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"Shall we attain, as some prophets, perhaps as vain as their predecessors, assure us, a social transformation more complete and more profound than our fathers foresaw and desired, or than we ourselves are able to foresee? Or are we about to enter on

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# CONDITIONS OF PEACE

*Books by Prof. E. H. Carr*

MICHAEL BAKUNIN

THE TWENTY YEARS' CRISIS, 1919–1939

INTERNATIONAL RELATIONS SINCE
THE PEACE TREATIES

# NOTE

THE hazards of any study of international affairs made in the midst of the shifting fortunes of war will be apparent to every reader, as they have been apparent to the writer, of this book. The fundamental issues at stake in the war — and in any future peace — have not changed, and will not change, their character. But every fresh extension of the battlefield alters in some degree the perspectives through which they are viewed and the policies designed to meet them. It should therefore be said that the general shape of this book had been determined, and much of it had been written, before the entry of Soviet Russia into the war transformed some of the problems with which it attempts to deal; and that it was already in the press when Japan and the United States of America joined the ranks of the belligerents. These considerations reinforce the warning given on p. 164 of the tentative nature of the discussions of policy in the concluding chapters.

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# INTRODUCTION

THE civilised world on which the war of 1914 broke so suddenly was on the whole a prosperous and orderly world. It was a world of contented and reasoned optimism — a world which, looking back on the past hundred years with pardonable self-satisfaction, believed in progress as a normal condition of civilised human existence. The war was regarded not as a symptom that mankind had got on to the wrong path (for that seemed almost inconceivable), but as a shocking and meaningless digression. "We were sure . . . in 1914", says Lord Halifax, "that once we had dealt with the matter in hand the world would return to old ways, which, in the main, we thought to be good ways." [1] Some grains of optimism could even be extracted from the awful experience. In the closing stages of the war the belief became current that the result of an Allied victory would be to create a still better world than had been known before, a world safe for democracy and fit for heroes to live in, a world in which a new international order would assure universal justice and perpetual peace. There was felt to be nothing revolutionary about this conception. A return to the old ways, which were also good ways, naturally meant a resumption of the orderly march of human progress. "There is no doubt", wrote General Smuts in 1918 in a much-quoted passage, "that mankind is once more on the move. . . . The tents have been struck, and the great caravan of humanity is once more on the march." [2]

This vision of a resumption of the age-long march of mankind towards a better world did not last. It faded through

[1] Viscount Halifax, *Speeches on Foreign Policy, 1934–1939*, p. 360.
[2] J. C. Smuts, *The League of Nations : A Practical Suggestion*, p. 18.

the long months of the Peace Conference, and perished in the first post-war economic crisis of 1920. In laying aside their arms, the war-weary peoples of the victorious countries seemed to have abandoned their exalted ambitions for the future. Still obsessed with the idea of a return to the good old ways, they thought of it no longer as the return to an interrupted path of effort and progress, but as the return to a static condition of automatic and effortless prosperity. No longer expecting or demanding a key to paradise, they sank into a mood of comfortable resignation. Mr. Lloyd George, the restless innovator, was replaced by Mr. Baldwin smoking the pipe of peace and security. Woodrow Wilson, the prophet of the new order, was succeeded by Harding and Coolidge, the dispensers of "normalcy". Security and normalcy became the twin pillars of the temple. Both were interpreted in terms of the halcyon age before 1914. For twenty years, this unadventurous and backward-looking view was the characteristic attitude of the three Great Powers who were mainly responsible for the Versailles settlement.[1]

Far different was the psychological reaction of the so-called "dissatisfied" Powers. These included Germany, the only defeated Great Power; Soviet Russia, who was conducting a revolution against the whole political, social and economic system which the peace settlement was designed to perpetuate; Italy, driven into the rebel camp by disappointment with her share in the proceeds of victory; and Japan, whose successes in the past fifty years imparted a strain of caution and conservatism to her policy, but whose jealousy of British and American influence in the Pacific range her on the side of the dissatisfied Powers. None of these countries was disposed to look back on the past with complacency. The satisfied Powers continued to draw their inspiration from the conditions of the period which had witnessed their rise to power and their triumph, and too often failed to realise that those conditions

[1] This statement requires qualification for the United States after 1933: the point will be discussed later.

had passed away. The dissatisfied Powers were in the position of revolutionaries renouncing and challenging the past in the name of new ideologies. The psychological background of the twenty years between the two wars may be observed in the respective reactions of the satisfied and dissatisfied Powers to military, political and economic problems.

The backward-looking view of the satisfied Powers is particularly well illustrated in the attitude of their military chiefs. Soldiers and sailors alike clung eagerly to the glorious traditions of nineteenth-century warfare. After the victorious struggle of 1914–18, security could best be assured by putting back the clock, or at any rate by seeing that it did not move on any further. The programme of the British and American General Staffs at the Peace Conference of 1919 contained two main desiderata : to abolish the submarine and to deprive Germany of military aviation. If only these two major innovations of the war could be somehow shuffled out of existence, we could return to the familiar and comfortable dispositions of nineteenth-century strategy. At the Disarmament Conference, Great Britain once more proposed the abolition of twentieth-century weapons : the submarine, the large tank, gas and bombing from the air. So reluctant were successive British Governments to recognise the potentialities of the air arm that Great Britain ranked at one time as the seventh air Power of the world. The Royal Air Force, being the youngest, was also the Cinderella of the services.[1] It was considered important that the British navy should be three times as strong as is the German. But in the air no more than equality with Germany was aimed at, and this was far from being achieved. " The sea gives us time ", Campbell-Bannerman had exclaimed in 1871 arguing against an expansion of the army.[2] The same

[1] " The importance of this professional departmentalism in determining the actual allocation of our resources is greater than anyone who is not closely acquainted with the Government machine can well recognise. If we ask why, in the first allocation of the additional resources, the Air Ministry did not get more, the true answer is that it is the youngest of the fighting services " (A. Salter, *Security : Can We Retrieve It?* p. 183).

[2] J. A. Spender, *The Life of the Right Hon. Sir Henry Campbell-Bannerman*, i, p. 40.

factor was felt to be valid more than sixty years later. If Britannia ruled the waves, then British supremacy was surely as secure in the twentieth century as in the nineteenth : British mentality was slow to adapt itself to any other view.

French strategy was still more retrograde. The two famous French memoranda on security submitted to the Peace Conference of 1919 — the " Foch memorandum " of January 10 and the " Tardieu memorandum " of February 26 — discussed military transport exclusively in terms of railways ; and neither of them so much as mentioned air power. The one important French strategical conception of the inter-war period was the Maginot Line — an attempt to immobilise warfare and to freeze the *status quo*. Throughout this period, the French and British General Staffs appear to have assumed without question that immobile trench warfare would be the main form of land fighting in any future war — for no better reason than that this had been true of the last war. " Everything is being done ", complained a prescient French critic in 1928, " as though the Versailles Treaty, which has compelled Germany to modernise her military ideas, permits us to go back to the military routine of 1914 — and then fall asleep." [1] It is perhaps unfair to pass a similar stricture on the military policy of the smaller satisfied Powers, since their conservative outlook was dictated by lack of resources as well as by lack of imagination. Holland and Belgium failed to recognise that an army deprived of the assistance of air forces and mechanised units of appreciable strength is a negligible factor in modern warfare. Polish strategy assigned an important rôle to cavalry ; and Switzerland based her plan of defence on a militia mounted on bicycles and renowned for its personal courage and for the accuracy of its marksmanship with the rifle.

While therefore the strategy of the satisfied Powers was dominated by an amalgam of nineteenth-century preconceptions and of the lessons of the war of 1914–18, the initiative

[1] Quoted from *L'Œuvre* by M. Werner, *The Military Strength of the Powers*, p. 210.

passed to the rival group. The aeroplane was a French, the tank a British, invention. Yet in the period between the two wars, it was the German army which elaborated and perfected the tactics of aerial and mechanised warfare, while the British and French military mind was unable to clear itself of the precepts and habits of a bygone age. The parachutist landing behind enemy lines was a Russian device, studied and perfected by Germany and ignored by the satisfied Powers. It is difficult to exaggerate the advantage ultimately derived by Germany from the destruction of her armaments and of her whole military machine in 1919 — a circumstance which obliged her not only to modernise her material but to think out again from the start every problem of equipment and organisation, while Britain and France remained embedded in the legacy of the past.[1] When war began, the enterprising nature of German tactics completely bewildered the British and French General Staffs. The German army, explained *The Times*, " is prepared to take risks of a character which, rightly or wrongly, has been condemned by French and British military doctrine ".[2] " The truth is ", said the French Prime Minister a few days later, " that our classic conception of the conduct of war has come up against a new conception." [3] The significant fact about the first year of war was not so much that the Germans took the offensive throughout, but that every novelty in strategy or tactics, every new military invention of any importance, appeared on the German side.[4] Technically speaking, revolu-

[1] It has been observed that German industry enjoyed an exactly similar advantage over British in the latter part of the nineteenth century: " The country being . . . not committed to antiquated sites and routes for its industrial plant, the men who exercised the discretion were free to choose with a single eye to the mechanical expediency of locations for the pursuit of industry. Having no obsolescent equipment and no out-of-date trade connexions to cloud the issue, they were also free to take over the processes of the new industry at their best and highest efficiency, rather than content themselves with compromises between the best equipment known and what used to be the best a few years or a few decades ago " (T. Veblen, *Imperial Germany*, pp. 187-8).

[2] *The Times* (leading article), May 14, 1940.

[3] Statement to French Senate of May 21, reported in *The Times*, May 22, 1940.

[4] The *Deutsche Allgemeine Zeitung* of August 24, 1940, tauntingly remarked that the one initiative taken by Great Britain in the first year of the war had been to declare it.

tionary conceptions of warfare were matched against pure conservatism.

The politicians of the satisfied Powers, no less than the soldiers and the sailors, had their eyes fixed on the past. " Our apparent inability to innovate or do any really original thinking ", wrote an independent observer of British political life in 1934, " is the most exasperating feature of modern politics." [1] The democracy for which the world had been made safe in 1918 was understood to be the particular form of liberal democracy which had grown up in the special conditions of the nineteenth century. Conceived in these terms, it became one of those things which, being taken for granted, cease to be a living force. Democracy relied on the prestige of a glorious tradition and seemed to have nothing but its past achievements to offer as a contribution to the problems of the new world. It became the prerogative of the well-to-do and the privileged who could regard past and present with a substantial measure of satisfaction. In 1939 democratic governments survived in most of the ten or twelve countries of the world possessing the highest income per head of population — and hardly anywhere else. Prior to 1933, no attempt had been made to reinterpret democracy to meet the conditions of the post-war world ; and in democratic countries few people recognised that it could not continue to function exactly as it had functioned before 1914. After 1933, opinion in the United States began to move, in face of considerable opposition,[2] towards a radically new conception of democracy. But this movement had scarcely spread to Europe before the outbreak of war in 1939. In politics as in strategy, it was difficult to imagine that anything had happened to put an end for ever to the glorious and easy-going days of the nineteenth century.

[1] E. Percy, *Government in Transition*, p. 99.

[2] The backward-looking view was still firmly entrenched even in the United States. In 1937 a well-known American publicist prepared an " agenda of liberalism ", which recommended a return to the point where " latter-day " liberals had gone off the rails somewhere about 1870 in order to complete " the unfinished mission of liberalism " (W. Lippmann, *The Good Society*, p. 225 and *passim*).

Politically, too, therefore the initiative was left to the dissatisfied Powers. The first to take it was Soviet Russia. From 1921 onwards her example was followed by country after country which combined rebellion against the Versailles settlement with rejection of democracy, sometimes paying lip-service to democracy, as the Russians had done, by purporting to set up a new and more perfect form of it. The attraction of Bolshevism, Fascism and National Socialism lay not in their obscure, elastic and sometimes incoherent doctrines, but in the fact that they professedly had something new to offer and did not invite their followers to worship a political ideal enshrined in the past. Like the new strategy, the new political order had the merit of not having been tried before. A revolutionary frame of mind confronted an attitude of political complacency and nostalgia for the past.

In international affairs, the same confrontation appeared in a more overt and more dramatic form. Here there was a direct clash of interest between conservative Powers satisfied with the *status quo* and revolutionary Powers seeking to overthrow it. The League of Nations, more than any other institution, was overtaken by the reaction from the brief interlude of optimism of 1918–19 to the static complacency of the 'twenties. Created in a mood of burning faith in human progress, of which it was to be the principal instrument, it was quickly perverted into a tool of the satisfied Powers, who had been careful even at the Peace Conference to emasculate the only radical article in the Covenant. Every attempt to " strengthen " the Covenant meant another bulwark to uphold the *status quo*. The Geneva Protocol was the political counterpart of the Maginot Line. To make the Geneva trenches impregnable and wait for the enemy to attack was the summit of political wisdom. Like all privileged groups, the satisfied Powers insisted on the supreme importance of peace, and capitalised the fear of war in the same way in which conservatives at home capitalise the fear of revolution. " No special circumstances, no individual aspirations, however justifiable ", said Briand to the Assembly in

the palmiest days of the League, " can be allowed to transcend the interests of peace. Peace must prevail, must come before all. If any act of justice were proposed which would disturb world peace and renew the terrible disasters of yesterday, I should be the first to call on those promoting it to stop, to abandon it in the supreme interests of peace." [1] Let injustice persist rather than that the sacred rights of the existing order should be infringed. " The first purpose of the League ", declared one of its English champions, " is the defence of its members — self-preservation which is the first law of life of any organisation." [2] The obsession of " security " hung like a millstone about the neck of the League and excluded every breath of life and freshness from its body. Politically, Geneva became the home of pure conservatism. " Govern and change nothing " had been Metternich's motto. The League changed nothing and failed only to govern.

Every movement for international change came therefore from the dissatisfied Powers, and was at once confronted by the vested interests of the *status quo*. It is true that some of the desired changes were destructive in character. But the absence of any proposals for constructive change, or indeed of any recognition of the need for change at all, from any other quarter left the field open to the challengers. The fund of prestige inherited by the League of Nations from its radical and idealistic origins was soon exhausted. The political offensive, like the strategic offensive, passed exclusively to the dissatisfied Powers.

In the economic field complacency was less easy to justify and a policy of inaction more difficult to maintain. Politically, the bankruptcy of the *status quo* was not fully revealed or recognised before the middle and later 'thirties. Strategically, the unmitigated conservatism of the satisfied Powers was exploded only by the military disasters of 1940. Economically,

[1] League of Nations, *Ninth Assembly*, p. 83.

[2] N. Angell in *The Future of the League of Nations* (Royal Institute of International Affairs, 1936), p. 17.

the break came far sooner. The first economic crisis of 1920 had created widespread disquiet, which was aggravated by the controversies over reparations and the Ruhr occupation. In the heyday of military predominance and political quiescence, the demon of economic insecurity was already raising its head. Even in 1924, amid the enthusiasm inspired by the Geneva Protocol, a French Delegate to the Assembly of the League sounded a warning note :

> If we are ever to rest secure in the edifice of peace, the great and grave problems of the distribution of raw materials, of markets, of emigration and immigration, will one day have to be taken in hand by the financial and economic organisations of the League and by its Assemblies. If they are left unsolved — let us make no mistake — they will cause internal disruption which will bring down in ruins the fabric we have reared.[1]

To dig oneself in might suffice as a guiding principle for soldiers or politicians. It was lamentably defective as an economic panacea. Economically conservatism was not enough ; for there was not even the semblance of a satisfactory *status quo* to conserve. The problem was urgent and inescapable. What remedy could be applied ?

The answer given to this question was the completest expression of the backward-looking attitude of the satisfied Powers. Belief in progress was dead. If the *status quo* did not secure economic prosperity, if some change was unavoidable, then change could be conceived only in the form of a step backwards. If conservatism was not enough, the alternative was reaction. Economic man was no longer marching forward by new and untried paths towards hitherto unscaled heights. The aim was now to retrieve a false move, to undo what had been done, to erase from the fair page everything written on it since 1914. A return to the past meant a return to " normal " prosperity. " Lancashire is perfectly sanguine

[1] League of Nations, *Fifth Assembly*, p. 219.

of success ", wrote an observer in 1924, " once normal conditions have been restored." [1] " Business men ", remarks another commentator, " wistfully awaited a return to ' normal ', and convinced themselves that ' normal ' meant the world of 1913." [2] In this fatal atmosphere even steps which were at the time hailed as landmarks of progress turned out on a longer view to be pure reaction. Thus the Dawes Plan, which seemed a highly enlightened way of disposing of reparations, was in essence a reactionary attempt to set up again the humpty-dumpty of nineteenth-century private international capitalism with its centre in New York instead of in London. When American financiers in 1929 found the burden too heavy, the world no longer had any shelter from the sweeping storm of economic revolution.

Yet nostalgia for the past still remained the dominant obsession. It is curious to reflect how many of the economic slogans of the period between the two wars began with the prefix *re*. We were successively concerned with reconstruction, retrenchment, reparations, repayment of war debts, revaluation of currencies, restoration of the gold standard, recovery and removal of trade barriers. Even inflation could be made respectable by calling it " reflation ". In the 'thirties a leading British expert on international economic relations wrote two books of which the first was called *Recovery* and the second *Security : Can We Retrieve It ?* [3] The collective wisdom of the economic world as expressed by the experts of the two international economic conferences of 1927 and 1933 taught that practically every trend of economic policy which had developed since 1914 was wrong and ought to be arrested or reversed.

It will not be pretended that those responsible for the economic policy of the satisfied Powers always listened to the

[1] A. Siegfried, *Post-War Britain*, p. 110.

[2] W. K. Hancock, *Survey of British Commonwealth Affairs*, ii, Pt. 1, p. 199.

[3] The " expert " is Sir Arthur Salter. The comment is intended not as a criticism of the books, but as an expression of admiration for titles so exactly calculated to appeal to the mood of the contemporary reader.

pleas of their economic advisers for a return to nineteenth-century principles. Down to 1931, lip-service did indeed continue to be paid by the governments of almost all these countries to economic orthodoxy, though there were many derogations from it in practice. From 1931 onwards even the lip-service grew faint and perfunctory, and governments were driven before the economic hurricane into new and unprecedented courses. But the point is that this action was taken haphazard, under compulsion of circumstances, in defiance of accepted economic theory, yet without any understanding why that theory had broken down and what was being substituted for it. The statesmen who sponsored these new policies were on the defensive. The new course was represented as a temporary and distasteful necessity. It was adopted only to meet " unfair " competition. Appearances notwithstanding, it would expand not limit the volume of international trade. It was designed to pave the way for an eventual return to orthodoxy. These absurd and mutually contradictory explanations had only one significance. The statesmen who sponsored the policies neither understood nor believed in them. They had lost the initiative, and were being driven, hesitant, bewildered and apologetic, by forces too powerful for them to control.

In these conditions economic inventiveness, like military inventiveness, was honoured and practised only among the dissatisfied Powers. The innovations which, for good or evil, transformed the face of the economic world in the inter-war period were developed and exploited by the revolutionary Powers who challenged the existing order. " Planned economy " — the regulation and organisation of national economic life by the state for the needs of the community as a whole — may be said to have made its first appearance in all the principal belligerent countries (though predominantly in Germany, where the term originated) in the war of 1914–18. But whereas Great Britain, the United States and France, made haste at the end of the war to cast off state control in the vain hope of returning to the *laissez-faire* principles of the pre-war

period, Soviet Russia, soon to be followed by Fascist Italy and Nazi Germany, found in "planned economy" the new twentieth-century concept which was to replace nineteenth-century liberalism; and having gained the initiative, these countries at length compelled the conservative Powers to follow slowly and reluctantly in their train. State control of foreign trade and its use as a political weapon, invented by Soviet Russia, were perfected by Nazi Germany; and in 1938–39 Great Britain, under extreme German pressure, had begun to take some faltering steps in the same direction. The techniques of a managed currency and of foreign exchange control were elaborately studied by the dissatisfied Powers while these things were still regarded in Great Britain and the United States with contemptuous horror. Necessity was, of course, the mother of invention. But those on whom the necessity first descended scored an immense advantage through the rapid development of the spirit of enterprise and innovation. The fact that Soviet Russia and Nazi Germany had virtually eliminated unemployment was slightingly dismissed with the retort that this had been achieved only by methods, and at the cost of sacrifices, which the satisfied countries would never tolerate. The answer was clearly inadequate, so long as the satisfied Powers could find no answer of their own to a problem whose acuteness could not be denied. If a considerable part of the younger generation in many European countries came to believe that either Soviet Russia or Nazi Germany held the key to the future, this was because both these countries propounded new economic systems based on new principles and therefore opening up a prospect of hope, whereas the political and intellectual leaders of the satisfied countries appeared to offer no solution of the economic problem but the return to a past whose bankruptcy had been sufficiently demonstrated. Nothing did more to discredit the satisfied Powers than the way in which they allowed the effective initiative, in the critical field of economic theory and practice, to pass to the rival group. Only the United States began, after 1933, to