EUROPE IN CONVALESCENCE

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By

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Dedicated

TO ALL THOSE

IN EVERY COUNTRY OF EUROPE
WHO HAVE THE COURAGE
TO LOOK FORWARD.

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PREFACE

In letting this volume go forth the scholar in me is making a concession to the citizen. It is not the book I planned to write ; or rather, to be more precise, it is not the whole book. But the prospect that the country will be called before long to pass judgment on the policies of the present administration makes me feel that I ought not to withhold such contribution as I can offer, out of a somewhat unusual experience, towards the discussion of European issues.

My last volume on this subject, a collection of war-time essays, was published in the summer of 1918. At that time I believed, in common with the great bulk of my fellow-countrymen, that the British Commonwealth was the political embodiment of the most powerful idealistic association ; the most powerful influence for justice, honour, and public right in the world at the present time ; and I gave free and reasoned expression in my writings to ideals for which so many of my own and a younger generation, whose influence in our public affairs we miss more and more as the barren days go on, have given their lives. I have never stooped to propaganda or partisanship ; nor is there a word in my previous volume regarding the fundamental idealism of the British peoples, or the potentialities of the British Commonwealth, which I would wish to retract.

But if the British peoples stand where they did, the same cannot be said of their embodied authority,

of the Government which still now, in 1922 as in 1918, represents them—the peoples of the Dominions and of India as well as of Great Britain—before the world. Since December, 1918, when we elected a Parliament pledged to violate a solemn agreement made but five weeks earlier, we stand shamed, dishonoured, and, above all, distrusted before mankind ; and not until we have publicly acknowledged, and made what amends we yet can for the wrong then done, can the lips of true lovers of Britain be unsealed again.

Readers of this volume, and of the appendices attached to it, can judge the issue for themselves. I leave it to them to decide how far the General Election of 1918 was a turning point in European history, and whether the odious wrangling over the reparation justly owing to the civilian populations of the invaded districts, which has confused and disgraced the public life of Europe during the last three years, is not due chiefly to the selfishness and cowardice of British politicians. Others, upon whom a forgetful public has become accustomed to unload the blame, may share that responsibility, although in lesser degree ; but they had not the same solemn oft-repeated statements of policy, the same declarations of altruistic intention, to live up to. The magnitude of our lapse, and of our subsequent hypocrisy, must be judged by the magnitude of our professions.

I have faith enough in my countrymen to believe that when once they truly understand the nature of the injustice, and the neglect of duty, of which we have been guilty towards the European peoples as a whole and especially towards France and

Germany—an injustice which powerful influences in the Press and elsewhere have been set in motion to prevent them from realizing—they will not hesitate to take the action which the situation demands. It is time that Britain was once more governed by men whose word is their bond.

I write this preface in the United States, not a hundred miles from Washington. When, at the National Cemetery at Arlington, I saw the representatives of my country, following the Commander-in-Chief of the Allied armies, pay their tribute to the Unknown Soldier, I cherished the hope, which was hardly an expectation, that Britain might take up at Washington the task she declined at Paris—that of being the skilled interpreter for Europe to the English-speaking world overseas. She has not played that part, or even essayed to play it, but has preferred, in a Conference called primarily to consider extra-European issues, to emphasize her extra-European interests and affiliations. I do not criticize this policy, for I appreciate the difficulties, internal as well as external, which led to its adoption. I only place it on record, since our European neighbours and ex-allies realize it more fully than ourselves. When we rejoice, as rejoice we can, over "English-speaking union," let us so frame our policy and behaviour as to rule out the odious imputation of "Anglo-Saxon domination." Britain, by her history and situation, is both a European and an extra-European power; she symbolizes that world-interdependence which Europeans of the last generation and Americans of this have been too apt to ignore. If she has helped at Washington to bring Asia closer to America, she may still, under wiser

and more trusted leadership, return to the rôle which Europe, even now, expects from her—that of the good European. And for the good European Europe is more than a market or a field for investment and consortiums. In caring for the body of Europe, as we must, let us not forget her soul, nor, in running after rapid expediencies, ignore the influence upon her of our own. Britain's first duty to Europe to-day is to return to her best self.

During part of the period covered by events described in this volume, I held an official position. Whilst I cannot divest myself of knowledge and judgments thus acquired nor alter the furniture of my mind, I have been scrupulous, perhaps over-scrupulous, in making use of no facts derived from official knowledge which have not found their way elsewhere into print.

A. E. Z.

Baltimore, *January* 8, 1922.

PART I

THE UPHEAVAL

Things are in the saddle and ride mankind.

INTRODUCTORY

Over three years have passed since the last guns were fired in the Great War. Four of the five Peace Treaties which were to be negotiated have been signed and ratified, and are in process of execution, whilst the fifth—that with Turkey—is now but little concerned with European territories. The psychological consequences of war-strain, the hot fit of nationalism followed by a cold fit of parochialism and indifference, are slowly but surely passing away, and the economic reaction, the sudden boom followed as suddenly by a precipitous depression in 1919, has entered into a chronic stage. With the disappearance of these ephemeral phenomena, the permanent changes wrought during the last seven years in the life of the Continent are becoming more manifest. It is, therefore, perhaps at last possible to look back in perspective at the convulsion, the greatest and most sudden in her long history, through which Europe has passed, and to make a brief survey of her present situation and outlook.

It will be simplest and clearest to begin our survey from the negative end, by pointing to the forces and influences which no longer, since the events of the last years, fill their pre-war place in the life of Europe. When we have seen what the war has destroyed or transformed we shall be better able to estimate what is likely to take their place. War is always a great destroyer, and this, the greatest of all wars, has been also the greatest of destroyers. If the constructive policies with which the various

belligerents entered the fray have mostly proved illusory, or, at the best, premature, their destructive aims have in great part been fulfilled. So far, at any rate, as the Allies are concerned, what we went to war *against* is irrevocably overthrown, but the positive aims inscribed on our banners, and later on those of the United States, seem as far from realization as ever. We have won the war negatively but not positively, or, to put it in less strictly accurate language, we have won the war, but we have, so far, lost the peace.

The war has wrought havoc in Europe in three fields—the political, the economic, and what may be called the field of ideas. Let us take the three in order.

CHAPTER I

THE POLITICAL UPHEAVAL

Ever since the formation of the big territorial monarchies at the end of the Middle Ages the political destinies of Europe have been swayed by what have been known as the Powers, sometimes ranged in opposing groups and maintaining an uneasy balance of forces, sometimes acting together in a no less uneasy concert. During the half century prior to 1914 there were six Great Powers on the European stage—Great Britain, Germany, France, Russia, Austria-Hungary, and Italy. Of these, Great Britain had exercised a supremacy at sea unchallenged since Trafalgar, but she had on the whole held aloof from continental entanglements,

and the bearing of her naval supremacy upon the position of the military powers of the Continent in the event of war was but little realized. Both the German General Staff and the traders and manufacturers, misled, the former by the tradition of Clausewitz, the latter by the resuscitated Cobdenism of Norman Angell and his school, ignored the latent possibilities of a blockade. The soldiers forgot that to win fifty battles and "to conquer whole kingdoms" (to quote the words of a German general who realized the truth too late) is not necessarily to win a war; and the business men failed to realize that there are stronger forces, even in the twentieth century world, than self-interest, and that a nation of shopkeepers would not shrink, at the call of conviction, from employing the British Navy for the systematic impoverishment of Britain's best customers. Few continental statesmen understood either the vicissitudes of British policy, oscillating in normal times between a "splendid isolation" and a spasmodic and rather patronizing interest in the welfare of the continental peoples, or the tenacious, unspoken patriotism and the sure comprehension of permanent British interests which always lay watchful in the background. Thus Britain's sudden abandonment of Denmark in the face of Prussia in 1864, her failure to insist on the enforcement by the Turks of the reform clauses of the Berlin Treaty of 1878, and her acquiescence in the high-handed annexation of Bosnia and Herzegovina by Austria-Hungary in 1908, counted for more in the Chancellories of Europe than either the warning voices of British statesmen (such warnings had been heard too often before) or the strategic lessons of

the American Civil War, or the writings of students of modern sea-power.

Of the five remaining Great Powers, Germany, the latest to enter the circle, was beyond all question the most powerful. Between 1871 and the fall of Bismarck in 1890 she was indisputably the centre of the political system of Europe. She dominated the Berlin Congress of 1878, she linked herself shortly afterwards in a firm alliance with Austria-Hungary and Italy, she was still further safeguarded against Bismarck's nightmare—a war on two fronts —by a secret treaty with Russia, whilst her relations with the Britain of Disraeli, Salisbury, and Queen Victoria were always carefully maintained on cordial terms. German aims and the German outlook during the eighties may have been substantially the same as they were twenty and thirty years later, but the methods were different, and so there was no talk of the "inevitable" clash of ideals. Two nations, like two neighbours, can well live peacefully side by side holding contrary opinions. It is not a comfortable situation; but it is only when one of the parties becomes foolish, flamboyant, or provocative that it becomes impossible. It was from 1890 onwards, when the tiller of the German ship passed into clumsier and more restless hands, that the supremacy of Germany began to be challenged for fear of the use she might make of it.

Recent revelations have made it clear that it was only after at least two serious rebuffs that Britain, who had been ready in 1895 and again later to throw her influence on the side of the Triple Alliance, gravitated reluctantly but inevitably towards the

opposing Franco-Russian group. Those who still believe in the legend of the "encirclement of Germany" by a jealous world and in the sleepless malignity of King Edward towards his insufferable nephew, should study the chapter of diplomatic history which opens with Lord Salisbury's visit to the Kaiser at Cowes in 1895 to offer Germany a free hand in Asiatic Turkey and closes with the Mesopotamian and African agreements negotiated between Sir Edward Grey and Count Lichnowsky in 1914, but never ratified by the latter's government.[1]

But if, during the reign of Wilhelm II., thanks to her own shortsightedness and incompetence, and her genius for exciting mistrust, her diplomatic influence diminished, her trade and industry, her navy, her mercantile marine, and with them her population increased by leaps and bounds, whilst her military system was still regarded (and, as the war showed, not without reason) as the most perfect instrument of its kind. When, in 1913, Dr. Helfferich, then head of the Bank of Germany, later Finance Minister and Deputy-Chancellor, published, in honour of the Kaiser's Jubilee, his book on the material progress of Germany during the previous quarter of a century, he was able to show a record of almost uninterrupted prosperity, and to claim with good reason that German policy and resources in finance, commerce, and manufactures, as in shipbuilding, were a power, ranged consciously alongside of the German army and navy, for the maintenance and extension of German political influence

[1] The British Foreign Office archives are still sealed on this subject. An account from the German side, by the Swedish writer, Rudolf Kjellén, will be found in vol. 45 (1921), p. 117 ff., of Schmoller's *Jahrbuch*, with bibliography. It is sufficiently damning.

no longer in Europe only, but throughout the world.

In other words, Germany in 1914 dominated the political system of the Continent, not only as being actually the strongest military and the second strongest naval power, but also because of her visible ambitions and potentialities. Her political influence, as was recognized nowhere more clearly than in Britain, seemed destined inevitably to increase, for her resources, and the use she made of them, were only too obviously in harmony with the spirit and tendencies which make for power in the twentieth century; all that was open to question was into which channels—whether in the Balkans, in Asia Minor, in North Africa, in the Far East, or in the tropics—her untiring and supremely organized energies would be directed, and whether the old political system of Europe could stand the strain of such rapid and uncomfortable growth by one of its members without violent upheaval.

The war has put an end to German political supremacy in Europe and destroyed the military and economic foundations on which it was built. The sixty or seventy millions of Germans in Central Europe will undoubtedly again play an important part in the political life of the Continent. For the moment, however, they are exhausted and bewildered, bereft of the leadership and authority to which they are accustomed, and weighed down by the economic burden imposed upon them by the Peace Treaty. The German Republic is not yet strong enough, either at home or abroad, to fill a commanding place in the political system of Europe.

If the Germany of Bismarck has disappeared, the Austria-Hungary of Metternich and Francis Joseph

has passed even more completely into history. In the place of a single Great Power extending from the Lake of Constance to the Iron Gates of the Danube, and from Trieste to the Carpathians, there is a congeries of national states, either newly founded, or so much enlarged and transformed as to be faced with urgent problems of constitution-making and administrative reorganization. What is left under the ægis of Vienna is but the mutilated torso of the old Habsburg dominions ; and even here the change, from monarchy to republic, from empire to national state, from self-sufficiency to indigence, is so far-reaching that the German-Austrian is quite as conscious as any of his neighbours of living in a new and uncharted world.

Even more dramatic have been the collapse of Russia and her elimination, not merely as a Great Power, but as a Power at all, from the political system of Europe. The mighty empire which used to play the protector and pull the strings at Belgrade, Sofia, and Cettigne, the mother country of the Slav peoples, lies at the mercy of her former protégés, among whom, at Prague, Belgrade, and elsewhere, many of her best are happy to find a refuge. The most that can be hoped for Russia is that Western capitalism, whence alone, as it seems, her relief can come, will spare her the fate of a Morocco or Mesopotamia, and allow her gifted but ill-starred peoples to work out their own destiny in relative independence.

Of the two remaining Great Powers, France has borne the greatest burden and heat of the conflict, and, in spite or because of a victory due in chief measure to her military effort, has not yet fully

regained the serenity or the reserve of strength which she needs in order to devote herself to the tasks which the state of Europe imposes upon her. Italy, hitherto untried as a Great Power, has passed through a great ordeal and moments of supreme peril to her morale and her unity. Abounding with life and activity, she has been quickest to resume her normal existence, but neither her leaders nor her people have yet grown into the new and more responsible position opened out to them by the elimination of her former associates in the Triple Alliance.

Such are the elements of the former Concert of Europe as the war has left it. What is there to take its place? How are the collective problems of Europe to be handled in a world so weakened and disorganized? One answer will leap to the lips at once—the League of Nations. But the discussion of this and other constructive forces must be left for a later chapter.

CHAPTER II

THE ECONOMIC UPHEAVAL

THE economic history of Europe during the century between the close of the Napoleonic wars and the British declaration of war against Germany in 1914 is a record of continuous advance. In 1815 the series of inventions collectively known as the Industrial Revolution had as yet affected little more than Great Britain; in the course of the succeeding generations they gradually made their way

eastwards, till by the close of our period even Russia had been drawn into the orbit of industrialism, and of the ideas and doctrines awakened by or in reaction against it. Europe became threaded with railways, telegraphs, and telephones; her old centres of traffic and population—Paris, Frankfurt, Berlin, Milan, Vienna, Madrid—acquired new influence and momentum as ganglia of a newly developed nervous system; the Continent became linked together by all the international contrivances of nineteenth-century commercialism and enterprise, from banks and accepting houses and stock markets to sleeping-cars and cinema films; whilst, inside the larger unity, the German and Austro-Hungarian Customs unions, the political union of Italy, the extension of the Russian fiscal system to Poland and Finland, and the abolition of the cantonal customs in Switzerland, and of similar obstacles to free intercourse in other states, created a number of smaller but still substantial economic units with administrative systems which became constantly more powerful as more burdens were laid upon them by the growing movement for state action and social reform. By 1914 Europe as a whole was opened up to the influences of modern industrialism, and her life, and that of her separate states, in increasing measure from west to east, was organized on the basis of the international division of labour. In other words, she had ceased, throughout the whole of her area, to be self-contained and self-sufficient, and had become a member—the most important and central member—of an economic system world-wide in its organization and connections. Able to draw on the raw materials of the overseas

world for her manufactures, she was steadily increasing both in prosperity and population, and, in proportion as each of her communities became industrialized, its flow of emigration diminished and its sons were able to earn their livelihood out of its developing trade and manufactures. Well before 1914, for instance, Germany (so often wrongly described as burdened with a surplus population) was receiving more immigrants than she sent out emigrants, and of her seventy million inhabitants some eighteen million were directly or indirectly dependent for their livelihood upon her overseas commerce. Mr. Hoover, looking at the Continent as a whole, with the wide-ranging eye of an American accustomed to the broad, unimpeded spaces of the United States, has estimated that, as a result of this process of industrialization and consequent dependence upon oversea connections, there were in war-time Europe of 1918, a hundred million more persons than the Continent could support out of its own natural resources.

Such was the system under which men earned their bread in Europe when the leading sea-power declared war against the leading land-power, and cut the greater part of Europe off from the world. The result, after four and a half years of imprisonment and isolation, was an economic transformation even more drastic and far-reaching than the political changes by which it was accompanied. If the strategic history of the war is ever written under its true name it will be entitled *The Siege of Europe*. The blockade was indeed the decisive instrument of Allied power, and it has altered the economic life of Europe beyond recognition.

Walther Rathenau, lately Minister of Reconstruction in the German Government, one of the ablest all-round minds in that land of specialists, has described in an interesting pamphlet the effect produced upon him by the news of the British declaration of war. He realized in a flash that, in default of a rapid victory, such as he, unlike most Germans, did not count upon, it meant the drying up of the major sources of his country's prosperity, and, even more than that, a deficiency in the raw materials and foodstuffs essential to the carrying on of war and to the maintenance of a civilized standard of life. No civilized country, still less an industrial country, can live without cotton and wool for her clothing, hides for her boots, rubber and oil for her transport, jute to make sacks for her heavy goods, phosphate and nitrates to manure her fields, palm-oil for soap, and the numberless other natural products and commodities which Germany and every European country had become accustomed to draw from overseas. He carried his misgivings to the War Office, where, thanks to the prestige of German militarism in attracting good brains to its service, they were not only listened to patiently, but acted on with exemplary promptitude. Within less than a week Rathenau had been installed as head of the Raw Materials Department of the German War Office, and was engaged in buying up such stores of the necessary materials as he could lay hands on in the adjoining neutral countries, against whom Britain had not yet perfected her machinery of blockade. Rathenau's initiative averted an immediate crisis, but neither he nor his ingenious

colleague, Helfferich, deviser of the commercial submarine, could alter the fundamental facts of the situation. Marshal Foch led the Allied troops to victory on the Western Front, but it was the deficiency of cotton and wool, of jute and hides and fats, which accelerated the decline and eventually administered the *coup de grâce* behind the enemy's ranks. Allied statesmen and soldiers who, even after the Bulgarian armistice, expected the German army to go on fighting through the winter in the mud of Flanders, might have stopped to ask themselves whether they would have the boots to fight in. Let it be mentioned in passing as a curious fact, and an example of the blunders from which not even the most perfect organization can preserve a government of specialists working in water-tight compartments, that, whilst the military and financial arrangements in the event of war had been thought out to the last detail, its industrial reactions had been completely lost sight of, and that by a culminating irony, the organization which, in one department, had pigeonholed its scheme for the invasion of Belgium in defiance of a solemn international engagement, was, in another department, relying upon British sea-power to adhere to the strict letter of an international agreement, not even ratified by its Government, in its action towards the commerce of the adjoining neutrals. "You will always be fools and we shall never be gentlemen," seems to have been an unquestioned assumption of the policy of the Kaiser's Government towards Britain.

The economic history of the war-years is the record of a society, hitherto united in a single

world-wide system of intercourse, suddenly divided into two. On the one side there is Britain and the overseas world, together with France, Italy, Holland, Spain and Portugal, Greece, Scandinavia, and Switzerland; on the other there is the vast blockaded area extending in Bethmann-Hollweg's words, "from Arras to Mesopotamia." For four and a half years these two worlds existed side by side, touching one another only at the trenches or through the carefully regulated relations of neutrals, each concentrating its whole strength upon the single purpose of overthrowing the opposing organization, so lately a part of its own. Viewed from the economic standpoint, the struggle was a civil war within what Graham Wallas has taught us to call "the Great Society."

The attempts made, with increasing success as the struggle went on, to organize each of the new systems for its purpose, embody the most interesting experiments ever made in the collective control and distribution of the world's resources, and it is to be hoped that the authorities of the Carnegie Endowment, who have undertaken to record them, will succeed in their task before the details have escaped the minds of the responsible officials.[1]

So far as the Allies are concerned, the organization was throughout a co-operation of independent Governments, and, though it had reached, by the autumn of 1918, a high degree of central control, especially in regard to shipping and the sea-borne commodities for which the Allied Maritime Transport Council was responsible, it

[1] One of these, Mr. J. A. Salter, has lately written the story of the *Allied Shipping Control* (Oxford, 1921).

always retained a large measure of elasticity. There was no great difficulty, therefore, though there was great unwisdom, in its disbandment in the winter of 1918–1919.

It was otherwise in the blockaded area. Here, authority, originally divided between five nominally independent Governments (for Austria and Hungary counted for civil purposes as two) became increasingly concentrated in the hands of the German General Staff until, by the latter part of 1918, Ludendorff, the right-hand and controlling brain of the Commander-in-Chief, was exercising over an empire larger than that of Napoleon at the height of his power a detailed control such as only a combination of irresistible military force with perfected modern means of transport and communication could have rendered possible. There is a fascinating book to be written by a student of administration on the incessant conflicts between the German soldiers and their civilian colleagues in the five countries and the invaded regions respectively assigned to them, ranging over the whole field of affairs, from military and naval strategy in their bearings upon foreign policy and public opinion at home and abroad to transport food supply, finance, the conscription of labour, and, finally, the statement of war aims, and the moment and method of negotiations. Helfferich, Czernin, and others have lifted here and there a corner of the curtain—enough to reveal to us that the economic organization of the blockaded area was not only militarist in spirit, as it was bound to be, but often planned by the military authorities themselves.

Let us look for a moment at what this task of

organization involved. We can leave aside for this purpose the allies or dependents of Germany, who, being, except in Bohemia, less industrialized in their development, had not to meet the problem in its full vigour, and confine ourselves to the predominant partner. Cut off as she was from access to some of her most essential raw materials and foodstuffs, she required to readjust her whole economic life on a basis of self-sufficiency. This involved a process of overhauling, of economization, of the adaptation of old agencies and instruments to new ends which could not but be ruthless to innumerable private interests. Where the English, inveterate individualists even when their national destiny was shivering in the balances, granted exemption from service to the owners of " one-man businesses," the Germans surveyed their trades and industries wholesale, and put the smaller and less efficient undertakings out of business. Supplies of every kind, if deemed of sufficient importance, were commandeered, placed under control, subjected to maximum pricing, and often rationed. Factories and workshops were directed by administrative order from one branch of production to another, and whole new industries such as the winning of nitrate from the air, the manufacture of poison gas, and the making of innumerable substitutes, from acorn coffee to paper shirts, were brought into existence with the aid of public money. Finally, labour was deprived of freedom of contract, and workmen and workwomen were assigned by the State authority to the particular niche where they were deemed most useful. The great industrial interests always closely linked with

the German State, co-operated with the bureaucracy in effecting this transformation. A vast new system of State-controlled capitalist production was thus brought into being, and from 1916 onwards, plans were being worked out by experts on behalf of the two parties for its conversion to peace purposes after the close of hostilities. The course of the war had brought home to the Prussian mind the importance of maintaining an Economic, as well as a military and financial, General Staff, and the books of Naumann and Rathenau, with their characteristic German blending of romanticism and rigidity, idealism and organization, are eloquent of the direction in which the governing minds of Germany were turning.

But all these projects—indeed, all possibility of emerging from the abnormal conditions of the blockade without widespread confusion and anarchy—depended upon access to an adequate supply of industrial raw materials. For all the time the Germany of Ludendorff and Helfferich was perfecting her war organization her supplies were steadily running out, and with them the financial resources and the credit-power needed for replenishing them from their oversea sources. Hence in November 1918, the master problem for Germany, and for all the industrial regions of the blockaded area, from Northern France and Belgium to Bohemia, Lower Austria, and Poland, was that of securing industrial raw materials. This was far more important than the problem of food-supply, for food is of little use to working-class populations unless they have the money to buy it with; moreover, by ceasing hostilities in the early winter the German authorities

provided a margin of time, available for the import of industrial raw materials, before the supplies of the previous harvest were exhausted. They had even more time in hand in October, 1918, than they reckoned to have when they offered peace in the December of 1916. Peace, they knew, involved the demobilization of millions of men. These men needed immediate employment, if confusion, and worse than confusion, were to be avoided. Employment involved raw materials. Raw materials, then, were the pivot of the European situation. If the transformation from war to peace conditions was to be effected peacefully in face of the menaces of Moscow, and of the lightheadedness which was bound to follow the sudden cessation of the war-strain after years of effort and underfeeding, if chimneys were to begin smoking again in the blockaded area, from Lille to Lodz, and from Brussels to the industrial suburbs of Buda-Pesth, there must be a concerted European policy for getting the Continent back to work. Once the materials were provided there would be no difficulty in selling them, for employment sets money in circulation, and every housewife in the blockaded area, and most in the submarine-menaced countries, had her list of necessary purchases.

Such was the problem presented in November, 1918, to the Allied statesmen who, through their perfected system of inter-allied organization, held the greater part of the shipping, the raw materials, the foodstuffs, and the credit-power of the world, either jointly or individually, in their grasp. How did they proceed to handle it? The answer to this also must be left for a later page.

CHAPTER III

THE UPHEAVAL OF IDEAS

The world of ideas in which men's minds were moving in 1914 was in close relation with the external order of European life and society. The nineteenth century, and more especially the latter half of it, had placed its chief effort and aspiration in the tasks of material development. Society in other ages had paid respect to the thinker and the artist, even to the saint. The men whom pre-war society chiefly delighted to honour were those endowed with the particular combination of will-power, technical knowledge, and quickness of insight and decision, which constitutes the make-up of a successful organizer of men and machines. Not the lonely inventors whose ideas, once set in motion, have changed the outward aspect of our civilization, but the bustling promoters and advertisers who were able to act as their sponsors in the market-place, won the recognition and the rewards which every community reserves for those who come nearest to the unspoken ideal of its members. Life had become more comfortable than ever before in human history—a material paradise for the rich, and if not a gilded, at least an insured and cushioned cage for the less fortunate classes. And every increase in material well-being, every rise in the trade returns, savings bank deposits, and other statistical evidences of the prosperity which men mistook for happiness, stimulated the appetite for more of the same feeding. It is the characteristic of money, as the Greeks remarked long ago, that

it is infinite, that there is no limit to the amount of it that can either be possessed or desired. A society, which had made money its god and had elevated its conception of the indispensables to happiness to the motor-car standard, had set itself to the task of compassing the infinite. The result, despite the solid outward evidence of successful achievement, was a deep and ever-growing dissatisfaction, a lingering *malaise* and restlessness, the full extent of which was only revealed when the war swept the old society, and its gods and sanctions, into the abyss of the past.

A. Political Doctrines

This material ideal, if ideal it can be called, dominated both the political parties and the other organized intellectual influences of pre-war Europe. The party system exhibited characteristic varieties and complications in the different countries, but, broadly speaking, the political life of the European peoples found its expression in three groups—the Conservatives (amongst whom must be included the clericals), the Liberals, and the Socialists.

Conservatism, strongest in Spain and Russia but powerful also in Britain, France, and Germany, was the stronghold of those who cared for authority, for stability, for the comfortable régime of use and wont. Its traditions reached back to the counter-revolutionary movement of the beginning and middle of the century, to 1789, 1815, and 1848; but the vital meaning of those conflicts, which had been so real to Burke and le Maistre, to Metternich and Wellington, and later to Bismarck and the

anti-Republicans of his generation, had become obliterated with the passage of time and the decline or debasement of the old revolutionary issues. With the withering of its intellectual tradition, Conservatism had relapsed more and more into an attitude of obstinate and unthinking defence ; and if it be asked what it was that the French bourgeois and the German Junker, the Spanish clerical, the English Tory and the Russian bureaucrat were united in defending, the answer is more easily given in concrete than in abstract terms. Not " the principles of the Revolution," nor " Church and State," nor " Kaiser and Fatherland," still less, as is sometimes impertinently claimed in Spain, the social principles of the Christian Church and Gospel, formed the inspiration of those who in each country set themselves to oppose ideas of political and social change. To be defenders of the established order meant, in 1914, in Republican France as in monarchical Spain and democratic England, to be defenders of Property.

Liberalism had an adventurous and inspiring ancestry to boast of, but by 1914 its laurels had faded, and its prestige was everywhere on the wane. Originating in seventeenth-century England and eighteenth-century France as the exponent of what English writers called British liberty, and their French colleagues, as characteristically, the Rights of Man, it had developed during the wars of the Revolution into a movement for the liberation and the political independence of nations. In the writings of its greatest nineteenth-century prophet, Mazzini, the two strains, the individual and the national, are inextricably blended, running together

with a warm current of social idealism. His watchword, "*God and the People*," sums up a whole world of aspiration, and conceals the inner conflict which was bound to arise when, to use a modern phrase, individual and national self-determination pointed in different directions, or when the people became more interested in the social than in the nationalist aspects of Mazzini's appeal. These divergent and often contradictory elements in the Liberal creed became more manifest as the century developed. When Bismarck established a United German Empire by his sovereign recipe of blood and iron, and when Slav, Greek, and Roumanian, Japanese and Indian enthusiasts began to apply the nationalist ideas of Western Europe to their own problems and conditions, the humanitarian elements in Mazzini's composite gospel often seemed far to seek. During the generation prior to the war Liberal nationalism had ceased, except in Ireland, to be a powerful influence in Western Europe, but it was gathering strength, visibly and beneath the surface, not only in south-eastern and north-eastern Europe, from the Baltic to the Adriatic and the Black Sea, but among ardent and susceptible minds throughout Asia and Africa. But the nationalism of such agitations was often more apparent than their Liberalism, and, though it is impossible to deny a Liberal character to a movement which can point to such figures as Masaryk, Venizelos, and Gandhi among its leaders, they would be the last to deny that they have had a hard struggle to wage against the baser spirits who are ever on the watch to vulgarize nationalism into an arrogant and intolerant manifestation of mere herd-gregariousness.

After the union of Germany and of Italy, Liberalism in Western Europe was weakened by the disillusioning realization of part of its nationalist programme, while the war of 1870, followed, contrary to Bismarck's better judgment, by the annexation of Alsace-Lorraine, contributed still further to its eclipse. Prussia bestrode the Continent, and whilst Bismarck, strong in the argument of the *fait accompli*, was winning over his old Liberal opponents to the twin causes of absolutism and industrial efficiency, Liberals in other countries lost enthusiasm and incentive, conscious of a dead weight of reaction in the centre of the Continent which the mere force of ideas was powerless to dislodge. Bismarck's abandonment of Free Trade in 1879 marks the beginning of a rapid ebb in the fortunes of the Manchester School, a characteristically English combination of internationalism and good business which, thanks to the initiative of Napoleon III., had become the fashion in the Chancellories of Europe during the third quarter of the century. In the period between the Franco-German war and 1914, Liberalism, as an influence upon foreign policy, upon the mutual relations of the European peoples, was thus driven more and more underground. Its vague humanitarian formulæ were indeed too familiar and too non-committal to be discarded by the rulers of Europe, nor had any others equally safe and convenient yet been devised to take their place. But the peace and goodwill promoted by Bismarck on behalf of a "satiated" Germany were very different in spirit from the watchwords of the promoters of the Great Exhibition of 1851, and the international brotherhood of

peoples preached by Nicholas II., when he summoned the first Hague Conference, was something far removed from the faith of Mazzini or the French Liberals of '48. It was in the lands whither the strong arm of Potsdam could not penetrate, behind the bulwark of British sea-power, that the internationalist doctrines of Liberalism, with their vision of a world of free peoples bound together to keep humanity at peace, were now most sincerely professed—shyly and by small semi-religious coteries in Britain, more exuberantly and unquestioningly in the United States. Thus it was that Liberalism, far from the haunts of military power and from the realities emphasized by its rule, shed much of its European experience, and assumed an abstract and too exclusively Anglo-Saxon character; and it was in this guise that it emerged once more during the war, in the careful formulations of Asquith and the bold and sonorous preachments of Woodrow Wilson, to exercise, for a few brief and dazzling months, a predominant influence over the public opinion of Europe.

Meanwhile, in the domestic sphere, Liberals found the simple and harmonious solutions of Mazzini, and of mid-century Christian idealists in Britain and elsewhere, no easier of application. In the increasing complexity and dehumanization of the industrial system, with the growth of joint stock companies and impersonal controls, fraternity and co-operation, and even liberty and equality, supplied little positive guidance. Unable or unwilling to dig deeper, to re-analyse the nature of modern man, and to assess, in terms of quality rather than of quantity, the values of modern civilization,

and faced with the crude and garish competition of the Socialist gospel, Liberalism surrendered its integrity and took refuge in compromise. Thus it survived, both in Britain and on the Continent, not as the pioneer of a new world of personal freedom and social justice, but as a party of moderate and ameliorating reform. There, too, the great traditional watchwords survived, especially in perorations and in election programmes, but, to use a famous phrase of Gladstone's, they were "tempered by prudence," and also, let it be added, by a regard for economy characteristic of what was always, even at its zenith, a bourgeois party. Common sense and evolution, two idols of a "practical" age, took their place beside the older and more exalted declarations of policy; for a society in which men surrendered themselves freely to the velocity of machines had become increasingly terrified of the swift and sweeping initiatives of the human mind. Social progress, young Liberals were told, must come slowly and by instalments, by the same gradual, and indeed imperceptible, stages as marked the advance of modern London upon ancient Athens, and of a mammoth American factory upon the workshop of a Phidias and a Fra Angelico. Progress, so interpreted, is the creed of a middle-aged and disillusioned movement. Small wonder that by 1914 youth and enthusiasm were being attracted to other and ruddier banners.

Socialism, the political doctrine, or rather the religion, professed by the vast majority of the industrial working class of Europe in 1914, is a characteristic product of the system which it is designed to overturn or to transform. Its

latest historian has indeed industriously laid bare the intellectual origins of its leading ideas, tracing some of them back to eighteenth and early nineteenth-century England and France, and others, with characteristic German conscientiousness, to the Middle Ages and behind them ; and it is true that the movement had a brief vogue in England before it became solidified in Germany, and that there is the closest resemblance, even to the metaphors and the phraseology, between the infant Socialism of the *Poor Man's Guardian* in the early eighteen-thirties, and the diluted Bolshevism of the *Daily Herald* in 1922. But it was in the Western Europe of the forties, when the factory system in England was working up to the climax which excited the denunciations of Lord Shaftesbury, and when France under Louis Philippe was adding a new and sinister connotation to the term *bourgeois*, that Karl Marx, an uprooted Jew from the Rhine country, who, after brief spells in Paris and Brussels, spent most of his life in London and most of his working days in the Library of the British Museum, crystallized what had hitherto been a vague and formless conglomerate of theories and discontents into a systematic and imposing structure of ideas and propaganda. Marx surveyed the world of nineteenth-century industrialism and saw that it was bad. His diagnosis of the maladies of society was as scientific and as accurate as any hitherto undertaken, and his indictment of our so-called civilization was, and remains, unanswerable. Regarded simply as a rebel, as a prophet of industrial protestantism, he is immune from criticism, except the one reminder that, in a world in which the classes, like

the peoples, have of necessity to live together, protestantism, like patriotism, is not enough. Where he failed in insight was in believing that he could bring about a better world by transforming the organization of society without transforming its values. Thus he became the adored chief of a movement, indeed of a Church, which, just because its doctrine of the age-long struggle between the master-class and the proletarian, with the inevitable and nearly-impending victory of the latter in a glorious revolution, pointed to everyday facts and appealed to elemental passions and desires, needed only to perfect its propaganda, and to apply the right tinge of red in the right place for each trade and locality, to attract multitudes to its banner. For to the victims of modern industrialism, in the monotonous and mechanical routine of their daily existence, its message of upheaval corresponded to an inner craving for free initiative and activity.

Socialism has made its way in modern society much after the same fashion as Christianity made its way in the Roman Empire. Its message has appealed to the same section—the more restless and aspiring members of what were considered the inferior classes—and it has brought the same good tidings of a better time to come. As has been well said by an acute modern Jewish critic, Socialism is indeed little more than a pocket edition of the old Jewish Messianic idea, or, it may be added, in its latest East European form, of the fervours and furies of Islam. So it is piquant to observe how it has suffered, and is now suffering more than ever, from a disappointment, and an intellectual embarrassment, very

similar to that which confronted the first generation of Christian converts as the date of the Second Coming seemed to be receding year by year. The modern Socialist is indeed in a far more difficult situation than his predecessors; for, whereas they could do no more than sit still and wait on the event, the duty of the modern apostle, who has pitched his promised dénouement in the midst of this world's affairs, is to labour to bring the transformation about; and this involves the creation and maintenance of a vast and necessarily material organization, which requires to be kept at a religious level of faith, enthusiasm, and expectation by a constant reiteration or variation of the Messianic promise of a new world. For those who are old enough to have watched the rise and wane of the hopes and ideals of more than one generation of young Socialist enthusiasts there is something inexpressibly melancholy in the spectacle of the power still exercised by what one of its Oxford exponents has, with unconscious cynicism, entitled "the revolutionary tradition" over the minds of simple and credulous men and women. What could be more pathetic, for instance, than to read, in the report of the International Socialist Conference, held in Vienna in February, 1921, of a German-Bohemian delegate, who, representing the débris of a party at a conference of the débris of a movement meeting in the débris of a metropolis, declares, in the peroration of an impeccably orthodox address, that he returns home more convinced than ever "that the Marxian doctrines, the revered ideas transmitted to us by our great teachers, have been in no way shaken or affected by the war, but remain everlastingly

true " ? These are the words of faith, not of reason, of religion, not of politics, of other-worldliness, not of this-worldliness. When the time and place of their delivery are considered, they may be taken as summing up, not inaptly, the whole strength, and the whole inner weakness and contradiction, of the modern revolutionary movement.

This contradiction serves also to explain another characteristic phenomenon of Socialism—the constant disharmony and tug and strain between leaders and followers. Since Socialism is a this-worldly movement, it must needs be organized on a material scale, and from this it follows that its leaders are necessarily chosen from amongst those who understand the arts of organization. But a Socialist leader must also possess the power of popular appeal, or he will be unable to command the enthusiasm, or retain the confidence, of the masses whom he serves. Leadership has tended, therefore, to pass into the hands of men who combine, often in unequal and always in uncomfortable measure, the talents of the platform and of the desk, of the mob-orator and the bureaucrat ; and this is especially the case in countries where, as in Britain, the association between the Trade Union and Socialist movements is so close that the leaders of the former tend, almost as of right, to rise to prominence in the latter. It is the characteristic defect of young and growing churches to lay too many worldly burdens on their apostles, to confound the work of bishop and deacon, of preacher and administrator ; but never perhaps has this blunder been committed on so vast a scale as when men who are responsible, as paid officials, for the conduct of

a huge mutual benefit society of miners or railwaymen, are expected also to play the part of prophet, preacher, and pioneer to the eager masses of their followers. Small wonder that, on the one side, the prophet should more and more be swallowed up in the reformist politician, and that, on the other, enthusiasm, ill-led and misrepresented, should break out in recurring, if impotent, movements of discontent. The surprise is rather that the nimbleness of leaders and the patience of followers has stood the strain so long. A better division of labour may be devised, defects of organization may be patched up, programmes and formulæ may be revised and readapted ; but there is no permanent health in the revolutionary movement but by a courageous return to first principles, by a reassessment of the values of our civilization and of the issues which confront those who seek to amend it. So long as the movement remains on the economic plane, the plane of the Marxian analysis, it will be paralysed by an inner contradiction ; for it is seeking to bring about a revolution in a region where no revolution is possible, where, the closer men approach to the seat of power, the more practical, governmental, and conservative they must needs become. Even before 1914 it had become clear that Socialism had reached the cross-roads ; that its choice lay between remaining on the material plane and embracing a reformist Liberalism shorn of the main features of the Marxian ideology, or boldly admitting, as the second generation of Christians admitted, the literal inadequacy of its earlier message, and transferring its activity to a plane where economic problems can be seen in their true light, as one, if not

the least important, of the issues involved in the effort to bring harmony and happiness into the lives of the men and women of to-day.

Such were the political doctrines between which the allegiance of European public opinion was divided in 1914. Upon them the war descended like a thunderclap. Conservatism was the first to feel the shock; for, as Sir Edward Grey told Count Mensdorff in July, 1914, a European conflagration meant the end of the old comfortable world of use and wont, in which awkward questions of principle could be ignored like sleeping dogs. Both on the Continent and in Britain the war has brought an awakening, especially among the younger generation, which spells the death of the old Conservatism, and of the *vis inertiæ*, and the respect for custom and authority, which were its strongest bulwark. The old world has been reluctant to die; nevertheless it has passed away beyond recall. The Tyrolese burgomaster who signalized the change of régime in his village by setting up the sign of the "Imperial-Royal Republic" (*K.K. Republik*) is an apt example of the way in which what is after all a determining transition has been made in the minds of millions of custom-loving men and women.

But it was the Socialist preachers of revolution who were perhaps the most disconcerted by the advent of an upheaval which they had so frequently foretold and so long ceased to expect; for it developed contrary to their theories, and, what is even more serious for a good party man, contrary to the plans and interests of their organization. It brought to a head the inner conflict in the party

between the men of practice and the men of theory, between those who were willing to co-operate with bourgeois governments and those who stood aloof from the foolish issues and suicidal dissensions of capitalist society—in a word, between the patriots and the internationalists. Not that there was a clean division of ranks under the impact of fact; that, as a rule, took time to develop, for organizations, however inhuman, have generally acquired a human quality of self-protection. Many and ingenious, therefore, were the endeavours of the faithful and conscientious followers of Marx, particularly in Germany and Austria, to adapt the texts of the master to the dramatic and testing events of the day. The curious reader will find a record of him in the pages of a German review—the *Archiv für Sozialwissenschaft.* There were some who held, with Karl Renner, that a German supremacy over Eastern Europe and the establishment of a United States from Hamburg to Bagdad, under the control of a single Economic General Staff, was an exemplification of the Marxian doctrine of the supremacy of big businesses over small, and of the growing trustification of the industrial world; while others, more honest if less inventive, like Karl Kautsky, found it not incompatible with their Marxism to protest against the principle, and the proposed method, of the absorption of Belgium. But the coolest and clearest head in the movement was that of an extremist Russian nobleman long resident in Switzerland. Heedless of the inconsistency involved in initiating a world-revolution in the most industrially backward country of Europe, Lenin fixed on Russia as the focus of

Socialist activity; and he had the perspicacity to see that, with the capitalist governments at grips, those who sought to destroy them must not idly stand aside, but rather seek to extend and embitter the conflict. So it was Lenin who, at Zimmerwald in 1915, looking round for a weapon of disintegration, saw that the nationalist appeal would meet his end. Few of the Liberals who used it with such dramatic effect in the later stages of the war realized that it was Lenin, aiming at the disintegration of the great multi-national empire and society of Russia, and, with luck and persistence, of other empires as well, who sprang upon a susceptible public the stirring watchword of self-determination. Here is indeed an apple of strife from Finland to Croatia and Catalonia, and from Ireland to the Ukraine; but, unfortunately for the progress of the world-revolution that it was destined to inaugurate, it was a strife that could not fail to penetrate the revolutionary party itself. Thus the Second International, fruit of the patient and careful—indeed, too careful—labours of a Jaurès, and a Vandervelde, a Bebel, a Keir Hardie, and a Turati, suffered the experience of schism, like so many churches before it, and the end of the war found a Third International both more orthodox and more menacing than its predecessor, issuing its thunders, not from some occasional conference or obscure secretariat under the shadow of a capitalist government, but from the Kremlin at Moscow.

It was the Liberals, whom, for this reason, we have left to the last, who had the most reason, if not to welcome (for of the three parties, they were

the most averse to bloodshed), at least to understand the war ; for it was in line with their theory of European development, and with their sense of values and estimate of forces. They were, indeed, so deadened by fifty years of Prussian supremacy, by the dominance of blood and iron over ideas and ideals, that it took them some time to discover that there was more at stake for Europe, and for their several countries, than self-defence, and that much which had been " Utopian," and therefore supremely attractive, for fifty and even a hundred years, was now becoming severely practical politics. But when, under the teaching of a Masaryk and a Beneš, and their able Jugo-slav colleagues, not to mention Paderewski and Dmowski, they awoke to the situation, they fell, not unnaturally, into the opposite error, and both hoped and believed too much ; or, perhaps, it would be truer to say of the statesmen of the Entente that, too preoccupied to surrender their minds either to hopes or beliefs, they repeated precepts and perorations, which caused their less experienced followers to hope and believe far more than themselves. So, in spite of the Italian Treaty of 1915, of which English Liberals, at any rate, were made aware, although they chose to turn a blind eye to it, the formulæ of Liberalism became the order of the day, and that not in their European, but in their most Anglo-Saxon and idealistic setting. First London, and then Washington, became the seat of the oracle of prophecy and propaganda ; and, in the heat and anguish of the struggle, cool heads were too preoccupied, and no doubt also too confidently sceptical, to interfere with argument and criticism. Thus it

was that by 1918, when the fabric of Prussianism collapsed, and the ground lay clear and ready for rebuilding, Europe had already been converted to Liberalism. All that was needed, and all that was expected, was for the victors to set to work upon the building of which they had already passed, and made public, the specifications. When President Wilson informed the German Government, on November 5, 1918, that the Allies had accepted his "Fourteen Points" and other addresses as the basis of the peace which was about to be negotiated, the mind of Continental Europe, and especially of Germany, leaped back seventy years, to the ideals and enthusiasms of 1848. Before many weeks were out, it was not 1848, but 1648, of which they spoke. But to this we shall turn presently.

B. Institutions

But our view of the pre-war world, and our sense of the upheaval to which it has been subjected, will not be complete until we have extended our survey to other and less purely political influences, to the institutions which, in our modern society, serve as the recognized agencies for the origination and diffusion of ideas. The chief of these—to cite them in inverse order to their antiquity, if not to their potency—are the Press, the University, and the Church.

The daily newspaper is the principal means by which public opinion—the life-blood of the modern state, as of its parties and other groupings—is formed and nourished; it supplies both the information and the explanatory comment which are the

raw material of a reasoned judgment upon public affairs. It is, therefore, placed in a position of peculiar advantage for seconding the efforts of the statesman in educating his fellow-countrymen upon current issues. In the modern democracy the platform and the Press, the orator and the editor, should be natural allies in the task of popular enlightenment. The work which falls to the latter's share is indeed one of the most essential public services in the whole range of the life of a civilized community, and, on the whole, a glance at the files of the principal European newspapers of the nineteenth century, and at the distinguished list of their contributors, would reveal that this responsibility was neither unrecognized nor ill discharged. In recent years, however, the Press has extended its sway and discovered its power to assume even more potent functions. For the vast new, inquisitive, and semi-emancipated public brought into existence throughout Europe by compulsory schooling it plays the part, not merely of purveyor and interpreter of news, but of teacher and preacher, guide, philosopher, and anonymous but unremitting companion. The power of the written word has never been so strong—not even in the early days of Protestantism, when the Book was almighty—than among the uncritical millions who pin their faith to what they have "seen in the paper." The cold majesty of print, surrounded by the pomp and circumstance of headline and editorial elaboration, persuades or intimidates all but those who have consciously trained themselves to resist. Emperors have not known such intimate and continuing power, nor the Vatican such audacious and unquestioned

infallibility, as is enjoyed by those who have mastered the art of catching the ear, or tickling the palate, of what is called by courtesy the reading public.

For the spread of industrialism, and of the standard of values and habits of life associated with it, both among rich and poor, has coincided, during the last half-century, and especially during the last twenty years, with a decline both in the quality and in the integrity of the Press. As, on the one hand, the public has become more receptive than ever before to manufactured opinions and ready-made ideas and arguments, so, on the other, the proprietors and purveyors of the printed word, neglectful of their responsibility towards the intellectual life of the community, have lost sight, more and more, of their informative and educative function, and have surrendered themselves to the temptations of commercial success. Here and there, to take instances from Britain which might be parallelled in France, Germany, Italy, and elsewhere, a C. P. Scott, a Spender or a Garvin (whatever one may think of their judgment) stand out to remind us that writers like Charles Dickens and John Morley once adorned the purlieus of Fleet Street; but to survey the region as a whole is regretfully to conclude that honesty and independence are now at a discount, and that the writer who wishes to place his pen at the service of what should be the honourable profession of journalism finds it hard to avoid trimming his sails, or even prostituting his integrity, at the bidding of some magnate for whom owning a group of newspapers is as irresponsible an amusement as owning a yacht or a grouse-moor.

When such are the influences behind the scenes it is not surprising that the foreground should be little edifying, and more than a little confusing, to the uninitiated private citizen. It is hardly too much to declare of the bulk of the daily Press of Europe to-day that to read it without some previous equipment of critical power, and of understanding of public affairs, is to darken counsel, and that as between a censored and a doctored sheet there is but little to choose. At any rate it is safe to say that those who happen to be aware of the proprietor of the paper, of his political and social affiliations, his ambitions and enmities, and his relations to this or that group or influence in his own or other countries, will read far more in and between the lines than the vast majority of the ingenuous public! Take but a single instance. A fair proportion of readers may be gifted with some measure of critical judgment upon what they read, but it needs an unusual measure of discrimination to draw conclusions from what is passed over in silence. When the word is given that a man's name is never to be mentioned in any of a group of syndicated journals a power of excommunication is set in motion to which Rome at its zenith hardly attained. Such an edict may indeed never be issued; the knowledge that it can be is in itself sufficient. It has served before now to provoke confidences and indiscretions which have altered the course of history.

Thus by the outbreak of the war the Press had become increasingly commercialized, and had contributed sensibly to a debasement, a growing frivolity and irresponsibility, in men's attitude of mind towards public affairs. It is hardly necessary

to recall the extent to which these influences were intensified by the war. Clear and honest thinking is never so necessary, but also never so difficult, as in times of national passion and crisis ; and in this case the task was rendered doubly difficult, both for journalist and citizen, by the emergence of official agencies of propaganda. When an ill-educated democracy is engaged in a life-and-death struggle in a cause as to which it is but imperfectly informed, it is perhaps unavoidable that systematic means should be taken to enlighten it. But the expedient is open to obvious abuse. When Governments begin to colour the Press and to tamper with the publishing trade, the reactions are as unfortunate as they are subtle and incalculable ; and the end of the war found what Burke called the avenues to public opinion partly blocked up and public opinion itself far less receptive, and considerably more cynical, than before the official publicity artists began their operations.

It is out of this cynicism, and the critical process of which it is evidence, that improvement is ultimately to be looked for. It is idle to talk of " reforming " the Press. The philanthropists who buy up this or that sheet in order to boycott betting or divorce news or to boom the League of Nations are mistaking the symptom for the cause ; it is from the mind of the reader, not from the office end, that the change must come. It is the intellectual tradition of Scotland which causes a Scottish leading article to be better argued, on the average, than its English compeer, and it is the sincerity and public spirit of Lancashire which keeps the *Manchester Guardian* up to the mark. Not every

district, in Britain or outside it, has the Press it deserves; the particular combination of capital, enterprise, and public spirit which go to make up a great newspaper may not happen to be available. But the public has nowhere a right to complain that the Press which serves it is beneath its needs, for it can always get rid of it by ceasing to use it. There are plenty of alternatives to the daily paper, both for the reader and the advertiser; the book, the periodical, and the lecture are obvious examples. All that is needed to dethrone our modern infallibles, if we are annoyed by their ubiquitous impertinence, is a little strength of mind on the part of their disillusioned purchasers.

If the Press should supply the modern community with the circulating life-blood for its daily mental existence, the University should be its chief brain-centre, the seat of its most strenuous, persistent, and vital thinking. No modern man can live without taking thought for the morrow; fore-thought, the power to look ahead and see his life as a whole, and to frame plans and policies accordingly, is the mark of the civilized, as against the untutored and savage, human being. And what is true of the individual holds good also of the nation. Communities which live from hand to mouth, by the mere jostling and collision of innumerable day by day impulses and interests, without any sense of design or purpose, or any consciousness of the need for a broader vision, cannot long maintain themselves in the modern age. Sooner or later, the tide will seize them, and they will drift to disaster.

To meet this need for comprehensive and long-range intellectual effort, and for the sense of moral integrity and elevation resulting from it, the University is not only the most suitable, but practically the only available instrument. In the ancient world the stoa and the market-place, in the Middle Ages the monastery, might minister to the enquiring and reflective "mind"; but the nature of modern life, and of its characteristic problems and interests, has turned the monastery, in so far as it still survives, into a backwater, remote from the living issues of the day, while to imagine that serious thinking is possible in the urge and bustle of a modern market-place, without an island of quiet to repair to for refreshment and detachment, is to fall into the error of trying to serve God and Juggernaut at once. Whatever may be the other and more specialized functions of the University in the modern community —and it is not denied that, both in the field of general intellectual discipline and of professional training it has indispensable work to do—it cannot be absolved from its peculiar and responsible duty of ministering to the deeper spiritual and intellectual needs of the age, and of supplying quality and substance, mature reflection and the tonic of steadying and sympathetic criticism, to its ideals and aspirations. It is in this and no mere ornamental sense of the word that Universities can and ought to be regarded as homes and radiating centres of culture.

Such was the work performed and the influence exerted by Universities in the heyday of their power and greatness, when students, young and old alike, repaired to Paris and Prague and Oxford as sources

of living knowledge and inspiration. And such, if in lesser measure, owing partly to the competition of the printed with the spoken word, was the influence of the continental, and not least of the German Universities, during a large part of the nineteenth century. At a time when Newman was proclaiming to deaf ears his immortal *Idea of a University*, and when Oxford was instituting competitive examinations as a much needed improvement upon old-fashioned systems of patronage, Matthew Arnold could point to Germany as the chief standard-bearer of spiritual freedom in its struggle against the debasing influences of the age. "What I admire in Germany," he wrote, after his visit there in 1865, "is that while there too industrialism, that great modern power, is making at Berlin, and Leipzig, and Elberfeld, the most successful and rapid progress, the idea of culture, culture of the only true sort, is in Germany a living power also. Petty towns have a University whose teaching is famous throughout Europe; and the King of Prussia and Count Bismarck resist the loss of a great *savant* from Prussia as they would resist a political check. If true culture ever becomes a civilizing power in the world, and is not overlaid by fanaticism, by industrialism, or by frivolous pleasure-seeking, it will be to the faith and zeal of this homely and much-ridiculed German people that the great result will be mainly owing."

During the half-century which has elapsed since these words were written the European University, and with it the European ideal and standard of culture, has suffered a decline comparable, in its own sphere of activity and temptation, to that of the

Press. If it has not yet, or only in small measure, become commercialized, it has succumbed to a characteristic and subtle form of industrialization. It has become the victim of that division of labour, that specialization, upon which Adam Smith fixed as the distinguishing mark of the modern age. Where fifty years ago the University, if ministering, in some countries at any rate (though not in Germany) to an unduly restricted range of students, sent forth into the life of the community men who had acquired the power to think for themselves and to let their minds play truly on the great enduring interests of human life and society, to-day their tendency is more and more to produce a manufactured and hall-marked article, designed to fill a particular niche in some organized scheme or system. The old University course, with its wide and infectious appeal, its ideal of the *universitas* or *studium generale*, the unity and integration of human knowledge, has been dissipated and departmentalized by the intrusion of one favoured subject after another to a position of equality with the more general human studies and interests, while the scholar or teacher himself, instead of being a " master " of the old style, alive to all the issues and interests and implications of some noble and wide-ranging area of man's learning and achievement, is too often just a laborious hack, who has drudged himself into a doctorate by some conscientious compilation of other men's thoughts—a mere piece of dead and unresponsive stone in a vast cold mosaic of " research " of which it is left to posterity to discover the pattern and assess the value. When it is claimed, for our present-day academies, that they have discovered how to apply

scientific method to this or that branch of human enquiry, too often all that is meant is that they have developed some mechanical scheme for putting live knowledge into cold storage, in the vain belief that "facts," set out and documented in a learned publication, will emerge some day of their own power as fresh and rosy as frozen apples from the Antipodes. The modern world has, in fact, discovered how to organize factories and syndicates of knowledge, and how to use students, and even graduates, as mere labourers and helots without either the abilities or the opportunity for promotion to a worthier situation. There is many an untutored peasant and workman, a shepherd out on the hills or a cobbler or tailor at his bench, whose trained intelligence and all-round knowledge, interests, and even refinement, would bear favourable comparison with the helpless and ill-starred victims of academic industrialization.

If it be asked whence this debasement and perversion of University ideals and methods has proceeded, candour must needs reply that it is Germany who has set the example and forced the pace. The last half-century has witnessed in Germany an intellectual transformation, a change in outlook and values and quality, such as her admirers in Victorian England could not have been expected to anticipate; for the yielding plasticity of the German mind—its sensitiveness and impressionability to external conditions and compulsions—is too remote from stolid British habits for an Englishman easily to conceive. The fact, however, remains that the "culture" of which the world heard so much in 1914 was something wholly different from the

"civilizing power," and the sincere, ardent, and almost religious service of truth and freedom which characterized the Germany of 1864. During the last two generations Germany has been living on the reputation of her Victorian giants—for giants they were—and of those of their pupils and descendants who have inherited their spirit and tradition. Meanwhile, culture had become more and more an annex of the German, and especially (owing to the increasing attractiveness of the metropolis) of the Prussian, state, and, under the ægis of a vigilant and autocratic government, freedom of thought and integrity of soul declined. Culture, in its most limited and mechanical sense, became an article of exportation and advertisement, and the young and aspiring Universities of Central and Eastern Europe, and even of France, Italy, Britain, and America, have been touched and tainted by its arrogant and devitalizing influence. How deadening to the moral sense, and at the same time how superficially impressive and plausible, this influence has been can best be realized by anyone who, like the present writer, has had occasion to read a great amount of what was written by German philosophers, historians, and economists on the war, and to observe the way in which, not only the smaller fry, but men with European names, such as Lamprecht and Eduard Meyer, Troeltsch and Eucken and Kerschensteiner, not merely allowed their patriotic feelings to run away with them—this is but a human weakness, pardonable even in a professor—but sought to readjust their *Weltanschauung*, their whole philosophy and scheme of values, in order to bring it into conformity with a

government as to whose conduct and motives they were content to be left in the dark. The bankruptcy of the pre-war régime in Germany touches far more than its statesmanship. It is the débâcle of the whole system of specialization of which the entrusting by the patient and credulous German people of its political interests to experts is but a single example. The nation which allowed itself to be governed by a bumptious dilettante like the Kaiser, aided by bureaucrats who had trained themselves to make the best sense they could out of his whims, was content also to draw its general ideas, in the deficiency of real intellectual leadership and insight, from pamphleteers and pseudo-philosophers who had mastered the easy art of manipulating abstract terms. In the event, the German people is faced with a mass of débris—political, intellectual, and social—even vaster than it as yet suspects, and the world of her neighbours and former admirers, which was suffering, if in milder form, from a similar sapping of its intellectual integrity and a similar absence of leadership and initiative in its brain-centres, is gradually becoming conscious of the full extent of the upheaval in prestige and influence, as in methods, quality, and values, entailed by the events of the last seven years. The old *universitas* of European culture will not be rebuilt in a day; but it is time for the new generation of students to realize the task which awaits them if European civilization is to survive.

In a survey of the intellectual influences of our time it would be discourteous to omit the Christian Churches, for they represent the oldest organized

teaching institutions in the community, and they still retain a large measure of power over the minds of men and women.

Europe is still considered, in common parlance, as a Christian continent, and it is on this assumption —to preach a religion and a way of life of which Europe is regarded as having been for some sixteen centuries the authoritative home and centre—that European missionaries are maintained throughout other parts of the globe. It may be doubted, however, whether, in any real or deep sense, European society, or any considerable proportion of European men and women, in any one of the seventy generations which have elapsed since Christianity became the official religion of the Roman Empire, has ever accepted, or even endeavoured to understand and apply, the teaching and outlook of its Founder. There has indeed never been a generation without Christians, but their influence on public affairs has been limited and intermittent, and often very wrong-headed in application, so that the good that a Bede and an Anselm, a Hus and a Wiclif, a St. Francis, a Savonarola, and a Father Damien have done in the name of their common Master, has been more than outweighed by the wars and the persecutions, the crimes of intolerance and ambition, the worldly vanity and hardness, of those who acted, and had the power to command others to act, in the same name. The long history of European Christianity, if it ever comes to be written, will be the history of a submerged and hidden movement—the tracing of the course of a pure but tenuous stream of living water which has refreshed the souls of innumerable

men and women who have penetrated to its secret recesses, but has but seldom emerged into the open, to flow through the broad and dusty cities where the world's main activities are carried on.

However that may be, in the present age, at any rate, the so-called Christian Churches are but little representative of the true Christian spirit, and their influence and work, both on its intellectual and more purely spiritual side, has been affected, as was inevitable, by the material and vulgarizing forces of the age. There has, indeed, in the Europe of the last few decades, been a perceptible increase of interest in the problems and the experience of the religious life. Thanks mainly to the spread of popular education, men and women are everywhere seeking to rid themselves of shams and shibboleths, and to find guidance and inspiration in the search for the abiding realities of human fate and existence. But not merely do the Churches, almost without exception, stand aloof from their endeavours, but they are in general the most serious and discouraging obstacle in the path of the seeker after truth. What more ironical spectacle can be imagined than that, at a time when earnest minds are everywhere bewildered by the difficulty of harmonizing the laws and processes of the visible and the invisible realms of reality, when the discord between religion and science, faith and knowledge, must be resolved, and resolved quickly, if mankind is to be saved from a rending in twain of its inner life, greater than any of the mere external schisms which have taken place in earlier ages, the collected religious dignitaries of the English-speaking world, numbering some three hundred and fifty bishops, should

have passed a sponge over this whole discussion by merely reiterating a set of formulæ, antiquated in expression, if not in meaning, drawn up at a similar conference in Asia Minor sixteen centuries ago; or that, with Europe materially and spiritually in chaos, the successor of the fisherman at the Vatican should be concerning himself, purely for reasons of material policy, with the renewal of diplomatic relations with France, with the safeguarding of his organization, and the continuance of a celibate priesthood, in the land of John Hus, and with the preservation of the Moslem power at Constantinople and in Nearer Asia, in order to neutralize the progress made by a great sister organization of Christians? Is it too much to say, in the face of all this, that it is the organized Churches, and the habit of mind they foster—or, rather, fossilize—which stand chiefly in the way of the religious revival that has so often been predicted and so often postponed? If by a miracle the existing religious organizations could be dissolved and their endowments not distributed but obliterated, what opportunities would be opened out and what energies released for the religious aspirations of modern men and for the devising of better means for their satisfaction!

"It is the letter which killeth and the spirit which maketh alive." In the modern age the analogue to the letter, and its jealous guardian, is the organization. Religion is imprisoned by its professional keepers. And this has become as true of the Protestant Churches, which owe their origin to a great movement of spiritual liberation, of protest, not merely against the abuses, but against the

fact itself of religious organization, as of their Catholic and Orthodox colleagues. The hardening of Catholicism into a system where, for all the beauty of its ritual and the majesty of its traditional appeal, for all the spacious liberty allowed in non-essentials, the believer is committed to the surrender of his spiritual freedom and initiative, is a problem and a spectacle with which European minds have been familiar for many centuries. But the similar hardening of the Protestant Churches, who can neither claim so imposing an ancestry nor rival Rome in its outward graces, is a fact of the last few generations ; and it is due to the stealthy pressure of material cares, to the silently growing power of organization and system, to the predominance of the Marthas over the Maries. If neither in France nor in Germany, neither in Holland nor Hungary nor Switzerland, nor among the Free Churches of Britain, a power of intellectual and spiritual leadership is to be discerned, the main cause is that the Churches have become accustomed to regard themselves, according to the gospel, not of their Master, but of the Guild-Socialists, as professional organizations, and that, in the atmosphere of endowment controversies and Million Guinea funds, and of the worldly intrigues and entanglements which these involve, deeper interests are lost sight of. " He that seeketh to save his soul shall lose it " is as true of the life of organizations as of the individual. In spite, if not because, of the fifty years' struggle of the Church of England to preserve its schools the ex-Church school scholars who fought in France were found by the chaplains to be as ignorant of the faith, and as indifferent to

their ministrations, as their more reputedly godless comrades ; nor do the efforts of the Free Churches to arrest the decline in the statistics of their Sunday school scholars and Church members absolve them from the duty of attending to the task for which they were founded. The war has often been described as proof of the impotence of the Christian Churches. It would be truer to say that modern life as a whole is a demonstration that neither the world nor the churches have even attempted to be Christian. But the war has certainly set this, the greatest and most baffling of all our problems, in a new and glaring light, and made it more urgent than ever for all good Europeans to apply their minds to its solution.

PART II

THE SETTLEMENT

Ἐχθίστη ὀδύνη πολλὰ φρονέοντα μηδενὸς κρατέειν.

There is no bitterer pain than to have much knowledge and no power.—HERODOTUS.

INTRODUCTORY

THE events which now fall briefly to be described have, in their sadness and in their irony, hardly, if ever, been equalled in the long history of mankind. A whole continent, worn out by effort and suffering, by suspense and privation, looked to three men, in whom the concentrated organization of a modern war and the chances of politics had vested supreme power over its destinies, to bring it lasting justice and appeasement. They failed it. The gifts which had made of the one a great teacher and preacher, of the second a great energizer, and of the third the heroic veteran of a desperate hour, were not the gifts for which Europe called. Ignorant of their limitations, they essayed a task with which Fate, perhaps in mercy, had forbidden a Lincoln and a Cavour, each on a lesser stage, to grapple. While they fumbled with the tiller of the ship of Europe's fortunes it seemed, to one onlooker at least, as though the devil himself were seizing it from their hands.

"The first six months after the armistice," remarked a high French authority recently, "put Europe back a hundred years." It is still in our power to make this an over-statement, but it sums up the impression made by the course of events on the minds of the host of subsidiary actors who were powerless to change the course of the plot. Everything went wrong, from the first call for negotiations in October until the final rejection of the Treaties by the United States Senate.

The story opens at the end of September, 1918, but in order to grasp its full significance a short retrospect is necessary.

CHAPTER I

AUGUST, 1914–SEPTEMBER, 1918

THE record must, from the nature of the situation, be written, strategically speaking, from the viewpoint of the land-power ; for, whether it be regarded as "imprisoned," or as holding the interior lines, it was driven as inevitably to take the initiative as the sea-power was driven, however reluctantly, to a war of attrition.

The German General Staff, working on Schlieffen's plans for the invasion of France through Belgium, attempted to secure a quick decision "before the leaves fell," and before the blockade became effective. But the German machine was stopped, and then rolled back, by French valour, skill, and alertness, reinforced, if as yet but in small measure, by British tenacity. The Marne was the decisive battle of the war. Henceforward cool heads knew, what Rathenau and others had feared, that the struggle must be long, that time was on the side of sea-power, and that to conquer whole kingdoms was not a sure road to victory. Nevertheless, the annexation of fresh territories on the Continent would bring both supplies and prestige. When the Allies had broken the attack on the Iser Tirpitz bethought him, too late, of the possibilities of the submarine, but the soldiers looked eastward. Their choice lay between

the north-east, with the possible rout and elimination of Russia, and the south-east, where lay the Danube waterway and the road to Turkey. Helfferich, with his eye on Roumanian grain and oil, advised the one. Falkenhayn, who had taken Moltke's place after the Marne, chose the other. Although Turkey had now come into the war, she must wait as yet for her munitions.

It was a precious interval for the Entente. If Greece would co-operate, Serbia would be relieved, Bulgaria intimidated or won over, and the Dardanelles opened by a rapid stroke. King Constantine intervened with an unconstitutional veto ; the Turks, who had warning, were able to strengthen their defences ; the British failed to push home their naval attack, and, when their land-forces arrived five months later, could gain but painful inches of ground. The surprise landing at Suvla promised better fortune, and there are men still living who looked down from the crest above upon the inner waters widening to Gallipoli. But there was a delay in the operation. Turkish reinforcements arrived, the attempt was abandoned, and the evacuation followed. The blunder of a commander, or of a subordinate, had prevented the sea-power from piercing the one open joint in the land-power's armour. The Black Sea, and the great Russian world behind it, remained cut off from the ocean. The result was three more years of war and the Russian revolution ! So many ills could a failure of judgment in one poor mortal bring upon a continent and upon mankind !

Meanwhile, despite the intervention of Italy, German arms were pressing eastward. By the

autumn of 1915, after Suvla and the occupation of Warsaw and Kovno, Falkenhayn was free to turn south. Bulgaria, after disposing of her harvest, joined the Germans in overrunning Serbia. The remnant of a heroic army made its way across Albania to Durazzo, and, eventually, to Corfu. It was a second and almost more terrible Kossovo, but the more quickly to be retrieved. German prestige was at its zenith, but victory was no nearer. Roumania remained neutral.

Falkenhayn decided to cripple France before Britain's new army could take the field. For four months he hammered at Verdun. The *poilu* did not let him pass, and on July 1, 1916, Kitchener's Army struck on the Somme, the first battle in which tanks, omen of a coming superiority of offence over defence, at least on the land, took their ungainly part. At the end of August Roumania threw in her lot with the Allies, and rashly invaded Transylvania. Falkenhayn gave place to Hindenburg and Ludendorff, who circumvented the Roumanians by a rapid advance on the Danube. Bucharest was occupied in December. Helfferich was assured of his supplies The winter of 1916–1917 was indeed to be terrible, but, so far as food was concerned, the immediate anxiety was removed.

The land-power now seemed more triumphant than ever. After its many victories all it needed was finality. Within a few days of the occupation of Bucharest the Kaiser and his three nominal associates made a grandiloquent offer of peace. A few days later President Wilson, whose intended intervention had been delayed, first by the Lille deportations and then by the Presidential election,

issued a note to the belligerents asking them to state their war-aims, and recommending "peace without victory." But before his action could mature, Ludendorff, aided by strong popular forces in Germany, had converted the Kaiser to the policy of using the submarine to the limit. The German people, who were living largely on swedes, were prepared to stake all on a single throw to end the war. In vain Helfferich argued that America would intervene, and would save, and send Britain, more additional food than the submarine would sink. He saw Hoover in a vision; had he shown him in person it is doubtful whether he would have convinced men like Ludendorff and the Kaiser, whose minds moved in the old military grooves. But he might have secured a six weeks' respite—the six weeks which, as the event proved, sealed the doom of the German power. On March 12 came the Russian Revolution. It meant, as Berlin at least could realize, the end of the Russian resistance. With the Eastern front eliminated, with America still neutral, and with the resulting moral and financial situation, the war might well have been won. But it was too late now to capitulate to Washington.

The Russian disintegration, coinciding with the failure of General Nivelle's offensive in France, relieved the military but embarrassed the political situation. In April Count Czernin, now Foreign Minister for the young Emperor Karl, reported that the Dual Monarchy could not face another winter's fighting. When Ludendorff would not listen to him he appealed to Erzberger. One result was a confused political crisis in Germany in July, the fall of Bethmann-Hollweg, and the passing of a

moderate war-aims resolution by the Reichstag, which the new Chancellor, Michaelis, claimed the right to interpret as he thought fit. Another was the Stockholm Socialist conference, wisely boycotted by the governments of France, Italy, and, in the face of a naïve opposition, Britain.

Meanwhile the submarine, which looked, for some weeks in the spring, as if it had found the heel of the oceanic Achilles, was discovering the limitations of its power. Its object was defeated, but only just defeated, by the convoy system, and by the perfection of the inter-allied shipping organization. Peace seemed further off than ever. True, the Eastern army was now available. Nevertheless, man-power was running short, and the American military strength, if, as was to be feared, it could be transported to Europe, was limitless. Best strike soon and hard to break the opposing *morale*. It was the only road to victory still open to the land-power.

Italy had been weakened by Socialist and Catholic propaganda. Ludendorff selected her for the first blow. It would carry Austria-Hungary through the winter, and the news of the Germans in Venice and Verona might even end the war. Caporetto followed ; but its result was to make, not to break, the *morale* at which the stroke was aimed. The attack was stayed on the Piave, but its impact was felt, not only in Italy, but in certain English country houses. Early in December, Lord Lansdowne wrote a letter to the *Daily Telegraph* which seemed to show that British *morale* was at last really weakening. Ludendorff, no doubt over-estimating the significance of the new alliance between a small Conservative and a small "Labour" clique, decided

to strike at Britain. The offensive launched on March 21 was the result. It found the Allies unready. For though, with characteristic insight, Mr. Lloyd George had read in Caporetto the lesson of a unified Allied command, long since demanded by the French, he withdrew the suggestion, with a promptitude equally characteristic, when it encountered obstacles in the House of Commons. It was not till March 26, at Doullens, in a gloomy hour, that, on the initiative of Lord Milner, General Foch was set in supreme command of the Allied forces.

The last great German effort for victory was doomed to failure within a few weeks. Ludendorff has stated that it was not until after August 8 that he realized that the Allied counter-attack could not be stayed, and that power was slipping from his grasp. His nimbler colleague Kühlmann saw it many weeks sooner, and on June 24 he informed the Reichstag that he saw no prospect of an early victory. By July 31, the beginning of the fifth war-year, the *Frankfurter Zeitung* was at last admitting that Germany would have to face the whole force of America; in other words, that the submarine must be discounted, and that the war could not be won. But the soldiers would not, and the politicians could not, face the facts of a desperate situation. The one practical suggestion —that Germany should make common cause with the anti-Bolsheviks, and retrieve in the East what she was losing in the West and overseas—made by Helfferich after his brief visit to Moscow in August, was spurned by the vacillating directors of German policy. They preferred instead to supplement the Brest-Litovsk Treaty by a commercial agreement,

concluded with an envoy whose real mission was to pave the way for a German Revolution. So through August and September events which were the prelude to catastrophe took their course in the West, on the Piave, in Salonika, and in Allenby's headquarters in Palestine.

CHAPTER II

SEPTEMBER 29–NOVEMBER 11, 1918

On September 29 the storm broke. The bolt fell, as in 1914, in the Balkans. The long train of events which had been laid at Sarajevo culminated in the valley of the Vardar. Bulgaria submitted to the Allies in an armistice. King Ferdinand fled. Allied troops were free to enter his capital and to move northwards to Buda-Pesth, or eastwards to Constantinople, as they might wish.

The news was followed immediately at Berlin by the resignation of Count Hertling and the appointment of Prince Max von Baden as German Chancellor, with control over the military power. The defection of Bulgaria from what was called the Quadruple Alliance, but was, in effect, a military empire, meant, for anyone in either camp who had eyes to see, the end of the war; for it was the end of that Prussian militarism against which, as the world had been told a thousand times, the war was being made. "This is the greatest day in British history since Waterloo," remarked a leading British official to the present writer when the news arrived. The incubus which had lain heavy on

Europe for fifty years was removed. The frontiers of the German dominion had shrunk in a day, as the German Press was admitting, from Nazareth and Uskub and Kovno to Passau and Memel. "Mitteleuropa" had passed into history, or rather into romance. All that remained was to press home the victory and to perfect the schemes, already well on foot, for the political and economic settlement of Europe. Those with inside knowledge reckoned that fighting might go on for another six weeks, and, to give precision to his estimate, November 10 was hazarded by one of them as the date of the close of hostilities. It has frequently been stated since that the events of October and November, the collapse of the German resistance, took the world by surprise. This may have been true of the public, of the soldiers, who naturally could not see how hollow the iron shell of military organization they still saw in front of them had become, and of some of the more slapdash politicians; it was not true of those whose business it was to advise them from the fullest attainable knowledge of the facts. Every careful student of Germany knew that, when the German *morale* yielded, it would collapse utterly and at once; and even those who knew too little of Germany to have been on the look-out for this beforehand could have read it for themselves in the German Press. It would, perhaps, be well to give one reference. Professor Delbrück's war-diary for September, 1918, published in the *Preussische Jahrbücher* for October, is a tragic and almost classical instance of the way in which the German mind reacts to outer circumstance, and hastens to readapt its whole philosophy of life

and history accordingly. Within a day of the Bulgarian collapse he had admitted the bankruptcy of the *Machtpolitik*, which he had been upholding and teaching throughout his long career, and was turning his mind seriously and respectfully to Anglo-Saxon political ideas and to the possibilities of a League of Nations.

Let us briefly recall the situation with which the Allied statesmen were faced in October, 1918.

The world, as we have seen, was divided into two great systems of economic organization, the one oceanic, and in control of the world's chief sources of industrial raw material and of food-supply, the other European. The Ocean had now definitely defeated the Continent; the besiegers had won the day. With the collapse of the German military power and its supersession by civil governments, now no longer five, but (counting the Baltic states) likely to become well-nigh a dozen in Europe alone, the organization which, like a steel corset, had held Europe together for the last four years, which had provided employment, transport, food, and finance for its hard-ridden populations, was destined to disappear. Europe, "from the Rhine to the Volga," to quote from a memorandum written at the time, was in solution. It was not a question now of autocratic as against popular government; it was a question of government against anarchy. From one moment to the next every responsible student of public affairs, outside the ranks of the professed revolutionaries, however red his previous affiliations may have been, was turned perforce into a Conservative. The one urgent question was to get Europe back to work.

This involved innumerable difficulties of detail. The chief, perhaps, was the problem of demobilization. How was the German army, consisting in large part of industrial workers, to be demobilized into a society which was as yet wholly unable to absorb them? The Austro-Hungarian army was faced with an even more urgent problem. It could not be demobilized because there was no authority to send it home. The collapse of the Dual Monarchy involved the vanishing of the War Office. In the event, the men mostly found their way home themselves, not without violence and larceny. The first War Minister of the new Austrian Republic, a Socialist, Dr. Julius Deutsch, has written an interesting account of how he took up his quarters in the old Habsburg War Ministry, and set to work manfully to bring order out of chaos. Noske, the German Majority Socialist, has written a similar story of his experience as first War Minister of the German Republic. Others no doubt could tell the same tale for Czecho-Slovakia, Poland, Jugo-Slavia, and Roumania. But behind all these and other detailed problems was the master-question of setting the wheels of production—of normal production for peace purposes—revolving once more.

It was a vast and menacing, but not wholly impracticable, task, for men's minds were ripe for its solution. Never was public opinion so plastic, so ready to respond to a lead, so eagerly expectant, as during those weeks or months. The Allied governments had thrown propaganda like bread upon the waters, and it was coming back after many days in the shape of a pathetic and unreasoning confidence in the integrity, the goodness, the unselfishness, and

the practical energy of the Allied—and especially the English-speaking—governments. The long-submerged stream of Liberal idealism welled up suddenly to the surface, and, for the time at least, it swept all before it. Reason, feeling, and, in the case of the enemy peoples at any rate, a strong dash of self-interest, made the spokesman of the Allies the hero of the day. Faced with the bankruptcy of the old authority, and not habituated as yet to the new, simple men and women throughout the blockaded area looked vaguely to some super-national government, to the much-advertised League of Nations, to help them through the crisis.

Nor was their confidence so foolish or ill-placed as it seems now to many of them after the event. It is true that the League of Nations existed as yet only in the imagination of its author, and that, even when it assumed concrete shape, it was not a super-national government, and exercised no control over raw materials and food supplies. But in October, 1918, a super-government, or something very like it, was actually in existence, and plans had been made, and could have been put into effect without surpassing difficulty, for meeting the very problems which men looked to the League of Nations to solve. The oceanic, like the continental system, had perfected its economic organization. In October, 1918, it stood, compact and victorious, at the zenith of its efficiency. Inter-Allied Committees, working under the authority of the Supreme War Council, were exercising a control over the whole, or the greater part, of the extra-continental supplies of wheat, sugar, meats and fats, oil and oilseeds, copper, tin, nitrate of soda, rubber, wool, cotton,

jute, hemp and flax, leather, timber, coal, paper, petroleum, and tobacco, together with nearly all the Allied, and a large block of neutral shipping, which, owing to the submarine, was the narrow neck of the bottle regulating the volume and destination of every sea-borne commodity. What expedient could be more practical, and indeed more logical, than that the victorious system should recognize its responsibility towards the tasks of its defeated rival, annex, as it were, the continental area to its domain, and so once more reknit the economic unity which the war had sundered? And what happier means could be devised for the promotion of the ideal of international co-operation of which the League of Nations was to be the lasting embodiment? It is not given to peoples, except for the briefest of spells, to live by faith alone. Europe indeed had a visible demonstration of the spirit and methods of the new order which had been preached from Washington. By their handling of the urgent problem of Europe's economic need the President and his message would be judged.

We can now take up once more the thread of events.

In the first week of October the new German Government, as was expected, decided to abandon the German war-aims *en bloc*, and to accede to those of the Allies. The natural mode of doing so would have been to approach the Supreme War Council or the Allied governments individually, with a request for negotiations upon the terms and principles so repeatedly proclaimed by their statesmen. But, with a clumsy attempt at astuteness, which proved, in the event, to be the height of folly,

instead of approaching the Allies as a whole with a request for peace, the German Government approached President Wilson alone with a request for an armistice. Its motive in approaching President Wilson was plain enough. Notwithstanding the general acceptance of his ideas and policy by the Allied statesmen, notably by Mr. Lloyd George in a speech to the American troops in the summer, the President's own statements had been more explicit, especially on the all-important economic issue, than those of any of his confederates. The third of his Fourteen Points stipulated for "equality of trade conditions" between the parties to the peace, and only a few days before, on September 27, he had made a speech in strong condemnation of "selfish economic leagues," of which the oceanic combination, in German eyes, was a potential embodiment. Moreover, the President had nowhere in his speeches laid particular stress on the reparation due by the aggressors in the war for the damage caused by their invasion of Allied territory. It might, therefore, seem to a German statesman, faced with a choice of methods of surrender, that better terms might be secured from the President than from Britain, France, and Italy. After all, the President's original ambition, only frustrated by the declaration of the unlimited submarine war less than two years before, had been to act as a mediator. Why should he not once more assume the same rôle? Nevertheless the choice of the President proved a grave blunder, for the Woodrow Wilson of October, 1918, was no longer the man of December, 1916; still less was the American public the same as it was before the wave of enthusiasm and of sustained

effort and expectation which had followed America's entry into the war. Moreover, it indicated a distrust of the Allied statesmen and their peoples which augured ill for the future.

Still more disastrous was the decision to ask for an armistice. The request was indeed made contrary to the better judgment of the Chancellor. It was due to the insistence of Ludendorff, who thought himself faced in the early days of October with an imminent military débâcle in the West, and wished at all costs to save the reputation of the system which he embodied—for reasons which have become more apparent in the recent developments of German politics. With deplorable weakness the Chancellor allowed himself to be overruled. In the event, it was some forty days before the armistice was secured—time enough for the expected débâcle to have occurred, or, alternatively, for a preliminary peace to have been negotiated. In the interval the Field-Marshal realized that he had lost his nerve and had exaggerated the imminence of what remained, indeed, a real peril. But by that time his government was well launched on the wrong track.

It had never been expected that the war would end in an armistice. An armistice signifies a temporary cessation of fighting, under conditions allowing for its resumption should negotiations break down—as happened, for instance, between the Balkan league and the Turks in 1913. It was obvious that the industrial developments of modern warfare made such a procedure impossible in this case. The vast stream of munitions and of the other elements of war-production could no more be turned off and on again from one day to the next

than a Niagara. If war-production, together with the myriad arrangements dependent upon it, ceased, it would be well-nigh impossible to resume it. If it continued, the iron stream would accumulate until it rapidly overflowed all possible means for containing it. Any cessation of hostilities, then, by whatever name it were called, must, for strictly practical reasons, be final. It had, therefore, been expected that the war would end with the conclusion of a preliminary peace, brought about, as in 1814 and 1871, after a few weeks' negotiation during the actual continuance of hostilities, and hastened by the desire on both sides to save life. When Germany, however, contrary to these precedents, asked first for an armistice, she forced the Allies to draw up terms so stringent as to render her resumption of hostilities impossible. It was for this reason that the conditions drawn up by the Allied military and naval authorities involved extensive measures of military disarmament and occupation, and the continuance of the blockade, which was then actually, as it still is potentially, the most powerful instrument of control over the military system of Germany. In this connection it should be remembered that it was not till November 29 that the German submarines operating in the Mediterranean returned to their home ports. The armistice may have contributed somewhat, in unimaginative eyes, to save the prestige of the German army, if not of the German navy; but, on the other hand, it thus entailed the continuance, for the time being, of war-time conditions, and left the German government powerless, in the relaxation of the Allies' sense of urgency, to hasten the conclusion of peace.

Moreover, since an armistice is primarily a military and naval matter, it gave the soldiers and sailors a predominance in what were, in effect, partly peace discussions, to which the state of Europe as it then was, and, still more, as it was becoming, little entitled them. Thus it was that, whether through inadvertence or pedantry, the strong recommendation made by the representative of the Allied Maritime Transport Council, that a provision should be included for the delivery of the German and Austrian merchant vessels and their control by the Council, was rejected, thus delaying for nearly four months the utilization of nearly a million tons of shipping at a time when Europe was crying out for sea-borne commodities. Little did the Chancellor think, when he yielded to Ludendorff's appeal in the first week of October, 1918, that he was thereby delaying the conclusion of peace, the return of the German prisoners, and the resumption of commercial and diplomatic relations between Germany and her enemies till January, 1920, and, indeed, in the case of the United States, till November, 1921.

October was occupied, on the diplomatic stage, by a correspondence between the President and the German government, culminating in a virtual demand by the former for the abdication of the Kaiser and an implied promise of better terms if it occurred. The Allies, who were, for the moment, out of the play, followed it with bated breath, not realizing the mischief that was in the making. For the President, had he only known it, was undermining the very foundations of his own Liberal programme, and imperilling the hope of its realization

in Central Europe. By appearing to cast the blame for the crime of the war upon the Kaiser and the small group of his governing circle, he encouraged the German people in the fatal belief—still one of the main obstacles to the peace of Europe—that there is any essential difference in public affairs, and among a civilized and instructed people, between sins of commission and of omission, and that those who had allowed themselves to be used as the willing and, indeed, enthusiastic instruments of an irresponsible and unscrupulous ruler, and had been ready to profit by his successes, could acquit themselves of their responsibility by driving him into the wilderness as a scapegoat. Moreover, and what was under the immediate circumstances even worse, by asking the German people to effect a change not provided for in their constitution he was striking a blow at the system of limited and constitutional monarchy which had now actually been inaugurated and opening the door to revolution at the very moment when it was the duty of every good European, and of all who cared for Europe's welfare, to promote stability and conservatism. The President did indeed succeed, by his academic thunders, in driving the Kaiser into exile and bringing a German Republic into existence, but at what a cost! The figurehead was changed, but, as was inevitable, the administrative and judicial personnel remained. The new régime, insecurely, because hastily, established within the framework of the old order, had to face the whole odium of defeat, and of the economic disasters which followed it. Worst of all, the German people, having been led to believe that they could dissociate their own behaviour from that

of their rulers, were given, if not a legitimate, at least a natural and very human ground of grievance, when they discovered that the day of judgment still lay before and not behind them.

Meanwhile, during the forty days' correspondence, Ludendorff's empire fell into liquidation. On October 21 the German-Austrian deputies met alone for the first time. By the end of the month Czecho-Slovakia and Jugo-Slavia were in being. Poland followed a few days later. In the Baltic provinces the Red Army of Russia was eagerly awaiting the German retreat. But the Continent was still cut off from the Ocean, and the inter-Allied organization was still making plans, as it was bound to do, for the continuance of the war into the next summer.

When the President had brought his argument with the Germans to what he deemed a satisfactory conclusion he transmitted their request for an armistice to the Allied governments. He informed them at the same time that the German people were prepared to make peace "upon the terms and principles set forth" in his "address of January 8, 1918" (the so-called Fourteen Points speech), "and subsequent addresses," including, of course, the address of September 27, and enquired whether they were prepared to accept the same basis for detailed negotiations.

The Supreme Council met on October 31, and on the 1st, 2nd, and 4th of November, to consider his communication. The minutes of these momentous meetings had, of course, not been made public, but, from the accounts given by M. Tardieu and others, it would seem that the discussion of the details of the armistice, which was, after all, the most urgent matter, took up the bulk of the time.

Whether the addresses of the President were ever considered in detail, and subjected to an analysis of their vague and sometimes inconsistent phraseology, we have as yet no official means of knowing. It may, however, be conjectured that the President's representative, Colonel House, considered that the United States should cease hostilities upon this basis, whether the Allies accepted it or not. However this may be, Britain, France, and Italy decided to signify their adherence to the President's "terms and principles" with three reservations. In the first place, Britain, followed by the other Allies, struck out the clause relating to the freedom of the seas. In the second, again, it appears, on the British initiative, the President's references to reparation were accentuated and re-stated in the following formula: "Compensation shall be paid for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and by air." Finally, the Italian representatives secured the placing on record of a statement that they did not regard the basis thus accepted for peace with Germany as governing the future settlement with Austria-Hungary. On November 5 the President informed the German government, through the Swiss Minister at Washington, that the Allied governments had accepted his proposed basis, with the two reservations mentioned. The Italian reservation, as not affecting Germany, was not included in his communication, and, for some reason not hitherto disclosed, but surely little creditable to the Allied governments, it was not published separately, and only became known during the Fiume

controversy some months later. On November 11 the German plenipotentiaries signed the armistice, practically on the terms submitted them by Marshal Foch, with an additional clause, due to the insistence of Herr Erzberger, stipulating that the Allies contemplated the revictualling of Germany, but without providing for the shipping which would be required if others were not to go short to meet the German need.

Let us pause to survey the political situation at which we have arrived.

The Allied and enemy governments were now bound by two engagements. The first, in time as in importance, was the mutual pledge to conclude peace upon the terms and principles set forth in the President's addresses. This pledge, offered by the Germans on October 5, had been accepted by the Allies with certain reservations, in a communication dated November 4 and published three days later.[1] It is therefore generally known as the Pre-Armistice Agreement of November 4. The question has since been raised as to whether this mutual pledge, made by correspondence, constituted a binding international agreement. Without going into technicalities, the point may be briefly answered. In the first place it was regarded as so binding by the parties, and by the Press and public men, in their comments; at the time the vigorous protest made by the Australian Premier against the "bond" signed, as he complained, behind his back, may be recalled in particular; and it was on the strength of this interpretation that the German government authorized its plenipotentiaries to sign the armistice by which it engaged to disband its forces. In the

[1] See Appendix I.

second place it was expressly stated to be so binding by the Allied governments on several occasions during subsequent negotiations, particularly in the covering letter accompanying the final terms submitted to the German Peace Delegation in June, 1919.[1] The agreement, then, must be regarded as being as solemn and as formal as any pact, like the Belgian Treaty of 1839, signed in due and proper form by plenipotentiaries round a table. And if there was one portion of it more binding than another it was the clause which the Allies drew up of their own motion, in order, as they said, that no misunderstanding might arise on the question of reparations. The wording of that clause, which has already been quoted, made it perfectly clear, both to the lay mind and to those who were familiar with the technical discussions, that the Allies demanded only the payments due for damages suffered during the war by their civilian citizens, and renounced the request for an indemnity, on the 1871 model, for the cost of the military and naval operations themselves. The wisdom of such a renunciation, in view of the origin of the war, and of the crippling cost of such items as pensions and separation allowances, particularly to invaded states like France, Belgium, Serbia, and Italy, may be disputed. But as to the fact that it was made there can be no dispute. *The Times*, in its editorial of November 7, whilst not criticizing the policy adopted, characterized it as "an unusual concession to defeated enemies."

It may be asked why, then, has so little been heard among the Allied, and especially the British public, of the agreement of November 4, and why

[1] See Appendix II.

is it still so widely believed that the war ended in an unconditional German surrender? The answer is not creditable, but neither is it far to seek. It is because the Allies, and again especially the British government, took no steps whatever to enlighten the public as to the true nature of the diplomatic situation. Whether out of embarrassment or preoccupation, the agreement was passed over in silence. The writer cannot recall a single instance during the last three years in which the British Premier, or the British Foreign Secretary, whose joint duty it is to keep the public abreast of important developments in our foreign policy, have made clear from the platform the real nature of the obligations assumed by us before the armistice to the enemy governments and peoples.

There is a further aspect of the agreement of November 4 which has also been ignored. President Wilson's speeches ranged over a wide area, and the acceptance of the policies outlined in them covered a number of points already dealt with, in treaties concluded during the war—treaties which have been much criticized for their perhaps excusable secrecy, but are in some cases more open to attack for their substance. The Italian government, as we have already seen, had the foresight to think out the implications involved in the Wilson policy, and to keep its hands free within the sphere of its own special interests. But the very fact of this Italian reservation was a vigorous reminder that the Wilson policy so publicly adopted, and at so solemn a moment, was incompatible with certain other precedent obligations, and therefore necessarily, under the circumstances, superseded them.

Since not all, but only the leading Allied Powers, were represented at the Supreme Council at which the new policy was adopted, formal notice should perhaps have been sent to Serbia, Greece, and other Allied states whose interests were thereby affected. The public, at any rate, which was told of the acceptance of the Wilson policy, naturally concluded that its implications were being worked out (which was indeed the case, so far as the experts were concerned), and would duly be embodied in the treaties. Had it known of the Italian reservation regarding the Austro-Hungarian peace it would only have been confirmed in what, to the lay mind, seemed the only natural and practical view, that the acceptance of Wilson principles as governing the peace with Germany involved also their acceptance for the settlement with Bulgaria, Turkey, and (with allowance for the Italian reservation) Austria-Hungary. For was not the homogeneity of the settlement one of the very principles laid down in the President's addresses?

Why the President did not drive home this simple logic to the Allied statesmen in a brief final communication is still an unexplained mystery. It is true that there were some of the secret engagements of which the President knew nothing till he reached Paris; but there were others, such as the Treaty of London, which had been widely published and the authenticity of which was known by most well-informed European students of affairs. Here was a grave and fatal fault of omission, which proved a seed of endless mischief.

The second binding agreement was the armistice itself. This was a document concerned, not with

the peace settlement itself, but with the military and naval arrangements precedent to its negotiation. We have already seen that its negotiators, holding even too limited a view of its technical character, had rejected a provision which their economic advisers regarded as indispensable on more general grounds.

But there was a further and more ominous factor in the situation on the morning when the armistice was signed. Both the governments which were primarily responsible for it no longer retained the confidence of their peoples. On Saturday, November 9, when the German plenipotentiaries were already on enemy soil, the explosion for which the President, whether consciously or not, had been laying the train took place in Berlin. Prince Max of Baden resigned, to be replaced, for the time being, by a provisional government of Socialist Commissaries (*Volksbeauftragte*). The Kaiser fled from Spa into Holland, and the minor German sovereigns and princes abdicated *en masse*. Meanwhile, on November 5, on the very day on which he forwarded to the German government the Allies' acceptance of his principles and policy, the result of the biennial Congressional elections showed that the President, who had appealed to the people on a party issue, would no longer command a majority in the legislature and joint treaty-making body. His own people had turned against the preacher at the moment of his greatest triumph abroad. Here, indeed, fate was weaving the matter for a confused and tragic dénouement. "They are ringing their bells," remarked one who knew both Europe and America to the writer on the morning of November 11. "They will be wringing their hands soon." Pitt's sombre jest soon found fulfilment.

CHAPTER III

FROM NOVEMBER 11, 1918, TO THE OPENING OF THE PEACE CONFERENCE

On the morning of November 11 the writer was one of those who stood at a Foreign Office window and watched Mr. Lloyd George at his door in Downing Street across the road, receiving the congratulations of the small crowd that had gathered at the news of the armistice. To the man in the street the Premier was the symbol of victory, and of the long effort now ended at last. But the men at the upper windows were looking, not back, but forward. His power they knew, and his energy, and his capacity for repairing what had been up to two years before an almost complete ignorance of Europe. Would he who now symbolized victory have the vision and the courage and the humility to become also Europe's chief artificer of peace and justice? For it was plain that, in the complex and difficult tasks that lay ahead, the chief responsibility would fall upon Britain. France, who had borne the main and, for well-nigh two years, almost the whole brunt of the military effort, was unnerved and exhausted. America was new to European problems. If Britain rose to the height of a great opportunity, she could dominate the coming conference by her combination of ripe experience and unselfish detachment, and act as the interpreter of the wiser mind of America to an expectant Europe.

On the afternoon of the same day chance brought the writer into contact with one who had come fresh from converse with the Premier. What he

told was stunning, and what was even more stunning was the impression he conveyed of the atmosphere that he had just left. The Premier, so he said, was making ready for a General Election. This was not startling news in itself, although at such a moment, with Europe adrift and rudderless, it seemed a somewhat parochial preoccupation. Parliament was stale, the suffrage had been extended, and a General Election with a limited mandate to strengthen a government which was then still a coalition of three out of the four parliamentary parties, in the coming tasks of negotiation and reconstruction was no unreasonable expedient. But this was not, it appeared, what was projected. The Premier intended to stiffen the ranks of his supporters, to organize what would, despite its name, be a new government party, and to appeal to the electors for a full five years' measure of confidence—in brief, to fight what would inevitably degenerate into a khaki election. Before the week was out the news was public property. On Saturday, November 16, within five days of the armistice, the Premier had appeared at an old-style political gathering, with a duke in the chair, and had inaugurated the most momentous election campaign in the whole record of the British Parliament.

Let us pause for a moment to consider what a British Premier, at such a moment, might have told his fellow-countrymen. He could have begun by emphasizing the completeness of the victory, and the part played by British sea-power and British arms in securing it. He could have made them realize, what it was hard at such a moment, and after such an effort, for an unimaginative people like the

English to take in, that Prussian militarism lay in very truth in the dust, and that a new era was dawning for Central and South-Eastern Europe. He could have told them of the many peoples, some of them ex-enemies, but some of them—the greater number—natural friends and allies, who were now at length delivered from the yoke of Ludendorff's dominion. With the picturesque touch of which he is so inimitable a master he could have given the Bohemian and the Slovak, the Serb, the Croat, and the Slovene, the Pole, the Ruthene, and even the Magyar, not to speak of the nations of the Caucasus, Nearer Asia, and Syria, at least some faint shadow of reality for the British people. All these, he could have told them, were now liberated, expectant, and looking to Britain—the embodiment of the ripest political wisdom in the modern world—to help them through this crisis in their national life. He could have made them feel that they were living through one of those crucial and plastic moments of history which decide the fate of vast territories for many generations of men and women, and that it was to Britain that these looked, and looked with a naïve, ardent, and unquestioning hope, all the greater because of the respect inspired in those of them who had encountered the British soldier or individual representatives of the British name, to set them on the road to liberty, justice, and prosperity. Would Britain rise to the height of what men asked of her? That, he could have published throughout the land, was the question which was to be decided at the polls. The war had ended a full six months earlier than the public had expected. We had, so to speak, six months' fighting power and six months'

finance in hand. He did not ask the British people to sacrifice a single life on the tasks of European reconstruction. All he asked was that the men now under arms, or a sufficient proportion of them returning to the colours after a short leave to see their families, should undertake to serve on police duty on behalf of weaker nations faced with the task, at a moment's notice, of organizing a government out of chaos; and that British credit should be mobilized, together with the credit of the United States, of France, Italy, and Japan, and he ventured to hope, of neutral peoples, such as Norway, Sweden, Denmark, Holland, and Switzerland, if they, too, felt any responsibility towards their less fortunate neighbours, in a combined international credit scheme for restoring the productive power of an impoverished Continent.

Then he could have spoken to them of the League of Nations. He could have explained to them that, between nations as between classes, there is no true relationship of co-operation, still less of fraternity, between the rich and the destitute. He could have made them see, he of all men, with his unerring power of making a telling point, that to form an association, whether of nations or individuals composed of debtors and creditors was to build upon the sand, and that a League of Nations thus composed would never win the confidence of expectant and practical men and women. Finance, he could have exclaimed, was the key to the settlement, as sea-power and shipping had been to the war. Set Europe on her feet again as the busy centre of the world's industries, fill her empty factories with raw material, provide employment for her demobilized soldiers, put them

to work upon the goods for which, at the moment, everyone is asking, and everyone is still able to pay, and you will be keeping solvent—nay, more, keeping alive (for it is a matter of life and death to tens of thousands)—men and women who will be your friends and your customers in after years.

As regards the German people, our relations, he could have said, will be difficult. We owe them the strictest and most punctual justice. We must carry out, in the letter and in the spirit, the terms on which they laid down their arms. But we cannot forget, and it is for us to see that they come to understand, the nature of the crime in which they have been the passive, but no less for that the responsible, accomplices. They must realize what it means to have brought war, and four and a half years of anguish and misery, upon the peoples whose homes they have destroyed or defiled. If Cologne and Frankfort stand where they have stood for centuries, while Ypres and Arras and Belgrade are in ruins, let us see to it that, according to the strict letter of the terms, Germany pays, and pays as quickly as her revived production allows, for every wrong that she has done, so far as it can be assessed in money value, towards the civilian populations of her enemies. It is true that, on this basis, Britain will not receive so much as those whose civilian populations have suffered, not on sea and from the air only, but on land; but the victims of the Zeppelin and the dependents of our heroic merchant seamen will be provided for; and as Britain and her Dominions did not enter the war with the thought of gain, neither would they desire to strike a hard bargain in the moment of victory. We are a nation of seamen

and of traders ; and, as such, we have played our good part in the common effort. But we are not a nation of shopkeepers.

Thus it was that he might have spoken and could have spoken. The facts were at his command, and the men who had worked out their implications were at his service. Nor was he, so it appears, unaware of the opportunity opened out to him. One of those who pleaded with him in this sense during those critical days has related how the Premier, with a good angel at one ear and a bad at the other, seemed nearly won to the better cause. He erred, not, like the English people, out of ignorance, but deliberately, out of cowardice and lack of faith. At the pinnacle of his career, when the moral leadership of Europe lay within his grasp, he yielded to the Tempter and made what will live in human annals as one of the Greatest Refusals in history. He sinned against the light, and the sin of one weak mortal, entrusted with power for which he had not the moral stature, caused suffering to millions, and kept a continent in chaos. For all his bravado, he has been a haunted man ever since.

During the first week after the armistice the moral thermometer of the British people went down some fifty degrees. During the subsequent month, right up to polling day in the middle of December, it continued to fall. The self-dedication, the unselfish idealism, the sense of national and individual responsibility for the making of a better world, painfully achieved and sustained throughout more than four years of tension were dissipated in a riot of electioneering, thrown like chaff on the winds of demagogic claptrap and invective. A section of the

Press, with a lapse of memory more excusable in journalism than in statesmanship, neglecting the Pre-Armistice Agreement of but a week or two before, loudly demanded that Germany should be asked to defray the entire cost of the war. After a few vain attempts at evasion, the Premier yielded, and was then led on, floundering and uncomfortable, from one pitfall to another. Ignoring the state of Europe and the appeals which were already pressing in for the services of British troops in maintaining order, and equally blind to the state of employment at home, he pledged himself to rapid demobilization; then, faced with the possibility of Britain entering the council chamber shorn of the force wherewith to execute her decisions, he turned round and with characteristic *insouciance* made perhaps the greatest incursion ever attempted by a British statesman into continental politics by calling for the abolition of all conscript armies. Danes and Dutchmen, Swedes and Swiss, unfamiliar with slapdash thinking, not hitherto associated with a British Premier, must have rubbed their eyes in amazement, but the compatriots of Marshal Foch, who had surely a right at such a moment to feel a pride in the military system which had borne them to victory, may have been pardoned for being conscious of other sentiments than surprise. And so the campaign proceeded. To speak of Central Europe in terms of relief, of encouragement, of organization, was to be stamped as a "pro-German," and, in the eyes of the unenlightened electorate, Central Europe was still thought of as either wholly German or as still under German dominion. It was not till many months after the armistice that

the term " Central Empires " fell into disuse among public speakers and writers.[1] The problems of the newly liberated states remained wholly unknown, and the problems of Germany herself were minimized and evaded by politicians, whose business was rather to ride to victory on past events than to shed light on the existing situation. Thus it was that by a crowning instance of that British slow-wittedness which has sometimes carried Englishmen in the past through dangers greater than they knew, during the weeks when her statesmen were marring the future for which the flower of her youth had given their lives, the conscience of Britain found no tongue wherewith to speak. The Press, the Universities, the Churches, all ignored the infamy which was being committed. Here and there a brave voice like that of Bishop Gore, representative of the true Christianity, was raised in protest against the hurricane ; but there was no organized opposition. The official leaders of the Church, evidently regarded the question of the violation of the Pre-Armistice Agreement as beyond their province. A year later they were organizing collections on Holy Innocents' Day for the countless victims of a ruler who, if less direct a murderer than his predecessor, had slain his tens of thousands where Herod had, at the most, slain thousands. Even the opposing political parties were cowed into silence. The Labour manifesto demanded reparation without making clear the vital distinction between damages and war-costs, whilst the Liberal leader lamely admitted, to his shame, in answer to a Scottish heckler, that the claim to total

[1] It occurs prominently in a New York *Nation* in an October, 1921, issue.

war-costs was justifiable. It did not save him his seat.

Meanwhile, what was happening in the wider world? The story of the first eight or ten weeks after the armistice can be summed up in three words—delay, confusion, and disillusionment. Hostilities with Austria-Hungary and Turkey had ended in each case with an armistice and a consequent military occupation; but the resulting problems were left to be handled by those most directly, and therefore the less impartially, concerned with them. The Austro-Hungarian armistice line, drawn up by the Italian Commander-in-Chief and hastily passed by the Supreme Council at Paris, corresponded in a remarkable manner with the line drawn in the Treaty of London; and the Jugo-Slavs of Ljubliana and Split and Sebenik and Kotor, who were expecting a composite force of Allied troops to consolidate their liberation from the Habsburg yoke, found themselves with Italians alone quartered upon them, to remain there for many months and spread new seeds of embitterment and misunderstanding. Sarajevo and Zagreb in their turn were left almost entirely to the Serbs. Meanwhile the Turkish armistice produced an even more plenteous harvest of strife, culminating eventually in a new war which, as these lines are being written, is still proceeding. But that lies outside the framework of this volume.

As for the economic problem, the master question of the moment, it was simply shelved. The Tadpoles and Tapers who were busy cutting coupons and counting constituencies had no time to spare on trivial tasks, such as the restocking and revictualling

of Europe. The momentum of war-time policy and organization lasted long enough for the British Cabinet to approve and transmit, on November 13, a proposal emanating from the Allied Maritime Council for that body and its staff to be merged into a General Economic Council, "which would co-ordinate the work of the various councils, and through them the work of the Programme Committees" for the problems of the transition period. But when the proposal met with unintelligent opposition from Washington, it was not pressed by a government which, as the days went on, was less and less inclined to identify itself with a healing and remedial policy for Central Europe. The result was first a deadlock and then a rapid dismantling and disintegration of the whole organization so laboriously built up. First the American representatives declined to continue serving, in face of the attitude of their government, and then, with the discontinuance of the financial arrangements under which it had been carried on, the other governments, already debtors, lost interest in the work. When, in December, the Food Controllers and other interested members of the Allied governments met, at Mr. Hoover's instigation, to consider the problem of revictualling, now growing increasingly urgent, it was upon the basis of the creation of an entirely new body. After endless discussion, centring round the degree of executive power to be delegated by the governments to the director of operations, an Allied Supreme Council of Supply and Relief was eventually established in January, 1919. What followed is best described in the words of the historian of the inter-Allied shipping control. The

new Council, "*restricted to one not clearly separable part of the many economic problems facing the Allies,* without the assistance of a staff accustomed to work together, and without either the uniting influence of war or the tradition of united action which that force had given to the war organization, proved ineffective. In February, 1919, it was merged in and replaced by the Supreme Economic Council, which was in personnel, in functions, and in general principles of organization, almost exactly the same as the body into which the Transport Executive had proposed to transform the Transport Council at the beginning of the previous November. Even so, however, the new Council was too tardily commenced, too hurriedly improvised, and insufficiently equipped with a personnel accustomed to corporate work. Moreover, over three invaluable months had in the meantime been lost. There can be little doubt that if the two proposals made by the Transport Executive before the armistice had been adopted, the economic position in the spring of 1919, and possibly afterwards, would have been substantially better. The German ships would have been at work in December instead of March, and food would have gone into Germany as from January instead of April, with results it is not easy now to measure exactly upon the political position in Germany and the consequent difficulties of the earlier peace negotiations. At the same time the relief assistance given to the rest of Europe would have been facilitated."

These words, with the wealth of human meaning which must be read into their official phrasing, should serve to destroy the legend, so current in

Germany and elsewhere, which makes the continuance of the blockade one of the chief indictments against the Allies' policy after the armistice. It was not the continuance, but, to put it parodoxically, the *discontinuance* of the blockade wherein their real fault consisted, or, in other words, the discontinuance of the positive system of inter-Allied economic organization which had developed, after four and a half years of warfare, out of what had originally been established with a negative and preventive function. The blockade, as we have seen, was continued for military and naval reasons. But it would have been useful also for economic reasons, as a safeguard of the policy of " no cake until all have bread," against the indiscriminate use of shipping space for other than necessary freight, had it been supplemented by positive measures of organization such as had been worked out by the responsible authorities. As it was, the blockade lay like a dead hand over Central Europe ; the German ships stayed idle in German harbours, and the organization which should and could have sped the productive forces of Europe on their way was allowed to disintegrate in obscurity.

Before concluding this section of our survey we must take a glance across the Atlantic. We have seen that the Washington government was opposed to the formation of a General Economic Council. It " took the view," to quote our authority once more, " that it was desirable after the cessation of hostilities that the war organization should be discontinued, and that where necessary the new problems of the armistice period should be dealt with by appropriate new machinery." This line of policy on the part

of President Wilson was partly due to sheer ignorance of the economic situation in Europe and the indispensable part that the inter-Allied economic organization had been playing, and should be allowed to continue to play—an ignorance which was not corrected till his arrival in Europe at Christmas. It was partly also due to an academic habit of thought, which made a clean and theoretical break between war-time and peace-time problems, and looked forward to the establishment of new working machinery on his own American model. In any case, it would have been better for Europe if the President had either not come over at all and delegated fuller powers to his economic experts on the spot, or had taken the first ship after the armistice. As it was, he delayed in America long enough to allow the disintegrating process to make headway, and to make the fatal address to Congress on December 2, when, no doubt to conciliate the Republican opposition, he declared for the abolition of war-time controls. Having thus struck a blow in the dark at the Continent which looked to him as its Messiah, he took ship, together with his Secretary of State, with the scheme of a League of Nations in his pocket which he refrained from discussing with him. He reached Brest on December 13 and London on the 26, on the eve of the declaration of the polls, and drove through cheering Christmas crowds to Buckingham Palace. Next day the same small group of Foreign Office workers stood on a balcony and watched him enter No. 10 Downing Street to confer with the British Cabinet. As he stood on the threshold, with the Premier awaiting him within, he turned round to the moving

picture men and smiled as they revolved their handles. The man behind him, had he only known it, had already stabbed him in the back.

CHAPTER IV

THE PEACE CONFERENCE

After this meeting between the British and American representatives, which, warned by one experience of an Anglo-Saxon Preliminary Conference, President Harding resolutely declined to repeat, the statesmen in whose hands lay the destinies of Europe at last met face to face in full conference at Paris. It was now the second week in January, nearly two months after the armistice. But it was still not a Peace Conference, but a preliminary conference of the victorious powers to determine the terms which should be offered to the plenipotentiaries of the enemy; and the idea of concluding a Preliminary Peace with each of the five enemy powers, which remained, as late as March, in the minds of those responsible for the technical procedure, was eventually abandoned. It was resolved, instead, to concentrate into one huge document all the matters that required to be regulated with each of the enemy states respectively, and to set to work first upon the German volume. As a result, no personal conference took place with the enemy delegates at all and, to quote from the most authoritative British account of the proceedings "the complexity of conditions and the pressure of time compelled the Treaty to be drawn up in sections and prevented the cumulative and converging

effect of the provisions from being realized at the time." The German volume thus composed, was ready in May, and then made known in a bare summary, which rendered effective criticism difficult, to the Allied peoples. It was signed on June 28 and subsequently ratified, after debates which were little concerned with its details, in the British and Dominion, as in the other Allied, Parliaments. It came into force, after a formal exchange of ratifications, on January 10, 1920; but it was not till the Spa meeting in the summer of that year that British, French, and German statesmen met for the first time round a table as—had Ludendorff not put his professional pride before the interests of his country—they might have met in October, 1918.

Exhausted by the mass of work involved in the preparation of the German volume, the four rested from their labours in the summer of 1919. Austria-Hungary, Bulgaria, and Turkey were still waiting to know their fate. The last-named, indeed, favoured by an unduly lenient armistice, had by now, with the diminution of the Allied armies, recovered her old-time obstinacy and almost forgotten her defeat. When she needed a reminder the Greeks were the only instrument of Allied power available. They landed in Smyrna, and plunged into a Xenophontic adventure of which it is no easier for Athens than for the Western observer to see the end. It was September 10 before the Austrian Treaty was ready and signed. The Bulgarian followed on November 27, and the Hungarian on June 4, 1920, to be ratified only in July, 1921, whilst the Turkish, put together with infinite labour at San Remo and elsewhere, was eventually signed

on August 16, 1920, only to be torn in pieces by the defeat of Venizelos at the polls and the return of King Constantine with fresh ideas and ambitions. It was not till September 1, 1921, that Great Britain, though still at war with Turkey, was able to proclaim the official "termination of the war." Such is the long arm of consequence resulting from the thoughtless adoption of a vicious procedure.

But this brief discussion on methods has carried the story too quickly forward. It is time to return from procedure to substance. It was a conference of victors both great and small; but it was soon apparent that, as in 1815, the power would be wielded by those who had also the responsibility. The arrangement by which decisions were made by the four or five Great Powers and communicated, as edicts, to their smaller colleagues, would have been above criticism had the Great Powers themselves been conscious of the greatness of their obligations. But the British General Election had poisoned the atmosphere. The British Premier entered the conference-room with his election pledges hanging like a millstone round his neck. In order to embody in the Treaty financial demands which he knew would be contested, and rightly contested, by the President as contrary to the Pre-Armistice Agreement, he was constantly forced to throw wider considerations to the winds; and to avoid the employment of British and Dominion troops, now in rapid process of demobilization on ships which should have been used for the restocking and revictualling of Europe, he was obliged to dally and temporize with difficulties which, with the British army still in being, he might easily have prevented from ever arising at all.

Great Britain was indeed being overwhelmed during those months, as the Foreign Secretary once stated, by demands for British troops, for the services of those kindly but inarticulate khaki battalions whose imperturbable sang-froid and good humour, had they arrived in good time, could have maintained a temporary *Pax Britannica* anywhere from Riga to Reichenberg and Teschen, from Danzig to Fiume, and from Beuthen to Lemberg and Buda-Pesth.

The British election commitments had another and even more disastrous reaction upon the Conference. They rendered it impossible for British statesmen to argue against the validity of such of the arrangements concluded during the war as conflicted with the Wilsonian basis of peace. Those who had themselves been the first to violate the Pre-Armistice Agreement were in no position to remind Italian, Japanese, Roumanian, and other statesmen of its implications in regard to the so-called "secret treaties." It was no doubt an inexplicable mistake of tactics on the part of the President that he did not drive his own logic home in November and obtain an express repudiation of claims contrary to the Pre-Armistice basis while the American army was still an indispensable instrument of victory. Or he could have registered a public protest, and left the Conference on the first occasion that the validity of such claims was maintained in his presence, instead of allowing himself to be entangled in detailed discussions and compromises. But it was upon Britain, with her greater knowledge and experience, that the responsibility for such a protest really rested. Together, Britain and America could have made a clean sweep of the diplomatic cobwebs of the

war. But such a collaboration, if it was to be successful, implied a willingness both to adopt a generous and comprehensive economic policy and to subordinate individual claims and interests to broader human ends. The President, who had no claims to make except for a few ships and cables, would have been ready for such an alliance. But his British colleague, unlike his greater forbear in 1815, was tied hand and foot by his election pledges, and the devoted labour of subordinates, eager to set their knowledge and their sympathy at the service of Europe, were of little avail when their chief was largely estopped from making use of them. As a result the Treaties were not, as the President hoped, a clean-drawn charter of a new Europe, but represented a compromise between the conscientious labours of experts on the one hand and the claims and commitments of politicians on the other. What is sound and enduring in them—and it is much—is due mainly to the diplomats ; and what is flimsy, faulty, and indefensible to the politicians. Had the expert staffs of the five Great Powers, the much-abused and much-derided bureaucrats who, because their tongues are tied, are so convenient a scapegoat for other men's sins, been left alone to draw up the Treaties, they would have emerged devoid of most of the imperfections which mar their usefulness as the basis of the public law of post-war Europe. As it is, there is little in their territorial provisions which is unanswerably indefensible ; but the process of bargaining and bartering which accompanied their drafting led to much ill-will and recrimination, which has had a lasting effect on the mutual relations of the signatory powers, both great and small.

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History will assess the full measure of the moral injury inflicted upon the world, and the British Empire, by Britain's sudden swerve towards selfishness. For the moment, it would seem to mark the first step in a process of disintegration which later statesmen, even if, as they surely must, they acknowledge, and seek publicly to retrieve, the sins of their predecessors, will find it hard to arrest; for the accumulated moral capital of a wide-spreading Commonwealth like ours, once wantonly dissipated, is not so quickly regained. Thus the public opinion of the Dominions, always susceptible, despite an outward show of independence, to English fashions of thought, was quick to follow the Premier down the slipping slope; and the chosen representatives of the men who at Ypres and at Vimy, at Pozières and Villers Bretonneux, had given their all for the cause of freedom, without one least thought of fee or gain, engaged themselves to their peoples to bring home substantial spoils in pounds or dollars, and were still, thirty months afterwards, haggling painfully over the percentage division of an indemnity to which, for all practical purposes, they had no rightful claim at all. What chance, in such an atmosphere, had the Italian proposal for the cancelling of inter-Allied debts, and the launching of an international credit scheme, modestly put forward by a nation which was dependent, for the moment, for raw materials, foodstuffs, and financial favours upon Allies who took no pains to conceal their dominant and domineering position? France, with her industry crippled and with the gaping wound in her side, was, for the time being, equally dependent—so at least her Premier considered—

upon the good graces of Britain ; so, with a mistaken judgment which M. Tardieu, with all his literary ability, is able but lamely to defend, she determined to associate herself with a view of the German liabilities which, by including items of pure war-costs, contrary to the Pre-Armistice Agreement, inevitably put her own just claims for reparation in the shade and by nearly trebling the total bill made it increasingly difficult to begin extracting payment from Germany at all.[1] Dearly have the two countries, bound together by the holiest of ties, suffered, individually and in their mutual relations, from the relapse of the one into the old discredited manners of petty shopkeeping, and for the reliance of the other, honourable, if, for once, mistaken, on the generous and moderating tradition of British foreign policy. Clemenceau had known and watched English statesmanship, for over fifty years, with all its intellectual limitations and compensating integrity and sense of honour. How could he be expected to realize that, by a strange accident of fortune, this crisis in British history found, for once, no English gentleman at the helm ?

Thus it was that, without unity of purpose or of principle, without the force to uphold their decisions, and steeped in an atmosphere of vague idealism which became daily more unreal and hypocritical as day followed sickening day, the four dictators sat and drew lines on the map of Europe while the power was steadily slipping from their grasp. For the peoples of the Continent, cheated of the hopes of which Peace had been the symbol, driven half crazy by having to live, at the

[1] See Appendices III., IV., and V.

expected moment of relief, through the worst of five war-winters, were turning their eyes towards Bolshevism—from the unhelpful phrase-makers and Parliamentarians of Western democracy to the rough-handed dictators of Moscow. There, at least, was action, not inertia, and a faith that gave life and meaning to the formulæ of platform and manifesto. The red tide, which, in one critical week, had even washed the sturdy bourgeois ramparts of Switzerland and the Netherlands, swept for a moment over Munich, threatened Vienna, and submerged Buda-Pesth. A Red Hungarian army, half Bolshevik, half Nationalist, invaded Slovakia; while in Russia itself a Jew who had but lately been an Eastside journalist in New York was in command of an army which, with the melting of the Allied forces, was soon to be the largest in Europe. Poland, Roumania, the new-born Baltic states, trembled for their independence. Allied troops sufficient to face the menace were not available. The peoples of Central Europe learnt, in bitter moments of helplessness, to rely on their own right arm; and if Poland and Roumania, Czecho-Slovakia and Jugo-Slavia, seeking to weld their composite youth into a trustworthy defence force against dangers far less imaginary than those now confronted by the British Navy, are employing French or French-trained instructors to hasten and to perfect the process, this should be a cause neither of astonishment nor reproach to those who had not the wisdom to foresee their needs. Had we supplied them in good season with the means and the material for productive work, many of the men who are now

being called, and flock, not unwillingly, to those banners would have been busy creating wealth, and the purchasing power, for the lack of which Britain and industrial America are paying in unemployment to-day. It is not for us to preach disarmament to nations of whose mutual exasperations we are ourselves largely the cause. Let us do what is still possible to provide the productive activities which will serve to allay their suspicions and provocations and thus gradually to compose their feuds.

We have seen that a supreme Economic Council was eventually appointed after three months of heart-breaking delay, and with an untrained staff, in February, 1919. But the situation was now irreparably out of hand; and, in any case, its powers were too limited to enable it to achieve results of lasting value. What should have been handled in October as a combined problem of credit, transport, and supply was left to be handled in February as a mere problem of relief. With matters as they then were no other measures, or, at least, no other first measures, were possible; but charity is always tainting, not least between nations; and the disadvantages attaching to its adoption have in this case been slow to efface themselves. Sir William Goode and Mr. Hoover and their able staff of relief workers rendered yeoman service, on a field familiar to the British and American mind, from Germany and Austria as far afield as Armenia; and they were discreetly reinforced by private agencies, notably by the Society of Friends. But the inevitable relationship of patronage has brought subtle and demoralizing influences in its train. In Austria, shorn of

her self-respect, it has bred a listless spirit of pauperism which the energetic promoters of the Ter Meulen credit scheme are discovering to be not the least formidable of their many obstacles in their attempt to set that country on its feet, while German pride has only survived the humiliation of witnessing the centre of the world's culture treated as an object of pity and relief by trying to regard it as an act of just, if insufficient, atonement to a martyr nation. Here, as in the nationalist feuds further east, the sufferings and passions of the post-war period have eclipsed the memory of the war itself, and the Germans find in our failure to help them, as we could and should have helped them, out of their self-inflicted distresses, fresh reasons for fortifying their threatened self-righteousness and for refusing to face the real issues and origins of the war. Germany in the autumn of 1918 resembled a patient emerging, exhausted but convalescent, from a prolonged period of hallucination. Handled with firmness and understanding, above all, with consistency, she might have been set on the road to a rapid healing; but first the American, then the British, doctor bungled the case; and the latter's blunder was the greater in that he destroyed the growing *morale* of the German people by supplying it with just that with which it is above all things necessary that such a patient should not make play—a genuine grievance. Until the manifest injustice of the Pensions and Separation Allowance clauses of the Versailles Treaty is publicly removed, Germany will remain blind to her own guilt, and will apply a diseased and jaundiced vision to this or that other clause of the

Treaty, which, if necessarily harsh, is perfectly compatible with the terms of her surrender.

No less disastrous has been the effect upon the British people of the great outburst of charitable organization which followed the discovery, months after the event, of the consequences of the failure of their statesmen to lead Europe back towards prosperity. They sought, as so often, to excuse want of foresight and lack of courage by fumbling in their pockets and producing handsome subscriptions. The English-speaking peoples are giant givers, and it is ungracious to criticize what is, after all, a golden virtue of their defects; but money given by private individuals in a tardy attempt to cure what should have been prevented by public policy carries with it less than the usual blessing; and it cannot be too often repeated to those who, for all their subscription lists, are at bottom still parochially-minded, that, as charity is no substitute for justice, neither is organization a substitute for personal affection and understanding. It is a redeeming feature in these poor charitable makeshifts for statesmanship that they have, at least in some cases, helped to bring such understanding about.

Meanwhile, to return to the Conference, if the settlement of Europe lagged, the organization of the world proceeded with amazing, and indeed ominous, rapidity. The President had arrived in Paris with the draft of a League of Nations in his pocket. Lord Robert Cecil met him with another draft, which had been passed by the British Cabinet. Out of a conflation of the two the Covenant took shape, and, after a few weeks of evening sittings, the document which was to bring lasting peace and

justice to a distracted world was ready to be presented to a full meeting of the Conference in February. Soon afterwards it was announced that it would be embodied in each of the five Treaties, thus becoming automatically, and without the summoning of a special conference, part of the public law of the world. On January 10, 1920, when the German Treaty came into force, the League of Nations was born; and ever since, and, indeed, already before that date, the devoted and truly international staff of the secretariat, drawn from ex-Allied and ex-neutral peoples alike, and now open to two of the ex-enemies as well, have been seeking to repair, or rather to build up afresh, what might have been saved and spared had the originator of the Covenant been more alive to the realities of the world he tried so hard to serve. The League is still a plant of tender growth; but no one who has seen its staff at work, and considered the range and volume of the business entrusted to it, can doubt that it stands not merely as an idea and a symbol, but by virtue of substantial achievement. It is one of the ironies of history that what will live, after all, both in idea and fact, as one of the greatest contributions made by America to the life of the parent continent, should have been the cause, or the occasion, of the downfall of its author among his own countrymen. When the United States Senate rejected the Treaties because the Covenant was contained in them, the blow was aimed at the President. But it was Europe as a whole that was the sufferer. Thus, by an unwitting stroke, was the victim of European diplomacy avenged.

PART III

THE OUTLOOK

L'avenir, c'est nous-mêmes

CHAPTER I

THE POLITICAL OUTLOOK

THE war, as we have seen, has destroyed two of the six Great Powers of pre-war Europe and gravely crippled a third. How will the collective affairs of Europe be managed in the coming years? What will take the place of the old Concert of the Powers, or of the Balance of Powers into which it was not infrequently resolved?

President Wilson was in no doubt as to an answer. "The old discredited game of the Balance of Power," he said in one of his addresses which formed the accepted basis of peace, was to pass away for ever, to be replaced by a system of firm and single-minded co-operation, carried on through the agency, not of the old diplomatic machinery, but of a new organization, the League of Nations. In the President's conception the league was to take over all that was best and most responsible in the old Concert of the Great Powers, with four improvements. It was to be world wide instead of European. It was to include small States as well as great. It was to do its work through a permanent routine organization which was to meet at regular intervals and be virtually indissoluble. Finally, it was to be the instrument of a single concerted policy based upon a common set of liberal political principles. The League of Nations, in other words, was to be the international instrument of an idealistic liberalism, as the Holy Alliance, in its day, was of

a benevolent Conservatism and the Vatican of the political philosophy of the Roman Catholic Church.

It was with this conception in his mind that the President hastened the preparation of the Covenant and insisted upon its inclusion in each of the treaties of peace. If the framework of the new world could but be rightly constructed, compromises of principle and blunders of improvization made within its limits could, so he thought, be corrected at leisure. The one indispensable prerequisite was to provide mankind with an instrumentality which would enable it to work out its own political salvation.

Does the League, as it now stands, two years after its inauguration, fill the place designed for it by its author, or is it likely to step into it within the coming generation? Both questions must be answered with a frank negative. The League is not doing, and is not now likely to do, the work for which it was designed. That is not to say that it is a failure, or that it is of little value. On the contrary, it is an indispensable part of the machinery of civilization, and is daily increasing its usefulness. But the work which it is doing is not of the same order as the work for which the President designed it, and the sooner this is recognized by public opinion the sooner we shall return to an atmosphere of candour and reality in international affairs. Much confusion has been caused by those who have persisted in preaching the League of Nations as a panacea long after such potentialities of that nature as it ever possessed had evaporated from the scene. Englishmen in particular, who are apt to affect for European issues a sentimentality which they would not dream of applying to their own more

intimate concerns, have grown into the habit of saying that Europe has to choose between the way of the League and the way of suicide and ruin. This is one of those clean logical dilemmas which spring from an ignorance of fact and detail. Such language, so far from testifying to a faith in the League, is little more than a self-righteous soporific —a convenient way of dissolving an awkward and complicated subject in a cloud of vague benevolence. One is reminded of the old lady who refused to face the possibility of a world war in 1914 because she was convinced that "the Powers would intervene." The League of Nations is not, and was never intended to be, a substitute for the governments of its component states. As its name implies, it is a *league*, an alliance, an instrument of co-operation, not a government. Co-operation, however, presupposes common policies and common aims; and it is here that the League, or rather its membership, has disappointed the expectations of its founder. In his relative inexperience of European problems and politics the President believed that liberal principles, sincerely accepted and honestly applied by the European powers, would lead to the adoption of a common policy, at least in the major problems. A few weeks', even a few days', experience of the Peace Conference was enough to prove that such a hope was vain. On the Russian question, the first large immediate issue with which the Conference had to deal, no concerted European policy proved possible of adoption; the angles of vision with which the British, French, Italian, and Japanese governments approached it were too widely divergent; and the prolonged and discouraging

course of compromise and vacillation into which the Powers drifted would not have been substantially different had it been handled by the Council of the League of Nations rather than by the Supreme Council of the Allies. A common European policy presupposes common convictions and a common outlook among the leading European peoples. Such convictions and such an outlook have not existed since the Middle Ages and do not exist to-day; and it is not in the power of any political organization, however perfectly planned, to create them.

As a substitute, then, for the old Concert of the Powers the League has proved a disappointment. A standing organ of European, and still more, of world policy, working upon an agreed and consistent basis of principle, is as impracticable to-day as it proved after 1815. Policies will continue to be shaped and co-operations and understandings to be concerted as during the last four centuries, as the need arises for adjusting inevitable disagreements, in this or that centre of state sovereignty, in London, Paris, Berlin, Rome, Prague, Tokio, Washington, and Buenos Aires, rather than in the spacious Council chamber that looks out over the Lake of Rousseau and Byron. To have imagined otherwise was to ignore the limitations of the human imagination and to forget that, in the closest analogue which exists to the comprehensive design of a League of Nations, in the British Empire, Ottawa and Melbourne and Pretoria—not to speak of Dublin—have not yet learnt to adjust their policies and purposes to the needs of the Commonwealth as a whole.

What prospects are involved for Europe in this breakdown of the League's primary function must be discussed later on. Let us pause to consider the sphere of usefulness which still lies open, under the existing circumstances, to President Wilson's creation.

The League of Nations has four organs—the Assembly, the Council, the Court, and the Secretariat. The Assembly was designed to be an open forum of the intelligence and conscience of mankind, an expansion before a wider and less technical circle of the international discussions and policies of the Council. Despite the failure of its companion organ to fulfil its appointed rôle, it can still do most useful work in this field. It is true that the delegates, both of the great and the small Powers, come filled mainly with their own concerns, and that their international enthusiasm is apt to manifest itself mainly in matters in which their own country is not closely interested. Nevertheless, the debates are of real value and provide an opportunity, such as has hitherto only existed at partisan or technical congresses, of initiating public discussion, under conditions where almost every point of view is represented, on problems which form the substance of international controversy and the potential cause of future wars. Signor Tittoni, for instance, did the world a real service in 1920 when he drew on himself the wrath of the Canadian delegation by raising the far-reaching issue of the international control of industrial raw materials. Still more valuable, perhaps, for immediate purposes, is the occasion provided by the Assembly meetings for personal contacts between the representatives,

and the trained officials, of some forty different countries.

The Council has been described as a disappointment; but as Mr. Balfour told the Assembly last September, no one can read the unadorned pages of its last annual report, or even scan its table of contents, without feeling that, if it is not doing the work for which it was designed, it has already made itself indispensable by the numerous other tasks which it, and it alone, has been able to undertake. General Smuts and the authors of the British draft of the Covenant, and presumably also President Wilson, intended it to be a standing Conference of Prime Ministers similar to the British Imperial Conference. This plan was thwarted, whether wittingly or not, from the moment that the League of Nations Commission agreed to admit four representatives of lesser states to membership of the Council. It does not require great political experience to understand that confidential co-operation between states endowed with widely differing measures of power and responsibility is a virtual impossibility. The British Imperial Conference did not attain to such reality as it now possesses until the federation of Canada and Australia and the union of South Africa had enabled its membership to consist of substantial and responsible units Newfoundland remains a harmless anomaly, but four Newfoundlands sitting at a table with four Great Britains would go far to rob the proceedings of reality. If the greater Allies could not bring themselves during the war to consult their smaller confederates, such as Serbia, on issues of policy, like the Italian Treaty, which vitally affected

them, it is not to be expected that, under the much looser and more self-regarding conditions of post-war politics, the Great Powers will put their cards on the table in the presence of Spain, Brazil, and China, or even of Belgium. The admission of the smaller Powers, whether it was a concession to principle or to *camouflage*, has certainly been an important, perhaps a determining factor in preventing the Council from even being allowed to attempt the policy-making function which was in the mind of its original designers.

What is the nature of the new activities which it has made for itself? It may perhaps best be described, in brief, as a sort of international House of Lords, or Conference of Elder Statesmen. It is peculiarly adapted for dealing with questions which are, on the one hand, too tangled and political, too non-judiciable, to be handed over to the Court and, on the other, sufficiently compact, sufficiently detached or detachable, from popular or party passion, to be remitted to an international authority with good hope that its judgment will be accepted as final. The decision to ask the Council to adjudicate on the Upper Silesian question marked a turning point in its development. It beckoned it away from the field of policy, where it can never hope to shine on to that intermediate region, half-judicial, half-political, of the processes variously known as negotiation, mediation, and arbitration. That there was a certain element of *camouflage* in entrusting the fate of a Central European province to a body so curiously and even accidentally composed may be admitted; but the first-hand information and experience available at their service in the

Secretariat and elsewhere no doubt served to supplement the knowledge, without impairing the detachment, of the Belgian, Brazilian, Chinese, and Spanish representatives who were asked to draw up the first report for their more immediately interested colleagues.

Of the Court, now finally constituted, little need be said. Its activities cover the sphere of questions either directly remitted to it as justiciable or referred to it automatically as a result of definite treaty agreements. This sphere does not as yet include the larger and deeper issues which still divide the leading peoples and groupings of mankind. To take but a single instance, there is on the new Bench but one representative of the Far Eastern and none of the Indian or African peoples. Even if therefore it were able to deliver, on some issue of the colour question, the justest judgment which the wit of man could devise, what hope is there that the non-white peoples would bow willingly before such a decision? The deepest issues which arise between nation and nation, race and race, as between individual men and women, transcend the power of judge and court, of rule and precedent, to determine. This is not to decry the prestige or authority of the new creation, which fills an important and indeed indispensable place in the organized human scheme, but only to remind the idealists, always apt to court disillusionment by pitching their concrete expectations too high, that politics are but the outward and over-simplified expression of deep-lying passions and traditions which have not yet been touched and transfigured by the harmonizing power of human reason.

But by far the most hopeful and vital creation of the authors of the Covenant is the Secretariat. For the first time in human history there is a body of men, drawn from the peoples and races of five continents, dedicated to the service, not of this or that state or sectional grouping, but of mankind To have created an International Civil Service, animated, as this is, by a single world-purpose, is a greater achievement by far than to have established an International Court of Justice ; for a Court can only adjudicate on what is submitted to it, whilst an administrative service, with the health, the transport, and a number of other vital and complex but relatively non-contentious matters under its charge, works on steadily and quietly day by day, weaving into a single and harmonious pattern the great permanent common interests of mankind. At last the *res publica*, the Commonwealth of Man, has the ministering spirits at its service, for the lack of which men in their separate groupings have waged an unequal fight through the ages against disease and distance and ignorance and many another inveterate enemy of mankind. Whatever may be the fate of the Assembly, whether it perfects its organization by the inclusion of the United States, Germany, and Russia or whether it becomes more and more a purely European and West Asiatic body, supplemented by similar regional groupings in America and elsewhere, there can be no doubt that the Secretariat, like the Court, even more than the Court, must and will remain as an indispensable instrumentality of world-wide co-operation and administration.

How then, in the absence of a League of Nations

or a Holy Alliance, are the collective affairs of Europe to be regulated? What is it that takes the place, in post-war Europe, of the pre-war Concert of the Powers? In order to answer this question in the present, and to suggest an answer for the future, a frank and somewhat detailed discussion is needed.

The control of European policy, in so far as it is collectively controlled at all, has been vested since the armistices, and is still vested, in the Supreme Council of the Allies. This body, which has lasted on from the war periods, is composed of the Prime Ministers of Britain, France, and Italy, the three victorious out of the four remaining European Great Powers, together, since last June, with an American 'observer.' It meets at irregular intervals, now in Paris, now in London, now at S. Remo, or on the French Riviera, generally when some definite question, or group of questions, relating to the Peace Treaties is in urgent need of settlement. During the intervals between these meetings the execution of its decisions, and the settlement of any lesser questions that may arise, is in the hands of a Council of the Ambassadors of the same three Powers, which has its seat in Paris. In so far, therefore, as this fragmentary and provisional European Concert has any standing organ at all, it is to be found in the Council of Ambassadors; and it is to this body, for instance, and not to the League of Nations (which is only concerned with the Peace Treaties in cases where definite tasks have been remitted to it, as with Danzig and the Saar Basin) that the Czecho-Slovak government, always so scrupulously correct, addressed its communications

drawing attention to the disturbed conditions in the Austro-Hungarian frontier lands.

But it is only by courtesy that the Supreme Council, in its present form, can be described as a true Concert, or a European authority at all. Its shortcomings in this respect are manifest. To begin with, it lives on simply by the momentum of the war-period, which is visibly giving out as the memory of the great common struggle grows dim. It is based neither on a written alliance or agreement nor on any clear common aim, policy, or outlook. Its declared purpose is indeed to watch over the execution of the Treaties negotiated, or rather dictated under its auspices. But the three partners are at one neither as regards the importance to be attached to the strict observance of the various Treaties nor as to the sanctions to be applied in case of default. Their association during the past three years has been a study in contrasts rather than in harmony; and, so far from exhibiting to the rest of Europe, and especially to the newly-created states, the spectacle of an unselfish and responsible co-operation in the interests of the Continent as a whole, it has made all the world aware of the profound differences of outlook and interest which render such a co-operation, under present conditions of leadership at any rate, an unattainable ideal. It is between Britain and France, in particular, that these differences have come to a head, for Italy is less closely concerned with the problems of the German Treaty which form the main substance of controversy. The two Powers have drifted, after a long course of argument and recrimination, into a condition of mutual distrust and ill-temper which,

although confined indeed to comparatively limited circles in each, is none the less a serious menace both to the two peoples themselves and to the stability of Europe.

For, if Anglo-French co-operation is merely a provisional arrangement, without any written sanction, to back it up, it is nevertheless the main, indeed almost the only effective authority which is available at this moment to maintain the precarious structure of European peace. No one who has travelled in Central and Eastern Europe can doubt that, were a definite rupture to occur between the two countries, the effect would be immediately disastrous. It would give new hope to reactionary elements throughout the Continent, in Berlin and Munich, in Reichenberg and Zagreb, in Buda-Pesth and Sofia; and it would almost certainly be followed by a concerted attempt to alter by force the territorial arrangements established in the Peace Treaties. English liberals who, with traditional naïveté and want of imagination, imagine that they are serving the cause of European peace by rating and scolding a tender and susceptible neighbour, might pause to reflect, before the wounding adjective slips off their pen, that it is the association between Britain and France, and that alone, which protects Europe at this moment from a continuance of the agelong racial struggle between the German and Magyar and Slav and Roumanian for which so many reckless spirits are thirsting from the Rhine to the Carpathians and the Adriatic. Not that the Supreme Council is all-powerful. It has proved powerless to protect Armenia, or to coerce Russia, or to prevent the outbreak of a fresh

war between Greece and Turkey, or to eject Zeligowski from Vilna. Its effective authority extends only over Western and Central Europe and suffers palpable diminution in proportion as it attempts to move eastward, beyond the range where French military power or the pressure of a British blockade can exercise effective compulsion. Nevertheless, limited though its authority may be, far more limited than it would have been had Eastern Europe been bound to the West by a firm link of international credit-power, it suffices in present circumstances to maintain a provisional stability and to give the new Europe, the Europe of the Treaties, time to harden and crystallize.

Before asking how a true concert can be formed or reshaped, let us glance for a moment at this new Europe. Three features strike the eye at once. Firstly, the old multi-national Empires, Austria-Hungary, Turkey, and Russia, have disappeared, if in the last case only temporarily, from the European scene. Secondly, the European states correspond, not indeed perfectly but far more completely than before the war, to the lines of demarcation between nation and nation, the change bringing into existence no less than six wholly new states, Poland, Czecho-Slovakia, Lithuania, Latvia, Esthonia, and Finland, and three which are virtually new creations, Jugo-Slavia, Austria, and Hungary. Thirdly, with the diminution in the number and authority of the Great Powers, what may be called the medium-sized Powers, substantial units of territory such as Poland and Jugo-Slavia, or highly developed industrial regions such as Belgium and Czecho-Slovakia are destined to exercise a

considerably greater relative influence than under the old pre-war conditions. In 1914 (excluding Lilliputian communities like Monaco) there were nineteen sovereign states in Europe, out of which six were Great Powers; to-day there are twenty-five, with four Great Powers, including Germany, whose effective military and economic power is subject to numerous disabilities.

How is this Europe bound together? Three different and, in some degree, competing sets of arrangements are at present regulating the mutual relations of its members. In the first place, there is the Covenant of the League of Nations which the overwhelming majority of the European states are pledged to observe. Under this they are bound, firstly not to make war upon one another without recourse to a procedure involving publicity and delay; secondly to take some action (not necessarily either military or economic) to preserve the territorial integrity and independence of their fellow-members. Under present conditions, when the League has as yet had little chance to acquire either the moral authority or the economic leverage which it may hope to wield in future years, these obligations do not constitute so weighty a factor as they should in the life of Europe; and recent discussions, at Washington as at Cannes, and in East Central Europe, have shown how states, anxious for their security, exhibit a preference for regional agreements, however weak the obligation involved in them, over the widely scattered guarantees afforded by Article X. No case has indeed as yet occurred in Europe, as it has in Central America, in which two members of the League, completely unmindful

of the Covenant, have actually embarked upon regular hostilities with one another; but the recent boundary dispute between Jugo-Slavia and Albania, whatever the character of the fighting, did not fall far short of this. Already, however, weak and necessitous states like Austria have become painfully dependent on the good graces of the League, and, if the projected credit scheme takes shape, it may prove to be an agency of potential pressure as well as of relief, and thus arm the League with some rough kind of sanction or control. But this, of course, will, at best, be true only of the smaller and more helpless members of what, despite the boasted doctrine of the Equality of Sovereign States, is in reality destined to be either an aristocracy of the Great, or a bourgeoisie of the larger and medium-sized Powers. For a true international democracy, in the sense of a régime of equal consideration for all states irrespective of their size and strength, we must wait until force, whether political or economic, has been eliminated from the field of international dealing.

The second set of arrangements are the Peace Treaties, which, despite the arbitrary manner in which they were presented for signature to the enemy states, regulate so large a number of matters in the life of the recent belligerents, from armies and frontiers to waterways and labour conditions, as to be not undeserving of the description, recently applied to them by a Czecho-Slovak statesman, as the charter of the new Europe. They are indeed open to serious criticism, in their economic rather than in their territorial clauses; but the most important defect, or limitation, in their scope, from

the point of view which we are now considering, is that, apart from the clauses in the Covenant to which allusion has just been made, they make no adequate provision for their own continuing enforcement.

It is this which has led to the third set of arrangements, those embodying definite treaty obligations between separate Powers. The most important of these is one which, just because it never grew from being a project of a Treaty into being a Treaty, forms the most striking illustration of the problem which it was designed to meet—the Treaty proposed by Mr. Lloyd George and President Wilson to M. Clemenceau as a guarantee against an unprovoked German aggression. When the joint guarantee broke down owing to non-ratification by the United States, and Britain declared herself unable to assume the burden alone, France turned elsewhere and concluded a convention with Belgium which forms at the moment the sole assured international military protection of her oft-invaded Eastern frontier. Parallel to this, as a sanction of the Austrian, as the Franco-Belgian Treaty is of the German settlement, are the political and military arrangements concluded between Czecho-Slovakia, Jugo-Slavia, and Roumania, collectively known as the Little Entente. Besides this, Britain has a Treaty with Portugal, dating from long before the war, and Czecho-Slovakia a treaty with Poland.

Such is the present political organization of Europe—a big unfinished design, supplemented, and in part replaced, by patchwork improvization. What is the outlook for the future? In what direction are we to look for a consistent and comprehensive

alteration in what must be now admitted to be an impracticable design?

The present writer believes that a solution of these perplexities and complications can be found in one way alone, along the simple and well-tried road of the old Concert of the European Powers. Europe has not been saved from the West, nor yet from the East, as was hoped by two opposing sets of idealists. America and Russia, each in their own way, may yet return to play their part in the life of the old Continent. For present purposes, however, we must rule them out. Europe will be wise to adapt to her own case the old Italian motto: *Europa fara da se.* She must look to her own healing. Then perchance others, who seem at present to look on, kindly but unhelpful, from afar will find the will and the means to co-operate. And the healing must begin where the wound is deepest, from the Western end of the Continent. The goal of all good Europeans at this juncture should be to work for the establishment of relations of mutual confidence between Britain, France, and Germany.

If this can be achieved, Europe will recuperate her strength in security and the League of Nations will find the main obstacle to its growth removed and will deepen its roots and spread its branches. Let the idealists who pin their faith to the League, and the realists who make light of it because they know how powerless any mere organization must ever be to combat the fears and suspicions which still poison the life of Europe, join hands in attempting to solve what has been the major problem of European politics during the last three years, and during the fifty years which preceded them.

It is not an insoluble problem. All three nations, indeed, if they could give expression to their deepest thought, desire ardently and wholeheartedly to solve it. Especially is this true of the two most closely interested of the three peoples, who, in their broad masses at any rate, are weary of the eternal vicissitudes of armed conflict which have clouded their serenity and worn out their energies ever since Cæsar encountered the German chieftain from across the Rhine. It is not the desire for a solution that is lacking—it is the understanding—the mutual understanding of moods and motives, of deep-lying passions and unspoken philosophies which alone can bring harmony into the relations of two anguished and tortured peoples. If the difficulty were superficial, it could be easily solved, and might as easily recur. Just because it is agelong and inveterate, compounded of traditional passions and of ancient and recent sufferings, it needs a deeper analysis for its healing. But it is precisely because, as a result of the war, such an analysis is at last possible, because submerged dispositions have become manifest and hidden fears have been justified by horrid facts, that such a healing is at last within the range of practical politics.

Let us look first at the case of France, for a right understanding of her nature is the master key to the problem. "France has lost ground with both British and American opinion at Paris," wrote two years ago an English observer who had unusual opportunities for witnessing the work of the Paris Conference from within, "but the fault lies largely with us. If by lack of understanding we fail to evoke French genius and French political

imagination in building up the new Europe, no other gains that we may make, not even, if we may pause to underline the thought implicit behind the words, a perfected League of Nations or a firm union of the English-speaking peoples, can compensate us for that supreme loss."[1] The statement, or rather the prediction, here expressed has been only too painfully fulfilled. During the last three years Britain and America, more particularly Britain, have not understood, have seemed not even to be trying to understand, the mind or mood of France. As a result, France, discouraged and resentful, has failed to exert her incomparable gifts of interpretation and understanding in the building up of the new Europe. And, as a further result, we see the Europe that we see, a ship adrift in heavy seas, with no visible helmsman.

Why does not France join wholeheartedly in the Anglo-Saxon project of the League of Nations? Why is she a perpetual obstacle to policies and proposals, such as a general measure of military and naval disarmament or the admission of Germany to the League of Nations, which seem, to the British mind, normal and necessary steps towards the recuperation and stabilization of Europe? The answer may be given in three words, fear, indignation, and suspicion. Twice invaded within fifty years, France fears for the security of her Eastern frontier. Watching the trend of recent British policy towards Germany, which seems to her, and to her not alone on the Continent, a nauseating compound of sentimentality and commercialism, and confronted with the nerve-racking spectacle of her own ravaged departments, she is driven by reaction to evoke and cherish, as a

[1] *The Responsibilities of the League*, by Eustace Percy, p. 125.

possession not now to be shared with her former Allies, the moral indignation which to her sensitive spirit is no more than a just and necessary tribute to the heroic dead. Finally, faced with the disillusionment resulting from the constitutional complexities of American and the opportunist vicissitudes of present-day British political life, her confidence in the English-speaking peoples has been rudely shaken and the old seed of suspicion of *perfide Albion* has once more found a lodgment in her mind. Find the means to allay that fear, open a broad European channel for that noble indignation, remove the rankling causes of that poisonous mistrust, and France will once more resume her normal place and poise as the main element of reason and harmony and proportion in the many-sided life of the European peoples.

How can that fear be allayed? The remedy lies with Britain, and it is not hard to find. Not once but many times during the last three years have British statesmen and editors, safely ensconced behind their maritime ramparts, armed with a naval predominance any discussion of which was ruled out of the agenda of the Peace Conference beforehand, assured France that her fears were groundless and upbraided her for "nervousness" or even for "militarism." Granted that French fears are a hallucination, assurances proffered under such conditions are calculated rather to exasperate than to allay it. If Britain sincerely desires to remove the gnawing fear at the heart of France, she must not merely tell her old Ally that she has no need to fear, but take action to prove it. Up to the present such action as she has taken has seemed to the logical

French mind directly to belie her assurances. When France asked that the Rhine should be made the permanent military frontier of Germany, Britain and America refused and offered instead a joint guarantee against an unprovoked German attack. When the American guarantee failed to mature owing to the action of the Senate, Britain refused to undertake the burden alone. Why did she do so? No doubt the British Premier had his own reasons, which, whether creditable or otherwise, are readily intelligible to anyone familiar with the course of British politics. But to the French mind the refusal to undertake the burden of the Alliance could only mean that Britain, whatever her assurances, regarded a new Franco-German war as a contingency not altogether unlikely to take place. And French statesmen point out, with some justice, that, as a result of a war in which France has suffered, and suffered horribly, from an unprovoked aggression by an enemy against whom she and her friends were insufficiently guarded, she is left with even less assurances of support from Britain than she had before. In 1914 her Eastern frontier was protected, firstly by the neutrality of Belgium, of which Britain was an individual guarantor, and secondly, less explicitly, by the Grey-Cambon understanding. To-day Belgium is no longer neutralized; the British obligation towards Belgium has fallen to the ground, and Britain has no obligations towards France other than the vague and insubstantial commitments embodied in the Covenant of the League of Nations. To the French mind, trained, alas, by experience to measure co-operation not in rhetorical assurances of good

will but in army corps and mobilization orders, the League of Nations is not enough. Britain and France are at least alike in this, that they both prefer a double lock to their door. There are very few Englishmen, certainly not enough to form a majority in any constituency, who would sleep soundly in their beds if the Covenant, and not the Navy also, were the protection of their island-fortress. France, with a more vivid and poignant experience of invasion than a few scratches from sea or air, is only asking for the same double system of insurance. If we believe, as others believe of ours, that her demands are superfluous, that is surely all the more reason for acceding to them. A declaration of British readiness to sign the Guarantee Treaty would be the best possible answer to French, and it may be added also to Belgian, fears. Surely it is not too much to ask that after their peculiarly intimate association in the greatest war in history, the marks of which remain indelible on French soil, France and Britain should be bound together, under the all-embracing ægis of the League of Nations, by a pact recognized as constituting as fixed and natural and stabilizing an influence in the European scheme as the old association between Britain and Portugal. Such a guarantee would differ from the old-world diplomatic combinations to which exception is rightly taken by the definiteness of its terms and the limited scope of its obligations. It would not be available, like an ordinary alliance, as a means for covering ambitious designs by one of the parties in this or that region of the world, or as a support to selfish economic policies ; and those who argue that, in the sphere covered by its obligations,

the distinction between defence and "aggression" may in practice be difficult to draw, would find a convincing answer to their fears if they were better acquainted with the true attitude of France. She seeks no new gains or adventures on her Eastern frontier. All she seeks is to hold what she has won and to guard her own territory. He little knows either the French peasant or the French townsman who thinks that aggression, whether open or concealed, against Germany, need ever be feared from their country. The guarantee, therefore, so far from dividing Europe into opposing diplomatic camps, would be a true security, not only for peace, but for serenity of mind, and would promote, rather than impede, the establishment of a tripartite understanding; for the security of the German Republic against the militarist hotheads who still seek to wreck it depends upon the stability of the new governments in East Central Europe, and upon the Entente of the Great Powers which created them. Britain, France, and the New Germany have a compelling common interest, of which the wiser heads are everywhere aware, in the stabilization of the settlement and in the discouragement of policies of adventure or revenge. In any case, however, whether the pact is signed or not, France may rest assured that the association, of which the Guarantee would be the formal expression, exists already in the hearts of thousands of individual members of the two countries, who will carry their sense of mutual comradeship and obligation with them to the grave.

Such a declaration need not be unconditional. It could be coupled with a general policy of disarmament. British statesmen have repeatedly laid

stress on the efficacy of the disarmament clauses of the German Treaty, and, despite occasional scares, French opinion is now disposed to accept the same view. It is common ground, at least between those best qualified to weigh the military facts, that, thanks to the military commissions of control provided for in the Treaty, Germany is for the present, and will be for some years to come, powerless for a western aggression. But this is not sufficient to allay French fears, still less to justify a substantial measure of disarmament on the French side. France looks ahead into the future, she contrasts the relative population figures of the two countries, and she asks herself what is likely to happen when the commissions of control are disbanded, when the Rhine occupation is ended, and when, in the course of years, a forty million France is once more face to face, this time without British or American support, against a seventy or eighty million Germany. Is it any wonder that she should look eastwards, among the Slav peoples, or even to Africa, for the support so ungenerously, as she thinks, withheld her from the West? Here again it is fear, not "imperialism," which has led to manifestations of French activity, at Warsaw and elsewhere, which have served to deepen the estrangements between Paris and London. France feels that the same wilfully uncomprehendingly British policy, the same aggravatingly self-righteous professions of correctitude, pursue her in the East, from Danzig to Upper Silesia, as on the Western frontier of her hereditary foe; and in her nervous exasperation she puts herself even more in the wrong with her impeccably cool-headed neighbour.

How can France be given security against the re-arming of Germany after the disbandment of the present military commissions of control? Firstly, by the Guarantee Treaty, which would definitely throw upon the British Government and people the obligation of enforcing the military clauses of the Treaty, especially those providing for the demilitarization of the Rhine area and of taking concerted measures with their French Allies to secure an adequate margin of security. If it be urged against this that it might involve a change in the traditional British military system, the answer is that such an argument is itself a confession that the German disarmament laid down in the Treaty is likely to prove illusory, and that the French fears are therefore justified. But it is our business, as much as that of France, to see that the Treaty provisions are maintained, and it is here that the opening is provided for a second measure of security in the establishment of some permanent international agency to keep watch over the problem of armaments. Such a measure is foreshadowed in two articles of the Covenant. Article I. lays down that every state admitted to membership of the League after the first batch of "original members," "shall accept such regulations as may be prescribed by the League in regard to its military and naval forces and armaments," and Article IX. provides that "a permanent Commission shall be constituted to advise the Council on the execution of Articles I. and VIII." (the limitation of armaments clause) "and on military, naval, and air questions generally." Such an authority would need to be equipped to report not only on the strictly military, but on

industrial measures of mobilization. No European government, after the experience of this war, is likely to embark on hostilities until it has amassed, not merely the munitions, but the industrial raw materials needed for a successful issue—unless, indeed, it is so wilfully perverse, or so blinded by a desire for revenge, as deliberately to run amok. Secret preparations for war, therefore, except for an air offensive, with chemical gases, against which neither greater nor lesser precautions can avail, are even less possible than they were before 1914, when the intelligence departments proved to be not ill-informed as to the main facts. The establishment of some such body as that contemplated in Article IX. would go far to allay the apprehensions, not of France only, but of the other powers, such as Czecho-Slovakia and Jugo-Slavia, who have equal and even greater reason to fear possible aggression from untrustworthy and revengeful neighbours. It is true that, as became clear at Washington, a general programme of European military disarmament cannot be adopted until Russia has been brought into line, and the Hungarian situation gives the other Succession States more ground for confidence, but there is no reason why the project for an international commission of control should not be adopted independently of any subsequent programme of limitation. Such a programme already exists in the Treaties for four European states.

A third measure of security could be given by Britain to France by the perfecting, within the limits lately agreed upon as legitimate, of the offensive activities of our sea-power. If Frenchmen

habitually look to British divisions rather than to British destroyers as the effective instrument of common defence, every German knows that it is the British Navy which, in the last analysis, has the stranglehold over his country's life. There is no doubt in any Englishman's mind that were France once more to be the victim of an unprovoked attack, such power would be used to the full. But it is not enough that the power should be there in reserve. Both the French and the Germans, and, let it be added, their recently neutral neighbours, should be made to realize that it is there, and that it is meant to be used. The course of Allied policy has led the public opinion, not only of the three countries most closely interested but of the rest of the world also, to think that military power, and in the main French military power, is the only available sanction against Treaty-breaking. It is important that the rôle of the Navies, and especially of the leading European Navy, should not be forgotten, and with it, let it be added, the political responsibilities, especially in the domain of commercial policy, which the possession of such inexorable power involves. The reader who has followed the underlying argument of the earlier part of this volume will not need to be told that the British Navy is like a magnet set up to draw Germany steadily towards a westward orientation and to forbid her to indulge in eastern adventures in which, though she may conquer whole kingdoms, she risks the loss of her connections with the overseas world and of the indispensable elements of civilization and livelihood which it provides for her population.

The system of regional agreements for mutual protection between naval powers lately inaugurated

at Washington should be extended to European waters, with which Washington was powerless to deal. Were this done, and Malta, Tunis, and Tripoli brought within a pact similar to that which now includes Australia, Formosa, and the Philippines, the memory of a recent unseemly wrangle at Washington would be obliterated, and the chief obstacle to a comprehensive naval disarmament removed.

So much for French fears. We pass now to a more subtle and intimate subject, the moral indignation which estranges the victim from the wrongdoer. The remedy here lies mainly on the German side; but there is something that can be said in this place. Perhaps the greatest of all the many psychological barriers to Franco-British understanding is the contrast between what the English are fond of calling "sportsmanship" on the one hand, and French sensitiveness on the other. The rough, good-humoured, optimistic, and imperceptive attitude towards life which caused the British soldier to endow his German foe, in the opposing trenches, with the innocuous title of Fritz is, and remains more than ever after five years of comradeship, a mystery to the intense and deeply patriotic *poilu*, who sees in the Boche the barbarian invader and defiler of his home. It may be said at once, of the English and the French, as of the English and the Irish, that the former are apt to forget what it were better to remember and the latter to remember what it were better to forget. But the French have an especial spur to memory which is denied to their more oblivious neighbours. The growth of a kindly, or even a calm, sentiment between the mass of the French and German peoples

is perpetually impeded and thrown back by the spectacle of the devastated regions. The invaded departments are too closely linked with the rest of the life of France, both sentimentally and industrially, for the wound to exert a merely local influence and reaction. The children growing up amid the ruins of Rheims and Arras or in the damp and draughty shanties which stand for home in Lens and Albert and Bapaume and hundreds of equally obliterated villages will bear about with them through life the indelible memories of suffering and squalor imprinted on their infant sensibilities. Nor, in a land like France where the tradition of the soil and the homestead counts for so much in the heart and mind both of peasant and townsman, are the uprooted victims of the invader, transplanted to Lyons or the Loire or even to the all-engulfing metropolis, to be reckoned in happier case. For such a wound no real healing is possible. Rheims Cathedral, the Town Hall Square of Arras, like the Cloth Hall of Ypres, have passed for ever into history, even as the heroes who defended them. But at least there can be reparation, so that new life may spring up to replace the old and the busy hand of man once more reawaken and revivify the desolate tract which for four long years marked the boundary of freedom. Reparation to France is not only, or mainly, a financial problem. It embodies a demand of human justice springing from the depth of the French soul. When the British Premier, aided by his Australian colleague, added war-costs to the Allied claim, he was not simply trebling, or even quadrupling, the total bill; he was mingling two tragically different

elements of nativity. He was asking for Britain and Canada and Australia, for India and Portugal and Brazil, who had known nothing of the long-drawn shame and anguish of enemy occupation, a share in what should have been regarded as an almost sacred, if inadequate, tribute of recompense to the innocent civilians of the invaded lands. Until this aspect of the reparation problem, so deep-felt in France and yet so hard to state to an outsider, is rated at its full value both by Britain and Germany, the soul of France will continue to suffer from an outraged sense of what is, at bottom, a just and noble indignation. Perhaps it may yet prove to be the hidden blessing in the ghastly tragedy of Oppau that its crumbled ruins and its giant crater, with their stream of stricken refugees, may bring home to dwellers by the Rhine scenes on the Somme and the Aisne, the Lys and the Yser, which their imaginations had hitherto been too weak to picture.

The third element in what, to use the technical language of analysis, we may term the French complex, is a pervading and poisoning mistrust. Here it is best to be frank, however distasteful the task may be. For the last three years, ever since the peace discussions began, French statesmen have been engaged in constant and intricate negotiations with the British Premier. The result of these personal contacts is that Mr. Lloyd George, to quote the words of an unusually balanced, if plain spoken, British journalist, "is hated in France as no Englishman has ever been hated."[1] This hatred is not due primarily to differences of

[1] *New Statesman*, September 24, 1921

policy. Such differences have indeed, during the last year at any rate, been rather the result than the cause of the personal difficulty. It is due to the mistrust and the bewilderment caused by the tactics of a politician who seems consistently to violate the rules hitherto associated by the French mind with British statesmanship. Had a British statesman of the old type, a Gladstone, a Salisbury, or even a Milner—the Milner who was brave enough, in October, 1918, to issue the warning against the disintegrating possibilities of a German revolution—been in office at the time of the armistice, the conflict of policy and temperament would have been acute; but France would have known where she stood, and would have received from Britain what she expected, the firm and sympathetic guidance of a generous friend. But to have been led by British statesmanship along the path of violence and revenge, and then to have watched the treacherous guide, his own immediate objectives attacked, craftily turning on his old tracks and making for the enemy's camp, has proved too exasperating to French sensibility. It must unfortunately be set down, if not as an axiom at least as a preponderant likelihood, that no real improvement in Anglo-French relations can be looked for till there is a change in the British premiership. The same is true, let it be stated at once, of Anglo-German relations also. To the French public Mr. Lloyd George is the man who, having engaged to try the Kaiser and to exact the uttermost farthing from the Boche, has pocketed most of the German colonies and German merchant fleet for his country, and put Britain's chief opposing Navy and chief trade

competitor out of the way, and has then left France, uncompensated and unsupported, with a paper Treaty as her chief asset. To the German public he is and remains the man who, having declared, under circumstances of unusual solemnity, that the war was being waged against Prussian militarism and not against the future of the German people, and having pledged his country to make peace upon the Wilson basis, is responsible for a Treaty which completely ignores the "equality of trade conditions" provided for in the Fourteen Points and wiped out, generally to the advantage of Britain, what Germans regarded as the elementary legal rights of their traders abroad. For the wrong done to Germany before the Treaty was signed, and the wrong done to France since, the British Premier will not easily be forgiven from either side; on this at least the victims of blockade and invasion are alike agreed.

We are not concerned in this volume with personal questions except when, as in this case, they have an important bearing on European policy. David Lloyd George the man may be left to the biographers, who will do justice, one may be sure, to the energy and resourcefulness, the unquenchable vitality and the almost uncanny powers of receptiveness, intuition, and improvization which go together to make up what, but for no added touch of greatness, would undoubtedly deserve the name of genius. Greatness indeed, and goodness too, lay at his roots, and were nourished by his early Welsh upbringing. But when the soil was changed the plant, for all its appearance of adaptability, seems to have lost the best of its native quality. Students of Wales may

see in the Premier, not the "greatest living Welshman," but a symbol of the tragedy of their country. Students of Europe cannot look so deep. They can only take regretful note that one who might have lived in history for service rendered in a plastic hour, made the Great Refusal and so effaced himself from the scene.

We may now pass on from France to her eastern neighbour. The case of Germany is graver, but less subtle and complex than that of France. She, too, endured greatly for four years and more and emerged from the war nerve-racked, exhausted, and in need of guidance. But whereas the problem for France was to heal the wounds of body and mind so as to be free to pick up the threads of her old life, whether in the fields or in the arts, the problem for Germany is to find a new way of life altogether. Germany is the victim of a complete breakdown—a bankruptcy of all that to which her people had been, or thought they had been, attached for fifty years. For the German, both by temperament and by added training, sees his life and the life of society, as part of a general scheme or philosophy; and when the fabric of Bismarck collapsed, its whole intellectual and moral foundations were involved in the ruin. At the impact of a fact like the Bulgarian armistice into the ordered scheme of his historical thinking, the successor of Treitschke readjusted his whole mental furniture, and the sincerest spokesman of the old order, Friedrich Naumann, told the parents of the dead that their sons had fallen to close an epoch, and that a new age demanded new tasks and a new outlook. So much he was privileged to see before

a merciful death removed him from the scene. His countrymen as yet have seen no further. If the question be asked, Whither is Germany tending? the answer is, No whither. She is still too much stupefied and bewildered by the catastrophe which has befallen her to have taken her bearings or laid out a new track. The older generation, and the more obstinate and embittered among the young, are indeed harking back to the old banners; but, as the Kapp Putsch and recent events since the murder of Erzberger have shown, they no longer possess the power to lead them to victory, unless some large European change, such as a rupture between France and Britain, should open the way. But the mass are Republicans. They accept the new order. They recognize its inevitability and its power over their lives. But they have as yet discovered no intellectual or political initiation of their own. Not, indeed, that their lack of conviction is due to a failure to experiment with new philosophies. In the autumn of 1918 and through the early winter, until it became clear that the Allies were letting the economic situation go by default, all Germany was Wilsonian and the Fourteen Points were quoted and commentarized as though Washington were a new Sinai. Later on, in the desperation of a workless winter when the blockade, so far from being relaxed, was even extended to the Baltic, the Bolshevik philosophy had its brief day of intellectual vogue. But the failure of the Munich experiment, coupled with more detailed news as to the actual situation at Moscow, soon shepherded the inquiring flock away from these dangerous pastures. Since then,

compromise and political improvization have been the order of the day. But if the German is still doubtful as to what he shall think, he has found relief in the renewed power of work. Every month puts the blockade and its privations further behind him ; while, raw materials once purchased somehow, the exchange rate has facilitated the resumption of export to a degree exceeding all expectations of two years ago. When one of the earliest British writers to visit Germany after the publication of the peace terms declared that the Treaty gave Britain the power to "control the world's commerce," he little thought that within two years there would be far more unemployed in his own country than in Germany.[1]

So far, then, as ingrained German dispositions are concerned, there is no reason in the nature of things why the German Republic should not put the whole Wilhelmian tradition, with its methods and ambitions, aside as a nightmare and enter into relations of confidence and co-operation with France and Britain, particularly with France. Psychologically, as any observer can test for himself on the spot, France and Germany were intended to understand and not to misunderstand one another. Nature meant them to co-operate, not to collide. The traveller who passes from the pure France, through the borderlands of Franco-German culture, whether in the redeemed provinces or in the temporary French area of occupation, to the pure Germany, is conscious, not of a clash, but of an agreeable blending of cultures. Alsace and Lorraine are not, like Fermanagh and Tyrone, the

[1] Brailsford, *Across the Blockade*, p. 150.

meeting place of two mutually incomprehensibles, nor yet like the Welsh Marches, where the blending, although no longer a political issue, submerges, rather than reveals, the best of both, but the home of a true borderland people who, despite their French allegiance, now indelibly fixed, have the power to take in and to radiate forth, in characteristic and homely fashion, the influences which come to them from both sides. Germany has owed much to France, from the Middle Ages onwards, and France in her turn, whether in music, science, or scholarship, has owed much, of late years even overmuch, to Germany. It is politics and politically-poisoned "culture," and these alone, which have caused the tragic misunderstanding which both sides, and the world as a whole, have blindly accepted as an unalterable fact in the life of Europe.

The same, if in lesser degree, is true of the relations between Germany and Britain. If culturally the two peoples are far apart—for the North Sea and the Channel form one of the marked cultural frontiers of the world—racially they have much in common. Racial affinities are a good foundation for mutual intercourse, and it is not surprising that the British and American troops in the Rhine area should have been pleasurably surprised to become aware of them. They are, however, a dangerous basis for political co-operation, unless supplemented by some more conscious and definite understanding. The difficulty about the relations between Britain and her late enemy at this moment is, not that there is a want of contact, but that superficial contacts, facilitated by racial affinity, are making the tripartite understanding, wherein lies the only real

solution, more difficult of attainment and forming a crust, as it were, over an unhealed and envenomed wound.

For the German disposition with which France and Britain have to deal is not normal, or simply convalescent after collapse and exhaustion, but abnormal and outraged, stung, like that of France, by a sense of justice denied and of continuing wrong. The publication of the draft terms of the Treaty in May, 1919, put a sudden end to German Wilsonianism, and to the sincere, if superficial, mood of receptiveness—penitence would be too strong a word—which accompanied it. Isolated for over four years from contact with the opinion of the outer world, Germans in the early part of 1919 were genuinely surprised to discover the opinion entertained about them by the mass of mankind, and felt conscientiously constrained to begin examining into its grounds. But the truth, as revealed in the four volumes of German Foreign Office documents, and in the damning and unanswerable summary of their contents published by Kautsky, was too terrible for all but the most courageous of minds to assimilate, and the Treaty not only gave Germans a substantial grievance of their own in compensation, but opened the door to self-justificating argument and ingenuity on the major issue. During the last two and more years, despite, or indeed because of, the declaration of guilt embodied in the Peace Treaty, German opinion has once more hardened in the belief, not indeed that the Allies, or any one of them, caused the war, but that it "just happened," like a disturbance of Nature, or that, at the worst, the responsibility can be divided. Every kind of

rationalization, to use the technical term which is applied to similar processes in individual mental cases, is used to support this latter contention, but that the patient remains unsatisfied, that the problem of German responsibility for the appalling catastrophe remains a grim obsession in the mind of most thinking Germans, is manifest from the constant output of literature on what is among the Allies now an outworn subject, and becomes still more evident to anyone who has had occasion to discuss the issue with Germans face to face.

It is vital not only to the restoration of confidence between France and Germany, but to the healing of Germany herself, that the question of the responsibility for the war should not be evaded or glossed over with frivolous and repugnant amiabilities, but faced frankly in all its nakedness. It is the only means to the recovery of German serenity and self-respect, and to the restoration of a right and honourable relationship between the German people and the rest of civilized mankind. Nor, difficult though it is to pin individual Germans down to this issue, as difficult as for a psycho-analyst to bring his patient to talk of his hidden wound, does it transcend the possibilities of sincere and sympathetic intercourse. What is needed above all is an increase of personal contacts between frank, honest and patriotic spirits on either side, between those who understand what love of country means, and what anguish is involved for all true Germans in the thought that the devotion and endurance so prodigally and unquestioningly rendered against a world of enemies were spent on an evil cause. "Even if I were convinced by what you tell me," said such a true lover

of the Fatherland after a frank discussion of this theme, " I could not say so to you." Here, on the ground of a common love of country, of a uniting and reconciling human experience, rather than in the empty rhetoric of cosmopolitanism, is material for a real restoration of confidence and even of friendship. Not to forget and forgive, but to understand and forgive, should be the watchword of both parties to this common effort.

Such discussions reveal that there is a two-fold difficulty to be overcome. There is, firstly, the fact that the two sides are working from two different versions of the historical events, the German version, in the writer's view, being by far the more distorted and incomplete, partly to the failure on the German side to realize the direct, in this case the awful, responsibility of the individual citizen in a modern state for the actions of his government. If, as the evidence from June, 1914, onwards, proves up to the hilt, Germany was responsible for involving first the Balkans, then Europe, then almost the whole world, in the greatest war in history, then the Allied peoples are right in feeling that not the German state but the German people, men and women alike, are responsible for what is rightly described in the Allies' covering letter of June, 1919, as " the greatest crime against humanity and the freedom of peoples that any nation, calling itself civilized, has ever committed." And they will not feel free to enter into real relations of confidence with their late enemies until they have received more than constrained and perfunctory indications of sorrow and remorse on the German side. The public occasion may yet arise when some

convincing indication of this kind can be given. In the meantime it is in the more intimate region of personal contacts that the reconciliation must begin.

But the road to such reconciliation is impeded and blocked up by the injustice of which Germany has a right to complain in the Peace Treaty. So long as the German people is labouring under the huge liability imposed upon it by the Pensions and Separation Allowances clause, and under the disabilities of the economic clauses, it will be as difficult for Germans to feel, as for their late enemies to demand, an appropriate attitude of regret. The comparison between the two wrongs may indeed recall the mote and the beam, though it must be confessed that a sum of between three and four thousand million pounds, a moderate estimate of the liability under the clause in question, constitutes a pretty substantial mote. Nevertheless, until it is removed, Germans will continue to attribute to the Treaty, and to the Treaty as a whole rather than to its more indefensible clauses, evils which, probed to the bottom, are in the main the inevitable legacy of the war itself; and will find consolation for the prickings of conscience in an unwholesome attitude of martyrdom.

Thus far our argument seems to have brought us to a deadlock. France cannot re-establish true relations with Germans while her wrongs remain unredressed; but Germany is estopped from redressing them, in the only spirit in which redress can bring healing and appeasement, because she too is nursing her wrongs. It is true that, as between France and Germany, as between Britain and

Germany, there have of late been symptoms of *rapprochement*, of which the Rathenau-Loucheur agreement for reparation in kind is the most conspicuous example. But here again the agreement, however desirable, has but a surface value. It springs rather from a common interest or inclination to leave Britain on one side than from a genuine desire to collaborate. So long as the moral atmosphere remains as it is, co-operation between France and Germany must remain on a purely material plane, capable indeed of involving Britain in a damaging isolation, and even of forming the nucleus of an anti-British, or anti-Anglo-Saxon *bloc* of Continental peoples, but not of reawakening the old lost sense of the moral unity of Europe. Europe, in fact, needs Britain, as she needed her in 1914, and again in the plastic hours of 1918. Much has been lost, but much can still be retrieved, if Britain, who is in Europe yet not of Europe, can rise to the height of her opportunity.

It is the fortune, whether for good or ill, of the present writer to be able to see his country through the eyes both of his fellow-citizens and of their foreign critics. To have this double vision is always a stimulus, but there are moments when it carries with it a peculiar degree of responsibility—when to speak is perhaps to incur odium, but to keep silent is to be a traitor. Such a moment is the present, when our policy and the conjuncture of events have brought us into a situation which contains elements of danger, as also elements of hope, of which few Englishmen seem to be aware.

There is no need to recall Britain's services to Europe during the war, or the spirit of unselfish

and spontaneous sacrifice in which they were rendered. Our five million volunteers—how many of them, alas, lost to the farther service of their country—reveal a degree of individual civic responsibility which no other belligerent state on either side can approach. Nor need it be stated, except for the wilfully blind or the woefully ignorant in other countries, that the British people, irrespective of class or party, cherish the most genuine feelings of goodwill for the peoples of Europe and desire nothing better than to be helpful to them. If they sinned, as they did sin grievously, in the election of 1918, it was through ignorance and bad leadership, not out of evil purpose; and could they be reawakened now to a consciousness of their awful degree of responsibility for the subsequent miseries of Europe, they would do all they could to make amends. But they have been captained by opportunists who have followed, not guided, their inclinations; and their inclinations, during the past three years, have been parochial and self-regarding. "British statesmanship," said the influential writer, whose book has already been cited, in 1919, "has often been right about Europe; . . . but it has never been willing to hold in its hands or to follow for more than a brief moment the threads of policy which it has taken up or fingered. In the European family of nations our character and our history have made us amateurs and preachers." And he heads the chapter which contains this characterization, so strangely reminiscent of what we ourselves are fond of saying of the United States, with these warning words of Mazzini: "*If England persists in maintaining this*

neutral, passive, selfish part, she will have to expiate it."[1]

It is indeed the passivity of our British selfishness which renders us so exasperating to Continental observers. If we were actively and aggressively selfish there would be ground for active complaint; it is our cool way of capitalizing our natural advantages of history and situation and of preaching a similar businesslike reasonableness to others less fortunately circumstanced, which brings the word hypocrite so readily to Continental lips. What other country in the world would have used its coal export monopoly to the full, as we did in the autumn of 1919, at a time when the price of fuel was a matter of life and death to Continental manufacturers and workmen, whilst at the same time promoting elaborate arrangements of charity for the victims of its own policy? What other country could wax so eloquent on the militarism of others at a time when the offensive power of its own navalism has become one of the main factors in European politics; or could crown a war waged on behalf of the sanctity of Treaties with a Treaty which itself embodied a violation of international right—a Treaty, moreover, which was taken so lightly that it was ratified by Parliament almost without discussion and is regarded with so little sanctity that two out of the three Parliamentary parties have declared for its revision regardless of the wishes of their co-signatories? Or again, who else but the British would have claimed the idea of mandates, of the unselfish trusteeship of weaker peoples, as a traditional national principle, at the

[1] *The Responsibilities of the League*, pp. 44 and 29.

very moment when the strict policy of three generations, under which we refused to secure special advantages for our trade in the dependent Empire, has been definitely broken down? Or who would have granted the Dominions a right to separate representatives as independent units in the League of Nations concurrently with the inauguration of a system of mutual preference, thereby, at least in foreign eyes, turning a unitary Commonwealth into the model of a "selfish economic league"? Similar lapses and inconsistencies could be adduced in our commercial legislation, which has wounded ex-ally and ex-enemy alike. Suffice it to say that never has our incapacity to see ourselves as others see us been so strikingly demonstrated as during the last three years.

What can Britain do to end the Continental deadlock? She can realize her own dishonour. Few things are more striking, or more painful, at the present time for an Englishman than the contrast between the indignation or cynicism with which his country's policy is regarded in France, in Germany, and in the new and enlarged states of Central Europe for whose problems we have shown so little understanding, and the matter of fact way in which the same subjects, the same agreed and accepted facts, are treated in his own country. One example must suffice. The authoritative history of the Peace Conference issued by the Institute of International Affairs deals thus with a question which is vital to the welfare of some seventy million men, women, and children. The Treaty arrangements "on reparation and indemnities" it declares[1] "are

[1] Vol. ii., p. 14.

the most dubious, but it is of interest to observe that the most generally assailed provision in the Treaty, that of making Germany responsible for pensions and allowances, was proposed " (*supported* would be more accurate) " by General Smuts, whom no one can accuse of vindictiveness towards Germany. While there were many who condemned the policy of including pensions in reparation, and it is unquestionably the largest financial item in Germany's indebtedness, it is also well not to forget that there were some high-minded men who supported it." The sophistical memorandum by means of which General Smuts finally secured President Wilson's assent, against the opinion of all his legal advisers, to this clause in the draft Treaty will remain a permanent slur on his record[1]; it is, however, worth citing a German comment, in the popular Reclam edition of the Treaty, on this very disingenuous way of exploiting a statesman's lapse from rectitude. " The injustice of this demand is not only set forth by Keynes, but is also revealed by the embarrassment of other weighty English commentaries."[2] It is exercises in self-deception such as this which illustrate the reverse side of our much-vaunted love of compromise and our preference, in education, on the training of " character " as against " intellect." To compromise with Truth on a matter where clear thinking is a debt of honour, is a lapse of intellectual integrity not far short of the sin against the Holy Ghost.

Let us then set Germany an example in frankly facing unpleasant facts and recognize, firstly that the

[1] See Appendix V.
[2] Reclam's *Universal Bibliothek*, No. 6206, p. 76.

Treaty involves a violation of the very principle on behalf of which we went to war, and secondly that it is we—Britain and the Dominions—who are chiefly responsible for these violations, which were conceived for our own profit. Once this is realized, as it would be within a few weeks had our front bench statesmen on either side the moral courage to explain it to the electorate, the nation itself would be quick to approve the further step. The British Government, acting either alone or together with India and the Dominions, should formally state that, whilst bound by the clause in so far as its co-signatories are concerned, it has altered its opinion as to its moral validity, and that it proposes, in consequence, to accept no payments due to it on that account. The practical effect of such a declaration would be, firstly, to wipe out a considerable proportion of the German liability; secondly, to secure for France and Belgium and possibly also for Italy the lion's share of the available payments. Instead of receiving only 52 per cent., for instance, as against our 22 per cent. of the payments due, France would secure advances for her legitimate needs at a considerably higher figure. Thus by publicly surrendering a claim to which we have no moral justification, and which has done infinite harm to our good name, we should do a service both to France and to Germany and re-equip ourselves with authority for our task of mediation and appeasement.

There is another direction which must be briefly mentioned here, in which we can make amends for our misdeeds. We have seen that anxiety to secure "equality of trade conditions" according to Point 3

of the Fourteen Points was a leading consideration in the mind of German statesmen in demanding the armistice. It is no over-statement to say that Point 3 has found no practical embodiment in the Treaty at all. "No general conventions were concluded on this subject," says the authoritative English writer already cited, "because . . . there had been no sufficient prior consultation between the experts and no mature study of facts and projects"—another testimony to the results of the vicious procedure of the Conference.[1] An American authority is even more explicit. After explaining in some detail what "equality of trade conditions" may be held to mean, that it is a declaration against discrimination, not against tariffs in general, he remarks, "The matter was not thrashed out at Paris."[2] In point of fact the commercial section of the Treaty is full of one-sided obligations undertaken by Germany to which there correspond no guarantees of reciprocal treatment on the Allied side. But these obligations are limited in duration and come to an end, for the most part, in January, 1925, when, to quote from the Allies' covering letter of June, 1919, "the Allied and Associated Powers will be able" (though, be it observed, they do not bind themselves) "to co-operate with her (Germany) in arriving at a more permanent arrangement for the establishment of an equitable treatment for the commerce of all nations."

There has as yet been no sign that such an arrangement is in sight, or even contemplated. Recent British practice, in fact, has been all in the other

[1] *The Responsibilities of the League*, p. 212.
[2] *What Really Happened at Paris*, edited by Colonel House, p. 314.

direction. It is not generally known in England, though it is more fully realized abroad, to what an extent we have departed since the war from the longstanding and pacific tradition of British commercial policy. "Between 1860 and 1919," says a recent American official report,[1] "Great Britain maintained the open door in India and in the Crown Colonies generally, with either free trade or low tariff, for revenue only," the previous system of preference having been swept away, after its abuses had become manifest, by Gladstone in 1860. A timid effort to reintroduce it had already been made before the war, first in a preferential export duty upon tin ore exported from the four Malay States, which passed unnoticed by the British public till it was cited as a precedent for further action, and then in preferential arrangements between several of the West Indian Colonies and Canada. During the war the breach was widened by the establishment of a preferential export duty upon palm kernels from the West African Colonies, and in 1919 the system was formally extended to the whole non-self governing Empire by the granting of preferences to all imperial products dutiable under the United Kingdom tariff, including of course, sugar, cocoa, tea, tobacco, wine and dried fruit. At the same time there has been a considerable expansion of preferential arrangements in the Colonies themselves, initiated, or in the case of India, favoured from London. "Complete preferential import schedules have been adopted or extended," says the report already cited, "by all

[1] *Introductory Survey of Colonial Tariff Policies, U.S. Tariff Commissions, Washington*, 1921.

the tariff divisions of the West Indies except Bermuda, and the amount of the preferentials has been increased; a complete system of preferences has been introduced into Cyprus; and differential export duties have been imposed upon raw hides and skins exported from Nigeria, the Gold Coast, Sierra Leone, and Gambia," thereby continuing the war-time arrangement, " and upon tin ore exported from Nigeria. . . . There are thus " (the report continues) " in addition to the self-governing Dominions and the possessions dependent upon or intimately associated with them " (the reference is to the mandated territories of the Dominions and to areas like Basutoland and Bechuanaland) " twenty-five tariff jurisdictions among the British Crown Colonies, including India, which now have more or less extensive differential duties." In addition to this we have passed domestic legislation, in particular, the Aliens Restriction Act, which discriminates against commercial travellers from ex-enemy countries, and we have also permitted the Government to become associated with certain private enterprises in mandated areas, notably in the case of the pre-war private oil concessions in Mesopotamia, in a manner which, to say the least, gravely strains the meaning of the Open Door.

These are not matters of detail; they are matters of principle, and of vital importance, not only to our good name but to our security. The greatest external danger which threatens the British Commonwealth, the greatest external danger which has always threatened it, is a coalition of hostile powers. It is due to our fair and generous

commercial policy, more than to any other single cause, that we were able to maintain our naval supremacy, and to extend and develop our empire, without exciting undue jealousy and active opposition, during the century preceding 1914. But the world is more crowded and more competitive to-day, and we cannot count upon the same immunity. It is courting disaster to recur to eighteenth century ideas, to hark back to the old plantation theory of empire, at a time when, not Germany only, but a whole array of other states have developed their industrial life to a point where it is vitally dependent upon raw materials produced under the British flag. That flag had long ceased to stand for monopoly and has not in the past stood for dishonour. It must cease once more to stand for either. Once the British public realizes the incontestable fact that we pledged ourselves in November, 1918, against discriminatory commercial policies, and that the policy of preference in the not self-governing territories of the Commonwealth is a grave departure from the liberal policy which is at once the justification and the glory of our world-status, it will be ready enough to take the practical measures for making the pledges of November, 1918, and June, 1919, a reality. This can best be done in an international conference specifically summoned to deal with the whole problem of commercial policy, a problem which, it cannot be emphasized too strongly, contains, more than any other, the potentialities of a new war. Let Britain prepare for such a conference by a frank public statement of our desire to enter into fair and equitable arrangements, satisfactory to the other

industrial states, and in harmony with our traditional policy, in regard to this whole group of questions, and by working out in detail the implications of the "equality of trade conditions" accepted by us on November 4, 1918. If her statesmen do so, and can make the country follow them, as they can if they have sufficient faith in their cause, they may steer the world back into the calm fiscal waters of the eighteen-sixties, when a general "most favoured nation treatment" was the order of the day, and avert the greatest menace which at present threatens our Commonwealth, the danger of a coalition of jealous or impoverished trade rivals. Moreover, most immediately important of all, by paying a debt of honour due both to France and to Germany, they will have created the soil and atmosphere in which the tender plant of Anglo-Franco-German understanding can at length take root and live. And this, as we have already said, is the best hope both for the peace of Europe and for the League of Nations.

For with France once more herself and with a Germany conscious of her new direction and bringing her wealth of ancestral endowment into harmony with the deeper needs of the modern age, the equipoise of Europe, disturbed for over half a century, can once more be restored. Let us not set our expectations on the pedestrian level to which men's minds have become accustomed since the great disillusionment of 1919. If the necessary healing can be accomplished, a better era may dawn for Europe than she has known for seventy years. Restored to health and self-confidence, with her long humane and heroic tradition enriched and intensified by a

great experience, with her rural life eased and invigorated by the renewed prosperity of agriculture, France will once more be free to radiate the stimulus of her ideas and to exercise the harmonizing and regulating function which is properly hers in Europe. Germany, if, like the France of 1871, she can win her way through to serenity and self-knowledge, will yet bless the fate which freed her rich and powerful spirit from the compulsion of a mechanical tutelage and will feel herself opening out to a new enterprise of exploration, in the inner as in the outer world, which will at length reveal her true spiritual quality to mankind. If for France the watchword of the moment is simply "Be yourself again," the duty laid upon Germany, upon individual German men and women, is to look inwards and *find* themselves.

The main problem of the new European order lies, as we have seen, with the three Western powers; but a few words must be said of the other chief partners in the Continental scheme.

The political map of Europe divides itself to-day into three sections—the Western, including Germany; the East-Central, including the Succession States; and Russia. The last we may leave aside, for it is, for the moment, no longer an integral part of Europe. Let us glance for a moment at the intermediate region which stretches from Fiume to Vilna and from Passau to Athens and Buda-Pesth.

The chief political power in this area, subject to the overriding authority of the Supreme Council, is exercised by the Little Entente of Czecho-Slovakia, Jugo-Slavia, and Roumania, and the

chief pivot of its politics is Prague. The insight and initiative of two great statesmen, of different gifts and generations but with the same broad, liberal outlook, Masaryk and Beneš, have raised their young state, at one bound, into a position of unusual weight and authority among its compeers. The Little Entente constitutes at once an effective sanction of the Treaties and a nucleus of crystallization for the activities and the organization dispersed or shattered by the break-up of the Habsburg monarchy. Those who point the finger of scorn at the Danube area as having been "Balkanized" can have no first-hand experience of the strength of the passions and enthusiasms which swept the old order away and set to work to build on its site. To reconstitute a Danubian unit because it would facilitate trade, or look more tidy on the map, is a fantastic policy, though it is often recommended by British liberals who would be the first to condemn plans of political unification for the congeries of nationalities within their own Commonwealth. It is through the steady growth of habit, through the authority of Time in investing the new frontier with a sense of permanence, through peaceful co-operation on the firm basis of the accomplished fact, that a sense of unity will grow up. Cobdenites would do well to remember, what their master, when put to the test, himself did not overlook, that Free Trade was devised for men and nations, not men and nations for Free Trade. When deep seated sentiment clashes with commercial convenience, sentiment must first be satisfied, but convenience, in the long run, finds a way into its own. But such adjustments can be hastened rather by sympathetic

understanding than by ignorant and irritating criticism.

One great Power has been deliberately omitted from our survey. Italy belongs half to Western and half to East-Central Europe, and has her special place, as of right, in both constellations. As Britain participates both in the life of Europe and of the overseas world, with the detachment, and the duty, to act as mediator and interpreter between the two, so Italy, perhaps more happily endowed with insight and imagination, can do much, as Rome did of old, to soften racial asperities and to bring unity and order into the life of the many peoples whom her influence touches. This was the mission foretold for her by Mazzini and, though her statesmen of recent years have been slow to fulfil it, no one who knows her people and their great gifts can doubt her capacity to do so. The war has left Italy with many problems, but these are mainly of the material order. Despite superficial disturbances and embarrassments, she has emerged from her first great united effort as a kingdom with abounding health and vitality. All that she needs in order to fill the position that is rightly hers is to realize that she has grown into it. When once she is conscious of her strength, she will look across the Adriatic with different eyes and make harmony and stability, rather than ingenious diplomatic combinations, the goal of her policy. The Third Rome may yet be the greatest and most enduring of the three in binding Slav and Latin and Teuton, and even Anglo-Saxon, together in a common civilization. If Italy, with her great tradition, does not breed good Europeans, where else are we to seek them?

CHAPTER II

THE ECONOMIC OUTLOOK

THE first pre-requisite for an understanding of the economic situation in Europe, is to have a clear view of its causes. Europe's present difficulties, which have become familiar to public opinion both in Britain and America owing to the unemployment they have caused there, are not due primarily to the Treaty of Versailles or to the "Balkanization" of East-Central Europe. They are due first and chiefly to the character and duration of the war. They are the inevitable result of the Siege of Europe. They are due, secondly, to the failure of the besiegers to take prompt and adequate measures after the Armistice to provide the besieged area with the means for recuperating its industrial life. And only in the third plan and in a minor degree, are they due to the Treaties. As regards the Austrian and Hungarian Treaties the Habsburg Monarchy had fallen to pieces long before they were drafted; they cannot be held responsible for the new frontiers, and consequent obstructions to trade, involved in its break-up. As regards the Versailles Treaty, perhaps the point to which the greatest criticism attaches, apart from the inclusion of unwarranted items in the German liability, is the delay and the consequent unsettlement caused by leaving open two vital questions—the fate of Upper Silesia, and the amount of the German indemnity. Of these the former has now been permanently settled, while the latter, fixed conformally with the Treaty in May, 1921, only remains unsettled because it is

inseparably bound up with the question of the items of the liability. The economic outlook in Europe, therefore, involves far wider issues than the "revision of the Treaties" with which it is often associated. No detailed treatment of those issues can be attempted here; all that will be attempted is to draw attention to some of the broader facts in the situation which the bankers and business men and financial and currency experts who have hurried to the old Continent's bedside are perhaps in danger of overlooking.

The first point to be noted is that public finance is not an infallible index of national prosperity. The public finance of the European belligerents in the late war, with the exception of Great Britain, is in deplorable confusion; budgets are not being balanced and the outlook is obscure and dependent on hypothetical hopes and contingencies. The victors are looking for reparation and release from extra-European debts, the vanquished for reduction in their liability. Meanwhile Governments are meeting their obligations, not by the normal method of taxation, or even by borrowing, but by debasing the currency, an expedient rendered easier for the modern world than for its ancient and mediæval predecessors along this primrose path by the discovery of the printing press as a device of Governmental alchemy. The result is reflected in the table of foreign exchanges, the self-registering barometer of the public finances of the States of the world.

But public finance and private prosperity are two different things, in spite of the close and delicate connections between them. The fact that the

exchanges with the dollar have fallen in most European countries during the last year does not necessarily mean that Europe is not recuperating in other directions. Public finance is the finance of the organization which holds the community together, not of the producers of wealth who form the active part of the community itself. A state cannot collect more in taxes than there is in the community to collect; more indeed than a proportion of what there is to collect. But it can collect a great deal less; and if, as in many of the states of post-war Europe, the tax-collecting equipment is weak and ill-organized and state authority itself is not fully established in the minds of important sections of taxpayers, there is a natural temptation to refrain from trying to exert it. Or to put it more precisely, there is a temptation to exert power indirectly, by making the whole community and in particular the possessors of fixed money incomes, suffer from the results of a debased and fluctuating medium of exchange rather than directly, by openly laying the tax burden on the shoulders chosen to bear it. But it can easily be seen that public finance, so conducted, is perfectly compatible with a substantial measure of trade and prosperity, and this has often been exemplified in the past in South America and elsewhere.

"It is within the experience of the present-day banker and exporter," remarks a leading American financial authority,[1] "that business was safely and constantly conducted between Colombia and Mexico, for instance, on the one hand, and the

[1] Mr. Alvin W. Krech, President of the Equitable Trust Company of New York, in a foreword to a pamphlet by Professor Seligman on *Currency, Inflation and Public Debts*.

United States on the other, in spite of the fact that in the case of Colombia the value of its paper currency had fallen progressively to the extent of 99 per cent. of its gold standard, and in the case of Mexico the paper currency had been entirely extinguished. The fact is that a country which has no currency whatever, or the currency of which is totally valueless, can nevertheless conduct and engage in foreign trade just so long as it has something to export. Under such circumstances the currency used must of necessity be foreign currency. . . . This is precisely the method now pursued by the Austrian, German, or Polish manufacturer who is dependent upon the importation of foreign raw materials for the conduct of his business."

In spite of the hindrances thus involved by Governmental action, there has been, in fact, during the last year, a perceptible improvement in the economic situation throughout the continent. It is due to numerous causes both psychological and material. The war is receding daily further into the past. Men are recovering from the physical and nervous exhaustion of the struggle. Boys who were too young to fight are stepping into the ranks of the producers. Life is resuming its routine; the new governments and frontiers, the new laws and trade routes, are becoming firmly established. The machinery of production is being steadily repaired; roads and railways are being made more available for traffic; services are being resumed and factories restored to pre-war uses. Arrangements are being increasingly made to overcome the difficulty of securing oversea raw material through this or that agency of financing. While

the "tired waves" of international and governmental action have seemed "no painful inch to gain," private enterprise, working imperceptibly through a thousand creeks and inlets, has come flooding in. The work of the Genoa Conference will be to promote the governmental policies and to strengthen the necessary basis of public confidence which will facilitate these private agencies.

Recuperation through private enterprise is a strange and unexpected result after the hopes of co-operative governmental action held out by the project of a League of Nations, and after three generations of propaganda for reform through socialism or state action. But the fact must be faced that, as the European situation has been allowed to develop since the armistice, the capitalist *entrepreneur* is more needed, is worth more to European society, than at any time since Europe was first opened up to modern industrialism in the first half of the last century. Men like Stinnes and Loucheur, Rathenau and Krassin, Inverforth and Leverhulme, little as we may sometimes like them, much as some of us might prefer the rule of a Robert Cecil or a Lansbury, do in fact, in virtue of certain gifts of mind and character, gifts that have in pre-war Europe as in present-day America been greatly overvalued and overpaid, hold the master-key to the revival of prosperity for the populations whom the war has plunged into destitution. It does not need a prophet's vision to descry that we are entering upon a period of capitalist revival when the big strategic outlook which distinguishes the "captain of industry" in Europe and America will be more than ever in evidence. Our difficulty in the coming

years will not be to save Europe from bankruptcy but to save her soul from her saviours.

Meanwhile there is a parallel process of development going on in another region of production. The peasant has come into his own. We have seen that the war involved the temporary de-industrialization of the blockaded area. A corollary to this was the alteration of the balance of economic power between town and country. If there were, to quote Mr. Hoover's figure, a hundred million more people in Europe than could be fed from the continent's own supplies, how fortunate was the position of their producers during the period when oversea supplies were cut off, first by allied sea power and then by the fall of the exchanges! Farmers have in fact everywhere in Europe, both in the blockaded area and in the allied and neutral countries affected by the submarine campaign, in spite of the shortage of fertilizers and other inconveniences, greatly improved their economic position. The writer was present not long ago at a political meeting in a rural district in Great Britain, when a front bench politician advocated a capital levy on "war-made wealth"; the silence in which the suggestion was received was eloquent of the feelings and the bank balances of an audience consisting predominantly of farmers. An interesting study could be made of the growth of investment among the farming class in Britain and other countries. Everywhere in Europe, from Ireland and Wales to France and Bavaria and Austria and Italy and Bulgaria, even to war-scarred Poland and Serbia and the Baltic Republics, the peasants have improved their position, both against the town banker, to whom they

were often in bondage, and against the landlord. In Great Britain the result has been manifested in the widespread break-up by sale of large landed estates and their acquirement by working farmers; the same process has been in operation in France, already predominantly a land of small working landed proprietors; a recent authority states that a million new proprietors have come into existence since the war. In Italy and in Eastern Europe generally the process has been more summary. Many of the *Latifundia*, the large landed properties in South Italy and Sicily, often in the hands of absentee proprietors acting through local bailiffs, have simply been annexed by working peasants, and the Government, which can reckon on bringing the town workman to heel through the law of supply and demand, has been unable to interfere. In Czecho-Slovakia there has been drastic legislation against large estates; in Roumania similar action has been foreshadowed; in Croatia the change of government has in many cases led automatically to the same result; whilst in Poland a like process cannot long be delayed. The immediate result of this may in some cases be to diminish production by removing the skilled supervision which the existence of large landed units sometimes though not always implied, but its permanent result throughout Europe, as in Ireland, cannot be otherwise than healthy and stabilizing, and new and more democratic methods of efficiency will emerge in due course.

There has also been a steady movement of convalescence in the commercial policy of the European states, particularly of the new states

In 1918, as we have seen, new administrations were formed all over Central and Eastern Europe to deal with a disintegrating continent, and their first effort everywhere, as was inevitable, was to affirm their own existence. New frontiers had first to be physically created, and next to be emphasized by government action. New channels had to be dug for commerce and intercourse, and travellers and traders and bankers had to be persuaded to use them. Nations like Poland and Czecho-Slovakia, which had previously only had a commercial policy in imagination, or in the voluntary action, by boycott or preferential treatment, of their devoted partisans, were now able to make their will effective and to translate nationalist theory into fact. Economic nationalism, whether right or wrong, wise or unwise, is almost invariably associated in the modern world with the movement for political independence ; and no one acquainted with the incredible lengths to which nationalist feeling had been carried, in the economic field, in the Austro-Hungarian Monarchy and in Prussian Poland, could doubt that the immediate effect of political freedom would be the inauguration of strongly self-regarding and nationalist policies in the sphere of trade and industry.

It is the ignoring of this vital factor of sentiment and tradition which initiates much of the recent writing in Britain and America about the East European situation. Mr. Keynes, for instance, included in his list of proposed remedies for " the economic consequences of the peace " a Free Trade Union, composed of " Germany, Poland, and the new states which formerly composed the Austro-

Hungarian and Turkish Empires," with the presumable addition of intermediate states such as Bulgaria or Greece. What is this but a revival, in an extended and more difficult form, and under infinitely more difficult circumstances, of the *Mitteleuropa* project which Friedrich Naumann launched in 1915, when the German military machine was more and more assuming the rôle of an economic administration for the whole blockaded area? Naumann indeed went further than Keynes in definite schemes of centralized economic control; he proposed the setting up of a number of commissions at Prague, acting in indefinite collaboration with the so-called surviving sovereign governments. But both his scheme and Keynes' foundered on the same rock. They ignored the fact that political independence carries with it, inevitably and necessarily, control of commercial policy; for a state which cannot tax itself as it desires has been deprived of the most indispensable instrument of social, that is of indisputably domestic policy.

Perhaps British readers will best appreciate this point when it is illustrated for them in their own history. In 1859, when Free Trade was at the zenith of its popularity, when the idea, not of a Free Trade Union for Europe or for the British Europe but for the world, was seriously entertained by large sections of opinion, the Government of Canada for the first time levied a duty on British imports. The Colonial Office protested in the name of Free Trade and imperial unity. The Canadian reply is worth placing on record, for it expresses what is being thought in Prague and Warsaw, in Belgrade and in Bucharest, and in Dublin also, to-day:

"The Government of Canada, acting for its legislature and people, cannot, through those feelings of deference which they owe to the Imperial authorities, in any way waive or diminish the right of the people of Canada to decide for themselves both as to the mode and extent to which taxation shall be imposed. . . . Self-Government would be utterly annihilated if the views of the Imperial Government were to be preferred to those of the people of Canada. It is therefore the duty of the Canadian legislature to adjust the taxation of the people in the way they deem best, even if it should unfortunately happen to meet the disapproval of the Imperial Ministry. Her Majesty cannot be advised to disallow such Acts unless her advisers are prepared to assume the administration of the affairs of the Colony irrespective of the views of its inhabitants."

Here is the issue of economic independence put in its plainest form. It is the creed which has rent the Austro-Hungarian Monarchy, as it has still more recently rent the United Kingdom of Great Britain and Ireland. It has raised a wall between Vienna and Prague, as between Belfast and Dublin, and it will subsist as long as the sentiments of political attachment by which it is nourished maintain their hold on men's minds. You cannot, as English liberals often fondly imagine, have political nationalism without custom-houses. The one may be admirable and the other odious, but they are part of the same scheme. If Switzerland, in spite of her weakness and her distance from the sea, has succeeded in preserving her economic independence and even in fighting tariff wars with

her neighbours, right through the period of Free Trade predominance, resisting every temptation held out to her to enter into larger combinations, what likelihood is there that the younger republics, formed in the heyday of nationalist feeling, will consent to abrogate their sovereign rights?[1]

What then is the line of advance? It is that which British liberals are so fond of advocating for the British Commonwealth itself—co-operation between independent governments. Nationalist sentiment demands in Canada and Ireland, as in Poland and Czecho-Slovakia, that independence, fully secured and guaranteed, shall precede co-operation; but, its main object achieved, it will not be blind to arguments of economic convenience. And it is in this spirit that the wiser heads among the new nations are steadily working; Czecho-Slovakia in particular, has been entering into a whole network of co-operative arrangements with her many neighbours, whilst the recent Conference of Porto Rosa has carried the same principle into practical effect in numerous important directions for all the Succession States of the Austro-Hungarian Monarchy including Italy. Here rather than in wholesale schemes for tearing up the Treaties and tidying up the map of Europe, lies the direction in which good Europeans and prudent economic thinkers alike should look for the recuperation of the long-suffering continent.

There are signs that this is at last being realized; that the idealistic advocates of the revision of the territorial clauses of the Treaties are realizing the

[1] On the very instructive history of Swiss Commercial Policy see *Die Schweiz und die Europäische Handelspolitik*, von Dr. Peter Heinrich Schmidt (Zurich, 1914).

practical value of the remedial agencies ready to their hand in the minority rights clauses of the Treaties and in the growing authority of the League of Nations, while the economists who, three years ago, not unnaturally for them, could descry nothing but the immediate disintegrating effects of the redrawing of the map of Europe, are realizing the essential stability of a structure based, broadly speaking and with undeniable exceptions, upon popular consent, and are ready to help the new governments to achieve progress upon their own lines.

The financial and commercial difficulties of the continent, and their reaction upon the commerce of the whole world, are now evident to all. They have formed the subject of innumerable books and pamphlets, the schemes and conferences, and the advice which was spurned by the statesmen in 1919 is being eagerly sought in 1922. It is not the purpose of these pages to add anything to the technical side of these discussions. But it may be well to conclude this chapter by drawing attention first to the spirit in which all such remedial measures should be put forward, and then to the reaction upon opinion, more particularly progressive opinion, of the situation already outlined.

The central difficulty of the economic situation is the problem of reparation. That problem is, at bottom, not an economic problem ; it is not even a political problem ; it is a moral problem. Germany has done France and Belgium grievous wrong by waging the war on their territory, and Britain has done France grievous wrong, both materially and morally, by taking the lead in well-nigh trebling

the Germany indemnity, and by insisting on her own unjust claims at the expense of the just claims of her former Ally. This situation cannot be repaired by a merely commercial arrangement. All three parties must return to the ground of justice and mutual confidence which is the only basis of an enduring understanding. It will be a long time before France can feel that she has once more a thorough renewal of confidence in Germany, shattered as this was so rudely in 1914. But she will be ready to feel confidence once more in Britain and in the honourable traditions of British statesmanship, when a British Premier has once and for all made it clear to his own countrymen and to the world that Britain took the lead in playing a dishonourable part in 1919, and that she waives her claims to the benefits accruing to her from that policy, not as an act of generosity, a pretended *beau geste*, or as one item in an elaborate bargain, but as an act of justice. It is not easy for public men to admit that they or their predecessors have been in the wrong. But, as France manifested to the world in the Dreyfus case, there is great healing value in a frank *peccavi*.

What of progressive opinion in the post-war situation? Its main task is to adjust itself to a wholly new state of affairs, for which nineteenth century schemes and ideologies have ill prepared it. It must accept—how can it help accepting?—the present capitalist revival as inevitable. Where Lenin has bowed to inexorable fact how can more moderate reformers continue to nurse illusions? Socialism and the tradition of revolution and of Messianic expectation, which it carried with it, are

dead past recall; and it will not take many years before its organizations have either disintegrated into impossibilist sects or broken their connections with their parent doctrine. Europe, the Disunited States of Europe, is entering upon a stage of her economic life not unlike that upon which the United States of America entered after their own Civil War; and in this period of reconstruction, of large concessions to capitalist enterprise, of grandiose schemes of development, lie all the dangers which, to three generations of Americans, have been summed up in the words "Wall Street." Europe needs her Wall Street financiers, but she needs also, as Americans can tell her, to learn how to control them. If they are the guardians of prosperity, who shall protect her from their ambitions? *Quis custodiet ipsos custodes?*

The chief negative truth, the chief task in the familiar region of protest and "muck-raking" for post-war progressivism in Europe, will be to preserve political democracy from domination by capitalist influence, whether native or foreign. It will be to maintain liberty unimpaired, and to extend it and at the same time to make due use of the agencies indispensable to the restoration of European life. It will not be easy, and the smaller the political unit the weaker and more inexperienced its Government, the harder it will be. These great corporations so perfectly manned with the great salaries at their command, with constitutions so skilfully adopted, like the machinery in their mills, to the work they are called upon to do, exercise a power in the modern world which the old-fashioned and cumbersome systems of democracy, of control

by the plain man, find it hard to meet on equal terms. In the course of the last few generations private power has steadily improved its technique, whilst the organization of public power, if it has not stood still, has too often been developed by demagogues and caucus politicians for other than public purposes. Even in great political communities like Great Britain and France, where there is a long tradition of political experience and responsible public opinion, public power has a hard battle to fight, as all who have peeped behind the scenes know well, against private power. How much more difficult is the struggle likely to be in small scale communities like the new republics, dependent, as they must be, in many respects upon outside financial aid, and even in large scale communities like Germany, where the mass of people has still to learn the practice of political democracy. Representative Democracy, no longer threatened from without, as in the generation preceding 1918, has a stern struggle to wage in the coming generation against the self-regarding forces within each community which, as Naumann proposed for Germany's allies in 1915, would preserve its forms and leave its substance at the mercy of the capitalist saviours of society.

In this battle for democracy progressives will find a new meeting ground and new watchwords. Old style socialists and old style liberals, discarding their respective shibboleths from the eighteen-forties, will join forces in a new movement which, going back behind Marx and Cobden to the broader and more truly prophetic gospel of Mazzini, will unite the social and national streams that for the last two

generations have flowed in separate channels. They will seek in the field of politics to maintain the tradition of responsible self-government, of the personal duty of active citizenship for modern men and women and to cleanse its institutions from the debasing influences which have led men to seek for remedies in old and new systems of minority rule ; or, to put the problem in the concrete, they will have to discover means by which the mass of plain men and women can be induced to free themselves from boss or sectional domination by paying for their politics themselves ; for *party finance* is really the key to the rehabilitation of democracy. And they will seek, in the economic sphere, by sustained dispassionate, realistic experiment in every field of labour, to find means for solving the industrial dilemma of the modern world—how to maintain a good life for the producer as well as a good life for the consumer, how to render the vast apparatus of modern industrialism, and the comforts and conveniences and, as we think, necessaries which it involves for our lives compatible with a life of dignity and self-respect, of inner freedom and true happiness, for those who, whether by hand or brain, earn their livelihood in its manifold productivities.

These are the political tasks for forward looking men in the new Europe. But greater tasks remain. Civilization itself remains to be rescued from the slough of materialism and wealth seeking and set upon a spiritual basis. We need a new sense of unity such as the universities and churches have failed to give us, both in our minds and in that deeper region of which the language of reason is

but the over-simplified and often too jejune expression. We need a revaluation of our western values and a new sense of kinship with those sections of the human family who have refused to bow the knee in the temple of material progress. We need, if not a new religion—the phrase is unduly institutional—a new impetus towards the unseen, towards the realm where moth and dust do not corrupt and where are garnered the riches which no grasping governments can tax and no fluctuations of exchange can diminish.

Who shall guide us into that country? Those who have already looked across the river at its shining distances. There are in the Europe of to-day thousands and tens of thousands of men who have lived for years in the presence of Death and who, with the angel ever at their side, with friend after friend being rapt away, with their own life's account neatly totalled and ready to present to the Judge, have weighed this world's values in the balances and discovered their true measure. These men hold the destiny of Europe in their hands, for they are strong enough to bear it. It is they, not the capitalists, mere possessors of dust and dross, who can save Europe if they will. Yet a few years and the generation which still sits enthroned in the seats of power, a generation too old or too cynical, too clever or too callous, to have been touched by the living fire of the war years, or of their heroes, will have passed from the scene. Those who follow them, whether in Britain or in France, in Germany or in Italy, or in the Slav or other lands beyond, will have a double gift of power and knowledge—the power that comes from the energy

and determination of youth, together with such knowledge of human life and character and destiny as is vouchsafed to most only at life's close, too late to realize it in action and in purpose. This generation of young Europeans *knows*; and knowing, it is still young enough to act. Death, which has decimated its ranks, has left the survivors stronger than before. In their strength and in their loneliness, and in their memory of sacred hours and friendships, they will use the lives that have been given back to them to restore life—true life—to a world so sadly in need of it. Europe, the mother continent, has not yet run her race or finished her achievement. Scarred and suffering, destitute, pauperized, and humiliated, she keeps both her pride and her ideals, and deep in her heart, too deep as yet for utterance in a language that others can understand, she bears the promise of a future which will cause men to reverence her, even in her adversity, not merely as the source and origin of civilization, but as its pioneer.

APPENDICES

I.—Allied Note to President Wilson, November 4, 1918.

"The Allied Governments have given careful consideration to the correspondence which has passed between the President of the United States and the German Government.

"Subject to the qualifications which follow, they declare their willingness to make peace with the Government of Germany on the terms of peace laid down in the President's address to Congress of January 8, 1918, and the principles of settlement enunciated in his subsequent addresses. They must point out, however, that Clause 2, relating to what is usually described as the freedom of the seas, is open to various interpretations, some of which they could not accept. They must, therefore, reserve to themselves complete freedom on this subject when they enter the Peace Conference.

"Further, in the conditions of peace laid down in his address to Congress of January 8, 1918, the President declared that the invaded territories must be restored as well as evacuated and freed, and the Allied Governments feel that no doubt ought to be allowed to exist as to what this provision implies. By it they understand that compensation will be made by Germany for all damage done to the civilian population of the Allies, and their property by the aggression of Germany by land, by sea, and from the air."

II.—Opening paragraph of the reply of the Allied and Associated Powers to the observations of the German Delegation on the Conditions of Peace, June, 1919.

"THE Allied and Associated Powers are in complete accord with the German Delegation in their insistence that the basis for the negotiation of the treaty of peace is to be found in the correspondence which immediately preceded the signing of the armistice on November 11, 1918. It was there agreed that the treaty of peace should be based upon the Fourteen Points of President Wilson's address of January 8, 1918, as they were modified by the Allies' memorandum included in the President's note of November 5, 1918, and upon the principles of settlement enunciated by President Wilson in his later addresses, and particularly in his address of September 27, 1918. These are the principles upon which hostilities were abandoned in November, 1918; these are the principles upon which the Allied and Associated Powers agreed that peace might be based; these are the principles which have guided them in the deliberations which have led to the formulation of the conditions of peace."

III.—Extract from a speech delivered by Mr. J. M. Keynes on October 13, 1921, *at the International Conference on Economic Recovery and World Peace, held at the Caxton Hall, Westminster.*

"WE must by no means forget that the bill for devastation only comprehends about one-third of the whole. Nearly two-thirds of our demand is for pensions and allowances. The inclusion of

pensions and allowances in our claim has very nearly trebled the demands which we are making upon Germany. I have given reasons in the past for thinking that the inclusion of these claims was contrary to our engagements, and I do not admit that I have been refuted. I still think that the inclusion of those claims was contrary to our engagements, and that, even late in the day, it is our duty to abandon them.

"Apart from questions of international right, the addition of pensions (according to the views of those Americans who took part at Paris) was largely at the instigation of this country, in order to inflate the proportion of the claims due to us. If we limited ourselves to devastation, it was understood that the share of the British Empire would be comparatively small compared with the share of France. The object of including pensions was to raise the proportion which we could claim, and so aid the justification of election promises. American commentators upon this, who were delegates at the Peace Conference, were greatly surprised at the French ever agreeing to it. I lay emphasis on this because, as it was chiefly in the interests of Great Britain that these claims are there, it is a matter about which we ourselves can properly initiate amendments. If the claim for pensions and allowances were to be abolished, that must necessarily increase greatly the proportion accruing to France, which, in my opinion, is a thing right and proper, and one which we can justly propose. I repeat, therefore, that the claim for pensions and allowances ought to be dropped, for reasons of legality, for reasons of good sense having regard to

the total magnitude of the demands, and also in view of the relative claims of France and ourselves on the available funds. I urge this on your attention. If we drop the claims for pensions and allowances, and if we consider coolly what the devastated area will really cost to make good, Germany can pay it."

IV.—Extract from article by Mr. T. W. Lamont, Economic Adviser to the American Peace Commission, printed in "What Really Happened at Paris," London, Hodder and Stoughton, 1921.

THE INCLUSION OF PENSIONS.

"THE American delegation as a whole, while deeply sympathetic sentimentally with the idea that pensions should be included as damage to the civilian population, found it difficult to reconcile this contention with actual principle, feeling that pensions fell more properly into the category of military costs of war. Mr. Lloyd George, however, advocated with great vigour and ingenuity the inclusion of pensions under the head of damage to the civilian population. Said he: 'You mean to say that France is to be compensated for the loss of a chimney pot in the devastated district, but not for the loss of a life? Do you set more value upon a chimney than you do upon a soldier's life?' This argument was appealing, but not necessarily sound.

"However, it was General Jan Smuts who finally prepared the argument which convinced President Wilson that pensions and separation allowances should be included in the reparation bill. . . I

well remember the day upon which President Wilson determined to support the inclusion of pensions in the reparation bill. Some of us were gathered in his library in the Place des États-Unis, having been summoned by him to discuss this particular question of pensions. We explained to him that we could not find a single lawyer in the American delegation that would give an opinion in favour of including pensions. All the logic was against it. 'Logic! Logic!' exclaimed the President, 'I don't give a damn for logic. I am going to include pensions!'"

V.—Memorandum by General Smuts which won over President Wilson's assent to the Pensions and Separations Allowances Clauses of the Treaty of Versailles (Article 244, Annex 1, Clauses 5 and 7), published in "The Making of the Reparation and Economic Sections of the Treaty," by Bernard M. Baruch; Harper's, New York, 1920, p. 29.

NOTE ON REPARATION.

"THE extent to which reparation can be claimed from Germany depends in the main on the meaning of the last reservation made by the Allies in their note to President Wilson, November, 1918. That reservation was agreed to by President Wilson and accepted by the German Government in the armistice negotiations and was in the following terms:

'Further, in the conditions of peace laid down in his address to Congress on January 8, 1918, the President declared that invaded territories

must be restored as well as evacuated and made free. The Allied Governments feel that no doubt ought to be allowed to exist as to what this provision implies. By it they understand that compensation will be made by Germany for all damage done to the civilian population of the Allies and to their property by the aggression of Germany by land, by sea, and from the air.'

"In this reservation a careful distinction must be made between the quotation from the President, which refers to the evacuation and restoration of the invaded territories, and the implication which the Allies find in that quotation and which they proceed to enunciate as a principle of general applicability. The Allies found in the President's provision for restoration of the invaded territories a general principle implied of far-reaching scope. This principle is that of compensation for all damage to the civilian population of the Allies in their persons or property, which resulted from the German aggression, and whether done on land or sea or from the air. By accepting this comprehensive principle (as the German Government did) they acknowledged their liability to compensation for all damage to the civilian population or their property wherever and however arising, so long as it was the result of German aggression. The President's limitation to restoration of the invaded territories only of some of the Allies was clearly abandoned.

"The next question is how to understand the phrase 'civilian population' in the above reservation, and it can be most conveniently answered by an illustration. A shopkeeper in a village in

northern France lost his shop through enemy bombardment and was himself badly wounded. He would be entitled as one of the civilian population to compensation for the loss of his property and for his personal disablement. He subsequently recovered completely, was called up for military service, and after being badly wounded and spending some time in the hospitals, was discharged as permanently unfit. The expense he was to the French Government during this period as a soldier (his pay and maintenance, his uniform, rifle, ammunition, his keep in the hospital, etc.) was not damage to a civilian, but military loss to his Government, and it is therefore arguable that the French Government cannot recover compensation for such expense under the above reservation. His wife, however, was during this period deprived of her bread winner, and she therefore suffered damage as a member of the civilian population, for which she would be entitled to compensation. In other words, the separation allowances paid to her and her children during this period by the French Government would have to be made good by the German Government, as the compensation which the allowances represent was their liability. After the soldier's discharge as unfit, he rejoins the civilian population, and as for the future he cannot (in whole or in part) earn his own livelihood, he is suffering damage as a member of the civilian population, for which the German Government are again liable to make compensation. In other words the pension for disablement which he draws from the French Government is really a liability of the German Government which they must under the above

reservation make good to the French Government. It could not be argued that as he was disabled while a soldier he does not suffer damage as a civilian after his discharge if he is unfit to do his ordinary work. He does literally suffer as a civilian after his discharge, and his pension is intended to make good the damage, and is therefore a liability of the German Government. If he had been killed in active service, his wife as a civilian would have been totally deprived of her bread-winner and would be entitled to compensation. In other words, the pension she would draw from the French Government would really be a liability of the German Government under the above reservation, and would have to be made good by them to the French Government.

"The plain, common sense construction of the reservation therefore leads to the conclusion that, while direct war expenditure (such as the pay and equipment of soldiers, the cost of rifles, guns, and ordnance and all similar expenditures) could perhaps not be recovered from the Germans, yet disablement pensions to discharged soldiers, or pensions to widows and orphans, or separation allowances paid to their wives and children during the period of their military service are all items representing compensation to members of the civilian population for damage sustained by them for which the German Government are liable. What was spent by the Allied Governments on the soldier himself, or on the mechanical appliances of war, might perhaps not be recoverable from the German Government under the reservation, as not being in any plain and direct sense damage to the civilian

population. But what was, or is, spent on the citizen before he became a soldier or after he has ceased to be a soldier, or at any time on his family, represents compensation for damage done to civilians and must be made good by the German Government under any fair interpretation of the above reservation. This includes all war pensions and separation allowances, which the German Government are liable to make good, in addition to reparation or compensation for all damage done to property of the Allied peoples.

(Signed) J. C. SMUTS."

Paris, *March* 31, 1919.

VI.—Extract from Statement and Analysis by Mr. Herbert Hoover on "The Economic Situation in Europe," dated July 3, 1919, *published in the National Food Journal, issued by the British Ministry of Food, on August* 13, 1919.

"THE economic difficulties of Europe as a whole at the signature of peace may be almost summarized in the phrase 'demoralized productivity.' The production of necessaries for this 450,000,000 population (including Russia) has never been at so low an ebb as at this day.

"A summary of the unemployment bureaux in Europe will show that 15,000,000 families are receiving unemployment allowances in one form or another, and are, in the main, being paid by constant inflation of currency. A rough estimate would indicate that the population of Europe is at least 100,000,000 greater than can be supported without imports, and must live by the production

and distribution of exports. . . . From all causes, accumulated to different intensity in different localities, there is the essential fact that, *unless productivity can be rapidly increased, there can be nothing but political, moral, and economic chaos, finally interpreting itself in loss of life on a scale hitherto undreamed of.*"

VII.—Extract from Paper read by Mr. A. E. Zimmern to a National Conference of British Working-class Associations at Birmingham on September 22, 1917.

"BUT the most urgent economic task which the settlement will impose will not be domestic, but international; it will be concerned, as we have already suggested, with the securing of supplies upon which the recuperation of the peoples, and, more especially, of the industrial peoples, depends. How can this problem best be dealt with? It is worth while trying to answer this question, for upon its successful solution in the months following the signing of peace the international 'atmosphere' of the post-war period will very largely depend.

"Private capitalism, as we have seen, must prove unequal to the task. Nor will 'industrial self-government' help us, for we are dealing with what is essentially a problem of foreign trade and foreign policy. The responsibility for supplying the needs of their exhausted populations must, in one form or another, be borne by the various governments.

"What form should this action take? The natural course might seem to be for the various governments concerned to deal with the matter

themselves ; and in point of fact, enough is known for the conjecture to be hazarded that every Government in Europe, belligerents and neutrals alike, is already setting on foot an official organization to deal with the problem of post-war supplies. Self-preservation alone demands it. No belligerent Government dare demobilize its armies till it can provide employment for its workers, and employment depends in its turn upon industrial raw material, and raw material upon shipping. There is therefore urgent need for all the Governments to organize what resources they can lay their hands on with at least the same thoroughness as they have devoted to the business of mobilization or making war. In spite of the perilous uncertainty of many of the factors involved, dependent as they are on the terms of peace, Government 'Reconstruction Departments' are probably everywhere at work on the twin problems of demobilization and supplies. . . .

"The war will have been fought in vain if it finds the various Governments in their mutual business relations, actuated by the same grasping and anti-social spirit as too often characterized their pre-war commercial activities. If the problem is left to be solved on competitive lines, with the Governments outbidding one another, there will be a scrambling and pushing, and threatening and bullying such as the world has never seen before, and the League of Nations will perish in its cradle amid the wrangles of the rival disputants. The problem is one that can only be handled successfully on co-operative lines, both in the interests of the world as a whole and of the populations

concerned. And once it is realized that co-operation between the various governments is the only policy compatible with a tolerable state of international relations after the war, it will not take long to draw the further conclusion that the wisest course would be to set the whole matter on an international basis ; in other words, for the various Governments to delegate powers to purchase, allocate, and convey supplies on their behalf to an international commission. Such a commission would then, in effect, become a Relief Commission for the world as a whole, similar to the Commission which looked after the needs of Belgium under American guidance during the earlier period of the war.

" If the machinery had to be created *de novo* within a few weeks or months, its world-wide scope might well prove beyond the powers of human organization. But in fact the machinery is already there ready to hand ; it exists in the shape of the blockade, and the Inter-Ally economic control which has been established in connection with it. The blockade, which was first established to keep goods out of Central Europe, slowly developed through the pressure of events into an organization for allocating shipping and supplies to the different countries and services. The rationing of imports will not need to begin after the war. The Allies and neutrals are already living under a *régime* of rationing. All that will be required will be to adjust the form and scope of the organization to meet the needs of the post-war situation."

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