

940.343

German Business

AND

German Aggression

T. FISHER UNWIN, LTD.,
1, ADELPHI TERRACE, LONDON.

1917.

PRICE TWOPENCE.

Walter Clinton Jackson Library
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
Special Collections & Rare Books

WORLD WAR I PAMPHLET COLLECTION

German Business AND German Aggression

T. FISHER UNWIN, LTD.,
ADELPHI TERRACE, LONDON.

1917.

CONTENTS.

| | Page |
|---|------|
| Introductory | I |
| (1) The Men of War and the Men of Peace ... | 4 |
| (2) The German Banks | 6 |
| (3) The State and Transport | 11 |
| (4) German Subsidiary Companies | 14 |
| (5) German Business and the Foreign Press ... | 15 |
| (6) Naturalization and Espionage | 18 |
| (7) The Passion for Conquest | 20 |

Digitized by the Internet Archive
in 2010 with funding from
Lyrasis Members and Sloan Foundation

German Business and German Aggression

INTRODUCTORY.

Among the many things revealed by the war, one of the more important is what may be called the omnipresence of the German. Other nations, both those now belligerent and those now neutral, have suddenly discovered that German influence played a much larger part in their economic life than had been thought possible. As a consequence many wild statements have been made, and the slumber of many peaceful folk has been rudely disturbed by nightmares of the most violent kind. Business men, however, are not in the habit of accepting statements without properly testing them, nor are they prepared, without evidence, to believe that every one of those Germans with whom they may have rubbed shoulders in the past was a double dyed villain. But enough

has been seen and said to rouse legitimate doubt in the business communities of many lands as to whether German business methods are compatible with the economic development of the world as a whole, and it is with these doubts that the present writer is here concerned.

There are two things that must be pointed out. First, that natives of England, the traditional home of exiles from all foreign lands, are not naturally prejudiced against the foreigner in their midst, nor is it the English way to object to the immigration of natives of other countries for business or political reasons. Second, that it is important to distinguish between legitimate economic expansion and illegitimate politico-economic expansion. We all of us desire sufficiency—enough clothes and food and shelter and leisure for the development of ourselves and our children, that “necessary equipment of external goods” without which the old Greek philosopher denied that a full life could be lived. We desire this for ourselves and we respect the desire in others. Therefore we cannot reasonably object to the Germans because they are energetic in pushing their business all over the world. What we in common with the rest of the world would find intolerable is that sort of business expansion which aims not at legitimate profits, but, in part at least, at making itself the instrument of an aggressive foreign policy. If we find that German economic expansion bears this character we are justified in objecting to it, whether in our own country or in another. For expansion of this sort is not compatible with the best interests of the world as a whole and of international relations.

Moreover, the present is a time when the matter has acquired particular importance. For the German publicists are talking of nothing more than the unaggressive character of German policy, and how peace on terms suggested by Germany would be the signal for economic recovery, and for an ideal development of international relations. Take, for instance, Herr Maximilien Harden, the journalistic repository of the Bismarck tradition. Who could be more emphatic than he now is that Germany seeks no conquests, territorial or economic? Yet on October 17th, 1914, when the full effect of the Battle of the Marne was perhaps not yet realised in Germany, he wrote as follows in regard to Belgium. "A noble Germanism must here conquer new provinces . . . Antwerp not opposed to, but in conjunction with Hamburg and Bremen; Liège alongside of the munition works of Hesse and Berlin; Cockerill allied with Krupp; Belgian iron, coal and tissues under one management. . . . From Calais to Antwerp, Flanders, Limburg and Brabant, right beyond the line of the Meuse fortresses: all Prussian." If we are to pay attention to what such folk are writing now, we must remember also what they wrote when victory seemed within their grasp. And if we find adequate grounds for believing that German economic expansion is guided by the will to promote such political ideas as these, we, the business men of countries outside Germany, shall be forced to accept the opinion that German economic growth has to be regarded quite differently from the growth of any normal type of business. We shall even be bound to place obstacles in its way. For, whatever tem-

porary profits may be made out of war by certain classes, business prosperity is based on plentiful production, rapid communication, and freedom from political disturbance. None of these conditions is satisfied by war or by a state of "Peace" in which one country is promoting political strife and violent change by politico-economic means.

THE MEN OF WAR AND THE MEN OF PEACE.

Such are the doubts with which the business community the world over is confronted when it thinks about German expansion. Let us consider on what these doubts are based. They are based first of all on what the world in general knows of the organisation of society in Germany, an organisation in which industry and finance are more closely allied with the machinery of Government than in any other important country. "The Flag follows Trade," said Bismarck, who was the architect of aggression in economic as in political matters, "the inaugurator of international policy in financial spheres," as a German banker called him. From the Emperor downward all the political forces of Germany have long been concentrated on the support of German industry. Is it reasonable to suppose that German industry gives nothing in return to the soldiers and landowners who thus go out of their way to support it? The Kaiser numbers among his intimates the leaders of German industry, for example, Rathenau of the Allgemeine Elektrische Gesellschaft and Ballin of the Hamburg-Amerika Line, the same Ballin who became for a moment his master's official representative in

the correspondence initiated by him at the outbreak of the present war with one of the proprietors of the London "Times." Moreover, military leaders have vied with the leaders of industry in proclaiming that the expansion of German economic interests abroad represents an actual addition to the German Empire. As the Kaiser himself said to some of his subjects in 1896, "Thousands of your fellow countrymen are living in all parts of the world; German wares, German knowledge, German business energy traverse the ocean. The earnest duty, then, devolves upon you to form a strong link with this greater Empire, binding it to the Empire at home." Germany is the home of the scientific tariff, of the Kartell, and of systematic over-production for the export trade. Its recent nationality legislation, which is referred to later, accounts for the suspicion which meets the German clerk, who is to be found all over the world working with abnormal energy for a small salary. When in the Spring of 1915 Germany first became doubtful of her military prospects and a party arose which opposed the annexation of Belgium, it was the six great economic unions that stood up (whether at the Government's instigation or not cannot be stated with certainty) to advocate annexation, indemnities, and the full policy of blood and iron. These facts are so far from being denied that the close connection of German industry with the German Government is a matter of self-congratulation in Germany. All these things may be in themselves politically harmless to the rights of other nations; they are only touched on here to suggest the atmosphere with which German expansion has surrounded itself. One

may then proceed to consider the working of the German system with detailed reference to certain branches of industry and finance.

THE GERMAN BANKS.

There falls to be considered first Germany's financial system as embodied in its banks. It is well known that each big German bank combines in itself functions which in other countries are divided between many different institutions. Thus in England a manufacturer will keep his private account, with a deposit balance to his credit, in one bank; another bank will keep the account of his business and advance money to it for short periods. When he wants to raise money by the sale of bills of exchange, he may go to a discount house, specialists in this work, and these same bills of exchange will have been created by arrangement with an accepting house. When he wants to buy or sell stocks or bonds he will deal with a stockbroker; when he wants to sell his business to the public by turning it into a company he will go to an issuing house. In Germany all these services will be rendered to him by one bank; which in return will demand a certain amount of control over his operations. And we find in fact that this control is very strong. Its existence is so obvious that it is perhaps unnecessary to dwell on it. In 1911, for instance, the Deutsche Bank alone was directly represented on the boards of 114 different companies, including such important enterprises as "Siemens and Halske," the "Deutsche übersseeische Elektrizitätsgesellschaft" and the

"Norddeutscher Lloyd." The whole German banking system seems to aim, abroad even more than at home, at the domination and control of industry rather than at making legitimate profits by furnishing facilities at a fair price. Compare, as an example, the capital and deposits of German banks with those of English banks. In the table below the figures are given for the six principal banks of each country on December 31st, 1913—before the beginning of war made statistics unreliable:—

| | 6 English Banks. | 6 German Banks. |
|----------------------|------------------|-----------------|
| Capital and Reserves | £39,000,000 | £74,500,000 |
| Deposits | £457,000,000 | £244,000,000 |

The proportionately higher amount of capital and reserves in the case of the German banks confirms the popular impression that they aim at being able to sink large sums for long periods in new enterprises, in return for which they obtain closer control than their English or French rivals over the whole working of the business. It is this policy which explains, for instance, the Deutsche Bank's participation in the Bagdad Railway enterprise, concerning which the German publicist, Rohrbach, wrote in 1902 with characteristic modesty that it "had an undoubted political object." Compare again the German bankers' method of "participation" in industry with the English method of financing foreign trade. The German banks having decided to develop trade in a certain area, provide the favoured industry with a certain amount of capital. They are therefore represented on the Board of Directors. Even though a large part of the capital is in the hands of natives of the country where the

business is situated, Germans maintain the control of the management. The German bank is interested already, either alone or in consort with other banks, in various German Kartells. By its control of the new business which it has helped to establish abroad, it is enabled to force the product of these Kartells upon this business. Thus the establishment of a new enterprise abroad with the aid of German money means in practice that the natives of the country so favoured help to flood their own market with German goods at the expense of their fellow countrymen manufacturing those goods. A merchant or manufacturer abroad who seeks financial facilities in England has usually a different experience. Perhaps he approaches an English accepting house. The latter, satisfied as to his standing, agrees to "accept" bills drawn by him on them against shipment of goods and the usual certificates of insurance and bills of lading. The bill of exchange on London so created becomes a negotiable instrument anywhere in the world, and can be sold by the merchant or manufacturer to provide funds for wages, materials, etc. When the goods are sold he has funds in hand again to pay the accepting house, which has agreed by "accepting" it to pay his bill. And so long as he has genuine business to do he can reasonably count on the maintenance of these facilities.

This is clearly a method of financing himself of which the trader in any country can take advantage without fear either of losing control of his own business or of damaging his country's interests. The German system, on the other hand, has both these disadvantages, and it is by comparison with the

English method that one is helped to see the aggressive character of German finance and the perils which its growth involves to the native industries of such countries as Switzerland and South America. Instances are not hard to find. In Switzerland and Italy are, or were, to be found many companies for which the bulk of the money had been provided in the form of bonds or debentures by the Italians or the Swiss, but where the ordinary capital, which alone carries the voting power and therefore the control of the directors and management, is in the hands of Germans. Either they hold the majority of the shares or hold a sufficiently solid block to outvote any other particular element of the shareholders.

This was the position in regard to the mining companies of the Briey area, to which French capital had principally contributed. This was also the case of *Société Anonyme pour l'Industrie de l'Aluminium* of Neuchatel, eight out of whose fifteen directors were German, and of the *Banque des Chemins de Fer Orientaux*, half of whose directors were also German. Take again an example of the same principle rather differently worked in the case of *Banca Commerciale Italiana*. In 1895 Austrians and Germans held 29,000 shares of this bank, the Italians under 7,000, and the Swiss a similar amount. In 1914, the capital having been meanwhile increased, the shares owned by Austro-Germans amounted only to 7,400 against 195,000 owned by Italians, 64,000 by Swiss, and 42,000 by French citizens. Yet the directorate of the bank, formed under German influence when German capital still predominated, changed hardly at all in regard to the nationality of its members during this

period, and the management also remained predominately German right up to the time of the present war.

There will be found below further instances of the German method of obtaining control over business abroad. But it would at any rate seem clear: First, that German banks play a more important part in the direction of German industry than those of other countries. Secondly, that German banks are so organised as to obtain the maximum amount of control over industries abroad, even though much of the capital of these industries may not be German. German finance is thus sharply distinguished from that of England and France, of which the chief characteristic is the employment of savings, which cannot find investment at home, in investments abroad. These investments are made not with the idea of controlling this or crushing that, but of employing money at a good rate of interest in countries where capital is relatively scarce. As for the relations between the German banks and the German Government, they are not of a kind that readily seeks the light of day, but one may quote one illuminating statement. It is an extract from the evidence given in 1907 by Oberfinanzrat Waldemar Müller, a director of the Dresdner Bank, before the American National Monetary Commission, presided over by Mr. Nelson W. Aldrich. "The Foreign Office," says Herr Müller, "has frequently stimulated the German Banks to enter into competition for Italian, Austro-Hungarian, Turkish, Roumanian, Serbian, Chinese, Japanese and South American loans. Even when the banks are approached from other quarters the first move made

is to ask the consent of the Foreign Office for carrying on such negotiations. If the consent is given, then Ministers, Ambassadors and Consuls frequently support the representatives of the German banks by word and deed."

THE STATE AND TRANSPORT.

Turning from banking, it will be natural next to consider German transport and shipping, in order to see whether these industries also show evidence of effort made by the German State in conjunction with private enterprise to obtain by politico-economic means control over the life of other nations. Take the railways, which in Germany, as in many other countries, are state-owned. England and America are the two chief examples of countries where the railway system is in private hands, while in France the railways are in a state of transition from private to state ownership. But in all three countries the conception of railway business is the same, namely, that it consists of selling transportation at a fair price for buyer and seller. The legislation of the United States particularly gives evidence of the determination on the part of the people to see fair play in regard to railway rates. The ideal of the management of the German railway system is very different. It has been defined as being "inspired by the need to support certain industries against foreign competition, to promote the development of the nation's harbours, and to allow the cheap importation of certain products that have been adjudged necessary. . . . The German State is a judge between different industries

and different districts." Herein lies the explanation of the enormous number of special rates on the German railways, which M. Paul Léon estimated in 1903 to affect 63 per cent. of the tonnage carried and 46 per cent. of the freight paid. Similarly the convention relating to the St. Gothard tunnel was used by Germany as, in effect, a special tariff arrangement for the protection of German trade in Northern Italy, even though the goods concerned were transported by way of Switzerland.

When we remember all these things which are done by the Prussian State we can see under what obligation the German exporter lies to his Government when he comes to sell his goods abroad. Is it surprising, then, that foreigners regard the German merchant as, in part at least, an agent of the political ambitions of his Government? Even the German merchant marine, which is owned not by the State but by private shareholders, serves only to confirm this unfavourable impression. It is true that the direct subsidies paid to German shipping companies are smaller than those paid in Japan or even France. But by means of the special railway tariff referred to above the German Government does all it can to force through goods traffic to the harbours which are the headquarters of the German shipping lines. Also, it has been the practice of the railway administration, taking advantage of Germany's geographical situation, to force up freight rates so that, for example, Russian goods are shipped to France by German ships from the Baltic ports rather than by a railway route, from which part of the profits would go out of German hands. Again, the profitable emi-

grant traffic to America from Eastern Europe has been diverted by the German State almost wholly into German ships. When, for instance, the Cunard Company concluded an agreement for carrying on emigrant traffic from Hungary with the Hungarian Government, which was desirous of freeing its subjects from the grip of the German emigration agent, German methods were fully exposed. The Hungarian Government was satisfied that the Cunard Company had suitable facilities for carrying on the traffic, and the Company had even received a licence from the German Government to carry on this business in Germany. Yet sworn statements showed clearly that, when Russians and Poles who had booked by the Cunard route attempted to cross Germany, they were diverted to German ships by false statements made by agents of the German companies in the presence, curiously enough, of German policemen.

Some idea of the value of the traffic which the German Government thus ensures to the German shipping companies may be gained from the fact that when the American crisis of 1907 brought emigration to a standstill, both the North German Lloyd and the Hamburg-Amerika Line, which had been paying 8 and 10 per cent. dividend respectively, suffered a serious loss of profits, the latter being forced to reduce its dividend to 6 per cent. even for the year 1907 itself. Thus a brief consideration of the German transportation system affords further evidence of systematic co-operation between the German Government and German industry. And we are compelled again to ask ourselves whether the German trader who receives

such benefits from his militaristic Government can in fact be free to refuse his co-operation to any political schemes which that Government may have in mind.

GERMAN SUBSIDIARY COMPANIES.

In referring to the methods of the German banks it was shown how their expansion abroad did not bear the signs of a genuine desire to discover fresh fields for investment, but was marked by a passion for obtaining control of the industry and capital of foreigners. One may now briefly consider some of the extensions of German industry which have been made abroad in order to see whether these also have this characteristic. And in doing so we shall again have in the back of our minds the thought that the German, when he reaches his foreign market, already owes a big debt to the close personal connection between his warlike and land-owning governing class and the leaders of German industry.

One is not here concerned so much with the direct export of goods from Germany as with the network of German-controlled companies which are to be found in so many countries. The common history of these companies is something like this. They are established with rather a flourish in a foreign country under German auspices. Either they are based on a native industry already existent, or native capital is subsequently attracted. But care is taken throughout that the control remains German. It is thus easy to ensure, after the new industry is firmly established, that the distribution of profits between the partly native subsidiary and the wholly German parent com-

pany is such that the maximum proportion finds its way finally into German pockets. A good example of this method is the Siemens-Schuckert Company of Berlin, with its subsidiaries in Milan and elsewhere, of whose operations a full account was given by Signor M. Pantaleoni in the "*Vita Italiana*" of August 15th, 1915. Again, the Allgemeine Elektrische Gesellschaft had, through an intermediary in Zurich, control over six of the principal electric undertakings in Italy and of seven in Spain, which supplied, according to M. Hauser, 60 per cent. of the electric material sold in that Peninsula in 1910. The aniline dye industry provides evidence to the same effect. So does the metal industry of Australia, which had before the war passed so far into German hands as to make special legislation necessary to free the Australian-owned mines from the restrictive agreements with which German ingenuity had limited their power of selling their products. And behind this army of German controlled companies, operating for the profit of their German mother-companies, stands always the German State, helping the exporter by special railway rates and giving him the means, through a high tariff, of selling his products abroad below cost price, when any independent rival dares to cross the path of the conquering Teuton.

GERMAN BUSINESS AND THE FOREIGN PRESS.

It will be necessary to consider some aspects of the working of the Press in Germany, and by Germans abroad, for this subject also would appear to afford evidence of the combination for aggressive

purposes of political with economic effort, suspicion of which was the occasion of this being written. It was Bismarck who reduced the German Press to a state of complete subservience to the Government. But it was reserved for a later Chancellor to encourage "a more delicate and more or less secret organisation." It was some time in 1913 that a meeting was held in the Foreign Office in Berlin, at which subscriptions of £25,000 a year were promised to a private company for "furthering German industrial prestige abroad." The subscribers included the Deutsche Bank, the Diskonto-Gesellschaft, North German Lloyd, Hamburg-Amerika Line, A. E. G., Krupp, and other leading industrial firms. The subscribers further agreed to pool the whole of the amounts spent by them abroad on newspaper advertising, estimated by Sir Edward Goschen at another £25,000 a year, and hand the amount to the new company. To this was to be added a Government subsidy of at least £12,500 per annum, so that the new company would from the outset dispose of a revenue of over £60,000 a year. The whole of this sum was to be spent by the company on obtaining what is called "a good Press" for Germany in South America and other countries outside Europe. The new company would offer a supply of news relating to German subjects and interests to a foreign paper, either free or at a very low rate, on condition that no information from a competing source or of a contradictory nature were published. If the paper refused the offer it would immediately lose all advertisements from any German concern whatever. This particular cat was let out of its bag in an article in the "Deutsche

Export Revue" of June 5th, 1914, and, thanks to the independence of the Havas and Reuter Agencies, the scheme had at least partially failed before the War broke out, in anticipation of which it had been formed.

The article in the "Deutsche Export Revue" showed also that part of the plan was to send German journalists abroad to further the scheme, but the Revue naïvely added that "the intended despatch of journalists we believe, however, in any case to be a mistake, as it would certainly soon become common talk in the editorial offices in the several places abroad that they represented a syndicate officially supported by the German Empire." Needless to say the German Government was not pleased with the indiscretions of the "Deutsche Export Revue," and forbade reference to the article by other newspapers. Without searching for further examples, enough has been said on the evidence of a German authority to show the existence of one more of those queer combinations of politics and business which are to be found in so many different divisions of German life. A society with an initial income of over £60,000 a year, supported by the State and by "big business," with the expectation, as the "Deutsche Export Revue" said, of a further increase in income when the scheme was actually working, was formed in time of perfect peace for forcing on papers abroad by threats and bribery a service of news which could never hope to be printed on its merits. The country which is the home of such projects hardly seems a desirable neighbour.

NATURALIZATION AND ESPIONAGE.

Before proceeding to summarise one's observations on the nature of German economic expansion, there is one more subject to which reference must be made. That subject is the character of the individual German who comes to other countries as clerks, agents, or manufacturers. It is an unsavoury subject, for business men prefer to trust each other's personal honesty rather than not. Moreover, the Germans who left their country before 1870, when the German Empire was not yet in existence, have in many cases proved themselves thoroughly loyal citizens of their adopted country. But since that time there seems to have been a change in the nature of this German emigration; the modern emigrant seems to come forth not to settle but to conquer. The preamble of the German Nationality Law of 1913 may perhaps throw some light on the present outlook of the German, naturalised or not, who settles in a foreign country. This preamble sets forth that "in the conditions of modern international life it is convenient to give citizens the means of regaining one day the quality (of citizenship) of which they have provisionally deprived themselves." As an American, Mr. F. W. Wile, wrote in 1906, "Already 500,000 German emigrants and their offspring are resident in Brazil. The great majority of them, it is true, have embraced Brazilian citizenship, but their ideals and ties are essentially inviolably German." Similarly a Belgian, M. Jules Claes, of Antwerp, says that "the very aim of Societies which group together the German in foreign lands is not only to keep alive

the German spirit, but to bring the naturalised within the German fold." A New York paper wrote on April 23rd, 1916, that "the President's difficulties have been increased owing to the fact that the Germans had organised political pressure." Such is the atmosphere with which the Germans surround themselves when they settle in a country, and there are many individual instances to confirm this unfavourable view which their hosts appear to entertain for them. It is a matter of history that early in 1916 the efforts of the "Providence Journal" of the State of Rhode Island revealed to the American public what the police had already suspected, that is, the existence of a vast conspiracy of German origin in the United States. With its details we are not here concerned; it is enough that the principal participants included not only Boy-ed and Von Papen, attachés of the German Embassy, who were expelled the country, but also one Hans Tauscher, agent in the United States for the Krupp firm. Moreover, the office of Von Igel, the go-between in the conspiracy, was situated in Wall Street, heart of the commercial quarter of New York City. Here again one sees the German State and German industry working together abroad in a combination which the stress of war had rendered actually criminal. Incidents of espionage and sabotage by German men of business in countries at war with their own are perhaps to be treated with less attention than those which have taken place like that last mentioned in a neutral State. Yet it is hard to regard it merely as a coincidence that both the Eastern frontiers and the Northern coasts of France were before the war dotted over

with mines, factories, and other businesses under German control, and that persons concerned with these businesses provided so important a number of convicted spies. It is a subject, as was said above, that business men find unpleasant to discuss. But it cannot, in fact, be denied that the German business community has incurred grave and not unfounded suspicion of harbouring a number of persons whose real business is political or military espionage, for which legitimate trade is no more than a convenient cloak.

THE PASSION FOR CONQUEST.

It may now be well to sum up what one has observed as the objects and methods of German economic expansion. We have seen that it was not based on a desire to find employment for an excessive population, or for the savings of many frugal years, as has been the case with England and France. The emigration from the United Kingdom in the year before war was 469,640, that from Germany 22,690. The emigration from France was also small, but the notorious saving power of the French nation sufficiently explains the expansion of that country's foreign interests. We know that German manufacturers have organised on an unprecedented scale the system of dumping, of selling goods too high at home and too low abroad. We know also that these phenomena can be traced only since 1879, which was, in fact, the year in which Bismarck constructed a tariff which at last reconciled the interests of the Prussian landlords with those of the commercial community

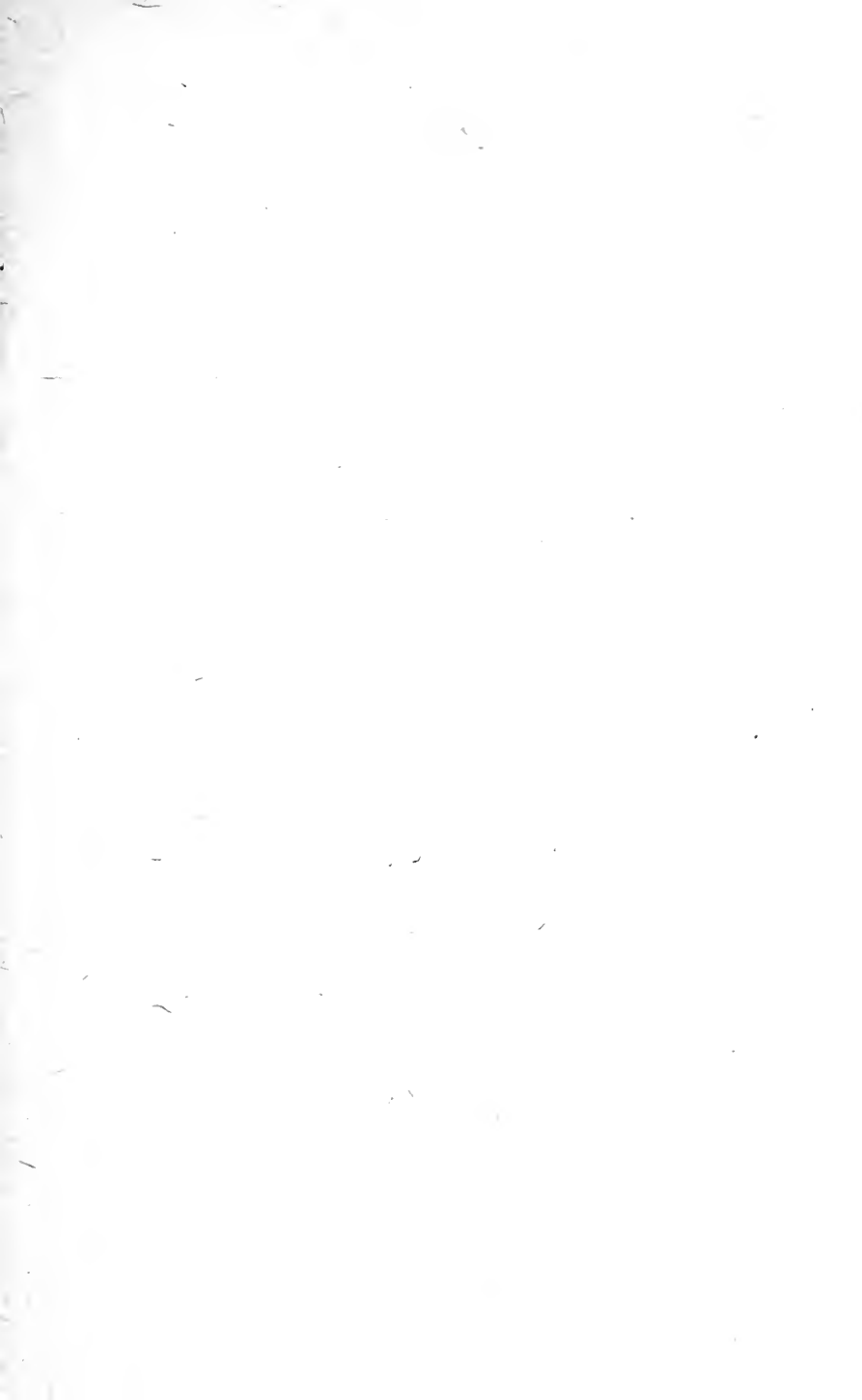
all over Germany. Since that date we have evidence of the growth of mutual sympathy between these two naturally antagonistic classes. On the one hand the War Lord in shining armour, with the bold Branden-burgers of Frederick the Great; on the other hand, the peaceful traders and manufacturers, who for so large a part of German history had only asked for peace between the warring principalities of Central Europe that they might develop the natural wealth of the country. We have found these two classes working side by side and gradually amalgamating, socially and politically. It has been possible to observe the military and landowning class co-operating heartily in building up an economic system which enriches others rather than themselves. But we have seen no reason for thinking that the military caste has in fact gone unrewarded, the conclusion being that their reward has been the support of the German business community for their schemes of conquest. If German militarism has learnt something from German science and German business, the latter would also seem to have absorbed some of the Junker ideals which raised Prussia from a poverty-stricken kingdom to the leadership of a populous and wealthy Empire.

We have seen this Empire make war on the little Kingdom of Belgium, no field for colonisation, but in density of population the second among civilised countries. Belgium had always held open the door—it now appears almost too widely—to the expansion of German business within its borders. We have heard the demands of the six great Economic Unions of Germany that Belgium should be retained under

the German heel for ever. We know that a great German shipowner, a personal friend of the Kaiser, attempted in 1914 to use his personal influence in England to prevent her from interfering with the invasion of Belgium, contemplated by his master's military advisers. We have understood the part played by the German banks in the economic growth of their country, and the extent, unparalleled elsewhere, to which these banks dominate individual German industries. Further, we have been informed out of their own mouths that their policy in regard to foreign loans is carried out in close co-operation and consultation with the German Foreign Office. It is known that in such enterprises as the Bagdad Railway a German bank can become, as it were, an actual partner of the German Government. We must believe, for it has never been denied, Sir Edward Holden's statement, that the Dresdner Bank issued on July 18th, 1914, a fortnight before war broke out, a warning to its customers to sell all investments in view of the approaching fall in prices which the Bank had reason to expect. A German newspaper has given us information of an attempt by a league of German industrialists and merchants to blackmail the Press of South America and other countries with the help of the funds of the German Secret Service.

Is it to be wondered at that the accumulation of this and similar testimony makes one believe that German economic expansion cannot be dissociated from the schemes for political control over allies as well as enemies, of which the events of the present war have given us examples? Business men the world over know how to appreciate enterprise and business

energy from whatever country they come. The more enlightened believe that good comes to all from improved methods of business and from the development of new countries. But when business energy, however genuine, is associated with the desire to crush independence in others, and is closely leagued with the aggressive design of a powerful military caste, the time has surely come for the civilised world to assert itself. "This insidious and insinuating movement of conquest, preparing far ahead conquest both real and recognised," was how a Frenchman 25 years ago described Germany's politico-economic expansion. That is the movement against which the Entente Powers began at last to set their faces in August, 1914, and that is the movement which business men in every country, actuated by honour as well as interest, will never allow to dominate the world.



Pamphlets on the War.

Some American Opinions on the Indian Empire.

Crown 8vo. 32 pp.

Price Twopence.

Italy our Ally.

An Account of the Visit to Italy
of the RT. HON. H. H. ASQUITH.

Crown 8vo. 24 pp.

Price Twopence

The Means of Victory.

A Speech by the
RT. HON. EDWIN MONTAGU, M.P.

Crown 8vo. 56 pp. with Illustrations. Price Sixpence.

Why Britain is in the War and What She Hopes from the Future.

A Speech by the
RT. HON. VISCOUNT GREY OF FALLODON

Crown 8vo. 20 pp.

Price One Penny.

Britain Transformed.

New Energies Illustrated.

Crown 8vo. 38 pp., with Illustrations. Price Sixpence.

Britain's Case Against Germany.

A Letter to a Neutral.

By the Late REV. H. M. GWATKIN.

Crown 8vo. 15 pp.

Price One Penny.

German Truth and a Matter of Fact.

By the RT. HON. J. M. ROBERTSON, M.P.

Crown 8vo. 10 pp.

Price One Penny.

The Belgian Deportations.

By ARNOLD J. TOYNBEE,
With a Statement by Viscount Bryce.

Demy 8vo. 96 pp.

Price Sixpence.

T. FISHER UNWIN, Ltd.,
1, ADELPHI TERRACE, LONDON.