VARIOUS

ESSAYS IN LIBERALISM

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Essays in Liberalism / Being the Lectures and Papers Which Were Delivered at the / Liberal Summer School at Oxford, 1922:

Содержание

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PREFACE

The papers contained in this volume are summaries—in some cases, owing to the defectiveness of the reports, very much abridged summaries—of a series of discourses delivered at the Liberal Summer School at Oxford in the first ten days of August, 1922. In two cases ("The State and Industry" and "The Machinery of Government") two lectures have been condensed into a single paper.

The Summer School was not arranged by any of the official organisations of the Liberal party, nor was any part of its expenses paid out of party funds. It was the outcome of a spontaneous movement among a number of men and women

who, believing that Liberalism is beyond all other political creeds dependent upon the free discussion of ideas, came to the conclusion that it was desirable to create a platform upon which such discussion could be carried on, in a manner quite different from what is usual, or indeed practicable, at ordinary official party gatherings. From the first the movement received cordial support and encouragement from the leaders of the party, who were more than content that a movement so essentially Liberal in character should be carried on quite independently of any official control. The meetings were inaugurated by an address by Mr. Asquith, and wound up by a valediction from Lord Grey, while nearly all the recognised leaders of the party presided at one or more of the meetings, or willingly consented to give lectures. In short, while wholly unofficial, the meetings drew together all that is most vital in modern Liberalism.

In some degree the Summer School represented a new departure in political discussion. Most of the lectures were delivered, not by active politicians, but by scholars and experts whose distinction has been won in other fields than practical politics. One or two of the speakers were, indeed, not even professed Liberals. They were invited to speak because it was known that on their subjects they would express the true mind of modern Liberalism. Whatever Lord Robert Cecil, for example, may call himself, Liberals at any rate recognise that on most subjects he expresses their convictions.

As a glance at the list of contents will show, the papers

cover almost the whole range of political interest, foreign, domestic, and imperial, but the greatest emphasis is laid upon the problems of economic and industrial organisation. Yet, since it is impossible to survey the universe in ten days, there are large and important themes which remain unexplored, while many subjects of vital significance are but lightly touched upon. Perhaps the most notable of these omissions is that of any treatment of local government, and of the immensely important subjects—education, public health, housing, and the like—for which local authorities are primarily held responsible. These subjects are held over for fuller treatment in later schools; and for that reason two papers—one on local government and one on education—which were delivered at Oxford have not been included in the present volume.

It must be obvious, from what has been said above, that these papers make no pretence to define what may be called an official programme or policy for the Liberal party. It was with study rather than with programme-making that the School was concerned, and its aim was the stimulation of free inquiry rather than the formulation of dogmas. Every speaker was, and is, responsible for the views expressed in his paper, though not for the form which the abridged report of it has assumed; and there are doubtless passages in this book which would not win the assent of all Liberals, for Liberalism has always encouraged and welcomed varieties of opinion.

Nevertheless, taken as a whole, these papers do fairly

represent the outlook and temper of modern Liberalism. And the candid reader will not fail to recognise in them a certain unity of tone and temper, in spite of the diversity of their authorship and subject-matter. Whether the subject is foreign politics, or imperial problems, or government, or industry, the same temper shows itself—a belief in freedom rather than in regimentation; an earnest desire to substitute law for force; a belief in persuasion rather than in compulsion as the best mode of solving difficult problems; an eagerness to establish organised methods of discussion and co-operation as the best solvent of strife, in international relations and in industrial affairs quite as much as in the realm of national politics, to which these methods have long since been applied.

That is the spirit of modern Liberalism, which gives unity to the diversity of this little volume. As has often been said, Liberalism is an attitude of mind rather than a body of definitely formulated doctrine. It does not claim to know of any formula which will guide us out of all our troubles, or of any panacea that will cure every social ill. It recognises that we are surrounded in every field of social and political life by infinitely difficult problems for which there is no easy solution. It puts its trust in the honest inquiry and thought of free men who take their civic responsibilities seriously.

THE LEAGUE OF NATIONS AND THE REHABILITATION OF EUROPE

By the Rt. Hon. Lord Robert Cecil

K.C., M.P., Assistant Secretary of State for Foreign Affairs, 1918. Minister of Blockade, 1916-1918. Representative of Union of South Africa at Assembly of League of Nations.

Lord Robert Cecil said:—I ought to explain that I am here rather by accident. The speaker who was to have addressed you was my great personal friend, Professor Gilbert Murray, and you have greatly suffered because he is not present. He is prevented by being at Geneva on a matter connected with the League, and he suggested that I might take his place. I was very glad to do so, for, let me say quite frankly, I am ready to advocate the League of Nations before any assembly, certainly not least an assembly of Liberals. But not only an assembly of Liberals—I should be ready to advocate it even before an assembly of "Die-Hards."

Your chairman has said, and said truly, that the League is not a party question. We welcome, we are anxious for support from every one. We have seen in another great country the very grave danger that may accrue to the cause of the League if it

unhappily becomes identified with party politics. We welcome support, yes, I will say even from the Prime Minister; indeed no one will reject the support of the Prime Minister of England for any cause. I am bound to admit when I first read the speech to which reference has already been made, I was a little reminded of the celebrated letter of Dr. Johnson to Lord Chesterfield. Lord Chesterfield only began to recognise the value of Johnson's works when Johnson had already succeeded, and in one of the bitter phrases Dr. Johnson then used he said, "Is not a patron one who looks with unconcern on a man struggling for life in the water, and when he has reached ground incommodes him with help?" That was a passing phase in my mind, and I am a little ashamed of it, because, after all, we cannot say the League has reached ground as yet. We need and are grateful for the help of any one who will genuinely come to its assistance. I hope we may look not only for words, but for deeds. The League needs all the support it can get in the very perilous and menacing times which are before us. I was glad to note that the Government has announced—it is one of the great test questions—that not only is it in favour of the entry of Germany into the League, but it would support the election of Germany to the Council of the League. That is an earnest of what we trust may be a real League policy from the Government of this country. And yet, though I have thought it right to emphasise the non-party aspect of this question, I am conscious, and I am sure all of you are, there are two ways in which the League is regarded. It is not only that,

as your chairman would say, some people have more faith than others, but there is really a distinct attitude of mind adopted by some supporters of the League from that adopted by others.

The Two Views of the League

There is what I may call the empirical view of the League. There are those of us in this country, and indeed all over the world, who, profoundly impressed with the horrors of war, hating war from the bottom of their hearts as an evil thing—a company which must include, as far as I can see, all Christian men and women—these people, impressed with the horrors of war, look about for some means of keeping it away, some safeguard against its renewal. And they say: "We have tried everything else, we have tried the doctrine of the preparation for war as a great safeguard of peace; we have tried the doctrine of the Balance of Power; we have tried the doctrine of making one State or group of States so powerful that it can enforce its will on the rest of the world. We have tried all these expedients, and we are driven to the conclusion that they lead not to peace, but to war. Is there anything else?" And then they come quite legitimately to the League as their last hope of preserving the peace of the world. I was talking to a distinguished Frenchman the other day, and that was his attitude. It is the attitude of a great many people. In my judgment it is quite sound as far as it goes. But it is not inspiring. It depends in the last resort merely on a frank appeal to the terrors of mankind.

Against that view you may set the more fundamental way of approaching this question. You may say if you are to have

peace in the world it is not enough merely to provide safeguards against war. You must aim at creating a new international spirit, a new spirit in international affairs; you must build from the very foundations. That is the positive as opposed to the negative way of approaching this question. It is not enough to cast out the war spirit and leave its habitation swept and garnished. You have to replace the war spirit by a spirit of international co-operation. And that is the way of regarding this great movement which some people think can be disposed of by describing it as idealism—a favourite term of abuse, I learn, now, but which seems to me not only good politics and good morality, but common sense as well.

The Negative and the Positive

These two points of view do represent undoubtedly fundamental differences of political attitude, and you will find that the two sets of advocates or supporters of the League whom I have tried to describe, will inevitably regard with different emphasis the provisions of the Covenant, and even the achievements of the League. For if you read the Covenant you will find two sets of provisions in that document. It does recognise the two schools, as it were, that I have been describing. It has a set of provisions which deal with the enforcement, the safeguarding of peace, and a set of provisions which deal with the building up of international co-operation. You will notice the two sets of provisions. There are those aiming directly at the settlement of disputes without war. This is the central part of the League. It is the first thing before you can hope to do anything else. Before you can begin to build up your international spirit you must get rid as far as you can of the actual menace of war; and in that sense this is the central part of the Covenant. But, in my view, the most enduring and perhaps the most important part is that set of provisions which cluster round the group of articles beginning with Article 10 perhaps, certainly Article 12, and going on to Article 17—the group which says in effect that before nations submit their disputes to the arbitrament of war they are bound to try every other means of settling their

differences. It lays down first the principle that every dispute should come to some kind of arbitration, either by the new Court of International Justice—one of the great achievements of the League—or discussion before a specially constituted Arbitration Court, or failing both, then discussion before the Council of the League; and Articles 15 and 16 provide that until that discussion has taken place, and until adequate time has been allowed for the public opinion of the world to operate on the disputants as the result of that examination, no war is to take place, and if any war takes place the aggressor is to be regarded as perhaps what may be called an international outlaw.

Before you begin to build you must have freedom from actual war, and the provisions have been effective. They are not merely theoretic. I am not sure whether it is generally recognised, even in so instructed an assembly as this, how successful these provisions have actually been in practice. Let me give you briefly two illustrations: the dispute between Sweden and Finland, and the much more urgent case of the dispute between Serbia and Albania. In the first case you had a dispute about the possession of certain islands in the Baltic. It was boiling up to be a serious danger to the peace of the world. It was referred to the League for discussion. It was before the existence of the International Court. A special tribunal was constituted. The matter was threshed out with great elaboration; a decision was come to which, it is interesting to observe, was a decision against the stronger of the two parties. It was accepted, not with enthusiasm by the party that

lost, but with great loyalty. It has been adopted, worked out in its details by other organs of the League, and as far as one can tell, as far as it is safe to prophesy about anything, it has absolutely closed that dispute, and the two countries are living in a greater degree of amity than existed before the dispute became acute.

But the Albanian case is stronger. You had a very striking case: a small country only just struggling into international existence. Albania had only just been created before the war as an independent State, and during the war its independence had in effect vanished. The first thing that happened was its application for membership of the League. That was granted, and thereby Albania came into existence really for the first time as an independent State. Then came its effort to secure the boundaries to which it was entitled, which had been provisionally awarded to it before the war. While that dispute was still unsettled, its neighbour, following some rather disastrous examples given by greater people in Europe, thought to solve the question by seizing even more of the land of Albania than it already occupied. Thereupon the Articles of the Covenant were brought into operation. The Council was hastily summoned within a few days. It was known that this country was prepared to advocate before that Council the adoption of the coercive measures described in Article 16. The Council met, and the aggressive State immediately recognised that as a member of the League it had no course open but to comply with its obligations, and that as a prudent State it dared not face the danger which would be

caused to it by the operation of Article 16. Immediately, before the dispute had actually been developed, before the Council, the Serbians announced that they were prepared to withdraw from Albanian territory, and gave orders to their troops to retire beyond the boundary. Let us recognise that this decision having been come to, it was carried out with absolute loyalty and completeness. The troops withdrew. The territory was restored to Albania without a hitch. No ill-feeling remains behind, and the next thing we hear is that a commercial treaty is entered into between the two States, so that they can live in peace and amity together.

The Spirit of the League

I want to emphasise one point about these two cases. It is not so much that the coercive powers provided in the Covenant were effectively used. In Sweden and Finland they never came into the question at all, and in the other case there was merely a suggestion of their operation. What really brought about a settlement of these two disputes was that the countries concerned really desired peace, and were really anxious to comply with their obligations as members of the League of Nations. That is the essential thing—the League spirit. And if you want to see how essential it is you have to compare another international incident: the dispute between Poland and Lithuania, where the League spirit was conspicuous by its absence. There you had a dispute of the same character. But ultimately you did secure this: that from the date of the intervention of the League till the present day—about two years—there has been no fighting; actual hostilities were put an end to. Though that is in itself an immensely satisfactory result, and an essential preliminary for all future international progress, yet one must add that the dispute still continues, and there is much recrimination and bitterness between the two countries. The reason why only partial success has been attained is because one must say Poland has shown a miserable lack of the true spirit of the League.

Let me turn to the other parts of the Covenant—those

which aim directly at building up international co-operation. I am not sure that it is always sufficiently realised that that is not only an implicit but also an explicit object of the Covenant—that it is the main purpose for which the League exists. International co-operation are the very first words of the preamble to the Covenant. This is the fundamental idea I cannot insist on too strongly, because it does really go down to the very foundations of my whole creed in political matters. International co-operation, class co-operation, individual co-operation—that is the essential spirit if we are to solve the difficulties before us. Let me remind you of the two instances of the action of the League in dealing with the threat of epidemics to Europe. A conference was called at Washington to consider what could be done to save Europe from the danger of epidemics coming from the East. What is interesting is that in that conference you had present not only members of the League considering and devising means for the safety of Europe, but you had representatives of Germany and Russia—a splendid example of the promotion of international co-operation extending even beyond the limits of the membership of the League. Admirable work was done. All countries co-operated quite frankly and willingly under the presidency of a distinguished Polish scientist.

That is one example of what we mean by international co-operation. Perhaps an even more striking example was the great work of Dr. Nansen in liberating the prisoners of war who were in Russia. He was entrusted with the work on behalf of

the League. The prisoners of war belonged to all nationalities, including our enemies in the late war. He accomplished his work because he went about it in the true spirit of the League, merely anxious to promote the welfare of all, leaving aside all prejudices whether arising from the war or from any other cause. Dr. Nansen is in my judgment the incarnation of the spirit of the League, and his work, immensely successful, restored to their homes some 350,000 persons, and he did it for less money than he originally estimated it would cost.

Do not put me down as a facile optimist in this matter. In the matter of international co-operation we have a long way to go before we reach our goal, and we can already see one or two serious failures. I deeply deplore that last year the League found itself unable, through the instructions given by the Governments which composed it, to do anything effective on behalf of the famine in Russia. It was a most deplorable failure for the League, and still more deplorable for this country. It was a great opportunity for us to show that we really did mean to be actuated by a new spirit in international affairs, and that we did recognise that the welfare of all human beings was part—if you like to put it so—of our national interests. We failed to make that recognition. We have been trying feebly and unsuccessfully to repair that great mistake ever since, and for my part I do not believe there is any hope of a solution of the Russian difficulty until we absolutely acknowledge the failure we then made, and begin even at this late hour to retrace the false step we then took.

I could give other instances of failure, but I do not wish to depress you, and there are cheering things we may look at. It is a matter of great relief and congratulation that the policy of mandates really does appear to be becoming effective, and one of the greatest activities of the League. Nothing is better than the conception which the mandate clause embodies, that the old ideas of conquest are to be put aside; that you are not to allow nations to go out and take chunks of territory for themselves; that they must hold new territory not for themselves, but on behalf of and for the benefit of mankind at large. This is at the bottom of mandates. Since I am speaking on behalf of Professor Murray, I ought to remind you of the provisions of the Covenant for the protection of racial linguistic minorities, and minorities in different countries. It has not yet become an effective part of the machinery of the League, but I look forward to the time when we shall have established the doctrine that all racial minorities are entitled to be treated on a footing absolutely equal with other nationals of the country in which they live. If that could be established, one of the great difficulties in the way of international co-operation in the spirit of peace will be removed.

The Mistake of Versailles

These are the two aspects I wanted to bring before you. If we are to get down to the root of the matter; if we are to uproot the old jungle theory of international relations, we must recognise that the chief danger and difficulty before us is what may be described as excessive nationalism. We have to recognise in this and other countries that a mere belief in narrow national interests will never really take you anywhere. You must recognise that humanity can only exist and prosper as a whole, and that you cannot separate the nation in which you live, and say you will work for its prosperity and welfare alone, without considering that its prosperity and welfare depend on that of others. And the differences on that point go right through a great deal of the political thought of the day.

Take the question of reparations. I am not going to discuss in detail what ought to be done in that difficult and vexed question, but I want to call your attention to the mistake which was originally made, and which we have never yet been able to retrieve. The fundamental error of Versailles was the failure to recognise that even in dealing with a conquered enemy you can only successfully proceed by co-operation. That was the mistake —the idea that the victorious Powers could impose their will without regard to the feelings and desires and national sentiment of their enemy, even though he was beaten. For the first time

in the history of peace conferences, the vanquished Power was not allowed to take part in any real discussion of the terms of the treaty. The attitude adopted was, "These are our terms, take or leave them, but you will get nothing else." No attempt was made to appreciate, or even investigate the view put forward by the Germans on that occasion. And last, but not least, they were most unfortunately excluded from membership of the League at that time. I felt profoundly indignant with the Germans and their conduct of the war. I still believe it was due almost exclusively to the German policy and the policy of their rulers that the war took place, and that it was reasonable and right to feel profound indignation, and to desire that international misdeeds of that character should be adequately punished. But what was wrong was to think that you could as a matter of practice or of international ethics try to impose by main force a series of provisions without regard to the consent or dissent of the country on which you were trying to impose them. That is part of the heresy that force counts for everything. I wish some learned person in Oxford or elsewhere would write an essay to show how little force has been able to achieve in the world. And the curious and the really remarkable thing is that it was this heresy which brought Germany herself to grief. It is because of the false and immoral belief in the all-powerfulness of force that Germany has fallen, and yet those opposed to Germany, though they conquered her, adopted only too much of her moral code.

It was because the Allies really adopted the doctrine of the

mailed fist that we are now suffering from the terrible economic difficulties and dangers which surround us. I venture to insist on that now, because there are a large number of people who have not abandoned that view. There are still a number of people who think the real failure that has been committed is not that we went wrong, as I think, in our negotiations at Versailles, but that we have not exerted enough force, and that the remedy for the present situation is more threats of force. I am sure it won't answer. I want to say that that doctrine is just as pernicious when applied to France as when applied to Germany. You have made an agreement. You have signed and ratified a treaty; you are internationally bound by that treaty. It is no use turning round and with a new incarnation of the policy of the mailed fist threatening one of your co-signatories that they are bound to abandon the rights which you wrongly and foolishly gave to them under that treaty.

I am against a policy based on force as applied to Germany. I am equally opposed to a policy based on force as applied to France. If we really understand the creed for which we stand, we must aim at co-operation all round. If we have made a mistake we must pay for it. If we are really anxious to bring peace to the world, and particularly to Europe, we must be prepared for sacrifices. We have got to establish economic peace, and if we don't establish it in a very short time we shall be faced with economic ruin. In the strictest, most nationalistic interests of this country, we have to see that economic war comes to an end. We

have got to make whatever concessions are necessary in order to bring that peace into being.

Economic Peace

That is true not only of the reparation question; it is true of our whole economic policy. We have been preaching to Europe, and quite rightly, that the erection of economic barriers between countries is a treachery to the whole spirit of the League of Nations, and all that it means, and yet with these words scarcely uttered we turn round and pass through Parliament a new departure in our economic system which is the very contradiction of everything we have said in international conference.

The Safeguarding of Industries Act is absolutely opposed to the whole spirit and purpose which the League of Nations has in view. A reference was made by your chairman to Lord Grey, and I saw in a very distinguished organ of the Coalition an attack on his recent speech. We are told that he ought not at this crisis to be suggesting that the present Government is not worthy of our confidence, but how can we trust the present Government? How is it possible to trust them when one finds at Brussels, at Genoa, at the Hague, and elsewhere they preach the necessity of the economic unity of Europe, and then go down to the House of Commons and justify this Act on the strictest, the baldest, the most unvarnished doctrine of economic particularism for this country? Nor does it stop there. I told you just now that for me this doctrine on which the League is based goes right through many other problems than those of a

strictly international character. You will never solve Indian or Egyptian difficulties by a reliance on force and force alone. I believe that the deplorable, the scandalous condition to which the neighbouring island of Ireland has been reduced is largely due to the failure to recognise that by unrestricted unreasoning, and sometimes immoral force, you cannot reach the solution of the difficulties of that country.

And in industry it is the same thing. If you are really to get a solution of these great problems, depend upon it you will never do it by strikes and lock-outs. I am an outsider in industrial matters. I am reproached when I venture to say anything about them with the observation that I am no business man. I can only hope that in this case lookers-on may sometimes see most of the game. But to me it is profoundly depressing when I see whichever section of the industrial world happens to have the market with it—whether employers or wage-earners—making it its only concern to down the other party as much as it can. You will never reach a solution that way. You have to recognise in industrial as in international affairs that the spirit of co-operation, the spirit of partnership, is your only hope of salvation.

The Two Causes of Unrest

What is the conclusion of what I have tried to say to you? There are at the present time two great causes of fighting and hostility. There used to be three. There was a time when men fought about religious doctrine, and though I do not defend it, it was perhaps less sordid than some of our fights to-day. Now the two great causes of fighting are greed and fear. Generally speaking, I think we may say that greed in international matters is a less potent cause of hostility than fear. The disease the world is suffering from is the disease of fear and suspicion. You see it between man and man, between class and class, and most of all between nation and nation. People reproach this great country and other great countries with being unreasonable or unwilling to make concessions. If you look deeply into it you will find always the same cause. It is not mere perversity; it is fear and fear alone that makes men unreasonable and contentious. It is no new thing; it has existed from the foundation of the world. The Prime Minister the other day said, and said quite truly, that the provisions of the Covenant, however admirable, were not in themselves sufficient to secure the peace of the world. He made an appeal, quite rightly, to the religious forces and organisations to assist. I agree, but after all something may be done by political action, and something by international organisation. In modern medicine doctors are constantly telling

us they cannot cure any disease—all they can do is to give nature a chance. No Covenant will teach men to be moral or peace-loving, but you can remove, diminish, or modify the conditions which make for war, and take obstacles out of the way of peace. We advocate partnership in industry and social life. We advocate self-government, international co-operation. We recognise that these are no ends in themselves; they are means to the end; they are the influences which will facilitate the triumph of the right and impede the success of the wrong.

But looking deeper into the matter, to the very foundations, we recognise, all of us, the most devoted adherents of the League, and all men of goodwill, that in the end we must strive for the brotherhood of man. We admit we can do comparatively little to help it forward. We recognise that our efforts, whether by covenant or other means, must necessarily be imperfect; but we say, and say rightly, that we have been told that perfect love casteth out fear, and that any step towards that love, however imperfect, will at any rate mitigate the terrors of mankind.

THE BALANCE OF POWER
By Professor A.F. Pollard

Hon. Litt.D.; Fellow of All Souls' College, Oxford; F.B.A.; Professor of English History in the University of London; Chairman of the Institute of Historical Research.

Professor Pollard said:—The usual alternative to the League of Nations, put forward as a means of averting war by those who desire or profess to desire permanent peace, but dislike or distrust the League of Nations, is what they call the Balance of Power. It is a familiar phrase; but the thing for which the words are supposed to stand, has, if it can save us from war, so stupendous a virtue that it is worth while inquiring what it means, if it has any meaning at all. For words are not the same as things, and the more a phrase is used the less it tends to mean: verbal currency, like the coinage, gets worn with use until in time it has to be called in as bad. The time has come to recall the Balance of Power as a phrase that has completely lost the value it possessed when originally it was coined.

Recent events have made an examination of the doctrine of the Balance of Power a matter of some urgency. The Allies who won the war concluded a pact to preserve the peace, but in that pact they have not yet been able to include Germany or Russia or the United States, three Powers which are, potentially

at any rate, among the greatest in the world. So, some fifty years ago, Bismarck, who won three wars in the mid-Victorian age, set himself to build up a pact of peace. But his Triple Alliance was not only used to restrain, but abused to repress, the excluded Powers; and that abuse of a pact of peace drove the excluded Powers, France and Russia, into each other's arms. There resulted the Balance of Power which produced the war we have barely survived. And hardly was the great war fought and won than we saw the wheel beginning to revolve once more. The excluded Powers, repressed or merely restrained, began to draw together; others than Turkey might gravitate in the same direction, while the United States stands in splendid isolation as much aloof as we were from the Triple Alliance and the Dual Entente a generation ago. Another Balance of Power loomed on the horizon. "Let us face the facts," declared the *Morning Post* on 22nd April last, "we are back again to the doctrine of the Balance of Power, whatever the visionaries and the blind may say." I propose to deal, as faithfully as I can in the time at my disposal, with the visionaries and the blind—when we have discovered who they are.

By "visionaries" I suppose the *Morning Post* means those who believe in the League of Nations; and by the "blind" I suppose it means them, too, though usually a distinction is drawn between those who see too much and those who cannot see at all. Nor need we determine whether those who believe in the Balance of Power belong rather to the visionaries or to the blind. A man may be

receiving less than his due when he is asked whether he is a knave or a fool, because the form of the question seems to preclude the proper answer, which may be “both.” Believers in the Balance of Power are visionaries if they see in it a guarantee of peace, and blind if they fail to perceive that it naturally and almost inevitably leads to war. The fundamental antithesis is between the Balance of Power and the League of Nations.

Balance or League?

That antithesis comes out wherever the problem of preserving the peace of the world is seriously and intelligently discussed. Six years ago, when he began to turn his attention to this subject, Lord Robert Cecil wrote and privately circulated a memorandum in which he advocated something like a League of Nations. To that memorandum an able reply was drafted by an eminent authority in the Foreign Office, in which it was contended that out of the discussion "the Balance of Power emerges as the fundamental factor." That criticism for the time being checked official leanings towards a League of Nations. But the war went on, threatening to end in a balance of power, which was anything but welcome to those who combined a theoretical belief in the Balance of Power with a practical demand for its complete destruction by an overwhelming victory for our Allies and ourselves. Meanwhile, before America came in, President Wilson was declaring that, in order to guarantee the permanence of such a settlement as would commend itself to the United States, there must be, not "a Balance of Power but a Community of Power."

Opinion in England was moving in the same direction. The League of Nations Society (afterwards called "Union") had been formed, and at a great meeting on 14th May, 1917, speeches advocating some such league as the best means of preventing

future wars were delivered by Lord Bryce, General Smuts, the Archbishop of Canterbury, Lord Hugh Cecil, and others. Labour was even more emphatic; and, responding to popular opinion, the Government, at Christmas, 1917, appointed a small committee to explore the historical, juridical, and diplomatic bearings of the suggested solution. A brief survey sufficed to show that attempts to guarantee the peace of the world resolved themselves into three categories: (1) a Monopoly of Power, (2) Balance of Power, and (3) Community of Power. Rome had established the longest peace in history by subjugating all her rivals and creating a *Pax Romana* imposed by a world-wide Empire. That Empire lasted for centuries, and the idea persisted throughout the middle ages. In modern times Philip II. of Spain, Louis XIV. of France, Napoleon, and even the Kaiser were suspected of attempting to revive it; and their efforts provoked the counter idea, first of a Balance of Power, and then in these latter days of a Community of Power. The conception of a Monopoly of Power was by common consent abandoned as impossible and intolerable, after the rise of nationality, by all except the particular aspirants to the monopoly. The Balance of Power and the Community of Power —in other words, the League of Nations—thus became the two rival solutions of the problem of permanent peace.

The Theory of Balance

The discussion of their respective merits naturally led to an inquiry into what the alternative policies really meant. But inasmuch as the Foreign Office committee found itself able to agree in recommending some form of League of Nations, the idea of the Balance of Power was not subjected to so close a scrutiny or so searching an analysis as would certainly have been the case had the committee realised the possibility that reaction against an imperfect League of Nations might bring once more to the front the idea of the Balance of Power. The fact was, however, elicited that the Foreign Office conception of the Balance of Power is a conception erroneously supposed to have been expressed by Castlereagh at the time of the Congress of Vienna, and adopted as the leading principle of nineteenth century British foreign policy.

Castlereagh was not, of course, the author of the phrase or of the policy. The phrase can be found before the end of the seventeenth century; and in the eighteenth the policy was always pleaded by potentates and Powers when on the defensive, and ignored by them when in pursuit of honour or vital interests. But Castlereagh defined it afresh after the colossal disturbance of the balance which Napoleon effected; and he explained it as "a just repartition of force amongst the States of Europe." They were, so to speak, to be rationed by common agreement. There were

to be five or six Great Powers, whose independence was to be above suspicion and whose strength was to be restrained by the jealous watchfulness of one another. If any one State, like France under Napoleon, grew too powerful, all the rest were to combine to restrain it.

Now, there is a good deal in common between Castlereagh's idea and that of the League of Nations. Of course, there are obvious differences. Castlereagh's Powers were monarchies rather than peoples; they were limited to Europe; little regard was paid to smaller States, whose independence sometimes rested on no better foundation than the inability of the Great Powers to agree about their absorption; and force rather than law or public opinion was the basis of the scheme. But none of these differences, important though they were, between Castlereagh's Balance of Power and the League of Nations is so fundamental as the difference between two things which are commonly regarded as identical, viz., Castlereagh's idea of the Balance of Power and the meaning which has since become attached to the phrase. There are at least two senses in which it has been used, and the two are wholly incompatible with one another. The League of Nations in reality resembles Castlereagh's Balance of Power more closely than does the conventional notion of that balance; and a verbal identity has concealed a real diversity to the confusion of all political thought on the subject.

Castlereagh's Balance of Power is what I believe mathematicians call a multiple balance. It was not like a pair of

scales, in which you have only two weights or forces balanced one against the other. It was rather like a chandelier, in which you have five or six different weights co-operating to produce a general stability or equilibrium. In Castlereagh's scheme it would not much matter if one of the weights were a little heavier than the others, because there would be four or five of these others to counterbalance it; and his assumption was that these other Powers would naturally combine for the purpose of redressing the balance and preserving the peace. But a simple balance between two opposing forces is a very different thing. If there are only two, you have no combination on which you can rely to counteract the increasing power of either, and the slightest disturbance suffices to upset the balance. Castlereagh's whole scheme therefore presupposed the continued and permanent existence of some five or six great Powers always preserving their independence in foreign policy and war, and automatically acting as a check upon the might and ambition of any single State.

The Change since Castlereagh

Now, it was this condition, essential to the maintenance of Castlereagh's Balance of Power, which completely broke down during the course of the nineteenth century. Like most of the vital processes in history, the change was gradual and unobtrusive, and its significance escaped the notice of politicians, journalists, and even historians. Men went on repeating Castlereagh's phrases about the Balance of Power without perceiving that the circumstances, which alone had given it reality, had entirely altered. The individual independence and automatic action of the Great Powers in checking the growing ambitions and strength of particular States were impaired, if not destroyed, by separate Alliances, which formed units into groups for the purposes of war and foreign policy, and broke up the unity of the European system, just as a similar tendency threatens to break up the League of Nations. There was a good deal of shifting about in temporary alliances which there is no need to recount; but the ultimate upshot was the severance of Europe into the two great groups with which we are all familiar, the Triple Alliance of Germany, Austria, and Italy on one side, and the Triple Entente between Russia, France, and Great Britain on the other. The multiple Balance of Power was thus changed into a simple balance between two vast aggregations of force, and nothing remained outside to hold the balance, except the United

States, which had apparently forsworn by the Monroe Doctrine the function of keeping it even.

And yet men continued to speak of the Balance of Power as though there had been no change, and as though Castlereagh's ideas were as applicable to the novel situation as they had been to the old! That illustrates the tyranny of phrases. Cynics have said that language is used to conceal our thoughts. It is difficult to resist the conclusion that phrases are used to save us the trouble of thinking. We are always giving things labels in order to put them away in their appropriate pigeon-holes, and then we talk about the labels without thinking about them, and often forgetting (if we ever knew) the things for which they stand. So we Pelmanised the Balance of Power, and continued to use the phrase without in the least troubling to ask what it means. When I asked at the Foreign Office whether diplomatists meant by the Balance of Power the sort of simple balance between two great alliances like the Triple Alliance and the Triple Entente, I was told "yes"; and there was some surprise—since the tradition of Castlereagh is strong in the service—when I pointed out that that was an entirely different balance from that of which Castlereagh had approved as a guarantee of peace. You remember the Cheshire cat in *Alice in Wonderland*—an excellent text-book for students of politics—and how the cat gradually faded away leaving only its grin behind it to perplex and puzzle the observer. So the body and the substance of Castlereagh's Balance of Power passed away, and still men talk of the grin and look to the phrase

to save them from war. Whether to call them visionaries or the blind, I do not know.

Mischievous Hallucination

In either case, it is a mischievous hallucination; for the simple Balance of Power between two great combinations is not only no guarantee of peace, but the great begetter of fear, of the race for armaments, and of war. Consider for a moment. If you want a balance, you want to have it perfect. What is a perfect balance between two opposing weights or forces? It is one which the addition of a feather-weight to either scale will at once and completely upset. Now what will that equipoise produce? The ease with which the balance may be destroyed will produce either on one side the temptation to upset it, and on the other fear lest it be upset, or fear on both sides at once. What indeed was it but this even balance and consequent fear which produced the race for armaments? And what does the race for armaments result in but in war? If we want war, we need only aim at a Balance of Power, and it will do the rest. So far from being a guarantee of peace, the Balance of Power is a sovereign specific for precipitating war.

Of course, there are arguments for a Balance of Power. Plenty of them, alas! though they are not often avowed. It produces other things than war. For one thing, it makes fortunes for munition firms. For another, it provides careers for those who have a taste for fighting or for military pomp. Thirdly, in order to maintain armies and navies and armaments, it keeps up taxation and diverts money from social, educational, and other reforms

which some people want to postpone. Fourthly, it gratifies those who believe that force is the ultimate sanction of order, and, by necessitating the maintenance of large forces for defensive purposes, incidentally provides means for dealing with domestic discontent. Fifthly, it panders to those who talk of prestige and think that prestige depends upon the size of a nation's armaments. For the sake of these things many would be willing to take the risk of war which the Balance of Power involves. But most of those who use the phrase are unconscious of these motives, and use it as they use many another phrase, simply because they know not what it means. For, assuredly, no sane person who had examined the Balance of Power, as it existed before the war, could ever advocate it as a means of peace.

Indeed, whenever there has been the prospect of a practical Balance of Power, its votaries have shown by their action that they knew their creed was nonsense. The late war, for instance, might have been ended in 1916 on the basis of a Balance of Power. There were a few who believed that that was the best solution; but they were not our latter-day believers in the Balance of Power. Their cry was all for a fight to a finish and a total destruction of the Balance of Power by an overwhelming victory for the Allies, and their one regret is that a final blow by Marshal Foch did not destroy the last vestige of a German army. What is the point of expressing belief in the Balance of Power when you indignantly repudiate your own doctrine on every occasion on which you might be able to give it effect? And what is the point

of the present advocacy of the Balance of Power by those who think themselves neither visionaries nor blind? Do they wish to restore the military strength of Germany and of Russia and to see an Alliance between them confronting a Franco-British union, compelled thereby to be militarist too? Is it really that they wish to be militarists and that the League of Nations, with its promise of peace, retrenchment, and reform, is to them a greater evil than the Balance of Power?

Where the Line is Drawn

There is yet another fatal objection to the Balance of Power due to the change in circumstances since the days of Castlereagh. He could afford to think only of Europe, but we have to think of the world; and if our specific has any value it must be of world-wide application. We cannot proclaim the virtues of the Balance of Power and then propose to limit it to the land or to any particular continent. Now, did our believers in the Balance of Power ever wish to see power balanced anywhere else than on the continent of Europe? That, if we studied history in any other language than our own, we should know was the gibe which other peoples flung at our addiction to the Balance of Power. We wanted, they said, to see a Balance of Power on the continent of Europe, to see one half of Europe equally matched against the other, because the more anxiously Continental States were absorbed in maintaining their Balance of Power, the keener would be their competition for our favour, and the freer would be our hands to do what we liked in the rest of the world.

Was that a baseless slander? Let us test it with a question or two. Did we ever want a Balance of Power at sea? British supremacy, with a two-to-one or at least a sixteen-to-ten standard was, I fancy, our minimum requirement. Is British supremacy what we mean by a Balance of Power? Again, did we ever desire a Balance of Power in Africa, America, or Asia? We may have

talked of it sometimes, but only when we were the weaker party and feared that another might claim in those continents the sort of Balance of Power we claimed on the sea. We never spoke of the Balance of Power in the interests of any nation except ourselves and an occasional ally. We cannot speak in those terms to-day. If we demand a Balance of Power on land, we must expect others to claim it at sea; if we urge it on Europe as a means of peace, we cannot object if others turn our own argument against us in other quarters of the globe; and wherever you have a Balance of Power you will have a race for armaments and the fear of war.

The Balance of Power is, in fact, becoming as obsolete as the Monopoly of Power enjoyed by the Roman Empire. It is a bankrupt policy which went into liquidation in 1914, and the high court of public opinion demands a reconstruction. The principle of that reconstruction was stated by President Wilson, a great seer whose ultimate fame will survive the obloquy in which he has been involved by the exigencies of American party-politics and the short-sightedness of public opinion in Europe. We want, he said, a Community of Power, and its organ must be the League of Nations. Nations must begin to co-operate and cease to counteract.

I am not advocating the League of Nations except in the limited way of attempting to show that the Balance of Power is impossible as an alternative unless you can re-create the conditions of a century ago, restore the individual

independence of a number of fairly equal Powers, and guarantee the commonwealth of nations against privy conspiracy and sedition in the form of separate groups and alliances. But there is one supreme advantage in a Community of Power, provided it remains a reality, and that is that it need never be used. Its mere existence would be sufficient to ensure the peace; for no rebel State would care to challenge the inevitable defeat and retribution which a Community of Power could inflict. It has even been urged, and I believe it myself, that Germany would never have invaded Belgium had she been sure that Great Britain, and still less had she thought that America, would intervene. It was the Balance of Power that provoked the war, and it was the absence of a Community of Power which made it possible.

Basis of Security

But no one who thinks that power—whether a Monopoly, a Balance, or even a Community of Power is the ultimate guardian angel of our peace, has the root of the matter in him. Men, said Burke, are not governed primarily by laws, still less by force; and behind all power stands opinion. To believe in public opinion rather than in might excludes the believer from the regular forces of militarism and condemns him as a visionary and blind. For advocates of the Balance of Power bear a striking resemblance to the Potsdam school; and even so moderate a German as the late Dr. Rathenau declared in his unregenerate days before the war that Germans were not in the habit of reckoning with public opinion. Nevertheless, there is a frontier in the world which for a century and more has enjoyed a security which all the armaments of Prussian militarism could not give the German Fatherland; and the absolute security of that frontier rests not upon a monopoly nor a community, still less upon a balance of power, but on the opinion held on both sides of that frontier that all power is irrational and futile as a guarantee of peace between civilised or Christian people.

Let us look at that frontier for a moment. It is in its way the most wonderful thing on earth, and it holds a light to lighten the nations and to guide our feet into the way of peace. It runs, of course, between the Dominion of Canada and the United States

of America across the great lakes and three thousand miles of prairie; and from the military and strategic point of view it is probably the worst frontier in the world. Why then is it secure? Is it because of any monopoly or community or balance of power? Is it because the United States and the British Empire are under a common government, or because there is along that frontier a nicely-balanced distribution of military strength? No, it is secure, not in spite of the absence of force, but because of the absence of force; and if you want to destroy the peace of that frontier from end to end, all you need to do is to send a regiment to protect it, launch a *Dreadnought* on those lakes, and establish a balance of power. For every regiment or warship on one side will produce a regiment or warship on the other; and then your race for armaments will begin, and the poison will spread until the whole of America becomes like Europe, an armed camp of victims to the theory of strategic frontiers and of the Balance of Power.

Those theories, their application, and their consequences recently cost the world thirty million casualties and thousands of millions of pounds within a brief five years, and yet left the frontiers of Europe less secure than they were before. Three thousand miles of frontier in North America have in more than a hundred years cost us hardly a life, or a limb, or a penny. As we put those details side by side we realise *quantula regitur mundus sapientia*—with how little wisdom do men rule the world. Yet the truth was told us long ago that he that ruleth his spirit is

better than he that taketh a city, and we might have learnt by our experience of the peace that the only conquest that really pays is the conquest of oneself.

The real peace of that North American frontier is due to no conquest of Americans by Canadians or of Canadians by Americans, but to their conquest of themselves and of that foolish pride of "heathen folk who put their trust in reeking tube and iron shard." Let us face the facts, whatever the visionaries and the blind may say. So be it. The war is a fact, and so is the desolation it has wrought. But that Anglo-American frontier is also a fact, and so is that century of peace which happily followed upon the resolution to depend for the defence of that frontier on moral restraint instead of on military force. Verily, peace hath her victories not less renowned than those of war.

The Alternative

We have, indeed, to face the facts, and the facts about the Balance of Power must dominate our deliberations and determine the fate of our programmes. There may be no more war for a generation, but there can be no peace with a Balance of Power. There can be nothing better than an armed truce; and an armed truce, with super-dreadnoughts costing from four to eight times what they did before the war, is fatal to any programme of retrenchment and reform. We are weighted enough in all conscience with the debt of that war without the burden of preparation for another; and a Balance of Power involves a progressive increase in preparations for war.

Unless we can exorcise fear, we are doomed to repeat the sisyphean cycles of the past and painfully roll our programmes up the hill, only to see them dashed to the bottom, before we get to the top, by the catastrophe of war. Fear is fatal to freedom; it is fear which alone gives militarism its strength, compels nations to spend on armaments what they fain would devote to social reform, drives them into secret diplomacy and unnatural alliances, and leads them to deny their just liberties to subject populations. Fear is the root of reaction as faith is the parent of progress; and the incarnation of international fear is the Balance of Power.

INTERNATIONAL DISARMAMENT

By Major-General Sir Frederick Maurice, K.C.M.G., C.B

Director of Military Operations—Imperial General Staff, 1915-16.

Sir Frederick Maurice said:—This problem of the reduction of armaments is one of the most urgent of the international and national problems of the day. It is urgent in its economic aspect, urgent also as regards its relation to the future peace of the world. The urgency of its economic aspect was proclaimed two years ago at the Brussels conference of financiers assembled by the League of Nations. These experts said quite plainly and definitely that, so far as they could see, the salvation of Europe from bankruptcy depended upon the immediate diminution of the crushing burden of expenditure upon arms. That was two years ago. Linked up with this question is the whole question of the economic reconstruction of Europe. Linked up with it also is that deep and grave problem of reparations. It is no longer the case to-day, if it has ever been the case since the war, which I doubt, that sober opinion in France considers it necessary for France to have large military forces in order to protect her from German aggression in the near future. For the past two years,

however, it has been the custom of those who live upon alarms to produce the German menace. There is a great body of opinion in France at this moment which feels that unless France is able to put the pistol to Germany's head, it will never be able to get a penny out of Germany.

You have the further connection of the attitude of America to the problem. America said, officially through Mr. Hoover and unofficially through a number of her leading financiers, that she was not ready to come forward and take her share in the economic restoration of Europe so long as Europe is squandering its resources upon arms. The connection is quite definitely and explicitly recognised in the Covenant of the League of Nations. Article 8 begins: "The principles of the League recognise that the maintenance of peace requires reduction of national armaments to the lowest point consistent with national safety, and the enforcement by common action of international obligations." These words were promulgated in 1919. Personally, I find myself in complete agreement with what Lord Robert Cecil said this morning, and what Lord Grey said a few days ago at Newcastle, that one of the prime causes of the war was Prussian militarism. By that I mean the influence of that tremendous military machine, which had been built up through years of labour in Germany, in moulding the public opinion of that country.

A Group of New Armies

Well, how do we stand in regard to that to-day? We stand to-day in the position that the armaments of Germany, Austria, Hungary, Bulgaria, have all been compulsorily drastically reduced, but in their place you have a whole group of new armies. You have armies to-day which did not exist before the war, in Finland, Esthonia, Poland, Lithuania, and Czecho-Slovakia, and the sum total is that at this moment there are more armed men in time of peace in Europe than in 1913. Is there no danger that this machine will mould the minds of some other peoples, just as the German machine moulded the minds of the Germans? This is the position as regards the peace establishments of Europe to-day in their relation to the future peace of the world. What about the economic position? I have mentioned that certain Powers have had their forces drastically reduced, and that has brought with it a drastic reduction of expenditure, but I have before me the naval, military, and air force estimates of the eight principal Powers in Europe, leaving out Germany, Austria, and Bulgaria, whose forces have been compulsorily reduced.

At the economic conference of financiers in Brussels in 1920 it was mentioned with horror that 20 per cent. of the income of Europe was then being devoted to arms. I find that to-day 25 per cent. of the total income of these eight Powers is devoted to arms. I find, further, that of these eight Powers who have budgeted

for a smaller service, only one—Yugo-Slavia—has managed to balance her budget, and the others have large deficits which are many times covered by their expenditure on arms. And this is going on at a time when all these eight nations are taxed almost up to their limit, when the whole of their industries are suffering in consequence, and when the danger of bankruptcy, which horrified the financiers in 1920, is even more imminent.

That being the case, what has been done in the last few years to remedy this matter, and why is more not being done? As you all know, this question is in the forefront of the programme of the League of Nations. And the League began to deal with it at once. Lord Robert Cecil will agree with me that the framers of the Covenant, of which he is one of the chief, could not foresee everything, and they did not foresee at the time the Covenant was framed, that machinery would be required to deal with this extraordinarily complex question of armaments. They created an organisation then called a Permanent Military Command, still in existence, to advise the Council of the League on all military matters. But when these gentlemen got to work upon such questions as reduction of armaments, they at once found themselves dealing with matters entirely beyond their competence, because into this problem enter problems of high politics and finance, and a thousand other questions of which soldiers, sailors, and airmen know nothing whatever.

The League's Commission

The first step was to remedy an oversight in the machinery, and that was done at the first meeting of the Assembly. The first meeting of the Assembly created a temporary mixed commission on armaments, which was composed of persons of recognised competence in political, social, and economic matters. It consisted of six members of the old Permanent Commission, and in addition a number of statesmen, employers, and representatives of labour. This body started to tackle this grave question. Before it began the first Assembly of the League had suggested one line of approach—that there should be an agreement to limit expenditure; that an attempt should be made to limit armaments by limiting budgets; and nations were asked to agree that they would not exceed in the two years following the acceptance of the resolution the budgeted expenditure on armaments of the current year.

That proposal did not meet with great success. It was turned down by seven Powers, notably by France and Spain. On the whole, I think France and Spain and the other Powers had some reason on their side, because it is not possible to approach this problem solely from the financial standpoint. You cannot get a financial common denominator and apply it to armaments. The varying costs of a soldier in Europe and in Japan have no relation to each other. The cost of a voluntary soldier in Great Britain has

no relation to the cost of a conscript on the Continent. Therefore, that line of approach, when applied too broadly, is not fruitful. I think myself it is quite possible that you may be able to apply financial limitations to the question of material, the construction of guns and other weapons of war, because the cost of these things in foreign countries tends much more to a common level. I think this is a possible line of approach, but to try to make a reduction of armaments by reducing budgets on a wholesale scale I do not think will lead us anywhere at all. I may safely say that for the present that line of approach has been abandoned.

The Temporary Mixed Commission got to work, and in its first year, frankly, I cannot say it did very much. It concerned itself very largely with the accumulation of information and the collection of statistics, bearing rather the same relation to world problems as a Royal Commission does to our domestic problems. By the time the second Assembly met practically nothing had been done by the Commission. But other people had been at work, and our own League of Nations Union had put forward a proposal—a line of approach, rather, I would say, to this problem—which I for one think is extremely useful. It began by inquiring as to what armaments were for, which after all is a useful way of beginning, and the inquiry came to the conclusion that nations required them for three purposes—to maintain internal order; as a last resort for the enforcement of law and order; and to protect overseas possessions. After these purposes were served there was a large residuum left. That residuum could only be

required for one purpose—to protect the country in question from foreign aggression. When you had gone thus far in your reasoning, you had obviously got into the zone where bargaining becomes possible, because it is obvious that by agreement you can get the force by which a nation is liable to become reduced. That line of approach received the general blessing at the second Assembly of the League of Nations. Things began to move, primarily because the Dominion of South Africa took a keen interest in this problem of the reduction of armaments, and South Africa appointed Lord Robert Cecil as its representative, and instructed him to press the matter on, and he did. The Assembly definitely instructed this temporary mixed Commission that by the time the third Assembly met plans should be prepared and concrete proposals put on paper.

Washington

Soon after that came the Washington Conference—a great landmark in the history of this problem. For reasons I need not go into in detail, the naval problem is very much easier than the military or air problem. You have as the nucleus of naval forces something quite definite and precise—the battleship—and it also happens that that particular unit is extremely costly, and takes a long time to build, and no man has yet ever succeeded in concealing the existence of a battleship. There you had three important points—a large and important unit in the possession of everybody concerned, very costly, so that by reducing it you make great reductions in expenditure. There was no possibility of avoiding an agreement about the construction of battleships, and it is to these facts mainly that the happy results of the Washington Conference were due.

But for the furtherance of the problem the point is this. The Washington Conference definitely established the principle of reduction of armaments on a great ratio. The ratio for battleships between Great Britain, the United States, Japan, France, and Italy, was settled as to 5, 5, 3, and 1.75. They all agreed on a definite ratio. All agreed to scrap a certain number of ships, to bring their tonnage down to a certain figure, and by doing that relatively they were left in the same position as before, with this advantage—that they at once obtained an enormous reduction in

expenditure on armaments.

That opened up a new line of approach for the attack on this problem from the military and air standpoint. And the next development took place in February this year at the meeting of the Temporary Mixed Commission on armaments, when the Esher proposals were presented. There has been a great deal of talk about the Esher proposals, and I am glad of it, because the one thing wanted in this question is public interest. The Esher proposals were an endeavour to apply to land armaments this principle of reduction on a great ratio. And the line taken was this. It was necessary to find some unit in land armaments which corresponded with the battleships, and the unit selected by Lord Esher was the 300,000 regular soldiers of the peace armies in France, England, and Spain. It was selected because it happened to be the number to which the Austrian army was reduced by treaty, and with that unit he proposed a ratio for the armies of Europe, which would leave everybody relatively in much the same position as before, but would obtain an immediate reduction in numbers of standing armies and a great reduction of expenditure.

This proposal was subjected to a great deal of criticism, and I am sorry to say nine-tenths of the criticism appears to emanate from persons who have never read the proposal at all. It is a proposal which lends itself to a great deal of criticism, and the most effective criticism which could have been applied at the time it was presented was that it put the cart before the horse, and

approached the problem from the wrong direction, for, as Lord Robert Cecil has said here this morning, what nations require is security. Some of them have clear ideas as to the way of obtaining it, but they all want it, and before you can expect people to reduce their armaments, which are, after all, maintained mainly for the purpose of providing security, you must give them something that will take the place of armaments.

A General Defensive Pact

In June an important development took place in this Temporary Commission. It was increased by the addition of a number of statesmen, and, amongst others, of men who ought to have been on it long ago. Lord Robert Cecil was added, and he at once proceeded to remedy what was a real difficulty in Lord Esher's proposals. He put forward a plan for providing security in the form, as the Assembly of the League had asked, of a definite written proposal—really a brief treaty. The purport of that treaty is included in the form of resolutions, which are roughly as follows:—No scheme for the reduction of armaments can be effective unless it is general; that in the present state of the world no Government can accept the responsibility for a serious reduction of armaments unless it is given some other equally satisfactory guarantee of the safety of its country; such guarantee can only be found in a general defensive agreement of all the countries concerned, binding them all to come to the assistance of any one of them if attacked.

A general defensive pact, with a proviso! It is obviously unreasonable to expect the States of the American continent to be ready to come over at any moment to help in Europe. It is obviously unreasonable to expect the States of Europe to bind themselves to come and fight in Asia. Therefore, there was this proviso added that an obligation to come to the assistance of

the attacked country should be limited to those countries which belonged to the same quarter of the globe. Thus, you see, you are getting the obligation of the League into regional application. Personally my own conviction is that this is the line upon which many of the functions of the League will develop.

The main point of the situation as it is to-day is that you have got a committee working out in detail a general pact, which when it is formulated will be far more complete and satisfactory than the very general and vague Clause 10 of the Covenant. We have reached the position when practical proposals are beginning to emerge. What more is wanted? How can we help on this work? You will have gathered from what I said that it is my own conviction that with this problem of reduction of armaments is so closely linked up the problem of economic reconstruction and reparations that the whole ought to be taken together. I believe one of the reasons why so little progress has been made is that the economic problems have been entrusted, with the blessing of our and other Governments, to perambulating conferences, while the disarmament problem has been left solely to the League of Nations. I believe if you could get the whole of these problems considered by one authority—and there is one obvious authority —progress would be far more rapid.

There is another matter which concerns us as citizens—the attitude of our own Government to this question. I was delighted to see recently an announcement made by a Minister in the House of Commons that the Government was seriously in favour

of a reduction of armaments on a great ratio. I was delighted to read the other day a speech, to which reference has already been made, by the Prime Minister. We have had a great many words on this question. The time has come for action, and quite frankly the action of our Government in the past two years with regard to this question has been neutral, and not always one of benevolent neutrality. Our official representatives at Geneva have been very careful to stress the difficulties, but up to the present I am unaware that our Government has ever placed its immense resources as regards information at the disposal of the one Englishman who has been striving with all his power and knowledge to get a definite solution. I believe there is going to be a change; I hope so. In any case, the best thing we can do is to see that it is changed, and that Lord Robert Cecil is not left to fight a lone battle.

The Appeal to Public Opinion

There is something more. There is something wanted from each of us. Personally, I am convinced myself that this problem is soluble on the lines by which it is now being approached. I speak to you as a professional who has given some study to the subject. I am convinced that on the lines of a general pact as opposed to the particular pact, a general defensive agreement as opposed to separate alliances, followed by reduction on a great ratio, the practicability of which has been proved at Washington, a solution can be reached. Given goodwill—that is the point. At the last Assembly of the League of Nations a report was presented by the Commission, of which Lord Robert Cecil was a member, and it wound up with these words: "Finally, the committee recognises that a policy of disarmament, to be successful, requires the support of the population of the world. Limitation of armaments will never be imposed by Governments on peoples, but it may be imposed by peoples on Governments." That is absolutely true. How are we going to apply it? Frankly, myself, I do not see that there is a great deal of value to be got by demonstrations which demand no more war. I have every sympathy with their object, but we have got to the stage when we want to get beyond words to practical resolutions. We want definite concrete proposals, and you won't get these merely by demonstrations. They are quite good in their way, but they are not enough. What you want in this

matter is an informed public opinion which sees what is practical and insists on having it.

I am speaking to you as one who for a great many years believed absolutely that preparation for war was the means of securing peace. In 1919—when I had a little time to look round, to study the causes of the war and the events of the war—I changed my opinion. I then came quite definitely to the conclusion that preparation for war, carried to the point to which it had been carried in 1914, was a direct cause of war. I had to find another path, and I found it in 1919. Lord Robert may possibly remember that in the early days of the Peace Conference I came to him and made my confession of faith, and I promised to give him what little help I could. I have tried to keep my promise, and I believe this vital problem, upon which not only the economic reconstruction of Europe and the future peace of the world, but also social development at home depend, can be solved provided you will recognise that the problem is very complex; that there is fear to be overcome; that you are content with what is practical from day to day, and accept each practical step provided it leads forward to the desired goal. I therefore most earnestly trust that the Liberal party will take this question up, and translate it into practical politics. For that is what is required.

REPARATIONS AND INTER-ALLIED DEBT
By John Maynard Keynes

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Mr. Keynes said:—I do not complain of Lord Balfour's Note, provided we assume, as I think we can, that it is our first move, and not our last. Many people seem to regard it as being really addressed to the United States. I do not agree. Essentially it is addressed to France. It is a reply, and a very necessary reply, to the kites which M. Poincaré has been flying in *The Times* and elsewhere, suggesting that this country should sacrifice all its claims of every description in return for—practically nothing at all, certainly not a permanent solution of the general problem. The Note brings us back to the facts and to the proper starting-point for negotiations.

In this question of Reparations the position changes so fast that it may be worth while for me to remind you just how the question stands at this moment. There are in existence two

inconsistent settlements, both of which still hold good in law. The first is the assessment of the Reparation Commission, namely, 132 milliard gold marks. This is a capital sum. The second is the London Settlement, which is not a capital sum at all, but a schedule of annual payments calculated according to a formula; but the capitalised value of these annual payments, worked out on any reasonable hypothesis, comes to much less than the Reparation Commission's total, probably to not much more than a half.

The Breakdown of Germany

But that is not the end of the story. While both the above settlements remain in force, the temporary régime under which Germany has been paying is different from, and much less than, either of them. By a decision of last March Germany was to pay during 1922 £36,000,000 (gold) in cash, *plus* deliveries in kind. The value of the latter cannot be exactly calculated, but, apart from coal, they do not amount to much, with the result that the 1922 demands are probably between a third and a quarter of the London Settlement, and less than one-sixth of the Reparation Commission's original total. It is under the weight of this reduced burden that Germany has now broken down, and the present crisis is due to her inability to continue these reduced instalments beyond the payment of July, 1922. In the long run the payments due during 1922 should be within Germany's capacity. But the insensate policy pursued by the Allies for the last four years has so completely ruined her finances, that for the time being she can pay nothing at all; and for a shorter or longer period it is certain that there is now no alternative to a moratorium.

What, in these circumstances, does M. Poincaré propose? To judge from the semi-official forecasts, he is prepared to cancel what are known as the "C" Bonds, provided Great Britain lets France off the whole of her debt and forgoes her own claims to Reparation. What are these "C" Bonds? They are

a part of the London Settlement of May, 1921, and, roughly speaking, they may be said to represent the excess of the Reparation Commission's assessment over the capitalised value of the London Schedule of Payments, and a bit more. That is to say, they are pure water. They mainly represent that part of the Reparation Commission's total assessment which will not be covered, even though the London Schedule of Payments is paid in full.

In offering the cancellation of these Bonds, therefore, M. Poincaré is offering exactly nothing. If Great Britain gave up her own claims to Reparations, and the "C" Bonds were cancelled to the extent of France's indebtedness to us, France's claims against Germany would be actually greater, even on paper, than they are now. For the demands under the London Settlement would be unabated, and France would be entitled to a larger proportion of them. The offer is, therefore, derisory. And it seems to me to be little short of criminal on the part of *The Times* to endeavour to trick the people of this country into such a settlement.

Personally, I do not think that at this juncture there is anything whatever to be done except to grant a moratorium. It is out of the question that any figure, low enough to do Germany's credit any good now, could be acceptable to M. Poincaré, in however moderate a mood he may visit London next week. Apart from which, it is really impossible at the present moment for any one to say how much Germany will be able to pay in the long run. Let us content ourselves, therefore, with a moratorium for the moment,

and put off till next year the discussion of a final settlement, when, with proper preparations beforehand, there ought to be a grand Conference on the whole connected problem of inter-Governmental debt, with representatives of the United States present, and possibly at Washington.

The Illusion of a Loan

The difficulties in the way of any immediate settlement now are so obvious that one might wonder why any one should be in favour of the attempt. The explanation lies in that popular illusion, with which it now pleases the world to deceive itself—the International Loan. It is thought that if Germany's liability can now be settled once and for all, the "bankers" will then lend her a huge sum of money by which she can anticipate her liabilities and satisfy the requirements of France.

In my opinion the International Loan on a great scale is just as big an illusion as Reparations on a great scale. It will not happen. It cannot happen. And it would make a most disastrous disturbance if it did happen. The idea that the rest of the world is going to lend to Germany, for her to hand over to France, about 100 per cent. of their liquid savings—for that is what it amounts to—is utterly preposterous. And the sooner we get that into our heads the better. I am not quite clear for what sort of an amount the public imagine that the loan would be, but I think the sums generally mentioned vary from £250,000,000 up to £500,000,000. The idea that any Government in the world, or all of the Governments in the world in combination, let alone bankrupt Germany, could at the present time raise this amount of new money (that is to say, for other purposes than the funding or redemption of existing obligations) from investors in the world's

Stock Exchanges is ridiculous.

The highest figure which I have heard mentioned by a reliable authority is £100,000,000. Personally, I think even this much too high. It could only be realised if subscriptions from special quarters, as, for example, German hoards abroad, and German-Americans, were to provide the greater part of it, which would only be the case if it were part of a settlement which was of great and obvious advantage to Germany. A loan to Germany, on Germany's own credit, yielding, say, 8 to 10 per cent., would not in my opinion be an investor's proposition in any part of the world, except on a most trifling scale. I do not mean that a larger anticipatory loan of a different character—issued, for example, in Allied countries with the guarantees of the Allied Government, the proceeds in each such country being handed over to the guaranteeing Government, so that no new money would pass—might not be possible. But a loan of this kind is not at present in question.

Yet a loan of from £50,000,000 to £100,000,000—and I repeat that even this figure is very optimistic except as the result of a settlement of a kind which engaged the active goodwill of individual Germans with foreign resources and of foreigners of German origin and sympathies—would only cover Germany's liabilities under the London Schedule for four to six months, and the temporarily reduced payments of last March for little more than a year. And from such a loan, after meeting Belgian priorities and Army of Occupation costs, there would not be left

any important sum for France.

I see no possibility, therefore, of any final settlement with M. Poincaré in the immediate future. He has now reached the point of saying that he is prepared to talk sense in return for an enormous bribe, and that is some progress. But as no one is in a position to offer him the bribe, it is not much progress, and as the force of events will compel him to talk sense sooner or later, even without a bribe, his bargaining position is not strong. In the meantime he may make trouble. If so, it can't be helped. But it will do him no good, and may even help to bring nearer the inevitable day of disillusion. I may add that for France to agree to a short moratorium is not a great sacrifice since, on account of the Belgian priority and other items, the amount of cash to which France will be entitled in the near future, even if the payments fixed last March were to be paid in full, is quite trifling.

A Policy for the Liberal Party

So much for the immediate situation and the politics of the case. If we look forward a little, I venture to think that there is a clear, simple, and practical policy for the Liberal Party to adopt and to persist in. Both M. Poincaré and Mr. Lloyd George have their hands tied by their past utterances. Mr. Lloyd George's part in the matter of Reparations is the most discreditable episode in his career. It is not easy for him, whose hands are not clean in the matter, to give us a clean settlement. I say this although his present intentions appear to be reasonable. All the more reason why others should pronounce and persist in a clear and decided policy. I was disappointed, if I may say so, in what Lord Grey had to say about this at Newcastle last week. He said many wise things, but not a word of constructive policy which could get any one an inch further forward. He seemed to think that all that was necessary was to talk to the French sympathetically and to put our trust in international bankers. He puts a faith in an international loan as the means of solution which I am sure is not justified. We must be much more concrete than that, and we must be prepared to say unpleasant things as well as pleasant ones.

Конец ознакомительного фрагмента.