

# How to "Reconstruct" the World

*Recent addresses by former President Hoover, Under-Secretary of State Sumner Welles, the 1940 candidate for the Presidency Wendell Willkie and others have brought forcefully to the front the futility of attaining an enduring peaceful settlement of the war by merely military means. All of them have dilated over the need of all nations for a free access to the natural resources of the earth by all nations, but none of them have faced the issue squarely, without equivocation or evasion. It is therefore useful to republish the views expressed by a distinguished European economist, HENRI LAMBERT, twenty-eight years ago. The following was translated from the French and published in November, 1914, among the Papers of War Time (Oxford University Press), edited by the Reverend William Temple, new Archbishop of Canterbury. It was also translated into Italian and German and admitted to free circulation and sold in all the belligerent countries.—STEPHEN BELL.*

## THE ECONOMIC CAUSE AND SOLUTION OF THE EUROPEAN CRISIS

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

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

terests, such consideration belongs to the sphere rather of philosophy than of politics.

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

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

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

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

Richard Cobden said: "Free trade is the best peace-

maker. We may confidently affirm: "Free trade is the peacemaker."

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

Harmony of sentiment will not withstand for long the shock of antagonistic interests. Immediately after the War of Independence, the thirteen United States of America indulged themselves in the costly luxury of an intensive tariff war, and at one time war between Vermont, New Hampshire and New York seemed all but inevitable. Rhode Island's controversy with the other states created the same danger. But soon afterward the founders of the American Republic, recognizing the mischievous possibilities of "intercolonial" tariffs, wisely took from the newly-established states of the union the power to levy tariffs against one another's goods. When the Swedes established restrictive tariffs against the products of Norway, the dissolution of the union of the two countries was predicted by Norwegians of high scientific and political standing; ten years later the prediction was confirmed by the event. And some years ago the wine-growers of the Aube determined to declare civil war upon those of Marne because an attempt had been made to establish economic and protective frontiers between these two districts.

Is it conceivable that, in the present industrial epoch, peace should continue, even for so long as one generation, between the English and the Scotch, between the Italians of the north and those of the south, between the Prussians and the southern Germans, between the Austrians and the Hungarians, between the French of the north and the French of the south, between the States of the American union, if tariff frontiers were re-established between those groups?

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

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How the old order changeth! Swarms of feminine war workers in slacks everywhere remind one, a little sadly perhaps, that no longer is there truth in the old assertion which so confidently proclaimed: "It's not the coat that makes the man—it's the pants!"