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POLITICAL SCIENCE

QUARTERLY

WHY THE WAR CAME AS A SURPRISE

THE war fell upon us in the summer of 1914 as a terrible surprise. Hardly anybody had believed in its coming. A handful of dismal pacifists in the different countries, pointing to the growth of armaments, had uttered their vaticinations. Little knots of ardent militarists with their business companions, bent upon increased preparedness, talked confidently of the inevitable day, forgetting to reconcile their prediction with the preventive virtues which they attributed to warlike preparations. But few even of these extremists of either group seriously believed that war was imminent. There were, no doubt, a few in Germany and elsewhere who in the latter days believed in war because they had contrived it and resolved upon it. But for our immediate purposes these may stand out of the account.

It is this general surprise and the ignorance to which it testifies that demand explanation. How came it about that people of every grade of knowledge and intelligence were so utterly blind to the real state of the world in the spring of 1914? The unthinking have chosen to compare the event with some catastrophe of nature or to dramatize it as a desperate crime of the rulers of a single nation. But though there is an element of truth in both of these explanations, neither affords reasonable satisfaction. For to make such a catastrophe or such a crime seem possible, the whole world and the people in it must have been greatly different from what we thought them. Yet there was not one of the concrete issues which carried the seeds of strife, not one of the deep-seated divergencies of policy, nor

one of the fierce suspicions, hates, ambitions and cupidities in which danger might lurk, that was not exposed to innumerable watchful eyes. There was no lack of knowledge of the danger areas or of the dangers which they held. But in spite of all this knowledge the general sense of security was not seriously shaken. It was as in the days of Noah but without the pretext the people then had for not listening to the warnings of a senile croaker.

This false sense of security was the product of a habitual misvaluation of the contentious forces and the checks upon them. The former were gravely underestimated, while heavily inflated value was given to the latter. Both errors are attributable to a single cause, an excessive appreciation of men's moral and rational attainments and of the part they actually play in the guidance of individual and collective conduct. The doctrine of the perfectability of man implicit in every higher religion, coupled with a faith in the power of enlightened self-interest to accomplish swift reforms in the fabric of human society, lay at the root of all the liberal revolutionary movements of the half century that followed the French Revolution. The world was so constituted that everyone, in striving to preserve his own life and to promote his own happiness, was impelled along lines of conduct that conduced to the welfare of others. But he was also a social being in feeling and will, capable of conscious effort for the good of others and taking pleasure in every task of mutual aid. Sometimes the stress was laid upon enlightened selfishness, sometimes upon the social emotions. In either case, human relations were believed to be grounded in rationality.

The greatest moral discovery of the nineteenth century, that man belonged body and soul to the natural world, and that the whole of his life and conduct was subject to the reign of law, had profound reactions upon social thought and policy, especially in the spheres of statecraft and industry. Though the immediate philosophic fruit of this discovery was determinism, this rational creed had nothing in common with the paralyzing fatalism charged against it by orthodox critics. On the contrary it suffered at the hands of its chief exponents from an

excessive faith in the power of man to mould his destiny, adapting and creating institutions for his wholesome needs and desires with an ease and a celerity that made light of the human heritage of habits and attachments. It is impossible to follow the various currents of reforming zeal from Godwin, Shelley and the youthful Coleridge, through the more definite proposals and experiments of Bentham, Owen, John Stuart Mill and their philosophic-radical, chartist and social followers, without being confronted by a belief in man's power to be the arbiter of his fate quite staggering in the measure of its confidence. Bentham's contempt for history was indeed characteristic of his liberalism, which demanded a liberation as complete as possible from all trammels of the past. Though commonly coupled with repudiation of existing religious dogmas, this nineteenth-century rationalism conducted itself with the fervor of religious zeal.

The faith in reason rested upon two assumptions. First, that reason was by right and in fact the supreme arbiter in human conduct; and second, that a complete harmony of human relations was discoverable and attainable by getting reason to prevail in individual and national affairs. "Getting reason to prevail" meant opening wide the portals to knowledge and removing the positive barriers of law, traditions, prejudice and passion which blocked the play of enlightened self-interest. This faith, penetrating alike the individualism of Bentham and the socialism of Owen, may be regarded as a practical mysticism, deriving its nourishment partly from the philosophy of the Revolution, partly from the miraculous technology of the new machine industry. If applied reason can so immensely and so rapidly enlarge the bounds of material productivity, cannot the same power beneficially transform the entire structure of human society? Abundant wealth, equitably distributed among the producers by the operation of inevitable laws, would form the material basis of a new moral world. A free, instructed people would cooperate in a hundred ways for their mutual advantage. Though one of these ways would be the state, political democracy was not the chief concern. For in the rational world the coercive arm of society would have

little scope. The functions of the state were to be purely defensive, directed to prevent the interference of one person with another within the national limits and of one nation with another in the wider world of states and governments. The reasonable will of individual citizens would preserve harmony and promote social progress within the several nations and in the wider sphere of humanity, if only free play were secured for it. The state was conceived of as an essentially artificial and repressive instrument whose operation should be kept at a minimum. Hence it came about that the early socialistic proposals commonly gave the state the go-by and based themselves upon the purely voluntary association of individual citizens. This limited conception of the state imparted a certain unsubstantiality to the radical and chartist agitations for an extended franchise and other instruments of political democracy. These agitations were rather the indices of popular discontents, rooted in the miserable social-economic conditions of the working classes, than a firm and natural expression of the popular will seeking incorporation in the state. That is why these agitations were dissipated in the mid-nineteenth century by small political concessions floated on the rising tide of a trade prosperity which gave relief and hope to the organizing artisan classes that represented the lower strata of political consciousness.

There was in the mid-century no clear recognition anywhere, save in a few eccentric or disordered brains, of the necessity and feasibility of converting and enlarging the machinery of government into a means of so controlling industry and distributing its fruits as to secure a reasonable livelihood for all and to remedy the palpable injustices in the apportionment of this world's goods. There had been plenty of shrewd and trenchant exposures of the abuses of land ownership and of the factory system with their related evils of unemployment, sweating wages, oppression of child life, unsanitary housing, poor law degradation and the like. But though the state was looked to for supplying certain minor safeguards, the liberative tide was still in the ascendant, and the free play of enlightened self-interest in competitive industry was still the animating faith of the friends of popular progress.

This typical middle-class sentimental rationalism long succeeded in diverting popular self-government from all thoughts or plans of economic democracy. Though Mazzini, as early as the late thirties, had made his brilliant exposure of the futility of a political revolution which left the keys of industrial masterhood in the hands of a new capitalistic oligarchy, neither the mind nor the circumstances of any great people were ripe for its reception. The nationalistic spirit, guided by bourgeois leaders and ambitions, was a dominant factor in the continental revolutions of the mid-century, and the economic communism which flared up for a brief period in the large French cities was in reality little more than an ill-prepared by-product of a cooperative spirit which found more immediately profitable expression in trade-union and other non-political spheres of activity. The early socialism, alike of Owen and of the Christian Socialists of the next generation, must properly rank as a variant of this bourgeois rationalism, inspired with a larger measure of social compunction and with a more conscious reliance upon the forces of human comradeship. The deep sentimentalism in which men like Kingsley and Maurice steeped their teaching should not hide this essential truth. So long as the firm faith in a natural harmony of interests, personal and national, operating either through competition or the private cooperation of individuals, continued to be the prevailing creed of social reformers, there was little hope of effective organic reform. For neither the harder rationalism of the Manchester School nor the softer of the early socialism was capable of yielding a nutritious and stimulating gospel to the people. Its essential defects were two. The first was this open and persistent cleavage between political and industrial advancement, serving to enfeeble the democratic movement by removing from its scope the most vital and appealing issues. The second was the naively middle-class character of the politics and economics. In national and still more in local politics the new well-to-do business classes with their professional retinue were obtrusively dominant in all issues which touched either their pockets or their class pride. Their dominance was not seriously impaired by the several extensions of the franchise succeeding the Re-

form Act of 1832, which first put them in the saddle. Their superior wealth, control over employment, dominant personality, prestige and organizing power kept in their hands the levers of politics and enabled them with no great difficulty to influence and manipulate the widening working-class electorate. They continued to use this power so as to encourage the belief that substantial equality of opportunity existed and that personal character was everywhere an assured road to success and prosperity, while they prolonged the career of liberalism by concentrating the party struggle on numerous separate little liberative missions, conducted slowly and piecemeal, thus staving off the bigger organic reforms that were emerging in the new radicalism of the later half-century.

It was not a conscious statecraft, but the instinctive self-defence of the bourgeois politician. A free scope for private competitive enterprise alike in domestic, industrial and foreign trade, with such personal liberties and opportunities of education, movement, choice of trade, thrift and comfort for the workers as would keep them industrious and contented with their lot and with the economic and political leadership of the employing middle classes—such was the prevailing thought of the men who boasted themselves the backbone of the country. It was not necessary or desirable to make it into a theory or a system. For that process was rather a hindrance than an aid to practice. Though able exponents of the theory presented themselves, the ruling bourgeoisie assimilated only fragments of the teaching. From their authoritative economists they took a few convenient dogmas, such as the law of rent and the wage fund, for weapons in their encounters with land owners, trade unions and meddling philanthropists. Their political philosophers and lawyers furnished a little rhetoric about freedom of contract, personal rights and the limits of legislative and administrative government, with which they eked out a confined but serviceable policy for their dealings with the state. The larger complexity of the philosophic radicalism never entered the brains or hearts of these hard practical men who knew what they wanted and meant to get it. Even the simpler gospel of Cobden, with its glow of moral fervor, had too much theory in

it to prove acceptable to more than a little handful. His lamentations over the desertion of his principles of cosmopolitanism by the majority of those who heard him gladly when he led them to cheap food and prosperous export trade, are an instructive testimony to the disinclination of the new dominant class for any coherent social thinking. The fate of the socialistic doctrines that later in the century displaced the mid-Victorian individualism was very similar. Neither the proletarian brand which German revolutionists had manufactured from the materials exported from this country and reexported a generation later, nor the superior academic brand compounded of Rousseau, Hegel and T. H. Green, which, mixed with Jevonian economics, nourished the young lions of Fabianism, found any wide or deep acceptance among any class of our people. This, of course, does not imply that they were negligible as impelling or directive forces in the political and economic movements of the age. For though ideologists vastly overrate the general influence of their ideas and *isms* in moulding human affairs, the cumulative value of the particular thoughts and sentiments and even formulas which they suggest to politicians, business men and practical reformers, has been considerable even in England, the country least susceptible to the direct and conscious guidance of ideas. What practical men take from theorists in Britain is pointers along roads that circumstances have already opened up for possible advance. Just as the theorizing of Adam Smith and Ricardo, working through the agitation of the anti-corn law leaguers, drove Peel and his politicians into a piecemeal free trade, so the new thinking on the positive functions of government led the municipal reformers of the eighties and nineties to tackle with more confidence their gas-and-water-socialism and still later helped to remove some obstinate barriers to the development of national services for health, education and insurance.

Although there is a natural tendency just now to overstress every antithesis between our ways and those of Germany, it cannot be denied that a wide difference has existed in the operative force of theories and systems in the two countries. The disposition and the habit of working from thought-out purposes

through plans to concrete arrangements is justly cited as the peculiar quality of Prussian social craft, from the time at least of Stein and Humboldt onward. Nor is it by any means confined to high politics. The contrast with our ways is even more striking in the subsidiary realms of education, transport, credit, town planning, insurance and industrial structure. Compare the development of our so-called railway system, our banking, the unregulated spread of our great cities or the emergence of our business combines with those of Germany. Our way has been that of groping empiricism, not merely not believing in theories and preconceived plans but even disbelieving in them. There may at first sight seem to be an inconsistency between this view of our national way of going on and the rationalistic error which we found at the root of our failure to understand the state of the world in 1914. The contradiction, however, is only apparent, for at the root of our refusal to think things out in advance, to arrange consciously the forces adequate to attain a clearly conceived end, is a sort of half belief and half feeling that it doesn't pay to think things out. Our practice of tackling difficulties when they come, improvising ways of overcoming them, and in general of muddling through, we really hold to be a sound policy. Nor is this judgment or sentiment sheer mental inertia or mere inability to think straight or far. It drives down to that rationalism which I have identified with practical mysticism in a conviction of the existence of some order in human affairs along the tide of which we may reasonably allow ourselves to float with confidence that somehow we shall reach the haven where we would be. We are opportunists on principle. That principle implies belief in a generally favorable drift or tendency, or even a Providence upon which we may rely to see us through and which dispenses with the obligation to practice much forethought. In America this is called the doctrine of manifest destiny. But we feel that even to make a conscious doctrine of it interferes with its spontaneity. The great historical example of this way of life is our empire, rightly described as built up in "a fit of absence of mind." To Teutonic statecraft such a statement ranks as sheer hypocrisy, but none the less it

is the truth. Individual builders there have been and bits of personal planning, but never has the edifice of empire presented itself as an object of policy or even of desire to our government or people. Its general purpose can be found only in terms of drift or tendency. It will no doubt be urged that irrationalism is a more appropriate term than rationalism to describe this state of mind. But my point is that the state of mind implies the existence of some immanent reason in history working toward harmony and justifying optimism. Reason in the nature of things happily dispenses with the painful toil of clear individual thinking.

These general reflections may help to explain the universal surprise at the collapse of our world in 1914. For whether we regard the theorizing few or the many content with practice, we find no perception of the formidable nature of the antagonisms which for several generations had been gathering strength for open conflict. Even the historical commentators of today, as they survey and group into general movements the large happenings of the nineteenth century, often exhibit the same blindness which I have imputed to the current theorists. The smooth bourgeois optimism which characterised the liberal thinkers of the mid-century in their championship of nationalism, parliamentary institutions, broad franchise, free trade, capitalistic industry and internationalism, is discernible in the present-day interpreters of these movements. Take for example that widest stream of political events in Europe designated as the movement for national self-government. Historians distinguish its two currents or impulses, one making for national unity or government, the nation state in its completeness, and another seeking to establish democratic rule within the state. Correct in regarding this common flow and tendency of events as of profound significance, they have usually over-valued the achievements. On the one hand, they have taken too formal a view of the liberative processes with which they deal, and, on the other, they have failed to appreciate the flaws in the working of the so-called democratic institutions.

The reign of machinery, the outward and visible sign of nineteenth-century progress, has annexed our very minds and pro-

cesses of thinking. Mechanical metaphors have secretly imposed themselves upon our politics and squeezed out humanity. That willing communion of intelligence which should constitute a party has become in name and in substance a "machine"; politics are "engineered", and divergent interests are reconciled by "balance of power". I should be far from describing the great nationalist movement of the nineteenth century as mechanical. It was the product of passionate enthusiasms as well as of the play of reasonable interests. The struggle for liberation on the part of subject nationalities and for unification in the place of division broke out in a dozen different quarters during the first half of the century, and the two following decades saw the movement not indeed completed, but brought to a long halt in which splendid successes were recorded. In some cases, as in Germany and to a less extent in Italy, dynastic, military, fiscal and transport considerations were powerful propellers toward unification. But everywhere a genuinely national sentiment, based on a varying blend of racial, religious, linguistic and territorial community, gave force and nourishment to the new national structure. Its liberative and self-realizing virtues were not garnered in Europe alone. The foundations of the nationhood of our great oversea dominions were laid in the colonial policy of this epoch, while the breaking-away of the Spanish-American colonies from their European attachment caused a great expansion of national self-government in the new world. But nationalism, regarded as the spirit and the practice of racial and territorial autonomy, has borne an exceedingly precarious relation to democracy. It has been consistent with the tyrannous domination of a dynasty, a caste or class, within the area of the nation. Indeed at all times the spirit of nationality has been subject to exploitation by a dominant class for the suppression of internal discontents and the defence of privileges. Stein, Hardenburg, Bismarck and Treitschke used the enthusiasm of nationalism to fasten the fetters of a dominant Prussian caste upon the Germanic peoples. The struggles for the maintenance of the recovery of Polish and Hungarian national independence were directed by the ruling ambitions of an oppressive racial and economic oligarchy.

Professor Ramsay Muir, in his interesting study of the relations between nationality and self-government in the nineteenth century, greatly overstrains the actual association of the movements. If self-government signifies, as it should, the direct participation of the whole people in its government, though some temporal coincidence appears, there is as much antagonism as sympathy in the actual operation of the two tendencies in modern history. Nationalism is used as often to avert as to foster democracy. For although the appeal to the racial unity and common spirit of a people for the assertion of its integrity and independence must indisputably tend to arouse in the common people a dignity and a desire to have a voice in public affairs, the leadership and prestige of military or political champions in the struggle may often suffice to foster or extort a servile consent of the governed as a feeble substitute for democracy. Indeed, it is precisely on this negative attribute that Professor Muir relies when he insists that "the land-owning aristocracy of the eighteenth century ruled Britain by consent" and that in Britain, France and Belgium after 1830, the "effective popular control of a government was henceforth solidly established." But the failure of a subject people or a subject class to revolt against its rulers is no true consent. Nor does the irregular connection between nationality and parliamentary government go far toward identifying nationalism with democracy as the typical achievement in the politics of the nineteenth century. None of the extensions of the franchise in Britain in the nineteenth century secured full and effective self-government for the people or even for the enlarged electorate regarded as representative of the people. Historians and politicians alike have deceived themselves and others by a grave over-valuation of mere electoral machinery. Neither by the popularization of the franchise nor by the less formal operation of public opinion has the reality of democratic government been secured. The power of the aristo-plutocracy, somewhat changed in composition and demanding more cunning and discretion for its successful operation, still stands substantially unimpaired in Britain, France and America. Through the organs of public opinion the governing few still pump down

their will upon the electorate, to draw it up again with the formal endorsement of an unreal general will or consent of the governed.

The conviction that political security and progress are made effective by the union of national independence and representative government rests upon a totally defective analysis, which was responsible in no small measure for the failure to forecast and to prevent the collapse of 1914. The nature of the flaw in this reasoning is slow to become apparent to the middle-class intelligence necessarily approaching public affairs with the prepossessions of its class. We can best discover it by turning once more to the defects of nationalism. The first we have already indicated, *viz.*, the masking of the interests or ambitions of a ruling, owning, class or caste in the national movement. Nationalism is often internally oppressive. But a second vice bred of struggle and the intensity of self-realization is an exclusiveness which easily lends itself to fiscal or military policies of national defence, through which dangerous separatist interests are fostered within the national state. The spirit of nationalism, stimulated by the struggle for independence, easily becomes so self-centered as to make its devotees reckless of the vital interests of the entire outside world. To Irish Nationalists, Czechoslovaks or Poles, this vast world struggle has been apt to figure merely or mainly as their great opportunity for the achievement of a national aim to which they are willing to sacrifice without a qualm the lives, property and rights of all other peoples. This absorbing passion, like others, is exploited for various ends and is the spiritual sustenance of the protectionism that always brings grist to the commercial mill. But there is a third defect of nationalism, of the nature of excess. It may become inflated and express itself in political and territorial aggrandizement. Imperialism is nationalism run riot and turned from self-possession to aggression. No modern nation can pursue a policy of isolation. It must have foreign relations, and its foreign policy may become "spirited", passing rashly into schemes of conquest and annexation.

These three perversions of nationalism, the oppressive, the exclusive and the aggressive, are all grounded in the domina-

tion of a nation by a predominant class or set of interests. This class power is rooted often in traditional prestige, but this prestige itself rests upon solid economic supports. Landlordism and serfdom, capitalism and wagedom, moneylending and indebtedness—such have been the distinctive cleavages which have so often made a mockery of the boasted national freedom.

If we turn from this survey of nineteenth-century nationalism to a consideration of the democratic movement with which it has been associated, we discover that "democracy" is vitiating by the same defects. It either signifies parliamentarism upon an utterly inadequate franchise, by which the majority of the governed have no electoral voice, or else the formal government by the people is a machine controlled for all essential purposes by small powerful groups and interests. Political democracy based upon economic equality is as yet an unattained ideal.

The liberal political philosophy of the Victorian era failed entirely to comprehend this vital flaw in the movement of nationalism and democracy. That failure was chiefly caused by its underlying assumption that politics and business are independent spheres. According to this view it was as illicit for business interests to handle politics as for government to encroach upon business interests. Such interference from either side appeared unnecessary and injurious. It was not perceived that the evolution of modern industry, commerce and finance had two important bearings upon politics. In the first place, it impelled business interests to exercise political pressure upon government for tariff aids, lucrative public contracts and favorable access to foreign markets and areas of development. Secondly, it evoked a growing demand for the protection of weaker industries, the workers and the consuming public, from the oppressive power of strong corporations and combinations which in many of the essential trades were displacing competition.

In other words, history was playing havoc with the economic harmonies upon which Bastiat and Cobden relied for the peaceful and fruitful cooperation of capital and labor within the nation and of commerce between the different countries of the

world. Cobden valiantly assailed the militarism, protectionism and imperialism of his day and recognized their affinity of spirit and certain of their common business aims, but without any full perception of their economic taproot or of the rapid domination over foreign policy which they were soon destined to attain. The grave social-economic problems which have lately loomed so large in the statecraft of every country lay then unrecognized. Throughout the long public career of two such genuinely liberal statesmen as Cobden and Gladstone neither evinced the slightest recognition that the state had any interest or obligation in respect of the health and housing, the wages, hours and tenure of employment, the settlement of issues between capital and labor, or in any drastic reforms of our feudal land system. So far as they recognized these economic grievances at all, they deemed individual or privately-associated effort to be the proper and adequate mode of redress. Where government was called upon to intervene for liberative or constructive work, the superficiality of its treatment showed a quite abysmal ignorance of social structure. A generation in which the Artisans Dwelling Act of 1875, the Ground Game and Small Holdings Act of the early eighties and the factory acts of 1870 and 1878 ranked as serious contributions to a new social policy, is self-condemned for utter incapacity to see, much less to solve, the social problem. Such statecraft failed to perceive that the new conditions of modern capitalist trade and finance had poisoned the policies of nationality and democratic self-government and were breeding antagonisms that would bring class war within each nation and international war in its train.

Not until the eighties did these antagonisms begin to become evident to those with eyes to see. During the period from 1850 to 1880 Britain still remained so far ahead of other countries in her industrial development, her foreign trade, her shipping and her finance, that she entertained no fears of serious rivalry. Though our markets and those of our world-wide empire were formally open upon equal terms to foreign merchants, our traders held the field, and British enterprise and capital met little competition in European markets or in loans

for the great railroad development in North and South America. Not until the industrial countries of the Continent had reconstituted their industries upon British models and had furnished themselves with steam transport, while the United States, recovered from the Civil War, was advancing rapidly along the same road, was any check put upon the optimism which held that England was designed by Providence to be the abiding workshop of the world. Throughout the mid-Victorian era our economists and social prophets, with a few exceptions, were satisfied with a national prosperity and progress which enriched business classes, while the level of comfort among the skilled artisans showed a considerable and fairly constant rise.

Internally, the economic harmony appeared, at any rate to well-to-do observers, to be justified by events. Externally, there seemed no reason for suspecting any gathering conflict from the fact that one great nation after another was entering upon the path of industrial capitalism. Why should the rising productivity and trade of Germany, the United States and other developing nations, be any source of enmity or injury to us? The economic harmonies were clear in their insistence that free intercourse would bring about an international division of labor as profitable to all the participating nations as the similar division of labor within each nation was to its individual members. It was impossible for the world to produce too much wealth or to produce it too rapidly for the satisfaction of the expanding wants of its customers. Foolish persons prated of over-production and pointed to recurrent periods of trade depression and unemployment. But the harmonists saw nothing in these phenomena but such friction, miscalculation and maladjustment as were involved in the processes of structural change and the elasticity of markets. As a noted economist of the eighties put it, "the modern system of industry will not work without a margin of unemployment."

All the same, several notable occurrences in the eighties ruffled the complacency of mid-Victorian optimism. One was the revelation of the massed poverty and degradation of the slum-dwellers in our towns and the searchlight turned upon working-class conditions in this and other lands by the compet-

ing criticisms of Henry George and the newly formed Socialist organizations. The second was the rise in the United States of those trusts and other formidable combinations, which emerged as the culmination and the cancellation of that competition upon which the harmonists relied for the salutary operation of their economic laws. The third did not assume at first sight an economic face. It was the testimony to competing imperialism furnished by the Berlin Conference for the partition of Central Africa. This was the first intimation to the world of a new rivalry the true nature of which lay long concealed under the garb of foreign policy and was at the time by no means plain to the statesmen who were its executants.

Imperialism is not, indeed, a simple policy with a single motive. It is compact of political ambition, military adventure, philanthropic and missionary enterprise and sheer expansionism, partly for settlement, partly for power, partly for legitimate and materially gainful trade. But more and more, as the white man's world has been occupied and colonized, the aggrandizing instincts have turned to those tropical and subtropical countries where genuine white colonization is impossible and where rich natural resources and submissive backward peoples present the opportunity of a new and distinctively economic empire.

Since the compelling pressure for this greed of empire has been the main source of the growing discord in the modern world, it is of the utmost importance to understand how the discord rises and to see its organic relation to the class war within the several nations which has grown contemporaneously with it. If modern industrial society were closely conformable to the economic harmonies, the mobility and competition of capital and business ability would ensure that no larger share of the product should be obtained by the owners of those productive agents than served to promote their usual growth and efficiency, and that the surplus of the fruits of industry should pass to the general body of the working population in their capacity of wage earners and consumers, through the instrumentality of high wages and low prices. Combinations of workers would be needless and mischievous, for they could not increase the

aggregate that would fall to labor, and the gains they might secure for stronger groups of workers would be at the expense of the weaker sections. It was to the interest of labor that capital and business ability should be well remunerated, in order that the increase of savings and of the wage fund should be as large as possible, and that the arts of invention and business enterprise should be stimulated to the utmost. For labor was the residuary legatee of this fruitful cooperation. It was, again, a manifest impossibility that production should outstrip consumption, for somebody had a lien upon everything that was produced, and the wants of men were illimitable. Thus effective demand must keep pace with every increase of supply. The notion that members of the same trade were hostile competitors, in the sense that there was not enough market to go round, and that, if some sold their goods, others would fail to sell, seemed a palpable absurdity.

Yet it was precisely these impossibilities and absurdities that asserted themselves as dominant facts in the operation of modern capitalist business. Every business man knew from experience that a chronic tendency to produce more goods than could profitably be sold prevailed over large fields of industry, that the wheels of industry had frequently and for long periods to be slowed down in order to prevent over-production, and that more and more work, money, force and skill had to be put into the selling as distinguished from the productive side of business. Every instructed worker knew that wealth was not in fact distributed in accordance with the economic harmonies, that much of it stuck in the form of rent and other unearned or excessive payments for well-placed capital and brains, and that the great gains of the technical improvements did not come down to "the residual legatee". Where free competition survived, it became cut-throat, leading to unremunerative prices, congested markets and frequent stoppages; when effective combination took its place, restricted output and regulated prices operated both in restraint of production and in the emergence of monopoly. Put otherwise, the weaker bargaining power of labor, pitted against the superior material resources, organization, knowledge and other strategic advantages of the

land-owning, capitalistic and entrepreneur classes, left the former with an effective demand for commodities too small to purchase the products of the machine industries as fast as these were capable of providing them. The habitual under-consumption of the workers, due to the massing of unearned or excessive income in the hands of the master classes, has been the plainest testimony to the reality of that antagonism of interests within each nation which is dramatized as "class war". No smooth talk about the real identity of interests between capital and labor disposes of the issue. A real identity does exist within certain limits. It does not pay capitalists, employers, landowners or other strong bargainers to drive down wages below the level of efficiency. Nor does it pay labor, even should it possess the power, to force down "profits" below what is required, under the existing arrangements, to maintain a good flow of capital and technical and business ability into a trade. But wherever the state of trade is such as to yield a return more than enough to cover these minimum provisions, the surplus is a real "bone of contention" and lies entirely outside the economic harmonies. It goes to the stronger party as the spoils of actual or potential class war. Strikes and lock-outs are not the wholly irrational and wasteful actions they appear at first sight. In default of any more reasonable or equitable way of distributing the surplus among the claimants, they rank as a natural and necessary process. However much we may deplore class war, it is to this extent a reality and does testify to an existing class antagonism inside our social-economic system.

I have already explained by implication how this inherent antagonism of classes contains the seeds of the wider antagonism of states and governments. The maldistribution of wealth, which keeps the consuming power of the people persistently below the producing power of machine industry, impels the controllers of that industry to direct more and more of their energy to securing foreign markets to take the goods they cannot sell at home and to prevent producers in other countries, confronted with the same necessity, from entering their home market. Here is a simultaneous drive for govern-

mental aid: first, in protecting the home market from the invasion of foreign goods; secondly, in inducing or coercing the governments of foreign countries to admit our goods into their market on more favorable terms than those of other competing countries. Hence arise three policies, all pregnant with international antagonism. The protection, adopted primarily in order to secure home trade and keep out the foreigner, is a constant breeder of dissension among peoples and governments. Its secondary effect, to assist strong combinations within a country to stifle free competition and by imposing high prices to increase the volume of surplus profit, further aggravates the maldistribution of the national income, which we recognize as the mother of discord. For this increased surplus means a further restriction of internal consumption and a corresponding pressure for enlarged foreign outlets. More and more must the capitalist classes in each industrially advanced country press their governments for protection at home and a powerful bagman's policy abroad.

Protection, however, is only the first plank in this platform. The second is diplomatic and other pressure brought to bear on weaker states for trading privileges or special spheres of commercial interests, as in China and Persia, or for the enforcement of debt payment or other business arrangements in which private traders or investors demand redress for injuries. This last consideration introduces the third and by far the most important cause of international discord. The surplus income under modern capitalism, it must be recognized, cannot be absorbed in extending the productive machinery needed to supply our home markets. Nor can it find full remunerative occupation in the supply of foreign markets, either under the condition of free competition with exporters from other countries or by such trading privileges as those to which we have alluded. An increasing proportion of that surplus income must be permanently invested in other countries. This has been the most important factor in the economic and political transformation of the world during the last generation. Under the direction of skilled financiers an increasing flow of surplus or savings has gone about the world, knocking at every door of

profitable investment and using governmental pressure wherever it was necessary. Special railway, mining or land concessions, loans pressed upon state governments or municipalities or in backward countries upon kinglets or tribal chiefs, the pegging out of permanently profitable stakes in foreign lands—these methods have been employed by strong business syndicates everywhere with more or less support from their government. Such areas, at first penetrated by private business enterprise, soon acquire a political significance, which grows along a sliding scale of slippery language from “spheres of legitimate aspiration” to “spheres of influence”, protectorates and colonial possessions. Now, just as there are not enough home markets for goods or capital to take up the trade “surplus”, so there is found to be not enough world market for the growing pressure of world capital seeking these outside areas of investment and the markets which go with them. More and more this pressure of financiers for profitable foreign fields has played in with the political ambitions of statesmen to make the inflammatory composition of modern imperialism. This imperialism is thus seen to be the close congener of the capitalism and protectionism that are the roots of class antagonism within the several nations. While it nourishes jealousies, suspicions and hostilities between nations, it also strengthens the master classes in every nation by forging the joint political and economic weapons of protection and militarism and crossing and so confusing the class antagonism by masquerading as “nationalism”. Quite plainly the imperialist or capitalist says to the worker: “Come in with us in our great imperialistic exploitation of the world. This is the only way of securing the large, expanding and remunerative markets necessary to furnish full, regular employment at high wages. Come in with us and share an illimitable surplus, got not from under-paying you but out of the untapped resources of the tropics worked for our joint benefit by the lower races.” This invitation to wholesale parasitism is openly flaunted by such bodies as the Imperial Development Resources Committee and is more timidly suggested in various new projects for harmonizing the interests of capital and labor on the basis of the de-

velopment of capitalistic combinations. Were it successful, it would do nothing to heal the discord either between capital and labor in this country or between the divergent interests of capitalist groups in the several countries. Nay, even if it were extended by some international concert of western capitalist powers to a more or less complete control of the tropics, it would only enlarge the area of discord by arraying the ruling nations of the world against the lower races whom they had set to grind out wealth to be taken for the masters' consumption.

I must not, however, carry further at this stage this speculative glance into the possible future. For what concerns us here is to understand the sources of the blindness which caused the war to break upon us as a horrible surprise. I desire here to show that this blindness lay in a deep-seated misapprehension of the dominant movements of the century and particularly of the latest outcomes of perverted nationalism and capitalism in their joint reactions upon foreign relations.

We have seen these two dominant forces emerging and moulding the course of actual events. Nationalism and capitalism in secret conjunction produced independent, armed and opposed powers within each country, claiming and wielding a paramountcy, political, social and economic, within the nation and working for further expansion outside. This competition of what may fairly be called capitalist states, evolving modern forms of militarism and protectionism, laid the powder trains. The dramatic antithesis of aggressive autocracies and pacific democracies in recent history is false, and the failure to discern this falsehood explains the great surprise. Nowhere had the conditions of a pacific democracy been established. Everywhere an inflamed and aggrandizing nationalism had placed the growing powers of an absolute state (absolute alike in its demands upon its citizens and in its attitude to other states) at the disposal of powerful oligarchies, directed in their operations mainly by clear-sighted business men, using the political machinery of their country for the furtherance of their private interests. This by no means implies that states are equally aggressive, equally absolute and equally susceptible to business control. Still less does it imply that in the immediate causa-

tion of the war conscious economic conflicts of interests were the efficient causes, or that direct causal responsibility is to be distributed equally among the belligerent groups. Indeed, the account of nineteenth-century movements here presented, if correct, explains why the German State became more absolutist in its claims and powers than other states, more consciously aggressive in its external policy and in recent years more definitely occupied with economic considerations. Its geographical position, its meagre access to the sea, its rapid recent career of industrialism, its growing need of foreign markets and its late entrance upon the struggle for empire, all contributed to sharpen the sense of antagonism in German statecraft and to make it more aggressive. The pressures for forcible expansion were necessarily stronger in this pent-up nation than in those which enjoyed in a literal sense "the freedom of the seas" and large dependencies for occupation, government, trade priority and capitalistic exploitation. The ruthless realism of German statecraft, its habitual and successful reliance upon military force, the tough strain of feudal tyranny and servitude, surviving in the spirit of Prussian institutions, served to make Germany in a quite peculiar degree the center of discord alike in its internal and its external polity. In the nation where Marx and Bismarck had stamped their teaching so forcibly upon the general mind, no great faith in the economic harmonies and pacific internationalism could be expected to survive. To these distinctively realistic forces must be added the subtler but not less significant contributions of Hegel and Darwin, working along widely different channels to give a "scientific" support to political autocracy, economic domination and an absolutist state striving to enforce its will in a world of rival states contending for survival and supremacy. Out of that devil's brew were concocted the heady doctrines of Treitschke and his school, to whose educative influences such extravagant importance is attached by those who seek to represent the whole German nation as privy to a long-preconcerted plan for war. That large romantic theories, claiming scientific or philosophical authority, have had, especially in Germany, a considerable influence in disposing the educated members of the ruling and

possessing classes to accept policies of force in the internal and external acts of government that seemed favorable to their interests and prestige, there can be no doubt. We know also that in Germany and elsewhere among the class-conscious leaders of socialist and labor movements a sort of semi-scientific sanction for the use of violence in a class war that was an inevitable phase in the evolution of a "new" society was based upon the same biological misconception.

But we must not be misled by ideologists or heated pamphleteers into imputing an excessive value to these theories regarded as actual forces in conduct. Were this value what it is pretended in some quarters, the war would not have come as a surprise. It would have been expected. The wide prevalence of doctrines of "force", rivalry of nations and struggle for survival on a basis of social efficiency, were not in any real sense determinant factors in bringing about the war. Nor did they do more than mitigate in more reflecting minds the profound astonishment which accompanied the outbreak of war. The really operative causes were the deep antagonism of interest and feeling which this analysis has disclosed or, conversely, the feebleness of the safeguards against war upon which liberal and humane thinkers had relied, *viz.*, economic internationalism, democracy and the restricted functions of the state.

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LONDON.