

Germany's Economic Aims

The Germans still hold that economic strength comes from military power

By W. W. SWANSON.

Impatient as many become at the question as to what are the objects of the war, it is essential nevertheless that we return to fundamental issues, for only by keeping principles in plain sight is it possible to steel ourselves to the waste of treasure and the sacrifice of human life involved in this struggle. The Allies are quite convinced that material gains have little or nothing to do, as far as they are concerned, with the outcome of the war: the great words liberty, democracy and political justice, are more than mere names to them. While often enough these words trip lightly from the tongue of Anglo-Saxons, yet their content means to them more than life itself.

Germany's principal objects in fomenting strife and continuing the struggle are to be found in material gains and aggrandizement. It is a threadbare truth that the German people have been schooled for two generations and more to believe that political and economic greatness depend upon military power. Before considering the economic outcome of the war, according to the German programme, we may pass in brief review some of the outstanding political facts in recent German history that lend color to this view.

The national aims and aspirations of the pan-Germans lie at the root of the present conflict. Behind these aspirations one finds the teachings of Nietzsche and Heinrich von Treitschke. It is not worth while, in this connection, to do more than point out that Nietzsche, with his doctrines of the superman, his contempt for Christianity as the solace of the superstitious, his belief that peace is abnormal, and war the rational, rule of life in nature as well as among humankind, exercised a profound influence upon the life and thought of modern Germany. To Treitschke's lectures at the University of Berlin thronged not only the students, but military chiefs, national leaders in industry, and representatives of the Junker class. Everyone knows that the main thesis of this great historian—for he was great—was that the Fatherland, having overcome effeminate France, secured the hegemony of Middle Europe and blocked Russia's progress to the Straits, had one enemy only to be put of the way—England, the guardian of the seas. This was essential in order that, as all Germany learned to say, the Empire might "have a place in the sun."

The German idea worked with a surprising facility and efficiency in its application against Denmark in 1864, against Austria in 1866, and against France in 1870. The whole German nation was dazzled by these easy victories; and under Kaiser Wilhelm II, who came to the throne in 1888, enthusiastically gave itself over to the furtherance of this programme. While German designs were being perfected, Russia was encouraged to expend in the Far East, France in Algeria, while Austria and Italy were controlled under the Triple Alliance. War with England was resolved upon a generation ago; but German ends in the Balkans, in Turkey, and in Asia Minor, had to be achieved first. It is only necessary to recall the Kaiser's congratulatory telegram to President Kruger at the time of the Jameson raid, his dramatic appearance at Tangier in 1905, his infamous secret treaty with Caillaux for the partition of the French Congo, and the Moroccan crisis of 1905 and the other occasions when the Kaiser appeared "in shining armour", to realize how often Germany had come to the verge of provoking war and distributing the peace of the world.

As recent European history is passed in retrospect, it becomes clear that Germany had given itself over completely to the belief that economic power could be achieved by military measures. On more than one occasion the Kaiser himself acted as star salesman for the output of German shipyards. It is well known that German finance dominated the economic life of Russia before the war; and that during the Russo-Japanese struggle a favourable tariff arrangement with Germany was the price exacted from the Czar in return for neutrality. When the Kaiser at the Algeiras Conference grudgingly gave consent to French political sovereignty in Morocco, it was with the stipulation that German industry should share equally with that of the French in exploiting the resources of that vast empire. The Bagdad Railway was rapidly giving the Fatherland supreme economic power in Asia Minor; the Kiao Chou was a bastion of German trade in the Far East. In Africa, in Turkey, in Near and Far Asia as well as in Brazil and

Chile, German influence and trade made prodigious strides.

Let no one suppose that the army and navy were an end in themselves. The manufacturers of the Black Rhine country, as well as German bankers and financiers supported the doctrine of the mailed fist because they felt and believed that military power brought with it economic power. In large measure they were right. Germany had in fact become a predatory nation in a world that wished to develop trade and commerce in peace. Hence the contempt and scorn which the Junkers and military elements in the Fatherland poured upon the United Kingdom and the United States.

Germany's conception of trade itself was that it partook of the nature of war. The revelations that have been made of German commercial methods in international commerce, since the outbreak of hostilities, have almost "staggered humanity." It is now well known that an army of industrial spies penetrated Europe and America in the interests of German manufacturers. German finance entrenched itself in London at the very heart of the financial world; and in New York and in every other city of commercial and financial importance. Just as the German people submitted to crushing taxation to support the army and navy, so they submitted to extortionate prices for domestic products in order that German industrial magnates might capture foreign trade by the well-known dumping process. Since the outbreak of war many German economists have not scrupled to gloat over the devices by which German industry mined and sapped its way into the neutral markets of the world. And we are assured that, when victory shall have been achieved, the process will be continued farther.

There are many who seek to persuade us that the liberal nations will deal with a chastened Germany, and an enlightened Germany, after the war. So far we have found no evidence to convince us that such will be the ease. On the contrary all data at hand go to prove that the commercial and industrial magnates of the Fatherland are determined to rely upon the old weapons—tariff concessions extorted by force, natural resources acquired by military aggression or threat, the subsidizing of the export trade and of shipping, and the formation of economic combines or cartels. And this is not the programme, let it be realized, of those in power alone. The German masses are behind that programme.

All evidence goes to demonstrate that truth. Aside from Liebknecht and his Gideon band—now languishing behind penitentiary bars—so-called revolutionary Germany is heart and soul for the war, and for the attainment of Pan-German aims. As Bernstein has said, Scheidemann and his followers, including the great Socialist organ, Vorwaerts, itself, "have become trainbearers to the Prussian Government." True, the Minority Socialists passed a peace resolution in 1915 which approximated to the conceptions of democratic peoples; but it was at most a futile gesture. The Socialists as a body are behind Hindenburg, Ludendorff, von Hertling and the Kaiser.

It must be realized that power is slipping from the hands of Scheidemann and the older man. A new group of vigorous leaders has appeared whose socialism can scarcely be distinguished from the chauvinism of the Junkers themselves. An exposition of the thinking of these aggressive Socialists of the newer school is to be found in: "Three Years' of World Revolution," by Dr. Paul Lensch. Lensch vigorously combats the idea that there is any funda-

mental difference between the aims of German Socialism and German militarism. Essentially the ends sought by Capital also are identical—strange as that may appear—with those of the toiling masses. Putting his thesis as simply as may be, he believes that military power is a sine qua non for the building up of a strong industrial estate; and that a strong industrial estate is only possible where Capital is protected by national organization, under which subsidies and the tariff play an important part. In such a State laborers are happiest because they find fullest employment.

It cannot be doubted that the protective tariff, employed as the principal economic instrument for the material advancement of German industry since 1870, has achieved a certain measure of success—a success for which the common people have paid bitterly. Behind its high tariff walls German industry has been encouraged to combine for the extension of foreign trade. As is well known, in many essential enterprises, such as the steel industry and the dye industry, German manufacturers had so perfected their organization that they were able to cut into the trade, and undersell the products, of their competitors. This was done in part by eliminating the wastes of competition; in part, by scrapping obsolete plants; and in part, by presenting a united front to the outside world. Industrial magnates from the Fatherland certainly regarded trade as a species of war, in which it was permissible to use every weapon available. This explains in large measure the success of German enterprise in capturing trade in many of the neutral markets of the world.

It may be objected that, in these particulars, the American trust was in no way different from the German cartel. It also flourished and grew mightily behind a tariff wall. At the same time there is a vital difference between the attitude of the American Government and the German State to these combines. In the Fatherland they secured official approval, guidance, and government subventions. In the American Republic neither the people nor the Government have acquiesced in the distinctly predatory practices of the trust.

In conclusion it must be said that the Anglo-Saxon world, and Italy and the French Republic, will never agree to the proposition that a State must be aggressive, or confess that it has fallen into decadence. The German belief is that a virile nation must necessarily be warlike, and ever ready to demand and secure the objects necessary for its material development. We have come to believe that a profoundly peaceful people, such as the English and Americans, may abandon feudalistic ideals of national glory without becoming flabby in spirit or industrial power. The war has demonstrated that beyond peradventure. The war has demonstrated, also, that democracy is no longer safe in a world given over to conflicting groups, whose security is based upon the balance of power. As long as human nature remains as it is, such a balance can never be stable. Forces of unknown strength and scarcely understood may at any moment bring about a state of unstable equilibrium, in which the nations of the world—some of them even against their will—will be plunged into the vortex of war.

This is not the place, nor have we the opportunity, to investigate the problem of commercial reprisals after the close of hostilities. To those, however, who base their belief of permanent peace upon an ostracized Germany, excluded from the markets of the world—at least such as are under the control of the Allies—we may point out that the chief reason for the outbreak of war is to be found in the predatory economic designs of Germany. It must be admitted, nevertheless, that the democratic nations may be obliged to combine to compel Germany to conduct her trade and industry in such a way that militarism, designed to achieve economic ends, shall no longer menace the world.

RAILROAD EARNINGS.

The gross earnings of the three principal Canadian railroads for the third week in August aggregated \$5,196,527, an increase over the corresponding week a year ago of \$704,079, or 11.2 per cent. All the three roads showed an increase for the week, the Grand Trunk leading with a 28.5 per cent gain. Since the taking over of the Grand Trunk lines in the United States by the Government of that country, the earnings for this year, as from August 1, represent traffic on Canadian lines alone, and comparisons have been made with last year's traffic only on the

lines taken into account this year. For instance, total earnings of the Grand Trunk for the third week in August, 1917, were \$1,371,233, but earnings for the past week have been compared with \$1,043,954, as \$327,249 were the week's earnings for the lines in the United States.

Following are the earnings for the past week, with the changes from a year ago:

	1918.	Increase.	P.C.
C. P. R.	\$2,942,000	\$242,000	8.9
G. T. R.	1,341,827	297,879	28.5
C. N. R.	912,700	164,200	22.0
Totals	\$5,196,527	\$704,079	11.2