

[*Neue Freie Presse* (National Liberal Daily), January 1]

AN ECONOMIC PROPHECY

BY LUJO BRENTANO

WORLD history is world judgment. Never has a truth been confirmed more impressively than this truth has been by the World War. I do not mean that no sins that demand expiation were committed in the course of the war and on account of it, sins darker than those for which we must answer. But what we have experienced is a convincing demonstration that retribution for those sins also is inevitable. We thought that the injustice of the partition of Poland would never be righted. To-day, that land boldly faces the governments that fondly fancied they had divided even its very corpse among themselves. Other nationalities which had been subjugated by Russia and by the Central Powers are now freed from the oppression that kept them under, and are struggling toward liberty and self-government and union with their fellows of a kindred race. Social classes, which for centuries have been denied equal rights and opportunities, have become the masters of nations. In the course of these changes the innocent have suffered with the guilty — or rather, there were no innocent, for all alike were responsible for the incapacity, violence, lies, and deceptions of their rulers.

Still, we cannot content ourselves with these moral considerations alone. That is impossible, if for no other reason, because a new and greater injustice has been substituted for the old injustice. Long before the World War broke out, not only I, but likewise many others, wrote that when it occurred it would bring ruin to Europe;

and because they foresaw this, all men who did not regard force and violence as God-willed institutions exerted themselves to the utmost to prevent a war. We now face the situation that we then predicted. Old Russia is a thing of the past. Welcome as is the overthrow of the arbitrary government of the Tsars, the collapse of that institution has scattered embers that threaten the civilization of all Europe. The Austro-Hungarian monarchy is a thing of the past; and Germany of the Hohenzollerns has succumbed in its titantic contest against nearly all the rest of the world. So the empires that resisted longest the claim of their people to self-government have vanished. But their destruction has not rejoiced our hearts with the same glow of hope and the same promise of an era of justice that inspired the French when they overthrew their ancient régime. Democracy so long oppressed has not stormed the battlements of its oppressors with flying colors. It owes its victory merely to the increasing debility and incapacity of the old system.

Consequently, there is no spontaneous joy in the welcome we accord the new social order — there is no such outburst of enthusiasm as inspired the masses during victorious revolutions in other countries, and enabled them not only to surmount all obstacles at home, but also to resist a host of foreign foes. Our enemies have forgotten in the intoxication of victory a truth which was taught as long ago as the eighteenth century by Josias Tucker

and Tourgot, that the community of economic interest among nations has grown so close that the prosperity of one country contributes to the prosperity of every other country, and the destruction of one nation's wealth impoverishes all other nations. In their blindness, the present victors have imposed upon the conquered conditions that — assuming they are carried out — will not only prevent the vanquished from recovering, but will inevitably cause the economic ruin of all Europe.

Two new facts of first importance have been impressed upon the world by the overthrow of the last representatives of the old European system: the irresistible rise of the hitherto servile classes to the control of society, and the participation of the peoples of distant quarters of the world in the rivalries of European nations.

The first of these may prove an untold blessing, or it may become the last nail in the coffin of Europe. Two principles have ruled the history of civilization: the differentiation of society and the distribution of the fruits of civilization to an increasing proportion of its members. Upon differentiation depends all progress; for unless we have inequalities, we have no development. All evolution depends upon the existence of variations. Where there is absolute equality there is no change. History knows no other method of social progress than that which comes from unequal conditions of existence, where the luxuries of the few are constantly becoming the comforts of the many. And the very substance out of which this inequality is created — an inequality which distinguishes us from animals — is property and inheritance. The justification of the institution of private property is that it is the motor of social progress.

On the other hand, the masses will

never profit from this progress without that constant struggle which we call the social movement. Without that struggle, the privileges and luxuries of the few will never become the possession of the many. It is a trait of human nature for a few to try to monopolize what they have attained, and only grudgingly and resistingly to concede similar things to the majority. However, necessity knows no law. Under its influence the privileged few yield to the multitude but what recently would have seemed incredible. In this respect we can honestly speak of blessings that have come from this frightful war. I will name only one. All the measures that have hitherto been so bitterly resisted to assure the working people by law a right to share in determining their conditions of employment, are now being put into effect; and this is a direct outcome of the war. The result is that the working people are now able to adjust their incomes to the increased cost of living, if not perfectly at least far better than men in occupations ordinarily esteemed of higher rank.

Retailers and independent artisans have recovered during the present breakdown of our transportation system something resembling the monopoly of the old guild days, and they are able to extort high prices. Similarly, the peasants have taken advantage of the rising cost of agricultural products to free themselves from debt. Even in England, heavy taxes and high prices due to the war have worked such a miracle that great landlords are selling their property to their tenants. What agrarian reformers have sought in vain for centuries is actually taking place, and England is restoring its old yeomanry and peasantry. So far as these new conditions elevate the material condition of the masses, they are a welcome outcome of the war.

The advance of civilization, there-

fore, demands two things: differentiation within society itself and the distribution of the products of civilization to a constantly growing proportion of its members. Neither one of these two principles suffices alone, and where either one is sacrificed to the other, the advance of civilization is checked. If the principle of differentiation alone has free play, the contrasts between different social classes within a nation will become so great as to destroy the unity of the people. One class no longer understands the other. Mutual hatred is engendered between classes, and the conflict thus begotten imperils civilization itself. It is equally dangerous to enforce the principle of equality alone. That would stop the intensive progress of civilization. Every new attainment of mankind has been due to the initiative of the ablest members of the race, and not to the masses as a body. The greatest danger which the present welcome advance of the lower classes embodies is that the latter may not see what conditions further progress, and insist upon such absolute equality as to prevent that kind of leadership which is indispensable if civilization is to continue its forward course.

These facts which we have just reviewed increase the importance of the second great revolutionary outcome of the war, the participation of the people of distant quarters of the world in the controversies of Europe. Our enemies have recruited their forces from every race and color, from white men, yellow men, and brown men, down to the blackest natives of Africa; because they could not with their own resources subdue the Germans. Let us begin with the Russians. Our prison camps contained soldiers from the remotest regions of Siberia, men of the most astounding ignorance. In the prison camp of Puchheim, near

Munich, there was a prisoner who was inconsolable because he could not hear from his family. When one of our men offered to write to them for him, he did not even know the name of his native village. People of this sort have hitherto cultivated the soil in the primitive fashion of their fathers. They were stupefied with wonder at the methods of intensive cultivation they saw in Germany. What a revolution in knowledge are these people going to take back with them when they go home! New ideas undreamed of before, new methods of working, of which they otherwise would never have had the slightest conception. Then there were people from India. What new thoughts will dawn upon their minds when they ponder that their masters could not have succeeded without them, and when they return to their fellows at home filled with new dreams of liberty? And what will be the effect upon the self-consciousness of the black men, who have been let loose as executioners of the white Germans? All these people have been disciplined by the war and trained to work in European fashion. They have been qualified to take the place of our white European workers whenever the capitalists of Europe conceive a fancy to increase their profits by transferring their business elsewhere. And these things are mere beginnings. The result will be for the colored races what it was for the Germans when the great migration of peoples started. Salvianus wrote that in his day there was no one in the Roman Empire who did not have a German slave. The water carriers, the brick makers, the masons were Goths. When the latter were enrolled in the army and became Roman Generals, they had taken the first step toward the position from which they gave the death blow to the ancient Empire, and usurped its honors and privileges.

But it will take many years for a similar process to repeat itself. The immediate question is what are the victorious nations going to do with the rights and privileges and advantages of which they have despoiled Germany. Will the leadership go to France? Any one who knows the business character of the French as revealed in their past and their present, will deny it. The French are a highly intellectual nation. They have served humanity with the greatest distinction in the field of science. There is no man of taste in all the world who does not rejoice in the achievements of their writers and artists. But they have never distinguished themselves in the field of modern industry. The very qualities that make them great have hampered them in this competition. Those qualities have caused them to concentrate attention upon the production of individual articles, to study the needs of people of wealth and high refinement. But the wealthy and refined are always a small minority. This handicap has made itself felt with increasing force since the second half of the eighteenth century, when new methods of manufacturing were discovered which made it possible to produce more cheaply and better than hitherto articles for the consumption of the masses. Manufacturing became service to the common people because things could be produced so cheaply they found wider and more regular markets, and consequently yielded larger profits.

In consequence of the protection which the art manufacturers of France have enjoyed since the days of Henry IV, and especially since Colbert, the talent and capital of France have been concentrated in this field. The disadvantages of that policy appeared as early as 1786, when England concluded a 'most favored nation' treaty with France, which ended the old tariff war

between those countries. Among other things, the duties upon porcelain were abolished. Eden, the negotiator for England, said: 'The few dozen plates that we may send you will be sorry compensation for the magnificent porcelain services of Sèvres which you will sell us.' But Sèvres is so costly even without paying a duty that only a few people can purchase it. On the other hand, cheap English crockery entered France in great quantities, and England was enriched by the trade. French manufacturers have retained this character up to the present time. This is true, even in cases where modern machinery or processes have been introduced in that country earlier than elsewhere. That happened with industrial chemistry. Here Germany speedily took precedence.

No, the lion's share of what Germany has lost will, at least for the immediate future, go to the Anglo-Saxons; but it will not go to the mother country, England. England had good reasons for the fear it entertained, even before the war, of losing the industrial precedence it had enjoyed since the first half of the nineteenth century. The principal point made then was that the country had gone to sleep, that it was enjoying with slothful satisfaction its old conquests. As a result it was being speedily overtaken by Germany and America — countries that appropriate with restless energy every attainment of science that can be made to serve industry and that — with the vigor and push of young and striving nations — invade every market of the world. But there were also other conditions that threatened Britain's leadership, such as its declining output of ore. Its steel industry, formerly the largest in the world, had fallen to third rank; so that on the occasion of a protective tariff anti-dumping bill, presented to Parliament late last Novem-

ber, the objection could be raised that English shipbuilding would have been ruined before the war if Germany had not dumped so much steel in the country.

On the other hand, certain climatic advantages promised to assure the leadership of the English cotton industry for an indefinite period. During recent years it added more to its spindles than all the rest of the world besides. Exorbitant prices are being paid for English cotton factories, not only because they are exceedingly profitable now, but because their profits are expected to increase. In other respects, however, England's future production promises to be limited in a growing degree to the manufacture of articles which its wealthier people cannot procure from abroad. Britain's leading position as the world's banker and the world's carrier is already threatened by the United States. The Americans are directing their efforts with system and determination to supplant Europe, which has now become dependent upon them in every part of the world and in every sphere of business. Their methods of production are diametrically opposite those of the French. The latter, as we have said, are devoted to the manufacture of fine individual articles, of things that the masses cannot hope to use. The Americans concentrate almost entirely on the production of goods for the common people. Their interest does not centre upon single articles of high artistic value, produced by the most skillful artisans, but upon erecting vast establishments of every kind to produce wares in great quantities. The finished product is analyzed into individual parts; a semi-automatic machine is devised to produce each one of these parts. Systems are worked out by which these parts are made immediately interchangeable and adjustable

to each other. A single uniform product satisfies the needs of all purchasers. If that is not satisfactory, a system is devised for producing a number of models on a uniform basis. If this proves practicable, then the types are multiplied. This method of production has been encouraged by two conditions — uniformity of taste among the people, and a vast market area within which complete free trade prevails. This market area is greater than that enjoyed by any other country in the world; for the United States, although it maintains a tariff wall against foreign countries, constitutes within itself the greatest free trade region that exists. These two conditions — similarity of demand and free trade over a wide area — have created a market unequaled elsewhere. In addition, the variety of training and aptitudes and social standards brought into the United States by an army of emigrants, has made it possible to devise a system of labor administration peculiarly adapted to the employment of semi-automatic machines and the production of uniform parts, as well as to the concentration of industries in great establishments.

But hand in hand with this development there has occurred a change in the position of the United States with respect to the rest of the world. Washington advised his fellow countrymen not to interfere in European affairs. Monroe went further and would exclude the European nations from interference in American affairs. But as early as thirty years ago, the great increase of wealth in America began to stimulate imperialist ambitions. Admiral Mahan, the author of *The Influence of Sea Power in History*, had as little use for pacifism, international arbitration, and a League of Nations, as any Pan-German. Even the gigantic territories of the United States began to

afford too small a market area for its great industries. When the idea of a Middle Europe was heralded abroad, President Wilson, a man of free-trade sympathies, characterized the policy it represented as an intolerable restriction upon the natural rights of every American to trade wherever he saw fit. Fresh from his triumph over the trusts, he declared in one of his speeches during his second presidential campaign, that wherever restrictions upon the trusts were likely to interfere with their foreign trade, those restrictions would be removed; and he made the idea of Middle Europe an actual asset in his agitation to induce the Americans to enter the war.

Indeed, what tremendous progress the United States had made during this war toward the economic mastery of the world! That country which only a few years ago was crying for the capital of every well-to-do country of Europe, in order to develop its incomparable natural resources, has now become the banker of Europe, without whose assistance the Entente countries could not have won the war, and without whom neither victors nor vanquished can recover from the consequences of the war. Even during that conflict, America's capitalist penetration of European countries began. It started with Russia, then it extended to Italy. It has made great headway in France; and even wealthy England, proud of its financial supremacy, begins to feel its pressure. Hand in hand with this, the greatest art works and treasures of European civilization are going by shiploads to America. A corporation with a capital of twenty million dollars has been founded to purchase antiques and artistic articles of gold and silver, pictures, bronzes, and similar objects in Russia. A systematic purchase of the art treasures of Italy has begun. Some of the most valuable

paintings in France and England have migrated already to America. Impoverished Germany and Austria will be quite unable to resist the efforts of the United States to deprive them of the things of beauty they have accumulated through centuries; for with our depreciated exchange, the Americans can bid any price for what they want.

But economic history shows that no nation is permitted to dominate the world permanently. In the second half of the Middle Ages Italy occupied that position. Soon after the Renaissance precedence passed to Spain, then, in turn, to the Dutch; and after these the French were the great leaders of industry and commerce. Finally, Great Britain took that position. In the United States a great intermingling of peoples, of emigrants from Holland, Great Britain, Ireland, Germany, Scandinavia, Italy, and the Slavic countries has occurred. They now march in the front rank. But the very conditions that have brought about America's supremacy exist likewise in Canada, Australia, New Zealand, and South Africa. In some respects these countries are already superior to Europe. It is not impossible that with the growth of population in the United States, conditions of production will become more difficult and these other countries will come to the front. Furthermore, there could be no greater folly than to assume that the economic leadership of the world will always belong to the same race. Even within the past few years, the Japanese have become serious competitors of the whites in every field. Their position in the East resembles in some respects the happy position of England in the West. Their remarkable talent for assimilating foreign methods, their skillful and energetic accommodation of those methods to their own ends, seem to promise them still greater victories.

Last of all, no one can foresee what great changes of a more general character may possibly occur in world economics. Such changes have occurred in the last two centuries. The relations of the temperate zone and the tropics may be reversed, and the inhabitants of the latter regions may in time become the great industrial producers.

Now what position will Germany hold in this future? I am not speaking of the Germans of the republic alone, but of every German wherever the language is spoken — the Germans in Austria, Hungary, Bohemia, the Baltic Provinces, and abroad. The hatred which now follows them will turn them back to the original sources of their strength. What made Germany great was not militarism. The Germans were a great nation long before Frederick the Great, Wilhelm of Prussia, and his successors taught them military discipline, and before incomparable leaders, like Bismarck and Moltke, with the help of these disciplined masses, placed their country at the political head of Europe. These men merely utilized the qualities that made the German nation great, and directed them to political ends. Long before that, the Germans had placed the intellectual life of the world on a new basis at the time of the Reformation. Then they produced Leibniz, whose universal spirit left no field of science untouched. After him followed a succession of musical geniuses, such as the world had never known, Bach, Handel, Hayden, Mozart, Beethoven, Wagner, Schubert, Brahms. Then those princes of poetry, Lessing, Goethe, Schiller; and in turn all those who have been the schoolmasters of the world in every sphere of science during the nineteenth century. The strength of the German people is in their intellect and in their systematic

application of the products of their intellect to their daily tasks. During the last forty years, this intellect addressed itself to practical affairs, to technical progress, and economic development, and with the help of its disciplined and skilled labor, it accomplished things that made our country the envy of the world. These fundamental qualities will remain the possession of the German nation, even though its military power has disappeared. If the French were not so blind, they would see that this is the real danger we present. They have nothing to fear from a war-like revolt of the disarmed Germans, nor from a union of the Germans of the annihilated Austro-Hungarian monarchy with the Germans of the republic. Nor will they attain their object by force, as Marshal Foch recommends, or by a caricature of a League of Nations intended to prevent Germany's recovery, or by an Anglo-Latin Alliance against us if the League fails. So long as the Germans remain loyal to that which made them great in the past, they will be a powerful influence in the world even though they are politically helpless. The strength of the German people lies in their intellectual gifts and in employing them in the service of mankind. This is the true principle of unity that joins the North with the South and the East with the West and no effort to partition the country will ever destroy that unity. Germans inevitably will be leaders both in the progress of science and in disseminating the results of that progress. We have shown ourselves indispensable in the first field. Our success in the second has been recognized by our most implacable opponents for years. At the Brussels meeting, where the International Congress for the Legal Protection of Labor was founded, Emil Vandervelde, who as a Social Demo-

crat refused to participate in the proceedings of a convention summoned by bourgeois organizers, acted as a reporter in order to attend the meetings. I had a furious debate with Yves Guyot at the convention, in which that gentleman, with his reactionary views, came off rather poorly. After the session was over, Vandervelde came up to me and said: 'Hitherto we considered France the leader of progress; this leadership in social legislation has now passed to Germany.' Even after our military defeat we shall retain that leadership.

It is now a century since the Holy Alliance was formed by the Eastern Powers, to repress political freedom and to prevent the unity of peoples. But the liberal ideas of France, then cast down in the humiliation of defeat, and the striving toward national unity of nations divided under different rulers, have overcome every obstacle of reactionary power. In a similar way, the social ideals of Germany will win a victory, in spite of every hindrance which France may now place in our way.

Ancient Greece lost its political importance after the Peloponnesian war; but Grecian civilization did not disappear. It was then at the point of becoming the ruler of the world. Oftentimes has the European war against the Germans been compared with the Peloponnesian war. But European civilization would not disappear, were Europe itself to be destroyed. Its conquest of the world, already well under way, will continue at an even more rapid rate, and the leaders of this conquest will be the Germans. They will be leaders, be-

cause it has been made so difficult for them to live in Germany. Millions of our fellow countrymen will leave their homes. That is a painful thing for those that migrate and those that stay behind. But the Fatherland is not a mere locality, although certain localities may be dear to the heart and memory. The Fatherland is an intellectual and moral community of people seeking the same ends. It is not our duty, therefore, to retain these would-be emigrants. The very hatred of our enemies will force them to hold together, and to keep up their association with those whom they have left behind. And so, if fear and envy and hatred and revenge are making their native land too narrow for the Germans, these sentiments are at the same time making the whole earth the home of the Germans. Their science and talent for organizing will attract to their hands, capital and labor, and will make them leaders in subjugating the world's natural resources. Meantime, their ideals will conquer the thoughts of mankind. The German spirit will be the ultimate victor, as the Greek spirit was in its day victorious, even after Greece became politically powerless. And in the same way that Greece had its day of political revival after the might of its conquerors had long since vanished, and the Greek Empire remained for a thousand years the sanctuary of civilization after its conquerors had disappeared from the stage of history, so Germany will have its day of political resurrection. For world history is world judgment, and injustice cannot endure permanently. That is our inspiration, our hope, and our consolation.

[*The National Review* (Conservative Monthly), February]

AMERICANS MIRRORED IN AN ENGLISH MIND

BY OLIVER MADOX HUEFFER

THERE are few subjects upon which more misapprehension exists among us than that of American feeling toward Ireland and the problem of Irish government. If you believed the writings of well-meaning English journalists, who have either paid New York a flying visit or intend to do so in the future, you might imagine that America was seething with anti-English feeling and perfectly ready to start on a crusade to place Señor de Valera upon the presidential chair of the Irish Republic. You might even think so if you read specially selected extracts from certain American newspapers. But if you live in America and remember certain facts about the American people which people in England are too polite to realize, you know that America as an entity — if it be possible so to speak of America — is profoundly bored about the whole thing, and would remain profoundly unmoved if England after massacring the Irish people, were to sink the comic opera island thirty feet below the level of the sea.

It is true that there are millions of perfectly good Americans who do not know this and would deny it vehemently, calling upon the names of Humanity, Christianity, Idealism, and what not; just as there are millions of perfectly good Englishmen who allow themselves to be profoundly annoyed at what they consider impertinent American criticism. That is, of course, because they know nothing whatever about the great American people. And, unfortunately, before you can under-

stand anything of what is called public opinion in America, you must know something of that American people upon which it is fathered.

To begin with, you must dispossess your mind of the idea that there is an American people at all, as we understand a people in Europe. To be a 'people' is the dominant ideal of the Americans, an ideal which they claim with all appropriate fierceness to have realized, knowing all the while that they have done nothing of the sort, and that their only hope of realizing anything of the kind is to stop immigration, do away with their present social system, and then wait five centuries for events to develop. If you took the whole population of Europe, mixed it roughly in a mortar, added a certain flavoring of Africans, Asiatics, and the like, crushed it with your pestle and scattered the result thinly over the Continent, you would have something approximating to America. It would, however, more closely approximate to a 'people' than do the Americans at present, for instead of being properly mixed, they are divided into ethnographic strata, which only touch at the edges. America tries to forget this, and succeeds by vigorous newspaper propaganda in making Europe forget it, because in these stirring times it is well to belong to a 'united people.' Also she is not at all proud of certain kinds of 'Americans,' and does her best to forget them. In just the same way, she proclaims valiantly that the class system is unknown within her marches,