

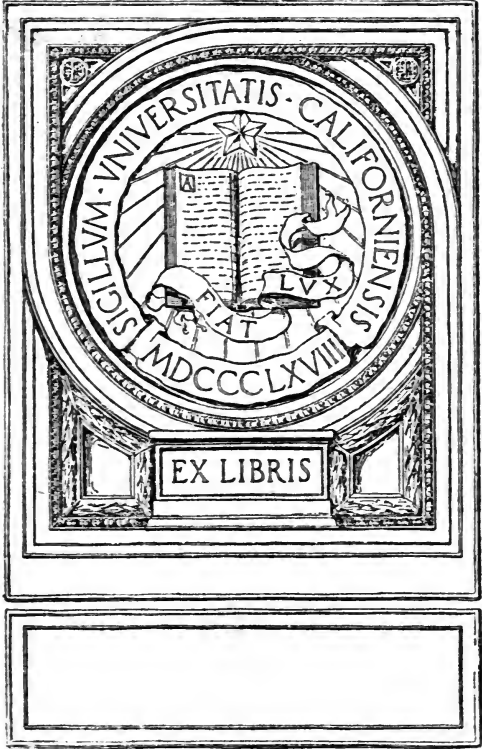
BLOCKING NEW WARS

HERBERT S. HOUSTON

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BLOCKING NEW WARS

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BLOCKING NEW WARS

BY
HERBERT S. HOUSTON

*Member of the Committee of the Chamber
of Commerce of the United States on
Economic Results of the War*



GARDEN CITY NEW YORK
DOUBLEDAY, PAGE & COMPANY
1918

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HISTORY I

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DEDICATION

To my colleagues on the Committee of the Chamber of Commerce of the United States which prepared the Referendum on the Economic Results of the War, men with the vision and courage to plan definite ways to prevent future wars:

EDWARD A. FILENE, a merchant of Boston; President of William Filene's Sons Company; Director of the Chamber of Commerce of the United States; former Vice-President of the International Congress of Chambers of Commerce.

PHILIP H. GADSDEN, Lawyer; President of public utility companies in Charleston, South Carolina; formerly President of the Charleston Chamber of Commerce.

DEDICATION

EDWARD HIDDEN, President of the Southern Woman's Magazine; formerly President of the St. Louis Business Men's League.

HERBERT A. MELDRUM, a merchant of Buffalo; President of the Buffalo Chamber of Commerce.

GEORGE E. ROBERTS, Assistant to the President of the National City Bank of New York; formerly Director of the United States Mint.

PAUL H. SAUNDERS, President of the Commercial Trust and Savings Bank of New Orleans; Director of the Federal Reserve Bank of Atlanta.

This book is dedicated with the expression of a like faith with theirs, in the power of international commerce to aid in maintaining international peace.

BY THE AUTHOR.

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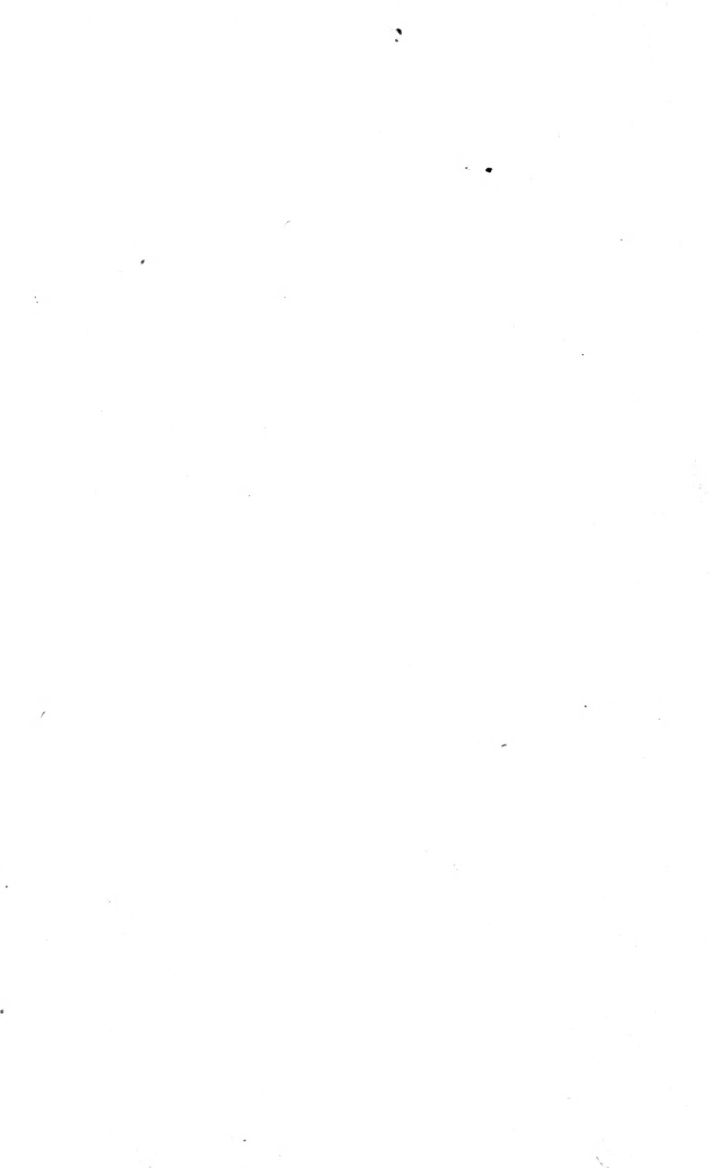
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BLOCKING NEW WARS



I

COULD THE WAR HAVE BEEN BLOCKED?

VISCOUNT GREY of Falloden, while still Secretary of State for Foreign Affairs of Great Britain, expressed the opinion to an American diplomat that the great war might have been avoided if there had been in existence, during that fateful summer of 1914, the proposed League of Nations. Such an opinion from so responsible a statesman is certainly a challenge to a world at war. Not so much a challenge as to what might have been, for the angry waters of the past have rushed over the dam, but a challenge, certainly, to the future. For if the greatest war in history could have been avoided, then there is ground for hope that all wars can be avoided, or, at least, that the danger of their recur-

rence can be greatly lessened. So the opinion of Viscount Grey, particularly in relation to the probable world organisation that will follow peace, is deserving of most serious examination.

If such a world organisation as the widely discussed League of Nations had been in effective existence in 1914, on the basis of the American proposals, what would have been its procedure when Austria refused to arbitrate its differences with Serbia? To begin with, the other nations in the League would have instantly joined in applying economic pressure to Austria. This would have taken the form of a complete trade embargo. Manifestly the more complete the embargo the more quickly it would have been effective. In that respect it is like the blockade. But if the League of Nations had been organised and its International Court established it would have had both the authority and the machinery to make the trade embargo

complete. The nations in the League would, of course, have had their diplomatic representatives in Vienna. They would have notified the Austrian Government that the League had declared an embargo against Austria; that the embargo would continue in force until Austria took her case against Serbia to the International Court in accordance with her pledge to the League; that, furthermore, if Austria continued her recalcitrancy and persisted in her preparation to take her case to war for decision rather than to court, she would find their combined military and naval power on the battle line by Serbia's side.

The economic pressure against Austria would probably have proved too strong to be resisted. In 1912 the total export and import trade of the dual empire amounted to \$1,277,000,000. Against this an embargo would have been raised by the nations of the League. And in connection with checking and, to a great

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degree, stopping this vast volume of trade, other repressive actions would have been taken against Austria-Hungary. Communication with the outside world would have been interdicted. This would have affected immediately the mails, the telegraph and cable lines, the telephone and wireless communications. Trains would have been stopped at the Austrian border. Foreign exchange would have been suspended, along with foreign trade. And Austria-Hungary would have stood in the eyes of the world a self-confessed, international outlaw, a country with which other countries would refuse to have commercial intercourse, or any communication or any relations whatsoever.

This would have been the pressure from without and it would have been accompanied, beyond question, by strong pressure from within. For it is impossible to suppose that many people in Austria would not have been exerting a powerful public opinion, meantime, against their

government. Leaders in every section of Austrian life and society—in business, in finance, in the press, in the church, in the government itself—would have known the cause of all these drastic measures aimed at their country, and many of them would have stirred the people to demand that it be removed. When it was seen that the cause was Austria's refusal to keep her pledge, made with other nations, to take an international dispute to the International Court, an act of sheer outlawry, it is impossible to believe that Berchtold and his ministers could have ridden the storm of protest that would have arisen. And especially would this appear to be the inevitable reaction of the Austrian people, because their protest against their government's stand before the world in the indefensible position of an outlaw, would be given insistent force by their own uncalled-for suffering from the penalty of that outlawry. Even as they protested they would be suffering

from the economic pressure of the world visited upon them because their government had refused to keep its word. And behind the economic pressure they would have seen clearly the combined military and naval power of the League of Nations as an oncoming vengeance against outlawry, ready to be used, if the economic pressure failed, to compel Austria to obey the law and take her case against Serbia to court.

The conclusion is unescapable that pressure from within would have been exerted and that it might have proved to be as powerful as the pressure from without. Between the two millstones, it is reasonable to believe, Austria might have had ground into her consciousness the truth that "righteousness exalteth a nation" and that a pledge when made must be kept.

The flaw in the armour of this hypothetical case is doubtless the war policy of Germany. At least the nations of the

Entente Allies will be slow to believe that anything short of war could have stopped the war spirit of the militaristic party in Berlin, when "der Tag," for which preparation had been made for forty years, at last dawned. But the League of Nations strong enough to coerce Austria, through either economic or military power, which Viscount Grey manifestly had in mind, would have included Germany; and it is such a league, with Germany included, that has been assumed in the illustration presented. As to the violence of this assumption for the Germany of 1914 there would be wide divergence of view. But for Germany in January, 1918, her Imperial Chancellor, Von Hertling, has stated officially that "the Imperial Government is gladly ready, when all other pending questions have been settled, to begin the examination of the basis of such a bond of nations." And the "basis" has been indicated clearly by President Wilson—"We fight for the things we

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have always carried nearest to our hearts, for the right of those who submit to authority to have a voice in their own government, for the rights and liberties of small nations, for a universal dominion of right by such concert of free peoples as shall bring peace and safety to all nations and make the world itself free.”

II

WHAT WILL END THE WORLD WAR?

BUT the great war came, as all the world knows. Economic pressure has been a vital factor in it from the beginning and it may prove to be the decisive one. Nation after nation has joined the fighting lines until the spring of 1918 finds twenty-three of them engaged. In the fullest sense it has been an international war. It was caused by the defiance of public law by Germany. That was and is the supreme issue. There were, to be sure, many auxiliary causes, but the overshadowing cause was the assertion by an autocratic power that it could employ military force to destroy the law of nations. When the Imperial Chancellor of Germany made that assertion in support of the actual invasion of

neutral Belgium, the challenge was made that the democratic nations had to meet, if they were to continue democratic.

While it is true that the United States did not join in resisting this first challenge, although a great part of its citizenship believed it was the duty of the government to do so, the second challenge, declaring Germany's lawless purpose to defy the public law of the seas by the submarine, was resisted. So this country is in the war with the Allies, in support of the democratic principle that autocratic military power cannot defy international law. It is this issue that makes the war one between autocracy and democracy. And the war must be won, in the much-quoted because defining phrase of President Wilson, to "make the world safe for democracy."

From the beginning of the war, economic pressure has been a potent force and has been used in many ways, both new and old. Every nation engaged

found it essential to place its whole industrial organisation on a war footing. This has gone forward, in a quick progression, through industries to individuals. While Germany was able to effect a highly controlled organisation, through autocratic power, more quickly than her enemies, they have all steadily developed and mobilised their resources for war purposes.

So as the war has gone on it has been manifest that economic power, as a war measure, was being engaged as completely as military power. And the end will come, so many observers believe, through the effective use of superior economic force, victory resting with the nations that possess that superiority. Of course the Allies are fully aware that they possess that superiority and they are determined that it shall be so used that they shall be the victors.

The sea power of Great Britain has been the dominating agency in enforcing economic pressure, through its use in in-

tercepting Germany's imports and exports. In order to make this power as effective as possible the American doctrine of continuous voyage, developed in the prize courts of the United States during the Civil War, was adopted by both England and France. By this doctrine, if the ultimate destination of a cargo was proved to be an enemy port, that fact established its enemy character and made it liable to seizure. Proof had to be established in prize courts under the rules of international law. But swiftly the ocean-borne commerce of Germany was reduced and practically destroyed. The resulting pressure upon Germany and Austria has been widespread and most severe. This has been shown in innumerable ways, such as the rationing of the civil population, the hunger strikes, the reports in the German and Austrian papers, as well as through reports from contiguous neutral countries. While the actual figures of loss, in both the export

and import trade, are not available, they unquestionably represent a total so staggering that their effect can be considered one of the most disastrous blows dealt the Central Powers during the war.

In addition to the blockade work of the English Navy, the whole economic power of the British Empire was invoked in January, 1916. Every self-governing dominion, every colony, every part of the Empire responded by boycotting German trade. The result was an embargo at the source, the form in which economic pressure can be made most drastic. Trade black lists were issued, restrictions were placed on the shipment of raw materials, coal ports were closed to ships that carried pro-German cargoes and presently a world-wide boycott was in force against Germany and her Allies that will continue with constantly increasing pressure until the war ends. In this tightening ring of commerce every nation of the Entente Allies has a part. The United States, in

particular, used the economic weapon before it was able to use any military weapon and throughout the war its vast commercial power will be employed. This power has been mobilised in many ways. The Government in the spring of 1918 took entire control of foreign exchange; before that it had established a license system for export trade, and adopted a Trading with the Enemy Act of the most comprehensive and drastic character. All of these measures—and they have been adopted in some form by France and our other Allies—have combined in creating a financial and economic offensive against Germany that is likely to prove as powerful in ending the war as the military offensive.

But Germany has not been alone in the war in feeling the force of economic pressure. England and France have felt it, especially through the destruction of merchant ships by the submarine. This has limited the import of foods by both countries and

made necessary carefully devised control of the food supply and regulation of its consumption. And economic pressure has been felt in America through the necessity laid on this country of saving enough from the stock of grain and meat and fats to supply the deficiencies among our Allies. For a number of months eighty-four Dutch ships were held in the harbour of New York, many of them loaded with supplies, because it was feared that a considerable part of their cargoes would ultimately find their way to Germany and because, moreover, these cargoes were sorely needed in England and France and Italy. Finally, in January, 1918, these ships were allowed to sail under guaranty that all the supplies they bore would go only to neutrals or to the Allies and that the ships would be returned to this country for use in our own carrying trade.

Within a few months after our entry into the war, a Food Administration was established under the direction of Her-

bert Hoover, and it has carried out the most comprehensive plans both for conserving and using the food supply and for increasing it. Similar plans have been followed by Dr. Harry A. Garfield, the Fuel Administrator. And the most drastic one, forbidding the use of coal in industry, with a few designated exceptions, for five consecutive days, beginning January 18th, 1918, and for nine Mondays, beginning January 21st, came as such a sudden shock that the whole country was fairly dazed. But the order was obeyed until it was rescinded after the third coalless Monday, and the coal situation definitely improved. And it can be frankly stated that the food and fuel orders brought the war more closely to America than anything else had done. On a wheatless or meatless day, especially if it were a coalless one, the news of fighting in France was borne home in a closer, sharper way than ever before. It was economic pressure of a very real sort and

in a country that had always believed its resources were exhaustless.

As the war has gone on it has seemed probable that its end would come with the complete economic collapse of one or the other group of belligerents. It is largely a struggle for subsistence, both for armies and navies and for the belligerents back of them. The heavy gun is no more important, in forcing a decision, than the big cargo ship. Or to state it differently and more accurately, when the ships can supply the necessary men and munitions the guns will be able to force a decision and end the war.

Germany's drive for a separate peace with Russia was made both as a military and as an economic measure. After the treaty with Ukraine it was believed that food supplies would be forthcoming that would greatly relieve the situation with the Central Powers. To what degree this will be true, in view of the demoralised situation throughout Russia, is not clear,

but, as far as it is true, it will prove to be an economic factor of definite consequence.

It is plain that this economic pressure, applied by all of the belligerents, has been a war measure, just as definitely as the fighting by armies and navies. And its operation in working to end so great a war illustrates the effects it would produce when used as a preliminary measure, by a league of nations against a single nation, to prevent war.

III

A FORCE TO BLOCK NEW WARS

EVEN while the present war was waged, a pledge to use economic pressure was made as a threat to avert a new war. The business men of America, in February, 1918, took the unprecedented action of serving definite notice on the business men of Germany that they will not hesitate to use a trade embargo against Germany, unless she lessens the danger of future war by reducing the size of her armaments. This notice, published to the world, was embodied in a formal referendum submitted to the six hundred thousand business men in the hundreds of commercial organisations making up the Chamber of Commerce of the United States; and, voting as organisations, they endorsed it by a vote of 1,204 to 154. In

the printed explanation accompanying the referendum it was stated that the action proposed “involves no thought of revenge or punishment, but is based on the logic that only through industrial intercourse with the United States can the military party of Germany get the sinews with which to precipitate a second great world war.” The point was emphasised that the size of Germany’s armament, after the war, would determine the size of the defensive armaments maintained by other nations; and, with unescapable logic, it was argued that the size of Germany’s armament would depend on her after-war receipts of raw materials and on the profits from her foreign trade. And it was on the broad ground of preventing great armaments and thereby preventing future wars that affirmative support for the referendum was asked and the pledge of the organised business men of America secured to “enter an economic combination against Germany if governmental

conditions make it necessary for self-defence.”

The Merchants Association of New York gave a negative vote on this referendum for the reason, as stated, that “While in entire accord with the sentiment and purpose,” expressed in the referendum, “the Association believes that the proposed method is neither the most appropriate nor the most effective for accomplishing the end sought. The international co-operation which it implies is more properly a function of government and can better be accomplished through governmental channels than through the intervention of unofficial commercial bodies.” This dissent is clearly based on method and not on the use of economic pressure by a league of nations to prevent war.

While there was some opposition based on the ground taken by the Merchants Association of New York, the referendum was carried by a great majority. But this

action must in no wise be interpreted as identifying the business men of America with the Paris Economic Conference, held before the United States entered the war, or construed into support of the plans there considered. In fact, a broad disclaimer of any such purpose or intention was expressed in the statement, "We believe the American people will not join in discrimination against German goods after the war, if the danger of excessive armament has been removed by the fact that the German Government has in reality become a responsible instrument controlled by the German people."

This significant referendum can fairly be considered a challenge to the business men of Germany, from the business men of America, to prevent a disastrous economic war, by holding back the Junker and militaristic party from mad preparations for future war, when peace finally comes. It is in full accord with President Wilson's statement of American war aims,

in his address of January 8th, 1918. The third of these aims proposed "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." It is interesting to state that "equality of trade" was limited by the President, in this same address, in a way that permits of most effective use of economic pressure as explained in another chapter.

But clearly, in all this discussion, business and political, there is emerging a powerful international force, economic pressure, that the world must reckon with. In February, 1918, in the United States Senate, Senator Owen presented a resolution stating that "The United States believes that under a general association of nations it should be a violation of international law and the highest international crime for any nation, on any alleged ground, to invade by military power the

territorial limits of another nation, and that the penalty for such invasions should be the immediate international blockade of the invading and offending nation; an embargo on all mail, express, and freight to and from such nation, and the suppression of such invasion by the combined forces of the general association of nations organised for the protection of world peace.”

And at about the same time the British Minister of Blockade, Lord Robert Cecil, gave public expression to his belief that economic pressure would be a powerful weapon for a league of nations to use against a recalcitrant nation. To this declaration he added this definite personal commitment: “I would not remain for an hour a member of any government who did not make the arrangement of a league of nations after the war one of its main objects.”

Mr. Walter Runciman, in November, 1917, gave it as his view that “The only

sense in which a league of nations can be reasonably contemplated is in that defined by President Wilson. . . . A league which would, in effect, penalise Great Powers must have behind it a great sanction. . . . I look round in every direction in vain for a sanction, except that of the economic offensive.”

IV

AMERICAN BUSINESS AND THE LEAGUE OF NATIONS

AMERICAN business men had gone on record in favour of economic pressure over two years before the referendum, already outlined, was submitted to vote. In fact, economic pressure has its place in the League of Nations program through their support and approval. President A. Lawrence Lowell of Harvard University, it is interesting to recall, raised the question, when the proposals of the League to Enforce Peace were being formulated in Philadelphia in June, 1915, as to what effect economic pressure could have had as a deterrent force against Austria. And the author undertook to state briefly the ground for believing that that pressure would have been strong enough

to have compelled Austria to present her case against Serbia for a hearing—the ground that has been traversed, and somewhat expanded, in the first chapter.

The third proposal in the League platform of principles was under discussion, the one having to do with the sanctions to put behind a court. After full agreement had been reached on the use of military power as a sanction, I proposed, as a representative of the Chamber of Commerce of the United States, that economic pressure be made a preliminary sanction, in the third plank of the platform, to be followed by military power as a final sanction. This view was supported by Philip H. Gadsden of Charleston, my colleague on the Platform Committee, in representing the Chamber of Commerce, and it was embodied, in a modified form, in the third proposal, as follows:

The signatory powers shall jointly use forthwith both their economic and military forces against any one of their number that

goes to war, or commits acts of hostility, against another of the signatories, before any question arising shall be submitted as provided in the foregoing.

My purpose in following this economic pressure proposal from its introduction, through its first and then into its final form, in the platform of the League to Enforce Peace, is to make clear and to emphasise the point that this distinctly commercial sanction, which will affect business profoundly when put into effect, originated with business men, was presented by business men for adoption in the platform of the League, and then ✓ ratified by the business men of America in an overwhelming majority when submitted to a referendum by the Chamber of Commerce of the United States. If this be treason to the business of the world the business men of this country must accept the responsibility after prolonged consideration of all the consequences. At the national convention of the Chamber,

held in Washington in February, 1915, I had offered a resolution urging "that the next Hague Conference provide as a penalty for the infraction of its conventions, that an embargo shall be declared against an offending nation by the other signatory nations." This was referred to a committee on international affairs that was constituted to consider it, under the chairmanship of Edward A. Filene of Boston. General discussion was going on throughout the country of some new world organisation that might follow the war. The American Academy of Political and Social Science considered the question at its meeting in Philadelphia in April. In Cleveland, during May, a World Court Congress was held under the presidency of John Hays Hammond, engineer and business man of international distinction, and all of its sessions were given to discussion of international organisation and the establishment of a World Court. Chairman Filene had called

his Chamber of Commerce Committee together in Cleveland and the resolution on economic pressure was considered; and a month later, on June 17th, 1915, the Committee met again, this time in connection with the meeting at Independence Hall in Philadelphia, at which was formed the League to Enforce Peace. The Committee unanimously agreed to the presentation before the Independence Hall Conference of economic pressure as a sanction to be employed by the proposed League of Nations. As has been stated, this presentation was made and the sanctions adopted and the third plank included "the combined economic and military powers" of the signatory nations. This provided for the use of these powers concurrently and not in sequence, as the Committee of the Chamber of Commerce urged. But the Committee joined heartily in support of the new League and two of its members, later increased to three, were included in the League's Executive

Committee, as representatives of business men. Then in an endeavour to enlist the active support of the business men of the country for the programme of the League, the Committee of the Chamber of Commerce of the United States prepared a comprehensive referendum (which is printed in the Appendix) on the League's four proposals and this was submitted to the six hundred constituent commercial bodies at that time comprising the Chamber. The result was an overwhelming majority in favour of the use of economic pressure and a much smaller majority in favour of the use of military power. With this mandate of the business men of the United States behind them, the three members of the Chamber of Commerce, on the Executive Committee of the League to Enforce Peace, Mr. Filene, Mr. Gadsden and myself, pressed for an interpretation of article three that would square with the business men's view as to the place which economic pressure, a

commercial sanction, should have in the plan for a League of Nations. And this interpretation was secured by the action of the Executive Committee, which authorised the following:

The signatory powers shall jointly employ diplomatic and economic pressure against any one of their number that threatens war against a fellow signatory without having first submitted its dispute for international inquiry, conciliation, arbitration or judicial hearing, and awaited a conclusion, or without having in good faith offered so to submit it. They shall follow this forthwith by the joint use of their military forces against that nation if it actually goes to war, or commits acts of hostility, against another of the signatories before any question arising shall be dealt with as provided in the foregoing.

It can be definitely claimed, therefore, for economic pressure, in the plan proposed by the League to Enforce Peace, that it stands for the settled conviction, reached after full discussion, consideration and referendum, of the business men of the United States. By them it is submitted to the judgment of the world.

V

BINDING THE MODERN WORLD TOGETHER

IN considering the grounds on which American business men base their belief in the value of economic pressure as a force for the maintenance of peace, it is necessary to present a brief survey of the organisation of the modern world. The controlling idea in that organisation is interdependence. And the essential factor in interdependence is communication. The agencies for quick communication have become so familiar that their significance, as a rule, is quite overlooked. Beginning with the printing press these agencies have increased in number and speed to the point where there seem to be no longer frontiers of the possible; if there still are, in some souls, they are assuredly being crossed and recrossed. Following

the post, by ship and coach and train, came the telegraph by land and sea, the telephone, and then, as a capping achievement, the wireless. And with these distributive means of communication the productive means also multiplied, in printing presses, typewriting machines and all kinds of mechanical devices. But even more important, knowledge was democratised, both as effect and cause, in this modern period, and provided endless books and newspapers and all manner of periodicals, besides letters, telegrams and wireless messages, all forms of communication which the agencies of distribution bore throughout the world, near and far. This power of quick communication developed endless relationships, all bearing their part in creating and maintaining a world-wide interdependence. For communication has respected national boundaries no more than the winds of heaven.

It would be interesting to consider here

how many forces became definitely international, through this power of communication, but they are too numerous to be considered in detail. At present the character of economic pressure is the one point to make clear. In this modern world business can be broadly defined as its organised commercial life, in the three great divisions of production, distribution and consumption. Business, in each of these divisions, is international. It employs the one truly international language, that of figures, understood in every country. Today money is international because it has gold as a common basis. Credit based on gold is international. Commerce based on money and on credit is international. Then the amazing network of agencies by which money and credit and commerce are employed in the modern world are also international. How closely interrelated all these agencies are was shown in a dramatic way when the great war broke.

Instantly stock exchanges throughout the world were closed. Moratoriums were declared in nearly every country. This was not due to the fact that the world had suddenly become bankrupt, but it was due wholly to a breakdown of the machinery through which the business world carried on its affairs. In brief, it came from a breakdown in the agencies of international communication. The world-wide disturbance that was immediately caused threw into high relief the fact that all nations had been bound together, chiefly through the development of commerce, into an interrelated and interdependent organism. It showed to even the most self-centred and self-sufficient country that it was part of a great whole. In that wonderful figure of the Apostle Paul, in describing the early Christian Church, "they were members one of another." Not one among them, however strong, could stand alone. It is the growing understanding of this fact,

which the war has embedded in the consciousness of the world, that gives the underlying hope for a league of nations.

As all suffer through war, all must combine to lessen the danger of wars. And that tremendous purpose, to find a sane and practicable way out of war, has become one of the great purposes of the war. As the League to Enforce Peace expressed this purpose in these two graphic declarations: "Make the world safe by the defeat of German Militarism" and "Keep the world safe by a League of Nations." And Viscount Grey gave expression to the necessity for such a league in these memorable words: "Unless mankind learns from this war to avoid war, the struggle will have been in vain. Over humanity will loom the menace of destruction. If the world cannot organise against war, if war must go on, then the nations can protect themselves henceforth only by using whatever destructive agencies they can invent, till the resources

and inventions of science end by destroying the humanity they are meant to serve.”

And the English statesman who preceded Viscount Grey in the Foreign Office, Lord Lansdowne, points out the path, on which the best judgment of the world is centring, that must be followed if that catastrophe is avoided. Lord Lansdowne said, “If the Powers will come under a solemn pact and bind themselves to submit future disputes to arbitration; if they will undertake to outlaw, politically and economically, any one of their number which refuses to enter into such a pact, or to use their joint military and naval forces for the purpose of coercing a Power which breaks away from the rest, they will indeed have travelled far along the road which leads to security.”

The leading churchmen of England, headed by the Archbishop of Canterbury, prepared an appeal in February, 1918, which gave the most unqualified support

to the League of Nations programme. "We believe that a new system of international law and authority," said the appeal, "acting through an inclusive league of nations in place of any balance of power, is a condition of a just and lasting peace, particularly as it affords means whereby the fresh demands of national life as they arise can be adjudicated upon and equitably satisfied.

"Accordingly, we hold it to be of the utmost importance, as President Wilson has just emphasised, that such a league should not merely be contemplated as a more or less remote outcome of a future settlement, but should be put in the very forefront of the peace terms as their pre-supposition and guarantee.

"Whether it be or be not practicable, without any slackening of the energy with which the war must be waged, to make a beginning upon the League as regards the Allies and neutrals, even before the peace conference, we do not venture

to decide, though we think this course has much to commend it. But we are sure of the pressing need there is here and now of giving the League of Nations the backing of an organised body of strong conviction; sure, also, that this task offers to the Christian consciousness an opportunity to make its own spirit felt in national policy such as has not occurred heretofore since the outbreak of this war.”

This strong and convincing appeal bore, in addition to the signature of the Archbishop of Canterbury, the signatures of the Bishop of Winchester, the Bishop of Oxford, the Bishop of Southwark, the Bishop of Peterborough, the Rev. Dr. James Cooper, Moderator of the Established Church of Scotland; the Rev. Dr. W. B. Settle, the Rev. Dr. J. Scott Lidgett, the Rev. Dr. F. B. Meyer, the Rev. Dr. D. S. Cairns, the Rev. Dr. J. Estlin Carpenter, the Rev. Dr. Alexander Connell, the Rev. Father Plater, Lord Henry

Bentinck, Lord Parmoor, the Rt. Hon. Arthur Henderson, George Lansbury, Arthur Mansbridge, Professor A. S. Peake, and Principal T. F. Roberts.

The support for the League of Nations plan in America has been as influential and widespread as in England. President Nicholas Murray Butler of Columbia University in an address before the Chamber of Commerce in St. Louis, February 16, 1918, said:

“A league to establish and to enforce the rules of international law and conduct is now in existence, with the United States as one of its most potent members. This league should be a permanent addition to the world’s organisation for order and for peace. Upon its firm establishment three consequences will almost necessarily follow. First, there can be no separate alliances or ententes of a political or military character between nations included in the league, and this league must aim in time to include the

whole civilised world. Second, there can be a speedy reduction of armaments, both to lighten the burdens of taxation and to turn the minds of the nations away from international war, to prevent which will be such a league's chief aim. Third, the most favoured nation clause must be made applicable to all members of the league whenever treaties of commerce are concluded between any two or more of the nations that are included in it. This will either greatly lessen or wholly remove one of the strongest economic temptations to international war."

As indicating how generally the responsible opinion of the world has centred on this programme, these words of President Wilson are significant because they restate his unchanging belief in "the partnership of nations which must henceforth guarantee the world's peace. That partnership must be a partnership of peoples, not a mere partnership of governments."

VI

FREE SEAS AND CLOSED SEAS

PRESIDENT WILSON in his notable statement of the war aims of the United States, in his address to Congress January 8, 1918, to which reference has been made, presented an exception to the free use of the seas, which reveals a universal agency for enforcing economic pressure. "Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war" he declared to be one of our aims, with this pregnant qualification, "except as the seas may be closed in whole or in part by international action for the enforcement of international covenants."

This exception offers a wide range for the effective employment of economic pressure. The seas are the great high-

ways of commerce. For centuries they were infested with pirates, corsairs, buccaneers, all manner of ocean bandits. Nations made common cause against them, but they were not swept from the seas until a century ago. And even then a form of legalised piracy, privateering, was sanctioned as a war measure and continued until a comparatively recent period. But all the time commerce was expanding and its claims for protection were being asserted. At the Paris Conference of 1856, Lord Clarendon agreed for Great Britain, then, as now, the greatest maritime power, in these four declarations:

(1) That privateering should be abolished.

(2) That a neutral flag covered enemy goods, except contraband.

(3) That neutral goods, except contraband, were not liable to capture unless under an enemy flag.

(4) That blockades to be binding must be made effective.

These declarations, although long unpopular with many influential men and interests in England, marked a great advance in the struggle for free commerce on a free ocean. They were international declarations, agreed upon at an international conference, and asserted the fundamental truth that the sea is an international highway, subject to international control.

But the United States did not adhere to the declarations as they did not concede the American contention that all private property should be exempt from capture by war ships, as well as by privateers, in maritime warfare. In the Hague Conference of 1899, Dr. Andrew D. White, head of the American delegation, endeavoured to have this exemption of private property established, but it was decided that consideration of the question could not properly be given as the subject was not included in the official programme announced when the conference

was called. But when the second Hague Conference assembled in 1907 that omission had been fully corrected and at the first session of the Commission of the Conference, to which the question was referred, Joseph H. Choate, head of the American delegates, submitted this country's proposal, as follows:

“The private property of all the citizens of the signatory powers, with the exception of contraband of war, shall be exempt on the sea from capture or seizure by either the armed vessels or the military forces of the said powers. Nevertheless, this provision does not at all imply the inviolability of vessels which should try to enter a port blockaded by the naval forces of the said powers, nor the inviolability of the cargoes of the said vessels.”

Twenty-one nations supported the proposal, eleven opposed it, one failed to vote and eleven were absent. But among the nations opposed were Great Britain,

France, Russia and Japan. Among the nations joining the United States in an affirmative vote were Germany, Austria-Hungary, Italy, Denmark, Holland, Belgium, Norway and Sweden. But no final decision was reached on the question. Mr. Choate said a year later, in an address before the New York State Bar Association, "It was not possible, in the face of the great commercial nations that opposed it, nations likely at any time to be engaged in war, to press the question further."

Now, under the stress of war, President Wilson has revised this American proposal. It still stipulates absolute freedom of the seas but it carries the important amendment that the seas may be closed in whole or in part "by international action for the enforcement of international covenants." In fact that is precisely what has occurred during this world war. The seas have been "closed in whole" to the commerce of Germany and the

Central Powers through the international action of the nations of the Entente; and this action has been taken in order to enforce "international covenants" because of treaties broken and public law spurned by Germany and her allies. And the result has been economic pressure of the most drastic character. The ocean-borne commerce of the Central Nations has been not merely reduced but destroyed. Their ships are interned in hostile ports of all the seven seas. Even the lawless submarines, while damaging the commerce of their foe, have not helped their own. And these are all acts of war in a time of war. Manifestly should the freedom of the seas be abridged through the joint action of a league of nations, to enforce "international covenants" against a nation that had broken a covenant, the resulting economic pressure would be of overwhelming severity. No nation, however powerful, could withstand it for a long period; especially when many kinds

of economic pressure were being applied at the same time, through all the other international agencies that have been described.

VII

NAPOLEON'S DECREES AND THE KAISER'S SUBMARINE

WHEN Napoleon was struggling for the mastery of Europe, in the early years of the nineteenth century, much as the Emperor of Germany has been struggling for it during the early years of this century, he saw that his most determined and stubborn foe was England. And then, as now, the ocean-borne commerce of England, in relation to the commerce of the world, was tremendously large. Manifestly the way to strike hard against the island kingdom was to strike her commerce. Napoleon struck through an embargo and William II through the submarine. In the Berlin Decree of 1806 Napoleon declared a drastic prohibition against all trade with Great Britain. This was immediately answered from Lon-

don by retaliatory Orders in Council forbidding trade with France. Napoleon, not to be outdone, promulgated his famous Milan decree, making lawful prize of all vessels submitting to British search or taxation. These decrees, for both England and France, were definite acts of war, and were so intended. But to a nation across the ocean, the young republic of the United States, they were also, in effect, acts of war, although this country was a neutral.

In 1807 the United States adopted an embargo in an endeavour to protect its foreign trade through compelling England and France to either make less restrictive or abolish altogether their repressive commercial policies. This purpose was declared by the Government when it proclaimed the embargo, it being officially stated that it was believed that "by teaching foreign nations the value of America's foreign commerce and production, they will be inspired with a disposition to practise justice."

So one hundred and ten years ago this country undertook to apply economic pressure to accomplish an international purpose, that of justice. And looking back at the results, with the advantage of a perspective of over a century, it is entirely clear that we failed in our aim. Neither England nor France was forced through our action to change its drastic commercial policy. In fact, the chief sufferer was this country itself. Our foreign trade fell off from \$108,300,000 to \$22,400,000. in a single year. Channing, in making a survey of our endeavour to apply economic pressure, says in his "Jeffersonian System": "The Jefferson-Madison policy of war through commercial restriction had not worked well in practice. And when our Minister to England, William Pinkney, took up with George Canning, the British Prime Minister, the matter of lifting the embargo, he had to bear the biting but probably true statement that Canning would be

glad to facilitate the removal of the embargo as a measure of inconvenient restriction upon the American people.” There were other acts in the way of non-intercourse legislation, embargoes and endeavours at commercial reprisal adopted by this country both before and after 1807. But this one example is typical of all the others. So it can be presented as a historical precedent and the claim freely admitted that it does not prove the case for economic pressure. Nor, on the other hand, let it be definitely stated, does it disprove the case. It is only necessary to make the most hurried survey of the conditions surrounding the American embargo of 1807 to see that they were such that economic pressure could not possibly avail to accomplish the purpose this country had in mind in undertaking to apply it.

But eighteen years had elapsed since we had adopted the federal constitution. The thirteen colonies that had been in the

old federation were members of the new nation, struggling toward unity and some semblance of collective action. Our commerce was important chiefly to ourselves, as Canning truly intimated. To interdict it, struck a heavy blow at the manufacturing of New England and New York and Pennsylvania, then in its infancy, and produced no compensating result for the agricultural states south of the Potomac.

But this embargo of 1807 and other similar embargoes of the time failed to inspire other nations "with a disposition to practise justice" because they were not powerful enough. For the same reason Napoleon's Berlin and Milan decrees failed. And for the same reason the British Orders in Council failed. But these failures, by throwing into high relief the cause of failure, reveal the one sure ground on which economic pressure must be based in order to succeed. It must be strong enough to be effective, otherwise

it is futile. And the whole case for economic pressure in the programme of a league of nations is grounded on the fact that international economic pressure, applied by a league of nations, would be effective against any other nation, however strong that nation might be.

There is another manifest difference in the conditions surrounding economic pressure a century ago and those that would surround economic pressure now. Then instantaneous communication, the very spirit and heart of modern world organisation, did not exist. It took many weeks to cross the ocean in sailing ships. Even on land there were no facilities, save the slow-moving coach, to bear mail pouches with their infrequent letters. Under the heavy handicap, which the archaic machinery of communication imposed, it is not improbable that these embargoes of a century ago would have failed, even if the United States had been at that time a nation of great commercial

power and consequence. So that this precedent, so often referred to, could not fairly be considered to have either binding effect or much illumination for our guidance today.

There are two other historical examples, however, that may have some point and interest in the present discussion, although they cannot be said to present cases parallel with the one that will exist when a league of nations is constituted. When the great armada was being formed by Philip of Spain, the merchants and bankers of Genoa were persuaded by the merchants of London to withhold credit and monies from the Spanish King. This financial pressure was sufficient to delay the attack of the armada for over a year and by that time Sir Francis Drake and the captains of Elizabeth were ready to meet the shock. It would seem fair to say that what could be accomplished three centuries ago, against a nation as powerful as Spain then was, might cer-

tainly be accomplished against any nation today through the concerted application, not merely of financial pressure but of all forms of economic pressure through a concert of nations in a league.

Another example that may bear some information of service belongs to the present century and to so recent a warlike incident as the dispatch by the German Emperor of the gun-boat to Agadir, thus bringing on the acute crisis with France with the imminent probability of general war throughout Europe. While that crisis was at its height, I chanced to be in Paris and was having luncheon one day with a young French banker of the Credit Lyonnais. I remarked on the fact that the crisis seemed to be a trifle less acute and inquired the reason. "We are withdrawing our French investments from Germany," was the rejoinder, "and that economic pressure is relieving the situation." Presently the press of the world was commenting on this pressure which

France was applying against Germany and there seems to be no doubt that this pressure was the deciding factor in relieving the situation.

In each of these cases, it should be noted, financial pressure was being applied against a single nation by another single nation. But even so, the result strongly supports the view that when this force is applied by a group of nations against a single nation pressure would prove to be irresistible.*

*To the reader who wishes to check up these American experiences with the embargo more in detail, the following citations will prove of interest:

Embargoes were used as a means of redress by the United States in 1794 (30 days), 1797, 1807 (27 months), 1808 and 1812 (2 years).

Commercial intercourse with France was suspended by an act of Congress of June 13, 1798, and other acts of similar character followed.

Commercial intercourse with Great Britain was suspended by an act of Congress of March 1, 1809. The act was revived on February 2, 1811.

Commercial intercourse with Dominican ports was suspended by act of Congress of February 28, 1806.

The United States Congress in 1887, by way of reprisal, passed an act empowering the President to deny Canadian vessels entrance to American waters and to deny entry to Canadian products, if American fishing rights should be denied or abridged in Canadian waters.

VIII

FIGHTING FOREIGN WARS AT HOME

ONE of the manifest advantages of economic pressure as an international force is the way in which it can be applied. Each of the nations in a league can apply it instantly from within and the moment the announcement is made that an embargo has been declared, pressure begins to be exerted. It is not necessary to spend billions of dollars and years of time in building armament and creating armies, as is the case in developing effective military power. The modern world is prepared to exert economic power instantly. Preparation has been made through the agencies of commerce and in every nation machinery is at hand through which economic pressure could be applied. The stock exchanges, the

cables, the wireless, the international postal service and the wonderful modern facilities, already referred to, for communication and intercommunication constitute this machinery. It is worldwide in its extent and it would become operative the moment a league of nations decided to set it in motion.

This marked advantage, which economic power possesses over military power, has never been appraised at its full value. But one needs only to read the briefest survey of the time and money required to organise military power in England and the United States during the great war to be convinced that at least in this important particular of immediate availability, economic power has an overwhelming advantage. As Secretary of War Baker stated in his testimony before the Senate Committee on Military Affairs, even with the aid of a draft law it required all the time between April, 1917, and January 1st, 1918, to raise the

armed forces of the United States from 9,524 officers to 110,856 officers and from 202,510 to 1,428,650 men. And despite the fact that the manufacturing power of the nation was being exerted to the utmost to equip this army during the period in which it was being mobilised, the time was not sufficient to bring this equipment to the proper standard at the beginning of 1918. Military power today represents not merely man power but the organised industrial power of a nation. That has been established in the experience of every belligerent country and it is now everywhere conceded. Even when the military power is organised and equipped, a considerable time is required, for the transportation of men and supplies, before it can be effectively used. Warships and transports must be sent across the sea or endless trains must bear soldiers and munitions to the scene of hostilities before military power can be employed to advantage. But economic power, on

the other hand, as has been pointed out, can be applied instantly from within by every nation and its effect becomes instantly apparent.

This comparison is not developed as an argument against military power but only to make clear the fact that economic power in the modern world has certain clear and great advantages over military power. In most of the proposals for a league of nations to follow the war, the use of military power, either exclusively or as a last resort, is provided for. In the programme outlined by the League to Enforce Peace, economic pressure is presented as an international force to be used before military force is employed. So it becomes pertinent to outline the advantages possessed by economic power, although making clear that it should never be looked upon as the final but only as a preliminary power. There is strong reason to believe, however, that in many cases the use of economic pressure as a

preliminary power would be sufficient to bring a recalcitrant nation to a world court for a settlement of its differences, thus avoiding the use of military power altogether.

In addition to the agencies existing today through which economic pressure could be applied, new agencies would doubtless be formed in connection with a league of nations. An international clearing house has been proposed as an essential piece of machinery for the service of commerce in any world organisation that would follow the war. An able Chicago banker, John J. Arnold, Vice-President of the First National Bank of that city, a man who is considered a master of the intricacies of international exchange, has long urged the desirability of an international clearing house. Such a clearing house would settle balances between nations just as our modern clearing houses now settle balances between banks in cities in which they are located.

Beyond question such an international clearing house, when established, would quickly become a powerful auxiliary agency in the League of Nations, helping to give it stability and serving, when occasion arose, as a new instrumentality by which economic pressure could be applied.

When Mr. George B. Cortelyou was Secretary of the Treasury in President Roosevelt's Cabinet, he proposed that international gold certificates might be secured by gold deposits made by the various commercial nations and that these certificates could be used in settling trade balances, thus avoiding the delay and danger of transporting the actual gold. The Federal Reserve Banking System, which has been working with distinct success in the United States, might suggest a model for an international banking system to accomplish the purpose which Secretary Cortelyou had in mind. If this took the form of an international clearing

house, in which each nation should make deposits of gold in direct proportion to the volume of its foreign trade, it is manifest that a piece of powerful international machinery would be established that could perform prompt and important service for a league of nations. As an illustration—if a nation sought to make war, in defiance of its pledge to seek adjudication of its differences before a world court, it would, as an automatic penalty, forfeit its gold deposits with the International Clearing House and also its trading rights and privileges as a member nation. The procedure and penalty would be similar to the suspension or expulsion of a member by a stock exchange.

Such a clearing house would be an agency to aid in preventing war and, what is even of greater importance, it would be a powerful agency to aid in promoting peace. For the advantages of being a member of such a world clearing house would be so great—in fact, so vital,

—to every nation that it is hard to believe that they would be surrendered, except as a final resort in a desperate situation. The alternatives would be the way of law and honour, with trade advantages held, or the way of war and broken faith, with trade advantages lost. To cause a nation to pursue the second way would require the force of such an overwhelming demand for war, among its own people, that nothing could resist it. Of course such a situation is not only conceivable but it is one that will recur, until the practice and the spirit of peace have become part of the consciousness of the world.

IX

WAR PREVENTION VERSUS WAR COST

ONE apparently strong and valid argument to be brought against the use of economic pressure is that it would bring great loss to a nation applying it. And that is true. But it is equally true that this loss would be far less than the loss brought by war. The appropriations of the United States for war purposes in 1915, a year after the great war broke, but two years before we entered it ourselves, were \$158,000,000. For the year 1918, the war appropriations have already reached the great total of \$7,527,338,716. This vast sum, fifty times greater than the sum appropriated in 1915, represents the war cost for only a single nation. The annual cost of the war of all the nations engaged in it is many times that

sum. And the total cost of the war from the beginning represents a sum equal, undoubtedly, to the value of all the products of all the belligerents for a generation. At the beginning of 1918 it was estimated, after careful computations, that the cost of the war to Germany represented one-third of the total wealth which the German Empire had built up through centuries. And the cost to the other nations is relatively as great. In comparison to the staggering sums involved, the loss to commerce from the application of economic pressure would be extremely small. This would be true even if the entire export and import trade of all the belligerent nations should be sacrificed.

In 1912 the imports of France amounted to \$1,588,553,000 and the exports to \$1,295,528,000. The imports of Germany for the same year were \$2,544,557,000 and the exports \$2,131,718,000. The imports of Austria-Hungary were \$722,030,000 and the exports \$554,973,000. For the United

Kingdom the imports were \$3,623,794,000 and the exports \$2,371,073,000. Italy's imports were \$714,471,000 and exports \$462,607,000. Japan's imports were \$308,258,000 and exports \$261,258,000. The United States had imports of \$1,653,265,000 and exports of \$2,170,320,000.

These great totals represent much less than the yearly cost of the war to each of the belligerents. The official figures issued by the United States Treasury Department, giving the cost of the European war up to August 1st, 1917, showed that the expenditures of the United Kingdom aggregated \$26,705,000,000, and that the daily war cost was \$25,000,000. For France, the total expenditures had been \$16,530,000,000 with a daily war cost of \$18,500,000. For Italy the aggregate cost was \$5,050,000,000 with a daily expenditure of \$7,000,000. With the Central Powers, Germany had made aggregate expenditures reaching \$19,750,000,000 with a daily cost of \$25,000,000, the

same daily cost as that of Great Britain. Austria-Hungary had war expenditures that equalled \$9,700,000,000, with a daily war cost of \$13,000,000. As 1918 opened, the daily cost of war to the United States had mounted to the same great total of \$25,000,000.

The statement of these figures makes clear the wide disproportion between the cost of war and the cost of preventing war through the use of economic pressure. But manifestly it is a false assumption to say that the nations in a league would have all their outgoing and incoming commerce destroyed when they joined in applying economic pressure to a recalcitrant member. The most that could happen would be the total loss of trade which each nation in the League had with the nation against which economic force was being directed. To some degree this loss would be met by increased trade among the nations of the League with each other but for the purposes of a com-

parison we shall give to war the benefit of every possible doubt and assume that the entire volume of trade which the recalcitrant nations had with the other members of the League would represent a complete loss. Even on this basis it is apparent that the cost of a war that might possibly be avoided is very greatly in excess of any conceivable loss that might be entailed through the application of economic pressure.

The trial balance that is being considered is of commerce alone and no account is being taken of the destruction of life and the other great human losses that come with war. But this strict commercial accounting shows a heavy debit against war.

A criticism has been made of the use of economic pressure by Mr. Hamilton Holt, the able editor of *The Independent*, and by others to the effect that the burden, in applying economic pressure, would be borne unequally by the signatory nations.

It has been pointed out that a small nation, in a given case, might suffer a greater trade loss than a large nation, and this is possible. But this inequality can be met by making the share of the total loss of trade which each nation would bear directly proportionate to the amount of its foreign trade. By thus pro-rating the loss on the basis of the ability of each nation to bear it absolute fairness would be secured. The League of Nations which would apply the economic pressure could equitably determine the amount of the resulting loss which each nation should assume. Even if this were not done the loss to each nation would be far less than the loss which would be entailed by war; so, it is reasonable to expect, few controversies would arise from the distribution of the loss suffered in preventing the damage and destruction of war.

X

WOMEN, CHILDREN AND EMBATTLED NATIONS

IN addition to the loss that would be suffered by the nations applying economic pressure, the objection most strongly urged against its adoption by a league of nations is that its effect would be heaviest on non-combatants. This objection will not stand before analysis. For, as the less cannot exceed the greater, economic pressure alone, as a preliminary force to prevent war, will never be so hard on women and children and other non-combatants as economic pressure in time of war, reinforced and intensified by all the other rigours of war.

Belgium and Northern France, Serbia and Rumania, every country that has been occupied by an enemy in this war,

offers pathetic and overwhelming proof of the suffering which war brings to non-combatants. In many ways it is suffering with a sharper edge than that borne by soldiers on the fighting line. War as it has been waged by Germany is no respecter of persons. The Bryce report presents damning evidence of the grievous wrongs done the women and children and old men of Belgium, wrongs that have gone to the point of bearing many of them away to servitude. And this record has been matched in Poland, Armenia, Serbia and Rumania, at least as far as physical suffering is concerned.

The strikes which broke out in Berlin and Vienna early in 1918 were due largely to the sufferings which war had brought to workers and their families, far behind the battle lines. The blockade had hemmed Germany in completely from the sea, and pressure through lack of food and other supplies was greater on civilians than on the soldiers and sailors. This

has been due to the fact that the latter are being looked after by all the belligerents even before the needs of women and children are considered. For such is the imperious rigour of war that nothing is permitted to stand in its way. The case is fully established by this war that economic pressure affects non-combatants quite as much as it does combatants, and that, in addition, they have to bear many losses and dangers that are peculiar to war.

This objection, moreover, seems to wholly overlook the fact that economic pressure is proposed as a sanction to put behind international courts so that their use will be compelled in the settlement of differences between nations and law be substituted in the place of war. If economic pressure against a nation succeeds in a given case, and war is avoided, it is clear that that nation has escaped contending with the military forces of the other nations, as well as with their economic forces. In all wars the first, in-

deed the immediate result, is commercial non-intercourse, which is economic pressure in the most complete and hostile form. So it is plain that a nation at war suffers, both through its combatants and its non-combatants, from all the losses and ravages of war, including economic pressure.

But there is even a broader argument to bring against this stock objection. The present war has shown for all the world and for all time that the old distinctions between combatants and non-combatants have largely disappeared. Wars are no longer limited to the fighters on sea and land. Embattled nations are drawn up on continental battle lines. Industries fight. Women and children and old men make munitions. Railways and steamship lines are organised and devoted to war uses. Everything and everybody is mobilised. The Red Cross forms children and women, as well as men, into a great army of mercy behind the lines, drawn from every village in so vast

a country as the United States. Hoover, through the Food Administration, outlines menus which an opinionated and self-reliant democracy accepts with scarcely a protest. Garfield specifies the number of shovels of coal that can be fed to the furnace and marks the temperature the household thermometer should register. And when the President issues an order taking over all the railroads, a country that has been grounded in the sacred right of property and always believed that individual initiative was the American's birthright, does little more than mark the day. All of this means simply that we perceive, as England and France and Germany and all the belligerents have perceived, that war today is a surging, resistless struggle of all the human and industrial and financial power of every nation engaged.

It is the overwhelming consciousness of this all inclusive nature of modern war that has developed the strongest argu-

ment that has ever been presented in favour of abolishing war. In a truer way than we are apt to grasp, war is destroying war. This is not a pacifist idea, but one that is based on nature's primal law and need of self-preservation. Men see that the enginery of war which they have created, largely in the last generation, will destroy themselves. The submarine, the airship, the poisonous gases, the curtains of fire, the tanks, the great guns—they have been loosed from the brain of man and are running wild in the world like beasts of the jungle, seeking whom they may devour—and they have found man, their creator. Not only are they destroying him, but they are destroying also the civilisation he has slowly reared through the centuries. It is this hideous, hydra-headed monster of war which the democratic nations ^{NO MORE} are convinced that Germany is responsible for and they are determined to slay it, for the protection both of Germany and of themselves.

XI

“THE POWER OF THE PURSE”

FOR centuries nations have used economic pressure for accomplishing the most fundamental reforms in their own governments. It has been steadily operating in Germany to produce results that are almost revolutionary. Von Bethmann-Hollweg resigned as the Imperial Chancellor of Germany in July, 1917. There was much discussion as to the reasons for the resignation, but there was no mistaking the fact that the force which compelled it was “the power of the purse,” exerted in the refusal of the Reichstag to pass the war credits asked for. So powerful a minister as the Chancellor, who had been able to stand against Von Tirpitz and the Junkers on a number of vital questions and who had the sup-

port of the Kaiser, could not resist the economic pressure applied by the Reichstag. And when the Kaiser named Dr. Michaelis as his successor, without consulting his parliament, he created so many difficulties for him that he could not last the year out. Having in its control the power before which Von Bethmann-Hollweg had to bend and break, the Reichstag was able to exact from the new Chancellor a pledge that it would be consulted on all important questions of foreign policy; and it forthwith put the agreement to the test by committing Dr. Michaelis to its formula of a peace without annexations and in the reply to the note of Pope Benedict it enforced the inclusion of its own peace resolution embodying this formula. But although this second Chancellor was willing to bend under pressure, he incurred the ill will of the Reichstag on a number of his acts, especially in his indifference or tacit approval toward the propaganda Von Tir-

pitz and the Fatherland party spread through the army, and he had to go. Then an unprecedented event occurred, one fraught with promise for a democratic Germany, or, at least, for a Germany in which the people will have larger control of their government. Count von Hertling, called to the Chancellorship by the Kaiser, delayed his acceptance until he had consulted leaders in the Reichstag and been convinced that he could secure a majority support. This was equivalent, practically, to confirmation by the Reichstag, much the same, at least in effect, as the confirmation of the appointees of the President of the United States by the Senate, or to the vote of confidence in a new French ministry by the Chamber of Deputies. So here is responsible government finally taking form in Germany, in the stress of war, through "the power of the purse." If Germany can employ economic pressure to make her own autocratic govern-

ment, supported by an archaic constitution, responsive to the people in a much greater degree than ever before, Germany could assuredly employ economic pressure as a force to maintain world peace, as a member of a league of nations. And Germany, with a responsible government controlled by the people, has been considered at all times as a nation qualified for membership in such a league by President Wilson, ex-President Taft and other leading statesmen among the Entente Allies. It would be a significant and impressive illustration of the effectiveness of economic pressure if, largely through its power, Germany was able to accomplish such reforms within, that it could become part of a league that would employ economic pressure to secure and maintain peace throughout the world. But such an illustration would be but one of many repetitions of history. The contest in Germany, between autocratic power, represented by the Emperor

and his ministers, and the Reichstag, representing the people, is strangely similar to the long contest, of three centuries ago, between the King and Parliament in England. And the two contests for responsible government, to be controlled by the people, are identical in the force employed by the people to gain their ends. In both cases that force was "the power of the purse," a phrase first coined in the bitter struggle against the English Crown led by Hampden and Pym in the Commons.

A force that produced results favourable to the people, in England and in Germany, and in many other countries as well, would appear to be fashioned for effective use by a league of nations. And economic pressure applied against a single nation by a league of nations would be much more powerful and much quicker in producing results than it has proved to be when applied by part of the people of a country—it is never all of them, but

only a majority—against their government.

The English Minister of Blockade, Lord Robert Cecil, has presented some extremely interesting data from English history that bears on this point. In a statement issued early in 1918 he said he was convinced that the economic weapon would prove a most useful arm for the enforcement of the League's decrees. "Every student of the League of Nations idea," he said, "finds certain difficulties at the outset. One of these is how the decrees of such a league can be enforced. It is natural to draw an analogy between the growth of international law and order and the growth of law and order within an individual country, and, while I admit that such an analogy must not be carried too far, I find much that is instructive in the development of our English Commonwealth from the state of anarchy that existed over a long period after the War of the Roses.

How did a strong English King finally gain ascendancy and control over the warring barons? He instituted a central body which enforced decrees on the barons largely by economic means. I am convinced that that is the line upon which a league of nations may hope to proceed effectively. My experience in the present war has taught me the great power of an economic weapon. How would a league of nations use it? Well, for example, if any nation went to war with another, without submitting its dispute to international consideration, it would forthwith be cut off from commercial intercourse with every member of the League. That would be a tremendous weapon and one that few if any nations would care to defy.”

XII

REMOVING THE CAUSES OF WAR

THE causes of war are often commercial. And there is good ground for the view that the causes of war must be removed, or at least greatly reduced, if there is to be a just and durable peace in the world. For international courts will avail little, it is strongly urged by some, unless the danger of war is overcome. Of course the quick and manifest rejoinder is, to a criticism so superficial, that just as courts within nations are not set up to remove the causes of crime but to punish criminals, so international courts would be established, not to remove all causes of war, but to settle the disputes between nations that might lead to war. Still there is a deep-seated feeling in the world that wars will recur, in some

way, unless they can be controlled at their source.

The business men of the world admit at once that the international trade, in which they engage, has been in the past and will continue to be a possible cause of war. And they are prepared to propose a plan that will work directly toward controlling that cause even if it can scarcely be hoped to remove it wholly. And the plan is this—let the international chamber of commerce, which had been making steady and strong progress in the ten years before the war, be developed into a powerful agency for developing and distributing the commercial opinion of the world, on all questions of international trade that might carry within them the seeds of future wars. For example, the congress of the international chamber held a largely attended session in Paris in the summer of 1914, shortly before the war broke, and decided to begin a plan to determine by

referendum—a plan that has proved to be so highly successful with the Chamber of Commerce of the United States—the opinion of the business men of the world on various matters affecting international trade. In fact, it was decided to submit a definite referendum as to what constituted disloyal or unfair competition between nations in international trade, but war was hard on the heels of the Congress and the referendum was never taken. But this plan, which was agreed upon before the war, should be put into operation when the war is over. There can be little reason to doubt that in the light of knowledge, which friendly discussion would throw upon disputed questions of trade, adjustment and conciliation would often result. This would be meeting the possible trade causes of war in constructive fashion, in a spirit of accommodation, and many of them would be settled. As Edward A. Filene of Boston said before the War Convention of

the Chamber of Commerce of the United States, "There is no real reason why nations should spend valuable energy in blocking and hampering each other. There is business enough in the world to satisfy the rightful ambition of all peoples." And he gave this clear challenge of international business, broadening through the centuries into a co-ordinated unity, "Whether we think in terms of the business welfare of our own particular nations alone, or in terms of the general progress and stability of the world, this much is clear: It will not do to leave to traditional diplomacy and to ever-changing cabinets and governments alone the handling of those business difficulties which will menace the successful conduct of international trade and threaten the durable peace of the world."

In order that international business difficulties might not be left to governments alone, through sheer lack of effective means for bringing to bear upon them

the collective business judgment of the world, the Chamber of Commerce of the United States has appointed a committee "to make a study of the question of the reconvening of the International Congress of Chambers of Commerce at the earliest time that is judged expedient."

It is not improbable that an international chamber of commerce might become an essential factor in the proposed league of nations. In some countries the chambers of commerce have official status and connection with their respective governments. And whether they had such connection or not they could become a powerful agency for mobilising good will among the nations, by the accepted give-and-take spirit of business, by developing an established policy of fair dealing, under which trade discriminations would disappear, and by consciously weaving the bands of commerce into bonds of peace.

Such an international organisation as

part of a league of nations would serve two great purposes—it would constantly work toward the removal of the commercial causes of war, and it would work definitely, if war was impending for political or any other cause, toward the quick and effective use of economic pressure against a nation that refused to take its case for judgment to the World Court. Centuries ago these two purposes were served by a strong commercial organisation, that of the Hanseatic League. The trading cities in this League flourished through generations, held together by the common bond of commercial self-interest. They became so powerful that they steadily gained trading rights and privileges, even against the opposition of governments and rulers. And it is interesting to be reminded by the Anglo-American merchant, H. Gordon Selfridge, in his recent book, "The Romance of Business," that a member city that broke the trade laws and rules of the League was punished by

having the rights and privileges of the League withdrawn. For example, Bremen in 1356 was expelled from the League, because she failed to punish one of her merchants who had broken a rule of the League in regard to trading with Flanders, and for thirty years she suffered the loss of trade advantages—suffered from economic pressure. At another time Brunswick came under the ban because of delinquency and for six years suffered such great trade loss that her people were brought to poverty. And before the ban was raised two burgomasters and eight important citizens of Brunswick went to Lubeck, the head city of the League, offered abject confession of wrong-doing and craved for pardon in bare feet and on bended knee. And the League used economic pressure not only on one of its members but even against a strong outside nation. So powerful a monarch as Henry IV of England was forced to meet the demands of the League,

largely through an embargo by which it closed the Baltic ports to English commerce. While the power of the League waned as the power of nations grew, three of the old Hanse cities, Lubeck, Hamburg and Bremen, were enabled, by the treaty of Westphalia in 1648, to retain certain privileges as "free cities" and these were continued until so recent a time as 1888, when Bismarck finally forced their surrender.

This historical example, although not applicable to the international conditions that will follow the war, at least serves the point of showing how strong the bond of commerce is and how effective economic pressure can be made. An international chamber of commerce, with all the facilities for securing united action now available and with the authority of a league of nations behind it, could be expected to do much toward removing the causes of war, as well as toward making a league of nations so strong in

its economic power that wars which threatened could, in many cases, be blocked and wars which started, in other cases, could be stopped; and, if the last ditch was reached, and armed force was required to overcome a recalcitrant nation, such an organisation would greatly strengthen military power by mobilising, in support of it, the industry and commerce of the law-abiding nations. Against such combined military and economic might, arrayed in defense of international law, any nation would have to strike its colours.

XIII

THE BIBLE WARRANT FOR A LEAGUE OF NATIONS

DR. LYMAN ABBOTT, both seer and editor, has seldom used his great gifts of interpretation in a more illuminating way than in one of his Knoll papers, published in the *Outlook* in September, 1917, under the heading, "Christ's League to Enforce Peace." With Dr. Abbott's permission, this paper is published here as a chapter of this book. It gives a biblical background to the League of Nations programme which had not been presented until it became a subject for the gifted pen of Dr. Abbott. The article is as follows:

"Jesus Christ compared his words to seeds. They are the expressions of a spirit which inspires life, and of the prin-

ciples which guide that life in right channels. They are not rules to regulate conduct. If 'Lay not up for yourselves treasures upon earth, where moth and rust doth corrupt, and where thieves break through and steal,' were a mere rule to regulate conduct, it would be a sufficient compliance to provide cedar chests for our clothes and a safe deposit box for our money. They are not substitutes for thought, they are incentives to thinking. As seeds they were intended to be developed by his disciples and intelligently applied to the varying circumstances and conditions of an ever-varying life. This truth must be borne in mind by the reader, if he is to understand this paper.

“In the eighteenth chapter of Matthew are recorded certain principles which Christ recommended to his disciples for the settlement of any controversies which might arise among them. These principles are embodied in a rather specific

prescription of the methods which he instructed them to pursue. These principles and methods appear to me to be as applicable to controversies between nations as between individuals. They are as follows:

Moreover, if thy brother shall trespass against thee, go and tell him his fault between thee and him alone; if he shall hear thee, thou hast gained thy brother. But if he will not hear thee, then take with thee one or two more, that in the mouth of two or three witnesses every word may be established. And if he shall neglect to hear them, tell it unto the church; but if he neglects to hear the church, let him be unto thee as an heathen man and a publican.

“Two remarks must be made in explanation of this counsel.

“When the counsel was given, the Church did not exist. The word here rendered ‘Church’ is one used throughout the Old Testament in the Greek version, current in Christ’s time, to designate the popular assembly of the Hebrew people, a body half-way between a mass-

meeting and a representative congress, probably sometimes one, sometimes the other. It might be compared to a 'constituent assembly.'

“To treat a man as a heathen man and a publican or Roman tax-gatherer was simply to have no dealings with him. The heathen were not subjected to penalties of any sort in Judea; the Jews simply had no intercourse with them. The meaning, then, of Christ's ultimatum, as it would have been understood by his disciples, would be: If your fellow-member defies the public opinion of the Christian community to which you both belong, have nothing more to do with him.

“The great statesmen of the world, horrified by this terrible world war, are endeavouring to find some better method for the settlement of international difficulties than 'wager of battle,' and curiously, and as it seems to me very significantly, have hit upon the method which Christ commended to his disciples nine-

teen centuries ago. If I interpret Christ's counsel correctly, these statesmen are following Christ, whether they know it or not. For, if we apply the spirit of his counsel to international action, it would mean, first, Diplomacy; second, Arbitration; third, Judicial Procedure; fourth, to enforce such procedure, Non-intercourse. To interpret and apply this counsel a little more fully:

“I. If in the community of nations a controversy arises between two or more of them, the first step toward a settlement is diplomacy—that is, personal negotiation between the two nations. The object of this negotiation should be to gain a brother. Its spirit and its purpose should be pacific; its aim, to find some common ground on which the two nations can agree. Austria had a complaint against Serbia. The Austrian Crown Prince had been assassinated, and the Austrian Government believed that the Serbian Government had been accessory to the assassi-

nation. If the charge was true, the trespass committed by the Serbian Government was very great. But Austria showed no desire in her negotiations to gain a brother. She treated Serbia as a criminal. She went with a demand in one hand and a threat in the other. And the demand was one to which no nation could accede under threat, without, by that very act, surrendering her independence.

“Christ also advises that these negotiations between the complainant and the supposed transgressor be private. ‘Go and tell him his fault between thee and him alone.’ Recently there has been in certain quarters a great outcry against secret diplomacy. There has been in this country some demand, though not very widespread or influential, for the abolition of the secret sessions of the Senate. It is said that secret negotiations have led to wars, and that, if all negotiations were conducted in the open, war would be avoided. And it is probably true that

some wars have been prepared for, and perhaps promoted, by secret negotiations.

“But it is certain that wars have often been prevented by secret negotiations. There are many international questions which cannot be discussed in the open forum without arousing popular prejudices and exciting popular passions. There is a strong popular feeling in this country against unlimited Japanese immigration. There is a strong popular feeling in Japan hostile to American discrimination against Japanese immigrants. Popular discussion in the press of America excites race prejudice against the Japanese. Popular discussion in the press of Japan excites race prejudice against the Americans. There would be little danger of war between the two countries if we could only unite our forces in a successful war against the yellow press of both countries. If the Japanese question could be taken out of the public forum, there is little doubt that, by friendly negotiations be-

tween the Japanese mission now in this country and our President representing the Democratic party and Elihu Root representing the Republican party, an agreement could be reached which would calm the excessive self-esteem of the one people and the excessive fears of the other.

“II. If diplomacy quietly conducted between the two parties in a spirit of mutual brotherhood fails, arbitration is the next step in Christ’s league to enforce peace. It is evident that the two or three witnesses are to hear both sides of the incipient quarrel. Their opinion is to be listened to by both parties to the quarrel. There is, indeed, no suggestion that they possess *authority* to decide. Authoritative decision is reserved for the third stage in this proceeding toward peace. But they are not partisans of the complainant taken by him to overbear the accused. They are witnesses, taken to hear the story, to reach their conclusion upon

it, and, if no agreement can be reached by their aid, to report to the constituent assembly their judgment upon the undetermined issue. My readers will remember how urgent were the entreaties of England, France, Italy, and Russia to Germany and Austria to submit the issue between Austria and Serbia either to the Hague Tribunal for decision or to a conference of the Powers for amicable settlement, and how emphatic and almost contemptuous was the refusal.

“III. This was as far as Christian civilisation had gone in 1914 in its preparations to avoid war. Reformers had urged the constitution of a supreme court of nations to which any nation might be summoned to give account of its claims. But no such court had been constituted. The imperfectly organised Hague Tribunal could pass only on such questions as were submitted to it by the consent of both the parties to the controversy. Christ recommended to his disciples a

further step—the creation of some sort of body—Parliament, Congress, Supreme Court, Constituent Assembly, Ecclesia—to which either party could report its complaint, a body which would have power to declare an authoritative judgment.

“And if the other party would not accept the judgment, what then?—war to enforce the decision? No! Non-intercourse.

“IV. If he will not hear the assembly, let him be unto thee as an heathen man and a publican.

“Let us imagine that in 1914 the eighteen nations now in alliance against the Central Powers had constituted a community of nations; that they had an international tribunal or assembly with power to hear and decide international questions; and that when Germany and Austria refused to submit the issue between Austria and Serbia to decision by that tribunal, the Powers had instantly and automatically pronounced a decree of

non-intercourse. What would have happened? Every foreign ambassador in Germany and Austria would have been called home. Every German and Austrian ambassador would have been sent home. The mails between other countries and Germany and Austria would have been suspended. Telegrams of every description would have ceased. The world's ports would have been hermetically sealed against the offender. No exports could have passed from the Central Powers to other countries, no imports could have passed from other countries into their territories. Germany and Austria would have been as effectually isolated as if they had been transported bodily to Mars. The present blockade, which is threatening to bring Germany to her knees, would be insignificant by the side of such a world blockade. What nation would venture to defy it? What nation defying it once would ever venture to defy it a second time?

“It is true that such a league as is here foreshadowed would not absolutely prevent war. Germany might have invaded Holland, Belgium, France in the west, and Russia, Serbia, Bulgaria, Rumania in the east, to get by her arms the supplies which commerce refused to her. It might have been necessary to unite the armies of the world in defence of the right to decree and enforce non-intercourse against a defiant nation. But if such a league had existed in 1914, it would not have required three years of robbery on the land and piracy on the sea to call it into existence.

“If any ecclesiastical reader is inclined to think that the counsels embodied in the passage here interpreted and applied to international affairs were intended by Christ simply as a direction for Church discipline, I must refer him to my Commentary on Matthew for a statement of the reasons why I cannot agree with him; if any reader thinks they were intended

only for the settlement of private disputes, I reply that the same principles apply to the settlement of disputes between organisations as between individuals. If any one thinks it extraordinary that the world should not have long since discovered and adopted Christ's league to enforce peace, if it is really suggested by his teaching, I reply that he who believes, as I do, that Jesus Christ is the divine leader of mankind will not think it extraordinary that he should still be in advance of the age and waiting patiently for his disciples to overtake him."

XIV

A COURT HOUSE FOR THE WORLD

IN every country in the world, if it is so much as half civilised, there is some form of court. And yet the world itself is without one. There is, to be sure, the Permanent Court of Arbitration, agreed to at the Hague Conference of 1899, but that is a piece of judicial machinery, in form, without any force to give it effectiveness. And the utter futility of this Court to either stop or delay war was demonstrated so completely in 1914 that it doesn't seem possible that the world will care to have another demonstration. It is inconceivable that a league of nations should establish a court and permit it to be a mere shadow without any power to give it substance. Too much blood has been shed and debts too stupendous

piled up for future generations to pay, to allow a peace conference to decide on a court that would be but a hollow mockery. As a distinguished jurist of the Netherlands, M. Asser, said in the Hague Conference of 1907, in speaking of the Permanent Court of Arbitration, "Instead of a Permanent *Court* the Convention of 1899 gave only the phantom of a court, an impalpable spectre, or, to speak more precisely, it gave a secretarial and a list. And when two Powers having a difference to settle demand that the doors at The Hague be opened to them, the Secretary-General, thanks to the munificence of Mr. Carnegie, can show them a splendid hall, but instead of a court he can only present to them a list on which they may find a large number of persons of a recognised competence, etc."

The Supreme Court of Arbitral Justice, which engaged so much of the attention of the Second Hague Conference in 1907, was not agreed upon, but if it had been,

there is small ground to believe that it would have been more than a "phantom of a court," for no provision was made that hearings before it should be enforced. And the World Court, proposed and supported by a considerable group in this country, had the same inherent weakness, which undoubtedly explained its failure to obtain any broad popular endorsement either in the United States or in Europe.

Fully realising the fatal weakness in these plans for international courts, the League to Enforce Peace made economic and military force the sanction that should compel signatory nations to present their differences for hearing. And from the moment the League was organised in Independence Hall, Philadelphia, on June 17th, 1915, it has steadily gained support for its programme. The reason is manifest. In a world at war the doctrine was proclaimed that peace when it came could only be maintained if it rested on ulti-

mate force. Instead of beating swords into ploughshares it was proposed, in effect, that they be kept in their scabbards ready to be drawn in defence of law. This seemed strangely like a paraphrase from the Bible in grounding belief in the bringing of peace *with* the sword. It was seen at once that this was not militarism, against which democratic nations have fought, but simply placing effective power behind courts so that they would be respected and used.

Such a sane and practical plan won support from the responsible statesmen of the world—from men charged with the leadership of their nations in the great war. Above the battle smoke they saw arise, courts, envisaging the reign of law, supported and enforced by economic and military power. “The best security for peace,” said Mr. Lloyd George in January, 1917, “will be that nations band themselves together to punish the peace-breaker. In the armouries of Europe

every weapon will be a sword of justice. In the government of men every army will be the constabulary of peace.” And M. Ribot in June, 1917, while the Premier of France, said in an address before the Chamber of Deputies, “We echo the noble desire of the President of the United States. Henceforth justice must have as a guarantee the League of Nations which is organising before our eyes, and which tomorrow will be mistress of the world.” Mr. Asquith in an authorised statement in November, 1917, said, “We must aim at something more than the negative functions of policing the world and preventing breaches of the peace; at nothing less than a partnership of the nations in the joint pursuit of a freer and fuller life for the countless millions who, by their efforts and their sacrifices, generation after generation, maintain the progress and enrich the inheritance of humanity. Nor must our reconstruction concern Europe alone. We must aim at

setting up a world-wide peace partnership, of which all the civilised communities will be members on a level footing, with equal rights and reciprocal duties.”

In the United States ex-President Taft and hundreds of the leading public men of the country and thousands of important journals have supported the League of Nations programme. The repeated endorsements from President Wilson have been read in all parts of the world. And it can be safely stated that the President has expressed the sentiment of his countrymen in all of these endorsements, of which the following is typical of many others: “So sincerely do we believe in these things, that I am sure I speak the mind and wish of the people of America, when I say that the United States is willing to become a partner in any feasible association formed in order to realise these objects, and to make them secure against violation. . . . I am sure the United States would wish their Government to

move along the line of . . . a universal association of nations to maintain inviolate the security of the highway of the seas for the common, unhindered use of all the nations of the world, and to prevent any war begun, either contrary to treaty covenants or without warning and full submission of the cause to the opinion of the world—a virtual guarantee of territorial integrity and political independence. . . . I feel confident that the world is even now upon the eve of a great consummation, when some common force will be brought into existence which shall safeguard right as the first and most fundamental interest of all peoples and all governments, when coercion shall be summoned not to the service of political ambition or selfish hostility, but to the service of common order, common justice, and common peace.”

The court house for the world, in view of the innumerable expressions of strong support from statesmen of all the belliger-

ent countries, including those of Germany and Austria-Hungary, seems to have been long in coming to nations in sore need of it. For war, that has been given up as a means in settling differences within nations, has continued as a final arbiter between nations. The world has groped blindly toward a sane internationalism that would gather up and use the tested experience from nations, without seeking to destroy them. It has depended too much on other international forces, failing to perceive the essential place and power of justice. Among the fighting nations are seen the church, the temple or the mosque, but religion has not ended war. In the libraries of all the warring nations are the works of Goethe and Schiller, of Hugo and Balzac, of Shakespeare and Milton, of Tolstoi and Turgenieff—all imperishable contributions to the world's intellectual life, but still they have not ended war. The orchestras of Paris, Berlin, London and New York play the

music of Beethoven, Tschaikowsky, Berlioz and Haydn, and music is one of the most spiritual of the arts, but it has not ended war. Painting and sculpture are part of the common heritage of mankind but they have not ended war. The world has had churches and schools and libraries and galleries—but the world like every other city and country needs a Court House. That Court is within our grasp. What is needed is to give it force through economic pressure and military power that will compel its use and it will become a bulwark of civilisation, protecting the world from the waste and futility and the utter tragedy of war.

XV

THE SWORD AS FINAL ARBITER

THERE were few illusions among the two hundred and fifty thoughtful people who gathered from nearly all parts of the United States, at Independence Hall in Philadelphia in June, 1915, to consider proposals and plans for lessening the dangers of war. For ten months the great war, steadily becoming greater, had been in progress. By general agreement, even more impressive because scarcely spoken, being in the minds of all present, the four proposals formulated for the programme of the League to Enforce Peace, there organised, were for international adoption when the war was over. That agreement was interpretative of the sane and practical spirit which pervaded this short but historic conference. Not only

was there no illusion about stopping the war already on, there was no illusion in regard to preventing future wars by the pacifist formula of optional arbitration or sanctionless courts. Of course the doctrine of non-resistance, even in a city whose hall of government bore the bronze effigy of William Penn, was not so much as mentioned. Instead of that, this great peace conference drew the sword, and in a noble preamble to its platform pointed to it as the final arbiter in any league of nations that might hope to supplant war by law in settling disputes between governments.

The founder of the University of Virginia, Thomas Jefferson, when he presented the Declaration of Independence in the same Hall, one hundred and thirty-nine years before, had concluded it with the martial words of ultimate and complete sacrifice: "To this declaration we pledge our lives, our fortunes and our sacred honour." The President of Har-

vard University, A. Lawrence Lowell, placed in the forefront of the platform of the League to Enforce Peace, reported by the Committee of which he was the Chairman, words that implied the same supreme pledge: "Throughout five thousand years of recorded history peace, here and there established, has been kept, and its area has been widened, in one way only. Individuals have combined their efforts to suppress violence in the local community. Communities have co-operated to maintain the authoritative state and to preserve peace within its borders. States have formed leagues or confederations or have otherwise co-operated to establish peace among themselves. Always peace has been made and kept, when made and kept at all, by the superior power of superior numbers acting in unity for the common good. Mindful of this teaching of experience, we believe and solemnly urge that the time has come to devise and to create a working union

of sovereign nations to establish peace among themselves and to guarantee it by all known and available sanctions at their command, to the 'end that civilisation may be conserved, and the progress of mankind in comfort, enlightenment and happiness may continue.'"

Then followed these four short proposals:

First: All justiciable questions arising between the signatory powers, not settled by negotiation, shall, subject to the limitations of treaties, be submitted to a judicial tribunal for hearing and judgment, both upon the merits and upon any issue as to its jurisdiction of the question.

Second: All other questions arising between the signatories and not settled by negotiation, shall be submitted to a council of conciliation for hearing, consideration and recommendation.

Third: The signatory powers shall jointly use forthwith both their economic and military forces against any one of their number that goes to war, or commits acts of hostility, against another of the signatories before any question arising shall be submitted as provided in the foregoing.

Fourth: Conferences between the signatory

powers shall be held from time to time to formulate and codify rules of international law, which, unless some signatory shall signify its dissent within a stated period, shall thereafter govern in the decisions of the judicial tribunal mentioned in Article One.

The distinguishing thing in these proposals, of course, and the thing which definitely separates them from the proposals of other peace organisations is the placing of force behind a world court, compelling it to be used. And why not? Surely the world, after the devastation and destruction of the present war, will come to the place where peace will seem so much to be desired that it is even worth fighting for. Many will say, this is war itself, the very thing we seek to prevent. But let it be stated in rejoinder with overwhelming emphasis, that such a war, if it should be required as a last resort, would be war to enforce peace. It would be war to establish the integrity and authority of world courts that the nations had joined in setting up and had joined

in agreeing to use. In a word such a war would be simply the use of power to enforce the due processes of international law and justice. If a court set up by the people is flouted, the State, through its constitutional officers and, if necessary, through its armed forces, asserts the sovereign power of the people and commands and compels respect for the court. That is not war—it is the State maintaining peace. So it is with the use of armed force to compel a recalcitrant nation to take its international differences to a court instead of to a battlefield. That would not be war but the exercise of military power to enforce peace. And it would frequently happen that the use of the great power of international commerce, applied as economic pressure, would be sufficient to sober a nation and bring it to the World Court, without resort to military force.

XVI

BUSINESS THE PROTECTOR OF DEMOCRACY

IN all countries the development of commerce has been accompanied by a gradual but inevitable development of democracy. So general is this that the deduction is sound that between the two there is a relation of effect and cause. The reason for this is not obscure for it inheres in the very nature of both commerce and democracy. They both stand for co-operation in human relationships. As commerce grew it became a constantly increasing source of revenue to governments and secured a constantly increasing number of rights and privileges. Many of these came after long struggle but they always bore witness to the growing power of commerce, which won them. In time, especially in English-speaking countries,

commerce became included in the encompassing word business, which stood for the whole range and field of commercial enterprise. Today business is practically the organised life of the world. It includes in every country countless individual concerns and corporations. These are often grouped in associations representing their respective branches of business. The whole amazing network of relations and inter-relations is the result of co-operation and co-operation is the essential principle of applied democracy.

One of the most significant consequences of the commercial organisation of the modern world has been the stimulus it has given to the democratic idea. When men meet on a plane of equality in business and develop both the philosophy and the practice of democracy it becomes inevitable that their relations with their governments should work surely toward democratic ideals and principles. And that fact explains much of the democratic

progress that has been going on all over the world. Even in autocratic nations where government has continued to be largely in control of the hereditary nobility there has grown up a great commercial class, grounded in the democratic idea of individual worth, opportunity and initiative and from this class the government service in every country has been constantly recruited. As a result there has been a steady democratic infusion from business that has profoundly affected political thought everywhere, because men who have climbed up from the ranks seldom lose "the common touch," however influential in government affairs they may become, and whatever the titles they may be invested with. It is these men who are a material part of the leaven of constructive liberalism in every country against irresponsible autocracy on one hand and irresponsible democracy, representing the rule of the mob, on the other. In the international reconstruction toward

which the world is fast moving they may be expected to bear an important part. And it is a cheering fact to recall at such a time that their training and their views are not only largely democratic but, to a considerable degree, international. In business within, they have been schooled in the democratic practice of equality; in business without, in the field of world trade, they have learned something of international forces and relationships.

During the war a striking illustration of the stabilising influence in international affairs of business men has been offered in the work of the International Sugar Committee. This Committee was composed of three members from the United States, Mr. Earl D. Babst, President of the American Sugar Refining Co.; Mr. George M. Ralph, Head of the Sugar Division of the Food Administration, and Mr. William A. Jamison of Arbuckle Brothers, and there were two members from the Allied Governments, Sir Joseph

White-Todd and Mr. J. Ramsay Drake, both of England. These five men in the fall and winter of 1917-18, by co-operative buying and control of distribution, succeeded in overcoming an almost panic condition, due to threatened famine, stabilised conditions that bordered on demoralisation and established an equitable balance between the rights of producers and consumers in all of the Allied countries. This result in a single industry is indicative of what business men may accomplish in the new international conditions that will come with a league of nations.

Another illustration that is even more important is that of the pooling of all shipping interests among the Entente Allies. An International Shipping Board was formed with Mr. P. A. S. Franklin, President of the International Mercantile Marine, as Chairman, and Mr. H. H. Raymond, the Shipping Controller of the Food Administration, as the American

members, and with Sir Connop Guthrie as the English member. And this Board took under control the unification and direction of all the shipping services of the Allies. So conservative a newspaper as the *New York Times*, in commenting on this radical departure, said: "This war is different from other wars in that its results will be economic rather than territorial or dynastic. There will be territorial readjustments with peace. There have been dynastic and political revolutions, and there will be more. It was not intended to minimise them when it was suggested that they were rivalled by the passage of the world from a past of economic nationalism into a future of economic internationalism."

The truth is the league of nations that has been fighting the war for democracy has been learning how to apply economic internationalism as a force to maintain peace when a greater league of nations is formed.

XVII

THE VOICE OF THE PEOPLE

DEMOCRACY in its advance has kept step with the progress of knowledge. Not until the war was recognised as a crucial struggle for the preservation of individual liberty did it set up the fundamental issue that united the democratic nations of the Old and New Worlds. The full support of free and independent men came only through a realisation and understanding of the cause for which they were called to sacrifice and die. The United States did not enter the war until its people had given unmistakable proof of their conviction and will.

How was this proof presented? Through the great democratic organ of public opinion, the press. The history of those anxious days of our neutrality shows

the touchstone was applied to the sovereign force of public opinion. The successive public addresses of President Wilson prior to April 6, 1917, trace the emergence of the United States from its traditional policy of national isolation. Editorial comment in more than 2,000 daily newspapers assured the President that the people were with him at each step toward the final call to arms. How carefully the head of the nation studied the popular effect of these messages was demonstrated by the fact that summaries of editorial opinion embracing extracts from several hundred leading newspapers in every part of the country were laid before him within twenty-four hours after the publication of an address or message. These summaries, made by the Associated Press, not only kept the President informed of the state of the public mind but mobilised opinion throughout the nation.

Having agreed to fight, after free and open discussion through the press, the

people of the United States utilised the same agency in mobilising for war. The campaigns to conserve our resources and to finance the war owed their success principally to the support of the newspapers. Printers' ink accomplished for America what was possible in Germany and Austria only through imperial decree and the fear of armed authority.

Through their newspapers the people of the United States became familiar with the principle that the only kind of peace worth fighting for is a permanent peace, based upon international covenants. The ideal of international reconstruction was launched by the League to Enforce Peace. Before it attained concrete form in the platform adopted at Philadelphia, in June, 1915, the conception had gained little attention outside the circle of political economists and advanced political thinkers. A nation trained for generations to cherish the tradition of isolation and non-interference

with European affairs might well have regarded the proposal as heresy. As a thesis it appealed to both mind and imagination; from the outset it had the support of men of international reputation; but these advantages alone could not have intrenched the idea as firmly as it stands today without the aid of the press.

A careful survey of editorial opinion at the time this book is written indicates that, while there are differences of opinion as to method, the general plan of a league of nations is favoured by the newspapers in overwhelming majority.

The attitude of the press is significant because upon this great clearing house of public opinion will rest much of the responsibility for the success of the plan once it is adopted. All the nations are gaining greater respect for the views of their neighbours. The telegraph, the submarine cable and the telephone rank with the railroad, the steamship, the automobile and the airplane as agencies drawing

mankind into one great family. If a citizen with a quarrel on his hands knew that his neighbours sided with his opponent, he might think twice before venturing to gain his ends by force. In the same way a nation, however aggressive and ruthless, would hesitate to attack another if it believed the other nations of the world would not support its quarrel.

Here is where the machinery of an international court and forced arbitration would serve to block an outbreak of hostilities until the questions at issue could be laid before an international jury. Since the proceedings of such a tribunal would be public, long before the court had handed down its decision the issue would have gained a popular verdict. The press of the world would act as unofficial advocates and the case would be tried first at the bar of public opinion.

If the quarrel reached the stage where the united nations decided to use the trade boycott against an offending mem-

ber of the league, either with or without military force, such a boycott could not be successful unless it were backed by the people.

In fact, public sentiment alone, without official action, might be strong enough to exert effective economic pressure if mobilised and directed by the united efforts of the press. This is the idea back of the 1918 referendum of the United States Chamber of Commerce. A boycott such as this plan proposes would be purely popular and without government sanction.

Under the domination of an autocratic government a national press can become a powerful instrument to advance the interests of selfish despotism. But the free press of America, uncensored and responsible only to the people upon whom it depends for support, has proved itself one of the most effective weapons in the arsenal of democracy.

XVIII

THE NEW DAY AFTER THE WAR

THE great war is in its fourth devastating year as this book is published. What will follow it in the way of world reorganisation no one can clearly foresee. But that great changes are impending is no longer looked upon as prophecy, for their necessity and inevitability are everywhere understood and conceded.

There are three forms which these changes could conceivably take.

1. Increased imperialism in the world —by that is meant increased militarism and increased territorial empire under the control or sovereignty of a single nation.

This change seems to be impossible, for to bring it about would require complete Germany victory. Unless that is achieved imperialism cannot have a place

in the world any larger after the war than it had before the war, for the allied nations have made their fight for the underlying principles of democracy. Their governments have stated in the most definite form that they were agreed in favor of equality among nations, small and great, in favor of each country determining its own government and in favor of a policy of no annexations.

If these principles should suffer defeat in this war it can be but a temporary defeat, for these principles are eternal and must ultimately prevail. And they must prevail in Germany and Austria and Turkey, quite as much as in France, England, America and throughout the world. To hold to any other view is to deny progress and to shut out the light of history.

A change that would represent the farthest possible extreme from imperialism would be:

2. *Radicalism in the extreme form it has taken in Russia under the rule of the Bolshevi-*

ki or in the form represented by the British Labour Party.

This is a result that is not impossible in the sense that the imperialistic result appears to be, but it is highly improbable. Representative democracy, before the war came, had gained the day in England, in France, Italy and America and it will not surrender all it has won, in a thousand years of steady progress, to the red flag of socialistic revolution. But this is not said in denial of the profound effect which the Russian revolution is having and will continue to have on the democracy of every country in the world. The full measure of that effect is not apparent—will not be for generations—but among events that have been influenced, to some degree at least, are the great strikes in Germany and Austria in favour of a democratic peace and the formation of an independent Labour Party in England, with so strong a demand for a statement of war aims that Lloyd George was com-

pelled to heed it. About the time Lloyd George spoke, President Wilson gave to the world a statement of America's war aims and these were at once taken up by English Labour and claimed as their own. And as these declarations were being made, Trotzky, the Russian Foreign Minister in the Bolsheviki Government, published a book, "The Bolsheviki and World Peace." In it he gave this formula for peace—"The peace of the peoples themselves and not the reconciliation of the diplomats. No contributions. The right of every nation to self-determination. The United States of Europe—without monarchies, without standing armies, without ruling feudal castes, without secret diplomacy."

This was written, evidently, a short time before Lenine and Trotzky came to power and, in substance, it was the formula presented by the Russian delegates at the council table at Brest-Litovsk, although they failed utterly in securing

its adoption. Of course the Allies have the deep conviction that Russia in making a separate peace with Germany was guilty of an act of the basest treachery. It is clear that it released great armies for another drive toward Paris, and was followed by a new drive for conquests in Russia. But it released, also, great armies of radical ideas that have made an insidious and powerful attack on the morale of the German people. Which groups of armies, those operating outside Germany or those operating inside, would do the greater destruction was not determined when this was written. But they were engaged in accomplishing results that were violently contradictory.

And in Russia there has been some reaction from the radical influences that have been in full swing. To what degree the Bolsheviki have been affected by more moderate democratic influences is not clear but it can be safely believed that they have been much affected and that,

ultimately, either their views will be influenced from without, in as large measure as they have themselves influenced the views of other democracies, or the Bolsheviki will be supplanted by those representing more conservative ideas. This is but stating the fact that as a rule human reactions, in time, establish an equilibrium. No gift of prophecy, therefore, is needed to foresee that the world, after the war, will not go all the way to the international socialism that is accepted and proclaimed by the Bolsheviki.

The able report on reconstruction by the subcommittee of the British Labour Party presents the farthest swing which the pendulum of radical liberalism can be expected to make. As the proposals in this report will unquestionably be advocated for adoption by an important section of the British Parliament—it is not impossible that the next general election in England will show that that section represents a majority—they must claim

at once the serious attention of all thinking people. Count Okuma is credited, in this report, with having expressed the view, from his vantage point of perspective in Japan, that the present conflict would result in the death of European civilisation. "We of the Labour Party can so far agree in this estimate," says the report, "as to recognise in the present world catastrophe, if not the death, in Europe, of civilisation itself, at any rate the culmination and collapse of a distinctive industrial civilisation, which the workers will not seek to reconstruct. At such times of crisis it is easier to slip into ruin than to progress into higher forms of organisation. That is the problem as it presents itself to the Labour Party.

"What this war is consuming is not merely the security, the homes, the livelihood and the lives of millions of innocent families, and an enormous proportion of all the accumulated wealth of the world, but also the very basis of the peculiar social

order in which it has arisen. The individualist system of capitalist production, based on the private ownership and competitive administration of land and capital, with its reckless 'profiteering' and wage-slavery, we shall do our utmost to see that it is buried with the millions whom it has done to death. If we in Britain are to escape from the decay of civilisation itself, which the Japanese statesman foresees, we must ensure that what is presently to be built up is a new social order, based not on fighting but on fraternity—not on the competitive struggle for the means of bare life, but on a deliberately planned co-operation in production and distribution for the benefit of all who participate by hand or by brain—not on the utmost possible inequality of riches, but on a systematic approach towards a healthy equality of material circumstances for every person born into the world—not on an enforced dominion over subject nations, subject races, sub-

ject colonies, subject classes, or a subject sex, but, in industry as well as in government, on that equal freedom, that general consciousness of consent, and that widest possible participation in power, both economic and political, which is characteristic of democracy. We do not, of course, pretend that it is possible even after the drastic clearing away that is now going on, to build society anew in a year or two of feverish reconstruction. What the Labour Party intends to satisfy itself about is that each brick that it helps to lay shall go to erect the structure that it intends, and no other.

“The four pillars of the house that we propose to erect, resting upon the common foundation of the democratic control of society in all its activities, may be termed:

“(a) The Universal Enforcement of the National Minimum Wage;

“(b) The Democratic Control of Industry;

“(c) The Revolution in National Finance; and

“(d) The Surplus Wealth for the Common Good.”

After presenting arguments in favour of these proposals the report gives this unqualified endorsement to the league of nations:

“We stand for the immediate establishment, actually as a part of the treaty of peace with which the present war will end, of a universal league or society of nations, a supernational authority, with an international high court to try all justiciable issues between nations; an international legislature to enact such common laws as can be mutually agreed upon, and an international council of mediation to endeavour to settle without ultimate conflict even those disputes which are not justiciable. We would have all the nations of the world most solemnly undertake and promise to make common cause against any one of them

that broke away from this fundamental agreement. The world has suffered too much from war for the Labour Party to have any other policy than that of lasting peace.’’

This leaves the third change that may follow the war to be examined. And that stands midway between the two extremes of imperialism and radicalism. It can be stated, broadly, in this fashion:

3. Representative democracy existing in nations and serving as a bond of union in a league of nations.

This is an approximately accurate description of the political principles of the Entente Allies in the war. With the exception of Japan, whose government has been steadily becoming more democratic since 1868, each of them has a government directly responsive and responsible to the people. And this fact has been a controlling factor in bringing them together and in holding them together in a league. It has made sharp and clear-

cut the battle line between democracy and autocracy and thus has determined the decisive purpose of the war. Now democracy is not socialism. It stands for the individual, for his initiative, for his rights, for his freedom. Democracy is the creed of the Gospel, for it interprets the underlying and unescapable obligation in personal responsibility. Germany forgot her Luther or she could never have forged such a thunderbolt as Prussian militarism. But the printing press which her Gutenberg set up in Mainz has served as a mighty instrument of democracy. It made possible the spread of knowledge, which has been both the cause and the hope of modern civilisation. The printing press has been the screw of Archimedes that everywhere has been lifting men into a consciousness of their manhood. Serfdom has had to go, slavery has had to go, feudalism has had to go—and democracy, based on the rights of man, had to come. And in all the centuries it has been com-

ing, slowly, oh very slowly at times, but coming, surely coming. It has been coming in Germany through the growing rise of the people's power; in England, through the revolution in which the inherited power of the lords has been shattered and the supreme power of the people recognised; in all modern Europe it has been coming; in Turkey, in Persia, in China it has been coming; in America it has been coming.

Vested power will entrench itself in many strong positions in the generations to come, as it has in the past, but it must lose them because its fight is against men and women who are being raised by the democratic power of the printing press into reliant, strong, conscious individualism. When the printing press gave knowledge to the world it gave the power to the world that was to make it democratic. Learning was no longer the privilege of the few but the possession of the many. The Bible was no longer chained to cathedral

pulpits but found its way into the humblest home. Government was no longer vested in kings, and though thrones might remain, they have become merely symbols of a power transferred in increasing measure to the people. The world had to be democratised.

The great war itself has been an agency of democracy. It is unbelievable that the millions who have fought it, on the firing lines and behind them, can be brought under subjection to autocracy. It may be believable, but it doesn't appear to be probable, that they will carry democracy to the point of extreme radicalism. Instead, it is more reasonable to look forward to a world after the war in which democracy will be truly representative, controlling governments within nations and serving as a bond of understanding and union between nations in a League to Enforce a just and durable Peace.

APPENDIX

There are reprinted in the Appendix the proposals of the League to Enforce Peace and Referendum Number Eleven and Referendum Number Twenty-three of the Chamber of Commerce of the United States, to all of which frequent references have been made.

I

PROPOSALS OF THE LEAGUE TO ENFORCE PEACE

WE believe it to be desirable for the United States to join a league of nations binding the signatories to the following:

First: All justiciable questions arising between the signatory powers, not settled by negotiation, shall, subject to the limitations of treaties, be submitted to a judicial tribunal for hearing and judgment, both upon the merits and upon any issue as to its jurisdiction of the question.

Second: All other questions arising between the signatories and not settled by negotiation, shall be submitted to a council of conciliation for hearing, consideration and recommendation.

Third: The signatory powers shall

jointly use forthwith both their economic and military forces against any one of their number that goes to war, or commits acts of hostility, against another of the signatories before any question arising shall be submitted as provided in the foregoing.*

Fourth: Conferences between the signatory powers shall be held from time to time to formulate and codify rules of international law, which, unless some signatory shall signify its dissent within a stated period, shall thereafter govern in the decisions of the Judicial Tribunal mentioned in Article One.

**The following interpretation of Article 3 has been authorised by the Executive Committee:*

“The signatory powers shall jointly employ diplomatic and economic pressure against any one of their number that threatens war against a fellow signatory without having first submitted its dispute for international inquiry, conciliation, arbitration or judicial hearing, and awaited a conclusion, or without having in good faith offered so to submit it. They shall follow this forthwith by the joint use of their military forces against that nation if it actually goes to war, or commits acts of hostility, against another of the signatories before any question arising shall be dealt with as provided in the foregoing.”

II

REFERENDUM NUMBER ELEVEN

REPORT OF THE SPECIAL COMMITTEE ON RESULTS OF THE WAR AND AMERICAN BUSINESS

September 2, 1915.

To the Board of Directors of the Chamber of Commerce of the United States:

All Americans are profoundly moved by the war, whether viewed from its moral or material aspects. Especially is this true of American business men who, through their business relations, are closely in touch with the actual conditions in Europe. Moreover, the knowledge that war fundamentally injures the business structure and the trained power of the successful business men to accomplish results has created in them the will for more lasting peace.

This will is not the creation of this war alone. United States business men had put such strength and efficiency into an International Chamber of Commerce that, in June, 1914, at Paris, the International Chamber of Commerce voted to submit a business question of international interest to a referendum, thus beginning the movement to develop a worldwide consensus of matured business opinion and to secure international agreement and legislation on disputed, wrongly settled, or unsettled commercial questions. As the membership reached in this interchange of views included the representatives of almost every business men's association in every important commercial country in the world, and as commerce and markets underlie many of the more talked of "causes of the war," it is clear that the business men of the United States were, before the present war, working in the right direction for more lasting peace.

HISTORICAL STATEMENT

At the last convention of the Chamber of Commerce of the United States, in Washington, in January, 1915, a resolution was offered by a delegate—the representative of the Advertising Clubs of America—urging that the power of international commerce and finance, applied as economic pressure, be employed to compel nations to bring their differences before an international tribunal before going to war.

In 1907, at the Hague International Conference, forty-four of the civilised nations of the world agreed on the necessity of an international tribunal to deal with international differences.

In 1912 the International Congress of Chambers of Commerce, made up of delegates representing the principal organisations of business men of all the civilised countries of the world, voted unanimously in favour of arbitration for the settlement of international disputes.

In the spring of 1915 your committee was appointed by the Directors of the Chamber of Commerce of the United States to examine into the relations between the present war and business and submit suggestions as to the future.

Accordingly your committee has studied the question carefully and canvassed many of the best minds in this country and in Europe. Early in June of this year a large number of representative business men and leaders in professional life met in Cleveland in a World's Court Congress. Some of your committee attended this meeting. Its sentiment was unanimous in recognition of the need of developing more definite law in international relations. To that end it declared strongly in favour of an international tribunal, with the support of international police power.

On June 17 your committee met in Philadelphia, concurrently with a meeting of distinguished Americans in Inde-

pendence Hall, and participated as individuals in the meetings of the League to Enforce Peace. Here again the sentiment was overwhelming for the supremacy of law in the relations between nations, and the following resolutions were adopted:

First: All justiciable questions arising between the signatory powers, not settled by negotiation, shall, subject to the limitations of treaties, be submitted to a judicial tribunal for hearing and judgment, both upon the merits and upon any issue as to its jurisdiction of the question.

Second: All other questions arising between the signatories and not settled by negotiation shall be submitted to a Council of Conciliation for hearing, consideration and recommendation.

Third: The signatory powers shall jointly use forthwith both their economic and military forces against any one of their number that goes to war, or commits acts of hostility, against another of

the signatories before any question arising shall be submitted as provided in the foregoing.

Fourth: Conferences between the signatory powers shall be held from time to time to formulate and codify rules of international law, which, unless some signatory shall signify its dissent within a stated period, shall thereafter govern in the decisions of the Judicial Tribunal mentioned in Article One.

From a number of other countries come reports of similar meetings with similar expressions of opinions. Thus it became evident to your committee that the best thought of the world was nearing agreement on what should be done better to safeguard the interests now subject to injury by war. This consensus of opinion was well expressed in a statement issued from a conservative source last June—one of our largest and most successful banks—which reads in part as follows:

“The occasion (of the sinking of the

Lusitania) illustrates the want of the civilised world for a duly constituted authority for determining and defining international law under all the changing conditions of modern life and warfare. It may be that it is too much to hope for, that in this or near generations war can be altogether prevented; it may be that for a long time to come great racial and national impulses will occasionally break through all restraints that may be contrived and all agreements that individuals of passing authority may formulate and insist upon fighting out matters of fundamental concern. . . . The United States has always stood, as a matter of principle, for the broadest possible interpretation of the rights of neutrals and non-combatants in time of war. This policy has been determined upon the theory that it is in the interest of civilisation and for the good of mankind that the area of war operations shall be circumscribed as much as possible, and the

rights of neutrals and non-combatants protected and enlarged. In time of peace this principle must command general approval, but in time of war, when nations are fighting, as they believe, for their existence, any change of conditions that may be held to affect the application of international law is seized upon by the combatants. The trouble then is that international law rests upon common consent, and there is not even a recognised authority to say what it is with relation to new conditions that arise. Private war, the settlement of property disputes by force, and of questions of honour by the duel, have been done away with by the creation of a body of law and the establishment of tribunals to try the causes that may arise. There is no humiliation or disgrace in submitting to the determination of a duly constituted court, even though the defeated party feels that justice in his case has not been done. The essential thing is that order shall be main-

tained and that rights shall be determined, not by the power of force, but by rules of equity impartially administered.

“In the international field there remains the risk that the parties to a dispute, jealous of their rights, fearful of the results of precedent, sensitive as to national honour, swayed by the emotions or interests of the hour, may take positions from which retreat upon either side seems to be impossible, and so drift into war, although neither side desires it. The civilised world is supremely interested in the maintenance of order; the first condition of this is good understanding, and nothing will contribute so much to it as an agreed method of determining what is right in cases of dispute according to principles accepted and defined so far as possible in time of peace.”

As business men, we cannot fail to foresee that, if this war is settled as all previous wars have been, without providing for the “duly constituted authority,”

there will be added to its enormous charges the still greater continuous charges due to rivalry in armaments and other preparations for the "next settlement." Under such conditions, we are forced to believe that the European nations, after the war, will be faced with the insistent need for re-establishing their industries at almost any sacrifice in order to keep up in the race for armaments and to obtain means of settling their debts so as to keep their credit good for the next war. Predictions by students of affairs already abound that these necessities will cause them to make sacrifices of natural profits, lower their scale of living, and so create competition of unexampled severity—a competition which also would be particularly ominous for our higher-wage market. that so far has suffered least.

FACTORS TO BE FACED

Whether this reasoning be sound or not, the certain factors that we have to face

in the event of an unsatisfactory settlement in Europe will be:

1. A reduction of purchasing power in Europe and indirect reduction thereby of purchasing power in other countries; for instance, if Brazil cannot sell as much coffee to Europe her purchasing power in other countries will be proportionally limited. *U.S.*

2. A shortage of the world's available capital due, (a) to sheer destruction, (b) to the great uncertainty as to the future, (c) to the need for settling certain of the war debts, and (d) preparing for further war—the whole tending to raise the price of capital the world over and limit notably its employment in the newer countries.

3. A decline in the European standard of living and perhaps of wages, rendering possible a low-priced production, which will create a costly world-wide disturbance of industrial conditions.

4. Increasing hostile protective tariffs on the part of the fighting countries,

due, first to a desire to find a source of taxation, and secondly to the desire to make the country imposing it as self-sufficing as possible in manufactures and food, as a military measure.

Should a period of unrest and uncertainty follow an unsettling "settlement," the United States will not be free to determine what increase, if any, she will make in her armaments, but may be forced into an abnormally great increase, with correspondingly abnormal tax and other burdens.

The possibility of a growing revolutionary spirit in Europe, due to very seriously increased burdens on the masses, with reactions on certain sections of American labour, is not to be disregarded.

FIVE SPECIFIC PROPOSALS

In any case it is obvious that America will be very seriously affected by the character of the settlement arrived at in Europe. Your committee, therefore, favours

calling upon Congress and the President to do all in their power to promote the establishment of:

1. A More Comprehensive and Better-Defined Sea Law,

2. An International Court,

3. A Council of Conciliation,

4. International Conferences for the better establishment and progressive amendment of international law.

5. The organisation of a System of Commercial and Financial Non-Inter-course to be followed by military force if necessary, to be applied to those nations entering into the foregoing arrangements and then going to war without first submitting their differences to an agreed-upon tribunal.

RECOMMENDATION ONE

A More Comprehensive and Better-Defined Sea Law

At best, sea law during war has always been poorly defined. Many of the causes

of friction between belligerents and neutrals have been due not so much to wilful disregard by belligerents of neutral rights as to honest differences in appraising them. The understandings of one period have become confused by new inventions, new conditions. The international conferences which from time to time have undertaken more clearly to bring the nations into agreement respecting the rights of persons and property at sea have met irregularly, and their recommendations have had no binding force. There is need of a legislative body to frame agreements on such law; there is need of just interpretation of this sea law, which means an international court; and there is need of a method of compelling respect for the court's decision, which means finding something better as a way of enforcing international law than taking sides in a war in which both sides may be violating the law. The present war with the losses of lives and property of Americans

has fundamentally emphasised these needs.

RECOMMENDATION TWO

An International Court

When citizens disagree, the state provides courts to mete out justice. When two or more of our states or of citizens in different states disagree, the United States maintains courts for the same purpose. It is no more logical or right for nations with differences to resort at once to war than it would be for two men who have failed to settle a private difference to draw pistols and begin to shoot.

The problem of securing peace and justice among nations is simply an extension of what we have successfully solved in the national and municipal realms. It is not without significance in this connection that forty-four of the principal nations of the world had, seven years before the war, agreed in principle to the establish-

ment of a World's Court of Arbitral Justice, differing only over details. Since 1907, however, there has been much study of details, and with the compulsion of the experience of this war added it is now believed that the difficulties they presented can more readily be overcome.

RECOMMENDATION THREE

A Council of Conciliation

There are questions that cannot be decided by the strict rule of law. Among nations questions of honour and questions of policy are usually reserved from arbitration. We should not, for example, arbitrate the Monroe Doctrine or submit to a court our right to say whether or not we might exclude or restrict immigration. But before nations shall fight over such questions, bringing damage on all, it is fair to neutrals that they should be given a chance to ascertain the facts and, if

possible, help to a peaceful solution. The delay incident to such efforts toward conciliation may serve as a preventive of war.

RECOMMENDATION FOUR

International Conferences for the Better Establishment and Progressive Amendment of International Law

Along many lines already world forces have been working for many years through international conferences to promote a better understanding among nations, establish more firmly enlightened standards to govern their inter-relations and furnish a body of international law.

A number of general conferences were started by international meetings before the nineteenth century, but more regular meetings were organised since then. Those conferences met at Vienna (1815), Paris (1856), Berlin (1878 and 1885), Algeciras (1906), London (1912). Successively in-

ternational conferences have condemned slavery, regulated navigation on international rivers, suppressed privateering, proclaimed the right of men to their language and religion in nations composed of people of different nationalities, applied the principle of open door to the Congo Basin and Morocco, guaranteed the right of backward peoples.

Besides these conferences which had specifically a more European character, except those of Berlin (1885) and Algieras (1906), in which the United States of America also participated, numerous official conferences with a more technical aim have been held mainly during the last fifty years. About sixty different matters have been discussed by the most competent men of the world in the most varied domains of human activity. Nineteen permanent bureaus and offices have been organised of which two at least, the International Postal Office at Berne and the International Institute of Agriculture

at Rome, are supported by all the civilised states of the world.

An enumeration of the main questions considered will show how far-reaching is the work already performed. They are in part: publication of customs tariffs, sugar production and exportation, contraband of arms to backward peoples, importation of alcohol into Africa, slave trade, white-slave traffic, preservation of animals (seal, fishes, birds, etc.), suppression of opium traffic, propagation of phylloxera, unification of weights and measures, railroad transportation, postal, telegraphic and radiotelegraphic relations, protection of submarine cables, regulation of maritime signals and roads, workingmen's protection, exchange of scientific and public publications and of artistic reproductions, unification of private and commercial legislation, protection of patents and trademarks, unification of commercial statistics, geodetic and seismologic researches, exploration of the seas, publication of the

map of the world. This movement toward international agreement and law was gaining in strength each year. Stopped by the war, there is little doubt that it will revive stronger and pursue its course in a more regular and systematic way when the war is over. Business men perhaps more than others should be anxious to support such endeavours for a better understanding among nations establishing more firmly enlightened standards to govern their inter-relations and furnishing a more elaborate and organic body of international public and administrative law. The present war has again incontrovertibly shown the fundamental need for this. The problem is, then, not new or novel, but needs only to be broadened and organised to yield all the desired benefits.

RECOMMENDATION FIVE

The organisation of a System of Commercial and Financial Non-Inter-

course, to be followed by military force if necessary, to be applied to those nations entering into the foregoing arrangements and then going to war without first submitting their differences to an agreed upon tribunal.

There is a difference of opinion as to the employment of force to compel any signatory nation to submit its cause to an international tribunal before going to war. Your committee, however, believes that the great majority of the practical men of the United States who hold themselves responsible for reasonable progress see the necessity of the employment of an adequate pressure or force to compel signatory nations to bring their cause before an International Court or Council of Conciliation before going to war; because, however desirable it may be theoretically not to use force, yet the history of the last one hundred years, the many wars during that time and the events of the present war have made apparent the

fundamental need of an international power to enforce the submission of international disputes to a court. The alternative is constantly recurring wars and, in the interval between these wars, the increasing absorption in preparations for war of the resources of the principal nations of the world.

Your committee does not suggest that the world can do without armies. We do not think that it can, at the present stage of civilisation, any more than we can do without a militia. But just as, within the state, there are many things we use, besides the militia and before we use the state militia or call upon Federal troops for the enforcement of a law or the execution of a court's judgment, so there are forces we can use internationally before we employ our armies and navies.

These forces can be summarised in the term economic pressure, by which we mean the commercial and financial boycott of any nation that goes to war with-

out submitting its dispute to judgment or inquiry. Our plea is that in the first instance the use of economic force is clearly indicated, and that military force should be resorted to only if economic pressure prove ineffective.

In considering such a use of economic pressure, it should be borne in mind that it already comes to pass automatically within a more limited area when nations go to war. Warring nations promptly boycott each other. This is important to keep in mind because confusion on this point sometimes prompts the argument that "non-intercourse would be a more expensive weapon than war," as though the fact of going to war in some way avoided non-intercourse. What your committee really means by its recommendation is that, in the future, arrangements for international enforcement of the economic boycott should be organised on a world-wide scale, and that in these world-wide arrangements nations better fitted

to co-operate with economic than with military power could also have a part in the application of the pressure needed to preserve the world's prosperity and progress.

The boycott could be of progressive severity. In the first, and what would probably usually be the effective stage, the signatory nations would refuse to buy from or sell to the offending nation. If the offenses, however, were aggravated and persistent, all intercourse could be suspended, and if that proved insufficient, then, as the last step, recourse could be taken to military force.

It is the deterrent effect of organised non-intercourse which would make war less likely, since it would be a terrible penalty to incur and one more difficult in a sense to fight against than military measures. Further, its systematic organisation would tend to make any subsequent military action by the co-operating nations more effective.

Many states that, for various reasons, might not be able to co-operate with military force could co-operate by their economic force, and so render the action against the offending state more effective, and that, in the end, would be more humane.

It is argued that this plan is a two-edged weapon, likely to injure ourselves as much as the nation at which it is aimed. In other words, it is costly, but is not all punishment costly? War, too, is costly, and self-injurious to the nation which essays it. Is not the whole system of peace within the state based on the principle that we are prepared to pay for the prevention of law-breaking? In a choice of costs, the policy of wisdom is to choose that which, for the least outlay, promises the greatest return. Our proposition implies that the coercing members shall outweigh the members to be coerced. In that case the cost would be distributed and the mutual markets conserved. And

if the war would finally prove inevitable, the expense of the boycott could be regarded merely as a part of its necessary preparation, by shortening the strictly military stage just so much.

It may be contended that it would be to locate the responsibility of an offending nation soon and clearly enough to insure a just and probably effective use of economic pressure before war had begun. But in dealing with individuals the police power leaves decisions to the court. Nations submitting their differences to an established tribunal for conciliation or judgment before going to war would not come under the proposed plan of pressure. It would apply automatically to all other signatory nations.

To the contention that the plan would bear with undue hardship upon individuals of special trades and industries, it may be replied that so does war. Your committee thinks it would be easier to prevent that special distress during non-

intercourse than in the event of war. The experience of the combatants of this war is particularly enlightening on this point. On the morrow of the declaration of war, many credit institutions in England (the same thing was true of Germany) found themselves threatened with what would have been, in the absence of special measures, absolute ruin. But special measures were taken, and the government successfully used its power to prevent all the effects of the war falling upon any one class of the community.

The objection that past embargoes were ineffective, notably the Berlin and Milan decrees of the Napoleonic wars, overlooks the immense difference in the character and importance of international intercourse in those times and now. If, a hundred years ago, a capital were isolated for weeks, business elsewhere went on either unaware or almost unconcerned, but the sudden isolation of the capitals of Europe in August, 1914, compelled prac-

tically every government in the world instantly to take extraordinary measures to reorganise its whole commercial and financial life. The swiftness and intricacy of modern interrelations give to their interruption a drastic and far-reaching effect formerly unknown.

Had such a plan to put compulsion automatically into effect been in existence during the tense weeks just prior to last summer's declarations of war, your committee believes delay might have been secured for a conference, and the war perhaps averted.

If military force is to be used between nations, it is incomparably preferable that it shall be used for the enforcement of recognised international law, which ultimately would, by this means, replace war.

Your committee has studied sympathetically the arguments of those who on principle oppose all force, even to enforce law instead of war; likewise the argument of those who respect the tradi-

tion that the United States should "keep free of entangling alliances." It must be conceded that the latter describes a past policy under which our nation has grown in prosperity and happiness. But your committee is forced to see that our country is already directly involved in the present war, because the lives and prosperity of American citizens have been involved, and because the future peace and prosperity of our country will be involved in the settlement of the war.

Your committee believes that American citizens, realising the world's imperative need of the substitution of law for war, if militarism is not to dominate, are ready, nay, feel it the clear call of duty, to take their share of the work and responsibility necessary to establish this substitution. We cannot escape if we would. We would not if we could. The call of women and children, of the helpless and the weak, suffering indescribably from needless war, is an irresistible compulsion to all Amer-

icans, and not least to American business men.

Knowing that civilisation is made up of the work and suffering and martyrdoms of the past, we are willing, yes, anxious, to "pay back" in kind, if necessary, what we are enjoying, if thereby we can help on this greatest forward step of civilisation—the substitution of law for war.

OPPORTUNITY FOR UNITED STATES TO INFLUENCE SETTLEMENT

Your committee believes that the time is ripe as never before for the fundamental advance in civilisation that the establishing of an International Court and Council represents. We know that the hope and the best and sanest thinking of the world have been in that direction. It is the inevitable road forward as shown by the agreement of forty-four nations. But never before has the will for it been made so powerful as it has been made by the present war. Not only in the neutral na-

tions, but also in some of the fighting nations, the will for more permanent peace after this war has been greatly strengthened. The most important of the fighting nations are reiterating that they are fighting for it as a chief purpose.

Moreover, even the selfish interests of the fighting nations will compel them, at the close of the war, to favour the greatest practical substitution of law for war by the creation of international tribunals. For the alternative will be the constant danger that existing alliances may be undermined even by differences over the terms of settlement themselves with results similar to those that caused the second Balkan war, or undermined by conflicting national interests and purposes in the years succeeding the war. The time must inevitably come when the world will provide some better method than war for dealing with the questions that arise between nations. Your committee believe that it is practically possible that

the time has arrived, if the United States will but do its share of the work. There is little real hope for success if the United States is not a part of it. For it is being demonstrated by this war that success in modern war depends largely on adequate supplies of ammunition and other war materials. Of these, the United States is capable of the largest and least interrupted production. If, at the close of the war, there exists the legalised purpose of the United States to join in the work needed to enforce peace, there will be a most practical reason to expect success for this so necessary step forward. In fact the beginning of the necessary organisation may be in existence at that time by reason of agreements between the United States and some of the neutral nations of South America and Europe. It is a great opportunity, perhaps the greatest that has ever come to any nation. It is a great adventure, practically within our power to promote—an enter-

prise that appeals to all that is best in us—an opportunity we will not miss.

EDWARD A. FILENE, *Chairman.*

P. H. GADSDEN,

EDWARD HIDDEN,

HERBERT S. HOUSTON,

H. A. MELDRUM,

GEORGE E. ROBERTS,

PAUL H. SAUNDERS.

ARGUMENTS AGAINST CERTAIN COMMITTEE
RECOMMENDATIONS

October 20, 1915.

To the Board of Directors of the Chamber
of Commerce of the United States:

In obedience to the resolution of your Board, by which the report of the Special Committee on Economic Results of the War and American Business was ordered submitted to a referendum vote, to be accompanied with arguments against recommendations involved, and by which the undersigned were appointed a com-

mittee of your Board with power to approve the report and arguments for such submission, we now have the honour to submit the following:

First. The Special Committee's report itself contains the arguments in favour of the recommendations, and we have thought it unwise to attempt to add anything further.

Second. Some considerations in opposition which may be deserving of attention are contained in the following statement:

(a) It is assumed that the first four proposals of the Committee are directed to conditions so well understood, and that the agreement about the answers to them is so nearly universal, as to render unnecessary any attempt to formulate objections to them.

(b) Doubt will probably arise with respect to the fifth proposal, which involves the adoption of a new principle, and which, however moderate in its immediate form, may be regarded as a departure from ac-

cepted rules of conduct in international law.

In connection with this last proposal, the following objections may be deserving of attention:

1. Doubt is entertained as to the wisdom of having the Chamber of Commerce of the United States take any action upon this question at this time. While this question is now the subject of quite general discussion in this country, it does not follow that in view of prevailing conditions it is advisable to take action with respect to it.

2. Opponents to the employment of force under any and all circumstances will need no suggestions. The recommendation simply invites the application of a general principle to a particular situation.

3. Altogether different is the attitude of those of our citizens who adhere to the traditional policy that we should avoid foreign entanglements, who look with disfavour upon any unnecessary enlargement

of our army and navy, and who feel that we could not recommend to other nations what we hesitate, or are unwilling, to undertake ourselves.

An affirmative answer to this proposal necessarily involves a readiness on our part to assume the full responsibility of active participation with economic and military force in compelling submission of questions. Inasmuch as a league without the membership of at least several of the other first-class nations can hardly be contemplated, an affirmative answer would mean a state of constant preparedness for military action in foreign countries, which has so far been unknown in our country.

4. The proposed agreement to resort to commercial and financial non-intercourse with an offending nation is subject to a peculiar difficulty. In an undertaking to employ military force, it may be assumed that an approximate apportionment of responsibility between the several members of a league may be provided for.

Even here the difficulties may be great when it comes to consider questions of command, and, more particularly, to determine the elements of cost and effectiveness, owing to varying geographical conditions and different branches of service represented by armies and navies.

No such basis for apportionment is to be found when it comes to the employment of economic force expressed in commercial non-intercourse. When such a measure is employed, it is not inconceivable that a single nation may be compelled to bear substantially the entire cost of the undertaking. And it is beyond the possibility of chance that the commercial relations between the several members of a league and the offending nation would be such as to furnish the basis for their proportionate contribution to the enforcement of their order. In other words, every nation—party to such a league—would have to be prepared to risk, or sacrifice for the time, its entire trade with

an offending nation, even though other members of the league suffered no corresponding loss.

This very inequality invites consideration of self-interest and consequent antagonisms, which it is impossible to anticipate beyond mere suggestion.

5. Finally, the recommendation assumes the possibility of having the decisions and conduct of such a league regulated by equitable rules, impartially and disinterestedly carried out. It is true that the proposal contemplates nothing more than the insistence that every member of the league before going to war shall submit its questions to a council for hearing, consideration and recommendation. In its purpose the recommendation is extremely moderate. Will it rest there?

Power to coerce by economic or military force once created is apt to be employed. The proposed league is almost sure to have within itself the elements of separate combinations based upon distinct inter-

ests and aims. The opportunities for the exercise of such power are innumerable. They may find occasion in the circumstances under which controversies between nations arise or are induced, in the manner in which disputes are submitted and determined, and, above all, in the effect that will be given by a majority of a league to a council's recommendation, however arrived at. It is not clear that a powerful league would rest content with the moral influence of the proposed council's advice.

In other words, the question is whether the proposed employment of force for peace is not more apt to increase than to decrease disorder—not unlike so many of our more modern legislative enactments.

JOSEPH H. DEFREES, *Chairman.*
HOWELL CHENEY,
JOHN JOY EDSON,
CHARLES NAGEL,
R. G. RHETT.

REFERENDUM NUMBER ELEVEN
ECONOMIC RESULTS OF THE WAR AND
AMERICAN BUSINESS

II

Early in 1915 the Board of Directors of the Chamber authorised the President to appoint a special Committee to prepare a report on the economic results of the war and American business. Such a Committee was at once named and after careful study and investigation submitted a report which, pursuant to direction from the Board of Directors, was submitted to referendum on November 15, 1915.

Six recommendations were placed before the membership of the Chamber. Under the By-laws the vote closed at midnight on December 30, 1915, when 282 organisations had filed ballots. These

organisations are situated in 40 states, the District of Columbia and Hawaii. The American Chambers of Commerce in Berlin and Milan were among those which voted.

In the balloting each organisation casts as many votes as it may have delegates at an annual meeting of the Chamber. The number of delegates an organisation may have depends upon the number of its members, but in no case falls below one or exceeds ten.

The recommendations of the Committee and the results of the balloting on each recommendation were as follows:

I. The Committee recommended action to secure conferences among neutral countries, on the initiative of the United States, for the purpose of defining and enunciating rules which will at all times give due protection to life and property upon the high seas.

763 votes in favour, 29 votes opposed

II. The Committee recommended that for the decision of questions which arise between nations and which can be resolved upon the application of established rules or upon a determination of facts the United States should take the initiative in joining with other nations in establishing an International Court.

753 votes in favour, 21 votes opposed

III. The Committee recommended that for consideration of questions which arise between nations and which do not depend upon established rules or upon facts which can be determined by an International Court the United States should take the initiative in joining with other nations in establishing a Council of Conciliation.

744 votes in favour, 28 votes opposed

IV. The Committee recommended that the United States should take the initiative in joining with other nations in agreeing to bring concerted economic pressure to bear upon any nation or nations which

resort to military measures without submitting their differences to an International Court or a Council of Conciliation, and awaiting the decision of the Court or the recommendation of the Council, as circumstances make the more appropriate.

556 votes in favour, 157 votes opposed

V. The Committee recommended that the United States take the initiative in joining with other nations in agreeing to use concerted military force in the event that concerted economic pressure exercised by the signatory nations is not sufficient to compel nations which have proceeded to war to desist from military operations and submit the questions at issue to an International Court or a Council of Conciliation, as circumstances make the more appropriate.

452 votes in favour, 249 votes opposed

VI. The Committee recommended that the United States should take the initiative in establishing the principle of fre-

quent international conferences at expressly stated intervals for the progressive amendment of international law.

768 votes in favour, 13 votes opposed

The attitude of the Chamber, under the provisions of the By-laws, can be fixed only by two-thirds of the votes cast, consequently Referendum No. 11 has defined the attitude of the Chamber in favor of all the recommendations of the Committee except Number 5, on the use of military force in the event that concerted economic pressure should not be sufficient. Less than two-thirds of the total number of votes cast were in favour of this recommendation.

III

REFERENDUM NUMBER TWENTY-THREE

ON A PROPOSAL TO DISCRIMINATE AGAINST
GERMANY IN TRADE AFTER THE WAR
IF NECESSARY FOR SELF-DEFENCE

STATEMENT OF QUESTION

In accordance with Article X of the By-laws of the Chamber, the Boston Chamber of Commerce of Boston, Mass., has presented for the consideration of the National Chamber through referendum vote of its members the question of preventing excessive rearmament after the war through discrimination against Germany in export trade if necessary to self-defence. The question is presented in the form of preambles and resolution reading as follows:

WHEREAS, The size of Germany's present armament and her militaristic attitude have been due to the fact that her government is a military autocracy, not responsible to the German people; and

WHEREAS, The size of the German armament after the war will be the measure of the greatness of the armament forced on all nations; and

WHEREAS, Careful analysis of economic conditions shows that the size of Germany's future armament will fundamentally depend on her after-war receipts of raw materials and profits from her foreign trade; and

WHEREAS, In our opinion the American people for the purpose of preventing an excessive armament will assuredly enter an economic combination against Germany if governmental conditions in Germany make it necessary for self-defence; and

WHEREAS, We believe the American people will not join in discrimination

against German goods after the war if the danger of excessive armament has been removed by the fact that the German Government has in reality become a responsible instrument controlled by the German people; therefore, be it

Resolved, That the Chamber of Commerce of the United States of America earnestly calls the attention of the business men of Germany to these conditions and urges them also to study this situation and to co-operate to the end that a disastrous economic war may be averted and that a lasting peace may be made more certain.

The Board of Directors, meeting in Washington, D. C., November 15, 1917, held the question to be one of national character and importance. The Boston Chamber was, therefore, requested to prepare the statement which an organisation member proposing a question for referendum vote is entitled to submit.

This statement, entitled "Affirmative

Outline Presented by the Boston Chamber of Commerce," is printed in the pamphlet issued by the Chamber of Commerce of the United States, and is followed by an Appendix containing excerpts from the President's Address to Congress, December 4, 1917.

AFFIRMATIVE OUTLINE

presented by

THE BOSTON CHAMBER OF COMMERCE

The business men of the United States know that, should the war end leaving the present form of government in Germany, a large part of every dollar given in trade to Germany after the war would be used again by the government to further imperial and military ends, just as the German prosperity of the past has been used in preparation for the present war.

Germany's ability to maintain and increase her armaments after the war will depend upon her success in getting raw

materials and in re-establishing her foreign trade. Extensive armament on the part of Germany would force the rest of the world into the most burdensome period of war preparation known in history. The United States, in common with other nations, could not afford to do anything which would advance Germany's commercial success so long as a military autocracy had the power to turn that business success into a weapon against them.

If the German Government remains autocratic, self-preservation will force the business men of the world to discriminate against German business. It cannot be otherwise, unless they are to be content to see the whole fruits of industry and toil absorbed by the maintenance of armaments. We are convinced that the facts of the situation prove this proposal to be not only a sound, but an inevitable policy on the part of the United States.

WHY SUCH PRONOUNCEMENT AS IS CONTAINED IN THE RESOLUTION WILL HAVE EFFECT IN GERMANY

There is direct evidence that the business men of Germany are today thinking of this war not only in terms of present military results, but in terms of future business success as well. Recent dispatches, and information from other sources, indicate that increasing attention is being paid by the German newspapers to the growing difficulties of re-establishing German foreign trade after the war. Evidence is increasing that German business men are regarding with apprehension the possibility that German goods will find no market after the war in the ports of her present enemies. They know that no treaty provisions can give Germany the willing custom of free men, without which there can be no commercial success. If a statement of future business policy towards Germany can be made,

showing that the one thing that will go farthest toward consolidating the rest of the world in business opposition to Germany after the war will be distrust of any military autocracy, one of the most powerful arguments will be placed in the hands of German business men to join in the demand for a greater share in the control of their government.

The United States is one of the most fruitful markets to which Germany can look after the war. German business men know that there will have been generated so much hatred and distrust in England, France, and the nearby enemy countries, that her trade with them will be difficult for some time to come, whatever the settlement of the war may be. But they may be thinking that our distance from the war zone, and our late entrance into the war, will mean a less intense feeling on our part. For this reason they are looking with greater hope toward re-establishing commercial rela-

tions with us. If, therefore, American business, in an authoritative way, makes it clear that America, also, will be compelled to join in business opposition to an autocratic Germany, and if American business makes it equally clear that America will not wage a business war against a Germany whose government is responsible to the people, German business men will have a strong motive for urging a democratisation of the German Government, as the only road to a successful commercial future.

HOW SUCH A POLICY DIFFERS FROM A POLICY OF REVENGE

This proposal must not be confused with the numerous suggestions that have been made for an economic combination against Germany as a policy of revenge. If the nations allied against Germany say flatly and without qualification that after the war they are going to unite to prevent Germany from securing raw ma-

terials and to hamper her trade, the logical results will be a stiffening of the German war spirit, and an increasing conviction among Germans that, for them, this is a war of defense.

The distinctive feature in the proposal of this referendum is a recognition that, under normal circumstances, business boycotts and other artificial interference with economic laws are unsound and in the long run unprofitable to all concerned; and a recognition that, if the German Government is made responsible to the German people, the rest of the world can be measurably sure that German prosperity will not be used by German military ambition. Sound business consideration will then dictate a determined opposition to an economic war against Germany purely as a matter of revenge.

This proposal is concerned only in making clear to the business men of Germany that a continuance of the present German military autocracy will compel the

rest of the world to unite in a business opposition to Germany as an act of self-preservation.

THE PRACTICAL POSSIBILITIES OF GETTING
SUCH A STATEMENT INTO THE HANDS OF
GERMAN BUSINESS MEN

The difficulty of getting such a report into the hands of German business men is real but not insuperable. The following possibilities are clear:

1. In spite of rigid censorship, a great deal of news is getting into Germany from the nearby neutral press. The papers of Switzerland, Holland, Sweden, Denmark, and other neutral countries are getting into Germany constantly. With this resolution published in Switzerland alone, we could be practically sure of its getting into the hands of German business men.

2. There are throughout the neutral countries business men, members of the International Congress of Chambers of Commerce and otherwise, who, if this resolution were placed in their hands, would have many opportunities to discuss the matter with individual business men of Germany upon their frequent visits to these neutral countries.

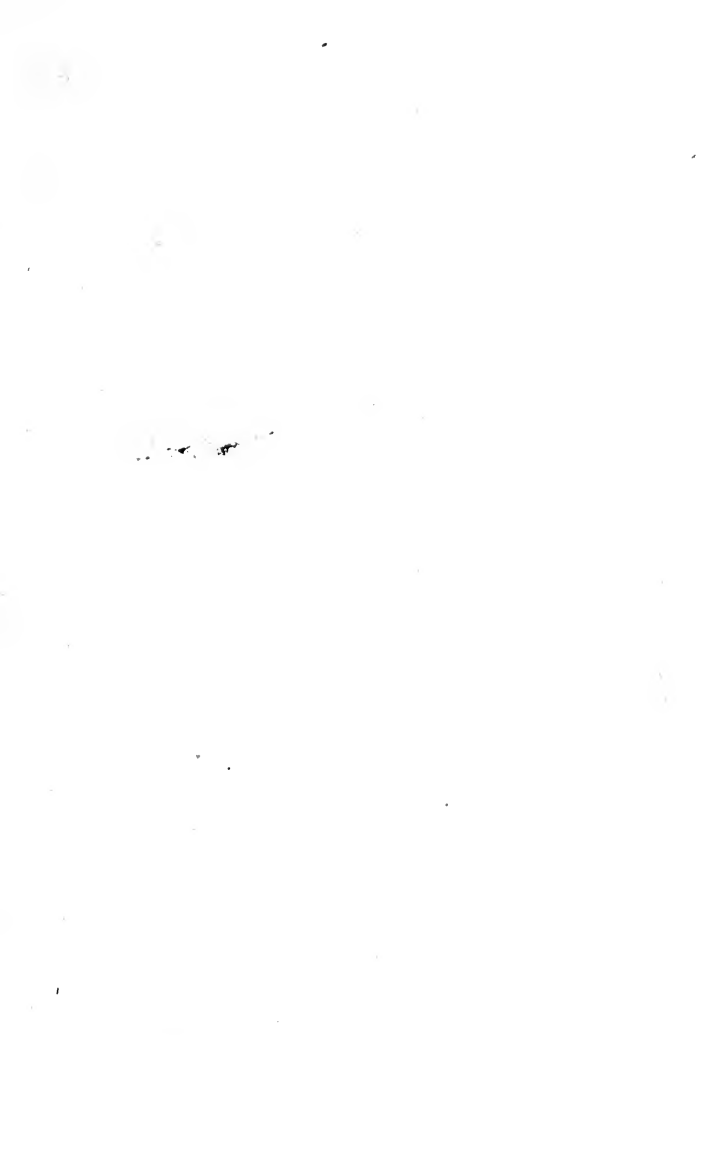
German business men are visiting Switzerland, Holland, Denmark, Sweden, and other neutral countries constantly. This word-of-mouth communication of the report would spread the idea widely. Our personal correspondence with these neutral business men would help greatly.

The business men of the United States are effectively organising their collective forces behind the army, but have not yet made their after-the-war ideas clear to the German business interests. A clear statement of what the attitude of the business men of the United States toward Germany must be until the government becomes responsible to its people, will add yet another argument in the case for a democratised Germany. We believe with President Wilson that "the world must be made safe for democracy," and we feel that in the future our business men cannot safely tolerate free commercial intercourse with people who choose to maintain a military autocracy.

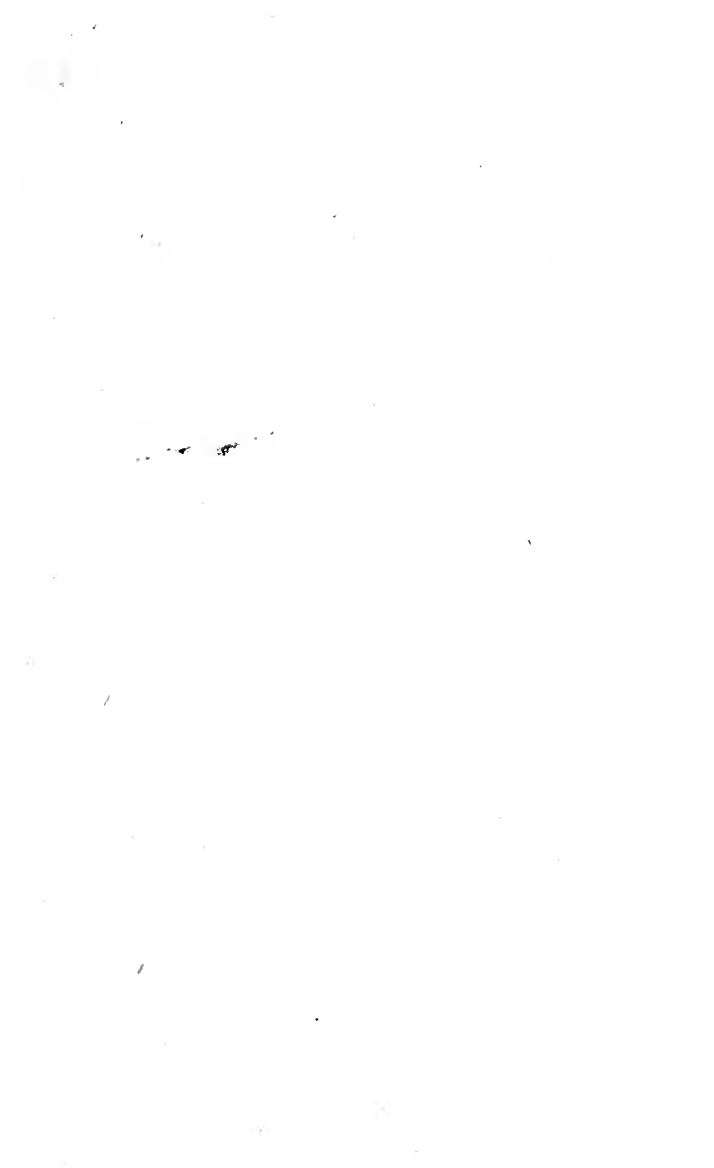
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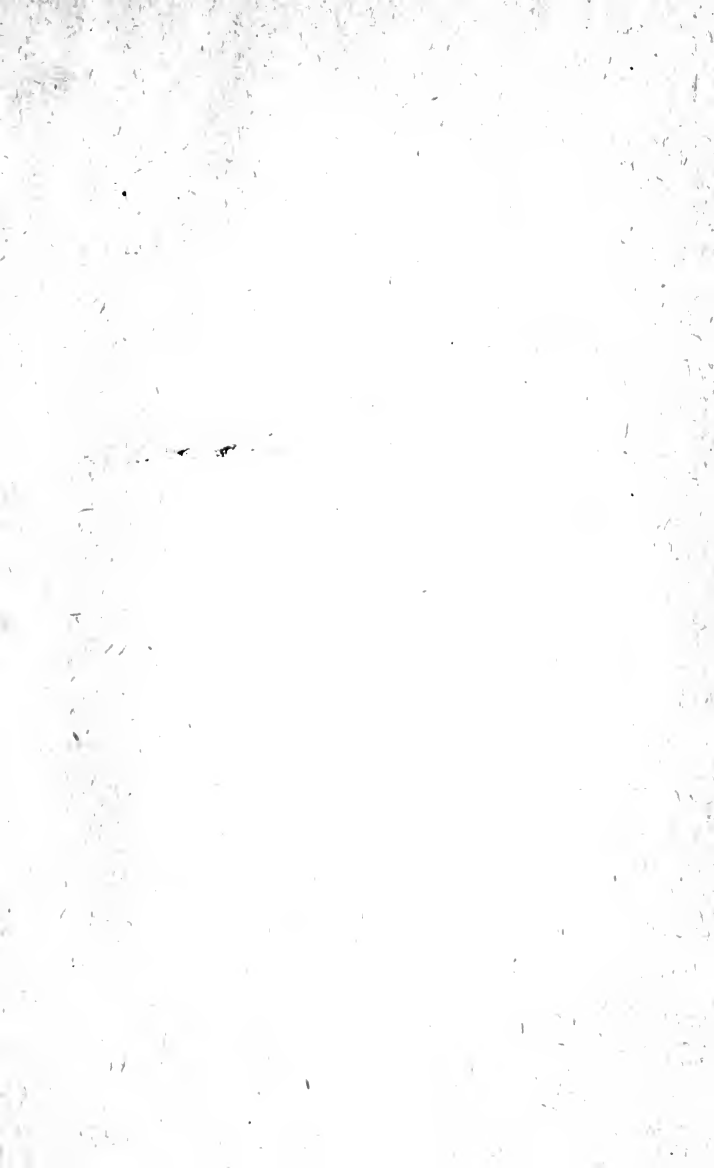


THE COUNTRY LIFE PRESS
GARDEN CITY, N. Y.









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