

CONTROL OF GERMAN EXPORTS

NEUTRALS AND THE AGGRESSOR

THE CHOICE BEFORE EUROPE

TO THE EDITOR OF THE TIMES

Sir,—Those neutral Powers who make protests against the British Order-in-Council regarding exports might surely give consideration to the fact that a German victory spells inevitably the end of their existence as independent nations.

The separate existence of the lesser States of Europe does not depend upon their own armaments, but upon the ability and will of the greater States to prevent their absorption by an aggressive and aggrandising Power. It was not gallantry alone which saved the Seven Provinces from Spanish rule in Queen Elizabeth's time: that gallantry could not have saved them without the aid they received from Great Britain: and both then and later the British efforts to restrain the would-be dominators of Europe were weakened by the persistently pursued policy of the Seven Provinces to trade with the common enemy.

There is ample evidence in the last three quarters of a century of the German desire to annex or absorb the smaller European nations. Lord Morley records ("Life of Gladstone," ii, 320) Bismarck having told the Dutch Ambassador in 1865 that "he coveted Holland less for its own sake than for its wealthy colonies," and that in 1869, after the disgraceful Prussian attacks on Denmark and Austria, "the small nations" were in trepidation and with good reason." When reminded that Belgium was guaranteed by Europe, Bismarck replied that "a guarantee in these days was of little value," and when the Belgian Press did not conceal its sentiments he "let fall the ominous observation that if Belgium persisted in that course she might pay dear for it." The sole restraining force was the probability that he would meet with the opposition of other Great Powers.

From Bismarck to Bülow is a short step. The latter records a letter from von Schoen:—

General de Plessen . . . added that it was a matter of the highest interest for us to have not only Denmark in our hands but also Holland and her colonies, if it was for nothing more than the urgent need for coaling stations. As I called his attention to the fact that these plans could not be carried out without sanguinary conflicts with all the great nations, including America, the General agreed that their realization must perhaps be deferred until some distant future. ("Memoirs," Vol. II, Chapter vii)

So, too, the question of forcing Denmark into a close alliance was put aside because it would produce an Anglo-French-Russian alliance for the maintenance of Danish independence (Vol. III, Chapter i): and the forcible annexation of Switzerland, Holland, and Belgium, cynically discussed, was put aside not because of the powers of resistance of those nations, nor for the immorality of the aggression, but because it would lead to the intervention of the Great Powers.

But the action at sea, though it is the only remaining safeguard of the continued independence of these States, now produces a chorus of protest. The present situation recalls that of 1803, when Napoleon had Holland, Belgium, Switzerland, and part of Italy in his grasp. "These perpetual encroachments caused profound anxiety in Europe and induced it in despair to turn to England for support." The help which England could give was at sea: but its effectiveness depended upon the exercise of the "ancient rights" of a "belligerent" at sea: and necessarily bore with some hardship upon the neutral. But the choice lay between the acceptance of temporary financial loss and submission to a despot whose despotism was pure liberalism when compared with that which we witness to-day. The Prussian Minister Haugwitz summed it up in a sentence. "The arbitrary behaviour of the English at sea is very inconvenient, to be sure, but the continental despotism is infinitely more dangerous." (Emile Dard: "Napoleon and Talleyrand," p. 57.)

Is not this the choice which lies before Europe to-day? I am, Sir, yours, &c.,

H. W. RICHMOND.

The Master's Lodge, Downing College,
Cambridge, Nov. 28.

CHARLOTTE M. YONGE

TO THE EDITOR OF THE TIMES

Sir,—Your correspondent's recommendation of Miss Charlotte Yonge's books as "escapist" literature in our present times of stress was gratifying to me, as a C.M.Y. collector of many years standing. Yet I must nevertheless—in the same capacity—venture to take exception to one or two of his references. "The pitying smile" is far now from being the only tribute paid to-day to the memory of Miss Yonge. Some 10 years ago I was honoured by an invitation to lecture on the subject of Miss Yonge's works at a Cambridge University extension school.

REAL ECONOMIC WARFARE

ESSENTIALS OF THE CAMPAIGN

UNITY OF COMMAND

From a Correspondent

The first German War was won and lost by the interaction of economic and military effort. The Allied surface blockade prevailed, except for a few anxious weeks in 1917, over the German submarine blockade. In the field the Allies first definitely asserted their superiority in August, 1918, but it was their stranglehold on Germany's economic life that converted retreat into collapse by November. The same interaction of economic and military factors will decide this war also. Neither hunger nor shortage of materials will by themselves bring Germany to her knees, however long the war continues. Only actual defeat—though defeat in the air may possibly prove sufficient—will finally tip the scale. But the economic factor is destined to play an even larger and more conclusive part this time, and the winning of the economic war is an indispensable condition of final victory.

It will, however, be a very different economic war, more varied, in some ways more difficult, certainly more urgent. In the last War the Central Powers were almost completely surrounded by enemy territory. The only margin of neutral territory with which they could maintain contact was composed of Switzerland, Holland, and Scandinavia, small countries themselves entirely dependent on the Allies for most essentials of economic life. The system of rationing their oversea imports set a very definite limit upon their ability to supply German needs; they could afford only a very narrow local market for German exports; the transit of German exports through their territories could easily be checked.

FORESTALL GERMANY

To-day Germany's neutral margin is far larger in area, resources, and population. It is in fact the whole continent of Europe east of France together with much of Asia. So great a part of the world, so largely self-sustaining and comprising so many and in some cases powerful States, cannot be rationed as we rationed Holland or Switzerland, nor can its export trade be as effectively controlled. New methods are required to deal with that situation. We need, in addition to the old negative technique of blockade and rationing, the positive, militant technique of pre-emption. We must not be content with preventing Germany from buying the materials over which we can exercise physical control. Where that control is not available we must forestall her by buying ourselves the materials she needs, and by supplying neutrals with the goods they might otherwise take from her. We have both to outbid and to undersell Germany in what will be a true economic war, waged with purely economic weapons, and not merely economic pressure exercised by naval power.

Here again, when it comes to measuring our relative economic resources, the picture is in many respects very different. In 1914 we had much larger accumulated reserves of purchasing power to draw upon. We had between £3,000,000,000 and £4,000,000,000 in easily realizable American and other foreign securities. To-day it is doubtful whether we have much more than a third of that figure. Later on we were able to raise large credits in the United States. That door has been deliberately closed upon us. We may set against these losses the development of the Dominions in the interval and the possibility of securing credits from them by the liquidation of their indebtedness and otherwise. But that is only a partial offset. Again, in 1914 our national current account with the outside world showed a net balance of payments in our favour of over £180,000,000. In recent years the balance has not averaged a sixth of that figure. To-day we are certainly not making both ends meet.

THE ONLY WAY

There is obviously only one way of meeting this changed situation, only one way by which we can possibly feed our people, supply the voracious appetite of the war machine for raw materials, and at the same time outbid Germany for foodstuffs and materials which she needs. That is at all hazards and at all costs to sustain and if possible increase our export trade while diminishing our domestic consumption. We cannot pay for victory in this war out of capital. We have got to earn and save the means of victory while we are fighting. On the earning side exports, exports, and again exports are as