, cut off from Siberia as well as from maritime resources, feels more and more the pressure of that fact and can be made to succumb to it. Any other *régime* would have to reckon with it in the same way. To guide events steadily towards the reconstitution of a free and coherent Russia entering into the League, the Associated Powers must keep economic action under their collective control until the outcome is sure. But they must look beyond.

In any case, the future of Russia imperatively demands a great reconstruction and extension of communications to give it conditions of cohesion and prosperity corresponding to its area and natural resources. That undertaking can only be achieved with external aid, financial and technical. It ought to be grappled with by American leadership in the spirit and by the methods of World-Partnership acting through the economic organs of the League of Nations. In that case, Russia under any *régime* would be strongly and gladly bound to the League and its system. This would mean the whole difference to the outlook for civilisation and would make the guarantees for lasting peace as wide and solid as human effort can contrive.

Thus the dominating question before the Paris Congress, and not yet faced by it, can be brought to a focus in the plainest way. If the German and Russian problems are both allowed to remain as the potential war-dangers they are now, and if a definitely constructive and reconciling policy is not applied to either, it is an evident chance almost amounting to certitude, that German and Russian forces will combine—and perhaps with significant accessions—to create a power more formidable than that of the defeated Central League, and to sweep away by force all the arrangements made and projected at Paris. This would not be more surprising and improbable than the nature and results of pre-

vious wars would have seemed to the generation before the event—before the Seven Years' War, the Revolutionary and Napoleonic Wars, the Bismarckian Wars or the vaster conflict between August, 1914, and November, 1918. It is desirable indeed that both the Russian and the German problems should be solved within the full system of a League of Nations. But at least one or the other of these problems must be solved. This is the primary condition if the work of the Paris Congress is not to be inadequate, unreal and almost certain to lead in the next generation or before to a catastrophe more desolating than that from which the Nations are emerging.

At the very least it is one of those things or the other. Either through a Russian solution there must be security against any German danger; or through a German solution there must be security against any Russian danger. It is idle for statesmanship at the Paris Congress not to look this truth in the eyes if the present endeavour for lasting peace is to be serious and resolute instead of superficial, self-deceiving and calamitous. With Russia in the League, all German developments can be controlled in the interests of peace. In the same interests all Russian developments can be controlled if a New Germany receives safe scope and inducements to enter into thorough co-operation with the League. But however we examine the supreme alternative of future peace or war, we are brought to the conclusion that the work of the Paris Congress in its first phase, however creditable by comparison with a merely illusory or insincere scheme, is none the less far from equal after Armageddon to the magnitude of the need and the duty; and that the Congress must go further in its second phase unless the statesmen who compose it are to incur a responsibility graver than can be expressed.

The beginnings of World-Government as so far assured are not bold nor broad enough. Without

World-Partnership there can be no sufficient removal of war-causes, no adequate alternative to the internecine form of competition, no tolerable assurance that the peace of another generation will be preserved or that confidence will long exist in our own.

Every modern analogy like every historic lesson supports this truth. If we turn to the domestic question of industrial peace we have to confess that its economic aspect is now paramount; and that the Whitley policy of partnership and co-operation between capital and labour through a system of Joint-Councils offers the only thinkable alternative to strife. As between nations the fundamental problem is not dissimilar, and by partnership and co-operation the solution must correspond. Even the Congress of Vienna had a dim glimmering of this perception. It sat before railways and telegraphs were known, and when rivers were the main means of inland communication. But in connection with these the Vienna Congress and its Committee of Navigation were led to the declaration of great principles though practice in that day could only be limited. Both in Western and Eastern Europe as regards rivers and other waterways connecting various States, the idea of free passage exempt from transit dues, was recognised and with that a common responsibility for upkeep. A recent writer examining the subject from a historical and legal standpoint expresses well and simply the meaning of principles to which even the Congress of Vienna had felt its way. "Nations were coming to perceive—that it is to their own greatest interest for all of them to contribute to the utmost of their power towards the extension of international relations and world-traffic. . . . Among the undertakings which deserve our utmost care and attention we must surely place those which in order to bring nations together foster mutual goodwill by making it profitable to all."* To this process World-Partnership would give the largest extension.

* "International Rivers." By G. Kaeckenbeck, D.C.L. (Grotius Society Publications.)

IX.

This would be a rational system of human brotherhood and not less inspiring because translating into modern constructive terms a spiritual and imaginative ideal which has lived inextinguishably through the disasters of many centuries to become as it is now the master-force in civilised affairs. Enduring peace was beyond the power of any previous generation. To achieve it is within the power of our own. For this reason it would be the most sombre tragedy of all statesmanship if the sequel a quarter of a century or half a century hence should show that the Paris Congress had failed for lack of insight into the heart of its task and of creative energy to accomplish it. The glory of the right effort would become greater with time and would match the annals of what ordinary men by millions have dared and endured in arms. The assembled statesmanship of the Congress has only to be more worthy of them. When all the real issues of future peace or war are still to decide as has now been amply shown, this amongst all historic moments is that one when men who are playing the part of destiny-shapers for good or ill can least afford to be swayed by the common politician's besetting dread of attempting too much. Nor would it be too safe to assume that the coming years will give opportunity to repair whatever may be wanting in the work of the next few months. None the less, if World-Partnership in any real sense is not established by the Paris Congress let it at least be taken up by the League of Nations itself without delay.

For, well and fairly as in many ways is designed the Constitutional superstructure of the League and its peace-system, the weakness as yet lies, where it is least desirable, in the foundations themselves. The superstructure is buttressed and shored-up by the power of the Associates, and above all by the combined power of America

and Britain. But the last thing they can wish is that the system should depend indefinitely not upon its own sound equipoise but on their external support. The aim of Britain and America alike, with all the strength they wield, is not war but peace. They must improve the whole basis of the enterprise for which they are chiefly responsible. All thought upon the subject is brought to admit that the basis of the peace-system will remain too narrow and hazardous until Germany and Russia alike are brought fully into the system and at the same time the New States are consolidated.

Nothing but the firm and bold extension of statesmanship to economic action in the second phase of the Paris Congress can adapt the League thoroughly to its purpose—amidst that wide trouble and disturbance of the world we have surveyed—or can give the right strength and breadth to the foundations of peace.

The first phase of the Congress has been that of preparation. The second must be that of constructive or negative decision. Let us hope that the interval, short as it may be, between President Wilson's revisit to America and his return to Europe, will go far to determine in the affirmative not only one of two inseparable questions, but both. The true issue for those who believe that the sound life of a peace-system must be in its inducements far more than in its penalties, is not whether we shall have the beginnings of World-Government, but whether we shall have that and the primary organisation of World-Partnership as well. The former seems assured to the full if so much value can ever belong before the actual event to anything called moral certainty. To whatever extent the unexpected happens in politics, one thing cannot easily be thought possible. It cannot be set on the records of the United States Senate that its veto—defeating in Washington the cause which an American President had carried in Paris—forbade the greatest advance that general civilisation could

make and decreed that war should be perpetuated?

The second step from political community to economic partnership between nations would be as little in doubt if it had been as much discussed and were as well understood; and sooner or later it must follow from the first. No one can any longer conceive a modern Government in the national sphere without its Board of Trade or Ministry of Commerce, its Labour Department, its Department for Posts and Telegraphs, its Board of Agriculture. Addition to administrative organs has been most prominent on the economic side in all countries; and our new Ministry of Transport shows how the process grows. In the same way it is impossible to conceive in the twentieth century any political and judicial system of World Government which could endure without the parallel development of common institutions for the discussion, management, and promotion of the most practical concerns in the modern life of peoples.

It is true that in no case can there be avoided a certain measure of economic action which would lead in time to more. There are the pre-war institutions to be taken over. There are the admitted obligations to work out a code of civilised standards under a Labour Charter and to provide for the efficient execution of its provisions. There is a Universal Air-Convention to be included, and it must have its Central Office. There are new responsibilities to be faced for free transit—under the guarantees of the League, according to the final Treaty of Settlement, —by rivers and railways in various parts of Europe. There are the financial questions which involve consultation for years to come, and must, of course, have a close bearing on many trade questions. To illustrate how inevitably progress must come of itself on this line, we need only refer once again to the pre-war advance which is accepted even by those who still

think it will be possible not to go much further. With respect to the Postal Union and the Telegraph Union, the Railway Convention, the Institute of Agriculture, and the rest, no one whatever desires to put back the clock; and everyone acquainted with these subjects realises that common action in regard to several of them will in any case be made more complete. The Danube Commission will necessarily enlarge its membership and extend its scope. A Bosphorus and Dardanelles Commission must be added to the Suez Commission.

These are only some items out of the list of the things which the purview of the League of Nations would have to cover by the compulsion of the circumstances. But so much leaves undecided the question whether these supervisions or activities shall remain in effect scattered and sporadic, or whether they shall be part of a large co-ordinated policy of world-partnership which might be framed even now with more certainty of changing the world's future for the better than the League of Nations can otherwise hope to offer. Statesmanship by no means finds itself able to ignore some incidental economic essentials of any attempt to create a saner and safer order of international relations. But the question, in a word, is whether statesmanship will do only the minimum even for the world's convenience and not enough for permanent peace.

On the economic side every deeper view of the present and all larger care for the future ought to move President Wilson, Mr. Lloyd George, and their colleagues at the Congress to rely most on the new way of working for the organisation of the common interests of peoples. When at least they must peddle with so many matters of traffic and communications, let them do the big thing while they are about it.

A chief interest of the Associates themselves is in the widest revival of prosperity, if the expansion of trade is to enable the weight of war-debts to be borne

and to lighten them more and more. What might be done for production and supply everywhere by a common and systematic policy for the development of through-communications of all kinds we have realised in our examination of that aspect of world-partnership. All these would be inspiring as well as profitable energies of a kind to awaken amongst nations a zeal for the League and for the constructive peace-system. It would be a feeling that the more deliberative or judicial or even preventive procedure could never rouse. Reasons have been given for thinking that the Supreme Economic Council now working will probably be compelled in any case to enlarge its already far-reaching operations; and that functions meant for the transition only may have to be considerably prolonged. By permanently developing the Supreme Council and the departments proper to the work—as they have been already explained in the successive chapters upon the organised peace of common interests—the Paris Congress can crown its own endeavours for the creation of a living world-union.

X.

In the long run the alternatives which are seen acting on every hand will prevail in international affairs, and it will be one thing or the other—co-operation or competition, combination or conflict, mutual service or internecine strife. Unless to World-Government is added World-Partnership, there will be no rational provision for World-Peace. There will be no security for it but the joint power of America and Britain. That will long be needed in reserve. But if it is to remain for many years the sole effective security, the League of Nations in itself will have failed; and all will depend again upon the strength of an Alliance or Association behind it.

Were this, after Armageddon, the last word of human faith and the measure of our vigour and contrivance we would have to conclude not only that a law of final catastrophe is paramount in all things as some scientists believe, but that white civilisation, owing to some ineradicable moral defect, is near its time, as historic time is counted. We have more hope for several good reasons. The world finds itself eager on every hand for reconstruction but is delayed by ferment and uncertainty. The necessity of common efforts for a general maintenance and revival of prosperity is an overpowering interest of all nations, and must not only make itself felt very soon, but will tell more and more afterwards. To that interest the new facilities for communication open up more ready lines of action on all sides. The world to an increasing extent must be conceived as one, and even handled as one in a manner corresponding to the facts which are still so rapidly reducing all its distances.

The tradition of British and American statesmanship after war is sagacious and reconciling. It cannot intend to lose that quality when as imperatively required by the present state of nations as by any situation that has been known. If America and Britain go together they will be so strong that they can well afford what may be called a boldness of moderation. President Wilson and Mr. Lloyd George in their very different ways are both of the mind to appreciate Catharine de Medici's advice—"Now you have cut, you must sew." They both know that an adjustment between all those who were belligerents, such as has often happened, and in the end must always be sought, cannot be effected this time by special dealing with Germany, but only by making the general system such that Germany will find her full account in throwing in her lot with the Associates. The economic part of their war-organisation managed the far larger part of the resources of the whole world. It showed that the development of the

world's yield by common effort can be made to give in more abundance every need of life and industry for which nations have competed to the point of war.

If there is no possibility of universal free trade as the solution long expected by many amongst ourselves, the time is at least ripe for some general system of consultation and action for mutual progress such as has been growing up within the British Commonwealth. In this as in so many ways it has prefigured the League of Nations.

A famous economist has endeavoured in a vivid way to trace the expansion of the economic unit. From the tribe or manor it enlarges into the district or province; then into the nation; then into such vast economic units, enclosed as against the outer forces, but uninterrupted within themselves, as have been presented by the United States and by Russia before Bolshevism.

The time has come when even the world, if we will, can be managed more as an economic unit, though a very composite unit.

The flying age as we have seen already demands regulation by an International Convention to be universally signed before the different countries can even begin to give domestic liberty to their private citizens in the use of the air. That is but one fact which illustrates how equal, if well used, are human means to human necessities. We have to rise in the vital interests of lasting peace to the entirely workable conception of international counsel and partnership for the fuller development, the more ample and secure enjoyment, of the world's resources as a whole. The efforts of organisation and technical science in transport, manufacture, agriculture, called out by the war proved that in the time before it all Governments were making a pigmy use of the powers that lay at their hands for the service of man.

We know as a nation that if we exerted ourselves to raise all the means of life to a higher plane as we

raised all the means of death, there would be sufficient for the ample welfare of every individual not a slacker or a drone. There is no inherent economic reason why any other kind of human being should be miserable or debased.

In the same way, if there were definite international methods for the improvement of communications, production, and distribution in the world as a whole, there would be more prosperity for every nation than it could otherwise hope to enjoy, and there would be a happier outlook for the human species. There is enough for all, both nations and individuals, if they only work together, to have enough. We have to heave this question—let us repeat it—out of the ruts, not only of war-thinking, but of mere anti-war thinking. We have to deal with it in a fresh spirit of creative policy, looking to international and social peace alike. We may well begin to regard the world as a place capable of being handled as an economic unit when no spot of it presently will be more than a week's distance from anywhere on its surface for mails and personal intercourse in emergency. Other problems—overcrowding of population, or exhaustion of resources, as the pessimists of science picture—may confront other centuries, but this is the problem for ours.

Many who have ceased to think World Government visionary, but are now in view of the fact, still think World-Partnership impracticable. Yet the economic lessons of organisation for victory have demonstrated that it can be accomplished. All the political lessons warn us, if rightly read, that it must be attempted. If there were but steady peace-effort on something near the war-scale of energy, there is no concrete problem of present civilisation but could be solved with certainty. Comparison has been made more than once in these pages between the miracles of technical invention and political miracles like the existence of the United States or the British Commonwealth—creations each of them which we are apt to think less

astonishing because they have come more gradually into being. There have been stages of definite, clean-cut advance as remarkable in their way as any that scientific invention has accomplished in its own. The American Constitution was framed and carried when the extremes of the Republic were far further from each other for purposes of human intercourse than any part of the world will soon be from any other part.

Let us not be so commonplace in our routine of mind as to admit that the possibility of mechanical wonders is limitless, but that constructive politics can never solve the recurrent problem which in its most recent return in an acute shape has meant death for millions upon millions, to speak not at all of what is to be borne longer than the things of death. Human flight and lasting peace alike have been dreamed of together for some thousands of years, and one ideal could not seem more impossible than the other; but they both depend on practical contrivance, and as we have the mechanical triumph at last, we can have the moral achievement.

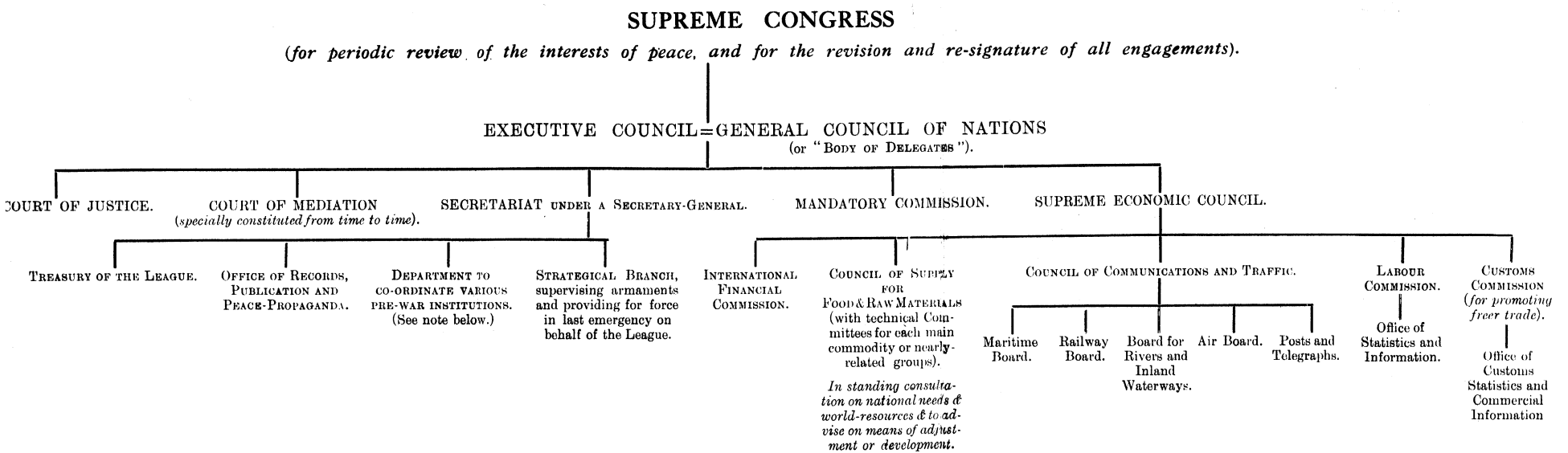
No one imagines that a complete system can be created at once by the Paris Congress or by the immediately succeeding work of the League itself, Councils and departments at later removes will be added by consent and desire of the peoples as the new way of working together becomes habitual. They will be added as the score of existing and official international institutions, which stand ready to be taken over by the League, were created, in the decades before the war. When first steps are now firmly taken it cannot be but this cause will prosper, if anything in the future of civilisation is to thrive. So we may well hope. But let us keep our minds clear upon what our hope now depends. The League of Nations will flourish or decline according as it embodies or excludes the living means towards the working union of peoples for their common progress and the general advance of civilisation on the broadest front. Over and above the

political and judicial institutions of the League there must be economic World-Partnership, or there will be no permanent peace.

In the drama of war amongst nations the intervals between the acts are so long that each time the curtain falls, a witnessing generation thinks that the play is finished. But it is certain that unless the great effort for the creative and reconciling peace is begun now and faithfully continued, a new war will sooner or later arise out of the one just closed as surely as that conflict followed from former struggles. The precedents all mean war; only the great departure from all precedents can in the long run mean peace. Statesmen who know the lessons of modern history, the deferred but dark sequel of so many treaties and settlements, cannot shrink from anything in the whole greatness of the attempt at World-Government and World-Partnership. They cannot fear boldness in the beginnings if, like ordinary sound persons, they have been indeed more moved by Armageddon than by other wars, and are more concerned than their predecessors to have mercy on the unborn and on times to come. Like other things which have been reached, the League of Nations had to become, as we have seen, a workable system and a world's necessity born out of the extremity of human pain, before it could begin, as it does now, to succeed as an ideal; but so far as it is an ideal it is the best light we know. When the glory of the Presence was made manifest it was on the mercy-seat that it shone.

A League of Nations:

Institutions of World-Government and World-Partnership.



NOTE.—Among existing organs of World-Government the Postal Union, Telegraph Union, Railway Union, the Danube and Suez Commissions, like the new Bosphorus and Dardanelles Commission and other similar bodies, would come under obvious heads above. On more independent lines would be the Institute of Agriculture—extended to include Forestry and Conservation—and the World's Health Office, developed from the present International Office of Public Health at Paris, and connecting with the four Sanitary Councils at Constantinople, Alexandria, Teheran, Tangier, as well as linking up international work on epidemic disease and tropical medicine. An important addition would be a Department for the Welfare of Native Races, a subject already partly dealt with by the Zanzibar Bureau (Slavery) and the Liquor Convention.