

the casualty lists and the devastation of the war zone. The irreparable damage only begins when the whole nation is mobilized and the war is carried to the civilian population by blockade and by aerial bombardment. The lasting damage is caused by the war itself when it ruptures and dislocates the economy to which all the belligerents belong.

For all great wars are now civil wars. They are not battles against an alien foe but internecine struggles within one closely related, intricately interdependent community. Modern war tears apart huge populations which have become dependent upon one another for the maintenance of their standard of life — in some degree, for the maintenance of life itself. That is why modern war is so devastating to victor and to vanquished alike. That is why war can no longer be employed successfully as an instrument of national policy.³ That is why those who preach and provoke war are regarded as rebels against the peace and order of the community of peoples, and why, in attacking their prey, they arouse the encircling hostility of that whole community of nations. That is why pacifism has so recently ceased to be an other-worldly aspiration and has become the working doctrine of practical men. For it was in the nineteenth century that the self-sufficiency of nations, of local communities, and of individuals, gave way to a deep and intricate interdependence. Men found themselves living in a Great Society.⁴

2. *The Division of Labor*

It is no exaggeration to say that the transition from the relative self-sufficiency of individuals in local communities to their interdependence in a world-wide economy is the most revolu-

³ Cf. Sir Norman Angell's *The Great Illusion*.

⁴ Cf. Graham Wallas's *The Great Society*.

tionary experience in recorded history.⁵ It has forced mankind into a radically new way of life and, consequently, it has unsettled custom, institutions, and traditions, transforming the whole human outlook.

No exact date can, of course, be fixed as the beginning of this revolution. It can be traced back to the close of the Middle Ages, though, of course, in the Roman world a complex exchange economy prevailed until the Dark Ages. But about the middle of the eighteenth century men of our culture first began to experience enough significant change in their daily lives to realize that they were entering a new epoch in human affairs. The realization came first of all to the people of England and Scotland, for they were the first large western communities to augment their wealth by losing their local self-sufficiency.

Yet at the beginning of the eighteenth century, even in England, the sustenance economy of the village was still the rule. While there was some interlocal and some international trade, it was unimportant in size and above all in its character, being concerned only "to a comparatively small extent with the transport of necessaries or prime conveniences of life. Each nation, as regards the most important constituents of its consumption, its staple foods, articles of clothing, household furniture, and the chief implements of industry, was almost self-sufficing, producing little that it did not consume, consuming little it did not produce."⁶ The export trade of England in 1730 con-

⁵ "Humanity developed the exchange habit very late and . . . by primitive peoples . . . peaceful exchange is at best an exceptional practice. Even the Carthaginians, according to Herodotus, still found peoples in the Mediterranean area with whom they could deal only by depositing goods on the shore and withdrawing." Cf. Frederick L. Nussbaum's *A History of the Economic Institutions of Modern Europe*, particularly Ch. 1, 2. This book is based on Werner Sombart's *Der Moderne Kapitalismus*.

⁶ John A. Hobson, *The Evolution of Modern Capitalism*, p. 32 (1910 ed.). (London: George Allen & Unwin Ltd.)

tinued to be "woolen goods and other textile materials, a small quantity of leather, iron, lead, silver and gold plate, and a certain number of re-exported products, such as tobacco and Indian calicoes. The import trade consisted of wine and spirits, foreign foods, such as rice, sugar, coffee, oil, furs and some quantity of foreign wool, hemp, silk and linen-yarn as material for our specially favoured manufactures."⁷ But it is even more significant that the internal trade of England was carried on predominantly in more or less self-sufficing districts. "The internal trade," says Hobson, "between more distant parts of England was extremely slight."⁸ The carriage of goods was difficult; "agricultural produce was almost entirely for local consumption, with the exception of cattle and poultry, which were driven on foot from the neighbouring counties into London and other large markets." On the whole, industry was operated for local markets. Moreover, within the districts there was, compared with later times, relatively little specialization by individuals. The weaving industry of Norwich, for example, "was executed in the scattered cottages over a wide district."

For more than a hundred and fifty years the revolution which converted these relatively independent and self-sufficing local communities into specialized members of a great economy has been proceeding at an accelerating tempo. In the struggle for survival the less productive economy of self-sufficiency has not been able to withstand the superior effectiveness of a mode of production which specializes in labor and natural resources, and thereby promotes the use of machinery and mechanical power. In some degree the world-wide division of labor has been checked by tariffs, immigration laws, and other barriers to the movement of capital and labor. But they have only retarded the process. Inside the nations which consider them-

⁷ *Ibid.*, p. 40.

⁸ *Ibid.*, p. 45.

selves most civilized there are now few communities left which are in any substantial sense self-sufficing. The self-sufficing household has virtually disappeared. Some nations, taken as a whole, depend less on foreign trade than others, but none could even begin to maintain its present standard of life if it were isolated from the rest of the world.

Yet the revolution is by no means completed. Only in recent decades has it begun to penetrate the great populations of Asia and of Africa and of South America. It would, moreover, appear to be an irresistible revolution.

The revolution, which still engages the whole of mankind and poses all the great social issues of the epoch in which we live, arises primarily from the increasing division of labor in ever-widening markets; the machine, the corporation, the concentration of economic control and mass production, are secondary phenomena. When I say that they are secondary, I mean that the inducement to invent and install machines exists only when men have already begun to specialize their industry for a wide market. And while it is true that the machines themselves promote the specialization, the fundamental fact is that machines are not invented until labor is already specialized. The famous inventions in the English textile industry which are so often regarded as the immediate cause of the industrial revolution were made by "practical men, most of them operatives immersed in the details of their craft, brought face to face with some definite difficulty to be overcome, some particular economy desirable to make."⁹ The process of invention became cumulative as the textile industry expanded. But it is clear enough, I think, that invention began in the one industry which was already most specialized.

⁹ Hobson, *op. cit.*, p. 80. Hobson also notes that scientific men, "strictly so-called, had very little to do with these great discoveries. Among the great textile inventors, Cartwright alone was a man leading a life of thought."

The same observation holds for the corporation. It did not come into general use as a form of industrial organization until the middle of the nineteenth century when the division of labor was still more advanced.

Only by recognizing the primacy of the division of labor in the modern economy can we, I believe, successfully distinguish between truly progressive and counterfeit progressive phenomena. If we are to find our way through the practical difficulties and the intellectual confusion of our time we must go back to the first principle of the economy in which we live, and fix clearly in our minds that its determining characteristic is the increase of wealth by a mode of production which destroys the self-sufficiency of nations, localities, and individuals, making them deeply and intricately interdependent.

3. *The Cultural Lag*

For more than a thousand years after the disintegration of the Great Society in the Roman world, the western peoples lived in small, relatively self-contained communities. To that kind of existence our traditional habits and preconceptions, our customs and institutions, have been adapted. Our social intelligence has been shaped to a mode of life which was organized on a small scale, and, in respect to the duration of any particular generation, was static. But the industrial revolution has instituted a way of life organized on a very large scale, with men and communities no longer autonomous but elaborately interdependent, with change no longer so gradual as to be imperceptible, but highly dynamic within the span of each man's experience. No more profound or pervasive transformation of habits and values and ideas was ever imposed so suddenly on the great mass of mankind.

The whole experience of the epoch since the revolution