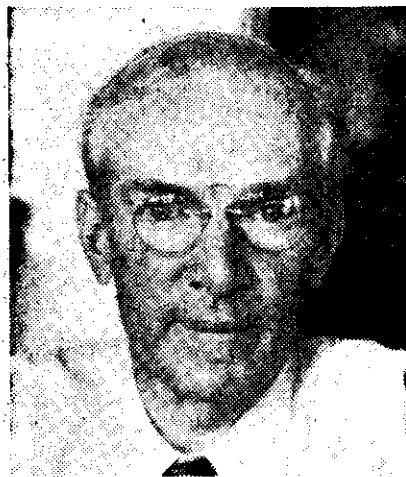


"We Should Build For Peace On Hitler's Structure For War"

IN this article from "Picture Post," Upton Sinclair says that Hitler arranged Europe's production so that all the countries under his domination were parts of one colossal industrial unit. It would be reactionary, and probably impossible, to "unscramble" this unit. Therefore we should take it and convert it from the ends of war to those of peace.

Following Sinclair's plan, there is a critical examination of it by two economists—Sir Walter Layton and Robert Boothby, M.P.



UPTON SINCLAIR, who advocates that Hitler's industrial empire should be welded into a new political entity to be called "Freestate."

Nazi Germany scrambled Central Europe; she there constructed one colossal industrial empire, designed and used for the purpose of conquest and dominion, "for the next thousand years" (the phrase used by Hitler).

Now the Allied armies are going to take possession of that empire, and have to decide what to do with it. Two courses can be followed: we can proceed to break up that great industrial empire and set up a multiplicity of small competing enterprises; or we can take the great construction, one of the greatest achievements of human energy and brains, convert it from the ends of war to the ends of peace, and set it to making plenty and comfort for the peoples of Central Europe for the next thousand years.

We shall be putting Europe back into poverty and blind strife if we choose the former of these two plans. The statesmen of the world must manage to find a way to use those gigantic new tools, to make possible the production of mass security and comfort, if modern machinery is to exist and if large-scale production is to be carried on. The time of decision has come with speed beyond our imagining. In the words of Carlyle: "Choose well, your choice is brief and yet endless."

A Five-Point Scheme

Here is a scheme set forth for the consideration of all who believe in the validity of moral standards, and in the possibility of applying them in the fields of industry and government; who believe that the mind of man is capable of conceiving, not merely bombing planes and machine-guns, but also peace, order, and justice in the ancient field of government, and likewise in the modern field of mass-production and industry.

(1) Those portions of the German Empire and of its satellite states which have been integrated into a great war-production industry shall be taken over by the Allies, and converted as quickly as possible into a peace-production industry for the whole of Europe.

(2) They shall be constituted into a new political entity called Freestate, in German Freistadt.

(3) They shall be reconstructed and administered by a corporation composed of industrial experts from the Allied nations. They shall be dedicated to the purpose of producing the goods needed by the peoples of Europe. The goods produced shall be sold at cost—the word cost including, naturally, the administrative costs of the government of the Freestate territories.

(4) All tariffs on goods entering and leaving Freestate shall be abolished. Access to and through the territories of Freestate shall be free to all law-abiding persons.

(5) As soon as the work of reconstruction has been achieved and the enterprise has settled down to continuous and orderly production, the governing board of Freestate shall admit to its membership representatives from all the peoples of Europe, and the enterprise shall ultimately evolve into a public service corporation, controlled by the peoples who share in its benefits, not merely those who live in its territories and labour in its industries, but those who purchase its productions.

For Service. Not Profit

In other words, Freestate will become a producers' and consumers' co-operative, self-sustaining, and conducted on

strictly business lines; a corporation not for profit but for public service.

In the settlement of the last war we set up what was called a cordon sanitaire, a row of small border states intended to seal off Western Europe from Bolshevism. The results require no discussion: they are before our eyes. Instead of a twenty billion dollar war, the United States have now a two hundred billion dollar war. Instead of four million men under arms, we have had twelve million. In short, the Allies have had to do the job all over again, and have found it a much bigger job.

Where is our cordon sanitaire going to be this time? There was class struggle

all over Europe before this war broke out, and, unless we display wisdom and statesmanship from the first moments of our victory, we are going to see it flame into a general conflagration.

It is necessary that we should tell the peoples of Europe what we are going to do. We should put before them this project of Freestate, and let them know that the three great industrial nations, the United States, Britain, and Russia, are going to give them the benefit of mass production at cost. And we would thus make it possible for them to enjoy peace and plenty at the earliest possible moment.

"The Plan Is Unrealistic —But a Challenge To Thought," says—



SIR WALTER LAYTON

that the restoration of nominal freedom—for to many it will be no more than nominal—is a very disappointing recompense for all that they have suffered.

The truth underlying Upton Sinclair's plan is that the only cure for a German-dominated Europe is economically to lift up the poorer states of Central and Southern Europe. This must be done not merely for the sake of the individuals who will directly benefit from it. We need to establish in Europe a number of states equal in political and economic stature for the sake of peace. A Germany which is outstanding above its neighbours may again become a menace, and must be policed and kept in restraint for a very long time by those who have the power. A Germany which is one among equals will be much less dangerous and can be admitted much more quickly to the common life of the world.

Three Essential Conditions

I have said that Upton Sinclair's Free State is not, in my opinion, realistic. The nations will not and should not put the drawing of a new map of Europe into the hands of industrialists. It is not sound for a state to be governed partly by a senate representing its foreign customers. A free trade area, covering part, if not all, of Europe, and splitting up existing states, is not a sound suggestion. The territory covered by an industrial cartel is not necessarily an appropriate unit for a single political administration.

But a plan of economic unification can quite properly be brought into effect in a Europe which adopts a political Act of Confederation or Unification.

Any such Act must deal with three matters which are essential conditions of permanent peace. The first is to arrange for the limitation and joint control of the armed forces of all Europe. Until this is done, occupation by the Great Powers must continue. The second is some constitutional provision which will ensure the political and personal liberties of the peoples of Europe, and provide a safeguard against the revival of tyranny and persecution. The third is the co-ordination, direction, and

UPTON SINCLAIR'S article is a challenge to thought. His specific scheme is, I think, unrealistic. But some of the ideas that lie behind it dig deep into the source of Europe's troubles, and compel us to ask ourselves what we are going to do about it.

Few thoughtful people will quarrel with the argument that to break up the economic unity which Germany has built up in Europe would be an attempt to put back the clock. If the result of the war is to split Europe up again into separate states—each trying to make itself economically self-sufficient, each maintaining its own army, its border guards, and its customs officials—we shall be condemning Europe to poverty, dissension and, in all probability, another war. If the Allies have nothing more to offer than a return to the old ways, some European communities may well think