

ant dream with prospects of realisation!) "If," continues the Guardian, in so many words, "this is the policy of France, the outlook is black indeed." Said the Referee a short time ago: "If the French plan were adopted, and France allowed to seize and exploit the rich coal and iron fields of Germany, . . . she would become the dominant industrial power on the continent. . . We would be up against a powerful aggressive force in international markets, and be closed out of French spheres by high tariffs . . . but we would oppose a new industrial concentration which would be distinctly hostile and detrimental to our industrial interests."

Exactly. But will Britain be able to resist if France insists?

J. P. M. Millar.

* * * * *

IRON, IMPERIALISM, AND THE PASSING OF MR. LLOYD GEORGE.

IN the tangled problem of British-French-German relations one of the most significant "straws in the wind" recently has been the Dariae report. The report started with a description of the supreme economic importance of the Rhineland, which includes the Ruhr Valley. It points out that:

The feature of this region of occupation is its very accentuated industrial character, which makes of it a pledge in our hands of quite the first importance for the recovery of the sum which Germany has undertaken to pay us. . . . The majority of the great German consortiums have been formed there, have their headquarters and their establishments there, and the ten or twelve industrialists who direct them, rule directly or indirectly, but absolutely, the economic destinies of Germany.

M. Dariae then proceeds to point out that the French occupations of the Rhine bridgeheads, and part of the Ruhr basin, together with the French Customs barrier on the Rhine gives them a stranglehold over Germany. By tightening the Customs barrier France can "separate from their coal, their ore, their cast iron and steel production, the connected and complementary establishments" of this area, and can utterly disorganise the industry of the potentes of Dusseldorf, Duisberg, and Ruhrort.

Therefore, M. Dariae proposed that this stranglehold should be used to give to France control over Germany's industrial production.

Previous to this M. Delaisi has pointed out in "Reconstruction in Europe," No. 7, that the change in the French reparations policy had been due to the changed interests of the French Union of Mining and Metallurgical Industries, which "exerts on the French press and consequently on the Government an influence equal to that of Hugo Stinnes in Germany." The famous association of French heavy industry (metal)—the *Comite des Forges*—is a dominant member of this Union. Formerly cheap coal had been their main need, and this was what they demanded of Germany. Then came the "slump" of 1920 and consequent oversupply of coal; and the Union of Metallurgical and Mining Industries turned its attention to securing supplies of coke, which the blast furnaces and steel works of Lorraine lacked, from the mines of Stinnes in the Ruhr. M. Delaisi concluded his article with the suggestion that the new tendency in the policy of French heavy industry would be to form an economic union of the industrial and mining establishments of the Ruhr with their own establishments in Lorraine.

The epitome of the whole matter is this: German Capitalism in the Ruhr depends upon Lorraine ore; French Capitalism in Lorraine depends upon Ruhr coke.

While yesterday we saw M. Dariae voicing the interests of the *Comite des Forges*, today we see M. Poincare translating M. Dariae's advice into practical politics. He goes to the Brussels Conference with a new policy. He is now ready to recognise what all the logic and persuasion of capitalism's "wise men," like Mr. Keynes, could not make him recognise so long as economic interests placed the telescope against the blind eye of the *Comite des Forges*. He is ready to recognise that Germany cannot pay; and that the demands made on her must be reduced. Consequently he is willing to consent

to a moratorium and to a revision of Germany's total liabilities. But in return he demands for France control over German customs and over the industry of the Ruhr Valley. M. Poincare proposes a system of financial control over Germany similar to that imposed on Austria through the League of Nations. The first signs of German's refusal to carry out the policy imposed upon her, the first wriggle of Stinnes from the bonds placed upon him, would be the excuse for the annexation of the whole of Germany's industrial area by France. Thus does M. Delaisi begin to find himself numbered among the prophets, and M. Dariae and the *Comite des Forges* begin to smile to see the curtain go up for the first act of the drama that they have so assiduously prepared.

And what of the attitude of Mr. Bonar Law to this first step towards a union of Ruhr with Lorraine industry in a combine of wider scope than Europe has hitherto seen? M. Delaisi declared that Britain "will never favour a rapprochement between the minette of Lorraine and the coke of the Ruhr." "If she has broken the wings of German industry," he said, "It was not to see France soar in its place." But it was three months ago that he wrote that, and three months ago Mr. Lloyd George was still the political figurehead of British capitalism. The advent of Mr. Bonar Law and his Conservative Government with its policy of "digging in," of maintaining friendship with France, reducing British commitments in Europe and the Near East, and concentrating on the development of Empire trade, alters the whole face of the European situation.

It is always difficult and dangerous in judging contemporary events to label parties and policies too rigidly. The events are so close to us and our knowledge of them is so inadequate. But it is not far from the truth to say that the policy which Mr. Lloyd George represented was the policy of the aggressive and progressive element in British capitalism, of British heavy industry as expressed through the Federation of British Industries. Or, if it is preferred, it represented British capitalism at a time when conditions inspired in it an aggressive and progressive mood. Mr. Lloyd George reflected the growing antagonism of Vickers, General Electric, Armstrong Whitworth, Cammell Laird, etc., to the rising power of the *Comite des Forges*. "If (British capitalism) had broken the wings of German industry, it was not to see France soar in its place." Reconstruction of the markets of Central Europe was the policy behind the Cannes, Genoa, Hague, and London Conferences, so bitterly ridiculed by the more conservative element at home as "the Prime Minister's travelling circus." Washington forced the issue between France and Britain into the open, and as conference succeeded conference, the breach in the Entente grew wider. As an "arriere pensee" there was British expansion in the Near East; and the climax came in those critical days of September, when British troops awaited hourly an attack from the victorious troops of Mustafa Kemal; and when that magnificent piece of "bluff"—the bellicose note to the Dominions on the 23rd—was greeted with a howl of execration by the Francophile and pacific press at home.

Now the reckoning has come. Mr. Lloyd George has joined Mr. Asquith upon the Opposition Benches, with but half a hundred satellites to show of the glory that once was his. Enthroned in his place are those who represent the passive, conservative elements of British capitalism—the banks and the finance houses of the "City," the bondholders and the "rentier" class, old-established business firms, which have their glory in the past and wish to preserve it, dreading the losses of war and revolution more than they yearn for the profits of new conquests.

It is therefore very unlikely that Mr. Bonar Law will offer a very strenuous opposition to the proposals of M. Poincare; and M. Poincare is likely to be unbending, for he has before him as warning the fate of M. Briand when he compromised the interests of the *Comite des Forges* by conceding too much to Mr. Lloyd George at Cannes. At Lausanne Lord Curzon has been at great pains to preserve Allied

unity, and he has preserved it at the expense of considerable concessions. And what is done at Lausanne will be inevitably interwoven with what is done at Brussels. The Observer tersely comments:

"France is far more interested in the Ruhr than in the Straits and therefore the conditions for a bargain or for blackmail are complete." (Dec. 10th).

Britain is likely at Brussels to purchase peace and tranquillity at the price of handing over to the *Comite des Forges* the Ruhr and Rhine industry of their heart's desire. Meanwhile British capitalism will attempt to consolidate itself. It will undertake a drastic economy and reduction of taxation, a clipping of the wings of labour, a development of the resources of the Empire, and a restoration of the prestige of "The City" by a stabilisation of the pound sterling at its pre-war parity, if possible, and by a courageous fulfilment of our debt obligations to America.

The significance of the Brussels Conference will be, therefore, as an important landmark in the history of post-war Imperialism. The true significance of the stabilisation of Austria was cloaked behind an appearance of beneficence. To the Liberals, who dreamed of a Cobdenite Europe, it seemed that the League of Nations was really fulfilling the "ideal" role which the "Presbyterian" of Washington created it to fulfil in his visions. With the adoption of the same policy towards Germany we have the naked appearance of the policy of the "Africanising" of Central Europe. If M. Poincare's proposals are accepted at Brussels, the imperialist world will have sealed with its approval this new phase of its activity; the death knell of the Liberal dreams of a reconstruction of Europe on Cobdenite principles will have sounded.

If Brussels gives to the *Comite des Forges* a free hand to buy out Stinnes, Krupp, and Thyssen on its own terms and allows the financial syndicates of Paris to fasten their hold on Central Europe as they fastened it on Tunis and Morocco forty years ago, the reconstruction of Central Europe by an international finance consortium, in which the London banks will be content to be "sleeping partners," will begin; and the League of Nations will be used as its instrument. Among its first actions is likely to be the sweeping away, as in Austria, of most of the concessions won by the workers, such as workers' control, and a wholesale reduction of the standard of life. A stabilisation of the mark is bound to involve on industrial crisis on a huge scale and widespread unemployment.

Meanwhile the resolve of "The City" that Britain must shoulder her obligations to U.S.A., even if nothing can be obtained from her European debtors, will mean that Britain will have to increase her exports to U.S.A. and decrease her imports; for the repayment debt or the payment of interest on it involves as a necessary condition an export surplus. Hence British workers will be made to work harder on a lower standard of life. For the moment it seems as though Brussels is to give Europe a taste of the Servile State.

But it does not seem probable that Mr. Bonar Law's ideal "tranquillity" will remain enthroned for long. The raising of the *Comite des Forges* to the chief place among the heavy industry of Europe and the establishment of French hegemony across Central and Eastern Europe is likely before long to sting British capitalism into activity again. Once British heavy industry has passed its period of greatest depression, and has shaken itself free from dependence on banks, which a period of deflation imposes on it, it is likely to rear its head once more, and to engage in the imperialist struggle more desperately than before. And may not U.S.A., too, want a finger in the pie, as J. P. Morgan have already had theirs in the Austrian pie? What if J. P. Morgan and Co. think of Africanising their debtors, Britain and France, as the *Comite des Forges* is Africanising Germany? And then there is always China!

Perhaps deep down in his unconscious Mr. Lloyd George knows this, and reclines on the Opposition Bench—waiting; waiting for the day when British capitalism will need him at the helm once more.

MAURICE H. DOBB.