

The United States as a World Power

At the close of hostilities the Republic will have the greatest army in the world, and the second most powerful navy

By W. W. SWANSON.

To an even greater degree than the United Kingdom, the United States has pursued in the past the political policy of "splendid isolation." Circumstances over which the Republic had little or no control forced it into world politics. The results arising therefrom will affect intimately the economic and political life of the British Empire, and much more of the whole world. It is too large a question to consider within the compass of a brief article precisely how the course of politics and commerce will be altered by the changed position of the United States among the nations; we shall attempt here, merely, concisely to sum up what the influence of America will effect in the sphere of post-war trade and commerce throughout the world.

As everyone knows, signatures are being affixed to documents in course of circulation throughout the Republic whereby many persons are pledging themselves to refuse to use or buy German goods after the war. It is easy to understand the emotional reactions which have decided such action. While neither President Wilson nor Congress has given any specific pledge to support the economic programme of the Allies, especially insofar as it aims at reprisals against the trade of Germany, yet the American people appear to fully acquiesce in the Paris agreement. In certain measure this lends encouragement to Canada and the other Allies, since it is an indication of the will of the American nation to victory. Nevertheless, it is fraught with danger, and danger of a peculiar character and force; inasmuch as, in a great democracy like the United States, the Government is extremely sensitive to the wishes of the people. And in our judgment it is dangerous practice to place in the hands of the masses power to direct and decide a course of economic action which can meet with success only by the design and investigation of experts.

The Allies gained little or nothing by the Paris agreement of 1916. Their announced policy to penalize the trade of Germany after the war, to deny the Central Powers the use of ports and harbours, coaling stations and markets, and sources of raw materials controlled by the Allies, has made only for the heightening of the morale of the enemy. Hindenburg, Ludendorff, Hertling and the rest, have been able to drive the German people forward with renewed determination to carry on the struggle to the bitter end; because, under the Paris convention, Germany has everything to gain and nothing to lose by carrying on the war. The economic issues, at least before the United States entered the war, were decided: there was nothing left to discuss with a chastened German nation.

This was a mistake because, although Germany holds the interior lines to carry forward her military programme, the Allies are in the strategic position with respect to the trade of the world. We do not propose to take time to enumerate what everyone knows—that German commerce has been swept clean from the Seven Seas; that trade connections between the Fatherland and South America, the United States, Africa and the Far East have been severed; that German financial investments have been placed in jeopardy, simply because they are for the most part within the war zone; and that the peace that Germany must sign will leave her the staggering task of rebuilding almost her entire economic organization. That is known; but what is not so generally understood is that the mere threat of cutting off essential supplies of raw materials and access to world markets—without which Germany has not the shadow of hope of reconstituting her economic life—is the most potent instrument for inclining Germany and Austria to peace. On the other hand, it is evident that if this be regarded as a fait accompli, it will serve more than anything else to maintain the resolution of the enemy.

The mere announcement of the Paris agreement caused consternation among the Central Powers. It has been advertised vigorously by the official Press Bureau for propaganda purposes to maintain the morale of the troops at the front. Herr Ballin, President of the Hamburg-American line, made a bitter attack upon English commercialism upon the announcement of the 1916 agreement, emphasizing what has been so often repeated in the Fatherland, that Englishmen desired nothing so much as to ruin

German trade. We all recall how potent was that argument in Germany after the outbreak of hostilities. The concentrated hate and fury of the masses of the Fatherland were focussed upon England; and the German people were persuaded that, from the British point of view, the war was nothing more or less than a jealous attack provoked by envy, and nurtured by malice and intrigue, against the economic life of the Central Powers. We may attempt to persuade ourselves that, on this and other points, the German people have been disillusioned; but there is no substantial body of evidence at hand to verify this conclusion. Germany still fights for a place in the sun.

All who have given thought to the question are aware that a political, can be much more deadly than a military, offensive. It was propaganda, and propaganda alone, that almost broke the morale of Italy and led to the debacle of December, 1917. It was by propaganda and intrigue that Russia was overwhelmed. The Entente has laid far too little emphasis upon the political offensive, which may be used with such telling force. If it were made abundantly clear to Germany that the Allies have not only the power, but the intention, to cut off German industry and commerce from the markets controlled by the United Kingdom and the United States, as well as the other Allies, billions of dollars and hundreds of thousands of lives might be saved. For the German working man is sufficiently informed to realize that as ostracised Germany means an impoverished Germany, where unemployment and economic misery will reduce for all workers the standard of living. That much may be made of a political offensive of this nature is evidenced by Herr Ballin's recent lament that Germany will die unless it has "light, air and freedom." And as Lloyd George has said, the British Navy is putting unbearable pressure upon the windpipe of German commerce.

The attitude taken by the United States on this fundamental problem must have compelling significance. As already stated, the Republic has taken no definite stand up to the present on the matter; but there is no doubt whatever as to the feeling of the American nation. With a bitterness scarcely equalled in Europe, Americans are waging war against the Central Powers and formulating an economic and political programme that spells the doom of Teutonic aggression. We question, however, whether the passion and emotion of the people are the basis upon which to build for future peace. What is needed above all else, is an appeal to reason.

If the Anglo-Saxon world refuses to neither "truck nor trade" with Germany and Austria after the war, let it be because the question has been coolly investigated and the programme adopted after the most careful study. We do not propose at this time to survey the economic results, in their entirety, arising from excluding German industry and trade from the market controlled by the Allies. It is worth mentioning however, that if Germany is not decisively beaten, or if at least Germany is not chastened and regenerated as a result of this war, the Allies will have an enemy on the Rhine and on the Danube that must be watched. To refuse, in that event, to import from Germany and Austria technical supplies and equipment, political and scientific treatises—to mention only a few commodities among a multitude—is to penalize our own scientific, economic and political life. To hand over to German scientists the fruits of our investigation, as in the past, is suicidal; unless at the same time we extract from the Central Powers the quintessence of what they have thought and what they have done. Again the subject is too big to go into detail: From one example learn all. We presume most readers will agree that Bernhardt's book, "Germany and the Next War," was a powerful instrument of propaganda in Canada and elsewhere, and did more than any other document to enlighten the minds of the Canadian people as to the ruthlessness and essential barbarism of the Hun. We are against a policy that, ostrich-like, would bid us bury our heads in the sand because information from the enemy might taint our loyalty. In truth, there has been overmuch sandbagged criticism of this nature

in England, the United States and Canada. Loyalty is too frail a flower if it can be withered by contact with thought currents from an enemy country.

In all this the position of the United States as a World Power is due to bring about epoch-making consequences. At the close of hostilities the Republic will have the greatest army in the world, and the second most powerful navy. Its material wealth, its machine equipment, its almost unlimited natural resources, its new fleet of commerce carriers, will make of the United States—next to the British Commonwealth—the most powerful factor in world affairs. Japan, Latin-America and continental Europe will scrutinize coldly and clearly the attitude and aims of this new World State. Whether there be a formal alliance or not with the British Empire, there will be such a closeness of agreement on international politics as to give to Anglo-Saxons power to dominate mankind. If that power be not used justly, it will stampede mankind; give Germany and Austria the opportunity that they are likely to seek to organize a counterbalancing alliance; and thus jeopardize the peace of the world. A supreme army and a supreme navy in the control of Anglo-Saxons must give concern to Teutons, Russians and Japanese unless without equivocation and without intrigue or secret diplomacy, or any subtlety whatever, it is made clear as sunlight that the British Commonwealth and the American Republic seek nothing more than to establish a new international order in which the rights of all nations, great and small, will be protected and receive equal justice.

The United States, as a World Power, must give the finishing stroke to the old conception of the self-contained "sovereign State." Colonel Roosevelt in his most recent utterances takes the quite contrary point of view, insisting that nationalism must be emphasized and aggrandized as never before; that the only way to permanent peace is through national power to enforce peace. We are inclined to believe, however, that events over which the individual has little or no control are rapidly crystallizing conceptions of sovereign rights that will dominate the world. For the future we are convinced that no Power, or group of Powers, can break the peace and expect the neutral world to stand by as mere spectators of the struggle. This, for the simple reason that the interests of humanity—its economic, social and political life—are one. A disturber of the peace in the future must reckon with the whole world.

It may be that Germany cannot be included, at once in such a League of Nations, France, from bitter experience, has no confidence in the Prussian, as Clemenceau does not hesitate to state. Nor can we believe that the world is yet ready to throw onto the discard force as a political instrument. Nevertheless, it will be the moral might of the Anglo-Saxon world, backed by the tremendous resources of the United States and the United Kingdom, that will make force an agent of civil right and political justice. Politics will be internationalized; and the Central Powers will be given the choice of relinquishing aggressive designs or of feeling the weight of world-wide hostility—an hostility in which Japanese and Frenchmen, South Americans and Russians, and the Anglo-Saxon community of freemen will have the power to enforce their will for peace.

WHY ANOTHER VICTORY LOAN?

The Victory Loan of 1917 was rendered necessary by the fact that Canada could no longer borrow abroad. The entry of the United States into the war had made it imperative that that country's financiers cease to invest in foreign issues.

Great Britain had reached the point at which she was compelled to borrow money in the countries in which she is making her war purchases. This was, and is, an extremely important consideration for Canada, because our activities, prosperity and assistance in the war, depend almost entirely on our ability to market our factory and farm products in the United Kingdom.

It ought to be clearly understood that in approaching our next Victory Loan, we are faced with an equally serious situation: Only by the complete success of our 1918 Victory Loan can we continue to finance our requirements and carry on in the way we have during the past seven months.

The 1917 Victory Loan secured for Canada increased trade and resultant prosperity. The Victory Loan of 1918 will keep up the good work. Prepare to buy Victory Bonds.