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The War and Its Consequences

BY HON. JAMES W. GERARD, G.C.B.*

PRESIDENT G. H. SEDGWICK: Gentlemen, I cannot express the pleasure that I have in introducing as the first guest under the new set of officers our guest of today. Chosen by the people of his own State of New York, the greatest state in the Union, to be a judge of their Supreme Court; chosen by the President of that great nation to be ambassador to Germany, and owing to the accident of war intervening during his holding of that high office he became the representative of Great Britain at the court of Germany and in that position he showed such knightly qualities that the King enrolled him among his knights, conferring on him the Grand Cross of the Most Honorable Order of the Bath. Many people in Ontario, doubtless many people here today, represent families to whom he was able to furnish information that they needed and which he was so glad to furnish, respecting their missing and prisoners in Germany. He showed himself then and, I can assure you, still is a "very parfit gentil knyght". I have much pleasure in introducing the Honorable James Watson Gerard.

*The well-known Ambassador of the United States in Berlin, who before his appointment was Justice of the Supreme Court of New York. His books "My Four Years in Germany," and "Face to Face With Kaiserism," are among the most interesting of those which resulted from the war.

HON. J. W. GERARD: Mr. Sedgewick, gentlemen of the Canadian Club; This is the first opportunity I have had, gentlemen, of visiting your magnificent city. I suppose its growth has been gradual and you have not appreciated what a splendid place it is. And so for the first time I am able to make, as it were, my report to you, as your representative in Germany during the world war.

I could tell you of the prison camps in Germany, some of them very bad and some not so bad; of the civilian camp at Ruhleben, which means "A Quiet Life", where the civilians were put who were in Germany at the outbreak of war—the tourists, the bankers, the students. They were interned on the race track near Berlin and that is where many of those gentlemen passed four or five years of their lives, six of them in a stall of the stables, ordinarily used for the racehorses of the old track; others in the hay loft, not so high as this table at the sides and sloping up, with the cots almost touching each other. There they exhibited that wonderful British power of organization, helping each other. They made up 297 educational courses so that many of the young men who were interned there have been successful in life from the education they there received. They had their athletic games. They had an orchestra, dramatic companies, and managed to make the best of life. Their organization was so Anglo-Saxon and perfect that after a short time the Germans took the sentries out of the camp and only put them on the outside and the camp was policed by the prisoners themselves. They even printed—a great rarity now—a set of postage stamps by which men in one barrack wrote to those in another. Their food was unspeakable and a new thing was arranged in warfare when I arranged that packages for the prisoners of war in the civilian and military camps could come in from England. They came in from the American Express Company from England and abroad. They were sent from Switzerland and later from Denmark and in that way the prisoners were able to live through that period. They would have died in great numbers if they had not had that food and had been compelled to live on the extremely poor rations given by the Germans.

Some of the camps were unspeakable. It was the habit of the Germans to put some of each nation in the camps. The average camp would have perhaps 12,000 to 15,000 Russians, 4,000 or 5,000 Frenchmen, 1,500 or 2,000 British and perhaps 300 to 500 Belgians. The Russian troops, many of them, suffered from typhus fever which is more or less endemic in Russia and does not affect their health very much because they have suffered from it for generations. In the camp at Wittenberg, known in history as the place where Martin Luther nailed his theses to the door of the church, they had put as usual a number of British soldiers in the same camp as the Russians and when typhus broke out the commander of that camp and the German authorities refused to remove the French, British and Belgians, saying, "You must learn to know your Allies," and in that way a number of British soldiers were just as surely murdered as if they had been stood up against a wall and shot by order of the German High Command. Doctors did not visit the camp and it deserves to go down in history as one of the dark blots on the names of the German Military Command.

The treatment of prisoners I can show by one incident. As they came through Germany the civilian population would spit at them and then one day I picked up a copy of the official German Gazette in which it said that incidents had occurred at a town, I forget the name for the moment, in the north of Germany, in that part of Germany which formerly belonged to Denmark and has now gone back to Denmark under the Treaty of Versailles. It stated: "In this town the following people have been guilty of unworthy conduct to prisoners of war and have been sentenced to the following terms of imprisonment and the following fines and their names are here printed that they may be held up to the contempt of Germans for all generations." I thought, fine, splendid. At last the German Government is doing something to protect the prisoners and I asked our consul at Kiel to go in that direction and investigate. He reported that a car load of prisoners had gone through the town and they had expressed by signs to the population that they were dying of thirst and hunger and the kind-hearted people, who

were really Danes, had given them some water to drink and something to eat, and because of that, because they had obeyed the behest of Christ, and had given a cup of cold water in His name they had been sentenced to fine and imprisonment and held up to the contempt of Germans for all generations. That will give you an idea of what we had to contend with. Some of you gentlemen, from Canada were in the different prisoner camps. I had the honor and pleasure of seeing Colonel Kirkpatrick, son-in-law of your Chief Justice, in one camp that was not so bad. Some of the officers' camps were fairly decent and with packages sent from home they managed to last through the war. Many other of the camps were in very bad condition. The Germans did everything to make the prisoners uncomfortable. They would put British and French officers in the same room. The British, with their love of the open air, liked to have the windows open and the French liked to keep them closed, and it pleased the Germans if they fought about it.

We have today, sitting at the head table, one of our consuls in Germany who is now American consul in Toronto, Mr. Emil Sauer. His predecessor in Germany, who was consul there at the beginning of the war did much to help me before the time we had organized and obtained inspectors and doctors from America, when I had to send over consuls to do this work. He went out to inspect the prison camps in the day and at night did his work as consul and he died of pneumonia brought on by overwork.

I could go on telling you about the prison camps or about interviews I had with the Kaiser who stood at the head of the greatest armed force the world has ever seen, because to the force of, I suppose 11,000,000 or 12,000,000 in Germany were added the forces of Austria and Hungary and Bulgaria and Turkey. No man in history had under his sole command a greater force than that. The only time I saw him in what might be called a reflective mood was when I went to see him ten days after the outbreak of war to offer the services as a mediator of peace of our President. He received me in the garden of the castle at Berlin. That was the time when he wrote a telegram which, he said, was a personal message—he wrote it on telegraph blanks—to

the President, which was not at the time disclosed and in this he said "We invaded the neutrality of Belgium for strategic reasons." That is in his own handwriting and Mrs. Wilson now has it in her collection of documents. It effectively disposes, in his own handwriting, of any theory that the Germans did not violate Belgian neutrality and that the French first invaded it. In that interview it was my business to be on good terms with the Kaiser and he asked me to sit down and we talked about the war and I said "The war will soon be over. In three weeks your troops will be in Paris and you will be dictating peace to the world." But he said, "No. The coming in of the English changed the whole situation. The British are an obstinate nation and never stop fighting."

Later on I wanted to see him personally to complain about the treatment of prisoners and it had been the custom of the Court at Berlin that ambassadors should see the Kaiser any time they asked for an audience. I asked and did not receive it. It was refused again and again. Finally I asked the military attaché to tell him that I had not seen him for such a long time I had forgot what he looked like. He said, "I have nothing against Mr. Gerard, but I won't see the ambassador of a country that supplies arms and munitions to the enemies of Germany." After that, having by then learned something of German character, I wrote to the Chancellor, "Your Excellency, Some time ago I asked you for an audience with His Majesty. Please take no further steps. I don't want to see him."

I was sent an invitation to go and see him the next morning. I was sent in a special train to Potsdam and there I was brought in one of the Royal carriages to the new palace, as they called it, and shown into the big room where he was working alone at a table in one corner, covered with maps, compasses and rulers. I suppose he was dividing the world up to suit himself. As soon as I came in I stood near the door and he strode across the room to me. He was in military uniform, covered with decorations and he came up to me and without saying "How do you do?" or anything of the kind he shook his finger in my face and said, "I want you to understand I will stand no nonsense

from America after this war. America had better look out after this war." I have often wondered what he thinks now of the nonesense from America, from Canada, from the whole of North America of the men who went over there to withstand his troops; of the 4,000,000 raised and equipped and drilled in the United States; of 2,000,000 placed on the soil of France and others so ready and prepared that even in Berlin he must have seen the gleam of their bayonets as they prepared to go over if necessary to end the war.

Gentlemen, nothing I could do or any of my countrymen could do would enable us to pay the debt of gratitude that we and the Allies and all civilization owe to certain men from Canada. In Berlin, in the Spring of that year, people used to say to me, because I had channels of information, "Something extraordinary is going to happen. We have a marvellous new weapon that is going to be used on the Western Front. You will see something so powerful, so extraordinary that the Allies' line will be broken." And then on a certain day came the news to Berlin of the gas attack against the Canadian line. You remember it came at a point where the black troops of the French joined with your line. And then came this mysterious cloud, which drove back these poor black troops, who did not understand it and it was the Canadians who held on, tying their handkerchiefs over their mouths, and they fought in that devil-choking smoke and struggled and held the line for Britain, the Allies and civilization.

But you know, gentlemen, we don't want to go back to hate. I don't want to stir you by telling you tales of the prison camps. We are all business men here and looking forward to the years to come.

What is the economic situation, for example, in the world today? I suppose the first question in settling the economics of the world is the settlement of the debts which the various nations among the Allies owe to each other. Almost exactly a year ago today I happened to be in Paris and I received a telegram from a friend in the United States saying the New York Evening Post had printed a vicious article saying that I, Mr. Walkershaw (?) and Otto Kahn, whom you in Toronto know, had been going about in Paris

soft-peddling on the foreign debt question, encouraging the French to think that they would not have to pay anything, followed by an editorial in which they referred to us as hand-kissing, knee-bending, sycophantic people, as important as last year's birds' nests and so on. That paper is owned by a gentleman whom I supposed to be a friend of mine, Cyrus H. K. Curtis, of Philadelphia, who also owns the Saturday Evening Post. He must have Aberdeen blood in his veins because he charges \$7,000 a page for advertising in it and intersperses the advertising with fool moron stories and sells the combination to a trusting public. I don't know why you buy it here. I cannot understand why you don't encourage your own magazines.

I think he is also a member of the same club with me in New York. I have dined on his yacht which he runs with the profits he makes out of his paper and he has dined at my house. Although at that time I never gave an interview and refused to be interviewed, as I was there to enjoy myself and never said publicly or privately anything about it, he has refused to print a retraction in his newspaper, but if he lives long enough he has got to do it.

In an interview with Mr. Ochs, the proprietor of the New York Times, I denied I ever said anything and said it was not tactful for Americans to talk abroad about matters under negotiation by the State Department, but at home nobody could prevent me from discussing in any way different questions of public policy. At his request last February I wrote an article for the New York Times. Unfortunately, through a mistake of an editor it was printed not as a special article, but as a letter and as it has appeared in the New York Times, which circulates in Canada I am at liberty, free from accusation, to tell you what I said there about foreign debts. I said in that article that we had come to be regarded as the Shylock of the world. I said that our great prosperity had received its first push from the enormous sums of money loaned to the Allies, all of which had been spent at high prices, to buy goods in America. I said we were going into the Arms Conference as a grim and hard creditor and yet claiming equality with the other nations. I said further that we prated of idealism and

to a Europe broken with war we offered advice which nobody wanted and presented bills for money loaned and interest. Further I said that when all the debts had been arranged on what I hoped was a lenient basis a splendid impression would be created in the far-flung British Empire if we should voluntarily reduce the debt they had agreed, in the bravest manner to pay, in the midst of industrial depression, to the lowest terms any nation received and that that would do more for international peace and goodwill than years of conferences.

If you go into Germany you find there the situation still depressed and I don't believe they can find the gold to make the payments under the Dawes plan. You see, Germany, like some other nations, if you put an iron ring about it, as you did in the war from the blockade, would have 25,000,000 people starving to death. The manufacturers have to earn enough in each year to buy food for that 25,000,000, and if you have a high tariff they cannot sell the goods. I don't think our tariff will be changed because our workmen are used to high wages. We are able through mass production and the sensible view of our workmen in regard to labor saving machinery to compete in the markets of the world as well as to sell our raw material.

It was a danger to us, this great accumulation of gold. Many people in our country are bumptious about it and think it is a splendid thing to have acquired nearly all the gold, but as I pointed out at the time in the United States gold is only the standard of the world by the consent of all the nations. They could have sent us all the remaining gold. As an English financier once said, "We could choke you with gold." They could have bought credits and supplies for years and the instant we had all the gold in the world the other nations could have held a meeting and said "From now on silver is the standard," and gold would have been worth nothing except for jewellery and our friends the dentists here could have used a little more.

We escape that economic danger if we send money out, pumping it into the veins of the world economically, and that is what I believe we will do as soon as the debt question has been satisfactorily settled. We are prosperous today in

the United States. We have a strong Government and although I am a Democrat, but never a candidate for office—I am treasurer of the National Democratic Party, guarding its debts rather than its assets—I am delighted to be able to say we have arrived at a pitch of civilization in political life where we can put men like Andrew Mellon at the head of our finances.

We have also made progress in the past few years in what you might call recognising big business. I am not connected with big business directly or indirectly, but big business has enabled us to compete, in spite of high wages, in the markets of the world. As long as directors behave themselves and don't get vast stockholdings they should be encouraged. It is a curious thing that the Sherman Act, which forbids combinations was directed at monopolies and not in restraint of competition. It is very hard for me to keep off a distinctly legal subject. Suppose there were two men running an express waggon, one in the morning and one in the evening, each between Hamilton and Toronto, and suppose they said, as sensible men would, "It is perfectly ridiculous running in opposition. Let us combine and run one waggon in the morning and one in the evening and divide the profits." That would be restraint of competition that would injure no one because if the profits were too large anyone else could hitch up a waggon and go into competition. But if two men had the two and only coalmines outside of Toronto from which coal could be economically sent and they formed a combination, there you have something dangerous to the body politic because they have formed a monopoly and by raising the price can oppress the people. But lately in America we have managed to get away from the original view of the Sherman Act, that any combination that produces large business was contrary to the provisions of the law and the Attorney-General has permitted large corporations to come together with corresponding benefit to the people and to the workmen who can obtain higher wages than from two or more lesser concerns. That is serious and technical talk for a luncheon.

In France you have a curious situation. You find there the French peasants combing the soil as anyone who has

been there knows. They are deeply attached to the soil. The other day the Minister of Agriculture in France had an investigation made to see how long certain farms had been in certain families and it was found in the south of France that one family had title deeds to the farm on which they resided since the time of Charlemagne, and so you find the people at work, the factories running full blast, but the country, as a Government practically ruined and it will be until the French are bold enough to tax themselves. They did not meet the situation in the same strong way as the British after the war, when they imposed enormous taxes on the rich. They did not meet it in the same way as the United States and Canada, so that today the French, who have a tradition born about the time of the first revolution, about 1793, that they should never pay taxes, are in a parlous condition because they refuse to tax themselves and no Government seems to be strong enough to adopt a policy which will lead them out.

In other parts of Europe, in the Eastern part you find the economic situation is entirely dominated by the political. Poland as you have seen in the papers in the last few days is unable to go on with Parliamentary Government and Pilsudski who was at the head of the Polish troops that beat back the Russian invasion after the war is once more in charge. The old Austria is in a bad way as it was cut up after the war and in Vienna now there are over 2,000,000 inhabitants, which is far too many for the present size of the country, and they are holding on by the skin of their teeth as it were, unable economically to restore themselves and all the time dominated by the Socialistic party.

Hungary is across the line—entirely independent of Austria now, of course. The country is seething with political unrest. They are ruled by the regent Horthy, but no one knows what he is regent for. A regent means that you are acting for someone, but no one can tell you for whom. He came in after the Reds had seized Hungary. I happen to know a great deal about Hungary because my wife's sister is married to one of the leaders of the Monarchist party and he and Admiral Horthy and others came in

after driving out Bela Kuhn and the Bolsheviki. His country place was in possession of the Bolsheviki, but the only thing they stole besides the wine were the American cookery books. They came in and restored a form of Government putting in Horthy as regent and since then there have been times of turmoil and attempts to restore royalty. My wife's sister's husband was Governor of Western Hungary, and if you remember the ex-emperor Charles and the Empress Zita loaded themselves into an airplane in Switzerland, carrying in a most modern fashion the royal crowns and jewels in a couple of suitcases and landed in Western Hungary, and with my brother-in-law and others started out for Budapest to drive out the regent. But like so many other people in similar positions they delayed on the way to meet delegations, hear petitions and attend Mass and so forth, so that Admiral Horthy was able to arm the students and collect a certain number of soldiers and meet them outside Budapest in a battle in which 400 Hungarians were killed, and Horthy succeeded. The Empress and Charles were sent up the Danube and afterwards to Madeira where shortly afterwards Charles died and my brother-in-law and several of the soldiers were put in jail. After he had been in jail for some time they let him out on bail and my wife came to me and said "Isn't it terrible? They want a million kroner for bail?" and I said, "Don't let that worry you. That is only worth nine dollars and eleven cents." He is now one of the leaders of the party seeking to restore, Otto, the young son of the Empress Zita to the throne of Hungary.

On the other side you have Roumania once more in confusion, with the Crown Prince skipping to Paris with a young lady and expecting to return at the head of a great patriotic party and take possession of the country. In the meantime in those countries defeated in the war, seething with unrest, the status of the lost provinces is spoken of as occupied territory and taught of in the schools as occupied territory; and if Rumania were invaded Poland, Czecho-Slovakia and Jugo-Slavia, the Little Entente, would have to go to her aid and possibly a general war in Europe would

be started again. It seems impossible to take the desire for war out of the peoples of Europe.

I remember when I came out of Germany in 1917 talking in Paris with the Italian historian, Ferrari and others, and the talk was about America which was evidently due to come into the world war and the comment was made that in North and South America the people were not actuated with the same hate as the peoples of Europe. On the night I left Germany I went to turn over the fund collected for German widows and orphans to the head of the Deutsche Bank and he said to me, "You are going to a happy country, where you don't hate. I don't know what the secret is but here we have in Austria and Hungary, within twenty miles, parties of Germans, Slavs, Czechs and Slovians, each hanging on to religion, language and national traits and ready to fight and yet people from these same villages start for America and somewhere on the Atlantic they seem to lose their hatred and arrive in America desirous only of becoming American citizens. What happens? What weapon do you use?" I said we used the weapon of ridicule. I said that anyone could dress in his national costume if he wanted to and parade down Fifth Avenue, but he would be laughed at; anyone could talk but no one would pay any attention to him. It is peculiar the way they hang on to their language in Europe and won't assimilate and it has made for this intense nationalism.

I am delighted to be with you here in Toronto and meet people like Colonel Kirkpatrick who fought so bravely in the lines in France, and those who were my wards in the prison camps of Germany and it is a matter of great pride and pleasure to me that so many Americans before we entered the war came over here and joined the Canadian forces. I remember going through a prison camp where the prisoners were lined up for inspection and one of them was in Highland military dress and as I came up he called out, "Hello, Judge," I said to him "What kind of a Highlander are you?" and he replied, "I am a Highlander from the Highlands of Orange, New Jersey." And it is a pleasure because we live so close together; because in this war we were able at last to stand by your side; that our navy could

help the British navy to keep the German navy like rats in a hole so that when "Der Tag" came it was only to surrender. It is a pride and pleasure to me that we were not weak, craven, neutral, standing on the side lines, but that we were able to stand by your side in the hour of victory.