

Giovanni Agnelli  
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# European Federation or League of Nations?



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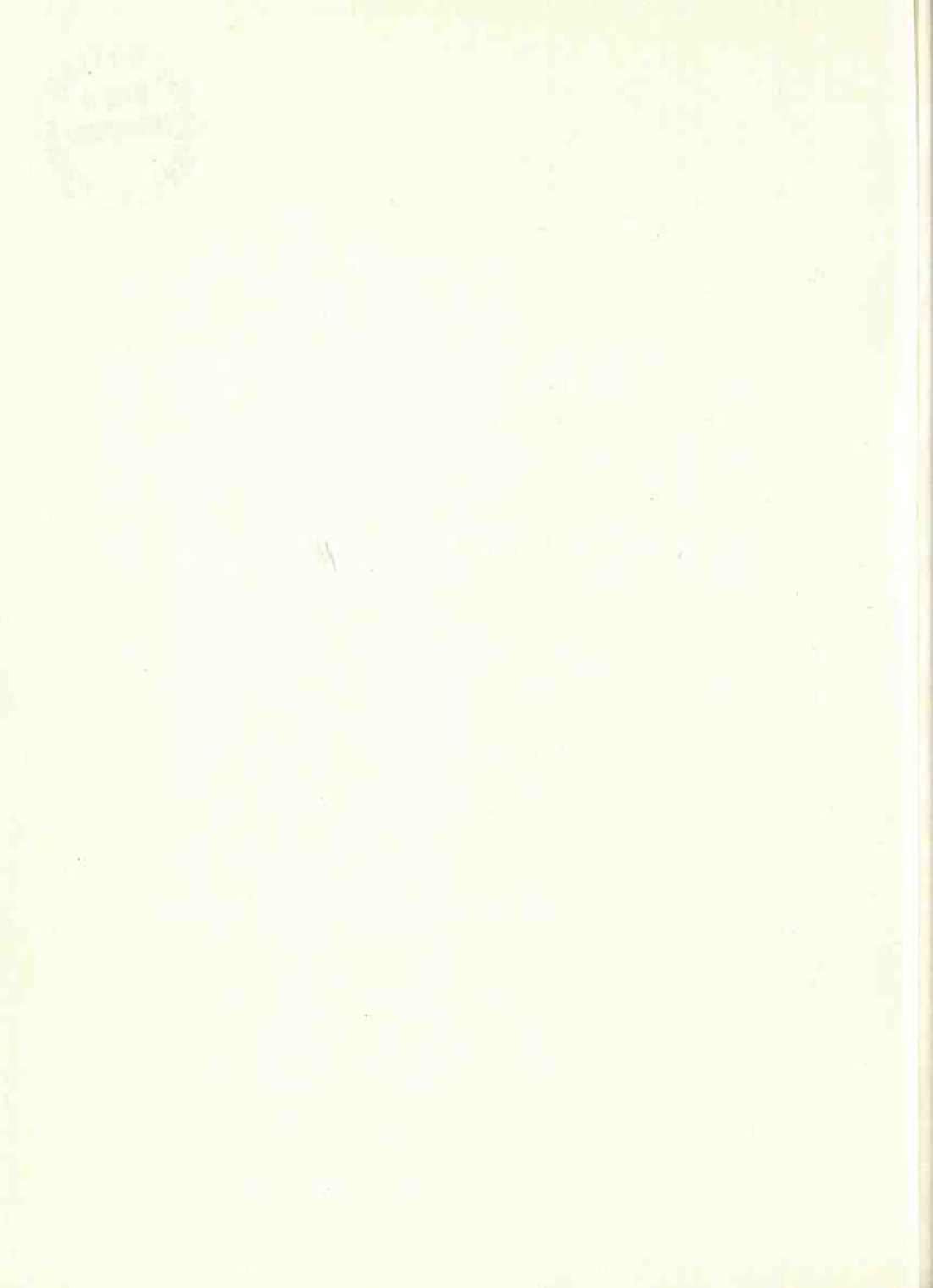






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Edited by  
Fondazione Giovanni Agnelli



*Giovanni Agnelli*  
*Attilio Cabiati*



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*Fondazione Giovanni Agnelli*

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Giovanni Agnelli at the beginning of the 1930s.

Omaggio degli Autori.

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FEDERAZIONE EUROPEA  
o  
LEGA DELLE NAZIONI?



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## Preface

The publication of this book in English has a dual significance. On the one hand, it is the deserved recognition of a far-sighted intellect, which already in 1918 foresaw and supported the growth of European unification which only began to really take shape thirty years later. On the other hand, it is a reminder, and not just a symbolic one, of the depth of Italy's cultural and historical commitment to Europe, at the very moment in which it takes up the most important position within the European Union in the current semester.

The present phase seems to me to be an especially delicate one in the progress towards the economic and political union of Europe. It is true that the long journey which has been undertaken so far has seen European citizens achieve a large number of goals, as we all know. Nevertheless, this journey still continues today to be strewn with obstacles and uncertainties. And, in any case, we know that its ultimate success cannot be taken for granted. Much remains to be thought out and carried out, and some still need to be convinced.

So it is instructive to read what two important representatives of Italian economics and culture thought about the idea of a European federation eighty years ago: the intellectual Attilio Cabiati and the industrialist Giovanni Agnelli. Conceived and written in one of the darkest hours of European history, at the height of the First World War, whose end and outcome the authors were still unable to forecast, their book is topical, in the full sense of the word. That is, it poses questions which, *mutatis mutandis*, the citizens and above all the rulers of Europe still need to answer to today.

The meeting between the two authors was one between very different personalities. Attilio Cabiati was a brilliant economist, a scholar who paid

close attention to the theoretical developments in his discipline, but also an expert in real economics and international trade. Giovanni Agnelli was one of the pioneers of Italian industry, the founder of FIAT. A highly practical and energetic man, but one who never ceased wondering about the great economic, social and political changes which were taking place in Italy and Europe during the first half of the century, and about the responsibilities of the managerial class in those troubled decades.

It was an unusual partnership, but it was not an accidental one. Nor was it accidental that their partnership developed in Turin. We only need to look at the cultural and political news reports of the time, to leaf through the reviews and journals in which educated debate took place, to realise that a high-powered and complex discussion was taking place in Turin in those years. The participants included not only representatives of the main Italian political cultures, but also the most informed and aware economists and industrialists. And allusions to a European idea *in fieri* often appeared in that debate, arousing the interest of the intellectual elite, starting with Luigi Einaudi who, in his journal *La riforma sociale*, expressed positions which were close to those of Agnelli and Cabiati.

It is worth pointing out that this book did not originate from basically economic convictions. Undoubtedly, both authors demonstrate their awareness of the prospect, at the time a far-sighted dream, today a concrete reality, of a single European market, and of the great benefits that European producers and consumers would be able to enjoy. Similarly, the book also includes the idea that capital, business and technology are destined to operate on a European scale and, in the long term, on a global one. In this sense, some passages foreshadow important aspects of current debates on the globalisation and world integration of economies.

It was instead the need to examine the values and the cultural and political foundations which could provide the basis of the future Europe which encouraged Giovanni Agnelli to involve Cabiati in writing the book, having convinced him of the need for an actual federation of the nations of Europe, of a genuinely European government which, without denying individual wishes and national interests, could nevertheless set itself above them.

Agnelli wondered what could be done to maintain peace between nations (once it was re-established) and, at the same time, how to offer



Europeans a more lasting period of prosperity, after all the sacrifices and suffering they had endured during the war. The answer was that it was necessary to act in a far-reaching way to influence European society and culture and, in particular, to rid it of two maladies. One was ideological and revolutionary internationalism. The other (in the authors' view the much more dangerous one, having lain hidden for the whole of the nineteenth century and then exploded in 1914) was that aggressive nationalism which had emerged in the national states' thirst for power and domination. There was only one remedy to prevent a repetition of these evils: nation-states would have to give up a part of their sovereignty and transfer it to a European government, which would take responsibility for a common policy in certain key areas, among them foreign policy, defence, the budget and customs policy. Any other solution risked being an inadequate cure, with the danger that nationalist interests could gain the upper hand again and lead to new wars. In other words, the ideal of a European federation, the growth of democracy, and the preservation of the peace and the social welfare, all had to go forward together.

It would unfortunately take another world war to convince the peoples and governments of Europe that the path described by the two authors, with great realism in its key passages, but anticipated perhaps with too much utopianism, was the right one.

At this point, the reasons for the book's interest seem clear, as does the lasting validity of the motives which led Giovanni Agnelli to open a deep and stimulating debate on the themes of Europe with the best minds of Turin and Italy. Eighty years on, the topic of political union still remains the great unresolved issue for Europe, which has not yet been able to reach the same stage which it has achieved (despite all difficulties) on the question of economic union. Similarly, the strong and necessary connection and interdependence between European ideals, democracy and well-being continues to remain at the heart of the whole European project. It will be tested over the next few years, with the expansion of the European Union to the nations of Central and Eastern Europe. Finally, all Europeans can easily and dramatically see that the malady of nationalism, in its various forms, is still present on the continent and most of all that peace in Europe cannot be considered to be something that has been achieved once and for all. So it is not surprising that the fears existing

at the time about the continuing threat of nationalism in the Balkans can be read and shared today, without altering one iota.

It therefore seems to me appropriate to suggest that the reading of this book might today encourage a renewal of a commitment towards Europe's continuing its progress towards the goals it has set for the end of this century. This commitment should be taken up especially by individuals and institutions concerned with culture. The Giovanni Agnelli Foundation has always felt bound to keep alive in the current public debate the concerns and ideas which eighty years ago attracted the interest of the man from whom the institution takes its name. The idea of Europe and the formation of the European Union have always been among the values which have guided its activities and research in the thirty years of the existence of the Foundation. Above all, it has operated under the conviction that it is the duty of a foundation which considers itself "Italian and European" to contribute to the knowledge and the reflections which can clarify the ethical, cultural and political foundations of a European union which is progressing in the direction anticipated with extraordinary foresight by this book.

*Giovanni Agnelli*

Turin, January 1996

## Foreword

The next five years are likely to be the most difficult and challenging period that the process of European integration has had to face so far. In order to progress towards a new historical phase, the European Union is obliged to re-examine its whole idea: its constitutional rules (the intergovernmental conference for the revision of the Treaty), its membership and extension (negotiations for the entry of the Central and Eastern European countries, of Malta and Cyprus), the resources for its functioning work (budget negotiations), and its currencies (the passage towards a single currency).

Can "this booklet, the fruit of the cooperation between the industrialist and the economist", written seventy-seven years ago, help to enlighten us on the difficulties and challenges of the journey ahead that the European Union is already due to embark on over the next few months with the inauguration of the intergovernmental conference? In my opinion, yes. Giovanni Agnelli and Attilio Cabiati's pages are for us not only worth reading, but they can also help us to appreciate what will be at stake over the next few years.

Of the many pearls of wisdom that "this booklet" offers us, four seem to me to deserve special attention. They concern: the alternative to European integration, the identity of the European Union, the value of the market in the construction of Europe, and the delicate relationship between Germany and this process.

I will refer briefly to these four points, as an exhortation to those readers who are especially interested in the decisions that over the next few years will determine the shape the Europe of the next decades, and who might like to follow these directions for their reading.

*The alternative to European integration*

The decisions of the next few years will be extremely hard: because of the complexity of the problems, because of the great national interests at stake, and because the decisions – at least the “constitutional” ones – will still require the unanimity of the fifteen member states (as they are at present).

Only a clear perception of the serious set-back which would occur in the case of absence of agreement, or in the case of agreements not in keeping with the progress of integration, can guarantee the necessary pressure on the various parties to ensure that the decisions which will be taken will not be subject to contingent interests, but will be far-sighted. But the creation of this perception is made difficult today by one fact in particular: unconsciously, European integration is taken for granted. More precisely, all those “decreasing damages” are taken for granted (the absence of war between countries which are historical enemies, today united within the framework of Europe), as well as the “emerging gains” (the economic and civil advantages of the opening up after protectionism). Both of them are taken for granted, while public opinion forgets to link them to their real foundation: the European integration of the last forty years.

Yet is it possible to appreciate today, in real terms, what Europe would have been like if integration had not taken place? What kind of Europe could re-emerge if integration started creaking or cracking under the strain of the hard tests of the next five years?

The simulation of alternatives is a difficult historical exercise. But this book provides us at least with a good approximation. Written in 1918, it helps us to understand why the First World War took place, even though European society had been internationalised for decades.

The answer to that “why” still represents a warning for the present. “Economic, scientific and artistic activities had led to the creation, at least in its basic features, of a genuinely international society and world of business: but the political basis for this structure, an international state, was totally lacking, since it should no longer have been built through the cooperation of individuals or of individual groups, but through the union of nations and the federation of national governments.” “However the

truth is that the framework of a cosmopolitan society had been built up without concern for its foundations.”

And those foundations were also absent in the subsequent decades: an important cause, if not the only one, of the Second World War. Only thirty years after Agnelli and Cabiati published this book the founding fathers of the European Community brought into being the design outlined by our authors.

The peace and the economic and civil progress within the countries of integrated Europe over the last forty years have their foundations in the integration which has taken place. Now that those foundations need rebuilding – both because of the passage of time, and because in the future they will have to support a bigger entity – it is essential that those who will be involved in this difficult task, as well as the public opinion which will observe and condition them, are fully aware of the consequences which would ensue from any damage or breakdown of the European entity.

Agnelli and Cabiati help us to attain this awareness. Their “booklet” – I cannot believe that they would have imagined it, seventy-seven years ago – should be kept close at hand, beside the desk and at the negotiating table, in the conference hall of the new Europe; and it should be consulted in moments of difficulty.

### *The identity of the European Union*

It should be read, to tell the truth, starting with its title. Which could even be written out on a huge banner at the entrance of the conference hall of the intergovernmental conference for the revision of the treaty on the European Union. *European federation or league of nations?* Is this not, after all, the unexpressed – but basic – question before the conference? “We unhesitatingly believe that there is only one way of ensuring that war will never break out in Europe again, a way which requires very careful consideration: *the federation of the European states under a single ruling and governing body*. Any less forthright vision would only be a waste of time.”

The intergovernmental conference of 1996 does not propose to face the “key issue” in such candid terms as our “booklet” of 1918. One of



the reasons why it will not do so is because the inadequate level of communication between the European institutions and the citizens of Europe in the last few years has led not only to a rightful attention to the principle of subsidiarity, but also to a reserve – at times excessive and defensive – in relation to any form of European “central power”, even in the cases in which the principle of subsidiarity allows and indeed requires it.

The intergovernmental conference will revolve around the issue of “central power”, although in less explicit terms. We must hope, in my opinion, that this will come out of the conference strengthened as regards the separate powers of the member states of the union, and at the same time subject to more incisive and transparent control: political control by the European Parliament, and judicial control by the European Court of Justice.

This result – in the terminology of our authors, a European Union closer to a “European federation” than to a “league of nations” – will be reached if the conference, in its less explicit terminology, obtains two results:

*a)* the shift of certain important prerogatives as regards “foreign policy and common security” and “internal affairs and justice” from the present system which requires “intergovernmental” decisions (the so-called “second pillar” and “third pillar”, respectively) to the “community” system (the so-called “first pillar”);

*b)* the extension to the field of the “first pillar” of cases in which decisions may be reached in the Council through a majority vote (simple or qualified majority), rather than requiring the unanimity of the member states, which has so often led to situations of paralysis.

It also needs to be pointed out that the European Union has made far greater progress where it has been able to proceed under the community system and with a majority voting system (e. g., in the single market or in foreign policy in the area of trade relations) than in the fields in which it has been subject to the rule of unanimity, albeit within the community framework (e. g., in financial harmonisation) or to intergovernmental control (precisely foreign policy and common security, and internal affairs and justice).

A conference which, even with all the due graduality, revised the treaty in the dual sense foreshadowed above, would alter the identity of the European Union. It would bring it closer to that "federal constitution" outlined by Agnelli and Cabiati, in which the "central government should have full powers as regards" not just "customs policy", but also "foreign policy, the army and the navy; the federal budget, that is the raising of the means to enable it to govern."

*The value of the market in the construction of Europe*

There is another gem in the "booklet" which I have found especially interesting, perhaps because it touches directly on the area I am currently working on at the European Commission: the creation of the single market.

The links between a possible European market, the political conditions needed for it to exist, and its economic and civil consequences are outlined by the authors with prophetic lucidity. Let us listen to them.

On the starting point: "A considerable part of the bureaucracy today is only employed to handle the complications involved in ordinary, economic, political, legal and administrative international relations: a citizen, who travels to another state; a marketable security, which we wish to be valid in another country; a legal document, which is subject to different registrations and stamp duty depending on the nation where it must be drawn up; a patent, which we wish to safeguard or extend abroad; weights and measures; the different railway areas; the scope of a sentence under private law. In short, there is no act of our complex private life which does not undergo significant complications if we wish to extend its scope and validity outside the state where it has been initiated, giving rise to new acts and expenses, as well as the provision of the necessary administrative, diplomatic and consular staff. It seems clear that the unification into a single state would bring a great economy as well as a simplification and speeding up of procedures, although it would still in its administrative and financial part respect the autonomy of the member states."

And on the relationship between a great market and the construction of Europe: "as long as independent states exist, how will it be possible to

organise the removal of customs barriers, or all the other forms of protection, and the subsequent division of labour within Europe? Are there not innumerable and varied ways of supporting local industries indirectly and affecting foreign ones negatively?"

In short, to have a single market, we need to leave the league of nations and move towards a federal Europe: "another of the great benefits, which only the creation of a federal Europe can bring; the constitution of the whole continent of Europe as a *single manufacturing market*. A league of nations, which allowed the right to continue for every state to raise customs barriers and other obstacles to free trade, would mean the persistence of those great partial and selfish economic forces which, as everybody recognises, bear a great deal of responsibility for the outbreak of the present war."

But would the single market benefit the producers or the consumers? Both of them. In fact, "the enormous expansion of the market from national to continental would mean that once the industrialists had passed through the first period of reorganisation, they would find themselves before a market of such unimagined potential that their industries would share in the same kind of boom as that enjoyed by American industry after the Civil War." But "a European economy which, prudently and with gradual changes, replaced the self-interested economies of today's separate states, and having carried out a complete division of work, would give us, to the great benefit of manufacturers," also "that reduction in prices", which "the consumers" would enjoy. Consumers would be otherwise exhausted by the burden of "an economic policy of preferential treatment, of exclusive rights, and of localisation."

### *The delicate relationship between Germany and the construction of Europe*

Agnelli and Cabiati wrote during the First World War. They outlined the Europe of tomorrow, but they were living in a nightmare situation. It was absolutely necessary "*to continue the war until victory*." Otherwise, "within a quarter of a century our fate would be sealed. An overpowerful Germany would swallow us up in a few mouthfuls... So we must win, otherwise the federation will come into being, but under the German heel: something which none of us dare risk."



Today the pressure to increase the European integration begun after the Second World War comes from many parts, but especially from Germany. The Maastricht Treaty could be seen, in its economic and financial features, as the transfer on a European level of the “social market economy” model, established in Germany: a free competitive market, separation between the distributive role of the market and redistributive role of the financial system, discipline in the public budget, and an independent central bank dedicated to the objective of monetary stability.

So a sort of “German heel”, we can frankly say, has been imposed on Europe. But it has become the economic constitution of Europe, not so much because of German pressure, but rather because the other countries have gradually observed and recognised, or in their turn assimilated, its virtues.

A fundamental – let us hope definitive – change has taken place in the relationship between Germany and Europe. And an analogy can be useful to help us understand this change.

Agnelli and Cabiati remember how Great Britain and the United States because of their special composition, because of their political mentality and because of their declared goals, were “the first, in the group of the Entente, to attribute a lesser importance to the idea of territorial gains, and a greater one... to that of “security”; that is, to the creation of a situation, which would render the outbreak of a disaster, like that which plagues us all today, extremely unlikely.”

In a way which is similar in many aspects, the deep sense of unease felt by German public opinion over the plague of inflation – the source of economic and political instability – led the German government and central bank to use it to create the necessary conditions to avoid its repetition, in Germany but also in Europe. Germany has “offered”, and the other countries – also for their own internal evolution – have “requested” the model of “stability”.

One last brief observation.

The “booklet” presented here, so up to date in its European dimension, is the work of two Italians. Another Italian, Giuseppe Mazzini, had already enjoyed prophetic insight seventy years before Agnelli and Cabiati: European nations would gradually have to become “a vast *common market*, in which no one member could suffer or be fettered in

developing his [industrial] powers without inconvenience to the others... [a] *union*... in which all [will be] contributing to one work, whose fruits are to enlarge and strengthen the life of all<sup>1</sup>.

Italy – which has made such a great contribution to the thoughts and actions which led to the idea, and then the realisation, of the European framework – enjoys a position of special responsibility for the difficult period which is waiting to test Europe over the next five years. It is chairing the Council of the European Union in the first six months of 1996, during which the intergovernmental conference is also due to start revising the Treaty.

We must hope that, despite various problems in its national politics, Italy will be able – as it has so often done in the past – to make a decisive contribution to this new phase. A phase which, to use Giovanni Agnelli and Attilio Cabiati's words once again, "is, in our opinion, of great moral and practical importance for the constitution of a European Federation."

Mario Monti

Brussels, October 1995

<sup>1</sup> Giuseppe Mazzini, "The People's International League" (1847), in *Scritti editi e inediti di Giuseppe Mazzini*, vol. XXXVI, Imola, Paolo Galeati, 1922, p. 8 (italics added).



## European Federation or League of Nations?



This translation follows the text of the original Italian edition, *Federazione Europea o Lega delle Nazioni?* (Turin, Bocca, 1918). After a reprint sixty years later (Turin, E.T.L., 1978), Edizioni Studio Tesi re-issued the 1918 edition in 1986 and in 1995 (with a preface by Giovanni Agnelli and an introduction by Mario Monti). In 1919 a French translation appeared under the title *Fédération européenne ou Ligue des nations?* (Paris, M. Giard et E. Brière, 1919).

## Authors' preface

Towards the end of 1916 an industrialist discussed some of his theories on the European war with an economist. Starting from an idea, which was illustrated much later by Lord Lansdowne in the *Daily Telegraph*, he held that, no less than the defeat of Prussianism, our debt of honour towards future generations was that of ensuring "security", preventing such a dreadful destruction of men and resources from ever happening again. And then, through a process of selection, he came to the conclusion that, having rejected all the possible intermediary solutions, the best and most efficient path to ensuring this was the one which led towards a federal Europe.

This bold new idea caught the economist's attention, although he did not hide his scepticism about the chances of transforming it into a reality.

The industrialist and the economist then met periodically. They were both busy with their demanding everyday work: but the seed of the idea took root, and left their spirits restless. Both of them, through their reading and inner debate, thought over the problem, evoking objections, approval and coming up with historical examples. And then they sought each other out, to discuss their observations.

Today, after long reflection, the economist is as convinced as the industrialist has always passionately been. At the same time, they have been comforted by the succession of solemn declarations by eminent statesmen and scientists, which have gradually been made public and which have revealed how that idea was not just a solitary dream in their minds.

The historical process of the idea of nation; its active tradition; the obstacles which these have created for the development of freedom; the factors which have determined the present, immense conflict and which,

with its prolongation, have contributed to transform the idea of nation and its objectives: all this has led us jointly and harmoniously to believe that the idea which we hold is firmly established today and will not die. And, for an idea like this, not dying means winning, sooner or later.

This booklet is the fruit of the cooperation between the industrialist and the economist, whose simple origin is outlined here. They are equally convinced of the absolute necessity of a decisive victory of the Entente over Central Europe and the Prussian spirit which has dominated the old continent; they are firmly persuaded that a lame peace would signify a mere treaty, with an inevitable and even more violent resumption of the horrors of today. They think that the greatest prize for the sacrifices to be endured in achieving their objective will be the constitution of a political union which would basically avert the danger of a repetition of a similarly disastrous situation at the expense of our grandchildren.

Therefore their only hope is that this work will stir the sceptical professionals from their intellectual sloth and the masses from their conservatism, and focus public debate on the most stimulating issue that the future holds for Europe in this new epoch.

*Giovanni Agnelli and Attilio Cabiati*

Turin, August 1918

## Introduction

1. This is a testing time for democracy. It is the first occasion when the countries with great democratic traditions have found themselves collectively facing their responsibilities. The future of the principle of democracy in the world depends on the way in which these responsibilities are understood and worked out.

Democracy is not simply a form of government: it does not depend on either the electoral system or the constitutional organisation of the individual countries. Democracy is both a spirit and an atmosphere, and its essence lies in trusting in the moral instincts of the people. A tyrant is not democratic because he believes in ruling through force; nor is a demagogue democratic because he believes in ruling by pandering to the passions of the masses. A democratic country is one in which the government trusts the people, and the people the government and themselves; and one in which everybody is united in the belief that the needs of their state are not simply the object of a selfish individual or national interest, but instead work in harmony with the great moral forces that rule the destinies of mankind<sup>1</sup>.

What is the nature of the responsibility which the present crisis has lain upon us? It is threefold and concerns the present, the past and the future. There are three questions which every citizen in the coalition democracies must try to answer. What is my present role? Why and for what reason are we at war? What are the principles for a just and definitive solution?

<sup>1</sup> Robert William Seton-Watson, John Dover Wilson, Alfred Eckard Zimmern and Arthur Greenwood, *The War and Democracy*, London, Macmillan & Co., 1914.



Our task is essentially to outline and discuss the elements that enable us to answer the third question. Yet a brief look at the other two will only facilitate our purpose.

2. For nearly half a century the great European states lived at peace with one another: we used a map of Europe, drawn up after the great convulsions which took place between 1821 and 1871. On the basis of that map and of the governments marked on it, we entered into all kinds of international cooperation and made great efforts to be cosmopolitan. The Hague Congress, called by the Tsar, already set its sights on a day in which wars and their causes would become obsolete. The socialist movement, a growing force in every industrial society, worked everywhere for the same ideals and for the international union of the forces and interests of the workers. The whole of science, in all its branches, had a universal character. Every summer and every winter, for reasons of health, or for moral or intellectual pursuits, hundreds of thousands of people crossed their borders into foreign states, and lived there safeguarded by identical civil legislations. Trade and industry, the great material forces of our times, were interlinked by indissoluble ties, whose form and technology they moulded: and scholars saw the disaster into which a war would have thrown this immense worldwide credit economy as the best hope of avoiding the outbreak of a world-destroying war. The ever more efficient and rapid means of communication, improving and increasing the power of the daily newspaper, that mighty democratic tool of cosmopolitanism, accustomed the humble reader in the isolated Italian countryside to be as interested in what was happening on the coasts of the Pacific or on the opposite shores of the Atlantic, as in affairs at home.

3. Nevertheless, for two whole generations of international economic and social development, the fear of a war was never completely absent from the thoughts of Europe. Sovereigns and statesmen talked about peace at every public occasion: yet never before was war so carefully studied and prepared, at such vast expense, as during this fifty year period in the life of Europe. All the young men of continental Europe were given military training, and the defence budget on its own weighed us down



with an annual expenditure of fifteen billion lire. States, suspicious and afraid of one another, formed coalitions to maintain the balance of power and the slightest internal or external change in any country was spied out and analysed for all its possible consequences.

So in the end nobody have really been surprised if, especially after the last three years – 1911 to 1914 – charged with tension, like the dark rumbling that heralds a great storm, the assassination of a member of a ruling house signalled the outbreak of an unprecedented world war; and merchants and businessmen, propagandists and philanthropists, scholars and scientists saw their grand designs and carefully planned ideals scattered and blown away in the wind by the rapid succession of events that took place in a few historical days.

The truth of the matter is that the framework of a cosmopolitan society had been built up without concern for its foundations. Economic, scientific and artistic activities had led to the creation, at least in its basic features, of a genuinely international society and world of business: but the political basis for this structure, an international state, was totally lacking, since it should no longer have been built through the cooperation of individuals or of individual groups, but through the union of nations and the federation of national governments.

And why did this fundamental, indispensable basis fail to come into being? Because the elements from which it should have been created were not fitted together and assembled, but were scattered and fettered by the strictly political framework of the European states, as they were until 1914. Before federation, the logical consequence and outcome of the movement of ideas and interests of the second half of the nineteenth century and the beginning of this century, could be achieved, a number of basic problems had to be solved: in the first place, the nationality problem.

Thus the following, logically untenable situation existed. On the one hand, there were states that were badly formed, as they had been created under the old legitimist and conservative spirit that had been triumphant until 1848, subject to all the sectional interests which that spirit linked them to. On the other, there was the continual attempt by statesmen and thinkers to find a theoretical basis, which would eliminate the internal conflicts within these states as well as the external ones of the states between themselves: a theoretical basis that some sought in Christian

doctrine – because of its universal nature – others in the growth of international law, and others still in internationalism as a political doctrine.

This conflict was inevitable, because of the contradictions which precluded agreement. A conflict whose clearest signs were on the one hand the worsening of class divisions, based on internationalist doctrine, and on the other the blowing up out of all proportions of a jealous, suspicious, interfering, overbearing nationalism, of which Germany is the most typical example.

The political causes of the forty years of armed peace and of the present war need to be sought in this conflict of interests and ideas; not in the individual ambitions of the various European governments, nor in the secret diplomacy, or in the selfish interests of the great arms producers and so on. The democracy that looks at these as the causes and dwells upon them, is frittering away its time.

4. We will examine the consequences of that transition period, from 1821 onwards, during which there was a continual struggle between the old political ideas and the new idea, based on nationality. A period of transition and therefore imperfect, based on an unstable balance of power, that nothing was able to make safe and lasting. Prince Bülow writes:

If it were possible henceforward for members of different nationalities, with different language and customs, and an intellectual life of a different kind, to live side by side in one and the same State, without succumbing to the temptation of each trying to force his own nationality on the other, things on earth would look a good deal more peaceful. But it is a law of life and development in history, that where two national civilisations meet they fight for ascendancy.

There is no third course. In the struggle between nationalities one nation is the hammer and the other the anvil<sup>2</sup>.

It is precisely in this concept, on the strength of which the imposition of the national "culture" on the world with the sword is justified, that we find the roots of all the European politics of the last century. The words

<sup>2</sup>Prince Bernhard von Bülow, "Deutsche Politik" in S. Körte (ed.), *Deutschland unter Kaiser Wilhelm II.*, Berlin, R. Hobbing, 1914, English translation by Mary A. Lewenz, *Imperial Germany*, London, Cassell & Co., 1914, pp. 245-46.

of Prince Bülow explain the so-called "balance of power" – another incitement to war –, the arms race, the belief in the inevitability of war and in its moral value and all those other platitudes of the peoples of continental Europe, that seem so abstruse to the citizens of the Anglo-Saxon countries. Why do Germany and Austria feel the need to arm themselves against France and Russia, while Canada does not feel this need at all in relation to the United States? Why does European peace require a "balance of power", while the supremacy of the United States in the two Americas does not seem at all dangerous to the other states of that part of the world? Why, if the members of different nationalities cannot live side by side, do the English not use up all their energy fighting the Scots and the Welsh of the United Kingdom, the Boers of South Africa, the French of Canada and so forth?

The reason is that today the final conflict is perhaps being fought between two opposing outlooks, whose contrasts are due to their different history. There is the legitimist outlook which has remained at the phase of struggle over the idea of nationality and its degeneration – nationalism – in continental Europe, which still believes in the principle of the dissemination of one's own culture imposed and controlled by the sword. And the Anglo-Saxon outlook, in which peoples who have achieved their freedom recognise the advantages of placing the increasingly complex problem of world relationships into the hands of states that are not nations, but communities of nations, composed, like the British Empire and the United States, of a variety of nationalities and cultures, living together peacefully and each with its own institutions under one ruler and a single central government, that represents all of them.

A series of different ways of seeing the relationships of life in all its aspects, legal, economic and social, derives from these two opposing outlooks.

Britain, with its varied historical evolution, has already passed through all the forms that torment Europe today and, through mistakes paid for it, has created a new, higher form, that can already be clearly seen in the minds of its statesmen and jurists.

Continental Europe, because of its different development, has come up against infinitely greater difficulties and is at a lower stage of evolution.

It is for these reasons that the present war, as we all feel, is not simply a conflict between governments and nations to achieve set political ends; but rather is a vast melting pot, where the destiny and ideals of a new

Europe are being cast, where the concepts that have governed us until now are losing their shape, with the throwing out of many ideals, which today are revealed to us as having been made of false metal.

Internationalism, as a political theory, has already in the conflict given clear proof of its shortcomings. True internationalism, founded on the spirit of mutual respect, on an intelligent understanding of the qualities of the single peoples and of the need to use them in the best way for a continuous work of social cooperation, which will then take the place of suspicion, craving for power and stupid jealousy, will be the task of the new Europe, which will rise up out of the ruins of the old.

5. This can even help us consider with serenity and hope that aspect of the war which from the human and individual point of view is the most horrible: its long duration. Nothing less than this prolonged conflagration is necessary for all the false idols, before which the old Europe prayed and offered up sacrifices, to be burnt up and destroyed and for new and better ideals to rise up clearly before the eyes of the peoples. These require that all the impassioned hyperboles of the old politics are revealed in their inability to solve the problems of a better human race. The role of force – as Mahan<sup>3</sup> has rightly observed – is to give moral ideas the time to take root.

The massive destruction of wealth, that this conflict of peoples is causing, is not without a consoling aspect. Because it shows there is no material good, however laboriously acquired, that men are not ready to throw scornfully away, when the nobility of a moral idea drives them.

We will demonstrate the truth of our thesis proving:

I - that the principle of nationality has only a historical value and marks a step between the theories of absolutism and freedom;

II - that, like all concepts of transition, it appears unable to solve a number of fundamental problems and leaves the way open to dangerous degeneration;

III - that the principle of federation is the only one suited to temper the aspirations of nationality to the supreme needs of the state in conditions of freedom.

<sup>3</sup> Alfred Thayer Mahan, author of *The Influence of Sea Power upon History, 1660-1783*, Cambridge (Mass.), Boston, Little, Brown & Co., 1890.



## Chapter one

### The formation of the national idea in Europe as a transitory concept

6. *The legitimist principle and the egalitarian principle.* The idea of nation emerged as a reaction against two concepts, both of which excluded it. In the old European system the rights of nationality were neither recognised by governments, nor claimed by peoples. Nor were they taken up by the liberal movement, which had sprung up and grown in the nineteenth century and which opposed the legitimist principle, in that the latter was only interested in the interests of the sovereign, while the former exclusively in the rights of the citizens.

Historians have shown why the French Revolution too, intent on destroying the divine right of the sovereigns and the inequalities brought about by feudalism, was not concerned with the principle of nationality. It would be more accurate to point out that in actual fact it implicitly denied it. Having accepted the doctrine of the sovereignty of the people, as an entity which was able to form the government independently of the political influence of history, every trace of which the Revolution took care to erase – the administrative system, the physical division of the countries, social classes, guilds, systems of weights and measures, and so on –, it was clear that the “egalitarian” idea from which it derived did not include nationality, and even on occasion found itself in conflict with it. In the revolutionary doctrine only one form of government exists – that based on the will of the people –, which is equally suited to all occasions and circumstances and for which a constitution founded on liberty and equality is essential, while the geographic borders of the state are an incidental of secondary importance. The national principle, on the contrary, starts out with the idea that the union of the people of the same nationality must be the basis for the existence of a good government; while the political form to be given to this government remains a

successive element to the constitution of the national state, to be decided by the rulers themselves.

According to the principle of nationality there are natural forces and physical elements – which, as we will see, determine the “national bond” – that defines the character, the form and the politics of the state. The egalitarian doctrine of revolution is centred, at least in theory, on the unlimited freedom of the individual and the supremacy of will over every external need and obligation. The doctrine of nationality substitutes freedom with a kind of fate, of physiological and moral determinism, which fixes the limits of political association beyond freedom.

7. This ideological difference explains the attitude of the French Revolution towards nations, even where their borders coincided with those of the state.

Filled with the idea of making their principles triumph and of imposing the ideal constitution everywhere, the revolutionaries did not hesitate to dismantle nations and states; passing over religion, national independence, political freedom, haggling over states unscrupulously – the Venetian Republic being a typical example – in the name of the absolute imperative of the triumph of their doctrines. And the Napoleonic Empire did little more than extend and further the original principle of the Revolution to the point of exasperation.

8. Nevertheless, unconsciously and without intending to, it was in actual fact the Revolution which gave an essence to the principle of nationality. In the first place, the trial and conviction of Louis XVI and the proclamation of the Republic dealt the theory of legitimism a blow from which the dynastic principle was never able to recover. In the second place, the Revolution shook all the political and social foundations of old Europe and provided the impulse for a general reconstruction along democratic lines.

Yet for these democratic ideals to be achieved the frontiers that divided the states on the map of Europe needed to be redrawn. What real value could the ideals of democratic reform have had for the peoples of the Italian peninsula, deprived, as they were, of political force; or for those of Austria-Hungary, who were kept separate and in opposition by the central power; or finally for those of Germany, broken up into more than

three hundred states, the goal and the victim of the rivalry between Prussia and Austria?

The doctrine of the sovereignty of the people, proclaimed in France, presupposed that of the internal solidarity of the various peoples. France, like Britain, had already solved this preliminary problem, but Belgium, Germany, Italy, Bohemia, Hungary, Poland, Greece and the Balkan countries, did not have a home over which to wield sovereignty. The home had to be built, before it could be administered along democratic lines. And that is why the French Revolution, logically against the concept of nationality, in actual fact hastened its triumph.

9. It is strange that the first sign of the concept of nationality in opposition to the principles proclaimed by the revolution, appeared as a reaction against it. The iron hand of Napoleon had instilled the fundamental ideas of '89 with a doctrinairism so profoundly scornful of historical feelings and needs of the various peoples, that they allied themselves with their old sovereigns against the revolution; and it was in the name of outraged nationality that the ousted dynasties raised the banner of reaction and gathered the European crowds around it. If we read the proclamations to the peoples, written in that period by all the old upholders of Austrian, Prussian, Bourbon and Papal legitimism, we can see that the rights of nationality are constantly mentioned there and the Napoleonic government is described by them as the negation of national freedom and as the founder of a monstrous absolutist democracy, which outraged the peoples in all that they had held most dear: religious belief and national independence.

10. *The Congress of Vienna and the League of Nations.* The men and the forces that had proclaimed the supremacy of their national institutions were of course disappointed by both the French-style liberals, who they had fought, and the restoration, which they had helped triumph. The liberals of that period were just as ready to sacrifice nationality to their ideals as the Holy Alliance was to the interests of absolutism.

Yet the Holy Alliance requires special consideration, because it gave rise, in that period of ripening ideas, to the principle of an international relationship between states.

The sentences that heralded the Congress were strangely similar to those that we hear today from the mouths of many of our journalists and parliamentarians, when they talk about the future rearrangement of Europe. "The parliament of mankind, the federation of the world", which had already become a far-off dream when Tennyson coined the expression for the first time in 1842<sup>1</sup>, seemed however in 1814 about to become a *fait accompli*.

The task of the Congress should have been nothing less than "the reconstruction of the moral order", the "regeneration of the European political system", the foundation of "a lasting peace, based on a just redistribution of the political forces", on setting up an international court which would be permanent and able to enforce its rulings, on supporting the creation of representative institutions and, finally, on the establishment of an agreement between the powers for a gradual and systematic disarmament.

The allies in the last war against Napoleon launched the following proclamation at the world, written in a language that is very similar to that used by the allies who are fighting Germany today:

Henceforth the nations shall respect their mutual independence; from this moment they will no longer be able to form political structures on the ruins of previously independent states; the purpose of war and of peace is to ensure the rights, freedom and independence of all nations.

Everybody knows how the Congress of Vienna established the new era: it limited itself to restoring the old era as it had been before, considering the period between 1789 and 1814 as a bad dream to be forgotten.

Yet the Congress of Vienna represents an important milestone on the road to progress. It set an important precedent, as it gave birth to that concept of a "European Confederation", which, although it was not achieved, was one of the leading ideas of the nineteenth century.

As we have seen, the setting up of an international supreme court was one of the aims of the Congress; not only, but all those who took part in the Congress recognised the objective as possible: from Castlereagh to

<sup>1</sup> Lord Alfred Tennyson, *Locksley Hall*, first published in *Poems*, vol. II, London, E. Moxon, 1842.



Alexander I, who already saw the destiny of the world governed by the Holy Alliance, which ruled according to the "Holy Principles of Christianity".

11. *Why the League of Nations was not possible in 1814.* Of course, everybody today understands clearly that in that period and under those conditions, the setting up of a permanent and real European Confederation would have been a disaster for the world. The Congress of Vienna was followed by the successive Congresses of 1818, 1819, 1820 and 1822: and all of them revealed increasingly clearly the true nature of the power that wanted to rule Europe. Establishing the principle of intervention in the internal affairs of every country to crush the Jacobin spirit, the Holy Alliance – as a contemporary British historian has ably explained – took on the character of a cartel of absolute monarchs, united in mutual cooperation against liberal aspirations, and which exploited the popular need for peace, widespread in Europe after twenty years of Napoleonic Wars, in the interests of an antipopular government. Luckily the principles of freedom were already firmly rooted in Great Britain, as it was due to its opposition that the Confederation was never able to become a reality.

12. The truth is that at the beginning of the nineteenth century three ideas were in competition; they all had advantages and strong points, but were impossible to realise at the same time, especially as the bond of a central idea was missing, which alone could have brought them together. Two of them, the "democratic or social idea" and the "national idea", had come out of the French Revolution; the third, which can be called the "international political idea", was imposed by the Congress of Vienna. It was not new, for it returned to the concept of the "Holy Roman Empire"; but its novelty lay in the form it came to assume, so that, rather than being a past dream, it was presented as an ideal for the future.

But the realisation of these ideas could only proceed in a certain order. And the great theorist of the idea of nation, Giuseppe Mazzini, was absolutely right when he held that the national idea must precede the social idea: and thus even more so, the international idea. "Only one idea – he wrote – has got through to the people: that of unity and nationality. There is no international issue as regards the forms of government, but

only a national issue". And this was the concept that a little later John Stuart Mill also developed, with a great extension of the national theory, leading to the triumph, especially through the work of Cavour, of the principle of "non-intervention", which gave the *coup de grâce* to the principle of the Holy Alliance.

Until these premises were achieved, the creation of a central organism to govern the affairs of Europe represented a danger, rather than an advantage, for the simple reason that the system might not have worked well. The Holy Alliance is an example which should not be forgotten today. It became an obstacle to freedom, a strait-jacket which threatened to suffocate European progress, because it had fallen into the hands of vested interests, the dynastic interests, equally hostile to democracy, against which they had reacted, and the principle of nationality, on which they had relied in order to win.

13. *The national idea originates as a transitory concept.* It would appear from this rapid historical review, that the principle of nationality is therefore a logical intermediary phase between legitimism and democratic freedom. Whether legitimism takes on the form of monarchy by divine right, or whether the principle of popular sovereignty replaces that of divine right and the sovereignty of the masses the sovereignty of the individual, matters little; both of them were destined to ignore the historical and physical factors which separate peoples from one another.

The principle of nationality, born as a reaction against the unifying mania of legitimist and demagogic absolutism, is a step towards the achievement of another ideal, a higher one, that of freedom.

Precisely because the principle of nationality is an intermediary phase, a preliminary condition to the reaching of a higher evolution, but in itself does not bring a definitive solution to the political problem, the nation could be established without either proposing or achieving "national freedom", which should not be confused with "national unity".

14. *An example: Germany and Italy.* We can provide the historical demonstration of this truth, by taking a look at the different development of the principle of nationality that took place in Italy and in Germany.

Treitschke observes that Italy and Germany were late in achieving

nationhood, because they harboured two universal ideas which could never be considered national: the Church and the Empire; but that they achieved the great common goal at the same time through an identical historical process. The truth is however that, apart from a few outwardly similar points, the formation of national states in the two countries had fundamentally different characteristics and as a result was achieved for different ends.

In Italy the national idea had also evolved through successive phases. Liberal principles had developed at the time of the French Revolution and in Italy the post-Napoleonic generation held constitutional freedom to be more urgent than national freedom. This is why the Carbonari wanted to expel Austria; not because it hindered Italian unity, but because it stood in the way of political reform. It was through the joint action of Mazzini's doctrines and the cruel oppression of Austria, that the idea grew little by little of an Italy united within its natural borders, which coincide geographically almost perfectly with its national ones.

But while for Cavour the problem of Italian unification did not take the form of an expansion of Piedmont or even in its supremacy over the other parts of the Italian peninsula, the creation of Germany was for Bismarck above all a question of Prussian supremacy. Austria was expelled from Italy in 1866, not so that Piedmont could take its place, but rather so that the latter could disappear into the much vaster entity of an emancipated Italy. Instead, in that same year 1866, Austria was driven out of Germany so that Prussia could impose its rule on the Federation undisturbed. It also needs to be remembered that Austria was in no way an extraneous element in the framework of German nationality and indeed that Germany, with that expulsion, was to lose tens of millions of Germans, who remained subjects of the Dual Monarchy.

In the second place, Austria did not have that role in Germany of oppressor, which had made it so hated by the Italians. It was simply the most important member of the German Confederation and, as heir to the imperial tradition of the Middle Ages and as ruler of millions of non-German subjects, its remaining would have made German unification impossible. Faced with the need to choose between the national unity of Germany and state unity, Prussia preferred the latter. And Bismarck with

his great skill, after driving Austria out, put the dilemma before the states of the Confederation, especially those of the south, of choosing between dependence on France or union with Germany. Napoleon III's political ineptitude helped his game wonderfully.

Moreover, Germany was created through a war of aggression, which enlarged its territory at the expense of another nation; Italy on the other hand by a war of liberation, which drove the foreign occupiers from its soil. Bismarck not only annexed Alsace-Lorraine to strengthen the German border, but also because the permanent hostility of France was necessary to assure Prussia's military predominance in Germany.

This was not born as a single nation state – like Italy – but as a cluster of dynastic states, federated under the sway of a dominant power. Bismarck himself admitted in his memoirs that Germany in 1870 was not yet ready for real unification: and Treitschke in his *Politics*<sup>2</sup> recalls Kaiser Wilhelm I, in a moment of irritation, replying to Bismarck, who had reproached him about a certain political decision that the Empire had not approved: “Ah, the Empire! The Empire is simply an expanded Prussia”. And Prince Bülow confirms: “Prussia is the ruling state in the German Empire”.

These profoundly different origins explain all the differences in the successive political growth of the two countries. While Italy, only just unified, developed the social ideas that it had nurtured, in Germany Prussia took care to set its seal on all the institutions and on every kind of activity and strove to turn the forces which had come into being to fight it to its own advantage. So Prince Bülow, after warning that the democratic-social idea is “in antithesis with the Prussian State”, has recognised that it serves wonderfully to contrast, by highlighting its threat, the excessively commercial and pacific bent of the German middle class, adding that “a strong political nation is the best remedy against the democratic-social movement”. In this way, setting the hatred and the permanent threat of France against the southern states of the Confederation, the bogey of Russia and its Cossacks against the lower classes,

<sup>2</sup> Heinrich von Treitschke, *Politik. Vorlesungen gehalten an der Universität zu Berlin*, vols. I-II, Leipzig, S. Hirzel, 1897-98, English translation by Blanche Dugdale and Torben de Bille, *Politics*, London, Constable & Co., 1916.



and the fear of socialism against the conservatism of the middle classes, the Prussian caste was able to pursue those objectives to which its education and interests spurred it uninterruptedly.

So while in Italy the historical formation of the kingdom, unifying all the pre-existent states into a single bloc without any one of them dominating the others, has made possible a line of behaviour that is genuinely unifying and national not just as regards foreign affairs, but also internally, and has accelerated the fusion of the different regions in the melting-pot of a policy in which all parts of the kingdom have taken part with equal moral courage and positive fervour, in Germany the supremacy of Prussia, the core and centre of attraction of all the fragmented forces of the Empire, has created a Prussian policy within imperial policy, reducing the moral bonds of the union, and compelling its statesmen to a continual double manoeuvre in order to maintain a balance, without sacrificing Prussian supremacy.

This is recognised by Prince Bülow, who has pointed out:

Our task, which has been begun but is by no means yet completed, must be the unity of our intellectual and political life, that is the fusion of the Prussian and the German spirit... Such a reconciliation has not yet been achieved... And again and again in Parliament and in the Press accusations are levelled against Prussia in the name of freedom, and against the undaunted German intellect in the name of order... It is quite true that in many cases in non-Prussian Germany, owing to other political traditions, conceptions of State rule and freedom prevail that are fundamentally different from those that have sprung from the soil of Prussian traditions<sup>3</sup>.

As Zimmern has stated very clearly:

Modern Germany is a case of nationalism "gone wrong", just as Napoleon was an example of democratic individualism "gone wrong". The Man of Destiny has been followed by the Nation of Destiny, the "super-man" by the "super-nation"<sup>4</sup>.

<sup>3</sup> Prince Bernhard von Bülow, "Deutsche Politik" in S. Körte (ed.), *Deutschland unter Kaiser Wilhelm II.*, Berlin, R. Hobbing, 1914, English translation by Mary A. Lewenz, *Imperial Germany*, London, Cassell & Co., 1914, pp. 282-83.

<sup>4</sup> "The National Idea in Europe" in Robert William Seton-Watson, John Dover Wilson, Alfred Eckard Zimmern and Arthur Greenwood, *The War and Democracy*, London, Macmillan & Co., 1914, p. 66. (The author of this essay is in fact John Dover Wilson).

According to what we have already stated, the great difference in their historical growth explains why Italy could not, at this historically important moment, align itself alongside Germany. It likewise reveals, with a good example, how "nationality" has nothing in common with freedom, so that it represents a transition phase towards a higher political form, in which the latter can indeed be achieved.

## Chapter two

### The dangers and harm of national particularism

15. *How is a nationality defined?* The historical evolution of the principle of nationality has neither made clear its logical time limits nor revealed its drawbacks.

When the upholders of the principle of nationality go on to define it, they come up against a series of difficulties. What is nationality made of? Some attribute the greatest importance to racial unity, others to linguistic unity; others still to the community of religious beliefs; and others finally to the awareness of these elements, aided by the identity of geographical borders and the will to take all these forces into account in order to achieve union.

In a word, the elements that make up nationality are purely mechanical and none of them, nor even all of them taken together, can be given the honour of calling it a theory. To construct the theory of nationality these mechanical elements need to be superimposed by the moral element of the awareness that they, at a given moment, have a prevailing importance that justifies the union and the formation of the state. But this admission leads to the demolition of the absolutist doctrine of nationality and to the acceptance of purely historical and incidental criteria.

John Stuart Mill, after showing that none of the elements on which the doctrine of nationality is based are either indispensable or sufficient – remembering that Switzerland harbours a strong feeling of nationality, even though the cantons are different in race, language and religion; that Sicily instead, despite its linguistic and religious identity, has for centuries considered itself a distinct nationality from Naples; and that the Walloons and Flemings form a compact nationality, although in terms of race the former are closer to the French and the latter to the Dutch – points out



that the principle of nationality developed in Italy and other regions subject to Austria as a moral force which gave an ideal form to the reaction against the tyrannical domination of the Hapsburgs.

Lord Acton emphasised the absurdity of elevating this mechanical and transitory concept of national unity to the level of theory, with words that deserve reading in their entirety:

In pursuing the outward and visible growth of the national theory we are prepared for an examination of its political character and value. The absolutism which has created it denies equally that absolute right of national unity which is a product of democracy, and that claim of national liberty which belongs to the theory of freedom. These two views of nationality, corresponding to the French and to the English systems, are connected in name only, and are in reality the opposite extremes of political thought. In one case, nationality is founded on the perpetual supremacy of the collective will, of which the unity of the nation is the necessary condition, to which every other influence must defer, and against which no obligation enjoys authority, and all resistance is tyrannical. The nation is here an ideal unit founded on the race, in defiance of the modifying action of external causes, of tradition, and of existing rights.

It overrules the rights and wishes of the inhabitants, absorbing their divergent interests in a fictitious unity; sacrifices their several inclinations and duties to the higher claim of nationality, and crushes all natural rights and all established liberties for the purpose of vindicating itself. Whenever a single definite object is made the supreme end of the State, be it the advantage of a class, the safety or the power of the country, the greatest happiness of the greatest number, or the support of any speculative idea, the State becomes for the time inevitably absolute. Liberty alone demands for its realisation the limitation of the public authority, for liberty is the only object which benefits all alike, and provokes no sincere opposition. In supporting the claims of national unity, governments must be subverted in whose title there is no flaw, and whose policy is beneficent and equitable, and subjects must be compelled to transfer their allegiance to an authority for which they have no attachment<sup>1</sup>.

While Treitschke, who in the second volume of his *Politics*, has submitted the concept that we are examining here to minute analysis, detailing the many factors that contributed over time to forming nations,

<sup>1</sup> Lord Acton (John Emerich Edward Dalberg), "Nationality" (1862) in *The History of Freedom and Other Essays*, London, Macmillan & Co., 1907, p. 288.

reaches the same conclusion on the merely historical nature of this element of nationality, and sums up his judgement like this:

We cannot repeat too often that political science requires nowadays an unprejudiced historical judgement before all else. It must finally tear itself free from the abstractions of natural Right and the resultant revolutionary doctrines, which sought after principles rather than forces in the current of historical life. The dominating idea was always that fixed written principles ruled historical existence, and that living facts had to shape themselves by them. Such hollow abstractions must finally be destroyed.

The one which chiefly occupies the minds of the present day is the so-called principle of nationality. The reason is not difficult to grasp. We are still under the influence of the reaction against the Napoleonic world-empire. It was perfectly natural that this attempt should arouse the consciousness of nationality to an energy which had never been felt before... Thus our century is filled with national antagonisms, and it is not surprising therefore that there should have been talk of setting up a principle of nationality... Furthermore it is clear that the idea of nationality is the more active, and itself forms part of the current of history. Almighty God did not separate the nations into glass cases as if they were botanical specimens, and we can see for ourselves how history has moulded them all. Nationality is no permanent thing... In addition to this we find some periods in history filled with the cosmopolitan spirit, while others display as strong a tendency towards national cleavage. At times some common intellectual movement stirs all nations to such an extent that national antagonisms withdraw into the background. The epoch of the Reformation was one of these; at that time the struggle for religious truth took such hold upon men's hearts that in every nation the alien co-religionists drew together against their kindred who were enemies of their faith... It is safe to assert that the energy of national feeling works differently in different nations... Thus manifold have been the conflicting influences of the various living forces of history in national questions<sup>2</sup>.

16. *The three drawbacks of the principle of nationality.* So we can say at most that a state, in its formation, in order to respect the freedom of all its component parts, should take into consideration all the elementss that differentiate them, and thus also that of nationality, in that this is

<sup>2</sup>Heinrich von Treitschke, *Politik. Vorlesungen gehalten an der Universität zu Berlin*, vols. I-II, Leipzig, S. Hirzel, 1897-98, English translation by Blanche Dugdale and Torben de Bille, *Politics*, London, Constable & Co., 1916, pp. 271-74.

based on ethnic, moral and linguistic factors which ought not to be destroyed.

But while the old state sacrificed freedom to achieve political unity, so national unity to achieve freedom sacrifices political unity, which is one of the fundamental components of freedom.

Moreover, the mechanical concept of national unity brings three really serious dangers with it:

I – in many cases it forces national unity to be sacrificed to certain interests of the highest order, or these to it;

II – it kindles and enflames the conflicts over national domination as well as all those unhealthy interests that take shape around the nation-state. As Lord Acton has put it so clearly:

The greatest adversary of the rights of nationality is the modern theory of nationality. By making the State and the nation commensurate with each other in theory, it reduces practically to a subject condition all other nationalities that may be within the boundary. It cannot admit them to an equality with the ruling nation which constitutes the State, because the State would then cease to be national, which would be a contradiction of the principle of its existence<sup>3</sup>;

III – and, finally, as long as the nation-states exist as they are logically understood today, there can never be an end to the state of war. In fact, if we imagine all the states set up perfectly within their national borders and agree, as the doctrine suggests, that this is the most natural composition of a state, it follows that none of them can accept either an increase or a decrease in their territory or sovereign rights. The consequence is that while in the old states wars ended with conquest, in the nation-states conquest is impossible; or, if it does take place, it must lead to reactions that will trigger off or renew war again. And we will see how the interests of certain capitalist groups take advantage of the logic of this situation, following which only in the historical period of the nation-states has it been possible to create and prolong that state of affairs, which previously would have appeared absurd and monstrous, and which is called “armed peace”.

<sup>3</sup> Lord Acton (John Emerich Edward Dalberg), “Nationality”, p. 297.

17. *The material interests of peoples do not always coincide with nationality.* John Stuart Mill writes:

There are parts even of Europe in which different nationalities are so locally intermingled that is not practicable for them to be under separate government. The population of Hungary is composed of Magyar, Slovacks, Croats, Serbs, Romans, and in some districts Germans, so mixed up as to be incapable of local separation... The German colony of East Prussia is cut off from Germany by part of the ancient Poland, and being too weak to maintain a separate independence, must... be either under a non-German government or the intervening Polish territory must be under a German one<sup>4</sup>.

This passage is worth remembering, as it reveals the problems a peace conference would be faced with, if it wanted to solve the conflicts in Europe according to nationality and only on the basis of this principle.

Wells has understood this too, and observes:

All idealistic people hope for a restored Poland. But it is a childish thing to dream of a contented Poland with Posen under the Prussian heel, with Cracow cut off, and without a Baltic port. These claims of Poland to completeness have a higher sanction than the mere give and take of belligerents in congress<sup>5</sup>.

Those who remember what Prussia has done to colonise the part of Poland it has occupied, will appreciate the importance of Wells's observation.

A multiplicity of similar issues can be found. It would be interesting, for example, to see how the problem of Macedonian nationality could be solved.

And, similarly, how could Serbia ever be satisfied without Bosnia-Herzegovina and without a port on the Adriatic, even were a discussion of the Pan-Serbian ideal to be avoided? Many people have reached the conclusion that to solve these problems Austria-Hungary must be destroyed and subdivided. But besides the fact that the difficulties in

<sup>4</sup> John Stuart Mill, "Considerations on Representative Government" (1861) in *Utilitarianism, Liberty, Representative Government*, London and Toronto, J. M. Dent & Sons, 1910, pp. 362-63.

<sup>5</sup> Herbert George Wells, *War and the Future. Italy, France and Britain at War*, London, Cassell & Co., 1917, p. 278.



achieving a fair settlement following national aspirations would remain (accentuated by a division of this kind), there is no doubt that the destruction of the Hapsburg Empire would mean the reunion of twelve million Germans with Germany, the latter's southern border reaching that of Italy, with its nearing the Adriatic and the exasperation of an issue that is already extremely intricate, the problem of Trieste.

We will discuss this problem in a moment. To begin with, we would like incidentally to point out that a demonstration of the fact that nationality is a means of reaching freedom and not an end in itself, can be found precisely in the direction of our irredentism, which has always concentrated on Trent and Trieste, and never on Nice and Corsica; very Italian regions, but ones which have never expressed the desire to break away from France, thanks to the regime of freedom and well-being they enjoy under its government.

Now we are saying nothing new when we recognise that the problem of Trieste has a European nature and importance and has a far greater international significance than that of Alsace-Lorraine. Trieste would like Fiume and Fiume would like Pola. They are three very Italian cities which, unfortunately, because of their position, have a hinterland that is respectively German, Austrian and Magyar.

Trieste, as everybody knows, is the port for trade between Eastern Europe and Central Europe. Whether the new communication routes along the Danube and the new German railways and canals will reduce the port's role, and whether it will regain whatever it loses through future rail routes across the Balkans to the Adriatic, there can be no doubt that Trieste's economic destiny will either stay tied to its commercial links with Central Europe, or that the state which possesses Trieste, Pola and Fiume should be prepared for an endless struggle with the states to the east of these three ports which yearn for an outlet on the Adriatic, for the basic needs of their economic existence and commercial growth.

These problems must, of course, be solved and they will be; because there is no Italian who would not rightly consider the reunification of Trieste with her mother country to be a self-evident truth.

But it is logical and correct to consider that within a European federation of states all these obstacles would automatically and spontaneously be overcome, without the research of diplomats, without the labours of economists, and without dangers of dissent in the future.

Because in a federal Europe there would no longer be rivalry between Italy and Austria for the strategic domination of the Adriatic, while economic conflict between Italy and the German and Magyar countries would be pointless.

This reasoning can be extended, with the necessary adaptations, to the complex problems of Alsace-Lorraine, of Poland, of Yugoslavia and so on, and it will be seen that the illustration of these cases tallies to highlight the following important truth:

*A European Federation does not contrast with the principle of nationality; indeed it represents the only solution that leads to its most complete and triumphal accomplishment, because it eliminates any possible conflict between the moral needs of nationality and the political, strategic and economic needs of the state.*

### The drawbacks and dangers of the principle of nationality

18. *Small nations.* If we look at the whole political history of the last century, we can see engraved in the facts the inability of the principle of nationality to solve some of the greatest problems of public life. Indeed, little by little as the principle of nationality has been asserted, the contrast between it and all the doctrines of the social sciences, which tend to solve the great issues of interests and the human spirit along norms of universal principles, not partial ones, without limiting them to the more or less haphazard or more or less logical borders of the nation-state, has appeared increasingly clearly.

So while legal norms, economic doctrines and everything that consequently stems from them tend by their nature towards cosmopolitanism, national doctrine has reached the point of falsifying these principles, in order to set them up as the insubstantial monuments of an unfounded series of nationalist doctrines on law, on economics and so forth.

This has led to a constant clash between science, which if it is really such cannot but represent general principles and interests, and national doctrine, which is drawn fatally towards partiality. Some typical examples are presented here.

19. One of these is the clash, which has regularly occurred over the last fifty years, between the theoretical right of small nations to independent statehood and the natural tendency of large political masses to absorb smaller masses into their orbit, in order to give the whole a richer and more uniform framework and life. Both principles are founded on a basis of truth; but the national solution has not enabled them to coexist peacefully.

If we read all the criticism and irony with which the political historians of Germany have attacked the right of the small states to exist, we cannot fail to recognise that a large part of their criticism has a solid basis of truth and we are forced to agree that the absorption of small states into the bigger and stronger organisms that surround them has on the whole been to the advantage of human society.

In his *Politics*, Treitschke states:

On closer examination then, it becomes clear that if the State is power, only that State which has power realizes its own idea, and this accounts for the undeniably ridiculous element which we discern in the existence of a small State... Moreover, they are totally lacking in that capacity for justice which characterises their greater neighbours... The economic superiority of big countries is patent. A splendid security springs from the mere largeness of their scale... Examining closely we find that culture in general, and in the widest sense of the word, matures more happily in the broader conditions of powerful countries than within the narrow limits of a little State<sup>6</sup>.

And anticipating the objection that certain well-known examples from the Middle Ages would seem to belie this conclusion, the German historian adds:

We must guard against pedantic theorizing from single instances, but in taking a comprehensive survey of history we see that all the true masterpieces of Poetry and Art have originated in the atmosphere which belongs to great nationalities. The cosmopolitan relations of Venice and haughty Florence were so worldwide that the ordinary Philistinism of a petty State was out of the question with regard to them. Their citizens had a pride in their own destinies which recalls the temper of ancient Athens<sup>7</sup>.

<sup>6</sup>Treitschke, *Politics*, pp. 34-36.

<sup>7</sup>Treitschke, *Politics*, p. 38.



Now it is this very conception of the rights and requirements of the large state, that has led the German economic and political school to favour the absorption of Holland, Belgium and Switzerland: for the economic reasons which already in the first half of the nineteenth century Friedrich List was developing in his famous book, and for the political ones that all Treitschke's successors have made famous in the world.

On the other hand, it is no less logical and natural that even small communities should have to right to join together and exist, for reasons of a higher and far more profound order than that of their nationality.

It was in order to solve this dual but contradictory positive principle that Europe rearranged its small states and nations in the first half of the nineteenth century, not however acknowledging their right to exist positively, because of their strength, but only negatively, through their neutrality, within the circumstances of the European balance of power, so that they would function as buffer-states between the great powers, especially where highly sensitive strategic and economic positions were involved.

Yet everybody knows how unstable a balance of this kind can turn out to be, between a purely theoretical right, which however goes against historical necessities, and the fatal ripening of the latter, supported by factors of ever increasing strength. There is no legal agreement, no hallowed treaty, which can give a stable history to a building constructed illogically. Britain, in order to prevent Antwerp from falling into the hands of Germany, was driven by the same vital and imperious reasons that led the Germans to seize it. Around this point, which will go down – together with many others – as one of the real causes in the history of the great war, a whole series of sentimental diplomatic reasons has been woven, to help the military offensive with a written one.

Germany, inappropriately transmitting through Bethmann Hollweg's mouth an old principle, which even Bismarck had developed much better, pronounced the so-called "scrap of paper theory". Britain took the opportunity to become indignant in the eyes of the world and to protest against the "cynical" behaviour of its adversary, despite its being a signatory to Belgian neutrality. But the fact remains that no people can forever remain tied to pacts, which a ruler has made in its name in completely different times and circumstances. The real issue lies in the incompatibility that may arise between a purely theoretical principle, like

that of nationality, and the practical needs of a great state. This incompatibility exists and remains today: and there is only one way to merge the two principles harmoniously, so that neither of them sacrifice anything to other. That way is indicated by "federalism".

20. *The freedom of the seas.* We have chosen another great political issue at random, which neither the national political doctrine nor the principle of nationality, set at the basis of the present formation of states, was or is able to solve in a fair way, that is taking the rights of the individual states and of general interests exactly and proportionately into account.

Here too we have to take a historical and realistic look at the state of things, which have taken shape over the centuries, in order to have a clear idea of what is essential among all the viewpoints depicted as highly moral, with which the disputed issue of the "freedom of the seas" has been debated.

And we will soon see that as long as Europe remains politically divided as it is today, that issue cannot be solved except as a pure and simple question of the supremacy of one of the states over the others: and it will only be the gathering of the European states under a single federal government that might have the authority to provide the problem with an automatic solution which at the same time will safeguard general interests and rights. Prince Bülow has observed:

The policy of no State in the world is so firmly bound by tradition as that of England; and it is in no small degree due to the unbroken continuity of her Foreign policy, handed down from century to century, pursuing its aims on definite lines, independent of the changes of party government, that England has won such magnificent successes in international politics. The alpha and omega of English policy has always been the attainment and maintenance of English naval supremacy. To this aim all other considerations, friendships as well as enmities, have always been subordinated. It would be foolish to dismiss English policy with the hackneyed phrase *perfidie Albion*. In reality this supposed treachery is nothing but a sound and justifiable egoism, which, together with other great qualities of the English people, other nations would do well to imitate<sup>a</sup>.

<sup>a</sup>Prince Bernhard von Bülow, "Deutsche Politik" in S. Körte (ed.), *Deutschland unter Kaiser Wilhelm II.*, Berlin, R. Hobbing, 1914, English translation by Mary A. Lewenz, *Imperial Germany*, London, Cassell & Co., 1914, pp. 22-23.

Now if English policy from the twelfth century onwards, through eight centuries of history, has always followed the same direction, it means that for it the problem of the seas is purely a straightforward question of survival, rather than of power. It is true that there does not exist a nation which does not feel the need to hold its own door keys itself. Given the island nature of the United Kingdom, its sea routes are the keys to the survival of the British in their geographical collocation. As little by little new colonies fell into its hands, Britain's relationship with the seas became closer and more necessary. Britain is fed by Canada, the Indies and Australia, and takes its raw materials from colonies scattered all over the world. To think that it might hand over the keys to this vital trade would not therefore mean preventing Britain from enjoying a monopoly, but rather striking a mortal blow at the life of Britain, which is technically kept going because of the sea routes. This is the essential truth that we must take into consideration and which is clearly evident from the most straightforward history that the world knows. When the "freedom of the seas" is discussed, the life and future of Britain are under debate and not just its demands and unjustified usurpations.

On the other hand it is necessary to point out the spirit with which Britain has used its naval supremacy. British maritime and mercantile life has in no small way helped to imbue the country with a spirit of real democracy and well-ordered freedom. At sea the value of a man, his sense of dignity and responsibility, and his individual contribution to the common enterprise are developed in the best way. The contact with other countries, with new cultures, and the routine of travelling and facing danger increase our awareness and train us to reason and criticise. All these circumstances, with others too, helped to develop a sense of critical judgement and freedom in Britain, while the rest of Europe was still wrapped up in superstition and absolutist oppression. The British middle class had for centuries performed a political role, before that of continental Europe achieved its *magna carta* at the end of the eighteenth century.

This sense of freedom and competition, strengthened and tempered by hard colonial lessons during the eighteenth century, have led Britain to make an increasingly restrained use of its control of the seas. Given, however, the complete freedom in trading policy it has left its colonies today, a tyrannical use of its sea power would lead to the immediate loss



of the "Dominions", all of which have established close economic and intellectual links with the powers of continental Europe and America. Those who remember those great chapters in his *History of Civilization in England*<sup>9</sup>, where Buckle analyses the growth of the fundamental concepts of civilisation in England, Spain and France, will understand perfectly how, because of its very need to exist, the United Kingdom had developed and moderated its control of the seas in the most universal sense with the free use of the seas by all nations.

21. On the other hand, not only the Germans – as was natural – have declared themselves in favour of the "freedom of the seas", but also President Wilson and a British statesman, the marquess of Lansdowne, in one of his famous letters to the *Daily Telegraph*. Now this principle can only be reached today in two ways:

I – reducing naval armaments. Until 1914 Britain was driven by its well-known principle of maintaining a fleet which was around 10% stronger than the next two biggest sea powers together. Were an agreement to reduce be reached, we do not believe that Britain would have anything in theory against agreeing to the proposal. If, for example, the two most powerful fleets up to 1914 were measured by the number of ships, speed, range of action, fire-power, etc. with an index of 100, so that the British fleet had an index of 110, it is clear that were the two nations to reduce their fleets to the index of 50, Britain would not have a reason for not lowering its index to 55.

But this vague theory needs further clarification and that is: *a*) the reduction of naval armaments could only be part of a general plan for reducing all armaments, including those for land use. This essentially concerns Germany and brings a host of highly complicated considerations with it); *b*) the establishment of secure international control would be required, especially now that the advent of submarines – easily constructed in parts and hidden – has to some extent altered the terms of naval strategy, which would guarantee that no country would increase its armaments, with all their complex indicators, beyond the agreed limit. This would not be very easy.

<sup>9</sup>Henry Thomas Buckle, *History of Civilization in England*, vols. I-II, London, J. W. Parker, 1857.

Yet in the end, taking two huge problems as solved, the question still remains as to what influence all this has on the "freedom of the seas". No influence in peacetime, just as it was before; none in wartime, because if the British navy, with the support of its bases, remains "relatively" unchanged – and no more than this could be expected, given the geographical and historical reasons outlined above – it could always close its sea routes, just as Germany today has barred some of the overland routes that are essential for the safe progression of free civilisation;

II – a far more efficient way would, however, be to internationalise the great strategic points that dominate the sea routes: Gibraltar, Suez, Aden, Singapore, and so on.

But if this proposal were not actually upheld, could it at least be put forward at a peace conference, which proposes to leave Europe divided up, as it is today, into a lot of independent states? Britain for its part would not have to do more than to present two simple objections: the first, that it will never reduce its navy, until the German army is completely neutralised and reduced to a condition from which it cannot be rebuilt; the second, that Britain does not see at all why, having the whole German colonial empire and a considerable part of the Turkish one in its hands, while its enemies do not hold even an inch of British territory, it should make any territorial sacrifices.

And finally, would it suit the other powers – for example Italy – for Britain's naval supremacy to be reduced to these conditions, when we see what we owe it for preventing us all becoming a German colony?

In conclusion, of the two solutions put forward to achieve the freedom of the seas, the first, the only one compatible with the present political subdivision of Europe, is unsatisfactory; and the second is impossible. Here too a satisfactory solution will only be provided by a federation of nations.

22. *The degenerations of the national principle. Nationality and nationalism.* Yet far more serious because if its congenital inability to resolve a number of the greatest political problems, is the ferment of degeneration that is inherent in the principle of nationality and which has led to the rise of "nationalism". The jealous sense of national autonomy, the pride which every nation believes its own intellectual and moral supremacy has over that of the others, the desire to create its own

nation as a complete organism, independent of all the others, has helped towards the birth and growth of a feeling that at first was vague, but which then unfolded, became organised and took shape, becoming a high-flown scientific doctrine: nationalism. It is enough to look at any sphere where it has been applied, that of economics for example, to have an idea of the absurdities it has led to and the ease with which a hotch-potch of words, behind which lies only emptiness, can deceive and carry away the world.

Nationalism has created a new economic category, nationalist economics, treating it as a different entity from the economics of single individuals and in sharp contrast to that of other nations. It is a notion that is very hard to understand, since, as the high priests of nationalism are at great pains to point out, the national economy is essentially "dynamic". What this means exactly is still not completely clear; but it would seem to be its main feature. In the weighty tomes which expound the gospel, or rather the gospels, of nationalist economics, no definition can be found, no principle, no norm of what it represents, or of how it is formed, how it is put forward, and by which natural laws the national economy is governed. We only know that the state has the right to regulate the economic life of the nation "in an organic way", to lead it in a responsible way "towards its destinies", developing its "dynamic qualities", which are usually, it would appear, faculties which have the characteristic of remaining hidden from ordinary mortals, so that the state is the only entity with the ability to track them down. What "the state" means and how it is personified for the scholars of nationalist, or dynamic, economics, is not clear. It might be thought that it is the private citizens, but this hypothesis can be ruled out because of the fact that it would signify something else which is ancient and not dynamic, which we will call, to assist comprehension, "economics" pure and simple. It might be believed that the state transforms its visions into acts through a bureaucracy; but this cannot be so either, because of the great scorn the nationalists feel for anything that is commonly bureaucratic. What the nationalists would of course like, to use their own definition, is the independence of the national economy from any foreign influence: which corresponds perfectly to another even older and less hidden concept and that is "protectionism". Moreover, while protectionism recognised that protection was an exceptional measure, which ought not to be permitted except in specific industries, in specific cases and for a specific period of



time, nationalist doctrine, with its concept of a national economy, has not burdened itself with these requirements and upholds the use of protection for the sake of protection, independent of any limitation in terms of time, case or need.

Nationalist doctrine, in short, establishes in the economic field the grounds for justifying the systematic legal spoliation of the community in favour of certain castes, or certain groups of interests.

23. It is hard to form an exact idea of the huge economic, social and political damage that the present manifestation of German nationalism has caused in Europe. It facilitated the formation in many states of a Prussian caste, which had to be maintained at the expense of the whole community in the name of the principles of nationalist economics; the creation of so many "holy arks" – as Luigi Luzzatti chose to call one of them – of economic interests, which could not and cannot be discussed without being attacked in the name of the national interest.

Every criterion of limitation and moderation, which can however be found in a protectionist system – which has such a great effect on the distribution of wealth especially at the expense of the less well-to-do classes and those on a fixed income – comes to disappear. Every nation aspires to return, as far as possible, to the old discarded ideal of the closed market; and, as time goes by, aims at solving the impossible, which consists of buying nothing from abroad and of selling as much as possible there.

In the economic field, as well as in the political one, the foreigner is considered as an enemy, against whose products it is necessary "to defend the independence of the national market"; while every effort must then be made "to enslave him to one's own economy". And, to achieve this, the direct and indirect intervention of the state becomes increasingly complex and involved: various levels of customs dues, production and export bonuses, tariffs and charges against market penetration, facilitations for setting up trade organizations, systematic below market-price sales abroad, helped by premiums at home, preferential treatment at all costs for home producers in tenders for public contracts, and so forth.

Unless political economy is enhanced with ideas, it acquires a dictionary of warlike terms, so that, reading the books of the German apostles of so-called nationalist economics, it seems as though we are at

a school of war: attack, defence, trenches, belts of protection, siege tactics, poison gas, strategic traps and so on.

It might seem that this has little importance and yet it is not the case. Mankind is so used to letting itself be guided by words rather than deeds, by form rather than substance, that on many occasions the outward appearance of an argument prevails over the argument itself and creates a dangerous atmosphere. Ruskin puts this very clearly in *Sesame and Lilies*:

There are masked words droning and skulking about us in Europe just now, which nobody understands, but which everybody uses, and most people will fight for, live for, or even die for, fancying they mean this or that, or the other, or things dear to them. There never were creatures of prey so mischievous, never diplomats so cunning, never poisoners so deadly, as these masked words; they are the unjust stewards of all men's ideas; whatever fancy or favourite instinct a man most cherishes, he gives to his favourite masked word to take care of for him; the word at last comes to have an infinite power over him; you cannot get at him but by its ministry<sup>10</sup>.

It is well-known that a great deal of the protection in the German economy has been allowed not for the economic reasons that are usually put forward to justify these measures, but solely to defend certain social classes, considered necessary for the preservation of the Prussian spirit in the Empire. Thus Dawson<sup>11</sup>, one of the brightest historians of the German economy, points out that in 1902 Prince Bülow backed the raising of customs dues on cereals, not because he favoured the landowners, whose defects in actual fact he loathed, but because he shared the idea of everybody in officialdom, that the Junkers formed a caste which was essential for the preservation of the military and bureaucratic spirit in Germany, and that as such it should be supported, even at the cost of weighing down the other social classes.

It was natural for part of continental Europe to follow this example and it was natural that the oligarchies, always easily created on the fortune of peoples, seized the opportunity to ban, with greater or lesser adaptation, the German doctrine.

<sup>10</sup> John Ruskin, *Sesame and Lilies. Two Lectures Delivered at Manchester in 1864*, London, Smith, Elder & Co., 1865.

<sup>11</sup> William Herbert Dawson, author of *The Evolution of Modern Germany*, London, T. Fisher Unwin, 1908.

24. In the meantime the commercial war, so intensified economically and morally by the methods of economic nationalism, had produced three results:

I – an exaggerated concentration of wealth within the hands of a few, thereby worsening the hardships and discontent of the masses who, despite all the rhetorical nationalist sophism, understood only too well that this concentration had been mostly achieved at their expense;

II – a strenuous search for foreign markets, which led to a policy of colonial conquests and agreements which became increasingly dangerous and encouraged ever greater military spending;

III – a chronic state of overproduction, caused by the simple fact that every nation wanted to have its own industry in every sector; that every one of these industries was forced to follow the law of production on a vast scale, to achieve the minimum cost; and that of course this massive frenetic manufacturing of lots of “doubles”, could only lead to devaluations and crises.

So from the economic viewpoint too, the degeneration of the principle of nationality, little by little as it reached its logical conclusion, helped to bring about that crisis, whose final solution is marked by this vast present conflict.

25. What contributed to make the behaviour of these oligarchies more nauseating was the fact that, however unknown to the masses, these heralds of nationalism, when it came to making big business transactions, did not hesitate to make them, however secretly, in the purest international ways.

If anyone would like to read the fifth chapter of *The Political Economy of War* by the illustrious former editor of *The Economist* F. W. Hirst<sup>12</sup>, they will see the sense of brotherhood with which the great British, German, French, Russian and American companies, renowned for the construction of the most powerful weapons for naval or land warfare and great suppliers to their respective governments – who provided them with every

<sup>12</sup> Francis Wrigley Hirst, *The Political Economy of War*, London and Toronto, J. M. Dent, 1915.

kind of help – agreed amongst themselves how to divide up the world market and to exchange information about patents; without excluding the possible situation where one of their representatives having received an order from one government, would go and tell the representatives of a rival nation so as to win a second order; and having publicised the news of this increase in armaments in the nationalist press, would arouse public opinion so that its government would give it a third order. In this way the situation heated up, the alarmist press performed its task everywhere, the orders of weapons and ships multiplied and the business deals were shared out fraternally between the producers, who by cooperating had thus internationalised nationalism!

Setting these examples of economic nationalism alongside the positive and negative effects of political nationalism: positive in that they encourage partiality, jealousy and oppression; negative in that, as we will see, nationalism is unable to solve a number of the most important political problems, a fairly accurate picture will appear of the responsibility of the national principle in the present conflict and of the need to replace it with what Lord Acton has called “the principle of freedom”.



## Chapter three

### The new Europe

26. It would seem that today we are all convinced of the need for this, at least along certain general terms. During its long duration a transformation has taken place in the ideals behind the war, and a new idea has taken shape.

The initial struggle, in 1914, broke out as a conflict of nations; and the issue was structured around the concept, the completion, and the defence of nationality. Germany had always found, right from the first half of the nineteenth century, and thus long before the establishment of the Empire, that its national energies required, in order to reach completion, the possession of all the countries where the German race had a majority in terms of either numbers or interests. We can see this idea constantly repeated in books of varying dates and scientific value: from Friedrich List's *National System of Political Economy*<sup>1</sup> (1841), to Tannenberg's *Gross-Deutschland*<sup>2</sup> (1910).

The Latin countries in particular rose up against this pan-Germanic nationalism, taking in their turn the opportunity, once the conflict had broken out, to restate and to try and achieve their national and nationalist claims: Alsace-Lorraine, Trentino, Istria, and spheres of influence in Africa and Asia.

So when the struggle began it had a national character; for which the vast interests of "national economy" served as a basis. This was the first period of the European war.

<sup>1</sup> Georg Friedrich List, *Das nationale System der politischen Oekonomie*, Stuttgart, J. G. Cotta, 1841, English translation by G. A. Matile, *The National System of Political Economy*, Philadelphia (Pa.), J. B. Lippincott, 1856.

<sup>2</sup> Otto Richard Tannenberg, *Gross-Deutschland. Die Arbeit des 20. Jahrhunderts*, Leipzig-Gohlis, B. Volger, 1911.

Two factors contributed to shape the second period: the duration of the conflict; and the involvement of Great Britain and then of the United States. These two nations were the only ones to have taken part in the war without previously laying claim to any gain that might be measurable in terms of land and population. Real continents, the first far greater than Europe, the second ten elevenths of the size of Europe, with a population of 433 and 105 million respectively, the British Empire and the United States of America had already risen above the issue of nationality and had created what (using a term which has no exact equivalent in Italian) is called a Commonwealth, that is a union of peoples, of different nationalities, principles, religions, of separate legal systems and yet which are united indissolubly in ideal relations, from which have come material and political benefits of the first order.

It was therefore natural that they, because of their special composition, because of their political mentality and because of their declared goals, should have been the first, in the group of the Entente, to attribute a lesser importance to the idea of territorial gains, and a greater one – as Lord Lansdowne explained it so clearly in his much debated letter to the *Daily Telegraph* – to that of “security”; that is, to the creation of a situation, which would render the outbreak of a disaster, like that which plagues us all today, extremely unlikely.

So the entry of Great Britain and the United States radically changed the war: first and foremost as regards its tempo, in that the European war became a war between continents, which likewise involved every part of the world; in the second place – and this was in part because of this unexpectedly global nature – because it launched into the struggle vast federations of people who were above and beyond the idea of nationality, and thus it transformed the old ideology of Europe into an ideology which was completely unexpected and new.

In its turn, the length of the war, the difficulty of ending it with a decisive strategic victory, the doubt over whether in the end a crushing decisive victory would suit either victor or vanquished, have greatly helped this Anglo-Saxon idea, in the sense that in every state of the Allies and of Middle Europe the democracies stand against the conservative elements, against militarism, that is, against autocracy, against the agrarian protectionism of the Junkers, against that of the heavy industries: in a



word, against that whole assembly of forces on which the countries of continental Europe were based and which, under the flag of nationality, helped to cause continuous conflicts of ideals, of interests and of arms.

So it is that today a completely new psychology is gaining ground. The feeling is that this war has brought such an incredible cost in terms of blood, moral pain and wealth, that no territorial gain, no fulfilment of ancient dreams is now enough to compensate remotely for the expense. And at the same time, within every state, the poorer classes who have made and are still making such a great contribution to the struggle, have rapidly grown up and are particularly aware of the intolerance of all that ruling legislation, which in many continental European countries had come, gradually and in forms which were more or less pronounced, to distinguish the government of the rich very clearly from the interests of the poor. It would be a great mistake to imagine that, once the bloody interval of the war is over, things could start again with the same pace and the same political and economic notions that held sway before 1914. The poorer classes have experienced and understood the importance of their role in the conflict: they have realised that their effort in the trenches, in the factories and in the fields is in reality essential for the well-being of the common good: sharing dangers has given them a clearer vision of their dignity, they have become used to looking their masters in the eye as equals and they wish in the future to take a greater part in the delights of their country's life and politics; they wish that, if there should be other wars, these should take place with their consent, on the basis of a politics of openness and truth.

For five consecutive years the flower of European youth and a considerable part of that of America, so of two continents, aged between eighteen and forty, have repeated their education in the hard school of the war and the trenches. And at the same time other tens of millions of men and women have worked without respite on the home front, foregoing their old trade union privileges, adapting to new methods, teaching themselves new ideals. In this fierce maelstrom the defects of the pre-war world have been seen in all their light, the ideals which previously fired our daily life no longer stir us today, it seems as though we have been through a hundred years and instead our appreciation of those human energies on which the new world should rest seems to have increased a hundredfold. So it would seem absurd to us for those energies

to be dissipated again in sterile ways, exploited for mean purposes, or squandered through political disorganisation.

Thus a dual movement has been created by the war: a movement of states, which have seen the primitive reasons for which they went to war decline in importance and almost disappear: a movement of classes within every state, which has led to a reviewing of political and social ideas and to the formulation of an increasingly hard judgement on those ideals and interests, whose ideas have caused a war which is a blind alley from the human point of view.

A blind alley: since the lasting predominance of any of today's powerful and highly civilised states, aware of their own historical and present roles, over the others is inconceivable. Thus, as Wilson stated so effectively in the famous speech when he first launched the idea of the federation of nations, the victory of one group over the other could not today have a definitive significance: since it would instead aggravate those inevitable reactions, which inevitably cause defeated peoples to prepare their revenge.

So, while men like Wilson cannot accept from their point of view that because of its national politics and economy Europe could end up in ruins, new ideals are coming into being in the very heart of the European states, which have discovered that the principle of nationality – in its political acceptance – has nearly run its course and that, just like all the other human institutions, it might give rise to far more harm than any benefit which it might by chance still be able to bring.

The positive evidence of this principle is to be found in the increasingly frequent references that all the statesmen are making about the need to give the Europe of tomorrow an international norm, higher than the will of the individual states and provided with coercive force, to avoid, as far as is possible, further recourse to arms. This is the idea expressed by Bethmann Hollweg, supported by Asquith, put forward by the Pope in his address, accepted by Count Czernin before the Delegations, and repeated by Lloyd George and, with still greater energy and precision, by Wilson.

Lloyd George expresses himself in the following terms:

We must seek the creation of some international organization to limit the burden of armaments and diminish the probabilities of war.

27. *Wilson's four principles.* The President of the United States, Wilson, in his famous presidential address in 1916, proposed, as necessary for the achievement of a lasting peace, a federal Europe, which to his mind should probably have been similar to the constitutional form of the United States.

Later, at the beginning of 1918, when America had already entered the conflict, he returned to this idea and summarised the aims of the war in fourteen points, the last of which, the fourteenth, was as follows:

A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike<sup>1</sup>.

This point, taken with the preceeding ones, which abolished secret diplomacy, sanctioned land and sea disarmament, settled colonial claims, annulled the territorial gains made in the war and satisfied various national aspirations, led towards a kind of association whose final end would be the establishment of a high court for the European states, with final powers to judge any controversies which might in the future arise between them.

Finally, celebrating the Declaration of Independence in the United States on July 4th this year, President Wilson, speaking at the Washington Memorial, redefined the aims of the war as follows:

There can be but one issue. The settlement must be final. There can be no compromise. No halfway decision would be tolerable. No halfway decision is conceivable. These are the ends for which the associated peoples of the world are fighting and which must be conceded them before there can be peace:

I. The destruction of every arbitrary power anywhere that can separately, secretly, and of its single choice disturb the peace of the world; or, if it cannot be presently destroyed, at the least its reduction to virtual impotence.

II. The settlement of every question, whether of territory, of sovereignty, of economic arrangement, or of political relationship, upon the basis of the free acceptance of that settlement by the people immediately concerned, and not upon the basis of the material interest or advantage of any other nation or people which may desire a different settlement for the sake of its own exterior influence or mastery.

<sup>1</sup>Thomas Woodrow Wilson, "Address to Congress, January 8, 1918" in *President Wilson's State Papers and Addresses*, New York (N. Y.), George H. Doran Co., 1918, p. 470.



III. The consent of all nations to be governed in their conduct towards each other by the same principles of honor and of respect for the common law of civilized society that govern the individual citizens of all modern states in their relations with one another; to the end that all promises and covenants may be sacredly observed, no private plots or conspiracies hatched, no selfish injuries wrought with impunity, and a mutual trust established upon the handsome foundation of a mutual respect for right.

IV. The establishment of an organization of peace which shall make it certain that the combined power of free nations will check every invasion of right and serve to make peace and justice the more secure by affording a definite tribunal of opinion to which all must submit and by which every international readjustment that cannot be amicably agreed upon by the peoples directly concerned shall be sanctioned<sup>4</sup>.

### The key issue

28. *League of Nations or Federal Europe*. We unhesitatingly believe there is only one way of ensuring that war will never break out in Europe again, a way which requires very careful consideration: *the federation of the European states under a single ruling and governing body*. Any less forthright vision that were to be weaker would only be a waste of time.

We know of no more accurate comment on the need for this than that to be found in the much quoted book by Curtis: *The Commonwealth of Nations*<sup>5</sup>. The experience of history, that famous experience which ought to – but does not – guide our life, reveals: first, the barren results of all those attempts, no matter how long they have lasted, to set up a kind of “league of nations”, which were confederations of sovereign states; second, the increasingly successful outcome of another kind of association of nations, which entails the transformation of sovereign states into the provinces of a single confederated state.

It is our view that in this respect the experience of history has unequivocally supported our theory over the centuries. We can see the

<sup>4</sup> Thomas Woodrow Wilson, “Address at Mount Vernon, July 4, 1918” in *President Wilson's State Papers and Addresses*, New York (N. Y.), George H. Doran Co., 1918, pp. 500-01.

<sup>5</sup> Lionel George Curtis, *The Commonwealth of Nations. An Inquiry into the Nature of Citizenship in the British Empire, and in the Mutual Relations of Several Communities thereof*, London, Macmillan & Co., 1916.

miserable failure of the first confederation of states, that of the Greek cities in 470 B.C., which contributed to a common treasury at Delos and which saved Europe from Asian civilisation. But the absence of a central authority, which could enforce the common will on the individual states, led to the decline and dissolution of the confederation, to fighting between the city-states, to the hegemony first of Athens and then of Sparta, and finally to the conquest of the republics by the Macedonian Empire. For almost identical reasons and shortcomings we can see the decline in the eighteenth century of Holland, which had created in the United Provinces a league of nations, but not a federal nation. Similarly the Holy Roman Empire had, between 800 and 1806, constituted a great dream of forming a league of states beneath a single emperor. But the Emperor's power was subject to the will of the princes, the bishops, the free cities, and the Electors. For the ten centuries of its duration it consumed the energies of the Papacy and the Empire, of Germany and Italy, in a vain struggle for an empty power, and all the historians, from Bryce to Treitschke, have demonstrated how Germany and Italy owed their late recomposition into unified states to this struggle.

And we have already recalled how, when Europe had just emerged from the twenty-year blood bath of the Napoleonic Wars, an attempt was made to create a league of nations with the Holy Alliance, which pledged the member states to remain united within the bonds of an unbreakable brotherhood, considering all their subjects almost as fellow citizens and in case of need to lend each other reciprocal help and assistance. And we have seen the results!

*The classic example.* But the classic example, which demonstrates how the same community might – for the very reasons of its own survival – have had to pass from that of a league of sovereign and independent states to the more complex one of a union of states governed by a central power, is provided with matchless clarity by the history of the United States of America. As is well-known, it passed through two constitutions: the first (the Articles of Confederation), drawn up by a Congress of thirteen states in 1776 and ratified in February 1781; the second, ratified by the National Convention on 17 September 1788, came into force in 1788.

A comparison of these two documents explains why the first was a failure, threatening the independence and freedom of the newly born



union, while the second created the republic which is today admired all over the world.

The constitution of 1781 began by affirming the sovereignty of the separate states. Article II stated that every state preserved its own sovereignty, freedom and independence, as well as all its powers, jurisdictions and rights. Article XIII, it is true, laid down that the states should consider themselves bound by the deliberations of the United States meeting in Congress: but, as Curtis observes, Article XIII was in complete contrast to Article II. The essence of sovereignty is a legal supremacy which cannot recognise any higher sovereignty without destroying itself. Hamilton, Washington and all the most eminent members of the Confederation saw the danger and made it known. The successive events were clearer and more eloquent than any comment. As a brilliant scholar has written in the *Corriere della Sera*:

Those first seven years of the life of the "league" of the thirteen American states were years of disorder and anarchy, and of such selfishness that many patriots even began to regret British rule, and a number to wish for the advent of a strong monarchy; the crown was even offered to Washington who refused it with weighty words, which betrayed his fear that all his hard work over so many years might be wasted. The root of the problem lay in the sovereignty and independence of the thirteen states. Because the Confederation was a simple "league" of states, it did not have its own independent sovereignty, it could not raise taxes directly from its citizens. Therefore, in order to pay for its army and the debts incurred during the War of Independence, it depended on the consent of thirteen sovereign states. The National Congress voted expenditure, pledged the word of the Confederation, and to have the necessary means asked the separate states for funds. But the latter either neglected to reply, or none of them wished to make the first contribution to the common treasury. As Judge Marshall has described in his classic *Life of Washington*<sup>6</sup>, reporting the desperate pleas and complaints that recur in so many of the great general and statesman's letters, after various futile attempts to enable the federal system to achieve the great aims for which it had been founded, American affairs were heading towards a crisis, on which the very existence of the United States as a nation depended. The government was empowered to declare war, but dependent on the sovereign states for the means with which to conduct it, able to contract debts and to pledge the faith

<sup>6</sup>John Marshall, *The Life of George Washington*, vols. I-IV, Philadelphia (Pa.), C. P. Wayne, 1804.

of the people towards their payment, but dependent on thirteen separate legislatures to keep that faith. It could only save itself from ignominy and contempt if all those sovereign governments were governed by men who were absolutely free from and superior to human passions. This was an impossible expectation. Those in power do not wish to delegate their power to others; and so it was almost impossible to do anything which depended on the agreement of so many different sovereign states. And another great writer and statesman, Alexander Hamilton, one of the drafters of the 1788 Constitution, summarised the reason for the failure of the first league of American states by commenting that power, without the right to raise taxes, is only a name in political societies<sup>7</sup>.

The sad events of those unhappy years and Washington's grave letters, in which from 1783 onwards he reported the problems and which were continually confirmed by the day to day events, led to the Constitution of 1788.

This no longer talked about a "union of sovereign states". It was the entire people of the United States which set out the essential conditions for the Commonwealth. The preamble to the 1788 Constitution – which is basically still the same today – solemnly declares:

We the People of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

And it established the central government, with a legislative and an executive power; this government was given all the necessary powers to "provide for calling forth the militia to execute the laws of the Union, suppress insurrections and repel invasions"; to "declare war"; to "raise and support armies"; to "provide and maintain a navy"; to "lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States"; to "regulate commerce with foreign nations". And finally it determined the central judicial power and set out its functions.

<sup>7</sup>Junius, "La società delle Nazioni è un ideale possibile?" in *Il Corriere della Sera*, 5 January 1918, pp. 1-2. (The pseudonym is that of Luigi Einaudi).

From that moment on the United States really existed as such, and was successfully able to overcome formidable crises, including that of the Civil War.

29. Lord Acton made an extremely accurate comment when he observed that while selfish interests are consumed in the "great cauldron" of the federal state, they are nourished and fed by the national state.

Criticising the guiding concept behind the Holy Alliance, J. Dover Wilson, in his excellent chapter on the national idea in Europe in *War and Democracy*, writes:

The dynastic principle, it is to be hoped, will never again threaten the world's peace or progress; but there are other vested interests besides the dynastic one. During the nineteenth century economic development has given an enormous impetus to international movements and cosmopolitanism generally. Unfortunately political development, though great, has not by any means kept pace with the economic; in other words, it is still possible in most countries, and in some more possible than in others, for a small oligarchy to gain control of the political machine. Again, if there is one thing in the world more international than Labour, it is Capital; and, as Mr Norman Angell has shown, it is the capitalist who is hardest hit by international war and who stands to gain most from its abolition. European capital is almost certain to have a large say in the settlement, and considerable influence in the counsels of any new Concert of Europe that might come into existence. Now suppose – a not impossible contingency – that a ring of capitalists gained complete control of some politically backward country like Russia, and suppose a grave crisis arose in the Labour world in England or France; what would be easier than for arrangements to be made at the international conference for the transference of Russian troops to the West, "to preserve the sacred rights of property and the peace of Europe"? This may seem a somewhat fantastic supposition, yet it was precisely in this way and on grounds like these that the Holy Alliance interfered with the internal affairs of European countries during the second and third decade of the last century, and even as late as 1849 we have Russia, still faithful to the principles of thirty years before, coming to the aid of Austria in her suppression of the liberties of Hungary<sup>8</sup>.

<sup>8</sup>John Dover Wilson, "The National Idea in Europe" in Robert William Seton-Watson, John Dover Wilson, Alfred Eckard Zimmern and Arthur Greenwood, *The War and Democracy*, London, Macmillan & Co., 1914, p. 38.

This is no imaginary danger. We have, for example, only to read *The New Freedom*, that excellent work by Woodrow Wilson<sup>9</sup>, the distinguished President of the United States, to have an idea of the dangerous political power to which the financial oligarchies can rise, especially if they are encouraged by excessive protectionism.

Now it is clear that the latter will however never be able to transform themselves into an oppressive force where, in the place of a league of nations, there is a federal state, in whose congress all the social groups are represented proportionately and where there is only one army, made up of an amalgamation of units from all the nations and founded on a democratic basis.

Here too the American example is crucial. Because Wilson's inauguration as president heralded the victory of those democratic forces which were able, with a new customs and legislative policy, to curb the oligarchies at exactly the right moment.

30. *The opinion of the writers.* Two great British political writers, Lord Acton and Sidgwick have eloquently held that true liberty cannot be achieved or preserved outside the embrace of a federal state, which unites and harmonises the strengths which emerge from the peaceful contact of nationalities with each other, thereby enabling every race to express its own innate qualities, no longer in order to disparage those of the other races, but to improve them in friendly competition. Lord Acton writes:

Connected with this theory in nothing except in common enmity of the absolute state, is the theory which represents nationality as an essential, but not a supreme element in determining the forms of the State. It is distinguished from the other, because it tends to diversity and not to uniformity, to harmony and not to unity; because it aims not at an arbitrary change, but at careful respect for the existing conditions of political life, and because it obeys the laws and results of history, not the aspirations of an ideal future. While the theory of unity makes the nation a source of despotism and revolution, the theory of liberty regards it as the bulwark of *self-government*, and the foremost limit of the excessive power of the State. Private rights, which are sacrificed to the unity, are preserved by the union of nations. No

<sup>9</sup>Thomas Woodrow Wilson, *The New Freedom. A Call for the Emancipation of the Generous Energies of a People*, New York and Garden City (N. Y.), Doubleday, Page & Co., 1913.



power can so efficiently resist the tendencies of centralisation, of corruption, and of absolutism, as that community which is the vastest that can be included in a State, which imposes on its members a consistent similarity of character, interest, and opinion, and which arrests the action of the sovereign by the influence of a divided patriotism.

The presence of different nations under the same sovereign is similar in its effect to the independence of the Church in the State. It provides against the servility which flourishes under the shadow of a single authority, by balancing interests, multiplying associations, and giving to the subject the restraint and support of a combined opinion. In the same way it promotes independence by forming definite groups of public opinion, and by affording a great source and centre of political sentiments, and of notions of duty not derived from the sovereign will. Liberty provokes diversity, and diversity preserves liberty by supplying the means of organisation. All those portions of law which govern the relations of men with each other, and regulate social life, are the varying result of national custom and the creation of private society. In these things, therefore, the several nations will differ from each other; for they themselves have produced them, and they do not owe them to the State which rules them all. This diversity in the same State is a firm barrier against the intrusion of the government beyond the political sphere which is common to all into the social department which escapes legislation and is ruled by spontaneous laws. This sort of interference is characteristic of an absolute government, and is sure to provoke a reaction, and finally a remedy. That intolerance of social freedom which is natural to absolutism is sure to find a corrective in the national diversities, which no other force could so efficiently provide. The co-existence of several nations under the same State is a test, as well as the best security of its freedom. It is also one of the chief instruments of civilisation; and, as such, it is in the natural and providential order, and indicates a state of greater advancement than the national unity which is the ideal of modern liberalism. The combination of different nations in one State is as necessary a condition of civilised life as the combination of men in society. Inferior races are raised by living in political union with races intellectually superior. Exhausted and decaying nations are revived by the contact of a younger vitality. Nations in which the elements of organisation and the capacity for government have been lost, either through the demoralising influence of despotism, or the disintegrating action of democracy, are restored and educated anew under the discipline of a stronger and less corrupted race. This fertilising and regenerating process can only be obtained by living under one government. It is in the great cauldron of the State that the fusion takes place by which the vigour, the knowledge, and the capacity of one portion of mankind may be communicated to another. Where



political and national boundaries coincide, society ceases to advance, and nations relapse into a condition corresponding to that of men who renounce intercourse with their fellow-men... Christianity rejoices at the mixture of races... It was the mission of the Church to overcome national differences. The period of her undisputed supremacy was that in which all Western Europe obeyed the same laws, all literature was contained in one language, and the political unity of Christendom was personified in a single potentate, while its intellectual unity was represented in one university... Out of the mediaeval period... came forth a new system of nations and a new conception of nationality... In pagan and uncultivated times, nations were distinguished from each other by the widest diversity, not only in religion, but in customs, language, and character. Under the new law they had many things in common; the old barriers which separated them were removed, and the new principle of self-government, which Christianity imposed, enabled them to live together under the same authority, without necessarily losing their cherished habits, their customs, or their laws. The new idea of freedom made room for different races in one State. A nation was no longer what it had been to the ancient world – the progeny of a common ancestor, or the aboriginal product of a particular region – but a moral and political being; not the creation of geographical or physiological unity, but developed in the course of history by the action of the State... A State may in course of time produce a nationality; but that a nationality should constitute a State is contrary to the nature of modern civilisation<sup>10</sup>.

And no less accurately, albeit more briefly, Sidgwick gets to the heart of the matter, when he states:

Our highest political ideal admits of no boundaries that would bar the prevention of high-handed injustice... and from the point of view of this highest ideal it might be fairly urged that we ought no more to recognise wars among nations as normal than we recognize wage of battle as a remedy for private wrongs: and that if so, we ought not to recognize as normal the existence of a number of completely independent political communities... since... grave and irreconcilable disputes among such communities will be settled, as they always have been settled, by wars... Avoiding wars among states... would be [possible through] the establishment of a common government able to bring overwhelming force to overbear the resistance of any recalcitrant state... [or through] a federation of West-European States at least, with a common government sufficiently strong to prevent fighting

<sup>10</sup> Lord Acton (John Emerich Edward Dalberg), "Nationality" (1862) in *The History of Freedom and Other Essays*, London, Macmillan & Co., 1907, pp. 289-92.

among these states... From the earliest dawn of history in Europe, down to the present day, the tendency to form continually larger political societies... seems to accompany the growth of civilisation. The traditions of Rome and Athens make it clear that these famous city-states were formed by the cohesion of parts that had previously regarded each other as foreigners and occasional enemies: and a similar tendency to combine in continually larger aggregates is seen in the early history of the Teutonic tribes... [throughout] European history; and North America shows us an impressive example of a political society maintaining internal peace over a region larger than Western Europe. Usually no doubt this aggregation of civilised mankind into larger unions... has been mainly due to the pressure of external dangers... It seems not impossible that the economic burdens entailed by war, the preponderantly industrial character of modern political societies, the increasing facilities and habits of communication among Europeans and the consequently intensified consciousness of their common civilisation, may, before many generations have passed, bring about an extensive federation of civilised states strong enough to put down wars among its members<sup>11</sup>.

31. *Why a league of autonomous states without a federal authority cannot guarantee against the dangers of war. Secret diplomacy.* Let us look, for example, at Wilson's first point, where he repeats his long-standing criticism of secret agreements and diplomacy. There are a number of people today who are prepared to believe that this mysterious and irresponsible kind of diplomacy was responsible for most of the changes in the status quo which led to the present war. Many of them believe that the destiny of a nation can be altered by changing the ministers for foreign affairs, just as they hold that the laws of economics can be changed by the transfer of a senior civil servant or by the vote of a parliament.

A country's diplomacy, especially if it is under constitutional control, is a highly complex affair, on which the will of a diplomat can only exercise a brief and limited influence: instead, it is on the contrary all the situations and forces which operate within states which determine the diplomat's actions. The diplomat with the greatest likelihood of success is the one who knows how to make a good assessment of conditions as a whole within the countries he is dealing with, of their real and apparent strengths, the culture and the leanings of their peoples, their ideals and

<sup>11</sup> Henry Sidgwick, *The Elements of Politics*, London, Macmillan & Co. (1891), 1907, pp. 209-10.

aspirations, the value of the interests in play and so on. The picture which shows the nations being led blindfold towards their inevitable destinies by those mysterious irresponsible beings, the diplomats, is puerile and simplistic; it is absurd to pretend to believe that foreign policy can be conducted against the will of the majority, by which we do not of course mean the majority in terms of numbers, but that in terms of interests and significance.

Thus, as conclusions drawn from these general observations, it follows that it is no less mistaken to confuse the causes of a war with the immediate events which determine its outbreak.

The chance event that sparked off the present conflict was the assassination of an archduke. But we would have to fill a whole page, if we wanted to list, even only as an outline summary, all the causes, long-term and other, which paved the way for the catastrophe.

In these circumstances it is puerile to follow the governments through all their papers, whether green, white, red, black or orange etc., to debate whether Minister X was right on such a day or wrong on another one, whether the reply to a certain telegram should have been in one or another form, and so forth. The important thing is to know why the Central Powers wanted to be rid of Serbia; why the German people for forty years steeped itself in a culture which was perfectly in tune with a spirit of supremacy and conquest; why millions of illiterate Russian peasants hated Austria-Hungary and offered their passionate support to far-off Slavs; why Britain even though it had no precise obligation to France, despite its declared peaceful position and despite its unresolved problems in Ireland, declared war on Germany and why this declaration unexpectedly strengthened the moral ties throughout the Empire, which joined together in the war with a spirit of unlooked for warmth; and finally why the idea was deeply rooted in Italy that, despite the thirty years of the Triple Alliance, the only war war to be waged, would be that against Austria.

Were anyone to make the effort to study the complex and far-off causes of the war and to answer the above questions, they would see how the problem is underestimated by those who think that the war was caused by secret diplomacy.

The latter is in part a technical necessity, as no country wishes to bind itself to another, if it imagines that any article in the treaty could and



should be debated on the European markets. Now before the war too the general lines of foreign policy were perfectly known to those in parliament and it was only the procedures which eluded their control.

What could be different in a league of nations, in which each remained independent? So long as we leave every European state its present administrative and political freedom, who can say how the non-existence of secret agreements might be guaranteed? Who could prevent two or three nations, where the old spirit still exists and has the upper hand, from making an agreement to reattempt the invasion of 1914 on a vaster scale?

So long as we permit the present Europe to exist divided into sovereign states, its foreign policy will be democratic or feudal, not according to what remains or at least on paper of the secret diplomacy, but according to whether the spirit and upbringing of the single peoples is feudal or democratic. Which is to say that things will continue as before.

32. *League of Nations and balance of power.* What in the final analysis is this concept of a league of nations, in which each one maintains its complete sovereignty? On careful reflection it is nothing but an expansion of the concept of the "balance of the powers": is an organism which tries to create a stable equilibrium in European politics.

But history has revealed the futility of this concept as well as its inherent dangers. It is impossible to balance living forces. Nations, states are not inertial mass which can be balanced within a system; but rather living organisms, which grow with different strengths, according to natural laws unknown to us. Human conventions cannot arrest natural growth, and, if they try to, they only add another cause for conflict to those which already exist.

So long as Germany's interests are not united with those of France and Britain etc., at every step in its historical development the international pact that binds nations together will be transformed into something like the bed of Procrustes, against the tortures of which the nations will of course be driven to react, either by regularly and periodically modifying the pact, or by breaking it.

In these conditions the league of nations becomes a hotbed of suspicion and deceit, which could hasten rather than eliminate the possibility of a new European war. There is nothing better than unkept pacts for creating new and more threatening sources of dissension.

The truth is that peace in Europe will be a dream, unless those democratic conditions of freedom are first created, through which everything that is agonistic within the concept of the nation-state itself is eliminated by the energies of a healthy liberal democracy. These selfish forces must be swept away. An atmosphere must be created which will make the reproduction impossible of the internal viruses of militarism, oligarchies, protected industrialism, and "political" agriculture, so that there will be a good, peaceful constitution which is safe and stable.

33. *The supreme court.* Once the fundamental point of the potential incompatibility of the existence of sovereign states with the formation of a strong league of nations has been accepted, the means to create it which Wilson, as we have seen, outlined in his famous international court whose decisions would be binding on all the nations, lose their urgency.

For a court to be able to enforce its rulings, it would need to have coercive powers. Now what coercive power would the united nations bring into being?

That of arms? But this is exactly what should be excluded, as otherwise we would be forced to continue an ever increasing arms race, which would inevitably lead to a war. Moreover it would be a dangerous policy, because if Germany, learning a lesson from the past, were to find itself an accomplice in a future war, the judgement of the international court would run a great risk of being ignored by the dissenters, with the forced agreement of the other free nations.

Some have proposed that the league of nations be set up sanctioning an agreement on proportional land and sea disarmament and opening the European markets. But what means could be devised to prevent one of the states from preparing, at least potentially, a military organisation bigger than it seems or is on paper? And would not the more industrial and less democratic countries always be faster than the others at mobilising their armies?

Given the possibility and ease with which submarines can be mass-produced and given the swift perfecting of this new weapon, how will it be possible to guarantee the complete freedom of the seas in wartime, especially when the nation which has built the submarines has made secret agreements with other nations so that it can carry out swift raids? And,



if this guarantee is not absolute, how can we expect Britain to make the great sacrifice of surrendering its naval supremacy, the only guarantee of the security of its Empire, and of its safety in case of war?

And finally, as long as independent states exist, how will it be possible to organise the removal of customs barriers, or all the other forms of protection, and the subsequent division of labour within Europe? Are there not innumerable and varied ways of supporting local industries indirectly and affecting foreign ones negatively? Are we not aware of the huge organisation of interests which has formed around protectionism in continental Europe, of the spirit it has fostered, of the immense passive resistance it is able to sustain?

Nor is our criticism of the illusory nature of an international court's positive effectiveness unfounded. How its role has been viewed by some eminent people comes out clearly in the following passage from *Deductions from the World War*, the recent work by General Baron von Freytag-Loringhoven, one of the most important German military writers who, asserting that Germany should in the near future increase its military spending still further, writes:

It may be asked: What is the use of all this? Will not the general exhaustion of Europe after the world conflagration of a certainty put the danger of a new war, to begin with, in the background, and does not this terrible slaughter of nations point inevitably to the necessity of disarmament to pave the way to permanent peace?

The reply to that is that nobody can undertake to guarantee a long period of peace, and that a lasting peace is guaranteed only by strong armaments. Our own armament, although it may have been defective in some respects, has none the less secured peace for us for forty years, that is to say, for such a length of time as hardly ever before been experienced in the world's history, in the case of a great country. Moreover, world-power is inconceivable without striving for expression of power in the world and consequently for sea-power. But this involves the constant existence of a large number of potential causes of friction. Hence arises the necessity for adequate armaments on land and sea.

A sound policy of power is by no means equivalent to a one-sided glorification of war. It is true that the effects of war are in many respects very beneficial. War banishes pretence and reveals the truth. It produces the most sublime manifestations of masculine personality, and the greatest devotion and self-sacrifice for the sake of the community... But this does not in any way alter the fact that the effects of war are terrible; nay, that, judged by these, war seems to civilised men absolutely senseless, in view of the sacrifice and

destruction which it entails, and of the misery which it brings in his train. And, none the less, however convinced we may be that war is a sin against humanity, that it is something worthy of detestation, this conviction brings us no nearer to eternal peace. War has its basis in human nature, and as long as human nature remains unaltered, war will continue to exist, as it has existed already for thousands of years. The often quoted saying of Moltke that wars are inhuman, but eternal peace is a dream, and not even a beautiful dream, will continue to be true. The World War has also fully confirmed the justice of the following words of Heinrich von Treitschke: "The polished man of the world and the savage have both the brute in them."... We misconstrue reality, if we imagine that it is possible to rid the world of war by means of mutual agreements. Such agreements will, in the future as in the past, be concluded from time to time between States. The further development of international courts of arbitration, and the elimination of many causes of dispute by their agency, lies within the realm of possibility, but any such agreements will after all only be treaties which will not on every occasion be capable of holding in check the forces seething within the States. Therefore the idea of a universal league for the preservation of peace remains a Utopia, and would be felt as an intolerable tutelage by any great and proud-spirited nation.

The fact that it was precisely the President of the United States of North America who advocated such a brotherhood of nations must in any case arouse our wonderment. America's behaviour in the War has shown that pacifism, as represented in America, is only business pacifism, and so at the bottom nothing else than crass materialism. This truth is not altered by the fact that it is wrapped in a hazy garment of idealism and so seeks to hide its real significance from unsuspecting minds. Nor is the truth altered by the appeal to democratic tendencies, for precisely this War is showing that those who at present hold power in the great democracies have risked in irresponsible fashion the future of the peoples entrusted to their guidance.

In any event, as regards us Germans, the World War should disencumber us once and for all of any vague cosmopolitan sentimentality. If our enemies, both our secret and our avowed enemies, make professions of this nature, that is for us sufficient evidence of the hypocrisy which underlies them.

Therefore, in regard to this question, we should pay less heed to the phrases of present-day prophets than to the views of old and truly wise men. We must not put might before right, but equally little shall we and can we dispense with might. In the future, as in the past, the German people will have to seek firm cohesion in its glorious army and in its belauded young men<sup>12</sup>.

<sup>12</sup> Hugo Friedrich Philipp Johann von Freytag-Loringhoven, *Folgerungen aus dem Weltkrieg*, Berlin, E. S. Miller, 1917, English translation, *Deductions from the World War*, London, Constable & Co., 1918, pp. 170-76.

Faced with these ideas, which are more widespread than might be thought even outside Germany, the proposal to enforce the decisions of the international court by threatening to exclude the rebel power from economic agreements cannot be accepted as satisfactory either. This sanction is not enough: firstly, because if the power in question has made an agreement with other states, it might be powerful enough to resist an economic blockade for the duration of a long war; secondly, because this resistance might be facilitated by the massive stockpiling of raw materials and provisions in the pre-war period.

34. Another strong argument weighs against the illusion of the power of an international court to arbitrate between states, were they to be left independent by a federal union.

Which matters would be entrusted to its jurisdiction? Would we perhaps have a pretext for abandoning it, with a general statement about its powers, completely indiscriminately of whether matters touch the life, the honour, or the future of the separate states? How could it be reconciled with the recognition of the full, absolute sovereignty left to the states themselves? In this case Treitschke is right when he declares:

No courts of Arbitration will ever succeed in banishing war from the world. It is absolutely impossible for the other members of the group of nations to take an impartial view of any question vitally affecting one of their number. Parties there must be, if only because the nations are bound together, or driven apart by living interests of the most various kinds. What European country could have taken a totally unbiased attitude towards the question of Alsace and Lorraine, supposing that Germany had been foolish enough to submit it to an Arbitration Court? The wildest imagination cannot picture a detached Tribunal in this instance. Here we have the explanation of the well-known fact, that international Congresses are quite capable of finding legal formulae for the results of a war, but that they can never avert the outbreak of it<sup>13</sup>.

This assertion by the German historian is more than right. Two or more states might establish conventions between themselves on one or more points in common and likewise agree that, if there is disagreement over interpretation, they will refer the matter to arbitration. But if a state

<sup>13</sup> Heinrich von Treitschke, *Politik. Vorlesungen gehalten an der Universität zu Berlin*, vols. I-II, Leipzig, S. Hirzel, 1897-98, English translation by Blanche Dugdale and Torben de Bille, *Politics*, London, Constable & Co., 1916, pp. 598-99.



in general were to entrust the resolution of all the problems which might interest it more closely to the judgement of its peers, it would be absurd and unlawful: and it would become even more so, if that general convention were permanent. Because, as Treitschke again points out, the implication of permanent close international treaties between states has always been "as long as the conditions of the two states do not change completely".

Yet, it might be objected, if at the peace table a power does not want to adhere to compulsory and permanent arbitration, we can compel it to do so with military or economic force. Fine: but the pact will be an imposed one, not freely agreed to; and if we left this state with unlimited sovereignty and unlimited military might, we would in due course realise the practical value of this other "scrap of paper"!

35. *The financial burden after the war.* Powerful forces and huge interests are propelling Europe towards federation. One of these interests is the possibility of sustaining the tremendous financial burden of the war expenditure that will be inherited, without interrupting the whole of our private life as well as the expenditure on society and civilisation.

The following table reveals, far better than any comment, what the situation was at the beginning of the war of national income, national debt, and state taxation, and how it has changed up to the present year: remembering that at the same the situation of the local administrations has also changed and that the national debt does not represent the real situation: firstly, because it consists of payments made, but not of all those incurred; secondly, because it does not include the massive amount of debt represented by the paper money in circulation.

<i>States</i>	Private wealth before the war	Private income before the war	State taxation in 1913	National debt in 1913	State taxation in 1917-18	National war debt to 31/05/1918
United Kingdom	450,000	60,000	4,800	17,000	21,200	105,975*
Germany	400,000	50,000	4,250	13,000	7,500	103,000
France	290,000	30,000	3,837	39,000	8,371	102,000
Italy	90,000	15,000	1,850	16,000	4,150	45,000

All the values are in million lire.

\*The figure on the United Kingdom's national war debt to 31 May 1918 does not include the loans to the allies and the colonies.

It is easy to imagine that if, as is probable, the war lasts for another year, the national debts will grow by at least 40%, bearing in mind the spiralling rise in prices, and that the revenues will increase by at least 20%.

So what then will be the position of the belligerent states at the moment of peace? They will have to face:

I – the payment of the interests on the national debt;

II – their gradual amortization;

III – the reorganisation of the parlous finances of the local administrations;

IV – the reconstruction of the invaded territories;

V – the payment of war pensions;

VI – the unavoidable costs of social peace;

VII – the rebuilding of the merchant marine, railways, private roads, the construction of dams and reservoirs, and so on; or rather, in a word, all the capital expenditure needed to speed up the production of wealth.

Now this whole mass of state expenditure will be interlinked with the difficult private problem of industrial demobilisation and with the great demand for capital, which private companies will use for the replacement of old plant, for the greater need for circulating capital, and so forth.

To meet this massive list of requirements, we will find a greatly reduced national savings, a workforce which has been vastly depleted in the most productive age range, and the inevitable drift towards a crisis in consumer demand and prices, which would occur as soon as the artificial boom in prices and incomes begins to slow down, with the gradual withdrawal of paper money.

The problems which will have to be faced in order to solve an issue like this need to be assessed in terms of their real significance. Let us take the example of Italy. Before the war, it had a private capital wealth of 90 billion lire to make a round figure, from which it enjoyed a gross income of around 15 billion a year. Of this sum, about 1,5 billion was saved and went to increase the reserves, 1,9 billion was swallowed up by the state, 1,1 billion by the local administrations, and the remaining 10,5 billion went towards the needs of the people. After the war, we will find ourselves poorer because of the vast quantities of timber, iron and raw materials which have been destroyed, as well as having to provide the state about 7 billion a year, that is, in order to satisfy the public needs, having to draw from our income a sum over 350% higher than that of the pre-war period.



If, during the war, the income of every single citizen had been changed in proportionately the same way and if the prices of every object had been altered indentically, the problem would still be serious, but not so frightening. But the harsh truth is that a great redistribution of wealth has taken place during the war, and prices have changed in a fairly similar way, so that now we are no longer able to calculate how to spread and share out the tax burden among the individual citizens. Therefore its distribution among the different social classes will give rise to bitter competition between the various groups of citizens, thereby making the work of setting things in order again after the war still more difficult.

In these conditions the crisis can only be solved, as Luigi Luzzatti has also written, by making great cuts in military spending as compared to the pre-war period.

Now these cuts, as has been seen, can only be made in a safe way which everybody will trust, through a federal Europe, which would unify the government and the wishes of the states of our continent.

Then the military forces of our new organisation could be reduced to the few thousands of men required to maintain the public order, and the fleet could be cut proportionately. Of the 15 billion which were normally spent on the armed peace in pre-war Europe, at least 10 billion could be put towards a rational organisation of the vast public requirements.

36. *The advantages of the unification of military forces.* Here too we should not only dwell on the material benefits of the great reform, although they will be huge, but we also need to consider those of a high moral value.

As regards the former, the massive reduction in military spending is only one of the material advantages. Another even more significant one is represented by the far lower number of men in the productive age range who will be taken away from the pacific and fruitful arts of peace during the period of military service.

Until 1914, continental Europe called no less than between one and a half and two million twenty-year-old men to the arms, who for at least two years were removed from the production of wealth and whose studies were interrupted. A federal Europe which, like the United States, would not require more than three hundred thousand men in a peacetime standing army, would make a significant saving in terms of manpower

resources. While an increase in sports at school, better health care for the young, and compulsory shooting practice would provide us, against any possible recurrence of war, with a highly trained body of young men, well able to cope with the rigours and discipline of military life.

However the moral benefits would be far greater than the material ones. A small federal army would eradicate the evil of militarism, with its traditions and its pride. Established on the same basis as the great federal state to which it would be answerable, it could never become the tool – conscious or unconscious – of the interests of a caste. While, even without an upbringing deliberately geared to this purpose, the national army is trained in a spirit of combat with the other nations and already has the moral and physical image in mind of the enemy against whom it might have to fight in the future, the federal army, in the absence of direct or selected enemies, would receive a different and superior moral training and would know that it had been set up not for attack and conquest, but solely to defend certain supreme spiritual assets, without which life is not worth living. The national army and the federal army would be divided by that great moral abyss which today, even in the midst of bloody battles, separates the German army, at the service of the Junkers, from the American one, inspired by the divine idea of a higher freedom.

37. *Savings in public expenditure.* Nor will this be, although at first sight it might seem the most significant, the only economy in public spending which will be achieved by the unifying of Europe into a single state.

A considerable part of the bureaucracy today is only employed to handle the complications involved in ordinary, economic, political, legal and administrative international relations: a citizen, who travels to another state; a marketable security, which we wish to be valid in another country; a legal document, which is subject to different registrations and stamp duty depending on the nation where it must be drawn up; a patent, which we wish to safeguard or extend abroad; weights and measures; the different railway areas; the scope of a sentence under private law. In short, there is no act of our complex private life which does not undergo significant complications if we wish to extend its scope and validity outside the state where it has been initiated, giving rise to new acts and expenses, as well as the provision of the necessary administrative, diplomatic and consular staff.

It seems clear that the unification into a single state would bring a great economy as well as a simplification and speeding up of procedures, although it would still in its administrative and financial part respect the autonomy of the member states.

38. *The federation and colonial policy.* No less important are the advantages to be drawn from a Europe bound within a federation as regards the relations with the colonies and the sharing out of zones of influence. And in this field too the greatest benefit can be summed up in a phrase: by replacing "competition" with "solidarity".

If we look at the main writings of the supporters of German imperialism, starting with von Bernhardi's famous book<sup>14</sup>, we will find the fact clearly illustrated that Germany, when preparing for the present war, was driven no less by its desire to acquire colonies than that to achieve hegemony over Europe. It longed to raise the German flag over various key points on the oceans, with the aim of obtaining strategic bases for a definitive future struggle with Britain, as well as to acquire new markets, to which it could export its own goods, in exchange for raw materials and food.

In this too, the gap between the two socio-political conceptions, which have lent their moral and ideal character to the present war, could not be clearer.

Germany represents the old principle, modernised and reviewed but not improved, that the colony is "a cow to be milked" until its wealth is exhausted by the European power which has acquired it. It is the principle which has inspired all the crimes of colonialism, all the violence against the indigenous inhabitants, and all those economic mistakes of every kind which Adam Smith has already denounced and demolished in his *Wealth of Nations*. Mistakes which time has tempered, but not cancelled out, and which still hold sway today in the majority of European nations, Italy and France included (see, for example, Girault's excellent recent book: *The Colonial Tariff Policy of France*)<sup>15</sup>, and which only Britain has learned from experience to avoid.

<sup>14</sup> Friedrich Adam Julius von Bernhardi, *Deutschland und der nächste Krieg*, Stuttgart-Berlin, J. G. Cotta, 1912, English translation by Allen H. Powles, *Germany and the Next War*, London, Edward Arnold, 1912.

<sup>15</sup> Arthur Girault, *The Colonial Tariff Policy of France*, Washington (D.C.), Carnegie Endowment for International Peace, 1915.



Against this selfish concept of economic exploitation, equally damaging for the mother country as for the colony, stands the British principle, which considers the colony as a force which should be educated and improved as quickly as possible, with the end of allowing it an ever greater freedom, which it can enjoy as an integral part of the Empire.

In short this field reflects more or less what has taken place and is taking place in the relationship between capital and manpower. That is, capital has understood that the intellectual, moral and material improvement of the worker is a great strength and makes a great contribution to growth to its own advantage.

The fulfilment of this ideal, which everybody has recognised as scientifically incontrovertible, has so far been hindered by the competition, jealousy and rivalry among the European nations. Every one of which, fearful of being overtaken by the others, has tried to restrict their access to its colonies, thereby creating, even involuntarily, a regime of the superiority of its own products and of the moral inferiority of theirs.

And at the same time these feelings of rivalry have led the European powers in a hectic race to acquire so-called "zones of influence", with two basic drawbacks: firstly, that of creating an infinite number of new points of attrition; secondly, that of subordinating the economic, rail, manufacturing and commercial needs of a given area to the various political criteria of the various states, among whom the zone of influence in that area has been divided for political reasons.

Only the principle of European federation can provide the necessary and definitive protection against these absurdities, which simultaneously offend the reason, the rights, the ethics, the freedom and the economic interests of the human race.

39. *The horrors of a future war.* The need to put a definite end to the possibility of war – at least broadly speaking, is not only dictated by the categorical imperative of protecting the peoples from a financial burden which would weigh heavily upon the manufacturing system and drive them into misery and social disorder, but also by human considerations, which ought to be treated very seriously in this second decade of the twentieth century.

We are still unable to form the slightest idea of what the demographic and moral effects of the war will be, or of what its consequences will

be for future generations in terms of health, nervous energy, intelligence, and psychological strength and tendencies.

Yet it is important that the peoples become aware of the fact that this war has not yet revealed the worst that can be reached in terms of horror, destruction and waste of nervous energy by the combatants and above all by the people.

It would be impossible to express this point of view better than Wells has done in his magnificent recent article in the *Rassegna italo-britannica* / *Italian-British Review*:

This war has only begun to be horrible. No doubt it is much more horrible and destructive than any former war, but even in comparison with the fullest possibilities of known and existing means of destruction it is still a mild war... The occasional dropping of a big bomb or so in London is not to be taken as anything but a minimum display of what air war can do. In a little while now our alliance should be in a position to commence day and night continuous attacks upon the Rhine towns. Not hour-long raids such as London has experienced, but week-long raids. Then and then only shall we be able to gauge the really horrible possibilities of the air war. They are in our hands and not in the hands of the Germans. In addition the Germans are at a huge disadvantage in their submarine campaign. Their submarine campaign is only the feeble shadow of what a submarine campaign might be. Turning again to the atlas the reader can see for himself that the German and Austrian submarines are obliged to come out across very narrow fronts. A fence of mines less than three hundred miles long and two hundred feet deep would, for example, completely bar their exit through the North Sea. The U-boats run the gauntlet of that long narrow sea and pay a heavy toll to it. If only our Admiralty would tell the German public what that toll is now, there would come a time when German seamen no longer consent to go down in them. Consider, however, what a submarine campaign would be for Great Britain if instead of struggling through this bottleneck it were conducted from the coast of Norway, where these pests might harbour in a hundred fiords. Consider too what this weapon may be in twenty years' time in the hands of a country in the position of the United States. Great Britain, if she is not altogether mad, will cease to be an island as soon as possible after the war, by piercing the Channel Tunnel... but such countries as Australia, New Zealand, and Japan, which are directly involved in the future in a war against any efficient naval power with an unimpeded sea access, will be isolated forthwith. I cannot conceive that any of the great ocean powers will rest content until such a tremendous possibility of blockade as the submarine has created is securely vested in the hands of a common league beyond any power of sudden abuse.

It must always be remembered that this war is a mechanical war conducted



by men whose discipline renders them uninventive, who know little or nothing of mechanism, who are for the most part struggling blindly to get things back to the conditions for which they were trained, to Napoleonic conditions, with infantry and cavalry and comparatively light guns, the so-called "war of manoeuvres." ... But after the war, if the world does not organise rapidly for peace, then as resources accumulate a little, the mechanical genius will get to work on the possibilities of those ideas that have merely been sketched out in this war. We shall get big land ironclads which will smash towns. We shall get air offensives,... that will really burn out and wreck towns, that will drive people mad by the thousand. We shall get a very complete cessation of sea transit. I doubt if any sort of social order will really be able to stand the strain of a fully worked out modern war. We have still, of course, to feel the full shock effects even of this war. Most of the combatants are going on, as sometimes men who have incurred grave wounds will still go on for a time – without feeling them. The educational, biological, social, economic punishment that has already been taken by each of the European countries is, I feel, very much greater than we yet realize. Russia, the heaviest and worst-trained combatant, has indeed shown the effects and is down and sick, but in three years' time all Europe will know far better than it does now the full price of this war. And the shock effects of the next war will have much the same relation to the shock effects of this, as the shock of breaking a finger-nail has to the shock of crushing in a body... Existing states have become impossible as absolutely independent sovereignties. The new conditions bring them so close together and give them such extravagant powers of mutual injury that they must either sink national pride and dynastic ambitions in subordination to the common welfare of mankind or else utterly shatter each other. It becomes more and more plainly a choice between the League of Free Nations and a famished race of men looting in search of non-existent food amidst the smouldering ruins of civilization. In the end I believe that the common sense of mankind will prefer a revision of its ideas of nationality and imperialism, to the latter alternative<sup>16</sup>.

40. *The European market and the advantage for manufacturers.* We would like to dwell for a moment on another of the great benefits, which only the creation of a federal Europe can bring; the constitution of the whole continent of Europe as a single manufacturing market.

<sup>16</sup> Herbert George Wells, "Verso la Lega delle Libere Nazioni", *Rassegna italo-britannica / Italian-British Review*, I:3, July 1918, pp. 3-15. (This article, originally published in Italian, is a summary of H. G. Wells, *In the Fourth Year Anticipations of a World Peace*, London, Chatto & Windus, 1918; the quotation is taken from pp. 106-12 of the book).

A league of nations, which allowed the right to continue for every state to raise customs barriers and other obstacles to free trade, would mean the persistence of those great partial and selfish economic forces which, as everybody recognises, bear a great deal of responsibility for the outbreak of the present war.

The influence which protectionism had, both directly and indirectly, on the build-up to the war, especially in Germany, has been presented very clearly in the recent article written by one of the most eminent British economists, Robertson, for the Cobden Club:

It is worth while, finally, to note the broad but little-considered fact that the new demand for a reversion to a long ago rejected fiscal policy is simply a matter of calling for "German methods" in international relations during a war which has been forced upon the world by the dominant German spirit. *Fas est ab hoste doceri*, certainly, in war. But when the war is demonstrably the outcome of the enemy's temper as developed by his methods in time of peace, the maxim surely carries for sane men the sense of a warning against following his example. It is a cult and a system of national egotism that has brought the war about. The very expansion of German trade during the past forty years has visibly helped to engender the frame of mind in which a world war was regarded by myriads of Germans as a means of further commercial expansion and supremacy. The system of tariffs, first resorted to as a means of furnishing imperial revenue for military purposes, always visibly checked German trade as soon as, having met the demand of the secured home market, it sought fresh outlets abroad. Saved only in part by lower wages and longer hours from the handicap of the increase in cost set up by Protection, it was always feverishly employing speculative finance to aid it in its competition with the unprotected trade of Britain. Lower profits, extended credit, dumping experiments, were normal symptoms; and before the war its financial footing was such as to set up uneasy apprehension throughout the German world. The fact that German banks financed German trade to an extent never yet reached in Britain has been a ground of appeal for similar methods here, without due regard to the question whether that very speculative finance was not bringing about a state of things which moved business men to see in war a cure for a state of commercial disease that they could in no other way hope to reduce.

Always the need grew greater for *more secured markets*; and the unyielding persistence of British competition, the plain impossibility of overtaking it in textiles or of shaking it off in machinery, at last generated among German traders, now following the lead of their militarist megalomaniacs, the malignant dream of breaking down British maritime supremacy by sheer force. First the chief Continental antagonists were to be crushed; Holland and Belgium were to be made subordinate to German commercial interests; and then the Navy of Britain

was to be marked down for destruction in a struggle to the death; whereafter Germany was to be free to seek Eastern and Colonial expansion where she would, and to secure markets free from serious competition.

The entrance of Britain into the struggle at the start has happily frustrated the whole murderous plan; but it is now sufficiently plain that modern Germany, under a fiscal system modelled on that of the economically unenlightened eighteenth century, had re-created the national temper which in that age made "trade wars" an outstanding feature in history.

The temper of our Tariffists promises a very similar development for Britain in the future if it should get the upper hand. A policy of trade boycott which would ostensibly begin with Germany and would immediately have to be extended to neutrals would create exactly the situation in which commercial Germany latterly found herself – that of exclusion from many markets and handicap in others, with the inevitable result of generating a demand for the securing of markets by force. With us, as with Germany, the wheel would go full circle. To begin that fatal revolution in this tremendous crisis would be to go far towards making the World War the beginning of the end of European civilisation<sup>17</sup>.

We had reached an absurd state of affairs in Europe, whereby every factory which opened in one state was a thorn in the side of all the other states: whereby, while the great technological inventions of steam power used in land and sea transport, of electricity as a source of energy, of the telegraph and the telephone, had solved the problem of distance and transformed the world into one great single international market, small-minded men strove with all their might to cancel out the enormous benefits of the great discoveries, by creating artificially isolated markets and small centres of production and demand.

And they did not seem to have realised that the protectionist system had ended up destroying itself and transforming work from a pleasure into a torture. For, with every state wanting to pursue the same ends, to produce everything, and to produce on a vast scale, never as in these last twenty years had that competition, which they had aimed to avoid, been bitter, so distressing and so fierce. Production was on a larger and larger scale, in shifts and non-stop, and with ever lower profit margins, and

<sup>17</sup> John MacKinnon Robertson, *Fiscal Policy after the War*, London, Cobden Club Publications, Cassell & Co., 1916, pp. 29-30.



dogged by an incessant fear of what was being done, what was being thought, and what was being invented abroad.

Only a federal Europe can bring about a more economical division of work, with the removal of all the customs barriers. It is enough to remember the size of the military arsenals that today weigh of down almost all of continental Europe; the industrial "doubling" created by protectionism; the daily destruction of wealth; the obstacles which slow down the speed of the exchange and circulation of goods; the confused economic legislation it has led to, with its no less confused and costly bureaucracy, to understand how the removal of this cancer from Europe would be enough, in short, to compensate for everything that the war has subjected us to. Is there a reasonable person who, without fear, can imagine that, after such an immense war, we will be able to return to an economic policy of preferential treatment, of exclusive rights, and of localisation, laying the burden squarely on the shoulders of the exhausted consumers?

A European economy which, prudently and with gradual changes, replaced the self-interested economies of today's separate states, and carried out a complete division of work, would give us, to the great benefit of manufacturers, that reduction in prices, which would enable the consumers to cope with the financial burden of the war without exhausting their own physical and creative strength.

The problems of transport and food, and that of the division of raw materials, which have troubled all the European committees meeting to study the post-war period, would automatically be resolved.

And the enormous expansion of the market from national to continental would mean that once the industrialists had passed through the first period of reorganisation, they would find themselves before a market of such unimagined potential that their industries would share in the same kind of boom as that enjoyed by American industry after the Civil War.

41. *The benefits for the countries and for the poorer classes.* It needs to be pointed out that the setting up of a confederation in Europe would bring its greatest advantages to the states which are more backward in terms of civilisation and wealth.

Naumann, in his famous book on the formation of the Central

Europe<sup>18</sup>, opportunely devotes many pages to demonstrating the advantages that Austrian economy and Hungarian farming would enjoy from union with Germany, which would benefit from their neighbour's scientific methods, as well as from the excellent workmanship of its manufacturers, chemists and agronomists.

This theory can be applied, multiplying it, to the European state. Every nation would contribute the best features of its race to the confederation, so that the European administration would be the result of a combination of all the best qualities of all of the member nations.

And, of course, it is in the interests of every state for the poorest, most backward parts of their regions to be brought as quickly as possible to the level of the richer regions, as otherwise they might be a source of weakness for the whole social organisation. Thus it would be essential for the richest parts of Europe to raise the less well-off areas rapidly to a higher level; by building railways and roads, opening schools, improving the economy, opening banking facilities, and giving more importance to social relations.

All this would prove to be of enormous benefit to the working classes: for how would it be possible in a single European state where, for example, the French, the Germans and the British received disability and old age pensions, for the Italian workers not to receive them as well?

And all these reforms would rekindle the spirit of Europe. They would sweep away the superficially patriotic prejudices, the sense of jealousy and competition, the need to maintain industries and – as in Germany – social classes, whose sole use is to keep alive a training in power and conquest; it would leave the humbler classes free to improve their condition and would teach them to play an increasingly important role in political life. And finally, as the European federation should always choose the most advanced, and not the most backward, models, it would entail the introduction of the best systems into those countries where the schooling of the masses is least advanced, in order to bring about a rapid improvement in the level of education. Buckle's admirable work has revealed how the improvement in the means of communication, and the subsequent freedom of movement, have led to a better understanding of the character of the French in Britain. This would be

<sup>18</sup> Friedrich Naumann, *Mitteleuropa*, Berlin, G. Reimer, 1915, English translation by Cristobel M. Meredith, *Central Europe*, London, P. S. King, 1916.



repeated a hundredfold, if the states of today were joined together in a federation which unified their aims, guided their energies towards common ideals, and united their interests. The old Europe, coming out poisoned, exhausted and impotent from its blood bath, would be revived and provide shining proof of its eternal youth, in striking confirmation of its moral and cultural superiority in the world.

42. *The shape of the federation.* We would like to take the opportunity to say a few words about the structure of a possible future European Confederation and the role it might play. The British example seems to us to be particularly valuable here. Curtis wonders:

But are we justified in describing the British Empire as a state? To answer that question we must ask ourselves what the attributes of a state are. Human life is mainly concerned with adjusting the relations of men, or communities of men, to each other. When the interests or ideals of two individuals or communities conflict beyond the hope of agreement, they may be settled either by the strength of the stronger, that is to say by violence or the threat of violence, or else by the authority of law. The state is an institution designed to adjust the relations of its component members or communities without violence, or at least by the use of only so much as may be necessary to enforce the authority of law. The British Empire determines by the peaceful methods of law the relations of a large number of races and communities, and in this sense it is a state. It does in practice secure that none of its component states shall engage in war with any other, whether inside or outside the limits of its jurisdiction. No foreign state can make war on any of them without being at war with all of them together... This empire, including a quarter of the human race, is in fact a state from the international point of view.

The obedience which these various communities representing the successive stages of human progress severally yield to the Imperial sovereignty is conceived in a manner natural to the social ideas of each of them. To the tribes of America, Africa, and the Pacific Islands, with their patriarchal ideas, it was natural to speak of Queen Victoria as "The Great White Mother." By the people of India the monarchy is thought of "as a divine institution, a sacred office, not to be assailed or criticized without a tinge of impiety." And yet the supreme government of the state is based upon principles typical of Europe in direct antithesis to those understood by the races from which seven-eighths of its subjects are drawn<sup>19</sup>.

<sup>19</sup> Curtis, *The Commonwealth of Nations*, pp. 14-15.

This has been possible because of the respect that Britain has for the beliefs, culture and institutions of all the countries which make up the Empire. So we can see that India is still governed in its internal relations by its princes ruling absolutely through divine right, while Canada and South Africa have parliamentary governments. In German thinking, the British government's system is inconceivable and the "Kultur-Imperialist" would brand it the child of ignorance and weakness. It is enough to have an idea of the doctrine and the laborious evolution with which it has been developed; it is enough to read books, like Bryce's *The Ancient Roman Empire and the British Empire*<sup>20</sup>, or the recent *Cambridge Modern History*, to form a clear idea of the great wisdom on which this admirable structure of unity and freedom is based.

43. We would also like to dwell a moment on a second point, as it is, in our opinion, of great moral and practical importance for the constitution of a European Federation.

Curtis has observed correctly that a warrior and absolutist state is in the best position to conquer territories: but the crucial point lies in knowing how to keep them. If Britain has been able, unlike the other European states, not just to maintain its rule over, but also to feel affection for, around three hundred million people from the widest range of races and religions, scattered throughout the world, it is due to the fact that it has kept faith with, also in its relations with the colonies, the principles of its policy known as "the rule of law".

As Curtis points out, the "rule of law" has three fundamental meanings:

I – it means above all the absolute prevalence of ordinary law over the influence of arbitrary power, and also over the exercise of discretionary power by the government. The British are ruled by the law and only by it; and a British citizen can only be punished for breaking the law and not for anything else;

II – it means again that all the social classes are equally subject to the ordinary law, administered by the ordinary bench. The "rule of law" in this sense excludes the idea that anybody at all, even a high official, might

<sup>20</sup>James Bryce, *The Ancient Roman Empire and the British Empire in India. The Diffusion of Roman and English Law throughout the World*, London, Oxford University Press, 1914.

be exempted from the duty of obeying the ordinary law, or be outside the jurisdiction of the ordinary bench. The concept of administrative justice, or others of the kind, is inconceivable to the British mentality;

III – and finally the “rule of law” can be used to express the fact that in Britain the constitution and its principles are not the source, but rather the consequence of individual rights, which were and are defined and enforced by the lawcourts. In other words the principles of private law have been gradually extended by the British courts and parliament in such a way as to determine the legal position of the crown and the high officials: therefore the constitution is the result of the ordinary law of the country.

Now the application of the “rule of law” to the relations with the colonies, has removed them from the jurisdiction of the companies, viceroys and other officials, heightening the sense of responsibility the latter feel in their relationships with their subordinates.

When a conquering people comes into contact with weaker peoples, it naturally falls prey to the flattery of temptation; and often its fame and the national gratitude towards the conquerors mean that their faults and injustices are overlooked and the central government is tempted to acquit it of every charge, also in obedience to the preconception that the prestige of their power should, no matter what the cost, always be kept high in its dealings with the subject peoples.

This idea has never, however, held sway for long in Britain. The mistakes and misdeeds of the governors and their staffs have always been tried by ordinary judges with the same procedures as for all the other ordinary citizens; so the colonials knew that a court existed far away in London which could rule in their favour, even against the wishes of the viceroys and conquerors. It was this idea of justice that grew up for both the conquerors and the conquered, which prevented the British Empire from declining, as had happened to the Athenian Federation; of from having to choose between anarchy and absolutism, as had happened, at a great turning point in history, to Rome; and it is what enables it today to continue its progress towards even higher form of evolution.

Certainly, Britain has sometimes gone astray, as in its relations with Ireland, in its attitude towards slavery, in its early opposition to the United States of America, and earlier still with India. Yet despite these mistakes,

the hallmark of the British way of life has been the fact that the “rule of law” has always been adhered to, and that it has constantly widened and improved its scope, so as to make the constitution of the British Empire, in our opinion, the most perfect model on which to base a future federal Europe.

The most sensational cases, although they are not very common, of the application of the “rule of law” may be read and thought about with great profit by every continental European. The most important are discussed by Curtis; and a classic one can be read in Macaulay’s excellent essay on Lord *Clive*<sup>21</sup>.

44. These are the cornerstones on which the federal constitution should be based. The central government should have full powers as regards:

- I – foreign policy;
- II – the army and the navy;
- III – the federal budget, that is the raising of the means to enable it to govern;
- IV – customs policy.

As regards all the rest, complete financial, economic, social and legislative freedom should be left according to their customs and history, to the confederated states, established with as much respect as possible for the principle of nationality. It will always, of course, be within the power of the states in the federal congress to extend the scope, gradually and as they see fit and subject to the agreement of the single parliaments, of the federal state into other areas to the benefit of everybody, such as the unification of various aspects of economic and trade law, of the most important parts of social legislation, of rail and maritime law and so forth. The union should become increasingly centralised with the slow spontaneity of a natural evolution.

And so the other regulatory principle of the federation should be that contained in the “rule of law”, on the basis of which all the federal administrations would, in their relations with the states, be subject to the

<sup>21</sup> Thomas Babington Macaulay, “Clive”, *Edinburgh Review*, January 1840.



ordinary laws and the ordinary lawcourts. In this way the arbitrator, that increasingly wily adversary of every free union, would be eliminated, or soon kept under control.

If these two basic principles – those of “self-government” and the “rule of law” – have saved the British Empire and enabled it to survive the rough blows it has received over the centuries from hostile forces at home and abroad, they should have an even more positive effect on the cohesion of Europe, which in its north-western nucleus has conditions of civilisation, tradition and freedom that are not so very different from each other.

### The necessary premise

45. *We must win.* One condition is essential before this noble ideal can be achieved: the Entente must defeat Prussian militarism.

From this point of view, what we are engaged in is a war between two ideals: that of freedom and democracy, personified by the British Commonwealth, and that of autocracy, represented by the state intervening in every sphere of private action, regulating every kind of activity, the arbiter of culture, expansionist and militaristic, of which Prussia is the best and clearest example.

Profiting from the dual advantage of the preparations for its fortieth anniversary and its adversaries' lack of preparation, Central Europe has conquered and still holds so much territory that any peace today would be the disaster to end all disasters. While in the West they hold Belgium, with Antwerp and the mouth of the Scheldt, ten of the richest French departments, with the mining areas of Longwy and Briey, and two Italian provinces; in southeastern Europe they rule Montenegro and Serbia; and in the East they are so strong that the pan-Germanic dream might even become reality. In the Baltic provinces, Germany would like to create a federation of states beneath its presidency and which would give it economic control of that vast region. In Finland, through the twin control of Helsingfors and the Gulf of Bothnia, the Germans aim to cut the Murmansk railway line and thus Russia's communications with its Arctic coast and, uniting Finland with Russian Karelia and the area served



by the Murmansk railway, giving the new state borders with Estonia and Livonia, which are the *longa manus* of the German Empire towards the Baltic. The fate reserved for Poland is well-known.

Even more important is the economic domination which Germany has come to have over the Ukraine and Romania, with the two treaties of February 10th and May 6th of this year. With article VII of the former, Germany and the Ukraine agreed to provide each other until July 31st with their agricultural and industrial surpluses. Since that date a provisional commercial convention has come into force, which applies the pre-war customs tariffs between Austria-Hungary and Russia, contains a most favoured nation clause and guarantees the free transit of German goods to Asia and in particular Persia, which Russia had precluded before the war.

Then the treaty with Romania even abolishes that state's economic sovereignty, obliging it to make its wheat available to the Central Europe and putting the region's main resource, oil, for the next ninety years in the hands of a company, three-quarters German-owned, which will be able to drill wells and prospect for further oil reserves on private land without having to conform to Romanian civil and administrative legislation. Furthermore, the river traffic on the Danube to the Black Sea is to be controlled by the Austrians and the Germans, and so a new trade route to Asia has been opened up to the Central Europe.

Thus, apart and aside from its western and southern territorial occupations, it seems clear that through its three eastern peace treaties (with Russia, the Ukraine and Romania) Germany has:

I – obtained control over Russia, through its domination of the Baltic and Arctic ports and of the Polish area: a control whose effects of course extend over part of Siberia, in that this is ruled by Russia;

II – it has opened up the great Hamburg-Black Sea route, which is the cheapest for reaching the twin hearts of Asia, Asiatic Turkey and Persia;

III – it has assured itself economic domination over Russia, the Ukraine and Romania;

IV – it has secured itself Ukrainian and Romanian agricultural and mineral resources. Some of the benefits will be immediate and other much greater ones will mature in twenty to twenty-five year's time when the effects of German domination might come to weigh heavily down on the

areas from the North Sea to the Baltic, from Hamburg to the Black Sea, from the Belgian and Swiss borders to St. Petersburg and on down through Asia, to Persia.

The Entente can only reach one conclusion on this situation: *to continue the war until victory*. Wilson has uttered wise words on this too. If the Allies arrive at peace without doing away with those eastern treaties, no German and Austrian concession in the West would cancel out one fact: Germany's colossal victory. Within a quarter of a century our fate would be sealed. An overpowerful Germany would swallow us up in a few mouthfuls after having overthrown Great Britain. There would be an irresistible German advance and, then, the silence of the defeated. To make peace in these conditions, let us say it very clearly, would be like building the scaffold on which the heads would soon roll of the nations of Europe, our children and of the freedom of the world.

This is the truth that must still shine bright and clear, in our minds and in our consciences.

46. So we must win, otherwise the federation will come into being, but under the German heel: something which none of us dare risk.

Yet victory will not be fruitful if it goes to the heads of the Entente, they launch themselves into a short-sighted imitation of Germany and are satisfied with dividing up the vanquished. In that case there would be a variation of balance at the centre of the European axis; the supremacy would shift from central Europe to northwestern Europe; we would witness an outbreak of nationalist pride in the other nations and the growth of the spirit of *revanche* in Germany: in other words nothing would have been achieved for mankind, for democracy, for freedom.

Victory is necessary to humble Prussian pride, to rebuild the states according to nationality, to create the peaceful conditions on which the new united Europe can be built. But we must not forget that its creation is the main duty of victory. It would have been pointless to have fought, to have shed seas of blood and caused endless destruction and pain in the name of freedom, if then, once victory were achieved, we were to leave the task incomplete and the way open again to the forces of reaction. "Prussianism" does not exist only in Prussia: it is near to us all: it is the real great enemy which we must destroy once and for all. If, because we had defeated Germany, we were to be content with outside appearances

and believed that we had destroyed the Prussian spirit in Europe, we would be behaving like children who are easily tricked, it would be a case of "*dépouiller Saint Pierre pour habiller Saint Paul*". We would have stopped short through cowardice.

47. It is our hope that the idea of a federal Europe will not fall on deaf or sceptical ears. We have seen socialists smile at this idea, it being treated as "utopian" by them. Of course those who made this brief and hasty judgment, were careful not to devote even an hour of their precious time to examine this idea and even less did they remember that socialism was founded on an idea which appears infinitely more utopian, unreal and vast: the centralisation of the means of production in the hands of the state and the disappearance of the private ownership of property. And yet it is in the name of this "utopia" that millions of workers have been fighting for two-thirds of a century!

The principle of a Commonwealth is, however, an ancient one and its benefits are witnessed by some excellent examples. Italy was formed out of twenty-two states, Germany from three hundred and sixty tiny ones; the United States of America has joined forty-eight states with people from a vast variety of races together in a bond of freedom, in a territorial area ten-elevenths the size of Europe; Britain, in an area of 12,747,324 square miles, rules over 433 million people, whose active participation in the life of the Empire is becoming increasingly important.

48. It has been recently observed by Lloyd George that, as things stand, the rough outline of a league of nations already exists, works and is called the Entente.

Let us for a moment look at the changes which have taken place within it, dictated by the iron hand of necessity, in the short period of four years. At the beginning Britain, France, Russia and Italy worked towards a common goal, certainly, but in markedly different ways: every power for its own objectives, with its own means, in its own ways.

Then they started to review their goals, through the need to harmonise them and so set up a diplomatic "united front" for a future peace table.

Later, necessity led to the creation of another "united front": for economics and finance. Britain became the only purchaser of a number of goods which were then redistributed among its allies, following a

previously agreed plan, transported on the merchant navies subdivided with fairness, with payments being made in a previously agreed way, to avoid collapses in the exchange rates.

Finally the "united front" was extended and ended up being applied in the most difficult and jealously guarded area of all, because it touched on the very sovereignty of the Allied states: the strategic front, which is becoming increasingly unified today.

Nor is this enough. We are all convinced that at the outbreak of peace – which can be no less disturbing than the outbreak of war – it would be absurd and dangerous, disastrous even, for all the countries, once they have reclaimed and resumed their respective independence, to hurl themselves at what little remains of the world's resources and try to seize them. Hence all the inter-allied studies to continue the single economic front after the war is over, which involves the protection of raw materials and food provisions, with their orderly and proportionate sharing out among the Allies according to a prearranged plan, with a fair subdivision of transportation, and joint measures for facilitating customs procedures.

Now is there anybody who considers this package of agreements as dangerous and harmful, rather than particularly useful? Is there anybody who thinks that, through all these "united fronts", the sovereignty of the states has been dangerously eroded, that the nations are losing their characteristic features and their jealously guarded independence?

And, if the answer to these two questions is, and it can only be, completely negative, how can the idea of a European federation be buried under a simple *fin de non recevoir*, how can it be said that it lacks practical experience, when on the contrary the living proof of the past few years has shown us that its application is necessary, possible and feasible?

Every ideal has its time. While the principle of nationality, considered as the basis for the formation of a state, seems to have reached the end of its political usefulness, the idea of an increasingly close moral and legal union between the states of Europe appears a categorical imperative to some of the least easily deceived minds in the world: those of the diplomats. And Bethman Hollweg agrees with Wilson on this point, Czernin agrees with Sir Edward Grey, Asquith agrees with Lloyd George<sup>22</sup>. This is because the historical, social, economic and political ideas which

<sup>22</sup> David Lloyd George, statement on 5 January, 1918.



have reached maturity during the war, seem to be working together in favour of the great ideal.

It could enjoy a wide consensus among the masses. They should appreciate that, if and as far as an internationalisation of labour can be achieved, an essential premise to its realisation will be a federal Europe which will prepare its way, demolishing the great political and social obstacles, with which the selfishness of the separate states today opposes every idea of a universal nature.

If the time for a federal Europe has come, the federation will come into existence. But whether the masses participate or not with a spirit of agreement, of enlightened generosity and of trust will have an enormous importance on the destiny of the masses themselves.



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## Biographical notes

Giovanni Agnelli (Villar Perosa 1866 – Turin 1945), industrialist. Member of a family of landed gentry, he studied classics and then went into the army. He was commissioned as a cavalry lieutenant in 1889. Serving with the “Savoia Cavalleria” stationed in Verona, his first experience with machines took place in a workshop next to the stables at the barracks. He left the army in 1892 and spent seven years looking after the family affairs. In 1899, together with eight other partners, including Biscaretti, Bricherasio, Faccioli and Scarfiotti, he founded the “Fabbrica Italiana Automobili – Torino”, FIAT in acronym. Agnelli was secretary of the first board of directors, but in the same year he took on the responsibilities of managing director and ran the company in practice until his death. Driven by an incredible thirst for success, he led the company from the small factory of its origins through two world wars and made it into a great industrial group, operating in a wide range of economic sectors. He was appointed a Senator of the Realm in 1923. Even though he was absolutely devoted to the fortunes of his company he did not close himself off into positions of blinkered company interest, revealing a profound awareness of the “social” role of the businessman, of which *European Federation* is one of the many examples.

On Giovanni Agnelli's life, see V. Castronovo, *Giovanni Agnelli* (Torino, Utet, 1971; second edition Torino, Einaudi, 1977).

Attilio Cabiati (Rome 1872 – Turin 1950), economist, taught at the Istituto superiore di scienze economiche e commerciali in Turin and, after 1918, held the chair of Political Economy at Genoa University and at the Bocconi University in Milan. Born in a Jewish family, he was forced

to abandon his academic career after the introduction of the anti-Semitic laws in 1938. An expert in international trade, and an exponent of laissez-faire economics, he represents, along with Einaudi, Pantaleoni, Barone and Pareto, a generation of Italian economists which still remains unsurpassed. He was the author of a large number of written works. Among them were his writings on the theory of dumping and international trade (*Principi di politica commerciale. La teoria generale degli scambi internazionali*, Genoa 1924; *Fisiologia e patologia economica negli scambi della ricchezza fra gli Stati*, Turin 1937), on exchange (*Il sistema aureo e il fondo conguaglio dei cambi*, Turin 1940), and on the identity, already recognised by Barone and Pareto, between investment criteria in a market economy and in a planned economy. His association with Giovanni Agnelli is reflected in a vast number of contributions to the economic and political debates of the time.



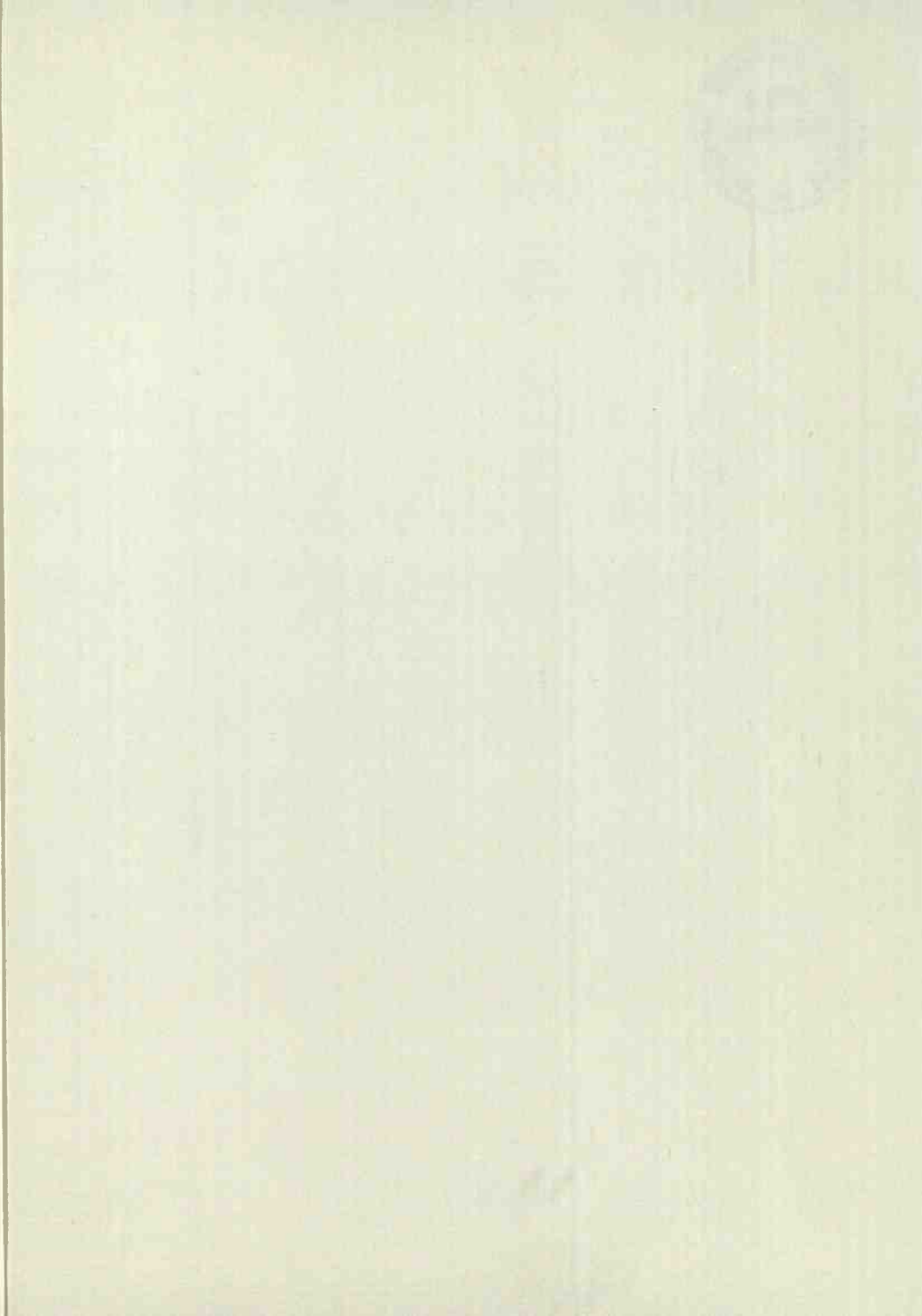
Giovanni Agnelli's residence, which now houses the offices of the Giovanni Agnelli Foundation.





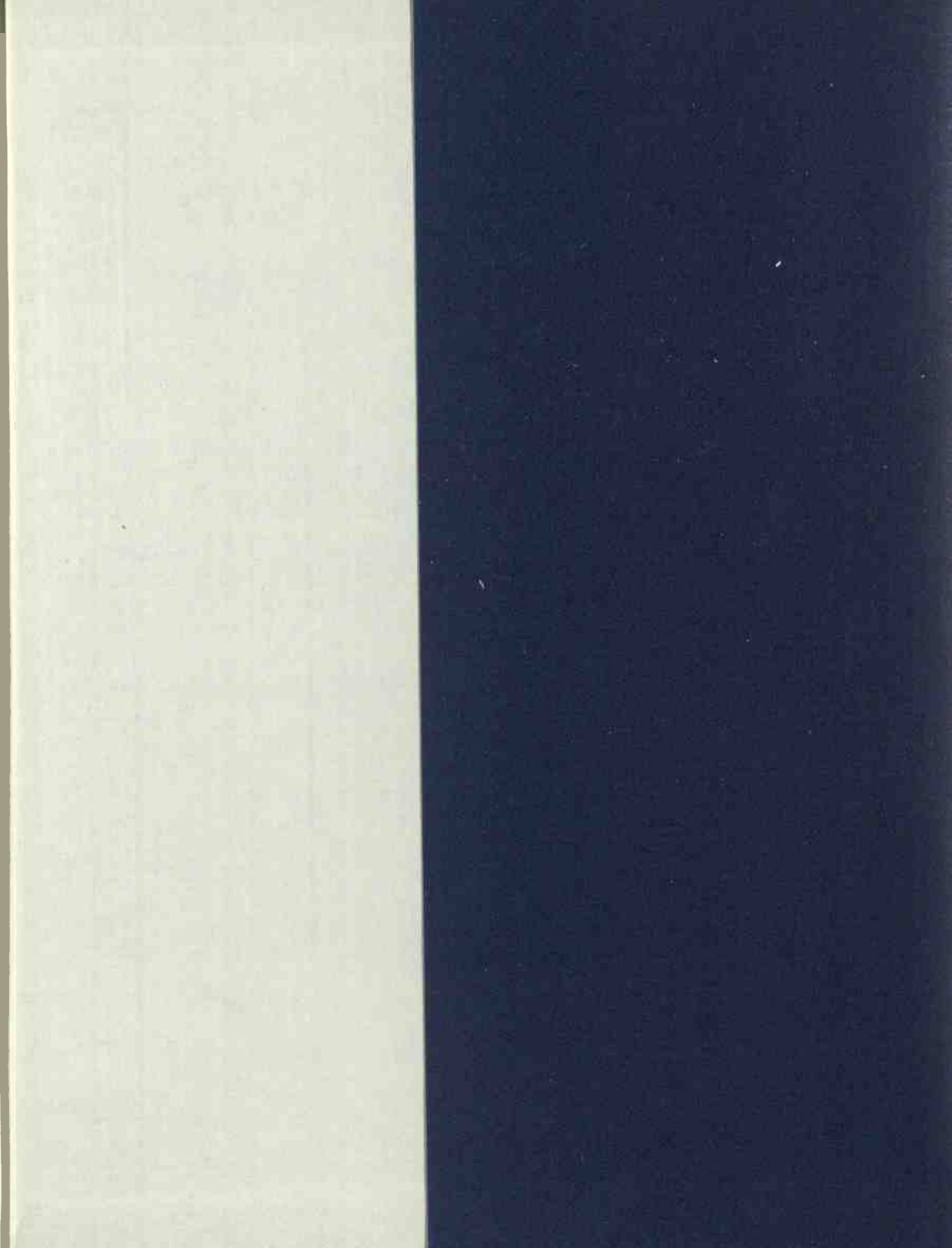
Printed and bound in Turin on 15 January, 1996  
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"A European Federation does not contrast with the principle of nationality: indeed it represents the only solution that leads to its most complete and triumphal accomplishment, because it eliminates any possible conflict between the moral needs of nationality and the political, strategic and economic needs of the state."



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