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# Pax Economica

## FREEDOM OF INTERNATIONAL EXCHANGE

the Sole Method for the  
Permanent and Universal Abolition of War,

with  
a Statement of the Cause and the Solution of the European Crisis,  
and  
a Sketch of the Only Possible Conclusive Settlement  
of the Problem Confronting the World

BY

**HENRI LAMBERT**

Manufacturer in Charleroi (Belgium)

Titular Member of the Société d'Économie Politique, of Paris

*"No Treaty of Peace is worthy of its name, if contained therein are the hidden germs of a future War."*

KANT, *Essay on Perpetual Peace*

*"Pax Economica! solving word, saving truth, necessary asset of Democracy, new departure in the History of Mankind!"*

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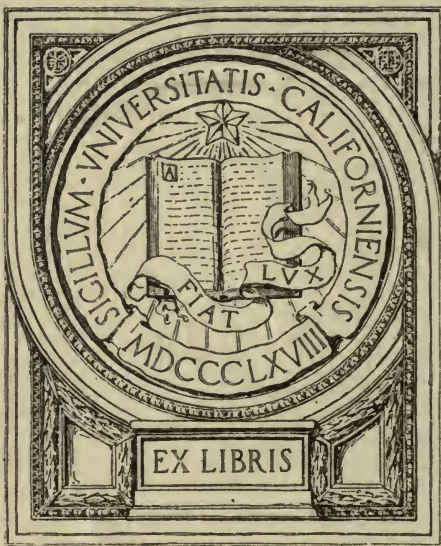
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## FOREWORD

Three years of a war more murderous, ruinous and hideous than human imagination ever could have conceived, the unexpected duration and the continuous aggravation of the most perilous crisis which could confront the world, the impending menace of a break-down of civilization, to which some grave symptoms already point, do not appear to have brought the governments, statesmen and leaders of thought any nearer to the conception of a settlement that a civilized mind could call a "solution" of the international situation.

Very few among our contemporaries seem yet to realize that Force cannot "solve" international problems any more than other problems, cannot make the world more secure in the future than it has made it in the past, cannot establish a peace worthy to be lived, cannot save civilization—that these results can be attained only by justice and morality in international relations.

Many indeed speak of "international justice." But these are words without significance, if they are not in accordance with international truth. Though truth always is justice, what we call and think to be justice is not often truth.

Cognition of international truth must be sought through a statement of facts and the formation of a sound theory to be derived therefrom; the advent of international justice and of a lasting peace can be expected only through the expression of a practical proposal responding to facts and theory.

We are confident that we offer such a proposal to our fellow-men in the conclusion of the following study of the world's problem. We do not propound new ideas; for more than six years before the outbreak of the war we have contended, wherever we have been able to do so, that only an economic understanding proceeding from a high and broad principle of freedom and equity applied to the fundamental relations of the nations could avert from humanity the catastrophe of a European conflagration; since the very first day of the war we have maintained, not only that a "Pax Economica" can be a permanent peace, but also that *no other line of settlement offers a means and a prospect of putting an end to the process of mutual extermination and ruin of the nations.*

As time passes, it is apparent and it will become more and more so that there exists no other feasible escape. Between the nations the situation has developed in such a way, and with circumstances and consequences of such gravity, that, even if they would, it has, for the belligerents of either side, become impossible to submit to the will and power of the enemy. BUT IT FORTUNATELY REMAINS POSSIBLE FOR BOTH SIDES TO SURRENDER TO A PRINCIPLE.

This is, that freedom, equity, equality in the economic relations, rights and opportunities of the nations form the natural and necessary basis of international harmony, security and peace.

Europe and the world can be saved only through the unconditional submission of all nations to this great moral truth, *the fundamental international truth.*

It remains uncertain whether the necessity, for any useful and fruitful consideration of the peace problem, of starting from this principle and truth, will be recognized before the "reservoir of human material" and the laboriously accumulated wealth of the nations are exhausted, and before Mankind's future for centuries is compromised. Such recognition shall not be wanting on account of any lack of efforts on our part.

It is not in our power to secure support for our ideas and exertions; we can only deserve it. Professors, politicians, clergymen, pacifists, businessmen who privately declare their accord with our contention, may persist in systematically ignoring the fundamental aspect of the world's problem; they may, notwithstanding the momentous emergency of the times, prefer to refrain from publicly expressing themselves on the primary condition of the solution of the world's crisis. Our duty will be fulfilled if we continue to show, as best we can, what clearly appears to be the only way of salvation.<sup>1</sup> With all due modesty, but conscious of the greatness of the task, we shall get inspiration in the future as we have in the past from the motto of the great William the Silent: "Point n'est besoin d'espérer pour entreprendre, ni de réussir pour persévérer." (In undertakings one needeth not to hope, and perseverance hangeth not on success.)

New York, June, 1917.

H. L.

<sup>1</sup>Since this was written, we have had the satisfaction of reading the book entitled "The World at War" (MacMillan, New York), by Georg Brandes, in the conclusion of which the great author declares his unreserved agreement with our ideas and thesis. We express here to Georg Brandes our high appreciation of his support, and we reproduce in our Appendix the conclusion of his book.



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## Part I

# THE ECONOMIC CAUSE AND SOLUTION OF THE EUROPEAN CRISIS

*A Statement of Facts*

*"Free Trade is the best peacemaker."*—RICHARD COBDEN.  
*Should this not read: Free Trade is the only peacemaker?—*  
THE AUTHOR.

## THE ECONOMIC CAUSE AND SOLUTION OF THE EUROPEAN CRISIS<sup>1</sup>

In the present circumstances it is very difficult to lay aside the passions and prejudices that are inseparable from the particular interests of nationalities and to regard the questions at issue solely from the point of view of the general interests of Europe and of the World. And yet such a frame of mind is indispensable for one who wishes to find a just and permanent solution of the European problem. Nor is this international attitude any the less necessary if we restrict our aim to the search for a specific adjustment which, by securing the good-will of all the parties interested, will invite their careful consideration of the proposal.

The international situation of to-day is due to a series of circumstances affecting the particular interests of nations and in which national psychological factors have played a part which is neither contested nor contestable. But the real "causes," the original and deep seated causes, are of a far more general character, connected with the very nature and necessity of things. Any "pacifist" conception that offers, side by side with the theoretic principles of a final and complete human agreement, a practical means of putting an end to the international hostility that threatens European civilization with ruin and extermination must consider these ultimate causes. Standing aloof from all particular national interests such consideration belongs to the sphere rather of philosophy than of politics.

The war will of necessity be followed by a peace, but the universal and permanent peace that each of the belligerents declares to be its supreme purpose will not be the achievement of superiority of arms, nor of skilful strategy, nor, alas! of the bravery of soldiers: these forces will be capable only of imposing a temporary peace, consisting in the subjection and oppression of the conquered. A peace worthy of the name, worthy of true civilization, will be the achievement of the thought of those who shall secure the acceptance of a just conception of the mutual rights of nations. Universal and permanent peace will be established upon the basis of justice—or never at all.

<sup>1</sup>November, 1914. Translated from the French for and published by the *Papers for War Time* (Oxford University Press) edited by the Reverend William Temple.



## I. THE ECONOMIC CONDITION OF INTERNATIONAL HARMONY AND SECURITY

True justice in international relations is before all and beneath all a policy that favors the economic development of all nations, without excluding any. While the production of wealth is not the supreme aim and object of humanity, and economic prosperity can never complete and consecrate the temple of human progress, it does nevertheless provide its material structure, and the right of every nation freely to build up this edifice according to its national needs and ideals is inalienable. And, since the growth of the material prosperity of nations is the necessary and fundamental condition of their intellectual and moral advance—for we cannot conceive of true civilization as a product of poverty—their right to the fullest economic development compatible with the wealth of their soil and their own capacity for useful effort is natural and indefeasible—a divine right in the holiest sense of the term. Now the economic development of a nation is inseparable from the constantly extending operations of its exchanges with other nations. Exchange is thus seen to be the fundamental fact and the essential right in international relations. Every political hindrance to exchange is a blow dealt to international rights. Freedom of exchange will be the tangible manifestation and the infallible test of a condition of true justice in the relations between different peoples. And in default of this, international right—and peace, which stands or falls with it—will continue to lack a real and solid foundation.

Peace will be assured by law when nations realize and put into practice true international law, fundamentally characterized by freedom of trade, and susceptible of recognition by all because respecting the primary interests of all. As we shall indicate later, freedom of trade will gradually simplify and facilitate, to the extent of making them at last perfectly natural, the solutions of the difficult, and probably otherwise insoluble, problems that arise either from the affinities or from the diversities of nationalities in race, character, and language.

Until international law and international justice are thus made one and inseparable, humanity will continue to experience only periods of more or less precarious peace, necessarily dependent upon the will and the interests of those nations that have the greatest force at their disposal.

We must not lose sight of the fact that, under modern conditions of war, only those nations that can command great economic resources can be very powerful in arms. Now it is certain that these nations will finally come to insist upon freedom of trade. Progress cannot be coerced; failing of its normal fulfilment through the agency of ideas, it would attain its realization by force.

Moreover, it is freedom of international trade which alone can give to a nation's industries that stability and security of imports and exports which is indispensable to them; whilst in the absence of such security powerful nations that are careful of their future neither can, nor should, consent to abandon the conception of economic prosperity guaranteed or protected by military power. Whatever objections may be urged to this conception, there is no doubt that the great nations and their governments will never consent to abandon it until international economic liberty and security are finally established. Tariff restrictions are the worst obstacles to the advent of that true civilization which will be marked by peace with disarmament. Such a civilization and such a peace will be possible only under the conditions of economic justice and security that will result from free trade.

Richard Cobden said: "Free trade is the best peacemaker." We may confidently affirm: "Free trade is *the* peacemaker."

## 2. THE ETHICS OF INTERNATIONAL TRADE

The pacifists have not sufficiently insisted upon this truth, of *primary importance*, that economic interests are, to an ever-increasing extent, the cause and the aim of international politics, and that protection separates these interests and brings them into mutual opposition, whereas free trade would tend to unite and consolidate them.

For the vast majority of individuals, harmony of sentiment can arise only from harmony or solidarity of interests, and whatever unanimity may exist between them, harmony of sentiment will not withstand for long the shock of antagonistic interests. Is it not inevitably the same with national sentiment?

"Immediately after the War of Independence, the thirteen United States of America indulged themselves in the costly luxury of an internecine tariff war . . . and, at one time, war between Vermont, New Hampshire, and New York seemed all but inevitable."<sup>1</sup> Rhode Island's controversy with the other

<sup>1</sup>Mr. Oliver, quoted by Lord Cromer in a report to the *International Free Trade Congress*, of Antwerp (August, 1910).

States created the same danger. But soon after the founders of the American Republic recognizing the mischievous possibilities of "intercolonial" tariffs wisely took from the newly established States of the Union the power to levy tariffs against one another's goods. When the Swedes established restrictive tariffs against the products of Norway, the dissolution of the union of the two countries was predicted by Norwegians of high scientific and political standing; ten years later this prediction was confirmed by the event. And some years ago, the vine-growers of the Aube determined to declare civil war upon those of the Marne because an attempt had been made to establish economic and protective frontiers between these two districts. Is it conceivable that, in the present industrial epoch, peace should continue, even for so long as one generation, between the English and the Scotch, between the Italians of the north and those of the south, between the Prussians and the southern Germans, between the Austrians and the Hungarians, between the French of the north and the French of the south, between the States of the American Union, if tariff frontiers were re-established between these groups?

It is the adoption of free trade within a nation's own borders that, by consolidating and unifying its economic interests, furnishes the real support and solid foundation of national concord and unity; it will be the adoption of free trade between nations that will have to accomplish the same work in the wider international sphere. We must, then, consider as a fatal error the too widely spread idea that free trade can only be the ultimate result of a good understanding between the nations: the truth is that free trade is the indispensable preliminary condition of any good understanding that is to be permanent.

Yet the predominant importance of the choice between protection and free trade in international relations lies rather in moral considerations than in material interests. This is due particularly to the fact that whilst protection, which means privilege tending to monopoly, is a manifestation of international injustice, free trade, which means equality of opportunities offered by and afforded to all nations, is the very embodiment of international justice. And such justice and injustice are *fundamental*, since they apply to the basic relations between nations, bearing upon their vital, *material necessities*. And further, the material interests of nations, in other words their physical interests, form the concrete substratum, indispensable and natural, for their intellectual and moral interests.



In order that international politics should be controlled advantageously, no longer by the material interests of men, but by their intellectual and moral aspirations, it would first of all be requisite that international methods of dealing with material interests should be at least tolerable. If men are incapable of dealing successfully with their international material interests, how can they be competent to deal successfully with their international intellectual and moral interests, which are so far more complex!

The pacifists have far too much neglected in the past, and they continue to neglect, these realities of the ideal with which they are inspired, and it is this that explains, to a great extent, the ineffectiveness of their noble efforts. They have preached the spirit of conciliation in the policy of States toward one another, international arbitration, disarmament; but in so doing they have not attacked the cause of all the evil. Militarism, international quarrels, bellicose spirit, armaments, and even "race hatred" are in our day, and particularly amongst the great European nations, merely effects, of which the cause is to be sought in antagonism of economic interests, due in the great majority of cases to Protection.

### 3. FAIR PLAY TO BE SUBSTITUTED FOR PRIVILEGE IN INTERNATIONAL ECONOMIC RELATIONS

It will not, however, be necessary, in order to bring about the beginnings of an era of universal and permanent peace, that every nation should embrace the policy of ideal economic justice that would be realized in complete free trade: it will be enough that three, or perhaps two only, of the most advanced and most powerful nations—England and Germany, with France or the United States—realizing at length their true general interests, economic, social, and political, and drawing their inspiration from the principles of free trade, should adopt "tendencies" definitely directed towards commercial liberty, and should impress similar tendencies upon the policy of secondary nations, by example, by influence and, if need be, by legitimate pressure in the form of withdrawal of commercial privileges.

Hitherto, and especially during the last thirty years or so, the policy of the great nations, with the exception of England, has followed a course diametrically opposed to this. Taking as their guiding principles ill-will, jealousy, and self-interest—a

self-interest, be it noted, grotesquely misunderstood, revealing an inconceivable misconception of economic truth and a no less incredible folly—the great nations have not ceased to increase their efforts to secure isolation, mutual exclusiveness and mutual constraint by means of protective tariffs and of privileges and monopolies. The economic foreign policy of each nation has consisted above all else in the attempt to apply to other nations a treatment, in the matter of tariffs and of opportunities, against which it itself would hasten to protest energetically and even, if need be, by force of arms, were there any suggestion of the application to itself of such a treatment. Such a policy, as logically inconsistent as it was unjust, was bound sooner or later—especially as it was applied in an epoch marked by an immense development of industries—to lead to a catastrophe. Could the continuation of such a policy leave room for any hope of the advent of that reign of peace and goodwill among nations to which humanity aspires? It is at once logical and obvious that mankind can never hope for such a reign of peace until some at any rate among the great nations resolve, in their economic relations with other States, to conform to the maxim which sums up all rules of conduct, and to obey the Golden Rule at least in this implication: do not do to others what you would not that they should do unto you.

Moreover, it must not be forgotten that, in the sphere of domestic policy, protection is a system of robbery and impoverishment of the masses of consumers for the benefit of privileged minorities of producers; that it is thus based upon the spirit of injustice within the State, as well as toward other States; and that it would be contrary to the sound nature and sacred logic of facts, and almost blasphemous, to expect from such a political system that it should produce anything else but evil and disorder wherever it is put into practice.

Because she has failed, or perhaps because she has not sufficiently sought, to induce other nations to adopt the policy of economic liberty and equality of opportunities, to which she herself adhered, Great Britain suffers with them the consequences of their errors; for not only the sowers of the wind of discord, but they who made no strenuous and effective efforts to stop them must share in the reaping of the flaming whirlwind that follows.

But the storm is one that never should have burst: it could have been, and ought to have been, prevented.



#### 4. THE CAUSE OF THE EUROPEAN CONFLICT

The United Kingdom comprises 45,000,000 inhabitants, and their industries and their trade have at disposal the markets of colonies which extend over a fourth of the surface of the globe, are capable of supporting several thousand million inhabitants, and are now occupied by about 400 millions. The British people sends out their sons and export their products, in complete security and stability, into these possessions, of which some, and those not the least important, give a privileged position to British products by means of differential tariffs.

France, especially if due allowance is made for her limited needs, desires, and capacity for outward expansion, is in an analogous position. Moreover, she introduces, for the benefit of her producers, a highly privileged system of tariffs wherever she establishes her rule.

Russia and the United States have vast territories with great natural resources, far exceeding the needs of their populations.

The Empire of Germany has a population of approximately 70,000,000, constantly growing at the rate of nearly a million a year. Their industries and their trade are assured only of their home markets and of certain colonial markets of relative insignificance. The territory of the German Empire is exactly one-tenth of that of the British Empire, and will be capable of occupation in the future only by a very limited number of additional inhabitants and additional consumers of German products.

So far as her outlets of population and her markets are concerned, Germany, with her very considerable—and entirely legitimate—needs, desires, and capacity for outward expansion, is placed, it must be admitted, in a position which is not only an inferior, but also a precarious one. For the idea of protection places all intercourse between nations upon a footing of mere tolerance, which may at any time be transformed into complete intolerance, extending as well to human beings as to merchandise.

Assuredly it is not one of the least disadvantages of Protection that it involves a general instability and insecurity, both for those who adopt it and for those against whom it is directed. Germany, by her adherence to Protection, caused to others and suffered herself these disadvantages. Did not Russia announce, in July 1914, that she was contemplating radical alterations in the Russo-German commercial treaty expiring in 1916? Was not France preparing to secure, by means of fresh additions to her tariffs,

the resources required for the application of the three-year service law? Is there an assured majority of citizens in the United States converted to the policy of freer imports? And can we exclude the possibility that in a few years' time England may have a majority of electors favoring proposals of tariff reform and the formation of a vast economic empire of closed markets?

It cannot then be contested that, so far as her outlets and foreign markets were concerned, Germany's economic position was unstable, uncertain.

It is true that an elementary understanding of her true interests, both economic and political, ought long ago to have induced her rulers to adopt a free trade policy, by gradually reducing the barriers of her *Zollverein*, and inviting other countries to extend to her a similar treatment. Had these rulers done this, how easy it would have been for them and how advantageous, in answer to the proposals for disarmament made to them from time to time, to insist that a great industrial nation cannot rest satisfied with precarious markets, and that there can be for it no disarmament failing economic security, the primary element of national security. Germany would thus have won the sympathy, the support and the eager co-operation of free trade England, as well as of Holland, Belgium, Denmark, Switzerland, and the majority of enlightened public opinion in all the nations of the world.

But Germany and her rulers have not chosen such a policy of truth, progress, justice, and peace. They have been subservient to the particular interests of narrow or unscrupulous agrarians and manufacturers; they have accepted the disinterested but false theories of their professors of "Nationale Wirtschaft"<sup>1</sup>; they have been fascinated too by the idea of an economic and military imperialism of the German race, and they have preferred the attitude of conquerors, who fail to understand and refuse to recognize any other advantages than those which may be secured by force.

Did this attitude of Germany, clumsy and pitiful as it has been, make it any the less foolish and impolitic of other nations to expect her to accept as final the inadequate and precarious position created for her by her past history and by that of other nations, as well as by her own political mistakes in the present

<sup>1</sup>How can it be explained that the German *savants* and leaders have not realized that Germany owes her powerful economic development not to the system of protection, but in great part to the system of free trade established between twenty-nine States formerly separated by customs frontiers, numbering half a century ago less than 40,000,000 inhabitants, and to-day nearly 70,000,000 free trade producers and consumers?

day? Should not a true political wisdom, revealed in foresight and justice, have prescribed one of two courses: either that the other nations should agree to facilitate the formation by Germany of colonial dominions of her own, which a very intelligible pride and economic necessity alike prompted her so eagerly to desire, or that they should offer her *stable* assurances and compensations, capable of satisfying both her pride and her interests, by undertaking to throw open to her, if not their home markets, at any rate those of their colonies? It would, of course, have been understood that the German colonies should also be thrown open to free international intercourse.

Nothing was done in this direction, indeed quite the contrary policy was pursued. The plutocrats, the militarists, and the war party in Germany were left in possession of an almost imperative argument in their favor, and thus the other nations helped to maintain and embitter the spirit of conquest in the German people.

Economic mistakes, political blindness and rashness, an inadequate conception of international justice on the part of all the nations and their governments, such were the real causes of the cataclysm that is now overwhelming Europe and all mankind.

##### 5. THE ONLY FARSIGHTED POLICY: TO LIVE AND LET LIVE

Is it too late, or can it be too soon, for a general admission of guilt? *Errare humanum, perseverare diabolicum*. Instead of allowing the abominable and wicked work of ruin and extermination to continue, is it not the duty of the rulers of all nations, toward God and mankind alike, to use their best efforts for a reconciliation based upon truth and justice?

It is their duty toward God, for the Providential design to perfect human progress obviously involves the association and co-operation of peoples as well as individuals by means of exchange of services, and not their isolation, mutual exclusion, suppression or subjection. Is not the interchange of the products of labor the natural primary fact from which all progress, all civilization directly or indirectly originates? It is their duty toward mankind, because men will become worthy to enjoy the peace of nations to which they aspire, when, under the guidance of enlightened and conscientious leaders, they have been permitted to grasp the idea of human solidarity by the primary means of exchange, from which will spring the infinite ramifications of mutual service. And it is their duty toward mankind again, because this is threatened in all that is noblest, strongest and



best in humanity and all that is most valuable and most useful in things, that is to say in the objects of its worthiest pride, its dearest affections and its highest hopes.

And besides, why continue the sacrifice of countless victims and the adding of ruin to ruin? It is highly probable that, in spite of incalculable sacrifices of men and wealth on both sides, there will be in this war neither conquerors nor conquered: Germany will be restrained, she will not be crushed. There will have to be "an adjustment."

And it is better that it should be so, for war can no more be definitely conquered by war than oppression by oppression, injustice by injustice, evil by evil.

There will have to be an adjustment: it will be necessary to agree to mutual concessions in satisfaction of the main legitimate demands. And there will have to be an effort to make this adjustment final, with a view to a universal and lasting peace.

The writer of these lines believes that he has shown that it would be advantageous and politic to assure to Germany a more stable economic position. He believes, also, that he has proved that there can be no permanent peace failing the adoption of a policy inspired by justice in international economics, and thus "tending" toward freedom of commerce, to find its consummation in universal free trade.

A final adjustment that will make for permanent peace involves, then, in the first place, agreements sanctioning the removal of tariff restrictions between the belligerent countries—or at any rate the gradual lowering of tariffs with a guaranty to all of equal and reciprocal treatment. All other reforms that are the objects of legitimate national hopes or intents must, in order to be profitable, be the consequences or corollaries of this equitable economic adjustment.

Such an adjustment of tariffs would also be imperative if, contrary to all probability, this war should end in crushing defeat for one or other of the adversaries—a supposition necessarily involving the sacrifice of twenty, thirty, fifty millions of human lives, on the field of battle, in towns and country districts, by wounds, by sickness, and by privation—involving too the destruction of incalculable artistic and economic wealth, and probably alas! the annihilation of innocent Belgium, which will not be the least of European crimes.

Let us suppose, indeed, that the victors impose upon the vanquished an inequality of tariffs that places them in a position

of economic inferiority, and that mankind thus reverts to the system of national servitude in a modern guise. Is there any man of foresight or indeed of simple common sense who thinks that it is possible to reduce to servitude and *keep* in that condition, under whatever form or by whatever means, nations of which some comprise even now and the others will comprise within a century hundreds of millions of individuals? Certainly not half a century would elapse before, the whirligig of time bringing its revenges, the oppressed would take advantage of fatal dissensions among their oppressors—for how many alliances last half a century?—and reverse the positions with the acclamation of all the peoples that have remained outside the present conflict and its results.

Looking at the matter exclusively from the point of view of the victors, whoever they may be, the only wise and far-sighted policy will be that which has ever been the best: to be just, to live and let live. Apart from the imposition of equitable indemnities, nothing durable and advantageous and compatible with subsequent peace could be done beyond imposing upon the vanquished the obligation to abolish or reduce considerably their customs duties, while granting them fair reciprocal treatment. It is worth while to emphasize here the fact, too much overlooked by manufacturers and merchants, that such abolition of customs duties would be the only reasonable and effective method of suppressing that act of war applied to industrial competition, known as “dumping,” for which German industries have been justly blamed.

If we have proved that the original cause of the present war was economic, that it can be ended satisfactorily only by an economic adjustment, and that such an adjustment could be introduced at once, have we not also proved that it would be criminal to continue the work of ruin and massacre? Is it conceivable that for the sake of securing financial “war penalties” the English, Germans, and French should demand the sacrifice of countless more lives of their sons and their brothers?<sup>1</sup>

<sup>1</sup>It is not unreasonable to suppose that if the war were to end by the crushing of one or other of the two sides, it would last for at least three more years; it would absorb almost all the available capital of Europe; and from it would result unutterable suffering and destitution. No doubt it would be an insult to the intelligence of our statesmen to suppose that they do not understand that the result would be, at no distant date, the social revolution of Europe—unless, indeed, not enough men were left to carry it out. But there would always be electors enough left to deprive of power the incompetent representatives of imbecile ruling classes.



## 6. THE SOLUTION OF THE EUROPEAN PROBLEM

The system, no less absurd and inconsistent than unjust, of mutual economic isolation and exclusion between nations, vigorously and widely adopted in the last thirty years or so amid the utmost development of industrialism, was the substantial, deep-rooted, and ever-present cause of European dissensions and of the terrible conflict of the present time.

A really effective peace movement must undertake to remove this disturbing cause.

But no doubt it would be a task impossible of realization, especially in the midst of the struggle, to rid Europe, at a blow, of the whole mass of obstacles, consisting of tariff laws, restrictions, and prohibitions, which make it impossible for her peoples to be united and consolidated (even in spite of themselves) by an indestructible network of economic interests. Besides, every undertaking must have a beginning.

Now despite appearances and superficial incidents, the question of colonial outlets—of 'a place in the sun'—has hardly ever ceased to be the central factor in Germany's legitimate anxieties and the nodal point of all complications that have arisen.

It is then the colonial system that should be the first object of reform—not only because we should then be dealing with the real cause of the difficulty, but because it is precisely on the question of the reform of their colonial administration that the nations would soonest and most easily come to an understanding.

Among the politicians of France, among the economists of that country, and also in industrial and commercial circles, the idea has grown up, under the stimulus of facts, that the French colonies are suffering from the narrowness of the economic system resulting from their "protective" tariff. On several occasions this opinion found expression in the Chamber of Deputies, and a Premier was able to assert, without raising a protest or a denial, that the system of the "open door" ought to be applied to all the French colonies, because it is apparently the indispensable condition of their prosperity. What is true of the French colonies is true of all other "protected" colonies.

A CONFERENCE, IN WHICH ALL THE NATIONS OF THE WORLD SHOULD BE INVITED TO PARTICIPATE, SHOULD BE SUMMONED AT ONCE (in a neutral country and under favor of an armistice which appears to be possible for such a purpose), ENTRUSTED WITH THE

TASK OF MAKING AN AGREEMENT BETWEEN ALL COLONY-HOLDING NATIONS THROWING OPEN THE COLONIES OF ALL TO THE FREE TRADE OF ALL.<sup>1</sup>

*This conference would further set before itself the object of reaching a second agreement, by which as large a number of nations as possible would bind themselves gradually to reduce the tariffs of the mother countries.*

(This reduction might, for example, take place at the rate of 5 per cent. per annum, without, however, any 'obligatory' fall in import duties below 50 per cent. of what they are at present. Example and results would be responsible for the rest. We suggest here that no measure would be better calculated for creating international goodwill and good faith, for arriving at an early and ensuring a durable peace, for giving a certain guarantee for the future welfare and progress of mankind, than would be an immediate reduction by Germany of 50 per cent. of her customs duties in agreement with Great Britain for the continuation of her Free Trade Policy. Is it too much to expect from the United States that they should in conjunction therewith adopt an international economic policy more worthy of a truly human and Christian civilization as well as of a young, vigorous and great nation endowed with the largest, richest and most generous territory of the world?)

Both agreements—that affecting the colonies and that affecting the mother countries—should be concluded for a period of fifty years. It is extremely irrational and dangerous and moreover contrary to sound law to conclude international agreements *ad aeternum*, that is to say, without any limit. Such agreements, like all contracts, should be made for a definite period and renewable. They would thus have a greater precision of meaning and would involve a more formal moral obligation. An international treaty without the stipulation of a period involves the mental reservation *rebus sic stantibus*.

The colonial agreement would apply not only to present, but also to *future* colonies; this would give it its full value and would remove a great danger of subsequent dissension.

The throwing open of the colonies to international freedom of trade would not necessarily mean the immediate abolition of all colonial tariffs, *but it would imply the immediate extension to the commerce of all nations of identical economic treatment in all*

<sup>1</sup>The British autonomous colonies should necessarily participate in a conference and in any agreements as independent states.

*colonial markets, that is to say, the suppression of exclusive and privileged 'spheres of influence' and the adoption of equality of general economic opportunities or the system of the 'Open-Door.'* England would thus have to surrender and refuse for the future the preference granted her in Australia, Canada, and South Africa; in doing this she would only be following the example of Holland, which has refused any preference in her colonies for her home products. On the other hand, France, Germany, and the other nations would throw open to British activities their colonial territories—and this applies to territories which are four times as large as Europe, and in which trade and industry are all the more capable of development, because, under the restrictions of privilege, they are at present relatively insignificant.

The objection may be urged to the system of freedom of trade—and also to that of equality of treatment in the matter of tariffs and economic opportunities—that these systems might prove unfavorable to the interests of poor or less wealthy colonies, some of which necessitate constant sacrifices on the part of their mother countries: for if the latter no longer derived any *direct* advantages or compensations in return for their sacrifices, they might neglect such colonies. But it is easy to conceive some clause in the colonial agreement, stipulating that the whole or some part of the expenses of the mother country should be redistributed among the nations in proportion to the amount of their respective trade with the colony concerned. The natural result of this would be a system of co-operation, with a control which would be the best guarantee for the profitable employment of the money spent and for the good administration of the less prosperous colonies.

*Such a system would in every respect be the equivalent of the internationalization of the colonies—without its disadvantages and its difficulties—and it may be proposed as a method of just and loyal association or co-operation of all nations in the universal work of colonization.*<sup>1</sup>

<sup>1</sup>As early as 1908, on the occasion of the discussions on the annexation, the author had suggested the internationalization of the whole "Conventional Basin" of the Congo (comprising the Belgian, French, British, German and Portuguese Congo colonies), together with the application of the system of free trade (or of the "Open Door") in all other colonies of the world as the only means of dispersing the heavy clouds that threatened Europe. He again proposed this solution of the European difficulties in 1910, in a study on "La Belgique et le Libre Echange," in 1913 under the title "Pax Economica," in a pamphlet published by the *Ligue du Libre Echange* of



Finally, these two agreements—affecting respectively the colonies and the mother countries—would be the decisive step in the direction of universal free trade and peaceful industrial civilization.

Need it be pointed out that the great lesson in justice and civilization that would result from such an adjustment on pacifist lines, would be calculated to make a profound impression in Germany, where, after all, men with minds capable of embracing anew ideas of liberty and justice remain in a vast majority? And it would be calculated to detach, in her foreign and domestic policy alike, the liberal and democratic parties, as well as the most clear-sighted of her manufacturers and merchants, from the parties of plutocratic reaction and militant imperialism.

We have said over and over again, but we do not hesitate to repeat once more, that it is not by force that the spirit of militarism and of conquest can finally be overcome: It can only be by the adoption of the principles of truth and justice in international politics.

#### 7. THE CASE OF BELGIUM, ALSACE-LORRAINE AND OTHER NATIONALITIES

The author of the present paper has had two objects in view: to provide a theoretic formula for universal and permanent peace—that is summed up in the term free trade—and also a practical formula, resulting from it, for the adjustment on pacifist lines that is desirable at the present time and that is capable of leading up to such a peace.

But he cannot allow himself to be reproached with having apparently overlooked or neglected the question that has the most powerful, the most legitimate and the most sacred hold upon the hearts of his compatriots and their friends: the question of the fate of Belgium.

Paris, and in October, 1914, in an "open letter to Mr. W. Wilson, President of the United States," which appeared in the *Nieuwe Rotterdamsche Courant*.

Simultaneously, in England, the idea of free trade in all colonies of the world as an essential condition of a complete and definitive solution of the European problem was propounded in a masterly way in several books by E. D. Morel.

Contemporaneously, similar ideas (inspired as it seems by the Morocco incident) were put forward by two prominent Americans, Mr. Jacob Schiff in several important public utterances and by Rear Admiral F. E. Chadwick in two prophetic writings: "The Anglo German Tension and a Solution," 1912; "The True Way to Peace," an address at the 20th Lake Mohonk Conference, 1914.

We have said that an 'adjustment' is inevitable, that is to say, a many-sided agreement embracing equitable concessions on both sides. But no peace and no adjustment are possible—nor desired, *by any Belgian*, that do not involve the restoration of Belgian independence and the freedom of Belgian territory.

Equitable moral compensations and material indemnities will be due, moreover, to this nation, the victim and the martyr of the errors and quarrels of her powerful neighbors.

Let us suppose that Germany, recognizing her economic errors, the futility of her conception of human progress, and the defects of her international policy, should announce her acceptance of the pacifist adjustment that we have proposed—and that we hereby submit to the statesmen of the world; let us suppose that Germany, announcing her desire to resume her place in the ranks of civilized nations, should pledge herself to evacuate Belgium and to indemnify her—with or without the concurrence of the other belligerents. It would only be France that could urge any objections. England obviously would only be too happy to see Germany enter upon the path of an economic policy on liberal lines and moreover in conformity with her own. Russia has no colonies (unless we regard Siberia as such), and it does not seem unlikely that she might be inclined to become a party to a possible agreement between the European nations, tending toward greater freedom of trade in the future. Austria is in precisely the same position.

But France is engulfed in the quicksands of Protection; she has forgotten the period of commercial prosperity that she enjoyed under the commercial treaties of the second Empire, which from that point of view was more liberal than the third Republic; and, in spite of the advice of her most enlightened politicians, of her best economists and of her most authoritative Chambers of Commerce, she might insist upon maintaining for her colonies the hateful economic system that she has imposed upon them: a system that has brought misfortune upon them, upon herself, and upon Europe. But I do not hesitate, as a Belgian, to assert that the government and rulers of France must refuse, eventually, to be guilty of such an act and of such an attitude, if there is one word of truth in the protestations of eternal and boundless gratitude which have been expressed by France to Belgium in the last two years. I would add that these protestations were not in the least extravagant, for on two occasions—after Liege and after Louvain—Belgium sacrificed herself, without



any material, moral, or international obligation so to do, and saved France, and then England, from the designs of the Germanic race. I would venture to remind France and England that they have a duty to fulfill: the duty of employing every possible means of saving Belgium from the supreme ordeal, provided these means do not prejudice the civilization of the future but rather tend to promote it.

In the interests of future peace the question of Alsace-Lorraine must also receive a solution. But here we must not overlook the legitimate interests of the inhabitants of German origin, who form a very important part of the population of these districts. Nor must it be forgotten that many of the inhabitants of French origin had abandoned the idea of reunion with France on the condition of satisfactory and radical alterations in the Reichsland statute. Is it impossible to conceive in these provinces a government independent or autonomous satisfying every legitimate interest, aspiration and feeling, whether French or German?

The author asserts his belief and indeed his conviction that the two questions of Belgium and of Alsace-Lorraine can be easily solved by the economic agreement which he proposes, and which he considers calculated to satisfy the legitimate demands of Germany.

We shall not deal specifically with the questions of Poland, Italia-Irredenta, the Balkan States, the Bosphorus, Asia Minor. But it is easy to see that not one of them can be solved in the interests of the populations concerned, of Europe as a whole and of the world, unless in the way suggested by the principle of freedom of trade. Just as the economic and fundamental interests of Alsace-Lorraine need continuation of free relations with Germany, so do those of Poland need it with Russia, those of Italia-Irredenta with Austria. The Balkan States need absolutely free economic intercourse between themselves and with their great neighbors. The Bosphorus and Asia Minor must be open to the commerce of the whole world. Those would not be satisfactory nor definite solutions which would sacrifice the fundamental interests of all those countries to the artificial combinations and futile considerations of national "greatness," pride and "power."<sup>1</sup>

<sup>1</sup>Much is to be said on questions like those raised by the Panama Canal, the Suez Canal, even the Kiel Canal, but above all by the Straits of Gibraltar. We shall limit ourselves to this expression of opinion: these questions unavoidably, sooner or later, must create a new and intolerable and impossible

It is appropriate to emphasize here the general truth that freedom of international commerce will greatly facilitate and simplify the solution of the complex and delicate questions arising from racial affinities. This superior condition of economic civilization, giving henceforward to all nations the assured and unlimited means of exchanging their goods and therefore of expanding their industries and trade would remove the main and undoubtedly only serious remaining motive for war. What interest could nations still have in organizing huge empires, embracing numerous peoples and vast territories, if they were certain never to need again to fight either among their own nationalities or against other peoples? What grounds would there remain to the great composite nations for refusing to loosen or abolish ties of dependence that would have either remained or become distasteful?

The spirit of conquest and domination must be destroyed by the abolition of its motives. With freedom of commerce, the nations would soon come to recognize that all the advantages that they hope to obtain through territorial expansion, through the conquest and subjection of other nations, are found, with no risks and no drawbacks, in the stability and security of relations. Such a system alone admits of the permanent reconstruction *and preservation* of those 'natural nationalities', whose aspirations are among the noblest and most legitimate of our era; for the principle which they embody, as has been brilliantly proved by Novicow (*La Question de l'Alsace-Lorraine*), is the basis of the international as well as of the national and social order.

#### 8. THE LOGICAL TREATMENT OF THE QUESTIONS OF DISARMAMENT AND OF INTERNATIONAL ARBITRATION

A study of the European question cannot ignore the question of armaments, upon which it may certainly be noted that it is an extraordinary delusion, indeed an inconceivable blunder, to suppose that by the suppression of armies war would be suppressed, and that to assure peace a beginning must be made by suppressing armies and "militarism." Is it not the simple common-sense truth that, in order to be able to suppress armies and militarism, we must first of all suppress war—that is to say, we must create a position of international security?

international situation, sure to evolve in war, if the principle of freedom of trade is not accepted henceforth as fundamental in international relations and policy. If this were so, the fortification or military occupation of such passages would soon appear to be anachronistic.

Treated in the customary illogical fashion the question of disarmament, or of mere limitation of armaments, is inextricably complex and calculated to raise the most dangerous difficulties, not only between belligerents who would be in a fair way to adjust their differences, but also between belligerents and neutrals, and between nations in actual or prospective wholly pacific understanding with one another. But the question could be readily solved, either by agreement, or perhaps by simple natural causes, so soon as it were attacked logically. This solution can obviously only *follow* the organization of international security, which will tend to become identified with economic security, as mankind completes the transition from military civilization to true industrial civilization. Disarmament will be the logical and natural consequence of the establishment of *economic security* between nations.

The same will be true of compulsory reconciliation and of compulsory arbitration between nations, which will then become acceptable and will be quite naturally accepted.

#### 9. CONCLUSION: A NATURAL AND STABLE PEACE MUST BE A PAX ECONOMICA

Students, statesmen, and pacifists have far too much overlooked the fact that the evolution of human progress has constantly and increasingly been influenced by the economic conditions of each epoch. Henceforth political science must draw its inspiration more and more from the data of economic science, which deals with human relationships in conformity with the nature and necessity of things—that is to say, by reverencing natural truth and justice. For, humanity being part of nature, its evolution and its history are controlled by natural laws, indistinguishable from the Will of Providence. Among natural laws, those of economics, practical and basic rules of life for individuals and nations alike, are the most important to observe in politics, if it is desired to avoid the shocks and disturbances that periodically convulse societies and empires.

Mankind in Europe seems to have reached the decisive turning-point of its history. Material progress at an excessive and abnormal rate, not balanced by the requisite progress in the sphere of morals and philosophy (a defect of which the primary cause can be determined), had created entirely artificial conditions of social and international life which were weak and unstable in the extreme. In the sphere of international relations, the wishes



of a faction, the discontent of a monarch, the rashness of a minister, the excesses of a mob, were sufficient to disturb to an alarming extent the delicate balance of the tremendous opposing European forces and to endanger a civilization which, though apparently extremely advanced, was in reality merely fortuitous. The problem is to give cohesion, stability, and unity, in foundations and superstructure, to a world socially and internationally chaotic.

We are not here concerned to deal with the social problem; it is the international problem that is urgent. Now whatever politicians and pacifists may have thought, the preservation of economic frontiers (the direct consequence of lack of equilibrium between utilitarian and philosophic progress), has been the main obstacle to the realization of intellectual unity and moral harmony in Western Europe. That European Confederation, which is the dream of some thinkers, would be possible, it will be admitted, only if tariff frontiers were removed: but if these are removed, the *political* federation of the States of Europe is no longer needed. The unique and fleeting opportunity is now offered of laying the first free trade foundations of a co-operative federation of the nations of Europe, which would mark the beginning of an era of boundless economic and social progress, as well as the advent of universal peace.

The Romans had conceived the idea and the hope of a permanent 'Pax Romana.' The emperors of mediæval and modern Germany have cherished themselves and fostered among their peoples the ambition of a 'Pax Germanica.' No doubt many friends and admirers of England would ardently desire a 'Pax Britannica.' But Truth and Justice, the eternal twin forces that hold sway over mankind, will never rest till men attain to the 'Pax Economica.'

November, 1914.

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P. S. January, 1915.

Some say to me: you explain (without any desire to approve them) the attitude and the actions of Germany on very just considerations and reasons, which however the Germans themselves have never urged. I reply: it is, probable that the Germans are sensible of their situation without being able to explain it. My object is to bring them to a real understanding of it because only by this means will they be induced to consider the true remedy.



The colonial future of Germany depends on freedom of trade, which will enable her to acquire colonies that will be opened to all peoples, and also to co-operate with other peoples in their colonial development by the means I have indicated, (page 22.)

It is possible that Protectionism, Militarism and War must march side by side, but Free Exchange, Industrialism and Peace are without doubt *necessarily* concomitant.

A nation which bases its ideal of increasing prosperity on Plutocracy, in military activity and conquest has perhaps an ephemeral interest in being Protectionist. But those nations whose ideals are unhampered development of industry and commerce, social progress and international peace, have certainly a definite interest to adopt Free Trade.



## Part II

### INTERNATIONAL MORALITY AND EXCHANGE

*Considerations upon the basic condition of permanent  
and universal peace.*

*Economic freedom is fundamental freedom. Economic justice and morality are fundamental justice and morality.*



## INTERNATIONAL MORALITY AND EXCHANGE<sup>1</sup>

PEACEFUL and harmonious relations are not conceivable between beings—individuals or collectivities—deprived of morals. Concord and peace among nations can be the outcome only of knowledge and practice of true international ethics. These do not consist in the employment by nations of any means enabling them to enforce or maintain among themselves an artificial peace; they consist in the absence of motives and desire for war, the necessary condition of a natural and stable peace. No alliances, no “ententes,” no hegemony, no “balance of power,” no diplomacy, no treaty, no league or society of nations, no peace “organization” or “machinery” whatever, will successfully take the place of morality in international relations.

The author of the following reflections will endeavor to demonstrate that, *by the very nature and force of things* economic co-operation of peoples is the fundamental principle of International Morality. He will undertake to establish rationally, without having recourse to such arguments of fact as present themselves to the mind, that Humanity will henceforth find itself more and more confronted by this inflexible dilemma: liberty of international commerce, or conflicts of increasing gravity between the most advanced and powerful peoples.

### I. THE ECONOMIC FUNDAMENTALS OF INTERNATIONAL MORALITY

The economic interests of men are their primordial interests. Their economic relations are their fundamental relations. It is so in the life of individuals and of groups within national collectivities. It is equally so in the life of nations in the international society. Economics are necessarily at the base of all politics. National economic policy is the fundamental national policy. International economic policy is the fundamental international policy.

All politics must be inspired by morals, and these themselves cannot disregard the economic foundation. Fanciful ideas and

<sup>1</sup>November, 1915. *Journal des Economistes*. Translated and published, with an introduction by the Right Hon. Lord Courtney of Penwith, by George Allen and Unwin, London.

morals engender fanciful politics. Sound and positive politics cannot make headway except by the principles of sound and positive morals. These principles are derived from the very nature and necessity of things. Sound and positive morals are natural morals. Now natural morals are primordially and primarily those which manifest themselves in the economic relations of men, resulting in the satisfaction of their physical and vital needs: for the mind of man cannot be free and his intellectual faculties and higher aspirations cannot expand unless these needs are satisfied. "Economic morality" appears as fundamental to all activities and relations—individual, social, national, and international. It is the positive and essential morality and the indispensable condition of harmony in private and in political intercourse.

To bring into line harmonious relations of peoples international politics should be inspired by international economic morals, manifested by the practice of *justice* in the economic relations of peoples—that is to say, in the political administration of international economic interests. It has always been so, and will be more and more so with the increasing advance of physical sciences and technical arts, as well as of industries, commerce and means of communication—advances which tend to render economic interests of peoples more and more interdependent and unified.

## 2. INTERNATIONAL ECONOMIC JUSTICE

What is justice? What must be its characteristic in the administration of international economic interests?

Justice, in itself, is considered as undefinable. This, we think, is because its definition has always been sought in the ideal or the abstract. Let us seek it in the nature of things.

In order to be successful, first in conceiving, and secondly in defining justice in its essence, it is necessary to begin by inquiring what was its origin among men. Now, the conception of justice cannot have entered and gradually taken shape in the human brain until men came into a relationship other than that of force—that is to say, until the dependence of man on his fellow began to be satisfied by exchange of things and services. The origin of the sentiment and notion of justice in human intercourse lies in the natural and divine phenomenon of division of labor and exchange of products and services. Justice was born of the necessity of evaluating things and services that had to be more

or less freely exchanged and of accepting their approximate equivalent. As division of labor, as well as exchange of things and of intellectual and moral services, have become more complex and free, so have the sentiment and conception of justice been developed, perfected, and raised. Justice is directly functional to freedom of labor and exchange. Natural law and positive morals have as origin, and will keep as fundamental principle, the freedom of rendering mutual services by labor and exchange. The primordial liberty of exchanging mutual services (capable, under the diverse forms of co-operation and solidarity, of carrying in its train the freeing of man from all subjection and oppression by man), remains the essential criterion of justice in human relations.

Justice in the administration of international interests must be *essentially* characterized by freedom in all relations of exchange between peoples.

Division of labor and exchange is the origin and the means of all economic progress. The moral importance of this phenomenon is not secondary to its economic importance. The necessary and sufficient foundation of harmonious intercourse is furnished by freedom to produce and to render mutual services. It is so within the nation; it will be equally so between nations. Why do individuals of a nation, in the main, live at peace with each other without the need of intervention of legal force? The primary reason is that between these individuals there operates a natural rule of justice and morality. Of what does this rule essentially consist? It consists of recognition of the liberty of each and every citizen to work and thereby to render services (material, intellectual, moral, religious) to others, as well as to be the recipients of such services—that is to say, it consists of recognition of freedom to produce and to exchange. (Assuming that the individuals comprising a nation systematically created obstacles to this freedom of production and exchange between themselves, would not the inevitable and immediate result be profound discord and conflict?)

What is true of individual relations within a nation is also true of the individual relations of men of one nation with those of others, and of the collective or political relationship of the nations themselves.

The first and fundamental manifestation of justice and morality in relationship is freedom to exchange material things necessary to physical needs. Moreover material interests repre-



sented by industries and commerce have hitherto furnished the only positive domain of international relationship, and offer therefore the only possible basis of a positive international justice and morality. Psychological, that is to say, intellectual and moral, interests could not have a beneficent dominating importance and influence in international politics so long as the fundamental material interests—of which the administration is much less complicated—do not benefit by an international policy responding to morality and justice.<sup>1</sup>

It is the primary and fundamental economic relations, exercised under a régime of liberty and justice within the nation—and not the power of the State—which, in permitting unlimited development of common material interests, form the real, concrete solid substratum of the moral, judicial, and political unity of nations. Similar relations of liberty and justice instituted between peoples will be the means of providing the same indispensable substratum and of assuring the same progress toward unity in the international order.

The politics of peoples adequately adjusted to the natural conditions of their harmonious intercourse will be those which, inspired by international economic justice and morality, establish freedom of industries and commerce in international society.<sup>2</sup>

<sup>1</sup>It may be well to note here that material exchanges are indispensable to intellectual and moral exchanges, because the latter necessitates a material support (paper, raw material, money, or *personal human presence*). Suppression of physical exchanges and *communications* would bring in its train suppression of psychical services and exchanges. International tolerance applied to either has necessarily been accompanied by tolerance to the other. They have assisted one another in the process of civilization. Hindrance to material exchange is brought about by dangerous minds capable, for their own ends, of lending friendly support to the most reactionary measures. Here intolerance is ready to serve intolerance, favoring exclusion, isolation, tyranny, and provoking interior and exterior conflicts.

<sup>2</sup>We do not believe it is necessary to enlarge here on many economic considerations of the merits of Free Trade and of the defects of Protectionism.

To imagine that by encircling a country with barriers and by isolating it from the rest of the world it becomes richer; to believe that it is in the interests of a country to produce itself, even if with great difficulty and at great cost, those things which are necessary to it, and which the foreigner produces easily and offers cheaply; to suppress the fact that products are exchanged for products, and that imports are regulated by exports; not to understand that when merchants of a country are enabled to import goods from other countries it is because their country produces advantageously merchandise to export and exchange for the equally advantageously produced goods of other countries: that consequently international commerce is international exchange of natural advantages and services; not to see that the



### 3. INTERNATIONAL LAW

All human progress, material, intellectual and moral, is derived directly or indirectly from the division of labor and exchange. If the natural law of division of labor and exchange ceased to operate, humanity would return to its most primitive stage as soon as the accumulated stores of human requisites were exhausted. It is as impossible to imagine society without this

additional profits obtained by the protected industries of a country are legal spoliation of the consumers of that country and a premium to incompetence and to industrial parasitism resulting in unnecessary labor of the working classes and in privation of the consuming masses: in truth, to imagine, to ignore, or not to understand all this, presupposes lack of economic knowledge which we are convinced cannot be attributed to our readers.

To deny the benefits of international exchange—and consequently of free exchange—is, in fact, to deny the advantages of division of labor and the increase of productiveness resulting therefrom. It is, therefore, to deny that which is evident. A country which determines to be self-supporting must resign itself to a inferior productivity and standard of wealth. If such a country continues to prosper, it will be because of natural advantages, because of high intelligence and labor energy of its inhabitants, *because of interior free exchange and despite its efforts to be self-sustaining.*

If it be advantageous to a country to be self-sustaining, why not apply the same principle to each region, province, county, village? A country is rich by the quantity, quality, cheapness and variety of articles of consumption and things at the disposal of its inhabitants, whatever may be the origin of these things—home soil and labor productions, or foreign productions got by exchange with home products. The resolve of a country to produce them itself evidently can be only an obstacle.

It is moreover untrue that Protection preventing importation and making for a self-sustained people is a source of higher wages and a factor of a higher standard of living; on the contrary, Protection tends to lower both, and it is free exchange only that can have such favorable results. For, all imported things are paid for by equal values of exported things; therefore, to begin with, importation *does not and cannot reduce* home production, demand of labor and wages. But, prevention of importation through protective tariffs narrows markets and causes the artificial establishment and parasitical prosperity of industries, these taking the place of natural industries for which, if free, the possibilities and prospects of development would be far greater than those of the protected and artificial industries; therefore tariffs and self-sustaining system make for lower, whereas free trade makes for higher home production, demand of labor and wages. The cost of life being necessarily higher under the tariff régime, we are forced to admit that Protection tends to reduce both wages and standard of life (of the workmen) whereas free trade tends to increase both of them.

Is it necessary to add that Protectionist customs duties represent the worst and most exhausting method of raising revenue for the state? Home producers of articles taxed are thereby enabled to extort from the general

natural phenomenon as the phenomenon without society. It is the *original* social phenomenon, and will never cease to be fundamental to civilization. Every obstacle to its accomplishment is an obstacle to progress. Except by suffering themselves and imposing suffering on others, peoples cannot set up against it the obstacle of political frontiers. By nature, logic and force of things social order, international order and civilization are dominated by a law of economic liberty and justice.

body of consumers a sum which may be many times larger than any possible revenue which would accrue to the state. The higher the customs duties the less the state receives (by reason of diminishing volume of importation), and the more the tax levied by manufactures on consumers is raised (by raising the prices of their products) the more also by reason of general dearness will the expenses of the state suffer increase even to the extent of absorbing the greatest part of receipts from customs. Attempts to create important revenues by means of Protectionist customs are condemned to failure. They will end in revolution or war—or in both.

From the point of view of the special object of this study it is useful to observe further:

1. Protectionist duties (actively assisting syndicates, cartels, and trusts formed to raise selling prices to their maximum by limiting production, with the inevitable consequence that wages are reduced to a minimum), multiply with abuse and excess capital in the hands of the exploiters and financiers of industry, whilst weakening the nation's power of purchase and consumption and thus limiting the possibilities of expansion of home industries. In order to find remunerative employment for such capital these exploiters are then obliged to seek scope for it energetically in new countries. Hence the need for excessive colonial expansion by old countries.
2. On Protectionism depends the industrial and commercial system known as "dumping," consisting in selling exteriorly at a low price (sometimes even below cost) by sacrificing a portion of excessive profits levied in the home market. By means of special reductions of transport rates and by grants of export bounties, the whole levied on customs receipts—that is to say, on the nation's consumers—states acquiesce in that system of international competition, at once immoral, aggressive, warlike.
3. Lastly, let us observe that exchange and division of labor are necessary factors in the increasing possibilities of production and consumption of *both* exchangers. The international action of Protectionism is not confined to hampering exchange. It further, by hampering international division of labor, lessens the general productiveness and the power of consumption of humanity. The injustice and immorality of a nation putting obstacles in the way of free exchanges lies not alone in the privation and suffering it causes to itself, but also, and above all, in the like evils it thereby imposes on foreign peoples.

It is obvious that a code of judicial relationships of peoples cannot obviously suppress the natural necessity attaching to the phenomenon of division of labor and exchange in international intercourse: international law cannot with impunity ignore international justice and disown primordial international morals in their most essential manifestation. Every effort in the direction of installing an international law under the régime of reciprocal economic isolation and exclusion of peoples is doomed to failure, proceeding as it does from opposition to the natural ways and means of fulfillment of the Supreme Will with respect to harmony and progress. The possibility of codifying the conditions of international intercourse in sovereign and definite laws rests *fundamentally* on international economic co-operation, that is to say, on international liberty of industries and commerce. On this concrete liberty and justice the principles of moral liberty and superior justice, which it is the function of international law to consecrate, will be supported and elevated.

International law must be founded on natural international justice, signifying international economic liberty; failing this, it will remain a precarious and sterile doctrine. International treaties will be without strength, value, stability.

Moreover, there cannot be a true written law, save that which derives its motive and value from a natural law. There will never be a solid and stable international law except it be the outcome of a natural international law. If the constitution of humanity in national groups is a natural fact, there must necessarily exist a natural international law. It is only a question of discovering it.

Certainly one cannot conceive the operation of a natural law except between entities—individuals or groups—whose relations are natural; it is, therefore, only between nations enjoying natural relations that there can be a natural international law; and it is economic relations which, being fundamental, must above all and by sheer necessity be natural.

Now, those fundamental relations between peoples which exclude and isolate each other are artificial: the diversity with which riches are scattered in the different regions of the globe, in such fashion that every nation has in abundance, and sometimes even in super-abundance, some things and natural advantages of which others have an insufficiency or lack totally, and the *natural solidarity* which results therefrom—does this not demonstrate that it is in the very necessity of the natural plan of progress that



peoples should render mutual services by exchange? The accomplishment of the phenomenon of division of labor and exchange cannot be stayed or hindered "naturally" by political frontiers. Must not human laws limit themselves to sanctioning "relations having their origin in the nature of things?" The establishment of artificial economic frontiers (political frontiers being necessarily justified by the fact of nationalities) is an attack against natural international order and law, and will be penalized by the impossibility of building up between peoples a definite and sovereign law capable of assuring to them mutual harmony and peace. The international judicial edifice will crack and crumble if not built on the true, concrete foundation of unified economic interests of peoples living under the régime of the natural international law of freedom of exchange.

#### 4. THE "LAWS OF CIVILIZED WARFARE."

War is the suppression between peoples of the régime of law, for which is substituted the régime of force—in which régime arbitrariness will, in fact, only be limited by considerations of opportuneness and interest entirely foreign to right, or by fear of reprisals by the adverse force. How can one seriously speak of a régime of rights and humanitarian conventions between peoples who mutually massacre the flower of their humanity, and whose objective is annihilation of one by the other? Between them the *salus populi suprema lex* will fatally finish by being applied in its most tragic and absolute form without any consideration of rights, laws, or conventions. The "law of war" is an entirely artificial and contradictory conception.

As to the expression "civilized warfare," *it is void of reason and even of sense*. By unloosing the organized brute forces of peoples, by supreme manifestation of human violence, war assumes the simplest and harshest characteristics of barbarism. To pretend to civilize warfare is nothing less than to pretend to civilize that which suppresses civilization. Future generations will indeed wonder that jurists of the nineteenth and of the twentieth century should have resuscitated ancient theories in order to "legalize" international destruction and to "civilize" human interslaughter in the name of "rights of peoples."<sup>1</sup>

<sup>1</sup>In the term "civilized warfare" may be often implied the signification of "war between civilized nations." We question whether nations which have not yet arrived at the stage of suppressing war have the right to call themselves civilized.

There cannot be found a more peremptory and striking proof of the impossibility of civilizing warfare than that which is offered by the "War Manuals" of the nations who look upon war as an honorable and indeed civilizing—if not "educative"—undertaking. Far from it being to their interest to discredit war, these nations would, were it possible, invest it with a character of nobility; yet these selfsame nations make its code the most brutal and demoralizing. Truly herein lies war's logic. Employment of the most brutal and treacherous apparatus, of the most cowardly tactics, recourse to the most perfidious stratagems and means of success, whatever they may be, such are *and such will be more and more* not only the art of war but also the only possible "moral of war." For, if war never has been a sport or tournament, it has now even ceased to be a kind of duel, such as was fought between armies, knights and kings in order to decide questions of relative importance: War has developed into a "to be or not to be" between peoples. Such is the result of a civilization which, not having known (for reasons to be explained) the compensation of equilibrium of the progress of philosophy and of utilitarianism, has been incapable of establishing the conditions neutral to peace.

Wars will become more pitiless, more ruinous in men and things, and more general, in proportion to the progress of exact sciences, technical arts and industries, in proportion also to the development of the means of communication and of the mutual needs of peoples. It is only by suppressing war by a corresponding progress of economic and political philosophy and international ethics that men will succeed in escaping the fatally increasing horrors and calamities of wars.

The endeavors to reintroduce "laws of chivalry," or simply to introduce more "legality" into wars, cannot be justified except by men who are dominated either by the idea of nobility of arms and military power or by the presumption of the natural inevitableness of periodic encounters and intermassacring of peoples. Such endeavors bear testimony to intellectual and moral inferiority. In aiming to render wars milder and more supportable (if not even sympathetic), these efforts, like all those which proceed from sentiment and not from reason, are humanitarian in inspiration, but would become anti-humanitarian in result. The question

is, not to surround war with a halo, nor to palliate its secondary and indirect effects, but *to discover, to loathe, and to suppress its causes*, and so make possible the suppression of war itself.

Moreover we recall or suggest that:

1. All contracts or treaties in which the contracting parties make engagements compromising their existence are immoral and consequently void;
2. All conventions regularizing violence and slaughter are a defiance of morality, and are therefore judicial non-sense—

and without dwelling here upon these decisive arguments of judicial principle,<sup>1</sup> we conclude that “laws of war” are institutions without foundation, the chimerical products of human will solely. If it were possible to have a “law of war,” it could derive its origin and force only from the “natural law of war,” which in his “*De Jure Belli et Pacis*” Hugo Grotius defines as follows:

*“Omnia licere in bello quæ necessaria sunt ad finem belli.”*<sup>2</sup>

The fight for survival is the natural law of all beings deprived of morals; it remains the natural law of individuals and collectivities in those surroundings where an inadequate morality obtains—a state of things for which by reason of natural solidarity, responsibility is forced on all. War is, therefore, if not a criminal or immoral act, at least a phenomenon caused by “a-morality,” signifying non-morality—that is to say, by ignorance or inadequate knowledge of the moral laws which should prevail in international relations. The wills and conventions of men can never make moral that which is immoral or “amoral.” Logic and force of things will ever impede the introduction therein of a—so to speak—false morality. This only is given to men: to substitute by study, knowledge, and practice of morality, the moral state of things for the “amoral” state. Such are logic and just law. International morals and laws of war will ever be hollow concep-

<sup>1</sup>We should add, thirdly: All contracts, international or otherwise, which do not stipulate duration and term are, as we have seen, in fact, null. As they cannot be everlasting or binding by perpetual title, they can be denounced at any moment by one or other of the contracting parties. A contract without stipulation of duration presupposes the *rebus sic stantibus*. Perennial régime is that of complete contractual instability.

<sup>2</sup>The distinction between combatants and non-combatants which is a leitmotiv of the “laws of war” does not rest on any foundation of truth—save where children are concerned—because everybody, man or woman, directly or indirectly, participates or helps in furthering war. As to children, it stands to reason that their presence cannot be invoked as a protective



tions and sterile script. There can only be international laws and morals of Peace.<sup>1</sup>

## 5. DISARMAMENT AND "FREEDOM OF THE SEAS"

Armaments and the competition in them do not *cause* wars. They are but the consequences of the danger of war—that is to say, of international "amorality." It is evident that their disappearance will only be made possible by international security—in other words, by the intervention of international morality.

Man in danger and unprotected can only arm himself. It is the same with nations. Surround an individual with the blessings of security and he will desire nothing so much as to drop his weapon; soon he will let it rust; he will even end by not knowing where to find it. The disarmament of nations can only come about in the same way—voluntarily, gradually, as a natural result of an increased feeling of international security. In proportion to advancement in the direction of industrial civilization, based on co-operation and exchange, this feeling will more and more merge itself into that of stability in international economic relations—stability which identifies itself with the freedom of these relations. To be truly desirable and *final*, disarmament can and must come about only as the result and the blessed gift of the advent of international economic liberty, justice and morality. shield (Is this done in the case of a besieged town? Why should it be done in the case of a besieged country, as is every country at war?) *The true protection of the little ones is the morality of their elders.* There lies true duty in respect to them.

<sup>1</sup>The Editor of the *Journal des Economistes* points out that in his "A B C, ou Dialogue entre A B C," Voltaire expresses on the "laws of war" (eleventh Lecture) opinions extremely similar to those here enunciated. A (Voltaire) remarks at the outset of the Dialogue:—

"The right of Peace I understand well enough: it is to keep one's word and allow Humanity to enjoy the rights of Nature; but as to the right of War, I do not know what it is. The law of murder seems to me strange and fanciful. We shall soon see jurisprudence emanating from highway robbers."

On the subject of the "laws of war" the author ventures to suggest that were any such laws feasible, one only would be advisable and useful, viz. an international agreement to employ as combatants only those men who are *over* forty-five years of age. This would be a double benefit, inasmuch as most of the useful and stronger men would be spared, and most of the unuseful and detrimental would be periodically swept away. But it is nearly certain that with such a law operating there would be no more war.

We are at present witnessing the complete failure of the "Nestors."

Navalism has the same cause as militarism: international insecurity. It will not disappear save by means of international morality. *Ablata causa, tollitur effectus*. Gradual disarmament on land will then be accompanied by gradual disarmament on sea. Naval disarmament and freedom of the seas will be natural consequences of liberty of international commerce. They are problems which will never be solved if considered apart from the general problem of permanent peace.

Freedom of the seas shall not be liberty of maritime commerce and communications *in times of war* guaranteed by agreements between nations. How curious and contradictory is the conception that enterprises of war should by common agreement be favored and preparation therefore be given countenance! Vain effort, indeed, that would seek to deduce the principle of liberty and security of the "nations' highway" from a morality of war! The only possible morality of war is that seas as well as lands must belong to those who are capable of seizing them by force and of maintaining their domination by the same means, as pirates and tyrants do—that is to say: the "morality of war" can only be the "morality of international brigandage."

From such a state of things neutral peoples must legitimately suffer; no human efforts and conventions whatever will prevail against the superior law of natural solidarity, which condemns all men alike to suffer from the failure of progress wherever it takes place—a just law indeed, since it tends to promote rapid and general progress, and since that failure has proved that no nation has given to others a sufficiently constant and powerful example of progressive international morality. Without doubt, certain great Protectionist non-belligerent nations have a considerable, even a very large, share of direct and active responsibility in the conservation of international immorality.<sup>1</sup>

<sup>1</sup>This was written in the year 1915, long before the entry into the war of the greatest "Protectionist non-belligerent nation."

**ON NEUTRALITY:** There is only one true neutrality—that in which real neutrals cease all relations of trade with all belligerents and with all those themselves calling neutrals who do not adopt the same rule of true neutrality. For, to sell to belligerents food, clothing, munition, is to be co-operator to war and half belligerent. Such neutrality, consisting in helping and profiting by the mutual destruction of others is immoral—whereas actual belligerency may be a non-directly deserved catastrophe or, in certain cases, may have appeared as a high duty.

The present-day conception of neutrality (the only one which a leader is enabled to follow in practice; for, no responsible statesman can go far ahead of his time, and disregard the written law) is supported by arguments of

Surely, the seas were bestowed no more than the lands, in fact rather less than the latter, on any particular nations: they have been given by God and Nature to humanity as a whole, with the object of an ever-increasing intercourse and co-operation of all peoples of the earth, in order that the accomplishment of human works of progress, justice and peace may be ensured universally together with the spiritual Finalities, of which these human works are the means. Therefore, true *and final* freedom of the seas *will not* provide new facilities and new food for war: *it will be the reward to Humanity for the attainment by all nations to the natural morality of peace arising out of international economic liberty and justice.*

For more than a century the seas have been permanently open to the trade of nations in times of peace. The fact strikingly confirms the theory according to which the problem of the real freedom of the seas is identical with that of permanent peace, and finds its best solution—its only one—in the policy of international commercial liberty (which was that of the greatest naval power.)

Certainly, humanity has no interest in having the “freedom of the seas” assured to—nor the domination of the seas exercised by—imperialist, conquering, and Protectionist nations. On the contrary, there is no more important interest than the prevention of such domination and “freedom.” There is therefore clear evidence that this question can not be solved, justly, completely, definitively, except by means of liberty of international trade. Liberty of trade cannot be the *consequence* of “freedom of the seas;” it must be its means, its *effective cause*.

It is also as clear as it is rational that naval disarmament and true freedom of the seas must depend on an equitable adjust.

present-day international law and is identified with freedom of commerce and freedom of the seas. But all our ideas on these issues will be repudiated by a perhaps near future, and they will be looked upon as having been insults to moral law, to respectable commerce and to holy freedom.

Law, commerce, freedom appertain to the régime of peace—not of war.

Moreover, all conceptions whatever of “neutrality,” active or passive, voluntary or imposed, are artificial and will remain inoperative and precarious in presence of the force of things represented by natural solidarity of nations, as well as by the necessity (against which nothing ever shall prevail) of providing for the physical salvation of peoples engaged in the mortal struggle of modern war.

Neutrality, even “true neutrality”, will less and less be for peaceful nations a refuge. A vigorous co-operation for the establishment of international morality and security will be for such nations the only righteous, worthy and effective attitude.



ment of colonial ownership, and *above all* on the establishment of the régime of the Open Door, or at least of equal opportunities *in all colonial possessions*, present and *future*. (The logical corollary of this being ultimate free trade between the Mother Countries.)

Any limitation of naval armaments must necessarily be accompanied by an agreement providing for international guardianship of the seas. And we propound this question: Would not such an agreement—which might be a first result of the dawn of international security evolved from colonial Free Trade—be the equivalent of freedom and neutralization of the seas?

Let us remark, in conclusion, that *freedom of the seas necessarily implies liberty of communications between lands and seas, and also liberty of ports*. By recognition of this principle many difficult questions of international politics could be solved with extreme ease and to the great advantage of all interested.<sup>1</sup>

#### 6. DIPLOMACY — DEMOCRATIC CONTROL — INTERNATIONAL ARBITRATION AND THE "SUPERNATIONAL GRAND COUNCIL"

There is nothing more morally infamous than international policy and its tool, diplomacy. Between nations "all means hold good," and that which in private life is reprehensible and even criminal recommends itself and becomes meritorious. There

<sup>1</sup>For several years past the writer has scarcely ceased to propound that the definitive adoption of the régime of the Open Door (or at least of equality of opportunities) in the colonies, present and *future*, of all European nations, furnished the only means of avoiding a European conflagration. He still considers this measure as the only one, immediately practicable, capable of powerfully contributing to a solution of the present crisis. It must, in his opinion, be the initial consideration of any Conference called to discuss terms of peace. When adopted, it would create the atmosphere of goodwill indispensable to the examination, with some prospect of agreement, of the remaining numerous, great and grave questions to be determined by a Peace Conference.

("La Belgique et le Congo," 1908. "La Belgique et le Libre Echange," 1910. "Pax Economica," 1913. "Lettre ouverte à M. Woodrow Wilson, Président des Etats-Unis d'Amérique," October 1914. "Un autre Aspect de la Question Européenne et une Solution," November 1914.)

It may be objected that present-day colonial trade has only a relative economic importance; nevertheless, it involves all the value and importance of a principle, and it is on the subject of colonial rights that the injustice of privileges and of monopolies following on conquest is most bitterly and most legitimately resented. In a sky hitherto darkened by clouds charged with the ignorance and injustice of most peoples and their governments, the advent of colonial free trade would represent the dawn of international truth and justice.

(We should note that in a convention relative to colonial commerce

jealousy, distrust, and fear culminate and triumph in treachery. It would be difficult to overcome one's disgust if in private life one were obliged to employ the same methods as are *necessary* in diplomacy.

Why is this so? Only because action in international policy is exercised in the direction of instituting between peoples that régime contrary to Nature, logic, and the force of things, which is characterized by the spirit of conquest and Protectionism, with a view to isolation and reciprocal exclusion by means of privileges and monopolies, thus creating antagonism and hostility; whereas, obviously, it is the régime distinguished by the spirit of Free Trade and co-operation, tending towards development of relations and of association, bringing in its train goodwill and unity, which conforms to the general interests of peoples as well as to nature's justice, morality, and Will. Beneficent Nature refuses to recognize obstacles which men oppose to co-operation between themselves. For this reason, while these obstacles remain, no more in peace-time than in war-time can intercourse between the states be carried on by means other than those which being anti-natural are violent and immoral. These debased methods must be as artful as their results will be artificial. With deceit under the name of "diplomatic skill," secrecy becomes the essential condition of their ephemeral "successes." Such are the ways and morals of most statesmen and "great politicians" in their conduct of the autonomous colonies of the British Dominion would intervene as separate states.)

Those in whose hands are the destinies of their contemporaries—and of numerous generations to follow—must not lose sight of the fact that short of complete destruction of one of the two actual belligerent parties (signifying exhaustion of the other, and the probable downfall of Europe) there are but *three* possible solutions by way of *arrangement*:

1. Territorial acquisitions.
2. Payment of war indemnities.
3. Economic concessions.

It being undeniable that territorial acquisitions and payments of indemnities are and will remain unthinkable except as results of total defeat, there eventually remains no "arrangement" possible other than that of economic concessions.

This third solution of the European question is the only one possessing durable character—that is to say, permitting gradual and definite disarmament, and giving some hope of avoiding revolution, anarchy, and the more or less early renewal of a war more terrible and grave than the present one, a new war (claimed as one of liberation and justice) which we should inevitably bequeath to our children.

binations and machinations against nature and the force of things. What poor men, what little men, are these great men! Is it to be wondered at that their imprudence and their misconception of those natural and healthy principles, which should dominate the relations of peoples, create an international situation so false and arbitrary that peace is unceasingly menaced, and make for international conditions so incoherent and unstable, because artificial, that, despite the desires both of statesmen and of peoples, war breaks out almost automatically as an apparently spontaneous explosion evolves from conditions combining a maximum of energy with a minimum of natural stability?

Suppose, on the contrary, that the utility and justice of international division of labor and exchange became recognized, and free international co-operation practised: the exterior politics of States would immediately become as simple, as easy, as stable and as moral as the most healthy relations between individuals can be, while international lying and knavery would be rendered useless and "dipolmacy" lose its *raison d'être*. The opprobrium of diplomacy is only the reflection of the ignominy of the international policies generally practiced.

An alternative is suggested—the control of international policy by democracy—that is to say, by popular suffrage. Democracy is as incapable of this as a simple and honest man would be of directing the affairs of a "bucket shop." Very soon democracy and popular suffrage would discredit themselves. Democratic control could ameliorate nothing, and might even make greatly worse the state of things it seeks to control, *if it did not commence by demanding the cleansing of the atmosphere of international politics* through the natural régime of liberty of international economic relations.

For this unhealthy and dangerous condition of international politics yet another empirical remedy is proposed: international obligatory arbitration. It is forgotten that tribunals do not make morals. Whether dealing with arbitration or other issues, they cannot *create* justice nor even define its principles. They can do nothing more than apply the active principles of justice and the rules of morality *already recognized*. The principle of morality to be recognized, and the rule of justice to be put into practice previous to the functioning of an international tribunal, is the principle and the rule of economic freedom and equal opportunities offered by and afforded to all peoples. That is a régime of justice vital to small nations (exchange of productions



being all the more necessary to peoples occupying restricted portions of the globe, since their own products are limited in diversity) and to certain great nations destined to remain among the most powerful. Here are fundamental interests which *cannot* be left to "arbitration." Obligatory arbitration *cannot* precede the régime of the morality and of the vital justice of freedom of exchange. At the least, it cannot precede a decisive contributory step, on the part of the protectionist nations, towards their ultimate adoption of such a régime: but, this secured, voluntary acceptance of obligatory arbitration will soon become its consequence, natural and beneficial.

After having entertained with favor, but without logic, the idea of obligatory international arbitration (and following thereon the anti-progressive idea of the constitution of a "United States of Europe," happily impossible of realization) many pacifists appear at this moment to follow assiduously the conception of instituting a "Supernational Grand Council," charged with the "organization" and maintenance of peace. They seem to have forgotten that such an institution could not last if imposed by force. It must be the outcome of a general consent. And that presupposes "good will," which can only arise out of the prior establishment of a régime of international economic justice. Those pacifists have apparently also not taken sufficiently into account the fact that peace is not a state of things to be "organized," but, on the contrary, one to be "*naturally*" called into being and maintained under the influence of adequate conditions. It would seem that, for the moment, a "Supernational Grand Council" has more need of peace than peace has of a "Supernational Grand Council." This institution, like obligatory arbitration, cannot be brought into existence, cannot live, cannot develop itself, except in the atmosphere and through the spirit of Free Trade.<sup>1</sup>

<sup>1</sup>One can conceive the more or less satisfactory and durable working of such institutions between a Protectionist and a Free Trade nation, but not between two protectionist nations. The institutions of peace necessitate the spirit of liberty, goodwill and justice which is inspired by and inspires Free Trade.

A few words in passing with reference to the idea of a "league of neutrals" or a coalition of peaceful nations with the object of "enforcing peace" and eventually declaring war against aggressors. It is, from more than one point of view, a bizarre conception.

It is anti-judicial. Any treaty having war as its object or implying obligation thereto is anti-judicial, because such object or implication, being

Advocates of democratic control, international arbitrators, "peace organizers!" give ear to this: The successful issue of your laudable enterprises is dependent on your concurrence and resolve to bring about the installation of international economic liberty and justice.

## 7. THE PROBLEM OF NATIONALITIES

Our study cannot neglect consideration of the legitimate aspirations to independence of the small ethnical, historical, or political nations. But we do not hesitate to express the opinion that the problem of nationalities is insoluble *by itself*—that is to say, if isolated from the general problem of creating the natural conditions of permanent peace.

Freedom of nationalities will be the *result* of international security; it cannot be the *cause* of it. As long as international insecurity subsists it will confirm the peoples in the entirely just idea that national might and great empires are necessities. They will, by force, form compact national blocks and, incited by vital interests, they will refuse to listen to the pleas of sacrificed and wretched subject nationalities. Moreover, the constitution of great economic and political units is the logical consequence of the illogical system of refusing international co-operation. And it is extremely doubtful whether, under the régime of reciprocal immoral or "amoral," is illicit and null and void in natural and positive law. A "league of neutrals" would *fatally* collapse at the psychological moment.

A coalition of nations, no matter in what guise, could be morally tolerable only if it had as its object the defense of the *established regime of international justice*. It could not be effective and durable unless based on a sound foundation of satisfied legitimate interests. Short of this it would be a "league to enforce injustice." It has often been contended that a force will always be necessary at the service of justice and morality, that these must be "backed" by it. But does not this very contention imply that justice and morals must exist before the force "backing" them?

In our epoch of industrial and commercial development, when the progress and the very existence of peoples is *fundamentally* dependent on their achievements in these domains, it is necessary to commence by creating content and harmony of interests through the justice of economic liberty. And then a "league of nations" would remain as "platonic" as it would be formidable. It would command, and could impose, a penalty, irresistible, but which in practice would prove unnecessary—the exclusion, pure and simple (for, say, a century), of disturbers of the peace from all economic relations with the co-operative federation of peoples.

Moreover, all projects of coalition (economic boycott, international force) proceed alike from the false idea that it is possible to establish and secure permanent peace by means of force, *whereas justice only is capable of doing this*.

economic exclusions, the small nationalities would have a true interest in their segregation from great empires and in an economic and political isolation which for them would signify misery and decadence as well as, in the main, increased exterior insecurity.

Had all nations lived, if only for a quarter of a century, under the régime of freedom of exchange and intercommunication, following on a like period of preparatory tendency toward such absolute Free Trade, they would clearly recognize that all the advantages which formerly accrued to them as the outcome of territorial aggrandizement, of domination, and of centralization were obtainable—without the evils consequent on these, and in much increased measure—by international freedom of intercourse. The idea of co-operation and association would substitute itself for that of “power.” Peoples would purge themselves of the madness of “Empires.” And gradually even the great acquisitive nations would no longer find it detrimental to their interests and progress to accord to the various nationalities of which they are composed governmental autonomy or even independence—which under the régime of general free exchange and “open-door” would prove *for all, great and small*, a great boon.

The difficulties of interior politics would be singularly lessened, for it is infinitely easier to discover and practise methods and rules of government appropriate to national life in progress through increasing liberty when political groups are restricted and homogeneous (one of the reasons of the absurdity of the idea of a United States of Europe). The internal civil, moral, and political liberty and prosperity of nations can be largely influenced by the freedom of their external economic relations; they are perhaps definitely dependent on this. It is also certain that, were political collectivities more circumscribed, their exterior relations, inspired by a healthier spirit, would be smoother: by very reason of their scantiness and of the consequently necessary increment of their exterior relations the sentiment of nationality would, gradually, under a régime of liberty and security, yield to the spirit of internationalism, and patriotic passion and savagery to humanitarian reason. True human progress—social, moral, national, and international—depends, without doubt, on the possibility of constituting and of *preserving* circumscribed political groups, economically federated in co-operative unity. Admitting the truth of the principle propounded by Kant in his “Essay on Perpetual Peace,” that a “law of nations cannot be founded except by a federalism of Free States,” it appears difficult to



understand how this principle could be applied except by co-operative economic federation, signifying freedom of international trade intercourse.

If the idea of ethnical superiorities is full of uncertainty (each race, each people having its defects and merits), that of the superiority of great nations is a mere prejudice. To the impartial observer the contrary is rather the fact, despite the inferiority of the economic conditions of the small peoples, brought about by the narrow and false Protectionist spirit of the great peoples. These latter are superior chiefly in the extent and danger of their errors. Nevertheless, in the absence of such a general progress of ideas as will gradually substitute the international conception of free exchange and co-operation for that of power and domination, there will finally remain to small nations only Dante's "*lasciate ogni speranza*" whatever may be their temporary situation and experiences.

We believe we have said enough on the subject to show that the problem of nationalities cannot be definitely and satisfactorily solved by artificial combinations of statesmen and "great politicians." The true origins of nationalities are economic,<sup>1</sup> and the natural and dominating conditions of the evolution of the phenomenon must remain economic.

The actual problem is how to complete the transition from the military civilization to the economic and pacific civilization.

The first is characterized by:—

1. Aggrandizement of states by conquest; federation by force; centralization by "authority."
2. Enrichment, progress, and unity of each national unit sought in the pacific system of Free Trade applied to *internal* relations.
3. The hostile system of "balance of trade" and of Protectionism applied to *international* relations.
4. Precarious maintenance of order between nations by hegemony or by "balance of power."

<sup>1</sup>Neither "race," language, religion, custom, history, nor common government constitutes the principal factor in the formation of nationalities. It is easy to realize this. It is common economic interests and relations combined with one or the other or with several of those factors, which go to form a nationality. The cohesion of nationalities is best assured when common economic interests are combined with most of the aforesaid elements.

The economic civilization will be characterized by—

1. Enrichment and general progress of all peoples achieved by the peaceful and peace-making method of Free Trade applied to international as well as to national relations.
2. Voluntary gradual partition of great States; political decentralization, and autonomous government of their constituent nationalities according to affinities and aspirations, ethnical, ethical, political, or territorial.
3. Growth of interpenetration and intermingling of peoples; fusion of temperaments and characters (propitiated by the reduction of political units, and the economic association of such reduced units.)
4. International order sustained by solidarity of interests and unity of moral aspirations—i.e. by the co-operative association of peoples in the material, intellectual, and moral order.

Such is, we think, the necessary process from integration to disintegration, of transformation from more or less confused uniformity to diversity, from homogeneity to heterogeneity, which should mark the natural and progressive evolution of the phenomenon of nationalities.<sup>1</sup>

For effecting, without great upheavals, the difficult transition of the military civilization to the economic and pacific civilization it would have been necessary to balance the *too rapid* strides which have been made in physical sciences and their applications—technics, industries, communications—by a corresponding progress in economic morals and in political philosophy to both of which international ethics are relevant. This progress has not been achieved, it has yet to be attained *by all peoples*. (Conservation of the Protectionist system by the majority of great nations has been the baneful *consequence* of this lack of balance.) If

<sup>1</sup>We do not theoretically rule out a further process from disintegration to reintegration and to settled uniformity and homogeneity; that is to say, we do not deny the probability of an ulterior voluntary political reunion of some of the peoples, nor even the possibility of the ultimate voluntary political federation of an economically, intellectually and morally united mankind.

But we *do* practically and theoretically rule out any prospect of a future peaceful and lasting political federation (partial or total) of mankind, if not preceded by a long period of economic civilization (characterized by political independence or autonomy and by economic association) and if not *founded* on absolute freedom of economic intercourse between the members of the group politically federated.

the absence of the indispensable parallelism and equilibrium of moral and material progress persists, it is extremely probable that humanity will be obliged to undergo a very long period of wars, of revolutions, of national and international anarchy, from which civilization will recover but very slowly.<sup>1</sup>

## 8. MODERN WARS AND PEACE

Like all phenomena, the catastrophic phenomenon of war cannot be mastered except by knowledge and mastery of its causes.

Numerous and diverse causes of dissension may occur between individuals or groups belonging to the same national collectivity. Affecting as they sometimes do political and moral interests, before which common material interests momentarily disappear or are effaced, they may translate themselves into revolution and civil war. When great empires composed of mosaic nationalities are, in spite of Free Trade within themselves, menaced by dissolution, it is because between varied peoples, *living under a common central government* (or between such peoples and their necessarily strong Government) there *must* come about causes of disagreement, so diverse and grave as to render every other consideration subordinate thereto. But causes of discord *between separate nations* (or between really autonomous nationalities) can neither be numerous nor diverse, their actually important relations being almost exclusively of an economic nature. Such are, in any case, those of their relations which give rise to extremely strong quarrels. International conflicts have more and more their origin and deep cause in unsound economics. These conflicts may more and more be looked upon as "natural phenomena"—in this sense that *they are due to the reaction of natural economic laws, forces or needs, outraged by the anti-natural politics of the nations.*

The most primitive wars were expeditions of hunger or brigandage. In the main all wars have had as their objective territorial increase and acquisition of economic advantages. After having passed the period of wars which apparently had as their causes dynastic or personal ambitions and rivalries of kings, and

<sup>1</sup>While we cannot here consider and propound it, we should at least indicate the cause, very simple but very profound and universally active, of this absence of parallelism and equilibrium of moral and material progress: namely—the want or defect in all human institutions—economic, social, and political—of individual responsibility, which is the natural curb of excessive utilitarian initiatives and activities and the *only real* factor in education and moralization.



of those wars in which religious fanaticism was the apparent primary cause, humanity is entering into a period—which *must* rapidly be brought to an end—of wars of which the underlying causes are distinctly economic. Race hatred, national passions, inferior “ideals” of peoples no longer intervene as influential factors except in so far as they second the rivalries of the industrial, commercial, and financial interests of powerful groups—syndicates cartels, and trusts.

The great nations urged by these interests covet “assured markets” and “spheres of influence” from which other nations shall be excluded (and in which the natives shall be exhaustively exploited. They desire to secure them, after conquest, by protectionist privileges and monopolies (by “Imperialism”)—that is to say by international injustice. Their “great politicians” naturally give zealous support to those debased enterprises, relying, if need be, for opposition to adverse interests, on “alliances” or “ententes.” Their Governments are then induced to impose on nations from whose interests competition is feared terms as disadvantageous as possible. Of commerce and industry, sole platform of international rapprochement for practically all individuals, *sole actual possible platform of international morality*, Governments make a terrain of exclusion, discord, hate, and international immorality. No statesman has the courage, or even perhaps the wisdom, to cry to Humanity: Stop! Through the mouths of their leaders (a few excepted) the masses equally show the measure of their incapacity. And so, by the artifices of some and through the ignorance of the many, the causes are brought about and the conditions developed of modern wars. Thence will fatefully arise the catastrophic phenomenon. Those most benefited by injustice will be condemned to defend (*par le fer et par le sang*), against those less favored, the portions of the globe which they have conquered, and even those territories which they have possessed immemorially. So long as there exists the general desire and prejudice in favor of economically closed and monopolistic empires, so long will the catastrophic phenomenon repeat itself and increase in gravity. The ignorance and injustice of conquerors will, unfailingly, bring their own retribution in ultimate attack by other would-be conquerors.

At our epoch the problem of peace consists in substituting for the causes of war, which are economic, the natural economic condition of peace. Modern peace must be a *Pax Economica*. Such will be the fruit of knowledge and practice of an international

morality inspired by that economic justice which is comprised in liberty of international co-operation, competition and exchange.

Shall Love, or even Concord, between men not be eternally dependent on their mutual practice of justice?<sup>1</sup>

## 9. THE INTERNATIONAL MORALITY OF EXCHANGE

Harmony must be the result of Justice, and Justice is inseparable from Truth. Progress of moral conduct is dependent on progress of intellectual truth.

The condition of international peace is international morality. This is dependent firstly on *Knowledge* of international moral truth and secondly on the practice of that truth (peoples will find in this practice a twofold interest: interior prosperity and exterior tranquillity.) The *love* of justice and the *desire* for morality will *follow*, but they *cannot precede* knowledge and practice. Cause and effect will act and react interchangeably, but justice and morality must pass from the "conscious" into the "unconscious." Progress of sentiment (of "good will") can only be *consequent* on progressive knowledge and increasing practice of truth. It is equally so in international as in social and in individual affairs.

Knowledge of the natural economic truths is fundamental to justice, order, morality, and security, social and international. It furnishes the most certain and positive rules of the art of politics. These truths and rules cannot be ignored or even misunderstood with impunity.

War is the inevitable outcome of a state of persistent international "amorality" and insecurity. Peace, in such a state, is but an unstable equilibrium between adverse forces. It is at the mercy of those who consider themselves capable of emerging from

<sup>1</sup>To contest the international justice of free exchange is an enterprise which henceforth will not be undertaken except by those who support the rights of conquest, of confiscation, of monopoly, of occupation, with *jus utendi et abutendi*, i.e. by the advocates of force, of right by might.

We cannot hope to stay the blasphemous contention of those who, while recognizing the national and international immorality of Protectionism, will nevertheless continue to affirm that it contributes to the enrichment of nations (certain nations may indeed become prosperous, by reason of special causes, *in spite* of that system, which tends to impoverishment; furthermore, Protectionism, in bringing about by spoliation the unjust partition of a nation's wealth, gives to many superficial observers an exaggerated idea of general prosperity). Of those we ask, Of what value such enrichment if doomed to be annihilated by war, tenfold, aye a hundredfold? Consider this, you insensate manufacturers, you blind traders, who in the midst of this most

the general insecurity by creating self-security through the vanquishing and subjection of others. Such an "amoral peace" is comparable to the "good relations" of cannibals; it also evokes a régime of "international jungleism," for even lions and tigers do not live without a certain mutual "respect" and, at times, "in peace."

For the last half-century European amorality and insecurity resulting in desire of conquest in some and fear of conquest in others, has manifested itself by militarism put at the service of international economic error and injustice. When truth and justice making morality do not rule between States then force must and will be supreme. When international law is not international truth and justice, there remains but force to overcome and vanquish this false right.

Absolute security and certain peace are conceivable only in so far as no peoples have any interest to desire, and consequently none of them has any reason to fear, conquest. Now, liberty of economic relations (carrying in its train, as it does, liberty of general intercourse) between two peoples is *equivalent to mutual annexation* by these two peoples; and liberty of relations between

terrible of all wars do not hesitate to demand measures that would prepare the way for its renewal. May it be given to a proletariat, better informed better advised, to determinedly and successfully oppose your errors. For your sake, may these appear to them more foolish than criminal.

Others, alas numerous! will say, "International Free Trade, while it is international justice, is also freedom of international economic competition and struggle; therein lies its defect."

Free economic competition is indeed discredited—and very wrongly so. Free competition is not "struggle" but "enterprise" to the end of improved service resulting in profit to each and all. Derived from the spirit of liberty, and consequently of justice, which it preserves and develops, it is moralizing and brings about harmony of spirit and of all concerned interests. It is restriction of competition under the guise of privileges and monopolies which is demoralizing, which exerts a perturbing social and international action, and which by spoliation ends in antagonism. The danger, then, is to accuse free competition of the evils caused by privilege and monopoly, to impute to liberty, mother of all progress, the criminal mischiefs of restraint.

Our present economic and social organization is almost wholly comprised of restrictions, privileges, and monopolies (of which Protection is only *one* of the forms and manifestations.) The critical incapacity of the men and women of our epoch, even the most perspicacious, to discover the *root* of these evils and our consequent impotence to abolish them will appear to the historian as the strangest of the determining circumstances of the great international and social crisis which will so mightily and tragically characterize the twentieth century.



all peoples would be equivalent to reciprocal annexation by all peoples.<sup>1</sup> No people would any longer have an important or even serious interest in vanquishing other peoples and conquering their territories. Given liberty of international economic relations, it is certain that international justice, morality, security, and peace would become a positive, practical, and absolute state of things.

True civilization will be the result of knowledge and be *founded* on practice of natural economic truths.

The present war, its abominations, its crimes, its duration—and its sequel, probably graver than the war itself—is not the direct outcome of the spirit of injustice and brigandage in men, but the result of the general ignorance and disregard by peoples and their leaders of those economic truths. They were bound to be of a decisively capital importance at an epoch which will ever remain characterized by an extraordinary development of industries and a consequent need of corresponding expansion of international commerce.<sup>2</sup>

Thus it has happened that certain peoples and their leaders have considered supreme recourse to force and utmost violence necessary and entirely legitimate, in order in their mind to redress inequalities and injustices and put an end to insecurity—whereas to these evils only the political application of the principles of economic science, under the form of international liberty of enterprise, commerce, and communications, can achieve a complete and definite remedy. War has, for a long time past, been regarded as the inevitable issue of a difficult international situation threatening to become impossible. Instead of concerning themselves with remedying this situation, nations and their leaders thought only of preparing for war. War broke out. And the lack of

<sup>1</sup>According to the highly suggestive remark of Monsieur H. L. Follin in "*L'individualiste Européen*."

<sup>2</sup>Is it not incredible that in our time and in all countries there is certainly not one in ten of business men, members of the liberal professions, politicians, writers, professors, scientists, statesmen, who possesses a thorough grasp of the elementary principles underlying political economy, which is not only the philosophy of industry and commerce but the natural fundamental science of morals and law, the necessary starting-point of every sane philosophy in private and political life (economic life being the fundamental life of individuals and peoples), and the indispensable scientific pre-condition of all serious study and just appreciation of political questions, easy or difficult?

Our "realism," our "idealism," our politics are worthless; they are ideologic constructions without bases.

Future historians will easily in the light of this statement on the general ignorance of economics understand all our failures, social and international.

philosophical and moral truth is such among all peoples (and in all spheres *without a single exception*) that, after having brought about war, it leaves each of the belligerent parties incapable of conceiving a peace possible by means other than suppression, pure and simple, of the enemy nations—however appalling the reciprocal massacre, ruin and annihilation! All nations are apparently already resigned to sacrifice to the moloch of militarism, in the future as at present (with the object of defending themselves against those as fearful as themselves), all remnants of their past riches in men and wealth! This implacable war is no more the outcome of bad instincts than is smallpox or cholera.

The ignorance and stupidity of men have always proved more inexorable and caused them more suffering than their wickedness. It must be so. Men are ordered to become good *and wise*. Goodness unless inspired by wisdom is incapable of evolving *progressive* morality. Good cannot be separated from Progress.<sup>1</sup>

Moreover, no nation, however great its desire to be regarded as “good, civilized, peaceable,” has so far given proof of its disdain of war and conquest, nor of its reprobation of their injustices and cruelties. No “superior” nation has given this example of morality to “inferior and barbarous” nations. As there exists no criterion nor line of demarcation of the relative superiority or inferiority of peoples, it is only too easily explainable that nations who consider themselves superior should adopt towards other nations equally imbued with the idea of “superiority” that conception and policy of hostility, of conquest, of political and economic subjugation, which has always prevailed between peoples presumed to be superior and those presumed to be inferior—these last having always been treated without justice, benevolence, pity.

After nineteen centuries of political efforts and Christian preaching, the state of relationship and the mutual attitude of nations, “civilized and Christian,” do not, alike in time of peace as in time of war, differ essentially from those of savage tribes. Everywhere nations are compelled to prepare to fight at any

<sup>1</sup>The first men who abandoned the system of force for the system of exchange did not so because it was just and good, but because it was profitable, *wise* and *true*. The origin of peaceful civil relations, of social morality, of civilization, is not in good feelings but in wisdom—in knowledge of a law of nature, of a law of God, of the law of exchange of services. The process of peace has only to be continued and extended by recognizing the profitability, wisdom and truth of adopting free relations of exchange between nations.

moment for the defence of their chattels, of their soil, of their liberty, even for the very preservation of their physical existence. More menacing still seems the future. . . .

For this apparently desperate state of things there is happily a discernible cause and a possible remedy: it is that there can be no international morality save by *knowledge and practice* of natural and positive international morals. The indispensable and sole possible foundation of that morality will be freedom of labor and of exchange of things and services between national collectivities—that is to say, liberty of international co-operation without privileges and monopolies. It is incumbent on men to recognize that such is the only natural and solid base of a universal and permanent peace.

#### 10. CONCLUSION: THE NATURAL NECESSITY OF INTERNATIONAL EXCHANGE

The economic activities and utilitarian progress of men are the necessary means and material support of their moral progress. Economics form the *base* of civilization. Moral progress is its *consummation and end*, because it alone is capable of response to Finalities. Material progress, if not followed in due time by corresponding and “compensating” moral progress, will become a cause of corruption and perdition. Persistent retardation of advance in morality entails the annihilation of the works of men and the disappearance of their civilizations.

The moral accomplishment of the moral progress of national collectivities must result from thought and in peace, social and international. Failing this the incoercible law of progress will finally impose its action by force—in wars and revolutions. Conflict, in view of victory going to the strongest (presumably the most apt and “best”), is the heroic, primitive, inferior, and uncertain means of the progressive development of humanity. It is its “amoral” means. Co-operation by division of labor and exchange—indispensable and permanent manifestation of human solidarity, first and eternal form of mutual help, and the preliminary necessary condition to altruism—is the superior and certain means of this progressive development. It is its moral means.

Being, as it is, the natural phenomenon in which lies the origin of “justice,” exchange is *par excellence the natural moral phenomenon*; hence its extreme importance in respect to internal and international relations; hence its constructive power; hence, also,



the destructive consequences—without limit—of the attempts to prevent its accomplishment; *hence the fatefulness of Exchange*. Thus is explained to those who as political philosophers contemplate the great contemporaneous events, how, across the path of Humanity, there strides a monster combining the pitilessness of the Sphinx with the frightfulness of the Minotaur. "Thou shalt go no farther," he says. "It is not by an enigma but because of an imperative and categoric dilemma that I bid thee halt. Thou must emerge from thy state of Protectionist and militarist ignorance and amorality; thou must recognize the moral truth of peace by free exchange; thou must practise international economic justice. Otherwise thou art condemned to a succession of revolutions and wars which will ultimately lead to barbarism. For thy persistent refusal to adopt the ways of justice will be the proof and measure of thy actual incapacity to further true progress; and therefore there can remain only, for long periods to come, the law of brute triumph and survival of those best fitted for combat and slaughter." So speaks and will act the Monster.

Yet the rational interpretation of natural moral phenomena, revealing as it does to men the International Morality of Exchange, teaches them the natural necessity of international co-operation, ever more free, consequently ever more just and increasing, as the only, and as the certain, means of rescuing nations from the natural fatefulness of conflicts, more and more fearful.

### ENVOI

*Is there in the ranks of the world's rulers and leaders a statesman possessed of deserved authority who has the wisdom to see, the courage to proclaim, and the strength to make humanity understand and accept the essential truth of the hour? Of all perils the greatest would be that such a man did not exist.*

*November, 1915.*



## Part III

*After three years of war: Quo vadis? o genus hominum!*

THE WAY OF SALVATION:

AN ECONOMIC PEACE



*"That the essential principle of peace is the actual equality of nations in all matters of rights and privileges."—*

WOODROW WILSON, *Inauguration Speech.*

## THE WAY OF SALVATION : AN ECONOMIC PEACE

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### I. FUNDAMENTAL JUSTICE

Harmony between men, peace, be it social or international, will never exist and endure unless founded on justice. Injustice, insecurity and conflict are inseparable; justice, security and peace likewise. With insecurity, every man must be a master or seek one. That the peaceful progress of Humanity and the continuance of civilization depend fundamentally on justice, social and international, may be accepted as a political axiom.

The all important question, therefore, is to know what, fundamentally, justice is. Obviously it is justice in the fundamental relations of men, that is to say, in their relations concerned with their fundamental needs, their means of subsistence—food, clothing, shelter. Fundamental justice is justice in economic relations.

An international status making for good-will, harmony and peace, because resting on justice, must first of all afford to all nations equality in economic rights, that is to say, equal opportunities of peaceful economic activities and welfare. Of this the ultimate and complete expression will be absolute international freedom in the exchange of mutual economic services.

The pacifist, the international lawyer, the statesman studying the peace problem and overlooking the necessity of this international economic basis is to be compared to an architect who, planning a splendid cathedral, should lose sight of the need for it of a solid concrete foundation. Their work is worthless. Their edifices would crumble, even before completion.

### 2. FREE-TRADE, THE ONLY PEACE-MAKER

Richard Cobden has said: "Free-Trade is the best peace-maker." We make bold to say: "Free-Trade has become the *only* peace-maker."

The desire to suppress armies and navies, to have "freedom of the seas," to institute "World's Courts," to organize "Leagues to Enforce Peace," *in order to* suppress wars, proceeds from an

extraordinary illusion. The Truth—a truth of simple common sense—is that it is necessary to begin by creating international security before suppressing or even limiting armies, navies, and achieving “freedom of the seas.” The truth is that it is necessary to begin by propounding and accepting the principles of international justice and morality before instituting tribunals for judging offenses against international rights and morals; that it is necessary to commence by adopting the conditions making for a just and worthy peace before “enforcing peace.”

Now, in our epoch of industrial and commercial development, the basic principle and condition of international security, morality and peace are equality in economic rights, reciprocity in opportunities offered and in services rendered, a progress inseparable from international arrangements practically tending towards freedom of economic relations. It is along these lines that we must seek and can find the only means of pacifying the World and saving civilization.

This does not mean that the future regime of economic relations is the only international question, but it does mean that being basic it is the first to be solved. It is moreover the *one* question the solution of which could bring about the international good will and good faith indispensable for any prospect of a fair examination and successful settlement of the other questions.

### 3. “REDUCTIO AD ABSURDUM”

If the protectionist system were in conformity with economic truth and usefulness, the securing by nations of exclusive and monopolistic economic domains could alone respond to the real and inevitable needs of progress and civilization. The founding by every nation of the greatest possible “empire” would then be not only a national right but a national duty—the fundamental national “virtue.” Conquest would be justice; permanent war would be the true international morality.

In that case, imperialist Germany would have been right in provoking this war; and Great Britain would be right in becoming protectionist and militarist; the latter would only be doing her duty vis a vis herself if she carried through her projected enterprise of securing the third of the productive territories of the World for her own more or less exclusive exploitation and advantage; we should be obliged to approve and laud her if she succeeded in establishing the greatest territorial and commercial monopoly which ever cumbered the World.



Protectionism and militarism, which are inseparable, thus being truth and right, our democratic ideals of liberty, equality, fraternity, human co-operation, and our whole conception of civilization would appear to have been fundamentally wrong. But then what are we complaining of? and what are we fighting for?

#### 4. PAST FAILURES AND PRESENT DUTY

If Germany and the United States, following the meritorious and persevering example given to the World by Great Britain during more than sixty years, had become free-trade, an alliance between Germany, the United States and Great Britain would have been quite naturally concluded more than thirty years ago. France would have joined them, perhaps after some hesitation. The whole World would have been legitimately controlled and administered by these great progressive peoples allied for Good and Progress. They would have led all other peoples in the ways of liberty, true democracy and peace. A policy of association and co-operation of nations would have been substituted for "Imperialism." Humanity would not have followed the lead of the "Empire builders" and thus taken the ways of barbarism. Not only all our present international trouble and our future trouble with the Yellow World (for half a century misled by our bad example) but also a great part of our past and of our terrific future social disturbances would have been avoided.

Probably the only remaining chance of salvation for our civilization is in the adoption by the United States and by Germany, and the preservation by England, of a policy of international economic freedom and morality.

#### 5. THE DEMOCRATIC PEACE

This war can end safely only with a victory of freedom over Autocracy—aye, of freedom over Democracy! For, the World could not be made safe for "Protectionist Democracies." It cannot be conceived as a harmonious ensemble of nations restricting one another's "making of a living"—even if these nations are pleased to call themselves "Democracies."

For desire of territorial aggrandizements, for war, conquest and "Imperialism" (democratic or autocratic) there exists, by the nature and force of things, only one desirable and infallible alternative: the international policy of freedom of mutual services

and complete equality of opportunities; for the national "will of power" the only conceivable substitute is the international "Will of Equity." Therefore, not a "league of nations" for the enforcement of peace, but a "Concert of Nations" for the establishment of economic liberty and equity is the safe democratic alternative of the "Balance of Power." An international community of interests is the natural and definite substitute for hegemony."

Have Democracies never waged wars, never made conquests, never proved Imperialist? It will no more be sufficient for democratic nations to declare themselves peacefully inclined; it has become necessary for them to give one another and the whole World the practical proof of their desire for peace by creating the natural condition making peace desirable and *possible* for all nations—by establishing the natural and universal basis of peace.

To those who have a justified horror of an autocratic Pax Germanica, who do not want a Pax Britannica—nor wish for a Pax Americana—there remains *one* hope: that of the advent of the democratic Pax Economica.

Pax Economica, solving word, saving truth, necessary asset of Democracy, new departure in the History of Mankind!

## 6. ARMAGEDDON AND MADNESS

*"Where there is no vision, the people perish."*

*"Blind leaders of the blind."*

But all nations appear to be waging this Armageddon with the view of establishing among themselves a system of accentuated privileges and mutual economic exclusions, which more than ever will make for desire—and may be for real necessity—of conquest and hegemony. Brought about by Monopolism, this seems to be a war waged by Monopolists against other Monopolists for the sake of more future Monopolism. Not entirely unconscious of the inevitable result of their projected policy, the "Protectionists" of all countries urge "preparedness" for future wars. Meanwhile the peoples are fighting to death for the preservation of an error—for the continuation of the most formidable of all international errors; they are fighting "to a finish" for the accentuation of the very cause of their fighting. Among the statesmen and the great politicians of Europe no one yet seems to realize this monstrous stupidity of the international situation.

Voltaire never could have expected such a gigantic and fearful confirmation of his oft-repeated contention that "with pearls and diamonds common-sense is on earth the most precious but also the rarest of all things."

Perhaps the explanation of the present situation of the World is to be found in the "quos vult perdere Jupiter prius dementat"—it seems as if the gods had enough of the protectionist stupidity and immorality and as if, having resolved the destruction of the peoples, they had begun by making their leaders and rulers mad.

## 7. THE REVOLT OF TRUTH AGAINST ERROR

And ye improvident business men, foolish politicians, weak-minded "leaders of thought," after three years of this terrific lesson of things, do you not see yet the real cause and the deep significance of this war?

It is a war of conquest provoked and waged for possession of more soil, for more security and stability of economic opportunities, by a nation which, not without reason, complained of not having her "place in the sun." Why? Because the occupation of the countries by the nations threatened to be more and more coupled with the monopolization of the opportunities which they offer; for the exchange of the products of the lands was not free, and continually threatened to become less and less free. Through division of labor and through exchange, the opportunities and the products of the earth are and must remain the gifts of God to the whole of human kind. Short of this, the law of the "survival of the fittest" obtains. *Thus men must co-operate—or fight.*

It is true that the complaining nation was herself the worst foe of liberty, international equity and true human progress. But in its hideous fear and hate of freedom, in its monstrous selfishness and greed, in its ignoble exploitation of its ignorant "protected" people, a protectionist and plutocratic Autocracy is a consistent organization. Whereas, internationally nor nationally, a "protectionist Democracy" is not a Democracy. At least it will and cannot be a lasting Democracy; it sooner or later will end in war or revolution—or in both.

No ideals of world domination, moreover, would have sufficiently developed in Autocracies, no aggressive influences and interests therein would have become powerful and daring enough for precipitating their peoples and the World into this catastrophic



abyss, if Democracies had shown to the misled peoples of Autocracy the ways of international freedom, equity, progress and true civilization. Have Democracies given such distinguished examples? Have they not rather, all with the Autocracies, more or less sunk into a contemptible bourgeois-Plutocracy—with its present international and coming national consequences?

This war is a revolt of the invincible nature of things and the insuperable force of truth against the errors and falsities of the international policy of all nations. When its real cause and deep significance are understood by the peoples, there will be no more place for international hatred, but only for mutual reproaches of ignorance and error. Reproaches specially bitter and deserved will be addressed to the "leaders of thought" and to the "great Statesmen." The false prophets of Pacifism, of Bellicism and of Protectionism will be cursed and stoned and the preachers and singers of hate will be despised and ridiculed.

#### 8. THE PEACE OF WISDOM AND LOVE

Thus it is seen that for the reign of Justice and Peace it is not requisite that human nature be reformed. If it were so, humanity would indeed have a hopeless future. Men are not naturally wicked. On the contrary they are naturally social and inclined to mutual sympathy. But they are naturally ignorant. Humanity has originated and men are born in ignorance. They continue to behave unjustly one with another (in most cases thinking that they behave justly) because they have not yet the knowledge of what is just and unjust. Behaving unjustly, they create insecurity among themselves. And then they behave wickedly (they lie, they defraud, they hate, they destroy, they kill) in order to subsist and survive in the insecurity which their ignorance has created.

Wars and revolutions are the outcome of international and social unintentional injustice much more than of international and social wickedness. Mankind lacks, the world wants wisdom much more than goodness. Civilization could not be promoted by good and ignorant feelings; it must be saved and furthered by intelligence. "Ignorance is the curse of God, knowledge is the wing which shall bring Humanity to Heaven."

Knowledge of international and social truth and justice, creating security and peace, and permitting the fulfilment of human spiritual Finalities, can only be found in the study of the laws of Nature, which are the living and ever present expression of the Will of God.

The fundamental natural ethical law is that of freedom to produce and to exchange, permitting all men and all nations to "make their living" and to develop peacefully in prosperity—to "multiply and replenish the earth."

When men know and observe that natural and divine fundamental law of the real Fatherhood of God and Brotherhood of Man, they will be permitted to live in deserved peace and ultimately in love—*but never before*.

## 9. THE WHOLE PACIFIST "SECRET"

With the exception of a few mystics and idealists (who deserve some sympathy and even respect) there is practically no individual on earth who in his private life does not, as a natural necessity, accord to his "economics" a primary importance. Nobody, however, seems to realize that this care is even more legitimate and unavoidable on the part of nations—whose security depends on economic development and whose rulers, unlike private men, have *no right* to be disinterested, unforeseeing, unfarsighted.

Under the system of international free-trade, the economic opportunities, possibilities of development and "places in the sun" being worldwide, would for all nations, great and small, be brought to their maximum and be equal. International justice and security would be practically complete. International Peace would have its true permanent *foundation*. Such is the whole pacifist "secret" which Nature and God want men to discover.

Humanity, like a child, should be led by the hand up to the screen which, by the will of the Protectionists and with the consent of the Pacifists, hides from its eyes that fundamental and simple Truth. When the screen shall be raised, men will not immediately thoroughly understand what they see. But they will know that there exists a comforting, hopegiving and consoling thing which hitherto has been hidden from them. They will henceforth dream, think, discuss, and after some time they will "understand." They will understand what a great crime against mankind is Protectionism.

## 10. THE ARTICLE FIRST OF THE TREATY OF ECONOMIC PEACE

*"Instead of exclusive combinations, I want to see universal co-operation."*

*"America shall stand for the just conception and basis of peace, for the competition of merit and for the generous rivalry of liberty."*

*"America came into existence, my fellow citizens, not in order to show to the world the most notable example of accumulation of material wealth but to show the way to Mankind in every part of the World to justice and freedom and liberty."—WOODROW WILSON.*

*Europe, and with her the rest of the World, can be internationally and socially saved, civilization can be preserved, only if a great Statesman, equal to the emergency and opportunity of the times, as a Redeptor, ready momentarily to sacrifice his popularity and even his reputation for the service of Mankind, resolves to put an end to the international enterprises of greed, injustice and spoliation served by ignorance.*

All peoples of the World ought to be told and taught that no real and true "solution" of the international problem, no international security, no durable peace, no permanent liberation of smaller nationalities, no true freedom of the seas, no future disarmament, no safety for democracy, can be hoped for except through the general adoption of an international policy of economic justice and morality based on the principle of international freedom of economic intercourse and services.

No success of peace efforts or negotiations will be in sight so long the nations in conflict have not in principle agreed on this article First of any peace-treaty: **Germany to reduce immediately her customs duties, say to 50% of what they are at present; Great Britain to remain free-trade; all nations to adopt for the future a policy of freer trade and of ultimate complete free-trade; all colonies of the World to be opened, under the system of equality of economic opportunities, to the commerce of all nations of the World.**



## Two Protectionist Fallacies,

widely propagated in all countries and specially mischievous in the United States (to the point of possibly inducing many people to fear an "economic peace!") need, in this place, an answer. We therefore beg to reproduce here some passages already met in the foregoing pages, to which we shall add some short considerations:

Tariffs, in all countries, have been instituted in order to encourage and protect capital engaged in industries. They now everywhere protect high selling prices and high manufacturing profits. But, *in all countries* (be it noted) they are continued for the "protection of labor against the cheap foreign labor products." Except in England, where labor stands for free-trade, the workmen are happy to be so well cared for. "I protect my cows," says the farmer. "I know why I do this, but the cows do not." So is it explainable that, with the consent of the . . . workmen and the gradual auto-suggestion of the . . . farmers, Protection has become for most peoples an economic credo—which indeed in the future will be considered as the most mischievous and widest spread superstition known in the history of men.

1) It is untrue that Protectionism, preventing importation and making for a self sustained people, is a source of higher wages and a factor of a higher standard of living; on the contrary Protectionism tends to lower both and it is free exchange only which can have such favorable results. All imported things are paid for by equal values of exported things; therefore, to begin with, importation *does not and cannot reduce* home production, demand of labor and wages. But prevention of importation through protective tariffs (1) narrows markets and (2) causes the parasitical establishment and prosperity of artificial industries, *these then taking the place of natural industries*, for which, if free, the possibilities and prospect of development would be far greater than those of the protected and artificial industries. Therefore tariffs and the self-sustaining system make for lower, whereas free-trade makes for higher home production, demand for labor and wages. The cost of living being necessarily higher under the tariff régime, we are allowed to state that Protectionism tends to reduce *both* wages and standard of life whereas freedom of exchange tends to increase both of them.

Of course, a nation, whatever may be the number and the enterprise of its inhabitants, has a limited capacity of industry; amongst its possible undertakings it must choose the most profitable, and it is a matter of simple common sense that such are those industries which are best appropriate to the nature of the country, and that these industries want only freedom, i. e., a natural condition for birth, growth, health and prosperity. If wages are found to be high in a protectionist country it is *because of these natural industries*, because of the natural opportunities and riches offered by the country, because of the intelligence and labor energy of its inhabitants, *because of freedom of exchange within its own borders* and despite the protectionist barriers put against the exchange of services with the outer world. How could barriers and isolation create wealth and prosperity? How could co-operation and mutual services *not* create them?

Undefeatable, the Protectionists will say: national self-support, which requires Protection, is necessary *for the case of war*. We answer: exactly; for with them war will sooner or later be inevitable; whereas, with international free division of labor and exchange of mutual economic services, the result would be a double "disaster"—free-trade and peace.

We think it useful to suggest here that, with freedom of exchange, fair opportunities for the making of their living would be afforded to *all* peoples *at home*, without their being obliged, or powerfully incited, by poverty, to leave their countries, thus disturbing the labor markets of other nations and complicating their problems. Free intercourse is the natural solution of this problem. Freedom is nature of things, is harmony, is peace. It is the obstacles which we oppose to freedom that create our difficulties.

2) It is of the utmost importance to note furthermore that Protectionist customs duties represent the worst and the most exhausting method of raising revenue for the State. Home producers of articles taxed are thereby enabled to extort from the general body of consumers a sum which may be and generally *is* many times larger than any possible revenue which would accrue to the State. The higher the customs duties the less the State receives (by reason of diminishing volume of importation) and the more the tax levied by manufacturers on consumers is raised (by raising the prices of their products); the more also, by reason of general dearness, will the expenses of the State suffer increase, even to the length of absorbing the greatest part of receipts from

customs. Thus the "revenue" goes to private profits. Attempts to create important revenues by means of Protectionist customs duties are condemned to failure. They will end in revolution.

Moderate "revenue tariffs" of course are less harmful; they work moderately for bad distribution of wealth—and ultimate revolution.

Any system of raising State revenues, whatever its defectiveness may be imagined to be, is preferable to customs duties. The only "merit" of this system is that it makes it possible to raise taxes without the taxed people's knowledge and consent—the greatest error and peril for a Democracy.





## Part IV

### THE TREATY OF ECONOMIC PEACE

*"The making of peace is to be desired and to be regarded as a blessing, when it can insure us against the suspicious designs of our neighbors, when it creates no new danger and brings the promise of future tranquillity. But if the making of peace is to produce the very opposite of all this, then, for all its deceptive title, it is no better than the continuation of a ruinous war."*—GUICCIARDINI.

*"No Treaty of Peace is worthy of its name, if contained therein are the hidden germs of a future war."*—KANT, *Essay on Perpetual Peace*.

*"Only an economic peace can prepare the ground for the friendly association of the peoples."*—RESOLUTION RECENTLY VOTED BY THE GERMAN REICHSTAG.

*Truth and Justice, the eternal twin forces that hold sway over Mankind will never rest till men attain an Economic Peace.*



July, 1917.

The characteristic feature and dominating fact of the present highly critical situation of the belligerent world is that the various, —military, political and economic—consequences arising from a defeat have developed to such a point of gravity that it has for either side become impossible even to contemplate submission to the will and power of the enemy. It however and fortunately remains possible for both sides to submit to a principle, to surrender to a truth. Large quarters in both “camps” would immediately declare their readiness for such a surrender; everywhere a favorable public opinion would rapidly become overwhelming in its favor. “For above all things Truth beareth away the victory.”

A “peace by understanding” is desirable and possible—but only if this means a peace by the *understanding of truth*. Out of the international struggle have arisen a moral problem and a spiritual necessity. More and more it will appear that the greatest and deepest misfortunes, possibly for centuries to come, cannot be warded from Humanity unless an adequate solution is given to the problem, an adequate satisfaction to the necessity.

The problem is that of the fundamental moral relations of the nations—their economic relations; the necessity is that of freedom and justice in these fundamental relations. By the nature of things our economic life is our fundamental life, and morality in the economic intercourse is the fundamental morality. *Peace lacks and awaits its natural moral foundation.*

In their practical and immediate application, the principle and truth which are determining factors in the following scheme of settlement, and to which nations are hereby invited to submit, find this double expression:

(1) a negative expression: this war cannot be ended except by the suppression of its main motive, and guaranty against repetition cannot be obtained except through the elimination of the main cause of all modern wars—economic error, exclusion, injustice, with the necessarily following jealous, unhealthy, mischievous rivalries;

(2) a positive expression: a treaty of peace, if it is to be lasting, must, *firstly and fundamentally*, be a treaty of future economic justice and security, that is to say, of future international

economic freedom, equality of opportunities, harmony of interests and co-operation—involving a fair distribution of colonial ownership, leadership, or control.

## OUTLINE OF THE TREATY OF ECONOMIC PEACE

### ARTICLE I

- 1) Great Britain to remain free trade.
- 2) Germany immediately to reduce her customs duties to 50% of what they are at present and further to agree to operate an annual reduction of 5% until customs duties are entirely removed.

The careful observer of the present spirit in Great Britain knows that there is no hope of this country remaining free trade if Germany does not make a great immediate step toward this system of fairness, justice, morality and harmony. A similar step will be required from all other countries.

Though disputable from the view point of economic wisdom, this state of mind and attitude of the British nation can and must be understood from a sentimental point of view. It is too much to expect that one country will give indefinitely to the world an unfollowed example of international freedom and wisdom.

- 3) All other nations to pledge themselves gradually to reduce their customs duties to 50% of what they are at present by annual reductions of 5% during the 10 years following the signature of the peace treaty.

Results and example will do the rest and insure future further reductions and ultimate freedom of international intercourse. Discussion and enlightenment on this great subject of the connection of protection and war and of free trade and peace will insure the necessary progress.

### ARTICLE II

All colonies of the World to be opened on terms of absolute equality of opportunities to trade and general economic activities of all nations.

Canada, Australia, New Zealand and South Africa to be regarded in this respect as independent States and not as "colonies."

Asia-Minor, Persia, Egypt, Morocco, China, Manchuria and Siberia to be regarded as "colonies."

All nations to pledge themselves not to offer or to accept any preferential or differential economic treatment.

### ARTICLE III

As a preamble to this article, we venture to suggest that every forward and wealthy nation has the right to claim and the duty to accept an honorable share in the control or leadership of the backward peoples and countries in the ways of liberty and of service for general human interest. For the former scramble of swine for everything in sight this article substitutes a gentlemanly division of "mine, thine and ours" between all nations. No more then would the terrors of national power, autocracy and world domination overshadow the future of civilization.

1) Germany and Austria to be allowed joint leadership in the development of Asia-Minor.

If the principle of future co-operation and equality of rights, under the provisions and benefits of Article II, is regarded as furnishing a guaranty of lasting good-will, harmony and peace—and it alone is in conformity with the interests of the native populations—there is no doubt that a satisfaction given to Germany and Austria in Asia-Minor must be accepted as a necessary integral part of any treaty of peace.

A Protectionist "Mittel-Europa" would be the greatest conceivable obstacle to future lasting peace; a free-trade Mittel-Europa would be an asset of peace.

2) The territory between Bagdad (included) and the Persian Gulf to be internationalized.

3) Russia and Great Britain to be allowed a joint political and economic influence in the development of Persia.

4) France to be granted a political control of Palestine and Syria.

5) The Dardanelles, the Bosphorus and adjoining territories to be politically and economically controlled by an international board.

6) Japan to be granted the political and economic leadership in the development of China, Manchuria and Corea.



7) The Monroe Doctrine to be recognized and proclaimed by all nations as expressing a right and a duty of the United States.

8) The British, French, German, Belgian and Portuguese colonies of Central Africa to be united in an international State and to be controlled by an international council.

In this international colony the trade should be entirely free. No customs duties would be raised. The expenses of the State should be born by all contracting nations in proportion to their trade with the international colony. The taxation of land-values is highly commendable in this new country.

May it be suggested that there probably exists no better or other way (1) of opening Central Africa to civilization *in the interest of the natives* (2) of solving the eminently difficult and grave question raised by the case of the German colonies of S. E. and S. W. Africa? These being joined to the international colony, the problem would be solved satisfactorily for all parties.

#### ARTICLE IV

Once fairness in dealings, liberty of intercourse, actual equality of rights and duties, co-operation and morality are thus proclaimed and ensured between the great nations—but *then only*—the problems affecting their military, political and economic “greatness” and “power” having henceforth lost their hitherto rationally dominating if not exclusive importance—the following burning questions can be discussed and settled **definitely, finally**.

1) The political and economic independence of Belgium to be restored.

2) Alsace-Lorraine to be made an independent and neutral State, but to remain, *if it chooses*, within the German Zollverein (for 10 years according to Art. 1).

This solution is the *one* responding to the economic interests and fundamental needs as well as probably to the political wishes of the great majority of the population of Alsace-Lorraine. It is also the only one which conceivably could answer to the wish of “peace without annexation” and it is the one eliminating the bone of contention between Germany and France.

3) German, Austrian and Russian Poland to be made an independent and parliamentary State under an Austrian Ruler.

This solution gives the best prospect of future welfare for Poland, which for many reasons is not prepared to live under republican institutions. Moreover, it being assumed that the peace-treaty shall be agreed upon, and not imposed, it is not easy to conceive that Germany and Austria would consent to combine their Polish provinces with the Russian Poland if there is not given to them what they will consider as a necessary guaranty of future internal order for the new State.

4) The independence and harmony of the Balkan States to be reestablished and consolidated, under the guaranty of all signers of the peace treaty, by a freer economic intercourse between these States and an absolutely free way through for their goods.

5) Trentino to be given back to Italy.

6) Trieste to be made an Austrian free port.

## ARTICLE V

Damages done in the invaded countries during the war to be estimated by an international commission and reparation therefor to be paid within the next 10 years by the belligerent nations in the following proportions:

Germany and Austria.....	.60%
Great Britain.....	.10%
France.....	.10%
Russia.....	.10%
United States.....	.10%

Such is the only agreement which in its principle conceivably can respond to the wish of a "peace without indemnities."

The author of this scheme appeals to the common sense and to the generosity of the United States to accept this. Without giving to this consideration a first importance it is to be noted that the sacrifice asked from the United States would scarcely be superior to its expenses for *one* month of war. Moreover, have not *all* nations "sinned?" Have they not all partaken in the errors which have brought about this World's war. All nations have to "take their medicine."

But there are powerful political and moral considerations, which we propose to leave to the reflections of the citizens of this great nation themselves, for their agreement to such a settlement.

What an example in the history of Mankind! What an influence, what a prestige for this Republic!

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In our statement on "The Economic Cause and Solution of the European Crisis" we have said (page 21) "that it is extremely irrational and dangerous and moreover contrary to sound law to conclude international agreements *ad aeternum*, that is to say, without any limit of time. Such agreements, like all contracts, should be made for a definite period, and renewable. They will thus have a greater precision of meaning and will involve a more formal moral obligation. An international treaty without the stipulation of a period involves the mental reservation "*rebus sic stantibus*."

For this reason we suggest that the articles I, II, III and IV, should be agreed upon for a period of 35 years and shall be renewable from term to term either by another agreement or by simple "tacit reconduction."

We beg to note that by this treaty of economic peace—which we hereby submit to the statesmen—neither Germany nor any other country, would enlarge her own and exclusive "place in the sun." But the whole World would be made a common and secure place in the sun for Germany as for all other nations. And this is both the minimum that Germany has the duty and the maximum that she has the right to claim. Her co-operative (political and economic) partnership in the general development of civilization would then be as great or as reduced as she might choose and her enlargement of partnership would involve no danger or exclusion for others.

The true and concrete foundation of future international justice, morality and harmony having been laid by our treaty of economic peace, no formal immediate convention needs to be made concerning disarmament or limitation of land and naval forces, concerning "freedom of the seas," autonomy of constituent nationalities, institution of international tribunals, organization of leagues of nations, and other measures of similar kinds. These questions would be found absolutely insoluble at a peace conference, even if this were to last several years. But they *all can and will* be solved gradually, satisfactorily, within a relatively



short time,<sup>1</sup> as a natural consequence of the advent of true international right, order and security, permitting progress in national and international ideas and morals and, at last! the reign of international good faith and good-will between the nations and between their rulers.

The author therefore suggests the additional article:

#### ARTICLE VI

The contracting nations, who invite all other nations of the World to join them, solemnly pledge themselves to call an international convention to take place within three months of the signature of this treaty of peace, in order to settle all questions of general and common interest considered useful for the future international welfare of humanity.

<sup>1</sup>This may mean 5 years of diligent study and discussion by a highly competent and impartial body, composed, not of military and diplomatic representatives of the nations, but of specialists of international science. The resolutions of this body would involve a new organization of the world. They should, *of course*, be submitted to, discussed and voted by, the Parliaments of the contracting nations, and this alone suffices for making it impossible that questions as those named should be decided upon at a peace conference.



## Appendix

- 1) AN OPEN LETTER TO MR. WOODROW WILSON, PRESIDENT  
OF THE UNITED STATES OF AMERICA
- 2) A MESSAGE ON "FREE TRADE AND PEACE TO THE SOCIETY  
OF FRIENDS AND OTHER CHRISTIANS.
- 3) THE WORLD AT WAR (CONCLUSION) BY GEORG BRANDES.





# Open Letter

TO

MR. WOODROW WILSON

President of the United States of America<sup>1</sup>

The Hague, 3d of October, 1914.

SIR:

Europe goes to ruin. Civilization is threatened with breakdown. Brave little Belgium is in agony. Judging by the reciprocal attitude of the great nations in conflict, it would seem that they have harked back to those epochs when peoples could not conceive their existence and prosperity possible except by the suppression of the other peoples.

Must the horrible tragedy be pursued to "a finish" as the Statesmen of the great European nations appear to consider it necessary? Must all peaceful hopes be abandoned by those who amid the storm preserve intact their brain and heart? Is no effort to be put forth by those possessed of authority sufficiently high to permit them to exercise an influence on the destinies of their contemporaries?

As a Belgian citizen, a man of business and in some degree an economist, I would ask you, Sir, to do me the honor to weigh the economic considerations as well as those considerations that tend toward peace which I venture to bring to your notice in the course of the present letter. They express opinions which for some ten years past I have unceasingly defended, but which are widely removed from those in vogue in all countries at this present hour. In propounding them anew to-day with the object of interesting you therein, I fulfil what appears to me to be my imperative duty to humanity.

I appreciate, Sir, that amidst the chaos of ideas which looms ahead, two peace-making conceptions, equally true because equally realistic, should be carefully kept together in view: the

<sup>1</sup>Published in French by the *Nieuwe Rotterdamsche Courant* on the 8th of October, 1914.—Translated by the American Legation at The Hague and transmitted for information to the Department of State at Washington.

one, of a peace imposed by arms, which could only be temporary; the other, of a definitive pacification, to be realized by means of economic arrangements assuring the loyal association or co-operation of the European peoples.

The present war will appear to many a political philosopher and historian as a natural phenomenon which came about because most peoples have persisted in gravely infringing one of those great natural laws of progress which express a superior Will.

Among these laws there is none more important or more fundamental to civilization than that of the practice of Exchange alike between nations and between individuals. All material, intellectual, and moral progress of humanity, since its origin, is directly or indirectly derived therefrom. Exchange is the primordial social phenomenon; for, one can no more conceive Society without Exchange than Exchange without Society. It is therefore natural and only logical that the phenomenon of exchange of goods and services exercises a momentous influence on the life of the Society of Nations as it does on the internal destinies of national collectivities. To ignore the fundamental international importance of Exchange is to be guilty of a great error, a great wrong, a great fault of which most peoples and their governments have more and more gravely been guilty during the last half century.

Industry and commerce, which are comprised in exchange of material services are the most, if not the only, effective means for bringing nearer and finally uniting peoples, because they are its primordial, natural and positive means. Such mutual services must be permitted free development in the interests of peace as well as of true prosperity. For harmonizing feelings it is necessary to harmonize and unify interests. At least the contrary ought to have been avoided. Fundamental interests cannot without peril be dealt with in a spirit of systematic antagonism; it is so between friends, even between brothers, how could it not be equally true between peoples?

Now, for the last thirty or forty years, industry and commerce, because of the almost universal acceptance and accentuation of the system of reciprocal exclusion by means of protective customs duties—and other privileges and monopolies connected with Protection—have but furnished grounds for jealousy, discord, developing in international hate and culminating in the present war.



That which has happened was bound to happen. For, it is in the nature and consequently in the very force of things that peoples are unable to live in assured peace until they have decided definitively to enter into the state of freedom of international economic intercourse. That will appear more and more imperatively true in measure of the development of industry and commerce, which must characterize all progressive civilization. Cobden has said: "Free Trade is the best Peace-maker." Inspired by him I make bold to say: Free Trade will more and more become the *only* Peace-maker.

The desire to suppress armies *in order to* make peace proceeds from an extraordinary illusion. Is it not the simple common sense truth that it is necessary to begin by creating international security in order to be able to suppress armies? Now at our epoch of Industrial development the fundamental condition of international security is equality of economic rights and opportunities for all nations—a progress inseparable from international arrangements tending toward freedom of trade. It is along this line of action that one must seek and can find the only means for the pacification of Europe.

A voice of high authority should be raised in order to make the civilized world comprehend that the disastrous and terrific state of things—which has been brewing for long time past—has a profound cause, so far nearly unnoticed, differing widely from the superficial and passing causes which everyone puts forth.

The actual conflict has as origin, already remote, the insecure, unstable and unequal condition in which practically every people found itself in what concerned its economic outlets and future. This was so because of the possibility, ever latent, of a recrudescence of the so-called "Protectionist" policy of the nations, chiefly of the great colony-owning ones. Not one of these latter nations avoided this threatening and perilous policy tending to monopoly. Therefrom sprang the increasing eagerness of every nation to possess its own exclusive economic and colonial domain. The will to exclude and monopolize engendered more will to exclude and monopolize.

Relatively deprived of colonies (having arrived too late to be able to acquire her portion of new territories) menaced occasionally by more or less complete exclusion from the markets of other nations, the great industrial and commercial nation, which Germany is, was not willing to—and indeed could not—take the risk of losing important parts of her outlets and markets,

and she resolved to conquer that which for many years past, she has designated her "place in the sun." In our imperfect, uncompleted civilization, at once highly industrial and highly militarist, economic development is the foundation of military power and consequently the condition of national security.

Herein lies the true cause and the true objective of the increasing armaments of Germany on sea and land involving increasing armaments by the other European nations.

Applying herself the detestable protectionist system (even more excessively than most of the other nations, her agrarians, manufacturers and politicians being sustained by the narrow and erroneous teachings of the professors of the "Nationale Wirtschaft") Germany could not, reasonably and decently, complain of the resulting insecurity to herself of the protectionism of others. She persevered in error and wrong and continued to arm. And such is the formidable and persistent misunderstanding which no European statesman either dissipated or even understood and which culminates in the present catastrophe.

It is not too late, Sir, to put forth a supreme effort with the object of ending the devastation and carnage which are ruining and dishonoring Europe and humanity. This demands a great action, a grand achievement:

*The assembling of a conference in which all nations of the world shall participate with the view of coming to an agreement for the opening of all colonies of all peoples to the free commerce of all peoples.*

This agreement must apply to colonies present *and future*.

It will not necessarily signify the immediate abolition of all customs duties in colonies, but certainly the immediate application to all nations of similar treatment, of economic equality in all colonial markets of the world.

Such an agreement will be equivalent to the internationalization of the colonies. It will be eminently favorable to the interests of these—above all to the interests of those that are highly "protected."

This great act would without doubt constitute the probably decisive step in the direction of Free trade between the mother countries themselves.

It is thus only, Sir, that humanity can hope for a general and definite peace, it is thus only that it will be possible to transform the sword into the ploughshare, to recast cannon into anvils and hammers. Then only will true civilization begin.

If among all peoples, there is a people which has the right to ask that a great pacifist initiative should be taken without delay, it certainly is the Belgian people so hospitable, so laborious, so innocent, and nevertheless so unhappy and so completely sacrificed. Yet, no Belgian implores pity. But all make appeal for justice—to others as to themselves.

I have, however, to declare that in writing you this letter I have not intervened at the behest of any person. I act individually in full consciousness of a duty to accomplish and in the absolute conviction that I express the most useful and the highest truth that can be proclaimed at the present epoch.

And finally I permit myself to ask again, Is it possible that humanity can contemplate a return to primitive epochs when peoples could not conceive it possible to live and to prosper except by suppressing and ruining other peoples? Whereas it is exactly the contrary, whereas it is loyal association and economic co-operation of peoples which is TRUTH of a dazzling clearness.

I beg you, Sir, to have the goodness to accept the expression of my confidence in your kind attention and the assurance of my profound respect.

(Signed) HENRI LAMBERT,  
Manufacturer in Charleroi (Belgium.)



# Free Trade and Peace

A MESSAGE TO THE SOCIETY OF FRIENDS  
AND OTHER CHRISTIANS.

Friends:

A few months after the beginning of the war I was present at one of the London meetings of the Society of Friends, where, for the first time in my life, I heard serious discussion of "Non-resistance to War." I left the meeting convinced that the Friends were right in their view of the religious principles involved in the question of war and peace, but that they had not the same clear conception of the practical application of these principles. It is still my judgment that "non-resistance" is *not* a short and efficient way to avoid wars and secure peace.

In all countries, and for a very long time, practically all men will lack the intelligence, wisdom and virtues needed to vanquish unloosed war forces by the influence of the Christian spirit. If a strong minority of "non-resistants" should now exist in one nation, that nation would be in danger of being enslaved; it would possibly disappear. It is our conception of international life and duties *in time of peace* which must be rendered Christian. This can result only from knowledge of international Christian truth; not from vague international Christian "feelings."

As long as the custom of war and conquest shall last, it will be necessary to oppose offensive by defensive forces. "Conscientious objection" most probably lacks its necessary rational motive and moral justification. For, sociologically and historically, the liberty and the rights of the individual always have depended and must necessarily depend on the security of the group. Were the nation deprived of its freedom, there could be no freedom of the individual. No claim of individual rights therefore can prevail against the need of national security.

Only the suppression of war itself will remove the necessity of resistance to war. This does not mean that the brutal forces of war will be finally conquered by superior brutal forces. War can no more be definitely defeated by war, than oppression can be defeated by oppression, injustice by injustice, evil by evil. In

that sense Friends are right in teaching that men will never conquer inferior material forces, finally ending war, unless they oppose to them a superior spiritual power. What spiritual power?

"Non-resistance" is real and superior spirituality because its attitude is that of love. But is humanity ripe for "international love?" Moreover, is there not an intermediate stage of justice, which must precede that of love in all human relations? International justice alone appears to be capable of overcoming war by preventing the outburst of aggressive or resentful national forces. Against the brutal forces of war Christians must oppose the spiritual powers of international justice.

The true Christian attitude is one of spiritual combat, and, in the matter of war, there is possible only this satisfactory compromise between non-resistance and resistance: combat against international injustice. Such is the only short, efficient, practical way of establishing peace on earth, good will among nations. "The fruit of righteousness is peace, and the effect of righteousness, quietness and assurance forever."

Now, of what does justice in international relations consist? What must be its main characteristics in the present historical period?

Religious wars ceased in 1648 with the Treaty of Munster. Dynastic wars, arising from monarchical rivalries and ambitions, are probably a thing of the past. Among the causes of the present war were hostile international feelings, racial passions, inferior national "ideals," interests of castes; but their influence was important only because allied with antagonistic economic interests of the nations or, at least, of large sections of the nations. Modern wars have been caused, are caused, are likely to be caused, by huge international economic contests, strivings for advantage, *for privilege*. The problem of the suppression of war being a problem of suppression of international economic conflicts, international peace depends upon international economic justice.

The question now arises: What is *economic* international justice?

Increasingly, for nearly half a century, the development of industries and commerce has been the main motive, the real objective, of international politics. No longer are nations strongly moved by desire of conquest or domination for satisfaction of pride and lust of power. In our day wars have economic purpose and motive; territories are conquered, empires are built up with a view to economic expansion, with desire for security,

stability of outlets and markets and, unfortunately, for industrial and commercial *privilege and monopoly*. Not yet do men and nations realize that expansion, prosperity, security and stability for their own trade do not involve loss of such accompanying advantages for the trade of others. Man's thought is still one of aloofness, exclusion, privilege, monopoly—i.e., international economic injustice. It should be of co-operation, free competition, equality, mutual services rendered by exchange—i.e., INTERNATIONAL ECONOMIC JUSTICE.

In the unjust, un-Christian economic ideas generally accepted lies the actual cause of international economic conflicts and of wars. This wrong conception must be removed. The task should be easy, for there is no sounder truth than this: in international trade, liberty means prosperity for all nations. In international trade, liberty is the true national good, the true international justice, the true Christian policy. Every nation desires other nations to adopt toward itself freedom of trade; ought not nations to do to others as they would be done by, and avoid treating others in a way that they themselves would not wish to be treated?

As Nature has distributed diversely and unequally the many things needed by men, it is clear that exchange—and, consequently, *free* exchange—among nations accords with the Divine Will, as a primordial, imperative law of justice and progress, securing to men in various parts of the world their share of the natural, divine gifts needed for physical and, therefore, for intellectual and spiritual welfare. Does not the growth of superior aspirations require leisure for thought, and is not this dependent upon the easy satisfaction of physical needs?

The enactment of the law of international economic justice is of the utmost importance to the smaller nations whose limited territories compel them to specialize in production, emphasizing the need of free exchange. Generosity and friendliness toward smaller nations, as well as well-understood self interest of the greater nations, ought to be manifested primarily by freedom of economic intercourse.

I submit this proposition: GOD HAS NOT GIVEN THE LANDS AND THE SEAS TO THE NATIONS, BUT TO HUMANITY. NATIONS WILL NEVER ENJOY GOODWILL AND PEACE UNTIL THE DIVINE WILL BE RESPECTED AND FULFILLED. This does not mean that every human being must be at home everywhere on the globe, and that political frontiers of nations should be abolished (an unnatural, unprogressive idea); but it does mean that economic



frontiers must be abolished, i.e., that the "open-door" for free exchange of things and services must be universal, every man thus finding at home, in his own country, among his own people, the best possible opportunities for making a living. Thus, all human kind through co-operation may progress materially, intellectually, spiritually; therefore in harmony and peace. "Seek ye first the Kingdom of God and His justice, and all these things shall be added unto you."

Pascal said that "as it has not been possible to insure that what was mighty should be just, it has been insured that what was just should be mighty." The war powers of the mighty nations will be vanquished only by the almighty spiritual power of international justice, the necessary, practical, fundamental characteristic of which is liberty in exchange of economic services.

I respectfully suggest that the Society of Friends throughout the world transform their negative, passive attitude into a positive, active one; that they substitute for "Non-resistance to War" *a vigorous and uncompromising resistance to the chief cause of war*, viz.: the un-Christian international policy of obstruction to mutual services, miscalled "Protection." I suggest to them that International Free Trade, foreshadowing the reign of morality, harmony and goodwill among nations, is a great and true Christian peace ideal worth striving for, worth "fighting" for.

# The World at War

(CONCLUSION)

OF GEORG BRANDES

Would that many prominent men and women in England and in all parts of the world could be induced to cease their everlasting discussion as to who is responsible for the war, and upon whom the punishment should fall, and would concentrate their efforts on solving the only real and vital question, that of finding a way out of this hell! To it the words of Macbeth may truly be applied:

*"Oh horror, horror, horror! Tongue nor heart  
Cannot conceive nor name thee!"*

The belligerents are insatiable. At the Conference of Paris they decided to continue the commercial war when the clash of arms is over. Insanity seems fated to reign forever.

The war must end with an agreement, and as the real nature of the war is economic, this agreement must be economic. England, as a nation of free trade, has shown the world the way. A tariff agreement will be unavoidable, and both parties will have to make concessions. Greater trade freedom must be sought until *universal free trade* is reached at last.

A man from the country which has suffered most in the war, a Belgian business man from Charleroi, M. Henri Lambert, points to the only sane solution. He claims that the only wise and far-sighted policy regarding a tariff, is to be *just* and to allow even the enemy to live. There can be no lasting improvement in European conditions unless the party seeking peace is forced to abandon or at least greatly reduce its protective tariff. For this, complete and equitable reciprocity should be granted. The instrument of economical competition called "dumping," for which the English so blame the Germans, can only be done away with by means of the open door.

A tariff agreement will be necessary even in the improbable event of one party winning an overwhelming victory, for which a dozen millions or more men will have to be sacrificed on the battlefield and in the homes.

Suppose that the victor, as suggested at the economic conference in Paris, should decide to discriminate against the vanquished by means of unequal tariffs. The vanquished nation would thereby be dragged down to a lower level, and humanity would be set back to the days when whole nations were enslaved!

The vanquished, under such pressure, would have but one passion: revenge and redress! They would turn to account any disagreement arising among the victors, and within fifty years would succeed in breaking loose. Political alliances do not last half a century.

The peace of Europe in the future depends on free trade. Free trade, as Cobden has said, is the greatest peace-maker. It seems, moreover, the only possible peace-maker.

In ancient times, people put out the eyes of the old horses set to drag the mill stones round and round. So to-day, the unfortunate nations of Europe, blinded to reality, under the yoke, believing themselves free, grind the mills of war.







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