

that materialism which *littérateurs* like Carlyle and Ruskin have attributed to cognate ways of thinking. Witness this estimate of the cost of war in the larger and truer sense of the term : " Compared with what this war has cost and is costing in values outside the economic sphere—the shattering of human promise, the accumulated suffering in wounds and disease of many who have gone to fight, the accumulated degradation in thought and feeling of many who have remained at home—compared with these things the economic cost is, to my mind, trivial and insignificant."

## ECONOMISTS ON WAR

- Händler und Helden.* Von WERNER SOMBART. (Munich : Duncker and Humblot. 1915. Pp. 145.)
- The Neutrality of the United States in Relation to the British and German Empires.* By J. SHIELD NICHOLSON. (London : Macmillan & Co. 1915. Pp. 92. 6d.)
- An Economic Interpretation of the War.* (Reprinted from *Problems of Readjustment after the War.*) By EDWIN R. A. SELIGMAN. (New York : Appleton. 1915. Pp. 72.)
- Les Causes et les Conséquences de la Guerre.* Par YVES GUYOT. (Paris : Alcan. 1915. Pp. 416.)

THE Editor has been well advised in arranging that this set of recent publications relating to the present war and war in general should be brought together under one view. The judgments pronounced by eminent economists of different nationalities are calculated to be mutually corrective. For instance, the opinion of Professor Seligman that the present war is mainly due to the opposition between the material interests of Germany and England may be set off against the opinion of Professor Sombart that the war is mainly due to the opposition between those nations in character and mentality (*Anschauungswelt*). The "incomparable superiority" of the German heroic spirit over the English mercantile character forms the burden of Professor Sombart's theme. He supports his thesis by a deft use of English literature; taking now More's *Utopia*—especially some practices of war which a recent editor of the *Utopia* describes as "repellent to us"—now Herbert Spencer's philosophy, as typical of English thought and character. His general view of that character as utilitarian, or in his phrase "individualistic-eudæmonistic," must, we think, be admitted. It is an impeachment which we, for our part, own with

pride. This trait is prominent in the caricature which our author presents overlaid and distorted by objectionable features. Some of them had already made their appearance in Professor Sombart's *Der Bourgeois* (1914); and are justly described by the friendly reviewer of that work in the *ECONOMIC JOURNAL* as evidencing "the sin of over-generalisation." The "large, swinging generalisations" which another reviewer, Professor Clapham, notices in Professor Sombart's writings are conspicuous in the pages before us. One of his theories connects the mercantile character of the English with their excessive love of sport. "The shopkeeping spirit (*Kramergeist*) is the direct parent of 'Sportismus' in which all the ideals of the trader are realised." "Sport is the twin-brother of comfort"; and "Komfortismus" is inimical to the true, the heroic culture. Thus the materials for shaving (*Rasierapparaten*) which a German hero found in one of the English trenches, and apparently mentioned in terms of respect, seem to our author a hateful sign of the hollow English commercial civilisation (*Kramerkultur*). Whether he possesses the gifts of sympathy and humour in the degree required for the delicate task of delineating national character may be judged from the following passage—succeeding the complaint that Churchill, or Lloyd George, had declared England would win because she could put down the last million, thus nakedly exhibiting the purely capitalistic conception of war:—"But the most disgusting feature," continues Professor Sombart, "which this war has brought to light is this: that it is regarded by Englishmen as a kind of sport. When the *Emden* had at last been captured (*zur Strecke gebracht*) on the summons of an overwhelmingly superior force, it was to be expected that the English Press should be jubilant. In truth, English trade was freed from a relentless persecutor. But what happened passes belief; the heroic Captain von Müller was lauded to the skies. Should he come to London, it was said, he would be greatly fêted (*würde er der gefeierste Mann sein*). Why? Was it because he had performed heroic deeds in loyal fulfilment of his duty to Kaiser and country? Oh, no! Only because he had shown himself such a splendid sportsman (*weil er so hervorragende sportliche Leistungen vollbracht hätte*)." It is difficult to find an English equivalent for the expression which we have attempted to paraphrase. The English feeling, if not the German phrase, may be expressed by saying that Captain von Müller had fought like a gentleman. Strange that a nation of shopkeepers should have such feelings!

After exhibiting the poverty and flat mediocrity (*Plattheit*) of

the English mind, our author dilates enthusiastically on the German "geist" and love of fatherland. He claims, not without reason in our judgment, some affinity between the German conception of the State—as a "super-individual, a life outside us"—and the forms of ancient thought. "The German spirit catches its fire from the spirit of the ancients; and Plato's Republic is the model (*Urbild*) after which all the German ideal conceptions of the State have been formed."

But the humble utilitarian may still repeat the question which Aristotle asks with respect to the Platonic Republic: Who are the happy there? Certainly not the common people, he adds. Professor Sombart's interesting view of Germany before the war recalls the warning which Aristotle gives against the exclusive cultivation of the military virtues: "Most of these military States are safe only while they are at war; like unused iron, they rust in time of peace." Compare our author's striking description of the aimlessness of German life in time of peace. They went to and fro like swarming heaps of ants—

"Zerstreuter Ameis-Wimmelhaufen."—*Faust*.

They wrote books and plays, and critics in shoals did nothing all their life but criticise, and cliques were formed, and fought with each other, and no one knew to what end (*wozu*). Socialism had almost fallen to the level of English Trade Unionism, sunk in sport and comfort. Mere pleasure, which our author apparently considers a pitiful object to aim at (*das erbärmliche Behagen*), and the happiness of the majority had become the end of the Socialistic movement.

Then came the war like a revelation. "Hier offenbart sich die Gottheit." War appears to the German as "a holy thing, the holiest thing on earth." "We are a people of warriors." "Militarism is Potsdam and Weimar in sublime union." It permeates all German art and literature, even the poems of Goethe. The solitary exception is the sorry tract of the aged Kant on *Everlasting Peace*.

But there is another doctrine taught by Kant—not the old and drivelling Kant, but the philosopher in his prime,—which we find a difficulty in reconciling with the conduct to which Professor Sombart exhorts his countrymen. So act that from the thought of your maxim as a law universally obeyed no contradiction results. What would constitute a contradiction in Kant's sense we would not undertake to define. But we predict that much opposition—and therewith much misery—will result from the

attempt to make universal an attitude like that which is thus held up to admiration :—"When the German stands leaning on his mighty sword, clad in steel from head to foot, then may all the world (*was will*) dance below about his feet, and the intellectuals, the artists and scholars of England and France, of Russia and Italy, may abuse him and throw mud at him as they now do. He will not let himself be disturbed in his lofty repose, and will merely, in the spirit of his forefathers in Europe, say within himself—

'Odorint dum metuant.'

The motto appears, indeed, to be well suited to a people intending to play the bully. The words, we believe, were not first used in an ancestral German forest, but on the early Latin stage, put into the mouth of a personage who indeed belonged to the heroic age, but was one of the most discreditable specimens of that age. Cicero (*De Officiis*, I. 28) quotes the saying as illustrative of poetical propriety. If it had been put in the mouth of a just hero, like Minos, it would not have been in keeping (*indecorum videretur*). But when it was uttered by the villain Atreus there was a burst of applause; "for the expression suits the character." We read, too, that Caligula adopted the motto as expressing his sentiments.

To complete the image of the steel-clad German it should be added that the attitude of disdainful calm will be on occasion abandoned. "Should it be necessary to increase our territory we will take as much land as appears necessary. We shall also take all the strategical points that seem good enough in order to maintain our impregnable strength. If it is of any use to our position of strength in the world, we will establish stations for our fleet—for example, in Dover, Malta, Suez."

It appears to us that to people who are predisposed to act in this masterful manner the burning words of the ecstatic Professor may have a certain hortatory force, something of that unanalysable influence by which people are converted to first principles of conduct. We liken him in this respect to Karl Marx—Marx as described by Professor Sombart himself in what we regard as the best criticism of *Das Kapital* known to us (*Das Lebenswerk von Karl Marx*, 1909, reviewed in the *ECONOMIC JOURNAL*, Vol. XIX). Marx, according to his candid critic, made no great contribution to the technique of science. And yet there was something demonic about the man, compelling assent to his general views.

For those who are in danger of being carried away by Professor

Sombart's turgid eloquence we may prescribe as an antidote Professor Nicholson's incisive wit. His well-known powers of satire have never had a fairer object than the rhapsodies of the German author. Merely to state the pretensions of German militarism is to make them appear ridiculous to English readers. For instance, "The idea of humanity attains its highest and richest development in particular noble nations. These for the time being are the representatives of God's thought on earth. Such were the Jews, such were the Greeks. And the chosen people of these centuries is the German people. . . . Now we understand why other people pursue us with their hatred. . . . So the Jews were hated in antiquity because they were the representatives of God on earth. . . ." But it is no easy task to convey in English ideas so foreign to English thought. As Professor Nicholson observes, "Some kinds of thought seem to find appropriate expression only in the polysyllables and breathless sentences of the German tongue." In view of this difficulty we have already availed ourselves largely of Professor Nicholson's spirited translations. We have only space for one more extract. With respect to the so-called cultural internationalism, Professor Sombart boasts, "Fortunately we Germans do not require anybody in matters of spirit or of culture. No nation in the world can give us anything worth mentioning in the field of science or technology, art or literature." It is rather an anti-climax, remarks Professor Nicholson (whose words we distinguish from Professor Sombart's by the absence of inverted commas), to read that, after all, foreign nations may offer some things of spiritual value, but the situation is saved by "always excepting England, which does not produce anything of cultural value." This is praise indeed, comments Professor Nicholson.

The German author's travesty of British character is corrected by Professor Nicholson's juster view of the motives which have led us British into the present war. No doubt we pursue our own interest. But that interest is not to be measured in terms of money and trade. "Our most real interest is to maintain those principles and ideas on which the British Empire has been built up." . . . "The greatest British interest is liberty," "The greatest Happiness Principle in relation to Liberty," the immediately following head in the contents, the dictum that "with the mass of the British people the supreme test is still liberty," suggest philosophical inquiries which it would be out of place to pursue here.

Among topics more germane to the *ECONOMIC JOURNAL* we should notice Professor Nicholson's exposition of the influence which List's *National System* has exercised on the commercial development of the German Empire. "The leading idea in German commercial policy has been the imitation of England in the lines laid down by List." According to List, "Holland belongs as much to Germany as Brittany and Normandy to France." He thought that the right of the English to the Continent of Australia on the principles of first occupancy was as absurd as the right claimed by the Popes over the partition of the New World. But as to the means of attaining these ends there is a vital difference between the method advocated by List and that actually pursued by Germany. List looked to peaceful measures for the expansion of German commerce. Holland was to be induced by a system of preferential duties to enter the German Zollverein. "German settlements in the continent of Australia were in some way to be arranged for by a general European policy as regards the appropriation of vast unoccupied territories."

We are hardly concerned here with the special purpose of Professor Nicholson's brochure—to inquire how far the interests of the United States are bound up with the maintenance of the British Empire against German aggression.

Professor Nicholson's inquiry would be otiose if all Americans were neutral in the same sense as Professor Seligman. "How bootless it is," he exclaims, "to estimate from the Blue Book or the White Book or the Yellow Book which statesman or set of statesmen is responsible for the particular action which led to the declaration of war! If the war could have been averted now it was bound to break out in the more or less immediate future. Germany like England, Austria like Russia, Italy like Serbia, each was simply following the same law which is found in all life from the very beginnings of the individual cell—the law of expansion or of self-preservation." In the history of this expansion there are, in modern times at least, three stages. There is first, as we understand, common protection. Thus the United States have "built up an enormous industrial power through a national protection." They followed the example set by England a century before. But England "having built up her industry by the most extreme and ruthless system of protection that the world has ever known, and having wrested a large part of her world-empire from her competitors . . . now found it her interest to

go over from a system of protection to one of free trade." This forms the second stage of development. The third is reached when "the emphasis is transferred from the export of goods to the export of capital." With the beginning of this century Germany entered on the third stage. England's war with Germany marks the final stage of a competition involving not simply the export of goods, but the export of capital. The financial influence thus obtained leads to a political influence which brings with it economic advantages. "It would be tedious as well as unnecessary to state in detail the countless benefits that England has derived from India or, more recently, from Egypt, and the numberless subtle ways in which she has contrived, just as every other nation would have done, to retain most of these benefits for herself." The prospects of such exploitation form an inevitable attraction to the chief nations of the world; "it seems hopeless to expect any effective resistance to a temptation which is so compelling, so illimitable, and so promising of success under the conditions of actual economic life." "We are likely to see during the next few generations wars on an even greater scale than the present one." At last far off the dream of Adam Smith may be realised.

The prospect of peace on earth and free trade between men of different nations is not so remote in the view of M. Guyot. Yet we fear that the preliminary steps will take time. The final purpose, or at least proximate end, is to substitute the civilisation of exchange for the civilisation of rapine. In promoting this end we must prove the superiority of our civilisation by rejecting the policy of reprisal, by resisting the promptings of national hatred. Thus only can we accomplish the necessary moral dissolution of the German Empire. There is required also the political dissolution of that Empire; to secure a durable peace by satisfying the aspirations of the numerous groups who have been victims of oppression, Belgium must, of course, be evacuated; and it also goes without saying (*est au dessus de toute discussion*) that Alsace-Lorraine must be restored to France. The German colonies are to be divided among the Allies, not for the sake of territorial annexation, but as a guarantee of peace. As to the exaction of an indemnity, we must not attempt to destroy (*juguler*) the conquered Germany. We should be careful not to keep alive a spirit of revenge by striking at individuals. These conditions and the requirements of justice may be sufficiently satisfied by our taking the German railways, the Prussian mines, and some other

trifles of this sort. In fine, free trade should be imposed on Germany—a condition which the author justifies by exhibiting *more suo* the evils of protection.

Alas! none of our authorities lead us to expect a speedy end of the present war, much less of war in general.

*La Germania alla Conquista dell' Italia.* By GIOVANNI PREZIOSI.  
Con introduzione e appendice del Prof. MAFFEO PANTALEONI.  
Seconda edizione interamente rifatta. (Florence: Libreria della voce, 1916. Pp. xxxii + 272.)

THIS is a second edition of a work which seems to have been published early in 1915; a second edition, largely rewritten, or rather rearranged. Redactions of this sort put a student of the earlier edition at some disadvantage. The distinction between what he has read before and what is fresh is obliterated by changes of form and insertions of new matter; the clear impressions obtained from the first reading become blurred. We may obviate this sort of confusion by observing that in the present version sections are reproduced *en bloc* from the first edition, not, however, in their original connection, but with intercalated sections borrowed from *La Banca Commerciale*, a work *in pari materia* by the same author, which first appeared about April, 1915. The two publications are named together as authorities for the important study on German methods in Italy which Mr. Albert Ball contributed to the *Quarterly Review* of last July. Mr. Ball's special acquaintance with Italian conditions enables him to corroborate some of the reasons assigned by Signor Preziosi for regarding the "penetration" of Germany as dangerous to Italy. For instance, Mr. Ball points out some circumstances which render shareholders—nowhere a very wide-awake class—in Italy particularly incapable of looking after their own interests, so that it was the easier for the Banca Commerciale to obtain control of a company by purchasing a substantial block, though only a minority, of its shares. Professor Pantaleoni also, in the new Introduction and Appendix which he contributes to the second edition, assists us to appreciate the significance of the facts adduced by the author. We should also call attention to the note which Professor Pantaleoni appended to the first edition referring to the Banca Commerciale. He there clearly exhibits the distinction between a "bank," in what we may describe as the English sense of the term, and a credit institution engaged in