

Belgium—Pawn or Player?

By J. T. WALTON NEWBOLD

Fighting in Flanders

IT is fresh in the mind of everybody how, in August, 1914, the advance of the German armies through Belgium provided the immediate excuse for Britain's intervention in the War on the side of France. As in 1870, Gladstone had made it evident that his ministry would permit no violation of the neutrality of Belgium, then believed to be menaced by France, so in 1914, Asquith went to war for the maintenance of "a scrap of paper" that, for once, was deemed to be "Britains' bond." Ever since the Hundred Years' War, the English rulers had jealously watched every diplomat and every military leader who had threatened to establish himself on the other side of the narrow seas opposite the mouth of the Thames and the coast of Kent. Even earlier than that, the Kings of England had entrusted to the burgess-merchants of Sandwich, Dover, Romney, Rye, and Hastings the police duties of watch and ward upon the Channel and there the English navy had its humble beginnings before William of Normandy landed further west on the Sussex shore. The latter had set up Kent as a palatine earldom with special rights and duties over against the hostile lordship of Picardy. From time immemorial England has sought to make secure her Kentish coast by maintaining the mastery of the Narrow Seas and overawing the occupants of the opposing shores of France and Flanders. The continuity of her policy can be followed through the wars of the Edwards and the Henries in the now hot now cold encouragement of the Dutch according as they retreated from Antwerp before the Spaniards or advanced with the support of France; in the occupation of Calais and the subsequent seizure of Dunkirk; in the campaigns of Marlborough and the Wars of the Austrian Succession.

England has permitted no strong and sovereign state to establish itself for any period opposite the Thames. That is one of the cardinal principles of English, and later, of British, diplomacy which students of history are wise to take as axiomatic.

Holland and Belgium

ANOTHER generally constant factor in British foreign relations, since the Glorious Revolution installed Dutch William, and subsequently, the Hanoverian clients of the Amsterdam banking oligarchy on the throne, as the symbols of bourgeois civil and religious liberty, linked with colonial exploitation and naval brigandage, has been the disposition of our Foreign Office to support the pretensions of Holland. There has, of course, been times when, under duress the latter state has been forced into opposition to Britain, when the latter has used the opportunity to rob her customary ally of some valuable possession, such, for instance, as Cape Colony. Britain has had the sea power and Holland has had the money power, and has known how to use it in the politics of the island empire.

Now, Belgium is a state which seceded from Holland, to which she had been allotted at Vienna, says Mrs. Green "as a compensation for some of her lost colonies," and "as a barrier to France." Subsequently Britain, which had supported the allocation of Belgium to Holland, acquiesced in, and so far as her Whig Party was concerned, enthusiastically approved the establishment of Belgium independence. She would not, however, permit the accession of a French prince, but insisted on one of that numerous litter of Saxe-Coburg-Gotha, with which the thrones of Europe have been, under British auspices, so plentifully supplied.

But something much more matter of fact than the "liberties" over which Brougham waxed eloquent on "the stability of thrones," which concerned William IV. and Wellington, was at the back of these manœuvres, as of the later tactics of the Whig government which resulted in the guarantee of Belgian independence and neutrality and naval pressure to compel the Dutch to evacuate Antwerp.

The banking and mercantile oligarchy and their landed allies, who stood behind Wellington, were heartily in sympathy with their Dutch confreres. They formed one social order and for a century and a-half had been acting in almost continuous collusion. There was in Paris another circle of banking interests not without their hopes of exploiting the industrial and commercial resources of Belgium.

Britain had, at Vienna, not only supported the transfer of Belgium to Holland, as a barrier to France, but had been instrumental in handing to Prussia the major part of the Sarre coalfield. At the same time British capital and British enterprise was developing the colliery and iron industries around Liege.

Belgian Industrialism

THIS growth of Belgian industrialism upon a rich and accessible coalfield, which was but a portion of one field underlying the frontier and extending into Northern France, could not fail to attract the liberal bourgeoisie of both French and British industrial capitalism. The cotton manufacturers of Lille and Roubaix were as zealous for the emancipation of Belgian trade from the shackles of Amsterdam as were those of Manchester and Bolton. That much achieved, however, and their enthusiasm and their interests took them along different roads. The French would have liked to annex Belgium and bring her within the same orbit of bourgeois liberty as the faubourgs of Paris. The British, more prosaic and more practical, stepped forward with a characteristic gesture to assert the great principle of nationality and to pledge themselves to maintain inviolable the neutrality of Belgium.

Belgium became, during the peaceful years that followed upon 1830, a country with a vigorous industry and an active commerce. Around Liege and Charleroi the heavy industries flourished exceedingly. Coal mining was of great importance and productive of considerable fortunes. Antwerp became a centre of transhipment trade for German and Luxemburg imports and exports, as well as for the needs of Belgium itself. The docks of that city were crowded with ships, many of them owned in London, but trading between

Antwerp and foreign ports. Brussels developed into a great railway centre, and its bourse became one of the most important in Europe.

British, German, Dutch and French capital all came to contribute their quota to Belgian industrial and commercial expansion, and to derive from it their consequent profits. But Belgian capitalism was itself a strong and sturdy native growth. It was ready in the "eighties" to participate in the struggle for spheres of influence and investment and to join with Leopold II. in his nefarious exploitation of the Congo Free State.

The following quotation from the *U.S. Commerce Reports* (28/3/21) throws a light upon subsequent events which becomes brighter as we proceed.

"The two main, and, in fact, original fields of Belgian expansion have been, from an industrial standpoint, Russia, and from the point of view of raw material supply, the Belgian Kongo. The industrial movement, which dates from the foundation in 1886, of the Societe Metallurgique Duieproviennne by the Cockerill interests, extended first in Russia, and since 1895 has spread to Spain, Italy, Greece, the Balkans, South America, and the Orient. . . . At the same time the opening up of the resources of the Kongo, at first undertaken by small groups of Antwerp capitalists, gradually widened the field for Belgian capital, not only in Africa, but also in the productive tracts of South America, Canada, and the Dutch East Indies. Few Belgian financial organisations exist which have not a relatively large share of their capital involved in overseas enterprises."

Belgian capitalism was rendering Belgium's national isolation and status of neutrality a historic survival, having a legal rather than a material justification.

Belgian iron and steel interests, the makers of railway equipment, including rails and rolling stock, were becoming involved in great railway promotions and constructional projects in Africa, in Argentina, in China, and, above all, in Russia. Belgian mining engineers were active in the fabulously wealthy region of the Haut Katanga to the north of Rhodesia, and in the unexplored riches of China. The shippers and merchants of Antwerp, like their colleagues and competitors of the similar emporium on the Mersey or the other on the Elbe, were investing their money in the tropical resources of Africa. Economic evolution was making a historic anachronism of the vaunted principle of Belgian neutrality. Belgium had thrown up their own capitalists with money to invest and an imperial vision to make real.

Belgian High Finance

LET us look a little closer at Belgian industry and finance. Readers of these articles must all be familiar by this time with their thesis of the pre-eminent importance of coal in the economy of Europe in this, the capitalist period. Let us remind them, therefore, of the fact that the northern coalfield of France, the most important coalfield of France, is "at best only the tail of the more accessible Belgian coal measures."

There was in Belgium one financial house more powerful than all the others of which Vandervelde writes in *La Propriete Fonciere*

en Belgique (p. 164), that it "was ultimately to get all Belgian industry into its grip." This was *La Societe Generale de Belgique*, the oldest "credit mobilier" in Europe, the first of the corporate investment houses, or company founded in 1822. It was "widely interested in Belgian coal mines, in the glass industry, in metal-lurgy, in textiles, and in electrical power plants" (*U.S. Commerce Reports* (28/3/21).

It had, before the War, established branch banks in Antwerp, Ghent, Liege, and in the Sambre district, with a capital, in all, of 100,000,000 francs.

Further, it had, in 1902, founded the *Banque Sino-Belge* for mining and railway enterprises in China, afterwards making it into a general bank for foreign trade, under the name of the *Banque Belge pour l'Etranger*.

Already, in 1899, together with the *Banque de Paris et des Pays Bas*, of Paris and Amsterdam, it had established the *Banque d'Outremer*, or Overseas Bank.

Most important of all its promotions, however, was that of the great "Schneider Bank," the all-powerful bank of the steel interests, the *Banque de l'Union Parisienne*, which was formed by all the big banks of France, and which commenced operations in the same month—April, 1904—which witnessed the birth of the *Entente Cordiale*. According to the *Economist* (16/1/04), this bank was "founded under the patronage of the Belgian Societe Generale."

The significance of its foundation in virtual coincidence with that of the *Entente Cordiale* cannot, in my opinion, in view of the traditional policy of Britain towards Belgium, be too strongly stressed.

In 1909, the Banque d'Outremer, or one of its associates, founded the *Banque du Congo Belge* and, in 1911, the *Banque Italo Belge*.

Banque-Italo Belge

MEANWHILE, the *Credit Auversois* was recieving the material assistance of the *Credit Mobilier Francais*, and the *Banque de l'Union Parisienne*, which, also, was in behind the *Credit Generale Liegeois*. The *Credit Auversois* linked up with the *Banca Commerciale Italiana*.

Observe these groupings of French and Belgians, of Italians and Belgians these interests of French and Belgians in the Congo and of French and Belgians in Russia; these bewildering but all-important combinations and permutations of jingo financiers, of coal owners, of armament makers. Observe that the most memorable of all coincides with the conclusion of an open friendship and a secret understanding between France and Britain. Observe also, that at this time, the Finance Minister in France was M. Rouvier, who had founded and until he had become Minister, had been chairman of the *Banque Francais pour le Commerce et l'Industrie*, which he had formed in 1901, with the backing of the existing big banks of France and around the nucleus of an institution interested in the Rand.

These combinations were steadily pushing back the German interests which had promoted banks in Brussels, Antwerp, and Liege.

Other *data*, which it is impossible to simplify for reproduction in an article of this character, shows that there existed before the War an intensely complex series of combinations of British, French, and Belgian interests in the Congo and on the borders of British East Africa, German East Africa, Mashonaland, and the Haut Katanza extension of the Congo territory. Enough to say that the Belgian bourgeoisie was over the ears in the same enterprise as the French bourgeoisie.

The Economics of the German Invasion

THE War came, and with it the German armies, smashing through Belgium and down into the north of France, outraging the sensibilities of a world ignorant of the *real politik* of the *Entente* and pitiful of poor, suffering little Belgium. The Germans made several mistakes in tactics in those early days of the War, but when they

"dug in along the Aisne all the Belgian and northern French coalfields were north of their lines, and so were all of the Belgian and most of the remaining French steel plants." (*Coal, Iron and War* p. 79).

The Central Powers started out with an annual iron output of 21½ million tons, against 22½ million tons for the Allies, and by their rush through Belgium on to the French coalfield, reduced the Allies' output to 16 million tons, and increased their own to 27½ million tons. In the same way they increased their coal output potentialities from 365 million to 420 million tons, and reduced those of their enemies from 425 million to 370 million tons. It was, business being business and war being war, very smart work.

Logically, the Central Union of German Manufacturers and the League of Manufacturers demanded, in May, 1915:

"the annexation of . . . the French coal areas in the department of the Nord and the Pas de Calais, besides the Belgian areas."

Doubtless, they would have reinforced the effective control which Hamburg had previously had of the vegetable oil supplies of West Africa by the annexation of the Congo, the seizure of the port of Antwerp, and the transfer to the Deutsche Bank and its associates of the rare pickings of the Union Parisienne and the Societe Generale de Belgique.

Business as Usual

HOWEVER, it was not to be, and the Germans being thoroughly defeated, the Belgian capitalists took up once again the threads of their activities and prepared to make the most of the opportunities offered to them in the Succession States of the dismembered Austro-Hungarian Empire, in Poland, and anywhere else the Congo rate of exploitation might be anticipated or enforced. The Societe Generale de Belgique, the Banque d'Outremer and the usual pack of Franco-Belgian confreres, have,

as we showed in an earlier article, been very active in the Saar coalfield, in Luxemburg and in Lorraine.

It is, presumably, this clique, small in numbers, but overwhelmingly influential, who are trying to steer through the highly unpopular Commercial Treaty for Free Trade between Luxemburg and Belgium. They have, also, jointly with British, French, or Dutch capital, sometimes with one, sometimes with all, and sometimes alone, acquired great interests in Galician oil wells at Boryslav in Poland and in other wells in Roumania. They have joined in the loot of Vienna and the sack of Budapest. Everywhere they can be found swinging along laden with booty beside their gay comrades in pillage, the patrons of Monsieur Poincare.

About a year ago, however, Britain was distracted, by reason of a treaty which had been concluded between France and Belgium with no other object, of course, than to safeguard the independence and advance the interests of Belgium. What were its exact commitments we were not told, but it did not make for added harmony between Britain and France.

French and Belgian capitalists have been co-operating more than ever since the War in the common task of repairing their mines, their factories, and the devastated areas of northern France. They have collaborated in the metal and chemical industries. The political union of forces but reflects a union deep rooted in the economy of the two finance capitalist groups.

Coal and Conflict

BUT, unhappily for the serenity of international relations and the hopes of perpetual peace, Franco-Belgian concord has been established on a coalfield. It is a coalfield, moreover, wherein British capital used to be concerned, and it is one which, geologically, as well as in the logic of economics, links up with the coalfield of Rhenish-Westphalia. The British capitalists have no desire to see a natural deposit of coal extending from west of Lille almost without interruption, to east of Dortmund, forming the basis for a deposit of Franco-Belgian capital controlled by the Union Parisienne and the Societe Generale de Belgique.

Hence, we are beginning to detect rumblings beneath the surface of Conferences, congratulatory dinners and all the superficialities of finance capitalist politics.

It leaked out very unobtrusively that Britain and Belgium had come to some kind of an understanding at Cannes. A few weeks previously, the *Saturday Review* had commented on the effect of the Belgian elections, on a movement of the Flemings against the Walloons that might lead to their secession and a re-union with Holland. These are just the kind of straws which, floating along, indicate that something is happening to ruffle the relations of Britain and some power in close proximity to Belgium.

The *Banque de Bruxelles*, formerly in the German orbit, and independent of the Societe Generale, has become associated with the *British Overseas Bank, Limited*. British shipping, as we have said, makes great use of Antwerp, and the question of the navigation of the Scheldt, if it has changed its meaning somewhat, still remains

a vital question, about which Britain will have much to say in the future as in the past. British interests, also, are strongly bound up with the Rotterdam trade, and the connection with the Royal Dutch petroleum and the great vegetable oil, tobacco, and rubber resources of the Dutch Indies have tightened rather than loosened historic ties between London and the Hague.

Moreover, there is another coalfield in the case. There is the Campine or Limburg coalfield, extending across the Dutch and Belgian frontier, somewhat to the east of Antwerp. It was only discovered some twenty years ago, but the coal is very pure. With it there is found, also, black band iron-ore "similar to that of Dudley, but much richer." There have been occasional references to it of late, and the Dutch branch of the Furness-Withy group has begun to develop it. German capital has, also, been giving it some attention, and it may yet happen that Flanders and the provinces of Antwerp and Limburg will display those curious aspirations of national readjustment that the dwellers upon coal measures are particularly prone to develop in this, the later period of capitalism. One thing is certain, the British and the Dutch do not mean that the coal and its producers shall be exploited by the Societe Generale de Belgique and its French associates. They will fight, at least the British will—for the coal of Belgium as well as for her soul!

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