

# Merchants of Peace

International commerce helps avoid wars, and chambers seek to enhance commerce.

By Chris Mead

**D**oes commerce reduce the likelihood of war or increase it? For some people in the Victorian era and even during the first years of the 20th century, the sense was that increasing trade would lead to a more peaceful world. Such an idea culminated in Norman Angell's *The Great Illusion* (1910), a book famous for its poor timing. Angell argued that it was no longer in the interest of industrial countries to try to conquer one another.

World War I began in 1914, and although Angell had not said war couldn't break out, his perspective appeared dated or just plain wrong. Germany and the United Kingdom, for example, had traded extensively before 1914, and then traded bombs, bullets and mortar shells in the Great War. World War II reinforced the idea that commerce did nothing to stop war, and might even bring it on.

In recent years, however, evidence has accumulated that the 20th century's two big wars were statistical anomalies. Sophisticated studies have shown that commerce is correlated with peace—not an absolute correlation of course, but a strong one. Wars happen less often between nations that trade extensively than between nations that don't. The best-known exemplar of this point of view is Harvard's Steven Pinker, whose book *The Better Angels of Our Nature: How Violence Has Declined* is a fascinating look at how life has improved while we weren't noticing, and how sudden death in war or by other violence has become rarer.

Surprisingly, chambers of commerce can help illuminate the war question. And indeed, why shouldn't this be? Chambers of commerce are organizations of businesses, which in turn are the soldiers of commerce. Presumably the behavior of these chambers may at times reflect the overall views and tendencies of business. In a look at chamber history in North America, covering the years from 1768 through 1945, I have found that major chambers, time after time,



1816  
American Troops on the Western Front



Stamp Act 1765  
Berthel George, Medallist



John Jay (Gilbert Stuart portrait)

used their influence on the side of peace. Indeed, some were very proud of their peace-oriented behavior, even when they shouldn't have been. And that is the interesting part: peace activism can range from courageous to cowardly to bordering on traitorous, depending on which war and which tactics are involved. Let's take a look at a few examples over the years.

## 1768

The first full-fledged chamber in North America, the New York Chamber of Commerce, was founded in this year in reaction to continuing troubles with the Stamp Act of 1765. While the chamber protested British policies, it did so as a loyal subject of King George III. Indeed, the chamber applied for and received a royal charter from the king. About two thirds of the chamber's members were Loyalists as the American Revolution commenced. This chamber was not made up of adventurers: they had plenty to lose from violence on land and sea.

## 1773

In Charleston, S.C., a chamber was formed not to throw British tea into the harbor, but to bring it ashore. Most of the merchants there attempted to be a moderating influence on the revolutionary spirit. When the war was lost to the Patriots, these merchants and their British patrons left Charleston in 300 ships, leaving a gaping hole in the local economy.

## 1795

At a time when British vessels were seizing cargo and sailors from American ships, American public opinion was inflamed. George Washington, knowing the weak United States had to have peace to survive as a country, sent John Jay to England to negotiate a treaty. When Jay returned and the terms of the treaty were known, the Jefferson-Madison faction exploded with rage, saying the

document was soft on the Brits. Public opinion was strongly against the treaty until the New York Chamber came out publicly for it, arguing that its rejection could mean war. The Boston Chamber followed suit. Eventually the treaty passed the Senate with not a single vote to spare. This chamber act of peace-making could have helped spare the fragile country from partition as a result of an ill-timed war with Great Britain.

## 1860-61

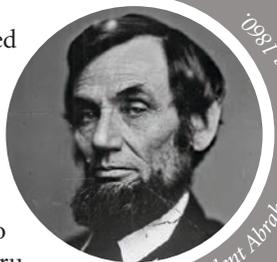
Northern business people, as a rule, feared tremendously the prospect of a war with the southern states. The New York Chamber of Commerce and several of its leading members took a number of steps to avert war, from circulating an antiwar petition to sending a delegate to the Washington Peace Conference in February 1861. Referring to himself as a delegate of the New York Chamber, prominent member William Dodge told President Lincoln, who had stopped by: "It is for you, sir, to say whether the whole nation shall be plunged into bankruptcy; whether the grass shall grow in our commercial cities."

"Then I say it shall not," Lincoln responded. "If it depends upon me, the grass will not grow anywhere except in the fields and in the meadows."

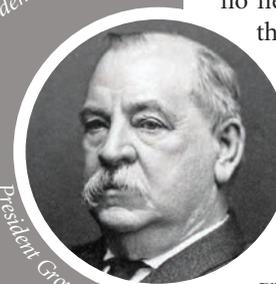
Even after tensions increased, the peace feelers continued. One other leading member of the New York Chamber, Richard Lathers, was delivering a plea for peace to the Mobile, Ala., Chamber of Commerce on the day that shots rang out in Charleston Harbor. The meeting broke up and he tried to give a similar speech to the New Orleans Chamber, but was ordered out of town as an "alien enemy."

## 1862-64

After the Civil War began, the North feared that Britain and France might provide diplomatic recognition to the Confederate States of America, thereby freeing those countries to provide more arms and aid to the CSA. This could even lead to a new war on top of the Civil War. The New York Chamber worked to keep both transatlantic countries out of the war. The chamber publicly honored British statesman John Bright, a friend of the United States; it also arranged for members to contribute to a fund to aid English workers who were unemployed because of the cessation of the cotton trade. In addition, the New York Chamber provided moral support (because public support would compromise them) to people such as Samuel Goddard, an American who wrote pro-Union commentary for British papers and personally tried, and thought he succeeded, at keeping the French out



1861-1865  
President Abraham Lincoln



1897-1901  
President Grover Cleveland

of the war. Finally, the chamber protested vehemently when British dockyards supported the construction of Confederate warships such as the Alabama. The vocal protests, the chamber's leaders hoped, would embarrass the British government into closer surveillance of its port cities, making it more difficult for local shipyards to menace American shipping and create a *casus belli* with the embattled Union.

## 1895-96

During the Venezuela crisis, with British ships ready to fire on South American soil to settle a debt issue, U.S. President Grover Cleveland made a saber-rattling speech hinting of war with Great Britain. Suddenly the New York Chamber, in a move that shocked even its friends, called for international arbitration in the affair. Tensions gradually eased and arbitration did solve the issue. It turned out, although no newspaper seems to have gotten wind of it, that

the London Chamber of Commerce had put the New York Chamber up to the job. The New York Chamber, then, had been pretty close to committing treason – following a foreign group's direction and directly undermining the President's policy. But it all worked out fine in the end, and earned the chamber a splendid trip to London to celebrate with its grateful friends there.

## 1915

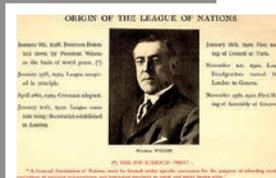
After World War I broke out in Europe in late 1914, a number of American chambers supported the idea of "preparedness," but that meant arms buildup, not joining Armageddon on foreign soil. The U.S. Chamber sent a large delegation to the League to Enforce Peace meeting in 1915. This group, championed by ex-President William Howard Taft (who as President had called the U.S. Chamber into being in 1912), wanted America to stay out of the European war.

## 1918

Fully 96 percent of chambers polled by the U.S. Chamber supported the idea of the League of Nations, whose main purpose was to promote peace.

## 1919

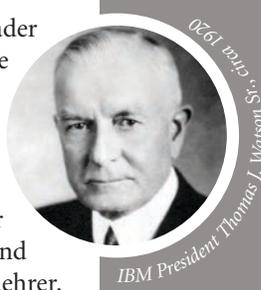
Idealistic business people on both sides of the Atlantic formed the International Chamber of Commerce in an attempt to rebalance the unstable world economy. Edward Filene of Boston was one of the leading Americans in the effort. The ICC would be chronicled in a 1938 laudatory history by George Ridgeway called *Merchants of Peace*. ▷



*The League of Nations: A Pictorial Summary, Geneva: League of Nations, c. 1920.*

## 1937

Thomas Watson, Sr. of IBM was a chamber leader extraordinaire: three-time president of the influential Merchants Association of New York, active in the U.S. Chamber of Commerce, and, in 1937, head of the International Chamber of Commerce. Watson presided at an ICC meeting in Berlin where he either made a “Heil Hitler” salute or caught himself and stopped, and accepted a medal from the Fuehrer. Watson also described Hitler’s intentions as peaceful. “There will be no war. No country wants war, and no country can afford it.” Watson’s company provided the Hitler regime with a full array of punch-card systems and advanced technology to keep the Reich’s war and killing machines running on time, according to author Edwin Black. Black says that Watson used his chamber-aided status to move his products into Germany up to the last possible moment, more easily than a non-chamber leader could have. An IBM punch-card machine is prominently displayed in the Holocaust Museum in Washington, D.C.



## 1937-41

The U.S. Chamber and other chambers in the U.S. were overwhelmingly against war with Hitler. In a remark eerily reminiscent of the one made by William Dodge to President Lincoln in early 1861, the president of the U.S. Chamber in 1940 said that a war in Europe would “bankrupt” the United States. And Merle Thorpe, editor of the U.S. Chamber’s magazine, *Nation’s Business*, wrote that “we fear – fear deeply – and for more than our lives. We fear the destruction of the American way of life.”

## 1943

Charles Gwynne of the New York Chamber won an award for his international arbitration work. Standing in the room to congratulate him was IBM’s Thomas Watson. Watson said at another time that if the principles of chamber-led arbitration had been followed, there would have been no World War II.

## Dove or Pigeon?

Clearly, efforts to promote peace can be messy when they happen and occasionally ugly in hindsight. Sometimes the winged emissary of peace is a beautiful dove; sometimes it’s an ugly pigeon munching on an old French fry.

Still, chambers of commerce and their leaders did much to shift the American ship of state away from war, or to make it more difficult politically for

Presidents and Congress to go to war. It is hard to guess how American history would have played out without the mostly conservative pressure of these chambers, which were, of course, entangled with many other groups and actors in the drama. We certainly don’t look kindly on peaceful agitation before past wars, such as the Civil War and World War II, that today we consider “good” wars.

There are some caveats here. War against small enemies, or enemies perceived as small, weren’t so unpopular. Several chambers, for example, supported going after the trade-despoiling Barbary Pirates in 1803. And, in a country that would have thousands of chambers by World War II, there were sure to be occasional examples of chambers that were willing to go to war with great powers.

Once major wars broke out, chambers of commerce tended to reverse course immediately and to go all-out. Local business organizations could be among the most aroused and patriotic of the citizenry, ready to do almost anything for victory, and fast. And of course there was, frequently, the corollary that chambers sought military bases and arms and equipment plants for their communities. One exception, cited by a federal official in World War II, was a community that wanted an explosives plant to go to a nearby town; this way some of the economic benefits would come, but no destruction to the first town if the factory blew up!

Overall, in more than two centuries of American history, chambers of commerce have influenced the nation toward peace. Yes, they made some terrible mistakes. But, in combination and sometimes in conflict with other groups and associations of Americans, they helped move the country quietly toward avoidance of big quarrels.

The chambers’ example lends weight to the idea that commerce leads to peace. The road may be crooked and long, but it keeps moving in the direction of reduced violence. The idea of merchants of peace, much maligned, may in fact be true. ☐

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This essay is based on material from his book, *The Magicians of Main Street: America and its Chambers of Commerce, 1768-1945*.

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