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## WAR AND TRADE

### BRITISH WAY WITH NEUTRALS

#### AN ORDERLY SYSTEM

Only a month has passed since the beginning of the campaign to disorganize German economic life and to bring home to the people of the Reich the manner in which they are being sacrificed to the senseless ambition of their dictator. In this short time encouraging progress has been made in several directions. Initial success in the first objective of intercepting contraband on the way to the enemy has been almost spectacular, although optimism must be qualified by Mr. Chamberlain's warning that Germany possesses stocks of varying size of the raw materials she usually imports.

A summary of the official figures compiled by the Contraband Control shows that seizures amount to no less than 256,000 tons of goods as to which there was evidence that they were contraband consigned to the enemy. These goods included nearly 65,000 tons of petroleum products, over 60,000 tons of iron ore, 37,000 tons of manganese ore, 8,000 tons of haematite ore, 21,500 tons of bauxite, and large tonnages of other minerals, cattle food, chemicals, and rubber, together with numerous mixed cargoes. During these early weeks about 9 per cent. of the total German annual import of manganese ore, which is of great importance for the preparation of special steels, was intercepted. A writer in *The Times* last Saturday, discussing the likelihood of Russian supplies of manganese ore, pointed out that in the first half of this year the U.S.S.R. sent to Germany less than one-tenth of the quantity which the Contraband Control has already secured. An even more important proportion of Germany's annual supply of molybdenum concentrates, which are essential for the production of bullet-proof and other steels, has been seized. In addition 100,000 tons of contraband, including 24,000 tons of liquid fuel, have been taken by the French Navy.

#### THE SAAR COAL

The stoppage of iron ore and petroleum products has manifold repercussions. Any diminution in the supply of imported iron ore means that Germany must have additional recourse to her own low-grade ore which is being worked at an extravagant expenditure of coal. Similarly, decreased imports of petroleum products mean that increased efforts must be made to obtain substitutes by processes which require large stocks of coal. And more coal is required to meet increased demands for cement for fortifications, motor roads, and chemical manufacture. It is significant that as soon as the Germans were forced to abandon the Saar mines they sent the coalminers so released to the Ruhr pits. There they have been badly needed, since little success has attended the efforts long made to accelerate output. Production *per caput* has declined owing, it is said, to weakened physique through under-nourishment; while the owners have been unable to effect overdue renewals of their machinery and equipment, because the engineering industry has not been obtaining the fuel and other material it wants. Such difficulties will obviously have been increased as a result of the Contraband Control operations. It is worth recalling here that Saar coal was to have been the medium of exchange for Italian foodstuffs.

the British Government attach the greatest importance. It is endeavouring to carry out its operations with a minimum of inconvenience to neutral countries. This fact has been acknowledged by more than one of the Governments concerned. Recognition of the endeavours of the Allies to take account of the trading needs of non-combatants has been strengthened by the strong contrast seen in the ruthless methods which the Nazi Government have decreed.

The difference between British and German methods of conducting war against commerce at sea comes largely from the use made of the submarine. This vessel is wholly inapt for dealing with commerce, since it can only with difficulty and in exceptional circumstances be so employed as to conform with the accepted rules of war. A belligerent seriously desirous of conforming to these rules will restrict the employment of the submarine, a vessel incapable of visiting and searching a neutral ship to verify her nationality and establish the nature of her cargo. Consequently, the German practice, unlike the British, gives the neutral shipowner and merchant no chance to plead his cause before a prize court, but condemns him to the certain loss of both ship and cargo. The ordinary British practice is to release the ship after the suspected contraband has been unloaded for judgment by a prize court.

#### SHIPS AND THE CARGO

There is a sharp distinction also between the effect of British and German methods on neutral cargoes in belligerent vessels. The British regulation is that an enemy merchant ship may be sunk only if she cannot be brought in, and officers are informed that compensation may have to be paid for neutral non-contraband cargo if the enemy ship is sunk without due cause. The German practice, on the contrary, has been, with few exceptions, to sink British merchant ships without reference to any neutral cargo carried; and it should be noted particularly that the submarine, which the enemy uses for this purpose, is by its very nature incapable of bringing in its captures.

Germany has shown further disregard for any law by sinking neutral ships on the ground that they are carrying contraband to Britain. In fact, only in exceptional circumstances are neutral ships liable to condemnation for the carriage of contraband, the contraband articles alone being normally liable. As Great Britain depends for her existence on seaborne trade both in war and peace, her interests coincide with those of neutrals and are therefore directed, like theirs, to maintaining normal conditions of trading. German propaganda seeks to convince neutrals that Britain, by including foodstuffs as conditional contraband, is conducting a blockade that is both inhumane and illegal. Yet she is doing no more than the Allies, including the United States, did in the last War. Neutrals and others alike will remember that, from the day when Göring told the German people that it was better for them to have guns than butter, they have been denied adequate nourishment and had to tighten their belts.

In contrast with the loss of life caused by enemy submarines, starting with the *Athenia*, no civilian has been killed by British action and no neutral property, except contraband, is threatened. In short, whereas the British method of contraband control is lawful and not directed against human life or innocent cargoes, German economic warfare is now as in the past violent and indiscriminating, although individual U-boat commanders have behaved humanely. The instruments employed by Britain, under the control of properly constituted Courts, permit full conformity with the laws of war and prevent loss of life or unnecessary damage. Mr. Churchill has summarized the position by pointing out that, while ships of many nations have been sunk in German

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