

Excerpted from the Merchants of Peace

Pages 376-380, emphasis added

Today the nature and extent of the armaments regime which dominates modern industrial civilization is far better and more generally understood than, for example, were the nature and extent of those forces animating the ancient regime in the eighteenth century. The fundamental error of attempting to overthrow the crushing regime of world armaments by appeals to a vague utilitarianism and by mass pacifism in a separate emotional tour de force apart from the overthrow of the economic nationalism of which armaments are the most destructive manifestation has been made plain. This type of disarmament campaign has been played to its bitter end. It has been proved that national armaments are inseparable from the material substance of the competitive nationalist regime which they defend. On the other hand, modern armaments and the present competitive situation are rapidly making the cost of national sovereignty in taxation prohibitive at the present standard of living.

The cost of this cherished right of national states to substitute a feudal defiance for what the author of the first declaration of national independence, Thomas Jefferson, was pleased to call "a decent respect for the opinion of mankind" is everywhere registered in rising budget totals. Like those institutions of a decadent feudal society which survived in the ancient regime to the closing years of the eighteenth century, national sovereignty today takes its toll from the merchant, the manufacturer, the laborer, and the farmer. From all who contribute to the constructive enterprise of raising the standard of human life by the production and distribution of wealth, sovereignty exacts an onerous feudal levy to arm the borders of the national domain. A rising bourgeois at the close of the eighteenth century, awakened by the cost of an outworn system of government which was unable to reform the budget, overthrew the ancient regime and abolished the feudal dues. The revolutions which followed the breakdown of feudalism and ushered in modern times, however, did not consist in the spectacular episodes of violent liberation, but rather in those manifold changes in the structure of society which signified the substitution of new things for old. The real revolution was accomplished when enterprising merchants, after a century of enlightened criticism, broke through the tottering defenses of feudal waste and incompetence, and step by step replaced the outworn institutions of a violent past with new social and economic forms adapted to the more cooperative type of society which was already in being. Who can deny

that today, a century later, the outworn institutions of national sovereignty constitute as menacing a burden upon the new industrial society of the twentieth century as that imposed by the eighteenth-century feudalism upon an era awakened to its inner potentialities in the "Enlightenment"? Can modern business men, emulating the merchants of the eighteenth century, break through the feudal armaments regime of national sovereignty and reform the national budget? Like the revolutionary movements which liberated the old regime of armaments consists in a concerted offensive by all progressives upon those surviving institutions of an out-dated national sovereignty—the economic and the military frontier.

As foreign trade smashed the guilds of the medieval city, so international trade, if the feudal control of the national frontier is broken will today transform limited national economies into productive members of the larger family of nations. Between modern capitalism and the realization of this objective stand those national frontiers which form the feudal defenses of the privileged members of the society of nations. It is this feudal prerogative of the modern state which has been rendered no longer defensible without the destruction of modern civilization. **The abolition of trade barriers can no longer be considered as merely a helpful circumstance contributing to the peace of nations. Trade barriers are today revealed as the substance of the military regime of a feudal national sovereignty. Economic disarmament is the crux of military disarmament.** It has become evident that capitalism can only break through the armaments regime at this point. **And it is obvious that this break cannot be accomplished by violent frontal attack upon economic sovereignty. It must be brought about by the substitution of international cooperation for isolated national action.** International machinery of adjustment must be provided which is cheaper and more effective to operate than the machinery of national force. **Events have rendered obsolete the philosophy of a static international political world divided *in perpetuo* into national feudal territories under the rigid control of the privileged have as against the have-nots of the society of nations.** It is at last generally recognized that it is necessary to accept the well-established fact of the inevitability of change as an essential element in human progress, and that is the part of wisdom to employ for the control and guidance of change the same technique utilized within the liberal constitutional state. The constitutional state, in so far as it continues to function as a working institution, is a demonstration of the truth that change cannot be prohibited by force, but can be directed by intelligence. The disastrous results of attempts to attain disarmament by the guarantee of a static world order are before us. Social

distress destined to eventuate in mass violence and war is the natural revolt against an unreformed international social order. It follows that war starts not with the actual outbreak of hostilities but with the diversion of labor and materials from constructive enterprise to arm property interests in the status quo—whether it be American neutrality or the safety of world empire.

Is it possible for national economic groups to be withdrawn altogether from the unholy alliance with national armaments? Can business be brought to renounce militarism as an instrument of economic policy? If this is to be accomplished, constructive machinery of peaceful change must be erected which can successfully compete with those destructive processes of feudal change that are perpetuated to modern times in the war system. The products of human violence and misery must be driven from the markets of the world by the products of peace.

This enterprise can be undertaken by no one sect. It belongs to no “ism”. If modern civilization is to be saved in this late year of armaments, it can be saved only by the combined effort of all who believe in the works of peace. **There must be a united front formed by business men for the overthrow of the old regime of armaments.** The times demand a new, a broader, a more resolute, a more concerted and better organized démarche than any so far attempted to reform international affairs. This world reform movement should mark the gathering in of the various enterprises and activities which have been operating in different spheres since the war in furtherance of international cooperation and world peace.

Such a movement was actually inaugurated by a private international conference of prominent citizens of high national and international repute held at Chatham House, London, March 5-7 1935 under the auspices of the Carnegie Endowment for International Peace for the purpose of discussing, as stated in the invitation,

Steps to be taken to restore confidence by promotion of trade and reduction of unemployment, stabilization of national monetary systems and better organization of the family of nations to give security and to strengthen the foundations on which international peace must rest. (Carnegie Endowment for International Peace, Chatham House Conference).

The conference, which included representatives from Belgium, France, Germany, Holland, Italy, Norway, Sweden, Great Britain, Canada, and the United States, gave a broad consideration to the three sets of problems outlined in the invitation. The discussions took place under the

chairmanship of the Marquess of Crewe, J.A. Spencer, and Sir Austen Chamberlain. After a frank and confidential exchange of views, the conference recommended that the governments of the United States and Great Britain initiate action directed toward the adoption of “measures to enable the debtor nations to meet their obligations in goods and services,” endorsed projects for low-tariff unions on the model of the Ouchy convention, and called attention to the multilateral economic treaty and especially the most-favored national clause therein, drafted at Montevideo. It advocated provisional consultation between nations on equal terms, thorough strengthening of the League, building of the habit of the judicial settlement of international disputes, and checking the constant growth of armaments. It advocated also the adoption of steps to increase the effectiveness of the Pact of Paris, recognition of the fact “that continuous consultation is the best safeguard against war” and that economic measures could or would be effective if virtually universal, rendering military measures unnecessary, and, finally, international cooperation to raise the standard of living and to solve social problems along the lines undertaken by the ILO...

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Merchants of Peace: Twenty Years of Business Diplomacy Through the International Chamber of Commerce

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