

Britain, Holland & Germany

By J. T. WALTON NEWBOLD

DURING the last month or two, there has been manifest in political and financial circles in this country a disposition to come to some arrangement with the political and industrial masters of the German Republic with a view to the stabilisation of the exchanges as affecting the mark, which might, at one and the same time, obviate disastrous commercial competition between the two exporting countries, and put at the disposal of our moneyed magnates the profit-earning enterprises of German industrialism. It is quite apparent that, despite the frantic efforts of a syndicated newspaper press, with Franco-American affiliations and sympathies, to perpetuate a policy which, in practice, works out to the pecuniary advantage of the French banks and to the detriment of British interests, the Government and the concensus of capitalist opinion in this country are swinging away from their attachment to the Entente and towards an accommodation with Germany. It is noticeable that the press, in so far as it is primarily concerned with discharging its function as the purveyor of news, opinions, and sensations, serves, in fact, the purposes of a capitalism that is alien alike in its organisation and its seat of power, whilst the press, owned or controlled by capitalists whose major interests are not in newspaper publication, but in home and empire industry and commerce, more and more vigorously opposes the policy which supports or yields to French aggrandisement. As yet, the Entente continues, and from time to time appears to obtain a new lease of life and vigour, but every now and then that traditional repository of our masters' unchanging cult of the balance of power, the Foreign Office, and the capitalist press—as distinct from the press of the newspaper capitalists—sound a more vibrant note of antagonism to French imperialism. It must never be forgotten how strong are the influences at work at Court—and in the last resort the King is legally absolute—and in the older circles of what is called "society," which make for a restoration of all the German royalties, and, with them, of the monarchic system throughout Northern and Central Europe. The traditions of centuries have not been completely eradicated by seven years of strident republican journalistic clamour, and marked by the making and unmaking of governments and premiers. The whole statecraft of the United Kingdom, from the "Glorious Revolution" to the commencement of the Anglo-German naval rivalry, was conducted in an atmosphere thick with the palace intrigue, dynastic relationships and diplomatic manœuvres of the innumerable princely houses of Protestant Germany. The politics of these royalties were not conducted without resort to the liberal advances of the bankers and bondholders, whose tentacles, through two centuries and more, driven deep into the chancelleries and revenue departments of these parasite-ridden states, had got hold of a very considerable proportion of German trade. Consequently, there are in London, as well as in Frankfurt, Amsterdam, and Rotterdam, very old-established financial houses and families influential in society and in politics whose economic basis was laid in

the monetary transactions of Low country, and London merchants with German princelings. These are the older generation of capitalist and landed oligarchs who despise the erstwhile clients of Rufus Isaacs, Earl of Reading, and would be only too glad to turn the tables on the *nouveaux riches*, whose political creature is Lloyd George. To such as these the alliance with France can never, in itself, have been too pleasing, and the politico-economic tactics of the pseudo-socialist "hacks" of French capitalism savouring too much of the "bucket shop" and the "thimble rigger."

The more conservative elements in British political life undoubtedly incline towards a revival of monarchy, a strengthening of aristocratic tendencies in diplomacy and a movement away from France and towards Holland and Germany.

The Economic Power of Holland

WHY, some will ask, this reference to Holland?

The fact that the Dutch have to-day neither military nor naval forces of any importance does not detract from the considerable power which mercantile and financial interests in Amsterdam and Rotterdam exert in many quarters, and not alone in the oil market. Dutch magnates, many of them Jews, have known how to place the profits of trade between their own and other countries in such a way in the stocks and shares of companies outside of Holland as, for two and a half centuries, to make gain out of other people's colonies and other people's industry. They were, during the eighteenth century, tremendously interested in British commercial expansion, and their hands can be seen in foreign and colonial policy again and again. They were an interested go-between in the relations of Britain, Hanover, Brandenburg-Prussia, Hesse, and many another German ally of the banking oligarchy who came to power here at the Whig Revolution of 1689. In fact, there are indications that Dutch mercantile houses had something to do with the accession of their prince, William of Orange, to the throne of the United Kingdom in the place of the French puppet, James. Relations begun centuries ago, when Holland was the centre of overseas trade, the creditor of Northern Europe, the home of banking enterprise, and the *fulcrum* of the bourgeois world, have continued generation after generation, knitting the Dutch capitalists with the British on one hand and the Germans on the other. They have profited not so much by reason of their own colonial ventures, or their own manufactures, as by their tolls upon commodities in transshipment, by their services as carriers, as warehousemen, as bill-brokers, and bankers to the peoples of the Rhineland and of Western Germany. Again, the fact that the Dutch lost New Amsterdam to the British did not mean that they ceased to have vast interests in the city and state of New York. They continued an immense power financially on the Hudson and the Delaware, and, as the kinsmen of the patroons, maintained and expanded enormous mercantile and monetary interests in the ever-extending economic domain of "the empire city of New York." Geographic and historic factors have made the Dutch a nation of bondholders, of internationalists—is not The Hague the capital of Holland and the

site of the Palace of Peace? Hence, we have good reason to look to the mouths of the Rhine and the cities thereabouts when we are approaching the question of Britain's relations with Germany now about to be resumed in a more friendly tone.

The Transport of Coal

FOR, let it not be overlooked that important as is ownership and operation of the actual machinery and processes of commodity production, a commodity is, in essence, something exchangeable, something that circulates, something that is moved, something that is TRANSPORTED. The more highly developed becomes the capitalist system of production, the more it comes to depend upon the all-essential industry of transport. The more it comes to rely upon foreign supplies of raw material and foreign markets for its finished articles, the more does capitalism come to depend upon overseas transport, upon shipping, upon docks, canals, and warehouses. Within any country capitalism requires, and, therefore, sees to it that there are good roads and railway facilities, but, needless to say, it has a preference for water carriage wherever possible. It is more economical of labour power. The British and the Dutch, in the nature of things, as nations depending on sea-borne commerce, think in terms of shipping. The British have a great advantage in this era of machine-production in that they have coal and iron and the Dutch have not, at least, to any extent.

Yet, whilst the Dutch have to import coal and iron for their own use, they are fortunately situated for levying tribute upon the exporters of these commodities in that they control the lower reaches of the Rhine, the waterway of ingress and egress for the greatest German coalfield, the richest coking coalfield in Europe, the Ruhr coalfield.

The fact that the coal produced in the valley of the Ruhr is pre-eminently suited to the manufacture of pig iron, that iron ore gravitates to coking coal rather than coking coal to iron ore, that the latter is not produced in adequate quantities in the Rhine valley, but has to be brought from Lorraine or from overseas, i.e., Spain and Sweden, and that it is a commodity very costly to transport by rail, and much cheaper to bring by water, has resulted in the development of a great business in ore shipment to Rotterdam.

There, great fleets of river barges discharge Ruhr coal, pig iron, and finished iron and steel, and load again with iron ore, with food-stuffs, and with raw materials of all kinds. The mineral and metal brokers, merchants, importers and exporters were, in the first instance, Dutch, and, with the expansion of Westphalian industrialism, throwing up its own traders and its own moneyed men, whether sprung from its own ranks or come in from Frankfurt to serve it, became largely German in identity, affiliations, or control.

Now, there is one other coalfield in Europe, famed for its production of coke, and that is the Durham coalfield. Nowhere in Britain, probably, is capitalism so thoroughly knit together, so thoroughly organised, so well equipped as to the technique of production, so well furnished with credit facilities under its own control,

and so admirably provided with electric power, with railway and steamship services as in Northumberland, Durham and Cleveland. Capitalism on the Tyne and Wear is of great antiquity ; the landed class there, as in Silesia, has for centuries been interested in mining and exporting coal ; the mine owners, often London merchants and bankers like the Barings, have had fabulous fortunes at their command and a bias towards trade and shipping. There has been for generations, if not for centuries, a traffic in coal and iron with Holland in exchange for commodities imported by the Dutch from Northern and Central Europe, or, at least, paid for by them in such commodities whereon they had a lieu.

In the last thirty years there has been built up one great shipping enterprise, in particular, founded upon the export of coal and iron, and the import of timber, corn, and other North European and North American raw materials to the Tees, Wear, and Tyne, viz., *Furness, Withy & Co.* This firm has, as a firm and through its shareholders, gigantic interests in shipbuilding, marine engineering, ship and boiler plate rolling mills, blast furnaces, coking ovens, and collieries in Durham, on the Tyne, Clyde, and other shipbuilding rivers of Great Britain and Ireland. It is, however, native to the Hartlepoons, and at home upon the Tees. It has very great interests in Holland, and extremely valuable connexions, financial and as regards transport, at Amsterdam, Rotterdam, and also at Antwerp. Last autumn there was formed, at Rotterdam the *Société Néerlandaise de Navigation, de Commerce et de l'Industrie*. The *Agences Furness* holds 96 per cent. of the shares, and through this subsidiary controls three river shipping companies, one shipyard at Schiedam, one engineering works, two colliery companies, an elevator company, a metal trading, two coal trading, and one insurance company. In addition, it acts as agent for seven shipping and twenty-one insurance companies, and has subsidiary shipping agencies at Antwerp, Brussels, Charleroi, Basle and Berne. The Furness interests, be it noted, are on the Scheldt, the Rhine, and the Danube. They are coal exporters. They own coking-coal collieries. They own iron and steel works. They have their own barges on the Rhine—maybe on the Ruhr. They make a speciality of coal, iron, and the shipment of coal. So does Hugo Stinnes.

Stinnes

STINNES is a man of mystery. He does not unduly trumpet his achievements, but everywhere and at all times we are conscious of him as a force in industry, a power in politics. He is one of the men, influential before 1914, who have been thrown up by the War.

We have remarked that there are two coalfields in Europe pre-eminent in the production of coking coal. One is Durham. The other is the Ruhr, or, as it is sometimes called, the Bochum or Dortmund coalfield. The War, being essentially one of material, of iron and steel, made enormous demands upon the producers of metallurgical coke, and upon those who handled and transported it, putting in their hands immense economic power. For several decades prior to 1914, there had been proceeding in Westphalia, in

Luxemburg, Lorraine, and in the Saar Valley, an intense struggle between capitalist interests respectively operating in the coal and iron industries. The coal owners in Westphalia had, since 1893, been organised into the Rhenish-Westphalia Coal Syndicate for the allocation of proportionate output and disposal of product. In 1903, all the collieries owned by iron and steel producing firms came into the syndicate, and from that time onwards exerted an enormous influence in its councils. In 1904, was formed the *Stahlwerksverband*, or Steel Syndicate, comprising practically all the steel producers in the West of Germany, and, in 1905, the formation of the Upper Silesian Steel works Union completed the organisation of and enormously enhanced the economic power of the steel industry, which, in so militarist a state as Germany then was, took immediate precedence over the coal trade. The tendency of the ensuing decade was for economic power to centre more and more in Lorraine and in the Saar Valley. Yet the same people were influential directors alike in the coal and in the steel syndicates. Behind them, and associated with them in various combinations and complexes, were the great German banks. There were, in the Saar region, old-established families like the Stumms of Dillingen, like the de Wendels, and like the Röchlings, some in coal and some in iron, and some in both, families very powerful in German capitalism. In the Ruhr region there were the Krupps of Essen, and there were the Haniels of the Gutehoffnungshütte, great magnates in steel production, and, incidentally thereto, big coal owners. In the same region, but moving towards the iron field of Luxemburg-Lorraine, was Thyssen. Associated with him in all kinds of enterprises in coal and iron was Hugo Stinnes. Stinnes was the grandson and heir of old Mathias Stinnes, of Mülheim-on-the-Rhine, owning six big collieries, and, more important than these, a great fleet of barges, lighters, and tugs carrying coal on the Rhine, on the Ruhr, and on the canals which the Imperial Government had recently constructed to ensure through water transport between the Rhine, Ruhr, and Ems, and which they were supplementing by other canals joining up the Ems, Weser, and Elbe.

In 1904, Stinnes joined the board of the great *Gelsenkirchen Coal Company*, an industrial subsidiary of the *Disconto-Gesellschaft Bank*, and the largest participant in the Coal Syndicate. He was already vice-president of the *Deutsche-Luxemburgische Coal and Iron Company*, which had behind it the *Darmstädter Bank*, one of Germany's greatest banks. In 1905, Stinnes became one of a syndicate of industrialists and banking houses, including the *Deutsche, Disconto-Gesellschaft, Dresdner*, and *A. Schaafhausen-scher Banks*. In 1904, together with the Coal Syndicate, the Haniels and another firm of coal carriers, Stinnes had formed the *Rhine Coal Dealing and Shipping Company*, and so aided in consolidating the river freighters of the Rhine. This concern had huge terminals at Mannheim, and did a big transport business down to Holland, across to the Moselle area, and up to Switzerland and Bavaria. It was his virtual control of this company, gradually but progressively acquired, that was the making of Stinnes. The Versailles Treaty has ended the priority of Krupp, and struck a staggering blow at

the machine shops dependent on small arms manufacture. It has deprived Thyssen and Stumm of their coal and iron fields and steel works in the Saar and Lorraine. It has made the de Wendels once more into French capitalists. The blockade and the seizure of ships has weakened the Haniels and other capitalists still more interested in the Transatlantic lines. The Stahlwerkverband has been dissolved, and the Coal Syndicate reigns in its stead. The Saar is lost, and Silesia, where collieries, blast furnaces, and steel works were great assets of the *Dresdner* and *Berliner Handelsgesellschaft Banks*, has since been transferred to Poland, and thereby to the same capitalists as have fallen heirs to Thyssen and Stumm, the capitalists of France. Economic advantages paramount in war time, transport facilities at all times indispensable, political handicaps affecting his competitors, all these have helped to make Stinnes more powerful in industry and commerce, and, consequently, in his dealings with the credit control, inherent in the great Rhineland houses, the Darmstädter, and the Direktion Der Disconto-Gesellschaft Banks.

Hugo Stinnes has his coal-carrying river and canal fleets on all the waterways of Germany. He has established himself as an owner of overseas shipping lines. He has possessed himself of steel works, wagon works, engineering works, and has his agencies again penetrating the old foreign markets of Germany. He has arrived at a community of interests with Rathenau in the all-powerful *A.E.G.*, the manufacturers and erectors and operators of electrical material of all kinds. He has acquired numerous cellulose factories and scores of newspaper companies. He has the indispensable coke, the lack of which is an insurmountable barrier to the economical operation of so many blast furnaces in what was formerly Austria-Hungary. He has coke, he has coal, and he can transport it by river and by canal. It has made him partner with Castiglioni in the greatest of the mid-European iron works, the *Alpin Montangesellschaft*. It has wafted rumours of his economic alliances with French capitalists in Lorraine, with Polish exploiters in Dombrowa, and with one or other of the conscienceless cosmopolitan syndicates in Hungary and in Czecho-Slovakia.

Stinnes has coke, and he has river and canal transport services. He dominates the economic life of the middle and upper reaches of the Rhine, and the navigable waters of the Weser, Elbe, Oder, and their connecting canals.

Furnesses have coke, and they have sea and river transport services. They dominate the lower reaches of the Rhine and the navigation of the Danube.

Rotterdam and the Rhineland

AT Rotterdam there is another firm of metal and mineral merchants, *W. H. Müller & Co.*, who have financed many recent reorganisations of colliery, iron and steel works and engineering concerns in Germany, have become sales agents to the *Gutehoffnungshütte*, and besides forming this community of interest and rendering apparent financial support to the Haniel family

now in acute rivalry with Stinnes for priority of position in Rhine-land industry, have arranged the transfer of the *Phœnix Coal and Iron Company*, a gigantic and old-established concern, producing before the war 5,000,000 tons of coal a year, to a Dutch syndicate. The Müllers are in much the same line of business as Stinnes and the Furnesses.

We saw in a previous article, "The Struggle for Central Europe," how active was Dutch capital in the new republics on the Danube. It is similarly busy in the oil tract of Galicia and at Dombrowa in Poland. The war, and still more the peace, have given to Dutch capital a new lease of economic and financial control upon the Continent of Europe. German and Austrian capital has sought to hide its identity under a neutral guise, and to operate through mercantile and credit institutions in Holland, which, employed as agents, have often, by reason of their indispensability to their clients, become the controlling partners. The Dutch have been selling out their holdings in American securities at high prices, and investing the proceeds at low prices in industrial and commercial undertakings in Central Europe generally. Undoubtedly, some Dutchmen will have been heavily hit by the depreciation of the mark wherein they have been gambling, but it is not unlikely that, in most cases, they will have passed on the liability to some less wide-awake purchaser.

It is Amsterdam rather than Rotterdam which seems to have affiliations with Paris. Rotterdam is more concerned with transhipment and with the Rhine traffic. It is also closely associated with Hull and Selby, where the immensely wealthy bankers and merchants, the Van den Berghs, and the Jurgens, are mixed up with as cosmopolitan a collection of financiers as capitalism has to show.

Rotterdam is indeed a bondholder's bridge, across which stock-brokers, merchant bankers, and company promoters can and do march to the exploitation of Germany or Great Britain, or both, as suits them best.

The political and economic aspirations of Parisian high finance, aiming at the buying up at bankrupt prices of all kinds of industrial concerns in the Rhine Valley—collieries, steel works, engineering shops, and chemical plants, and their exploitation to the detriment of British exporters—conflict with the ambitions of the Dutch financiers as well as the British industrialists.

Holland lies between Great Britain and Germany, and intercourse between these two will be more advantageous to the Dutch merchants than intercourse between the French and the Germans.

The Great Game of Grab

FRANCE is only too obviously desirous of making Germany bankrupt, and causing her to default in her payments of reparations and indemnity. France wishes to foreclose upon the debtor, and to take by way of compensation, at terrifically depreciated values, the magnificent means of production which Germany has developed in the Rhine Valley. Such is the way of the bondholder's type of

capitalism which always prefers to live in useless, functionless idleness, battenning on someone else's skill and industry.

The Dutch would like to resume their historic rôle of bankers to the German Government, of creditors entitled to hold as security for their advances German state script, and German industrial titles and share warrants. They would like to play the huckster with the bills, notes, and cheques of public and private transactions.

The British would like to come to the aid of the German Government, when utterly unable to support any longer its burden of liabilities, and save it from bankruptcy by extending to it credits secured on Germany's railways, canals, river services, collieries, engineering plants and what not. They would like "to do a trade" with Stinnes and Rathenau as already with Simon Krausz in Hungary. They would like to take over the actual ownership and direct the operation of the finest industrial plants in the capitalist world. Then, indeed, would they feel that the war had been worth the fighting and the winning if it had delivered over to them the properties of their competitors, together with all their technique, secret processes, and industrious and highly educated workers.

Holding debentures and preference shares in Germany's finest industrial undertakings, they would have obtained indemnification for their colossal outlay on docks at Hull and Immingham, on railways, electrical power plants, and all modern improvements on the Durham and South Yorkshire coalfields, made to enable them to compete on terms of equality with the Germans in the markets of Northern Europe.

The Ruhr coalfield has proved a deadly competitor with the coalfields of Fife, the Lothians, Durham, and South Yorkshire. If it falls into the hands of the French, already predominant in the Pas de Calais, in the Saar, in Belgium, in Czecho-Slovakia, in Teschen, in Dombrowa, in Upper Silesia, and in the Banat, then it will certainly give the *coup de grâce* to British coal and iron production and the shipping and shipbuilding enterprises of the East Coast.

The Furnesses, Peases, and Ellermans must gain possession of the Ruhr. These steel, shipping, and railway magnates must complete their economic plan by consolidating with their own enterprises those of Stinnes, and of Haniel, and of Rathenau.

It is not surprising, therefore, to find Sir E. Mackay Edgar, of Sperleng & Co., among the prophets calling down curses upon reparations and indemnities. Sir E. Mackay Edgar has done much investment, banking and company reorganisation business for the Furnesses.

The shipping and railroad equipment interests around Furness, Withy & Co., Ltd., include F. H. Houlder, of the great Continental Sleeping-Car Syndicate, the *Compagnie Internationale des Wagon-Lits*, Sir C. E. Hambro, of *Hambro's Bank of Northern Commerce*, the *Danube Navigation Company*, the *British Baltic Commercial Corporation*, and the *Great Eastern Railway Company*;

and Sir J. Esplen, of the *Mercantile Marine Finance Corporation*, a concern to afford credits to shipowners, and wherein Sir E. Mountain, another of these credit experts, is a director. C. E. ter Meulen, of *Hope and Co.*, Sir E. M. Edgar, of *Sperling and Co.*, and Sir E. M. Mountain, of the *Eagle, Star and British Dominions Insurance Company*, no more than Sir Peter Rylands, of the Federation of British Industries, Sir Henry Strakosch, of the *Rand Agency, Ltd.*, and the Finance Committee of the League of Nations, are likely to be ignorant of the advantages likely to accrue to British and Dutch capitalism, to cosmopolitan finance capitalism, by an "early return to economic sanity" in collaboration with Stinnes now that "economic insanity" has served so well the class interests of these enlightened advocates of social pacifism and "sane trade unionism."

They are awaking to the fact that the consummation of their political and economic sovereignty can be achieved by an interchange of credits and mortgages, a sequence of loans by the financiers of Britain to the Government and capitalists of Germany, who will turn over to them the material resources of that country. Credits and interest thereon mean commerce in the products of industry, transported between Germany and, in a great measure, transhipped through, Rotterdam. They purpose, therefore, to link together the river and canal services of the German rivers and the Danube to connect these with steamships and with railways. So doing, they can cut off France from Poland, Czechoslovakia, Serbia, and Roumania, and by control of communications, i.e., of transport, bring to nought the laborious scheme of French capitalist imperialism to make itself master of the toiling millions of Europe. They, in collaboration with the Dutch and with Stinnes, will benefit by the blockade, by the bankruptcy of the statecraft of the Second International, and the industrial nepotism of the Amsterdam Trade Union International, by the War, the Armistice, and the Peace. They may again restore monarchy and emperors in Europe, and give another short lease of life to royalist, aristocratic, and capitalist Reaction.

Read THE COMMUNIST

Price 2^d

EVERY THURSDAY