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The Gates of the Ruhr

BY J. T. WALTON NEWBOLD

THE next stages of the deliberations on the question of Germany's liability to make payment of Reparations to France and Belgium are going to bring into prominence factors that have, hitherto, remained in the background, seeming only of secondary importance. We are going to be made acutely aware of the fact that the profitable exploitation of such an industry as has grown up in Lorraine and on the Ruhr depends not only on the harmonious co-ordination of iron and coal mines, coke ovens, blastfurnaces and steel works, but also upon the goodwill of those who handle the raw, semi-manufactured and finished material passing between the various establishments and issuing from them on to the world market.

Both the Lorraine ore-field and the Ruhr coal-field have this double handicap that the outlets which serve the most economically are situated within the territory of a foreign state. This difficulty has presented itself as a problem of grave concern to the industrialists and to the statesmen of France and Germany for many a long year and now that it is complicated by the post-war antagonisms of the two countries and the vested interests of Antwerp and of Rotterdam it is going to require a skill and discrimination in adjustment that there is no indication of in Europe today.

However a settlement may be arrived at or the conflict of economic and political forces may continue, one thing is certain and that is, that it will affect the wage rates, hours of labour and volume of employment of hundreds of thousands of miners, iron and steel workers and railway and port employees along the east coast of Great Britain from Methil Docks to Dover. For that reason, if for none other, it is imperative that we should try to understand the issues that are at stake. The Rhine is the natural artery up and down which the heavy traffic of the Ruhr and Westphalia has always passed and must in the nature of things continue to pass. The great emporium of Rhineland trade has been and is the Dutch port of Rotterdam whose prosperity is bound up, as recent shipping returns make evident, with that of Rhineland to which it sends foodstuffs, ore and other raw materials and from which it takes outward bound coal and manufactures. The development of the Ruhr has made Rotterdam the wealthy city that, during the nineteenth century, it has become. It has given it an independence so far as coal and other commodities were concerned that has enabled the Dutch to snap their fingers at the powerful shipping and mercantile community of London and the east coast ports of England.

Rotterdam has stood mid-way between two great industrial areas and has grown rich and influential in her commerce with them both.

Formerly, there was a considerable flow of Dutch capital to the iron industry of Durham, and in the coal trade between the north-east coast on the one side and Holland on the other strong links of mutual interest were forged that endure to this day.

Just before the war the Furnesses of Hartlepool acquired a monopoly of the grain-elevators of Rotterdam and with twenty-eight of these, discharging up to 30,000 tons per day, were doing, in conjunction with four German partners, a roaring trade in American and Canadian grain with the Rhineland.

In the summer of 1914, the same group established a shipyard with Dutch capital at Schiedam and, in 1917, re-organised and re-capitalised their big coal shipping agency with its fleet of tugs and lighters. In 1920, Furnesses entered into further alliances with Dutch merchant capital and are now interested in coal-mining in the Limberg area of South Holland.

Through Amsterdam, the banking group of Mendelssohn & Co., who act with Krupps, inter-lock with Kleinwort & Co., who operate with Furnesses. Kleinworts and the Westminster Bank, whose interests are very closely associated in the Furness group of shipbuilding and steel companies in Scotland, are now co-operating in banking enterprise in Holland.

At the same time, Van Muller & Co., the great mercantile agents of Rotterdam, are working with Vickers, Ltd., on one hand and with Otto Wolff and the A.E.G., on the other. Mullers are shipowners and Wolff has 20 per cent. of the capital of the Societe de Navigation du Rhin. Krupp, Wolff and Muller co-operate in Germany, Vickers and Furnesses in the British Empire.

None of these parties, severally or collectively, will be disposed to permit France, whose representative is president of the Rhine Navigation Commission, to dominate the waterway as far as the sea.

Whilst Rotterdam has the very greatest importance for the water-borne traffic coming to and from the Ruhr, the nearest port is that of Antwerp which, prior 1914, took several million tons of Ruhr and Rhineland exports through her docks every year. At that time, the Belgian capitalists and their Government wished to have a canal built connecting the Ruhr and the Meuse—connected, in its turn, by canal with Antwerp—but the German Government, under the insistent pressure of Bremen and Hamburg, refused. By the Article 361 of the Treaty of Versailles, however, the Belgian Government secured that "should Belgium within a period of twenty-five years from the coming into force of the present Treaty decide to create a deep-draught Rhine-Meuse navigable waterway in the region of Ruhrort, Germany shall be bound to construct . . . the portion of this navigable waterway situated within her territory."

Just as Hamburg and Bremen by the Ems-Canal were seeking to exploit the Ruhr so was Antwerp determined by similar means to get her grip upon its resources. This influence within Belgium is, like that desiring the closest customs union with France and Luxemburg, the cosmopolitan banking interest at the centre of which is the Societe Generale de Belgique. It has in hostility to it not only the British and Dutch but, also, the lesser colliery and iron and steel concerns of Belgium and Northern France.

The occupation of the Ruhr had the effect of greatly increasing the number of ships coming into Antwerp—bringing coal from England. Antwerp's trade with Middlesbrough as, also, with Newcastle, Cardiff and Hull has, for decades, been very considerable, the staple article being, of course, coal.

Any such proposition as a canal linking up the Scheldt with the "fat" coal region with the Ruhr would meet with the strongest resistance from the Durham, Humber and South Wales exporters.

The iron works of Northern France have always been such good customers of the Durham coke-oven

owners that the latter have no desire to lose them, either, to the masters of the Ruhr.

But more important than its present connection with the Ruhr is Antwerp's present and past connection with the North of France, with Luxemburg and with Lorraine. Despite all the efforts of French Ministers of Commerce and of the French railway companies from 1883 onwards to develop Havre, Calais and Dunkirk as the ports of the Nancy region, heavy traffic persisted in going 590 kilometres to Antwerp rather than 652 to Dunkirk and 783 to Havre.

Antwerp has been the port for decades of the great iron and steel concerns of Northern and Eastern France participating in the Comite des Forges and for the industrial production of the region around Metz. That explains, very largely, why there has been so much Belgian bank and trade capital in the two great "banques d'affaires" of France, the Banque de Paris et des Pays Bas and the Banque de l'Union Parisienne, and why Belgian money has been poured into what were, seemingly, French concerns.

But the railways running from Antwerp south-eastwards through Luxemburg to Switzerland were largely built with British capital and, like the shipping of Antwerp and the ready money of Antwerp and the coal of Antwerp, were under British influence.

The political Entente was no accident of politics. It was an incident of economics and Antwerp was the link.

The capitalists of Antwerp, of Northern France, of Luxemburg and Lorraine can only get out of traditional economic tutelage to British capital by the aid of American capital and the acquisition of German coal. If they acquire the latter they will draw the former as a magnet draws iron. Foreign capitals will jostle each other on the road to Ruhrort.

Of this fact, Poincare and the Bank of France are conscious and, therefore, daring in their diplomacy and their finance. They have the support of a group of forces, rallied in France, in Belgium, in Holland and in Central Europe with that circle wherein stands Schnieder et Cie, and in which, also, are the Wendels and Stinnes together with the Chatillon Commertry Steel Company and the Banque de l'Union Parisienne.

In this group, which represents older and more mellowed elements in capitalism, are Lloyds Bank, Ltd., the Shell Oil companies, Lazard Brothers, the Baldwins, the Peases and, apparently, Dorman, Long and certainly the Pearsons. Looming in the background are J. P. Morgan & Co., Schroeders, Rothschilds and others of the older financial houses of Europe and America.

These interests, dominant in the privately-owned railways of Britain and France, become fabulously wealthy in the building of the railways of the world, grown rich upon the credit and underwriting business of the vast overseas commerce of Britain and Belgium, participants in the finest spoils of empire development, are now driving forward to the complete liquidation of all economic independence within Central Europe and its approaches.

The French State, debtor of British and American high finance, now once more come to its rescue,

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